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LABOUR MANAGEMENT vs WELFARE WORK

AN INVESTIGATION INTO THE ORIGINS AND DEVELOPMENT OF PERSONNEL MANAGEMENT IDEAS AND PRACTICES IN BRITAIN FROM 1890 TO 1939

Alastair Evans

**A thesis submitted in partial
fulfilment of the requirements of
Thames Valley University for the
degree of PhD**

June 2003

ABSTRACT

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The aim of this research is to make contributions to knowledge in two areas: first, to explore from an historical perspective the development of personnel management ideas and practices in Britain in the period from 1890 to 1939 (a task which hitherto has not been satisfactorily undertaken) and secondly to assess the implications of the findings for current theoretical frameworks.

Very little research has been undertaken into the historical development of personnel management in Britain, in contrast to the United States where a number of such studies have been published. The main exception is a published history of the professional institute published by MM Niven in 1967. Whilst providing useful insights, its main concerns were with the internal affairs of the institute, not with the development of ideas and practices. Niven traces the development of the institute from its origins in an association of welfare workers established in 1913 and since it stands as the only historical account of historical developments in personnel management in Britain, it has been universally cited as the single authority on this subject, together with its main thesis that personnel management in Britain has its sole origins in welfare work.

It was a minimally explained, but potentially significant event in the institute's history that provided the stimulus for this research. Niven recounts that the institute changed its name to the Institute of Labour Management in 1931, suggesting that welfare work had undergone some 'restyling' around this time. Significantly, Niven recounts that so called 'labour managers' were

predominantly male, whilst welfare workers were predominantly female. From this, it was hypothesised that labour managers might have entirely separate origins from those engaged in welfare work and if so, this might call into question the sole origins of British personnel management in welfare work. Thus, the thesis has been concerned with a search for the origins of the so called 'labour management' movement in Britain, the existence of which has not hitherto been commented upon or even recognised.

Drawing from contemporary texts, contemporary journals broadly concerned with the topic of management and case material drawn from company archives, the research endeavours to show that labour management did indeed have entirely separate origins, evolving from works management before 1914, through a 'labour officer' role with particular involvement in industrial relations during the First World War, to that of a fully fledged functional labour management specialism in the inter-war years promulgating ideas and practices strongly influenced by scientific management. Moreover, the research will endeavour to show that it was this set of ideas and practices that laid the foundations of modern personnel work, whilst the contributions of welfare workers to this remained minimal, leaving only the legacy of today's professional institute and an ongoing debate which persists to the present time about what role, if any, employee welfare should play in contemporary human resource management.

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CHAPTER 1

INTRODUCTION

The aim of this research is to provide a history of the development of personnel management ideas and practices in Britain between 1890 and 1939 and to locate the findings within contemporary theoretical perspectives about factors said to have influenced its origins, nature and development. The research therefore aims to make two contributions to knowledge: first, to explore from an historical perspective the origins and development of personnel management ideas and practices amongst employers during this period and secondly, to assess the implications of the findings for current theoretical frameworks.

It would be pertinent to explain here why 1890 was selected as a starting point for the present study and 1939 the end. The selection of start and end dates for historical research will inevitably be a rather subjective process. The rationale for selecting 1890 as a start date can be explained in a number of ways. First, currently available accounts of the origins of British personnel management¹ suggest that they can be found in the appointment of Seebohm Rowntree as Labour Director at the family company in 1890, followed soon after by the appointment of welfare workers and thus locate its development in welfare work. According to Niven,² there appear to have been few initiatives of this nature prior to 1890. Secondly, existing research into the development of a 'management movement' in Britain, including evidence of an awaking of interest in labour management indicated that this too emerged in the 1890s³. A similar

¹ eg Niven, M (1967), Personnel Management 1913-1967, London, Institute of Personnel Management; McGivering, I (1970), The development of personnel management, in Tillett, A et al, eds, Management Thinkers, Harmondsworth, Penguin. Mary M Niven was a personnel management practitioner for over 30 years. After early experience as a Personnel Officer at the Ministry of Supply towards the end of World War Two, she subsequently worked at de Havilland, J Sainsbury and, for nearly 20 years, at Philips Industries until her retirement in 1974. (Personal correspondence, 6 September 2002.)

² op cit, p16.

³ Gospel, H and Littler, CR (1983), Managerial Strategies and Industrial Relations: An Historical and Comparative Study, Aldershot, Gower; Gospel, H (1983), The development of management organisation in industrial relations, in Thurley, K and Wood, S, eds, Industrial Relations and Management Strategy, Cambridge, Cambridge University Press; Littler, CR (1982), The Development of the Labour Process in Capitalist Societies: A Comparative Study of the Transformation of Work Organisation in Britain, Japan and the USA, London, Heinemann

observation has also been made by Urwick and Brech (1948), Child (1969) and Brech (2002, v4) who have noted the appearance for the first time of a British management literature in the 1890s.⁴ Thus the choice of 1890 as a starting point seemed to be supported by the rationale that something significant had begun to emerge. The choice of an end date in 1939 can be explained as follows. Niven's account indicates that the Second World War, against a background of extensive legal employment regulation, as in the First World War, brought a very rapid increase in the numbers of welfare and labour officers employed. From a total of around 1800 employed in 1939, this rose to 6000 by 1945.⁵ Moreover, the Second World War saw a clearer conception emerge of a more coherent set of activities which made up this field of work, much of which remains the same today: employee resourcing, industrial relations, training and development and reward management. As we shall see, the seeds of all this were laid in the period from 1914 to 1939, but the Second World War saw much further development. It also saw the publication of two textbooks on British personnel management for the first time: GR Moxon's The Functions of a Personnel Department (1943) and CH Northcott's Personnel Management: Principles and Practice (1945), both of which reflected the clearer and fuller conception of the work as it had emerged during the Second World War. Since considerable further development of the work occurred during wartime and for reasons of practicality, the present study ends on the eve of these developments in 1939.

Definitions

At this point, some definition of 'personnel management' as used here is necessary because usage of the term is problematic in the context of the period from 1890 to 1939. Whilst the term 'Personnel' first appeared in a British

⁴ Urwick, L and Brech, EFL (1948), The Making of Scientific Management: Management in British Industry, vol 2, London, Pitman; Child, J (1969), British Management Thought, London, Allen and Unwin; Brech, EFL (2002), The Evolution of Modern Management: Volume 1: The Concept and Gestation of Britain's Central Management Institute 1902-1976; Volume 2: Productivity in Perspective; Volume 4: A Century of Management Literature 1832-1939, Bristol, Thoemmes

⁵ op cit, pp100 & 111.

management text by Herford et al in 1920 to denote a specialist function of management in relation to employment matters, usage of the term 'personnel management' only began to emerge in Britain in the 1930s and only came into more general usage after 1945 when, for example, the professional body adopted the nomenclature of 'The Institute of Personnel Management' in 1946.⁶ For present purposes, a wider definition is necessary in order to encompass the range of contributions made to the early development of personnel management in Britain, including those of managers not operating from within any functional specialism concerned solely with the policies and practices related to the management of people. Whilst many definitions are available which would serve the purpose in hand, the following from the Institute of Personnel Management (1963), now the Chartered Institute of Personnel and Development, encapsulates the breadth required:⁷

"Personnel management is a responsibility of all those who manage people, as well as being a description of those who are employed as specialists. It is that part of management which is concerned with people at work and with their relationships within an enterprise".

The definition views personnel management as the task of all managers, as well as being a specialist activity, and includes any aspect of managing people at work either individually or collectively; thus, such areas as industrial relations, recruitment and selection and other aspects of what today are referred to as resourcing, training and payment systems all come within the range of activities encompassed. This broad definition is important in the historical context because the notion of having functional specialist departments in organisations, as will be explained, only emerged in Britain during the period under investigation. In the chapters which follow, other contemporary terms will be used, including labour management, employment management and welfare work. Labour management will be used both to denote the labour policies and practices of non-specialists, such as senior and line managers, and also to

⁶ Herford, RO, Hildage, HT and Jenkins, MG (1920), Outlines of Industrial Administration, London, Pitman; Niven, op cit, p107.

⁷ IPM (1963, Statement on personnel management and personnel policies, in Legge, K (1995), Human Resource Management: Rhetorics and Realities, Basingstoke, Macmillan, p3.

denote the activities of a sub-grouping of personnel specialists which emerged during and after the First World War labelling their work 'labour management' and themselves as 'labour managers'. 'Employment management', another contemporary term, will be used to denote the activities of a specialist personnel management function where this term was used in the sources. The term welfare work was also in common usage during the period under investigation. Although in principle welfare work may be interpreted as involving a narrowly-defined concern with aspects of employees' health, wellbeing and working conditions, in practice the role varied and in some cases evolved to encompass wider responsibilities, including recruitment and selection and other administrative activities which would be familiar to many personnel officers (or even human resource officers) of the present time. Thus, personnel management activity between 1890 to 1939 was variously referred to as 'labour management', 'employment management' or 'welfare work' according to the preference of the employer concerned. Whilst labour management did carry with it certain connotations, as we shall see, the latter two terms could be and were used interchangeably. All these different usages do, however, fall within the former IPM's broad definition of 'personnel management' given above.

An outline of previous research

Whilst the detail of previous research into the broad field of employers' labour management policies and practices will be considered in chapter 3, it is important to establish how the present research differs from that which has preceded it and what new perspectives it aims to provide. Despite the wide range of historical research carried out into aspects of labour management in Britain, none has specifically considered the evolution and development of personnel management functions and practices within employing organisations. This is in marked contrast to American research which has generated a number of studies of this type.⁸ As noted, the single, notable exception is Niven's

⁸ Hagerdorn, HJ (1958), A note on the motivation of personnel management: industrial welfare 1885-1910, *Explorations in Entrepreneurial History*, 10, 134-139; Eilbert, H (1959), The development of personnel management in the United States, *Business History*, 33, 345-364; Miller, FB and Coghill, MA (1959), Sex and the Personnel Manager, *Industrial and Labor*

history of the professional institute, which is mainly concerned with the internal affairs of the organisation, with little coverage of the development of personnel management ideas and practices in the period under investigation. As will be discussed below, Niven's account raises a number of important questions about which few clear answers were provided and it was these unanswered questions that influenced the rationale for the present research.

Whilst there has not specifically been any study of the origins and development of personnel management ideas and practices in Britain, a considerable volume of literature exists in related fields. The insights provided for the present research will be considered in chapter three, but in the main the available literature provides perspectives on the context in which labour management evolved, rather than into the development of personnel management as such. Indeed, Gospel⁹ has observed that "the study of employers' labour policies has on the whole been neglected in the two most likely historical fields" which he identified as business and labour history. He attributed this neglect to the trade union orientation of most researchers of labour history and the orientation towards the commercial aspects of firms on the part of most business historians. In addition, he noted that there were problems of evidence, since records at company level about labour policies are sparse.¹⁰ Since writing these words, Gospel and other writers went on to research ways in which employers sought to gain control over labour from the later part of the nineteenth century to the inter-war period, including the ending of sub-contracting, the use of piecework systems, deskilling, bureaucratisation and the development of internal labour markets. Thus, these writers provide the first source of contextual information about certain developments in employers' labour

Relations Review, 18, 32-44; Ling, CC (1965), The Management of Personnel Relations, Illinois, Irwin; Ritzer, G and Trice, HM (1969), An Occupation in Conflict: A Study of the Personnel Manager, Ithaca: NY, Cornell University Press; Milton, CR (1970), Ethics and Expediency in Personnel Management: A Critical History of Personnel Philosophy, Columbia: South Carolina, University of South Carolina Press; Jacoby, SM (1985), Employing Bureaucracy: Managers and Unions and the Transformation of Work in American Industry 1900-1945, New York, Columbia University Press.

⁹ In Gospel and Littler (1983), op cit, p1.

¹⁰ *ibid*, pp1-2.

strategies in Britain in the period under investigation.¹¹ As noted by Gospel,¹² a second possible source of information about the development of personnel functions at company level is from business histories. A very small number of these do provide some information in varying degrees of detail on the development of personnel functions and personnel policies and some of their findings will be considered in later chapters.¹³ A third source arises from a small number of studies into employers' welfare practices and their role in labour control.¹⁴ A fourth source of contextual information comes from the work of labour historians, though (as noted) their focus is more on trade union activity rather than what was happening within management.¹⁵ A fifth source arises from the small number of studies of the development of British management as a whole although the Pollard account ceases in the early nineteenth century.¹⁶ A sixth and final source is contemporary published accounts of management

¹¹ See, for example, Gospel in Gospel and Littler (1983), op cit; Gospel, H (1983), The development of management organisation in industrial relations, in Thurley, K and Wood, S, eds, Industrial Relations and Management Strategy, Cambridge, Cambridge University Press; Littler (1982), op cit; Melling, J (1980), Non-commissioned officers: British employers and their supervisory workers, 1880-1920, Social History, 5, 2, 183-221; Melling, J (1983), Employers, industrial welfare and the struggle for workplace control, in Gospel and Littler (1983), op cit; Brown, G (1977), Sabotage, Nottingham, Spokesman; Wood, S (1982), ed, The Degradation of Work?, London, Hutchinson; Gospel, H (1992), Markets, Firms and the Management of Labour in Modern Britain, Cambridge, Cambridge University Press; Fitzgerald, R (1988), British Labour Management and Industrial Welfare, London, Croom Helm; Fitzgerald, R (1995), Rowntree and the Marketing Revolution 1862-1969, Cambridge, Cambridge University Press.

¹² In Gospel & Littler (1983), op cit.

¹³ eg Chapman, S (1974), Jesse Boot of Boots the Chemists, London, Hodder and Stoughton; Coleman, DC (1969), Courtaulds: An Economic and Social History, vol 1, Oxford, Clarendon; Reader, WJ (1975), Imperial Chemical Industries: Volume II: The First Quarter Century 1926-1952, London, Oxford University Press; Church, R (1969), Kenricks in Hardware: A Family Business, Newton Abbott, David and Charles; Rees, G (1969), St Michael: A History of Marks and Spencer, London, William Clowes and Son; Barker, TC (1977), The Glassmakers Pilkington: The Rise of an International Company, London, Weidenfeld and Nicholson.

¹⁴ Melling in Gospel & Littler (1983), op cit; Fitzgerald (1988) op cit.

¹⁵ eg Burgess, K (1975), The Origins of British Industrial Relations, London, Croom Helm; Burgess, K (1980), The Challenge of Labour: Shaping British Society 1850-1930, London, Croom Helm; Hunt, EH (1981), British Labour History 1815-1914, London, Weidenfeld and Nicholson; Wrigley, CJ (1976), David Lloyd George and the British Labour Movement, Brighton, Harvester; Wrigley, CJ (1982), A History of British Industrial Relations: 1875-1914, Brighton, Harvester; Wrigley, CJ (1987), A History of British Industrial Relations: vol 2: 1914-1939, Brighton, Harvester; Phelps Brown, EH (1959), The Growth of British Industrial Relations: A Study from the Standpoint of 1906-1914, London, Macmillan.

¹⁶ eg Urwick and Brech (1948), op cit; Child (1969), op cit; Pollard, S (1965), The Genesis of Modern Management, London, Edward Arnold; Brech (2002), op cit.

practices in books and journals which hitherto has not been greatly exploited for information on the early development of personnel management.¹⁷

As noted, with the exception of a few accounts by business historians and information not yet exploited from contemporary publications, none of the above is specifically concerned with the development of personnel management. The single piece of research by Niven has, therefore, been the only source of information about early developments in personnel management in Britain and has universally been cited as the authority by subsequent writers considering historical aspects.¹⁸ As noted above, Niven's history is an account of the development of the professional institute from 1913 to 1967, rather than being concerned (except in passing) with the development of personnel practices. With varying degrees of emphasis, as will be discussed in later

¹⁷ eg Cadbury, E (1912), Experiments in Industrial Organisation, London, Longman Green; Elbourne, ET (1914), Factory Administration and Accounts, London, Longman Green; Elbourne, ET (1920), The Management Problem, London, Library Press; Elbourne, ET (1921), Factory Administration and Cost Accounts, 2nd ed, London, Longman Green; Elbourne, ET (1934), Fundamentals of Industrial Administration, 5th ed, London, Longman Green; Webb, S (1917), The Works Manager Today, London, Longman Green; Herford, RO, Hildage, HT and Jenkins, MG (1920), Outlines of Industrial Administration, London, Pitman; Wright, HT (1920), Organisation as Applied to Industrial Problems, London, Charles Griffin and Co; Lee, J (1921), Management: A Study of Industrial Organisation, London, Pitman; Lee, J (1923), Industrial Organisation: Developments and Prospects, Pitman, London; Lee, J (1924), Principles of Industrial Welfare, London, Pitman; Lee, J (1928), The problems of functionalisation, a paper given to Rowntree's Oxford conference 27-30 September, Archive BSR/VII/21, York; Sheldon, O (1923), The Philosophy of Management, London, Pitman; Northcott, CH, Sheldon, O, Wardropper, JW and Urwick, L (1928), Factory Organisation, London, Pitman; Rowntree, BS (1921; 1925; 1938), The Human Factor in Business, London, Longman Green; Hiscox, WJ and Price, JR (1935), Factory Administration in Practice, 3rd ed, London, Pitman. For information about contemporary journals containing information about management and administration, see 'Appendix: Research Note on Primary Historical Sources Consulted' at the end.

¹⁸ See, for example, Lupton, T (1964), Industrial Behaviour and Personnel Management, London, Institute of Personnel Management; Fox, A (1966a), From welfare to organisation, New Society, vol 17, 14-16; Crichton, A (1968), Personnel Management in Context, London, Batsford; Anthony, P and Crichton, A (1968), Industrial Relations and the Personnel Specialist, London, Batsford; Cuming, MW (1968), The Theory and Practice of Personnel Management, London, Heinemann; McGivering, I (1970), The development of personnel management, in Tillett, A et al, eds, Management Thinkers, Harmondsworth, Penguin; Thomason, G (1975), A Textbook of Personnel Management, London, Institute of Personnel Management; Watson, TJ (1977), The Personnel Managers: A Study in the Sociology of Work and Employment, London, Routledge and Kegan Paul; Beaumont, P (1984), Personnel management and the welfare role, Management Decision, 22, 3, 33-42; Farnham, D (1990), Personnel in Context, 3rd ed, London, Institute of Personnel Management; Torrington, D (1991), Human resource management and the personnel function, in Storey, J, ed; Tyson, S and Fell, D (1992), Evaluating the Personnel Function, 2nd ed, Cheltenham, Stanley Thorne; Tyson, S (1995), Human Resource Strategy, London, Pitman; Torrington, D and Hall, L (1995), Personnel Management: HRM in Action, London, Prentice Hall; Legge, K (1995), Human Resource Management: Rhetorics and Realities, Basingstoke, Macmillan; Tyson, S and York, D (1996), Personnel Management, Oxford, Heinemann; Hall, L and Torrington, D (1998), The Human Resource Function, London, FT Pitman; Woodall, J and Winstanley, D (2001), The place of ethics in HRM, in Storey, J, ed, Human Resource Management: A Critical Text, 2nd ed, London, Thomson; Leopold, J (2002), Human Resources in Organisations, London, FT Prentice Hall; 2002; Torrington, D, Hall, L and Taylor, S (2002), Human Resource Management, 5th ed, Harlow, FT Prentice Hall.

chapters, Niven's main message is that modern personnel management evolved from roots in welfare work which led to the establishment of the Welfare Workers' Association, the forerunner of today's professional institute, in 1913.¹⁹ Niven's account does, however, refer to a "change of name" of the professional institute in 1931 from the Institute of Industrial Welfare Workers to the Institute of Labour Management as a result of the emergence of "recently-styled labour managers" and though she acknowledges that this caused some unease within the ranks of welfare workers, it was never properly explained who these 'labour managers' were.²⁰ If their origins were not in welfare, then this might call into question the exclusive role of welfare workers in the early development of personnel management in Britain. If, on the other hand, as Niven has suggested, labour management was a restyling of welfare work around 1930, then the aforementioned hypothesis would in all likelihood remain unchallenged. The search for the origins and nature of 'labour management' is the major issue to be addressed by the present research. A closely related issue will be to examine whether labour managers had evolved any ideas and practices that differed from the primary concerns of welfare workers by 1930 and if so, what these ideas were and how they evolved.

In this context, it is pertinent to observe that accounts of the early development of personnel management in the United States, whilst recognising the role of welfare ideology, place more emphasis on the contribution of scientific management and associated ideas to the early development of both personnel functions and personnel policies. Eilbert, for example, has identified two key sources of American personnel management practice - welfare and scientific management.²¹ However, in Eilbert's view, welfare enjoyed only a brief period of influence between approximately 1900 and 1915 after which it became

¹⁹ Niven (1967), op cit, p36.

²⁰ *ibid*, pp79 and 83. Between 1913 and 1924, the organisation changed its name five times: Welfare Workers' Association (1913); Central Association of Welfare Workers (1917); 'Industrial' was added in brackets in 1918; Welfare Workers' Institute (1919); and Institute of Industrial Welfare workers from 1924 to 1931 (McGivering, 1970, op cit, p197). For ease of use, the term Welfare Workers' Association or WWA has been used throughout the period 1913-1931 hereafter.

²¹ Eilbert (1959), op cit, p347.

“increasingly discredited”²² and he concluded that in order “to find the sources of personnel administration, we need to turn first to the introduction of scientific management”.²³ Both Eilbert²⁴ and another historian of American personnel management, Ling,²⁵ point to the origins of an ‘Employment Bureau’ or centralised personnel department as one of the units in the central planning department recommended by F W Taylor in his scheme of scientific management. Ling also pointed out that all the key elements of Taylor’s scientific management - selecting the right worker, analysing the content and most appropriate methods of performing the tasks, training the worker in these methods and providing remuneration to incentivise the maximum level of performance - were and have remained central to personnel work. As regards the early development of personnel management techniques in America, he concluded:²⁶

“Pioneers within the area of employment management borrowed the methods and techniques of the scientific management movement and began to make their own applications. In these ways, the scientific management movement contributed significantly to the maturation of the personnel function”.

In a similar vein, Miller and Coghill²⁷ have argued that welfare reached its heyday in the United States around 1911, the year in which Taylor’s book and scientific management generally attracted much public attention. They concluded that the scientific management movement “shifted attention from welfare to employment management”. Moreover, since scientific management was dominated by men, most of them engineers, in contrast to the female dominance of welfare work, they concluded that “the injection of scientific management features into personnel work added a new element because, as a derivative of engineering, these features were associated with a ‘hard’ masculine field” and this, combined with the influence of industrial psychology which also had roots in scientific

²² *ibid*, p351.

²³ *ibid*, p363.

²⁴ *ibid*, p348.

²⁵ Ling (1965), *op cit*, p285.

²⁶ *ibid*, p204.

²⁷ Miller and Coghill (1959), *op cit*, p36.

management, “did much to diminish the earlier view of the personnel field as at least equally hospitable to women”.²⁸

Thus the accounts of the historical development of personnel management in Britain and the United States differ considerably in emphasis. Whilst welfare work was seen as one influence on its origins in the United States, it was superseded at an early stage by the much more important influence of scientific management. In Britain, on the other hand, the roots of personnel management in welfare represent the mainstream view and little has been said about the potential contribution of scientific management. The observations of Miller and Coghill on the impact of scientific management on the predominant gender of the personnel management occupation appear to have parallels with the takeover of the predominantly female welfare workers’ institute by predominantly male labour managers in Britain in 1931. Could these differences in emphasis between Britain and the United States reflect a relative lack of interest in scientific management in Britain or could labour management in Britain also have had its origins in scientific management? This hypothesis is central to the present research.

Such a possibility has been raised from time to time in British personnel management literature. Heller, for example, commented on “two broadly alternative approaches” to personnel management in industrialised countries, welfare and scientific management, but implied that the welfare approach predominated in Britain, with a resistance to the application of currently available knowledge.²⁹ Fox similarly commented on the potential contribution of scientific management to the development of personnel management, but viewed the development of practice in Britain as being associated with the ‘industrial betterment’ movement and its successor, ‘human relations’.³⁰ Thomason saw personnel management as “having developed from two diverse origins, the one paternalistically oriented towards the welfare of the employees

²⁸ *ibid*, pp43-44.

²⁹ Heller, F (1961), *An evaluation of the Personnel Management Function*, in McFarland, DE, ed, *Personnel Management*, p31, Harmondsworth, Penguin

³⁰ Fox (1966a), *op cit*.

and the other rationally derived from the corporate need to control".³¹ The latter he saw as associated with scientific management, a perspective which in his view personnel practitioners in Britain only began to embrace in the 1950s.³² Torrington and Hall³³ suggest that the role of 'humane bureaucrat' emerged out of welfare work in the 1920s and 1930s, drawing on the ideas of social science and scientific management. Tyson and Fell³⁴ and Tyson and York³⁵ identify different 'traditions' of personnel management according to the organisational context - 'welfare', bureaucratic 'employment management' or 'manpower control' traditions and 'industrial relations' traditions. Thus, whilst the main thrust of historical perspectives on the origins of personnel management in Britain has focussed on welfare, it has occasionally been suggested that there might have been other influences, but no real research has been done into what these might have been.

Thus, the present research is concerned to explore what may be important missing elements in the hitherto widely accepted account of the historical development of personnel management in Britain in the period from 1890 to 1939.

Structure and methodology

The methodology employed and the structure of the presentation of the research is as follows. Desk research has been employed to provide a theoretical framework for analysing personnel management in chapter 2. Chapter 3 provides a review of both historical accounts written subsequently and accounts contemporary to the period in question in order to paint a broad picture of what is known about developments in 'personnel management' at this time. Historical sources include the work of economic, social, business and labour historians whose main interests do not lie in writing histories of personnel

³¹ Thomason (1975), op cit, p28.

³² *ibid*, pp20 and 25.

³³ Torrington & Hall (1995), op cit, pp7-8.

³⁴ Tyson & Fell (1992), op cit.

³⁵ Tyson & York (1996), op cit.

management *per se*, but whose perspectives provide valuable insights into the context of its development. Chapters 4 and 5 separate the evolution of personnel management in Britain into two different strands of development - 'welfare work' and 'labour management' - drawing from contemporary sources, notably engineering and management journals containing information about aspects of labour management in the period, together with a review of contemporary management literature. Chapter 6 contains three in-depth case studies of the development of 'personnel policy' and 'personnel functions' at Brunner Mond, Renold Chains and ICI drawn from minutes and other papers held in the companies' archives, together with other published sources. An historical note in an Appendix provides more information about the primary sources consulted. The final chapter offers conclusions arising from the findings of the study in the light of the theoretical framework presented in chapter 2 and the literature considered in chapter 3 regarding the early growth and development of personnel management in Britain.

CHAPTER 2

THEORETICAL PERSPECTIVES ON THE ORIGINS, NATURE AND DEVELOPMENT OF PERSONNEL MANAGEMENT

The aim of this chapter is to consider various analytical frameworks offered in recent literature on personnel management. These will be later be revisited in the conclusions in the final chapter in order to assess their utility in explaining the origins, nature and development of personnel management from an historical perspective. The chapter will also contain an exploration of various issues which have arisen in recent discussions about the nature of personnel management as it has emerged in the modern world, such as ambiguities and tensions in the role, its power, influence and authority in organisations, the quest for professionalism, the question of 'gender' within the occupation and the apparently differing perspectives of 'hard' versus 'soft' human resource management (HRM). Bearing in mind the dictum of the historian EH Carr that "history is a continuous process of interaction between the present and the past",³⁶ the intention will be to identify the extent to which these issues in current debate may have their roots in the history and early development of personnel management in Britain.

Watson³⁷ has observed that the development of personnel management has been considered from three main perspectives: the 'contingency' approach which seeks to identify the influence of factors in an organisation's internal and external environments which have shaped the nature and development of personnel management; a 'historical/evolutionary' approach which has sought to explain the development of personnel management in terms of the historical contexts in which it was practised; and the 'labour process' perspective which has its origins in Marxist analysis, with a particular concern with managerial strategies for achieving control over work activity and with the influence of Taylorian scientific management in this process. The next part of this chapter will briefly consider the explanations offered by each of these frameworks regarding the development of personnel management.

³⁶ Carr, EH (1987), *What is History?*, London, Penguin, p30.

³⁷ Watson, TJ (1986), *Management, Organisation and Employment Strategy*, London, Routledge and Kegan Paul, pp137-148.

Contingency models

Contingency theory has its origins in 'structural-functionalism' the work of the American sociologist Talcott Parsons and became the basis of Dunlop's influential notion of an 'industrial relations system' (originally published in 1958). In Parson's view, every social system was confronted by four basic problems: adaptation, the attainment of goals, integrating the participants or 'actors' and preserving current values and ideologies.³⁸ In Dunlop's industrial relations system, the participants (managers, workers and their representatives and other agencies, such as the government or the judiciary) generate a system of both formal and informal 'rules' which function to address the problems identified. The rule-making process enables the participants to adapt to external influences and create a stable internal environment, mutual agreement is obtained regarding the goals of the parties, the achievement of stability integrates the interests of the parties and thus preserves currently held values.³⁹

Early development of contingency theory⁴⁰ placed much emphasis on factors in the environment, such as technology or innovation in the product market, and came close to suggesting that participants' behaviour was determined by it.⁴¹ Such a danger was noted by Child who identified that decision-makers had certain latitude to make 'strategic choices' on the basis of their perceptions of the environmental influences.⁴² Thus, more recently, contingency theory has moved towards a synthesis with what is known as the 'action frame of reference' which takes into account the variables in an organisation's environment, the perceptions of them on the part of participants and the actions taken in consequence. A useful statement of the current synthesis of the current approach has been

³⁸ Parsons and Smelser (1956) cited in Dunlop, JT (1977), Industrial Relations Systems, Carbondale: Ill, Southern Illinois University Press, edn 28.

³⁹ Dunlop (1977), op cit, pp7-18, 30-31.

⁴⁰ e.g. Woodward, J (1958), Management and Technology, London, HMSO; Woodward, J (1965), Industrial Organisation: Theory and Practice, London, Oxford University Press; Burns, T and Stalker, GM (1961), The Management of Innovation, London, Tavistock; Blauner, R (1964), Alienation and Freedom, Chicago: Ill, Chicago University Press.

⁴¹ Silverman, D (1970), The Theory of Organisations, London, Heinemann, p121.

⁴² Child, J (1972), Organisation structure, environment and performance, Sociology, 6, pp2-22.

provided as follows by Tyson and Fell: "Action in organisations is contingent on the history, the technology in use, the values and beliefs of the actors on the organisational stage, and in particular upon their definitions of the situation".⁴³

The implications of structural-functional analysis and contingency theory for the development of personnel management may be summarised as follows. Legge has noted that functions in organisations enjoy power and influence according to the extent that they are able to provide expertise that helps the organisation cope with environmental contingencies in order to adapt and survive.⁴⁴ In her view, functions enjoy power "where its coping activities are seen as both expert and non-substitutable".⁴⁵ In a similar vein, Cherns, speaking specifically about personnel management, has argued that "leadership in organisations passes to those who are involved in coping with the organisation's source of maximum uncertainty".⁴⁶ Thus contingency theory links the development of personnel management in organisations both to environmental threats and to the expertise of the incumbent in helping the organisation to adapt. The greater the perceived threat, the greater the potential for gaining power and influence in organisations. Tyson and Fell in a similar vein have explicitly drawn from Parsonian structural-functionalism to analyse how a personnel department becomes 'functional' for an organisation. In terms of system maintenance, they identify four major roles that personnel managers should play in organisations. First, they should represent the organisation's central value system by aligning themselves with the ideology of senior management. Secondly, they should operate to maintain the boundaries of the organisation through inter alia the establishment of rules and procedures. Thirdly, they should act to provide stability and continuity, examples of which include negotiating frameworks, recruitment, training and succession planning. Fourthly, they should act to help the organisation adapt to change through

⁴³ Tyson, S and Fell, D (1992), Evaluating the Personnel Function, 2nd ed, Cheltenham, Stanley Thorne, p12.

⁴⁴ Legge, K (1978), Power, Innovation and Problem-Solving in Personnel Management, Maidenhead, McGraw Hill, p30.

⁴⁵ *ibid*, p27.

⁴⁶ In Watson (1986), *op cit*, p199.

scanning the relevant external environments and proposing and implementing appropriate policies.⁴⁷

Contingency variables in current theory

Having explored the general ideas of contingency theory as a framework for analysing the development of personnel management, it is now appropriate to discuss the range of contingency factors that have been identified and to draw out their further implications. Following the conventional categorisation,⁴⁸ these will be classified as external and internal organisational variables.

External variables

Technology: The technology employed in the workplace may impact on the role and development of personnel management functions in a number of ways. Through its impact on the skills required, technology may raise issues of a problematic nature for the organisation's survival. As Watson has observed, where the tasks are simple and routine, the skills and knowledge required low and the available supply of such workers plentiful, the function of recruitment assumes lower importance.⁴⁹ By contrast, where the work is skilled and the labour supply scarce, recruiting and retaining workers assumes much higher priority. Moreover, as Gospel has pointed out, where the skills are firm-specific, more emphasis will be placed on building internal labour markets based on training and promotion hierarchies, with a key role for a personnel function in devising and operating the procedures to support this.⁵⁰ Technology, particularly where it involves routine or repetitive work, has also been identified as an important influence on worker attitudes, job satisfaction and industrial conflict and the extent to which these result in negative outcomes as perceived by the

⁴⁷ Tyson and Fell (1992) op cit, p38.

⁴⁸ See, for example, Tyson, S (1995), Human Resource Strategy, London, Pitman, and Peterson, RB and Tracey, L (1979), Systematic Management of Human Resources, Reading: Mass, Addison Wesley.

⁴⁹ Watson (1986), op cit, p168.

⁵⁰ Gospel, H (1992), Markets, Firms and the Management of Labour in Modern Britain, Cambridge, Cambridge University Press.

managements of organisations, the greater the potential role of a specialist personnel function in resolving them.⁵¹

Labour Market: Both Tyson and Peterson and Tracey have identified the labour market as an influence on the development of personnel management.⁵² As a general principle, labour is likely to be seen as a less critical issue for managements when unemployment is higher and, in consequence, labour is relatively more plentiful, labour turnover lower and trade union bargaining power weaker. In times of fuller employment, these various factors will display opposite tendencies, the issue of labour is likely to be viewed as more critical by managements and the specialist advice of personnel functions may tend to be more highly valued. The same arguments would be likely to apply when there are shortages in the labour market for key skills central to the organisation's operations, as noted above.

Product Market: As Tyson points out, the size of the market will affect the scale of the operations and, as will be discussed below, increased size will tend to be associated with greater bureaucratisation and increase the likelihood of the functional presence of a personnel department.⁵³ Gospel and Gospel and Palmer note the greater tendency amongst firms with large scale operations to adopt bureaucratic personnel policies and develop strong internal labour markets (for example, through the provision of greater job security and career progression).⁵⁴ In situations of market dominance and high profitability, the containment of labour costs may become less important. Moreover, such policies may enhance employee retention and commitment and further contribute to market dominance and profitability. Such circumstances, it is possible to suggest, are likely to provide favourable opportunities for the growth and development of personnel functions.

⁵¹ Blauner, R (1964), Alienation and Freedom, Chicago: Ill, Chicago University Press; Walker, CR and Guest, RH (1952), The Man on the Assembly Line, Boston: Mass, Harvard University Press; Sayles, LR (1958), The Behaviour of Industrial Work Groups, New York, Wiley.

⁵² Tyson (1995), op cit; Peterson and Tracey (1979), op cit.

⁵³ Tyson (1995), op cit.

⁵⁴ Gospel (1992), op cit; Gospel, H and Palmer, G (1993), British Industrial Relations, London, Routledge.

In the contrasting situation, where markets are smaller or highly competitive, profitability-lower and the focus on cost control much sharper, the scope for developing bureaucratised personnel policies may be much less. The tendency here may be to rely more heavily on policies of externalisation, with a potentially less important role for a personnel function, except in recruitment.

Lawrence and Lorsch have noted that as organisations become more differentiated to cope with the requirements of the market place (e.g. by subdividing into operating divisions), so there is a greater need for integration if the organisation is to survive as a unit.⁵⁵ Tyson and Fell have analysed the implications of differentiation and integration in the context of rapid product changes for personnel functions and argue that personnel functions have an important integrating role to perform in differentiated organisations.⁵⁶ As organisations grow and sub-divide into different business units, each of which may confront different product market pressures, certain core elements of personnel policies may be applied across the whole organisation, creating a common 'culture'. The greater the differentiation, the less it will be appropriate to impose totally standardised terms, conditions and procedures across the whole organisation. Nevertheless, in areas such as industrial relations, training and development, payment and benefit systems, promotion policies and procedural provisions (e.g. discipline or grievance), certain common policies can act as integrating mechanisms that create and reinforce common core elements in the organisation's culture. The greater the differentiation, the fewer these core elements will be, but their significance will be key. The less the differentiation, the greater will be the standardisation of bureaucratic personnel policies and procedures across the whole organisation.

The State: Both Tyson and Peterson and Tracey have identified the state, in particular the role of government and its ideological position, has been an important influence on the development of personnel management.⁵⁷ Crouch and

⁵⁵ Lawrence, PR and Lorsch, JW (1967), Organisation and Environment, Boston, Harvard University Press

⁵⁶ Tyson and Fell (1992), op cit.

⁵⁷ Tyson (1995), op cit; Peterson and Tracey (1979), op cit.

Strinati have identified that a key influence on government ideology has been the relative power position of trade unions.⁵⁸ Thus, 'market individualism' occurs where trade union organisation is weak and the prevailing political ideology is one of passivity and non-intervention. The ideology is underpinned by a unswerving belief in the 'natural' forces of the market which determine economic relationships and which therefore cannot be managed or interfered with. Where trade unions become stronger and challenge the status quo of market individualism, 'liberal collectivism' emerges as a mechanism of accommodation since strict adherence to market individualism is no longer compatible with social and political stability. Whilst not abandoning a political ideology based on a belief in market forces, the state under liberal collectivism takes a more active and coercive role through both legislation and non-statutory intervention. New rights are granted to workers in recognition of their enhanced collective strength, even in the face of employer opposition, in order to reconcile conflicting interests and pursue social stability. Another aspect is likely to be an increased state role in conciliation and also direct intervention in what are seen as damaging disputes. However, the approach remains essentially minimalist, doing no more than is necessary to encourage the parties to manage their own affairs in their own best interests.

Under the liberal collectivist model, which in varying degrees has been the dominant one in twentieth century Britain, the roles of the state and their potential impact on personnel management may be summarised as follows.⁵⁹ First, there is the role of government in economic management. As noted earlier, the levels of employment or unemployment will impact on the relative power and influence of personnel functions as recruitment pressures build and the power of trade unions will tend to increase under full employment and reduce when levels are higher. Any efforts by government to improve the operation of labour markets, through for example the public employment service, job subsidies, education or training initiatives and so on all have implications for the personnel function in its

⁵⁸ Crouch, C (1977), Class Conflict and the Industrial Relations Crisis, London, Heinemann; Strinati, D (1982), Capitalism, the State and Industrial Relations, London, Croom Helm.

⁵⁹ Farnham, D and Pimlott, D (1995), Understanding Industrial Relations, 5th ed, London, Cassel; Salaman, M (1998), Industrial Relations: Theory and Practice, 3rd ed, London, Prentice Hall; Hollinshead, G, Nicholls, P and Tailby, S (1999), Employee Relations, London, FT Pitman.

role as boundary worker interpreting the implications of such policies for organisations. Secondly, there is the role of government in legislating for social objectives. Underpinned by its ideology, governments have pursued a wide range of social objectives through labour legislation which have required an adaptive response on the part of organisations and which have impacted on the development of personnel management and its practices. Thirdly, the state is itself an employer and it has often been argued that for at least the last 80 years, government has sought to be a 'model' employer.⁶⁰ In this capacity, the government may seek to influence the wider employer community through its actions rather than by legislation in an attempt to cultivate practices on a more widespread basis that are in accord with its ideology. A good example comes from Bain's research into the growth of white collar unionism which concluded that the willingness of government to recognise these unions created a more favourable climate amongst employers generally for union recognition.⁶¹ To the extent that the government encourages certain policies and practices in relation to the management of labour which are supportive of personnel management, so it might be expected that this will have some positive impact on its development and growth.

Internal organisational variables

Organisational growth and size: The process of organisational growth and increased size have for long been a topic of interest to researchers of organisations and has been bound up with discussions about the division of labour, functionalisation and bureaucracy. The effect of organisational size is summarised by Mullins as follows.⁶² Small organisations have little need for formal structure. As size increases, organisations become more formally structured and divided into functions or departments. In order to achieve co-ordination and unity of purpose, larger organisations are more likely to develop formalised relationships and make greater use of standardised rules and

⁶⁰ Farnham and Pimlott (1995), op cit, p212.

⁶¹ Bain, GS (1970), The Growth of White Collar Unionism, London, Oxford University Press.

⁶² Mullins, L (1993), Management and Organisational Behaviour, London, Pitman, p340.

procedures. Weber noted the tendency in modern organisations towards rational calculation structured around a bureaucratic form, replacing more primitive authority structures based around the power position of the leader, based either on tradition or charisma.⁶³ In delineating an 'ideal type', Weber suggested that authority in a bureaucracy could be described as 'rational-legal', based upon the legal status of the organisation.

To sum up the main thrust of these ideas, increased size is associated with increased formalisation, functional differentiation and a growth in bureaucratic rules and procedures. It may therefore be postulated that small organisations, characterised by informality and lack of functional differentiation, provide unfavourable conditions for the emergence and growth of personnel functions, whilst growth in organisational size is associated with characteristics more favourable to their emergence and growth.

Other writers have focussed more specifically on the effect of organisational growth and size on the emergence and development of personnel functions inside organisations. One such writer was Ling, who identified the following phases of evolutionary growth when looking specifically at the early development of personnel management in the United States during the first three decades of the century.⁶⁴ Ling's first phase of evolution is referred to as 'distinct staff differentiation'. This occurs when a growing organisation identifies a need for a specialist activity or group of activities to be delegated, often to one individual operating without any departmental organisation or subordinates. An example here would be the screening of applicants at recruitment where this activity had become time-consuming for line management. The second phase is 'complete staff differentiation'. This occurs when the work of the specialist has become sufficiently burdensome that assistants are needed. However, the scope of the official's operations remains quite limited, with little executive influence or authority and no policy-determining power. The third phase is referred to as 'staff integration'. This occurs where a number of independent but related staff units (in

⁶³ Weber, M (1947), The Theory of Economic and Social Organisation, Glencoe, Free Press.

⁶⁴ Ling, CC (1965), The Management of Personnel Relations, Illinois, Irwin, pp297-302.

the context of personnel management, this might, for example, include recruitment, training and health and safety) are brought together under one official with executive authority and some degree of central control over labour management decisions. The fourth phase is referred to as 'staff elevation' and has some overlap with the third. The key difference in the context of personnel management, according to Ling, is the reporting relationship of the function. In this phase, the function ceases to report to a line manager, such as a works or production manager and is elevated to become a distinct function on a par with others, such as production, marketing or finance and the personnel executive is likely to become a member of the executive or operating committee of the company. The fifth and final phase of evolution is referred to as 'staff decentralisation'. This occurs when it has become necessary to set up satellite personnel functions at lower levels because the established centralised function has become too remote from the point where the service is needed. Thus, in this final phase of evolution, a central personnel function establishes policy and co-ordinates the activities of the satellite functions. In practice, this final phase is likely, over a period of time, to experience some oscillation of decision-making power between the centre and the satellite units. Where organisations operate in a centralised manner, much of the decision-making power will tend to remain with the central function, but the more decentralised the business and the more autonomy given to its divisional units, the less will be the policy-making power of the centre and the greater the power devolved to the units.

Other research has focussed on stages of organisational growth and organisational life cycles and the implications of these stages on the development of personnel functions and personnel policies. One influential model has been offered by Greiner.⁶⁵ In broad terms, Greiner proposes that organisations go through typical life-cycles patterns. The first phase is termed 'entrepreneurial'. Survival is the key strategy and the style of the organisation is strongly influenced by its founders who make the important decisions. With growth, the organisation recruits professional managers and a crisis of leadership emerges over what

⁶⁵ Greiner, LE (1972), Evolution and revolution as organisations grow, Harvard Business Review, July/Aug, 37-46.

decisions will be delegated to these managers. The second phase is referred to as the 'collective stage'. Departments and functions begin to emerge, the dominant theme is the division of labour and certain responsibilities are delegated to managers. The third phase is the 'formalisation stage' in which systems of communication and control are put in place and bureaucratisation occurs. The final phase is referred to as the 'elaboration stage' in which the organisation seeks to free itself from the bureaucratic structures which have tended to have a stultifying effect.

Greiner suggests that organisations experience five phases in organisational growth from start up, each of which is ultimately associated with a crisis which needs to be overcome before further growth is possible. The five phases involve growth through creativity, direction, delegation, co-ordination and finally collaboration. At each stage, the organisation experiences a growth crisis: initially, a crisis of leadership, followed by crises of direction, autonomy, control and red tape. Clarke has suggested that each phase is associated with certain characteristics:⁶⁶

- Creativity: The organisation is relatively informally structured and its style strongly entrepreneurial and lead by its founders; a crisis of leadership may occur either because the leading figures become overloaded or when it becomes apparent that one or more of them are temperamentally unsuited to managing a larger organisation.
- Direction: In this phase, the organisation evolves a functional structure, but remains hierarchical and centralised. Control systems, such as budgets and some formalisation of personnel procedures, are put in place. The crisis occurs because little delegation has taken place and decision-making involving reference upwards has become cumbersome.
- Delegation: In this phase, the organisation decentralises more decision-making to managers, with control through profit centres; the crisis occurs because top management feel loss of control over the business.

⁶⁶ Clarke, L (1994), The Essence of Change, Hemel Hempstead, Prentice Hall.

- Co-ordination: In this phase, top management take clearer responsibility for strategy and planning, whilst operational decisions are delegated to strategic business units; the crisis occurs because of complex bureaucratic structures (e.g. line and staff or headquarters and operating units)
- Collaboration: The final phase is seen as post-bureaucratic, with more flexible structures and an emphasis on collaboration through such devices cross functional teams

The implications of these stages of growth for the development and role of personnel functions have been considered by Baird and Meshoulam, Hendry and Pettigrew, and Buller and Napier.⁶⁷ Specialist personnel functions are unlikely to be present during the initial stage of 'creativity', but may be initiated towards the end of this phase. Baird and Meshoulam suggest that growth of the personnel function is likely to occur at the 'direction' stage of functionalisation and formalisation of policies and procedures. During the delegation stage in which greater responsibility is given to managers, the emphasis in the role of the personnel function is on control. At the co-ordination stage, personnel becomes 'functionally integrated' into the formal planning processes and provides strong central services and in the final phase becomes fully integrated into the strategic planning processes of the organisation. Both Hendry and Pettigrew and Buller and Napier see the role of the personnel function as evolving from clerical/administrative at the stage of creativity to strategic integration at the phase of collaboration.

Structure: Gospel and Palmer note that the study of an organisation's structure is fundamental to an analysis of its employment strategies "because how it is organised for general business purposes will have profound effects on where and how decisions about industrial relations are taken."⁶⁸ They draw on the work of historian Chandler and economist Williamson to consider a range of structural

⁶⁷ Baird, C and Meshoulam, I (1988), Managing two fits of human resource management, *Academy of Management Review*, 13, 1, 116-118; Hendry, C and Pettigrew, A (1992), Patterns of strategic change in the development of human resource management, *British Journal of Management*, 3, 3, Sept, 137-156; Buller, PF and Napier, NK (1993), Strategy and human resource management, *British Journal of Management*, 4, 2, 77-90.

⁶⁸ Gospel and Palmer (1993), op cit, p67.

typologies and their implications for employment strategies.⁶⁹ Chandler's (1962) proposition is that corporate strategy will strongly influence organisational structure and that changes in the former will result in changes in the latter.⁷⁰ His arguments are closely interrelated to the issues of growth and size considered above. As organisations grow and their product range become more complex, formalisation increases and decision-making is decentralised into semi-autonomous business units.

Gospel and Palmer's analysis of the implications of the various organisational typologies generated by Chandler and Williamson for the development of personnel functions and policies is as follows.⁷¹ Like Greiner, a historical and evolutionary approach is adopted and organisations are seen as developing through a range of organisational forms, as follows. Under the 'S-form', characterised by small scale operations, single plant, usually single product or product range, firms tend to be owner controlled and operate without extensive or formal management hierarchies. In terms of employment strategies, such firms are characterised by personal relationships, lack anything more than very simple, formal rules and procedures and have a preference for informality and direct and often close supervision by the firm's managers or supervisors. Under the 'H-form', the holding company structure consisting of a loose federation of companies each of which retains considerable autonomy, the relative autonomy of these constituent parts tends to discourage organisation-wide employment strategies, with only limited (if any) power being given to any central personnel function. The focus of decision-making tend to be at the individual company level, reactive and ad hoc in nature, with little consistency across units and little done to develop bureaucratic employment structures. Under the 'U-form', as firms grow by expansion and merger, some will establish a more unified and centralised organisation. Such firms will tend to establish large headquarters organisations, with considerable power, and standardised, bureaucratic procedures across the

⁶⁹ Chandler, A (1962), Strategy and Structure, Cambridge: MA, MIT Press; Chandler, A (1977), The Visible Hand, Cambridge: MA, MIT Press; Chandler, A (1990), Scale and Scope: The Dynamics of Industrial Capitalism, Cambridge: MA, MIT Press; Williamson, OE (1975), Markets and Hierarchies, New York, Free Press.

⁷⁰ Chandler (1962), op cit.

⁷¹ Gospel and Palmer (1993), op cit.

whole organisation. In terms of employment strategy, rules and procedures will tend to be standardised across the organisation, with relatively limited autonomy at the plant level and are more likely to incorporate bureaucratic internal labour markets, pay, promotion and career structures. Thus, it might be predicted that strong central personnel functions would emerge in such a structure. Finally, under the 'M-form', the organisation adopts a multi-divisional structure, based on products or geographic areas. The headquarters operations are relatively small and are responsible for strategic decisions, and considerable autonomy for operational decisions is provided to divisional managements. In terms of employment strategies, central personnel functions lay down broad guidelines which are monitored, but considerable autonomy is provided to divisional personnel functions.

Social, cultural and trade union influences: Peterson and Tracey have identified 'employee needs, values and expectations' and the presence of trade unions as internal contingency factors which shape the nature of personnel management.⁷² Employee needs, values and expectations have been the subject of extensive research in the field of organisational behaviour and, moreover, the subject of considerable debate beyond the scope of this short review. For some, attitudes largely formed in the wider community will characterise attitudes and behaviour in the workplace⁷³ whilst, for others, behaviours will strongly reflect structural influences in the workplace⁷⁴ and, for many, both internal and external influences combine to create characteristic behaviours.⁷⁵ From whichever perspective, it may be concluded that the greater that workplace behaviours are seen by managements as problematic, the greater potential role for a personnel function

⁷² Peterson and Tracey (1979), op cit.

⁷³ e.g. Kerr, C and Siegel, A (1954), The inter-industry propensity to strike: an international comparison, in A Kornhauser et al, eds, Industrial Conflict, New York, McGraw Hill; Goldthorpe, J, Lockwood, D, Bechhofer, F and Platt, J (1968), The Affluent Worker: Industrial Attitudes and Behaviour, Cambridge, Cambridge University Press.

⁷⁴ e.g. Herzberg, F (1968), One more time: how do you motivate employees?, Harvard Business Review, January-February; Hackman, JR, Oldham, G et al (1975), A new strategy for job enrichment, California Management Review, 17, 4, 57-71.

⁷⁵ Nicholson, N (1977), Absence behaviour and attendance motivation: a conceptual synthesis, Journal of Management Studies, 14, 231-252; Rhodes, SR and Steers, RM (1990), Managing Employee Absence, Reading: Mass, Addison-Wesley.

in helping to align desired and actual behaviours from a panoply of techniques available.

The appearance of a trade union in a workplace quite evidently imposes significant changes on the previous rights of management to make unilateral decisions regarding their employees. As Hyman has noted, "a trade union is, first and foremost, an agency and medium of power which uses its collective strength to act as a countervailing force to the employer".⁷⁶ Beyond this, it is concerned with 'economic regulation' and through collective bargaining it seeks to bring and extend the range of both substantive and procedural matters of concern to its members into the ambit of joint regulation with the employer. In order to protect its members' interests, it may also concern itself with job regulation which may include the preservation of their rights to perform certain types of work or to seek to enforce certain required staffing levels or other arrangements. Trade unions are also, in varying degrees, political organisations which may seek to advance an ideological position in their bargaining with employers or through engaging in acts of solidarity with other unions or the union movement as a whole.⁷⁷

Both employee expectations and trade unionism can act to create problematic issues from the perspective of management. Resisting trade unionism may form part of employers' labour strategies or, once recognised, containing their influence may be yet another. It seems, therefore, appropriate to suggest that gaining employee commitment and managing relationships with trade unions are both likely to give rise to the emergence of specialist personnel functions to help organisations manage the uncertainties of these environmental contingencies.

The beliefs, values and styles of the dominant management group: This is the final contingency factor to be considered and it is clearly an important one. As noted by Legge, the beliefs and values of the founders, in particular beliefs about labour management which may have been pursued strongly from the initiation of

⁷⁶ Hyman (1975) in Salaman, M (1998), Industrial Relations: Theory and Practice, 3rd ed, London, Prentice Hall, p103.

⁷⁷ *ibid*, pp103-110.

the enterprise or developed soon after, may have become embedded in the history and culture of the organisation.⁷⁸ Indeed, there has been considerable discussion of the roles of founders in organisational cultures.⁷⁹

The question of 'management styles' in managing the employment relationship has also been the subject of considerable research, with implications being drawn regarding its impact on the development of personnel functions and practices. Fox saw this issue in terms of two 'frames of reference' of management: 'unitary' and 'pluralistic'.⁸⁰ A 'unitary' frame of reference tended to emphasise the joint interests of management and employees in achieving the goals of an organisation, de-emphasised conflict and viewed the trade union as an intruder into the employer-employee relationship. A 'pluralistic' frame of reference, on the other hand, was one in which management recognised that employer and employee interests might not always coincide, that trade unions legitimately represented employee interests when conflicts arose and that collective bargaining was a suitable vehicle for resolving such differences. Subsequent development of this analysis has sub-divided unitarist perspectives into 'traditionalists' hostile to trade unionism and 'paternalists' emphasising employee welfare.⁸¹ The implications for personnel management here are that the former offers a less fruitful environment for its development, whilst the latter is likely to consign it to a low status welfare role. As regards the pluralistic frame of reference, employers have been seen to vary between 'constitutionalists', emphasising formal collective bargaining and 'consultors', emphasising consultative procedures, collective bargaining and the use of other techniques of personnel management designed to enhance employee commitment. Clearly, whether the pluralist strategy is based on formal industrial relations procedures or

⁷⁸ Legge, K (1995), Human Resource Management: Rhetorics and Realities, Basingstoke, Macmillan, pp58-59.

⁷⁹ Peters, T and Waterman, RH (1982), In Search of Excellence, London, Harper and Row; Schein, E (1983), The role of the founder in creating organisational culture, Organisation Dynamics, Summer, 13-28; Schein, E (1985), Organisational Culture and Leadership, New York, Jossey-Bass,

⁸⁰ Fox, A (1966b), Industrial Sociology and Industrial Relations, London, HMSO.

⁸¹ Fox, A (1974), Beyond Contract: Power and Trust Relations, London, Faber and Faber; Purcell, J and Sisson, K (1983), Strategies and practice in the management of industrial relations, in Bain, G, ed, Industrial Relations in Britain, Oxford, Blackwell.

a wider array of techniques for enhancing employee commitment, it appears to provide a more fruitful environment both for the growth of the personnel function and for its development in terms of strategic influence.

Historical models of the evolution and development of personnel management

A number of writers have offered various models of the evolution and development of personnel management based on the notion that personnel management has evolved through a series of historical stages during the twentieth century, eventually emerging in the form in which it can be found at the present time.

Torrington and Torrington and Hall,⁸² in offering their evolutionary historical model, argue that "the development of the personnel function can be traced by suggesting a general self-image for personnel specialists that has been dominant at different periods, with each still remaining as part of a complex of ideas that make personnel management what it is now".⁸³ Though the nature and source of the 'self-image' is not precisely defined, it is seen in terms of a 'stereotype' and an 'ideology' which evolved over time, strands of which were "blended together to make the complex of contemporary personnel management".⁸⁴ The six stereotypes are as follows. The first evolutionary phase, appearing before personnel management emerged as a specialist function, is seen in terms of a 'social reformer'. This locates the forerunners of personnel functions amongst social reformers, such as Lord Shaftsbury and Robert Owen. Torrington and Hall argue that "we need to trace the evolution of personnel management to this type of person, as it was their influence and example that enabled personnel managers to be appointed and provided the first frame of reference for the appointees to work within".⁸⁵ The second phase sees the personnel specialist as

⁸² Torrington, D in Storey, J (1991), ed, New Perspectives on Human Resource Management, London, Routledge; Torrington, D and Hall, L (1995), Personnel Management: HRM in Action, London, Prentice Hall.

⁸³ Torrington, D in Storey (1991), op cit, p57.

⁸⁴ *ibid*, pp57, 59.

⁸⁵ Torrington and Hall (1995), op cit, p7.

an 'acolyte of benevolence', welfare workers appointed at the turn of the century at the instigation of a few enlightened employers whose main concern was with the improvement of employee conditions. The third evolutionary phase is referred to as the 'humane bureaucrat'. Emerging in the 1920s and 1930s against a background of growing organisational size, in this phase, the personnel manager learned to operate in a bureaucracy "serving organisational rather than paternalist employer objectives".⁸⁶ The focus of the role was on job analysis, selection, placement and training and there was a great willingness to draw more widely from management and social science literature for support, including the scientific management writing of F W Taylor, and Elton Mayo's ideas about human relations. This is seen as the phase in which personnel managers developed a 'technology', a set of tools and techniques which remain in place to the present time. The subsequent phases, 'consensus negotiator', the role of industrial relations bargainer was dated from the 1940s, and the subsequent phases (which lie beyond the remit of this study) saw the personnel specialist as an 'organisation man', dated from the late 1960s and located clearly within the management structure of organisations and finally 'manpower analyst', bound up with recent developments towards the management of human resources and the closer integration of personnel management activity and business plans through the medium of human resource planning.

Hall and Torrington offer a modification of the above evolutionary model.⁸⁷ Commencing again with the 'welfare officer' model, they note that this evolved into a 'staff manager' model. Though not dated, the origins of this perspective are seen in bureaucratisation and the tools applied had their origins in scientific management, industrial psychology and human relations and can presumably be seen as an inter-war development. Later developments - industrial relations officer, management development advisor, human resource planner and human resource manager - were seen as post-1945 developments

⁸⁶ ibid, p8.

⁸⁷ Hall, L and Torrington, D (1998), The Human Resource Function, London, FT Pitman, pp11-19.

Tyson and Fell offer what they term four main 'traditions' and three 'models' of personnel management.⁸⁸ They argue that the 'traditions' were a product of the history of the organisation, the market context in which it operated, its industrial relations traditions and its business ventures which "all help to distinguish the way in which specialist personnel management has developed". The 'traditions' are seen as a rational response by personnel practitioners to the environment in which they operated and in turn produced expectations of what could be delivered. The four traditions identified by Tyson and Fell can be seen as different threads emanating from the origins of the work in different organisational contexts and, they argue, "we may therefore discover in these traditions...the origins of current models of personnel management".⁸⁹ The traditions identified are as follows. In common with many theses, they first identify a 'welfare tradition' which locates the origins of British personnel management in welfare work in the 1890s, especially in Quaker companies. The early welfare workers often operated on an extra-mural basis, tended to see the employee rather than the employer as the client and the employer was sometimes the subject of criticism. Tyson and Fell note the epithet of personnel management representing a 'loyal opposition' within the ranks of management (quoting Herman: 1968) as emanating from this tradition and remaining influential to the present time, seeing it as "still deeply embedded in the personnel functions of many organisations".⁹⁰ The second tradition identified is referred to as the 'manpower control tradition' which arose out of the bureaucratisation of organisations and employment in the large firms in the inter-war period. The growth of organisations led to the growth in rules and procedures to control standards of employee performance in addition to interpreting the external framework of state regulations. Personnel functions took on the role of generating policies and procedures, policing them and advising line management on their application. Such rules had the effect of creating inflexibilities and constraints to the freedom of action of line management and sometimes cast the personnel specialist in an executive rather than advisory role. As a result, such interventions created conflict and ambiguity within the personnel

⁸⁸ Tyson and Fell (1992), op cit, p15.

⁸⁹ *ibid.*

⁹⁰ *ibid.*

role and this is a theme to which we shall return at the end of the chapter. The third tradition identified is the 'industrial relations tradition'. Noting that the management of industrial relations lay in the historical province of line management and the employers' associations, they suggest that role of the personnel specialist as bargainer emerged only in the post-war period. The fourth tradition is referred to as the 'professional tradition'. This most recent tradition is the product of the growth of employment legislation and the growth of personnel management as an occupation for entry via formal qualification, mediated through the professional institute, based on social science, knowledge and specialist techniques, with an orientation towards the wider 'professional' group beyond the organisation. This is seen as a tradition emerging after 1945. Tyson and Fell note, however, that a shift towards a professional 'client' relationship, implied by this approach, may create difficulties. Personnel specialists may experience conflict of interest when attempting to form client relationships with different groups (e.g. individuals, groups of workers, line managers, chief executives) and risk becoming distanced from business decisions through an increasing orientation towards the wider profession.

In a subsequent revision of these 'traditions' in personnel management, Tyson and York date the 'welfare tradition' from 1900 to 1920, 'employment management' and 'bureaucratic' traditions (similar to the 'manpower control' category above) with separate origins amongst labour managers in manufacturing and engineering) to the 1920s and 1930s and the 'professional' tradition in the period after 1945.⁹¹

Tyson and Fell argue from a contingency perspective that the different traditions described are likely to occur in different organisational contexts. Thus, the 'welfare' tradition is likely to occur where largely female labour is employed, with little or no trade union presence or in smaller, paternalistic firms. The 'manpower control' and 'industrial relations' traditions are more likely to be found in medium to large bureaucratic organisations in the private sector and more generally in the

⁹¹ Tyson, S and York, D (1996), Personnel Management, Oxford, Heinemann, pp43-45, 50.

public sector where unionisation is strong. The 'professional' tradition may be stronger where organisations place a high emphasis on the importance of its people, reflected in well-developed personnel policies and board level support or representation for the personnel function and where 'technical' knowledge (e.g. job evaluation, manpower planning) is valued and required.⁹²

Tyson and Fell go on to identify three 'models' of personnel management arising out of these traditions. The models can be seen as historical and evolutionary; they may also be seen as contemporaneous in that they all co-exist at the same time (and may to some extent have done so historically) and may indeed co-exist within a single organisation at any one time, reflecting the level of seniority at which the personnel practitioner is operating. The 'models', which draw their analogy from the construction industry, may be summarised as follows. The first of these is referred to as a 'clerk of the works' model. The main focus here is on routine administration, record-keeping and welfare, generally providing a low level support for line management where all key decisions are taken. There is no responsibility for the main direction of personnel policy which lies in the domain of senior management and the chief executive. The second is referred to as a 'contracts manager' model. This represents a middle level personnel specialist role, usually found in medium and larger bureaucratic organisations, with a focus on generating, maintaining and policing rules, procedures and agreements. A degree of power and influence is derived from this custodial role (which may also involve 'trouble shooting' and 'fixing') and the views of the specialist are sought by senior management within their specialist domain of competence, but all key decisions about people remain within senior management. The third is referred to as an 'architect' model. This is a creative personnel role performed in organisations giving high priority to policies and decisions about people, with the incumbent a fully integrated member of the board or top management team. Personnel policies and strategies will be integrated with those of the business, with both operational/tactical and longer term planning perspectives. The incumbent will often be seen as business manager first and professional personnel manager second and may often have come from another function of the business, rather than through promotion within the personnel function.

In conclusion, the models all point to the origins of personnel management in 'welfare', with its predecessors being in social reform, benevolence and paternalism. They are also agreed that personnel management tentatively evolved into 'employment management' during the 1920s and 1930s in bureaucratic organisations, although the supporting evidence is thin. They are all agreed that any involvement in industrial relations occurred in the conditions

⁹² Tyson and Fell (1992), op cit, p19.

of full employment after 1945, having previously lain in the province of the line manager and employers' associations. There are some tentative suggestions that such techniques as scientific management, industrial psychology and the 'human relations' movement underpinned the practice of personnel management during the inter-war period. The role of the personnel specialist as either a 'professional' or 'architect' (i.e. strategist) operating at board level are also seen as post-1945 developments.

Perspectives from labour process theory and the debate about the significance of Taylorism and scientific management in labour management in Britain

Labour process theory has its origins in Marx's analysis of capitalist exploitation of labour and focuses in particular on the workplace initiatives of employers and their management representatives in designing, controlling and monitoring work activity so as to maximise the surplus value extracted from labour.⁹³ Modern interest in the labour process perspective was stimulated by the publication of Harry Braverman's Labor and Monopoly Capital, published in 1974.⁹⁴ For Braverman, central to employers' labour strategies had been the division of labour and mechanisation which had resulted in widespread deskilling and routinisation of work across a wide range of occupational groups, both manual and non-manual. In marked contrast to the generally perceived view that Taylorism and scientific management had been but a passing and long since disregarded approach to management,⁹⁵ Braverman's view was that it had been central to management strategies for gaining control over the labour process throughout the twentieth century.⁹⁶

"It is impossible to overestimate the importance of the scientific management movement in the shaping of the modern corporation and indeed all the institutions of capitalist society which carry on labor processes. The popular

⁹³ Watson (1986), op cit.

⁹⁴ Braverman, H (1974), Labor and Monopoly Capital, New York, Monthly Review Press.

⁹⁵ e.g. Fox, A (1974), Beyond Contract: Power and Trust Relations, London, Faber and Faber; Rose, M (1975), Industrial Behaviour - Theoretical Developments Since Taylor, London, Allen Lane.

⁹⁶ Braverman (1974), op cit, pp86-87.

notion that Taylorism has been 'superseded' by later schools of industrial psychology or 'human relations', that it 'failed' ...represent a woeful misreading of the actual dynamics of the development of management...Taylorism dominates the world of production; the practitioners of 'human relations' and 'industrial psychology' are the maintenance crew for the human machinery".

Whilst acknowledging that Taylorism as a separate movement virtually disappeared in the United States in the 1930s, nevertheless by that time "knowledge of it had become widespread in industry and its methods and philosophy were commonplace...in other words, Taylorism is 'outmoded' or 'superseded' only in the sense that a sect which has become generalised and broadly accepted disappears as a sect".⁹⁷

Subsequent analyses from a labour process perspective have elaborated on and modified the Braverman perspective. First, there is general agreement that purist forms of Taylor schemes of scientific management attracted little interest in Britain,⁹⁸ though a modified version, the Bedaux scheme of work-measured bonuses, was implemented by over 200 firms in Britain in the inter-war years.⁹⁹ Secondly, both Edwards in the USA and Gospel in Britain note that employers increasingly used the bureaucratisation of employment relationships in the context of growing enterprise size as the preferred means of control.¹⁰⁰ In particular, this focussed on the development of internal labour markets based around career and promotion hierarchies. A third point noted about schemes of scientific management, both in the USA and the UK, is that they encountered worker opposition which limited management freedom to act or served to encourage more sophisticated means of control, such as the development of internal labour markets.¹⁰¹ One potential outcome of the bureaucratisation of

⁹⁷ *ibid*, pp87-88. For a critical commentary on the Braverman thesis, see John Turner (1985), *Man and Braverman: British industrial relations*, *History*, 70, pp 236-242, where Braverman's work is viewed as "innocent of primary historical research" (*ibid*, pp 238-239) and "bewitched by the writings of FW Taylor" (*ibid*, p 238).

⁹⁸ Urwick, L and Brech, EFL (1948), *The Making of Scientific Management: Management in British Industry*, vol 2, London, Pitman.

⁹⁹ Gospel, H (1979), *Employers' labour policy: a study of the Mond-Turner talks 1927-1933*, *Business History*, 21, 180-197.

¹⁰⁰ Edwards, R (1979), *Contested Terrain: The Transformation of the Workplace in the Twentieth Century*, London, Heinemann; Gospel (1992), *op cit*.

¹⁰¹ Edwards (1979), *op cit*; Friedmann, AL (1977), *Industry and Labour*, London, Macmillan.

employment relationships is that it is likely to stimulate the development and growth of personnel functions in devising and maintaining associated rules and procedures.

Taylorist ideology and the development and growth of personnel functions

Since Taylor himself had nothing to say about the bureaucratisation of employment relationships, the thrust of the post-Braverman view serves to distance the development of personnel management in Britain from the ideas emanating Taylor's scientific management since its role in bureaucratisation has not been established.¹⁰² Thus, the Braverman thesis about its all-pervasive influence remains worthy of further exploration. Moreover, as has been noted by Armstrong, there remains a significant difference in the literature about the origins and early development of personnel management in Britain and the United States.¹⁰³ Whilst in Britain, as noted in the earlier discussion about the historical-evolutionary perspectives, its origins are widely seen as being in welfare, in the United States, much more emphasis has been placed on the important roles of scientific management and the applications of industrial psychology which grew directly out of it in its development.¹⁰⁴ American historians note that welfare had a short-lived ascendancy, lasting around only the first decade or decade and a half of the present century before giving way to 'employment management' based largely on scientific management and also drawing related ideas from industrial psychology.¹⁰⁵ After the first decade of the century, according to Eilbert, "welfare work and even the term became increasingly discredited".¹⁰⁶ Ling notes that from

¹⁰² e.g. Gospel (1983), op cit.

¹⁰³ Armstrong, P (1986), Management control strategies and inter-professional competition: the cases of accounting and personnel management, in Knights, D and Wilmot, H, Managing the Labour Process, Aldershot, Gower.

¹⁰⁴ see Munsterberg, H (1913), Psychology and Industrial Efficiency, Boston and New York, Houghton Mifflin.

¹⁰⁵ Ritzer, G and Trice, HM (1969), An Occupation in Conflict: A Study of the Personnel Manager, Ithaca: NY, Cornell University Press, p8; Eilbert, H (1959), The development of personnel management in the United States, Business History, 33, p351; Miller, FB and Coghill, MA (1959), Sex and the Personnel Manager, Industrial and Labor Relations Review, 18, p36.

¹⁰⁶ Eilbert (1959), op cit, p351.

around 1910, personnel specialists began to take over the task of job analysis in order to produce specifications for employee selection, leaving the 'time study' aspects of measuring the tasks performed on the shop-floor to industrial engineers¹⁰⁷ and by the early 1920s, the concept of job analysis had been further extended to defining standardised salary scales and job grading through job evaluation. He notes that Taylor's advocacy of the importance of training was taken up by his successors Gantt and Emerson who developed 'off-the-job' training techniques which began to be applied in specially equipped schools away from the production area during the First World War.¹⁰⁸ The new science of industrial psychology had also begun to contribute ideas about training and employee selection, notably through the publication of Munsterberg's Psychology and Industrial Efficiency in 1913.¹⁰⁹ However, it is important to note that industrial psychology itself originated in research to further develop the ideas put forward by scientific management on a more systematic basis,¹¹⁰ an influence which Munsterberg (1913) fully acknowledges in his pioneering book in an opening chapter dedicated to Taylor's work.

Further insights into these developments are provided by the work of Jacoby. Jacoby notes that in the United States key elements of the managerial approach of engineers under the influence of scientific management - orderly procedures, accurate records and functionalisation - directly influenced the establishment of personnel or employment departments by a few forward looking companies in the decade after 1910, concerned with the orderly processing of new employees and the keeping of employment records. Taylor, he notes, listed 17 functions within his 'planning department'. Three of these - an employment bureau, a pay unit and a shop disciplinarian - represented the core activities of personnel departments which grew up after 1910.¹¹¹ He concludes that "several of the nation's first personnel departments were sited in

¹⁰⁷ Ling (1965), op cit, p286.

¹⁰⁸ ibid, p109.

¹⁰⁹ Munsterberg (1913), op cit.

¹¹⁰ Milton, CR (1970), Ethics and Expediency in Personnel Management: A Critical History of Personnel Philosophy, Columbia: South Carolina, University of South Carolina Press, p74.

¹¹¹ Jacoby, SM (1985), Employing Bureaucracy: Managers and Unions and the Transformation of Work in American Industry 1900-1945, New York, Columbia University Press, p47.

firms with strong ties to Taylor".¹¹² Jacoby relates, however, that a significant critique of Taylorism emerged around 1915 (the year in which Taylor died) which would fundamentally change the future of character of scientific management. Between 1911 and 1912, Taylor appeared before the House of Representatives' investigation of the strikes associated with the introduction of scientific management at the Watertown Arsenal and the outcome was a report critical of time study.¹¹³ Between 1913 and 1915, he also appeared before the US Commission on Industrial Relations which resulted in a critical report by Professor Hoxie and which concluded that Taylor's scientific management tended to discourage trade unionism and collective bargaining.¹¹⁴ Jacoby observes that the central critique of scientific management emerging around 1915, including from amongst consultants in the field, was that it failed to pay sufficient attention to the 'human factor'.¹¹⁵ From 1910, a leading consultant on scientific management, Harrington Emerson, whose work was strongly influenced by Taylor's ideas as set out in Shop Management (1903), devoted more attention to vocational psychology as the basis for the "scientific selection of employees".¹¹⁶ Similarly, Lilian Gilbreth, a psychologist and former student of Munsterberg of Harvard,¹¹⁷ had brought together industrial psychology and scientific management in her book The Psychology of Management (1914). In her view, scientific management had made a "scientific provision for welfare"¹¹⁸ through such provisions as scientifically determined rest breaks, clear work standards and instructions and systematic training in work methods. In the wake of the criticism of scientific management after Taylor's death, membership of the Society for the Promotion of Scientific Management (from 1918, the Taylor Society) came to be dominated by people combining liberal social ideals,

¹¹² *ibid.*

¹¹³ *ibid*; Nelson, S (1980), Frederick W Taylor and the Rise of Scientific Management, Madison: Wisconsin, University of Wisconsin Press, p 192.

¹¹⁴ Nelson (1980), *ibid.*

¹¹⁵ Jacoby, *op cit*, p101.

¹¹⁶ *ibid*, p102. As evidence of Taylor's influence on Emerson, Nelson (*op cit*, p129) notes that Emerson publicly declared that Taylor's paper on 'Shop Management' (and also the basis of his first published book of the same title in the same year), which was delivered to the American Society of Mechanical Engineers in 1903 to be "the most important paper ever prepared for presentation to the Society".

¹¹⁷ *ibid.*

¹¹⁸ *ibid*, p320.

reflecting their concern with the 'human factor', with efficient management practices. Many of these became active in the personnel management movement, such that by 1920 Jacoby concludes that "the Taylor Society had become the most ardent of the engineering associations in support of personnel management".¹¹⁹ Leading figures in the Taylor Society included Henry S Dennison and Robert B Wolf,¹²⁰ Ordway Teade (co-author of the first significant American text devoted to personnel management, published in 1920) and Harlow S Person who taught personnel management courses in New York.¹²¹ Thus, the thrust of Jacoby's view is that scientific management and its growing espousal of both industrial psychology and more liberal ideals were closely bound up with the emergence of a new philosophy of personnel management which appeared in the decade between 1910 and 1920.

Whatever the links between Taylor's scientific management and the development of personnel management in Britain, it remains the case that Taylor's writings provided the foundations of ideas which could be incorporated into the techniques of personnel management and he was also an early (if not the earliest) advocate of a role for a specialist employment function. It is, therefore, appropriate to briefly consider here the main ideas put forward by Taylor which were originally expounded in his books Shop Management (1903) and The Principles of Scientific Management (1911). Taylor's first principle was that management should carry out an analysis of the tasks to be performed, breaking them into their simplest components, timing the tasks so as to establish levels of performance acceptable to management. The essence of the approach was standardisation of methods of working. His second principle focussed on selecting the worker best fitted to the job and training the worker in the methods devised by management as part of the job analysis. His third principle referred to gaining co-operation, which in practice was based around piece-work payments designed to reward high output. His fourth principle involved the role of

¹¹⁹ ibid, p104.

¹²⁰ Both of these men, as we shall later see, became key influences on and lifelong friends of BS Rowntree after his first visit to the United States in 1921 (A Briggs, (1961), A Study of the Work of Seebohm Rowntree 1871-1954, London, Longman, p179).

¹²¹ Jacoby, op cit, p104.

management and involved, in particular, divorcing the performance of the work from the planning of the work. A key feature of Taylor's scheme for implementing his fourth principle was the establishment of functional management, following the principle of the division of labour, under which the tasks of management would be subdivided into specialist activities. A further important idea underpinning the fourth principle was the establishment of a centralised management planning function where specialised services, such as time study, costing, sales, purchasing and so on, would be located.¹²²

Central to Taylor's ideas of scientific management was the notion that the traditional, generalist foreman could not be expected to acquire all the skills necessary to perform their roles effectively and that this work, like the work on the shop floor, should be sub-divided and handed over to specialist 'functional foremen' in a central planning department. One such specialist foreman would be in charge of a central recruitment section known as the 'employment bureau' and another would be in charge of disciplinary matters and would be referred to as the 'shop disciplinarian'. Thus, for Taylor, personnel work was the province of the engineer who understood the technical issues and practical realities of shop floor life.

Taylor's principles and advocacy of a specialist 'employment bureau' as part of the central planning function are not without significance in a study of the origins of personnel functions. He is probably the first management writer to focus on the importance of selection and training, even though he never enlarges or attempts to offer any systematic techniques which may underlie them. He must also be one of the earliest advocates of an employment function located within management as distinct from welfare peripheral to it. On the employment bureau he wrote in Shop Management, first presented in 1903:

"The selection of the men who are employed to fill the vacancies or new positions should receive the most careful thought and attention and should be under the supervision of a competent man who will enquire into the experience and especial fitness and character of applicants and keep constantly revised lists of

¹²² Taylor, FW (1974 edn), Scientific Management, Westport: Ct, Greenwood.

men suitable for the various positions in the shop. In this section of the planning room an individual record of each of the men in the works can well be kept showing his punctuality, absence without excuse, violation of shop rules, spoiled work or damage to machines or tools, as well as his skills at various kinds of work, average earnings and other good qualities for the use of this department, as well as the shop disciplinarian".¹²³

As regards the latter role of shop disciplinarian, he saw this as being performed by the same person in smaller organisations and concludes: "this man should of course consult constantly with the various foremen and bosses, both in his function as disciplinarian and in the employment of men".¹²⁴

It is not entirely clear how or why Taylor evolved the concept of an employment function and whether he had introduced such a function either at Bethlehem Steel or in later consultancy work. In his concluding remarks to Shop Management, he credits a number of unpublished sources for his ideas, including one employment bureau "which forms such an important element (of the scientific management system) of the Western Electric Company in Chicago".¹²⁵ On the other hand, Taylor is quite clear that his employment function has little or nothing to do with welfare. On welfare work, Taylor states in Shop Management that:

"(He) does not at all depreciate the many semi-philanthropic and paternal aids and improvements... viewed from the managers' standpoint, they are valuable aids in making more intelligent and better workmen and in promoting a kindly feeling among the men for their employers. They are, however, of distinctly secondary importance and should never be allowed to engross the attention of the superintendent to the detriment of the more important and fundamental elements of management. They should come in all establishments, but they should come only after the great problem of work and wages has been permanently settled to the satisfaction of both parties. The resolution of this problem will take more than the entire time of the management in the average case for several years".¹²⁶

Taylor's scheme of scientific management mapped out the key areas which would become central activities of personnel management, recruitment and

¹²³ ibid, p119.

¹²⁴ ibid

¹²⁵ ibid, p201.

¹²⁶ ibid, p199.

selection, training, reward management and the maintenance of discipline. His scheme saw these as the tasks of functional foremen, one of whom would be responsible for an employment bureau, and it precluded any involvement in welfare or paternalism.

Occupational dilemmas of the origins of personnel management in welfare work

With its perceived origins in welfare work in Britain, a number of analysts of personnel management have identified that this has created dilemmas for the function which has persisted historically and endures to the present time. These dilemmas, which may be summarised as follows, are the final topic of analysis in this chapter: ambiguity and powerlessness; the role of professionalism; the issue of gender; 'hard' versus 'soft' HRM; and the re-emergent debate about ethics in HRM.

Ambiguity and powerlessness

A number of writers have identified that the personnel management role contains a number of ambiguities as a result of claiming expertise in the techniques of managing people in organisations. Such ambiguities arise for a number of reasons which Watson summarises as follows:¹²⁷

- 'Caring' versus 'controlling': Management is much concerned with establishing its legitimacy and a key role for personnel management is to make the decisions of management legitimate in the eyes of employees. Thus, there is perceived pressure on personnel practitioners to portray personnel management as being concerned for the wellbeing of employees. The main concerns of management, on the other hand, relate to labour efficiency, organisational effectiveness and labour control.¹²⁸

¹²⁷ Watson (1986), op cit.

¹²⁸ ibid, pp172-175.

Such tensions have manifested themselves in many analyses of the role ambiguity inherent in personnel management. Miller and Coghill have referred to these as the 'welfare' and 'technicist' traditions,¹²⁹ Crichton contrasted the personnel practitioner as either an 'insider' and integral member of the management team or on the other, as an 'outsider' representing the 'conscience of management' and unsure of their loyalties vis-à-vis management and unions¹³⁰ and the professional institute for many years defined personnel management in terms of achieving both 'efficiency' for the organisation and 'justice' and 'fairness' for its employees.¹³¹

As a number of writers have pointed out, such ambiguities are an inevitable part of any role which seeks to reconcile the endemic conflict between labour and capital in a capitalist society and that, in reality, organisational efficiency and justice or fairness for employees may not be mutually compatible.¹³² However, the pressures inherent in the personnel management role to appear as the 'man in the middle' in order to achieve legitimacy and secure employee co-operation are powerful ones. As Burawoy has argued, employers seek to obscure the commodity status of labour by creating frameworks of rules in which the game is played and so 'manufacture consent'.¹³³

- Nature of authority and expertise: The nature of personnel management work is advisory and legitimated on the basis that specialist expertise is possessed. At the same time, managing people is something that all managers do and themselves claim expertise on the basis of experience. The result can be ambiguity between the boundaries of personnel work and that of the line. One issue is the extent to which the personnel function performs tasks on behalf of line managers on the basis of the expertise claimed whilst at the same time not detracting from the right of the line manager to manage. Another issue is the

¹²⁹ Miller and Coghill (1959), op cit.

¹³⁰ Crichton, A (1963), A persistent stereotype? The personnel manager: the outsider, Personnel Management, December, 160-167.

¹³¹ IPM (1963), Statement on personnel management and personnel policies, Personnel Management, March, in Legge (1995).

¹³² Watson (1986), op cit, pp63, 179; Legge (1995), op cit, p14.

¹³³ Burawoy, M (1979), Manufacturing Consent, Chicago: Ill, Chicago University Press.

extent to which the work can remain purely advisory. For reasons of trying to ensure consistency, legal compliance, avoidance of conflict and so on, the advice of the personnel department may often become mandatory.¹³⁴

- Measurement of effectiveness: As Legge and Exley have pointed out, personnel management is "chiefly about providing efficient inputs for use within other functional systems... the outputs these resources generate are achieved within, and are seen to be the achievement of, these other systems".¹³⁵ Thus, it is difficult for personnel departments to demonstrate that efficient recruitment or training makes a difference when the work in terms of achieving desired results is performed elsewhere and as a result, it is often difficult for a personnel function to demonstrate what direct and measurable contribution it has made to the goals of the organisation. This inability to make such explicit links may act to lower the perceived status and importance of the function as a whole and cause confusion about the function's overall role and purpose.

Professionalism

Another tension which has its roots in welfare work is professionalism. In keeping with the 'conscience of the organisation' and the 'man in the middle' images discussed above, early welfare practitioners sought to distance themselves from management in the pursuit of professional independence and a desire to act in a client relationship with employees. The issue of professionalism has thus created tensions for personnel practitioners. Its origins can be seen in the pursuit of prestige accruing to professionals and their ability to work independently of employer or managerial control. Prestige also accrues from the possession of a body of knowledge which is sought after. Thus, the pursuit of professionalism amongst personnel specialists had revolved around a claim to such a body of knowledge which can contribute to organisational efficiency and legitimise the role of the function within organisations. Paradoxically, the pursuit of

¹³⁴ Watson (1986), op cit, pp181-182; Legge (1978), op cit, p19, Legge (1995), op cit, pp24-25.

¹³⁵ Legge, K and Exley, M (1974), Authority, ambiguity and adaptation: the personnel specialist's dilemma, Industrial Relations Journal, 6, 3, p55.

professionalism in an organisational context can serve to distance practitioners from the concerns of line managers, with the result that personnel specialists might be seen as wishing to distance themselves from the goals of the organisation. Whilst in practice there have been difficulties in claiming professional independence in organisational settings, the pursuit of professionalism has created further ambiguities for the personnel practitioner: it has been pursued to enhance status within organisations, but may have served to distance practitioners from full identification with organisational goals.¹³⁶

The issue of gender

Another tension underlying the origins of personnel management in welfare work which has affected perceptions about its status is the issue of gender, given that welfare work was a predominantly female occupation in its earlier days. As Legge has observed: "alone among the management functions, personnel specialists through the welfare origins of the occupation, have been saddled with a 'feminine' and, hence, downgraded image in patriarchal society".¹³⁷ A similar point was made by one of Watson's male personnel practitioner respondents who referred to the image problems of being seen as "bumbling do gooders" or "the guy who keeps the sanitary towel machine filled up".¹³⁸ The female origins of the occupation have, it has been argued, led it to become associated with images of female characteristics, such as caring and nurturing, and distanced from such male characteristics as aggressiveness, self-assertiveness, adventurousness and so on, which might be seen stereotypically as more associated with management.¹³⁹

Not surprisingly, the role of welfare in personnel management, with its connotations of femininity, caring and relative lack of power, have featured strongly in debates about the nature of the work, with some arguing for it to be

¹³⁶ Watson, TJ (1977), The Personnel Managers: A Study in the Sociology of Work and Employment, London, Routledge and Kegan Paul; Watson (1986), op cit; Legge and Exley (1974), op cit; Tyson, S and Fell, D (1992), op cit.

¹³⁷ Legge, K (1995), op cit.

¹³⁸ Watson (1997), op cit, p60.

¹³⁹ Miller and Coghill (1959), op cit.

jettisoned¹⁴⁰ and others arguing that welfare has been and is likely to remain central to personnel work.¹⁴¹

It may be concluded that the female images associated with the welfare aspect of the occupation may have further served to lower its status and created a male-female divide in which males have sought to distance themselves from such images. But, as Legge has pointed out:¹⁴²

" To deny welfare is to deny the very origins and foundation of personnel as a *specialist occupation*. This is a dangerous argument to pursue as it may raise arguments about the validity and necessity for such an occupation at all...Denying welfare denies too a role in which personnel specialists may be...seen in a positive light by employees, whose co-operation justifies their existence".

'Hard' versus 'soft' perspectives in HRM

Though the main thrust of the argument has been about the origins of personnel management/HRM in welfare, representing a female, caring, professionally independent and non-managerial image, it has occasionally been suggested that other traditions can also be identified. Such a view has been put forward by Tyson and Fell who have suggested that 'manpower control' and 'industrial relations' traditions can be identified, with roots in the emergent bureaucracies in the inter-war period and a more distinct managerial orientation.¹⁴³ These may be equated to 'soft' and 'hard' versions of HRM which have emerged as a topic of debate in recent times.

The concept of human resource management emerged from the United States in the mid 1980s with the publication of two influential frameworks for defining the

¹⁴⁰ e.g. Lupton, T (1964), Industrial Behaviour and Personnel Management, London, Institute of Personnel Management; Fox, A (1966a), From welfare to organisation, New Society, vol 17, 14-16.

¹⁴¹ e.g. Kenny, J (1975), Stating the case for welfare, Personnel Management, September, 18-21, 35; Beaumont, P (1984), Personnel management and the welfare role, Management Decision, 22, 3, 33-42.

¹⁴² Legge (1995), op cit, p23.

¹⁴³ Tyson and Fell (1992), op cit.

topic: the 'Michigan' framework¹⁴⁴ and the 'Harvard' framework.¹⁴⁵ Because of their essential differences in perspective, observers in Britain have labelled the former as representing 'hard HRM' and the latter 'soft HRM'.¹⁴⁶ Whilst both models see integration with business strategy as distinguishing features of their conception of HRM compared with traditional personnel management, the 'Michigan' framework emphasises the commodity nature of staff in that human resource management practices should solely be driven by and seek to achieve 'fit' with business strategy and hence has been labelled 'hard' HRM. The 'Harvard' model, on the other hand, has been labelled 'soft' HRM and embodies more humanistic values. Built around the central principles of achieving staff commitment and common interest ('mutuality') between employers and staff, their approach *inter alia* embodies such humanistic values as generating a feeling of self-worth, dignity, involvement and identity for people as individuals. Moreover, in addition to identifying the desired outcome of organisational effectiveness, the Harvard approach also identifies 'individual' and 'societal well-being' as desired results.

As we shall see in chapters four and five, both 'soft' and 'hard' perspectives have deep roots in the development of welfare work and labour management in Britain in the inter-war period.

The role of ethics in HRM and the continuing debate about welfarism

A recent debate has arisen about the role of ethics in personnel management, though as we shall see, this debate also has its roots in the history of the

¹⁴⁴ Fombrun, C, Tichy, N and Devanna, M, eds, (1984) Strategic Human Resource Management, New York, Wiley.

¹⁴⁵ Beer, M, Spector, B, Lawrence, PR, Quinn Mills, D and Walton, R (1984), Managing Human Assets, New York, Free Press; Beer, M and Spector, R (1985), Human Resource Management: A General Manager's Perspective, New York, Free Press.

¹⁴⁶ Storey, J (1987), Developments in the Management of Human Resources: An Interim Report, Warwick Papers in Industrial Relations 17, School of Industrial and Business Studies, Coventry, University of Warwick; Storey, J (1991), ed, New Perspectives on Human Resource Management, London, Routledge; Guest, D (1989), Personnel and HRM: can you tell the difference?, Personnel Management, 21, 1, 48-51.

development of the occupation in welfare.¹⁴⁷ Much of the debate arises out of the emergence of 'human resource management' (HRM) in place of traditional 'personnel management' with its new emphasis on integrating with the strategic goals of the organisation. For Hart,¹⁴⁸ the adoption of blatant managerialism in HRM is both 'amoral' and 'unprofessional' and "light years away from the noble origins of those famous social philanthropists" and the "social and religious values" which imbued early welfare work. It also represents a significant shift from the position held by the Institute of Personnel Management in 1963 which saw the role of the practitioner as essentially an ambivalent one, serving "both efficiency and justice, neither of which can be achieved without the other", that is it served both the interests of the organisation and its employees. His plea was for a subordination of the rational economic model in order to "reintegrate it with moral and spiritual values",¹⁴⁹ adopt a more professional stance, independent of and if necessary critical of an organisation's management.

In a similar vein, Miller argues that the departure from the welfare role, with its primary focus on representing the views of employees, to a managerial one in the 1980s has been "cataclysmic" and exploitative.¹⁵⁰ Miller elaborates the potential role of the human resource function in promoting ethical management in terms of establishing 'system justice' and fairness, 'procedural justice' with checks and balances against biased decisions and 'outcome justice', ensuring that the results of judicial decisions stood up to fair comparisons with other organisations. For Connock and Johns, an ethical stance involves the HR function in becoming the

¹⁴⁷ See, for example, Hart, TJ (1993), Human resource management - time to exorcise the militant tendency, Employee Relations, 15, 3, 29-36; Connock, S and Johns, T (1995), Ethical Leadership, London, Institute of Personnel and Development; Miller, P (1996), Strategy and the ethical management of human resources, Human Resource Management Journal, 6, 1, 5-18; Miller, P (1998), Strategy and the ethical management of human resources, in C Mabey, C, G Salaman and J Storey, eds, (1998) Strategic Human Resource Management, London, Sage; Marchington, M and Wilkinson, A (2000), Core Personnel and Development, London, Chartered Institute of Personnel and Development; Woodall, J and Winstanley, D (2001), The place of ethics in HRM, in Storey, J, ed, Human Resource Management: A Critical Text, 2nd ed, London, Thomson.

¹⁴⁸ Hart (1993), op cit, pp29-30.

¹⁴⁹ ibid, p36.

¹⁵⁰ Miller (1998), op cit, p38.

'conscience of the organisation',¹⁵¹ in effect the "guardian of ethical policies and practices".¹⁵²

As we shall see, a debate about the legitimacy of the role of welfare has been the most enduring issue in the development of personnel management in the twentieth century, periodically emerging, fading away and re-emerging over time. The role of welfare in the early development of personnel management before 1939 will be one of the key issues to be considered in subsequent chapters. The leading post war personnel management text by Northcott¹⁵³ made no reference at all to welfare and saw its role as "an extension of general management",¹⁵⁴ whilst another by Brook continued to give welfare a central role.¹⁵⁵ During the 1960s, leading social scientists joined the debate and offered trenchant criticisms about the continuing welfare orientation in personnel management practice. For Lupton, "a mixture of philanthropic ideology and administrative technique" formed the "typical basis of much personnel management" in his assessment of practice at the time and his answer lay in training in and the application of the social sciences.¹⁵⁶ A similar position was adopted by Fox who argued that personnel practitioners as purveyors of 'human relations' occupied "the last station on the line of industrial betterment" and saw many as still cast in the role of "social workers in industry".¹⁵⁷ Industrial betterment had, in his view, "been drained of its promise and "personnel officers who take their stand as repository of the company's long term conscience will argue the case with diminishing validity and will become even more the men-in-the-middle, decreasingly irrelevant to decision-making."¹⁵⁸ In Watson's view, these ideas established themselves as "something approaching an orthodoxy at the professional body level" and the

¹⁵¹ Connock and Johns (1995), op cit, p159.

¹⁵² Marchington and Wilkinson (2000), op cit, p75.

¹⁵³ Northcott, CH (1945; 1950;1955), Personnel Management: Its Scope and Practice, London, Pitman.

¹⁵⁴ Northcott (1955 edn), op cit, p12.

¹⁵⁵ Brook, FHC (1952), Personnel Management and Welfare, London, Burke.

¹⁵⁶ Lupton (1964), op cit, p75.

¹⁵⁷ Fox (1966a), From welfare to organisation, op cit, p15.

¹⁵⁸ ibid.

social sciences became embedded in the syllabi for qualifying for IPM membership.¹⁵⁹

By the mid 1970s, one personnel director was able to conclude that "many personnel managers were growing more and more apologetic about their welfare orientation and seeking justification in an 'investment in and utilisation of human assets' approach"¹⁶⁰ and thus it might have been assumed that the welfare role had finally been shed. Kenny, however, was anxious to put the case for welfare and against the arguments of Lupton and Fox, arguing that "there is a pervasive myth amongst personnel managers in this country...that the 'welfare phase' of personnel management had been superseded and replaced by scientific management, human relations and the behavioural sciences".¹⁶¹ From an historical perspective he argued that scientific management was "unscientific" and "could not and did not sweep away welfarism, however much it may have replaced it as a rival ideology".¹⁶² In a similar vein, Miller argued that the personnel manager role was "different from other staff jobs in that it had to serve not only the employer, but also act in the interests of employees as individual human beings and, by extension, the interests of society".¹⁶³ In a later assessment of the role of welfare in personnel work, Stewart concluded as a result of a survey that "two-thirds of all personnel officers...engage in the tasks associated with welfare work"¹⁶⁴ and Beaumont identified a growth in the use of counselling and related 'employee assistance programmes' as sources of a new welfare role for personnel practitioners.¹⁶⁵ Following the emergence of 'human resource management' in the later 1980s, with a shift towards the 'individualisation' of employment relationships away from the traditional concerns of personnel management with collective relationships and a focus on individual

¹⁵⁹ Watson (1977), op cit, p146.

¹⁶⁰ Kenny (1975), op cit, p21.

¹⁶¹ ibid, p18.

¹⁶² ibid, p20.

¹⁶³ Miller, K (1975), Psychological Testing, Aldershot, Gower, p22.

¹⁶⁴ Stewart, J (1983), Whatever happened to the welfare officer?, Personnel Management, June, p41.

¹⁶⁵ Beaumont (1984), op cit.

performance,¹⁶⁶ so it is possible to argue that this is generating a renewed interest in the welfare and wellbeing of the individual. Such a view has been reached by Woodall and Winstanley who argue in one of the most recently published texts on human resource management that "despite concerns that the original welfare role of personnel professionals might compromise the status and strategic base of HRM, it has not been totally eclipsed".¹⁶⁷ Despite "improvements in the welfare and position of employees" over the last hundred years, they argue that "a new series of pressures have led to greater psychological ill-health with more stress, insecurity and exhaustion from long hours of work" and in response recent welfare initiatives have evolved around employee health and 'wellness' programmes, counselling and related initiatives.¹⁶⁸ Just as many observers believed that welfare had gone away, so a recent and re-emergent view sees its revival as intertwined with a more ethical approach to the practice of human resource management.

Such debates echo, as we shall see in chapters four and five, those carried on by adherents to the welfare and labour management traditions in the inter-war period.

¹⁶⁶ Storey, J (1992), Developments in the Management of Human Resources, Oxford, Blackwell.

¹⁶⁷ In Storey (2001), op cit, p39.

¹⁶⁸ *ibid.*

CHAPTER 3

HISTORICAL PERSPECTIVES ON PERSONNEL MANAGEMENT: A REVIEW OF THE LITERATURE FROM 1890 TO 1939

As noted in the Introduction, very little has been written about the history of personnel management in Britain, the main exception being Niven's history of the development of the professional institute. The aim of this chapter is to review both historical accounts written subsequently and accounts contemporary to the period in question in order to paint a broad picture of what is known about developments in labour management at this time. First, we shall consider two important 'models' influencing employers' approaches to the management of labour at or around the beginning of the period in question. Thereafter, the period between will be sub-divided into three phases: 1890 to 1914, the impact of the First World War and its immediate aftermath from 1914 to 1920 and finally the period from 1920 to 1939.

Models of employers' labour strategies up to 1890

The period from 1890 to 1914 may be characterised as one of experimentation with new methods of labour management in the wake of a decline in approaches which had been used for some decades previously. Whilst bureaucratic employment models based on internal labour markets had been developed in the specific circumstances of the railways, post office, police service, larger gas companies and the civil service by the end of the twentieth century,¹⁶⁹ two main models of labour management outside these sectors may be identified in the period up to 1890. One of these was the 'inside contracting' model and the other may be labelled 'welfare paternalist'.¹⁷⁰

¹⁶⁹ Gospel, H (1992), Markets, Firms and the Management of Labour in Modern Britain, Cambridge, Cambridge University Press.

¹⁷⁰ Littler, CR (1982), The Development of the Labour Process in Capitalist Societies: A Comparative Study of the Transformation of Work Organisation in Britain, Japan and the USA, London, Heinemann, p71.

Inside Contracting

Inside contracting represented the predominant model of labour management of the nineteenth century, "ubiquitous" in the words of one late nineteenth century observer.¹⁷¹ Under this approach, employers avoided the problems of a directly employed labour force by sub-contracting entirely the task of recruiting, disciplining, dismissing and paying staff to an 'inside contractor', a self-employed agent who was either a skilled man or had extensive experience of particular factory or other processes. Inside contracting (or sub-contracting) was most often found in industries with a high proportion of skilled men and included engineering, shipbuilding, textiles, building and construction, extractive and metal industries.¹⁷²

Inside contracting had its origins in the 'putting out' system. Early industrialisation was based on a domestic system in which merchants built up large-scale trade by putting the work out to domestic or home-based manufacturers. With a growth in the size of manufacturing operations, significant problems of organisation and labour management began to arise.¹⁷³ This necessitated the use of agents or middlemen - 'bagmen' or 'putters out' - whose task it was to recruit staff, distribute and collect finished work and pay the domestic workers. With the growth of factory-based production in the early nineteenth century and the growing concentration of workers in a single establishment, the existing system of middlemen and agents was adapted into a system of 'inside contracting'.

Under the inside contracting system so prevalent for most of the nineteenth century, the entrepreneur put up the capital, built the factory and equipped it with machinery, but often had little knowledge of or interest in the details of the production process. The day-to-day detail of production was delegated to a sub-contractor, also known as a 'piecemaster', a skilled or experienced worker who had set up on his own account and whose task it was to recruit, train, manage,

¹⁷¹ Schloss, DF (1892) in Littler (1982), op cit, p72.

¹⁷² *ibid*, p71.

¹⁷³ Pollard, S (1965), The Genesis of Modern Management, London, Edward Arnold, p31.

reward, discipline and dismiss his staff. Thus, the staffing of a factory consisted of teams of workers under the management of a sub-contractor, each responsible for part of the production process. The sub-contractor negotiated a price with the entrepreneur based on the output to be achieved and his profit was earned on the difference between the agreed price (referred to as the 'piecework' price and hence the term 'piecemaster') and the costs of his labour force. Clearly, this approach gave rise to exploitation as the more the sub-contractor could drive his workforce and the lower he could keep his labour costs, the greater his profit.¹⁷⁴ From the entrepreneur's perspective, he was able to delegate all the technical and labour decisions to someone with expertise in these matters. Evidence suggests that it was the problem of managing labour in particular that led the factory owner to sub-contract many parts of or even their entire operations. Recruitment was a major issue since early factory work imposed a discipline and a routine which was alien to those who had worked in agriculture or domestic industry. Discipline was also an issue, with problems of absence and poor time-keeping arising because notions of regular daily attendance and punctuality were unfamiliar to most workers.¹⁷⁵ As well as providing expertise in labour management, inside contractors also had the advantage of a network of social contacts which they could tap in order to recruit labour.¹⁷⁶

Whilst sub-contracting was the predominant employment model of the nineteenth century, evidence suggests that it began to go into gradual decline between 1870 and 1900.¹⁷⁷ Though the reasons for its decline are not known precisely, various factors have been suggested. One factor is said to have been the squeeze on profits as a result of the Great Depression of 1873-1896 and the growth of international competition which led employers to take direct control of their labour forces and so cut out the margins earned by the sub-contractors.¹⁷⁸ Another influence was the rise of the 'new unions' of the unskilled in the 1880s which had

¹⁷⁴ Bendix, R (1974), Work and Authority in Industry, London, Wiley, p55.

¹⁷⁵ Pollard (1965), op cit, p182.

¹⁷⁶ Bendix (1974), op cit, p55.

¹⁷⁷ Hobsbawm, E (1964), Labouring Men, London, Weidenfeld and Nicholson, pp299-300; Littler (1982), op cit.

¹⁷⁸ Littler (1982), op cit, p73; Burgess, K (1980), The Challenge of Labour: Shaping British Society 1850-1930, London, Croom Helm, p43; Aldcroft, DH (1968), ed, The Development of British Industry and Foreign Competition: 1875-1914, London, Allen and Unwin, pp30-31.

placed the ending of sub-contracting and its associated exploitation high on their agendas.¹⁷⁹ Littler has also suggested that employers had put pressure on sub-contractors to drive or speed up their workforces in order to secure greater effort for the same price which in turn led to a deterioration in workplace relations which led employers to reconsider strategies based on sub-contracting.¹⁸⁰ Moreover, growth in organisation size and increased technological complexity led organisations to adopt strategies of 'internalisation' through the establishment of managerial hierarchies in order to lower transaction costs and gain more control over price and market mechanisms, though many of these managerial hierarchies remained enmeshed in family ties.¹⁸¹

For a combination of reasons, inside contracting faded in importance by 1890. The period from the 1870s saw the replacement of inside contracting with direct employment in those industries where sub-contracting had been the predominant model. Thus, inside contracting ceased to be an important model of labour management from 1890, the period of commencement of this study.

Welfare Paternalism

The second model of labour management identified by Littler was labelled 'welfare-paternalist' and was associated with industries broadly based on process technology, including chemicals, soap-making, food, drink and tobacco and was often influenced by religious or social beliefs of company founders.¹⁸² Often found in industries traditionally characterised by direct employment rather than sub-contracting, work was characterised by greater job security, the employment of relatively few skilled workers and the absence of trade unionism. In these industries, employment policies were based upon the paternalism which had evolved in the third quarter of the century and focused on welfare and employee

¹⁷⁹ Littler (1982), op cit, p78.

¹⁸⁰ ibid, pp76-78.

¹⁸¹ Williamson, OE (1975), Markets and Hierarchies, New York, Free Press, pp133-136; Chandler, A (1977), The Visible Hand, Cambridge: MA, MIT Press, p2; Chandler, A (1990), Scale and Scope: The Dynamics of Industrial Capitalism, Cambridge: MA, MIT Press, pp240, 242; Gospel (1992), op cit, p8; Fitzgerald, R (1995), Rowntree and the Marketing Revolution 1862-1969, Cambridge, Cambridge University Press, p230.

¹⁸² Littler (1982), op cit.

benefits. Examples of welfare paternalism on a grand scale include the model villages built by Cadbury at Bournville and Lever at Port Sunlight. More typically, paternalist employers by the late nineteenth century placed more emphasis on such benefits as paid holidays, sick pay schemes, pensions and various schemes of education and training.¹⁸³ It is, however, important to note that the job security offered was relative and many employers, including those practising paternalism, hired and laid off casual staff according to peaks and troughs in demand.¹⁸⁴

Joyce's study of factory and community life in the cotton industry in and around Blackburn in the nineteenth century notes that paternalism, reflected in grand civic projects, began to permeate the approach of the 'traditional' employer from the 1850s and he dates the decline of the austere capitalist of the 1830s and 1840s from this time.¹⁸⁵ From the 1870s, he argues, "labour was no longer regarded as a commodity...the worker was appealed to as a member of the community".¹⁸⁶ According to Joyce, larger employers had begun to adopt what he termed 'new paternalism' which permeated every aspect of community life, through the provision of factory housing, social events, local amenities to the domination of local religious and political life. In Blackburn, its roots were in non-conformist congregationalism and its effects were to reinforce the market relationship of employer and employed, to validate the superiority of being master in one's own factory and to legitimise the authority of the entrepreneur within the wider community.

Like inside contracting, Joyce dates the decline in 'new paternalism' to the turn of the twentieth century. Factors in its decline included the growth of socialism and the trade union movement, dissatisfactions caused by the depression of the

¹⁸³ Gospel (1992), op cit, pp27-28; Fitzgerald, R (1988), British Labour Management and Industrial Welfare, London, Croom Helm.

¹⁸⁴ Gospel (1992), op cit, p36; Gourvish, TR and Wilson, RG (1994), The British Brewing Industry 1830-1980, Cambridge, Cambridge University Press, p198, note the use of casual seasonal workers in the highly paternalistic brewing industry; Fitzgerald (1995), op cit pp229-230, notes that casual employment practices remained "rife" in a range of sectors and also that Rowntrees had a system of employing 'core' permanent staff, in addition to using temporary, casual workers.

¹⁸⁵ Joyce, P (1982), Work, Politics and Society: The Culture of the Factory in Late Victorian England, London, Methuen.

¹⁸⁶ *ibid*, p137.

1880s, an improved local transport structure bringing about greater mobility and an associated breakdown of closed factory communities. A key factor in the decline of welfare paternalism in the cotton industry in and around Blackburn at the turn of the century, in Joyce's view, was the coming of the limited company and the decay of private ownership and he summed up their impact in the following way:

"The limiteds broke the back of personal paternalism, for it was the family dimension to the culture of the factory that was its primary source of stability. In place of this the limiteds brought in their train innovations of technology and work method that pointed forward to the rationality of industrial organisation in the twentieth century. The history of industrial relations in the limiteds was a history of bitterness and suspicion. The sense of industrial commitment in the private company was part of a wider sense of commitment to the town and to the workpeople. With the passing of the family firm, and especially in the years leading up to the First World War, the great employers bowed out of social life... with their passing ended a distinct culture and a unique chapter in the history of civilisation."¹⁸⁷

Another key influence on the decline of welfare paternalism was the growth in the size and influence of the trades unions. Just as the unions had been an important influence in the demise of the inside contract system, so also they influenced the demise of welfare paternalism. Coleman has provided a useful example of the impact of the arrival of the union in the 1890s in the silk weaving factories of Samuel Courtauld and Co in rural north Essex.¹⁸⁸ The modernisation of weaving technology had led the company to recruit the skilled workers they required, mainly foreman and loom workers, from the northern textile centres, paying them higher rates than the local staff to induce them to relocate. However, these workers brought with them "different, less compliant attitudes of mind (and) were used to a different working atmosphere".¹⁸⁹ Following some disturbances which led to dismissals, the northerners formed a branch of the East Riding of Yorkshire Weavers and Textile Workers Association. The following year a dispute arose over a management order for the weavers to clean their own looms, work

¹⁸⁷ ibid, p34.

¹⁸⁸ Coleman, DC (1969), Courtaulds: An Economic and Social History, vol 1, Oxford, Clarendon, pp258-260.

¹⁸⁹ ibid, p258.

traditionally done by the unskilled. A lockout followed and the workers eventually returned after 14 days on management terms. Coleman sums up the impact of the event on the firms' traditional paternalist management style as follows:

"The whole episode was systematic of the changes in the affairs of Samuel Courtauld and Co Ltd as the firms was pushed into the twentieth century. The paternalistic attitude, with its expectation of obedience and exercise of benevolence, was far from dead. It still had time to run, but it was being subjected to unwanted shocks. Like a good many other firms, the company did not take kindly to trade unions, but they had arrived".¹⁹⁰

The most extensive study of the role of industrial welfare in labour management from the mid nineteenth century to 1939 has been conducted by Fitzgerald¹⁹¹ whose findings require a moderation of the views expressed by Joyce and Coleman. In relation to the Joyce thesis, he argues that while 'personal paternalism' and philanthropy, involving the dominance of the life of a single industrial community by individual entrepreneurs may have gone into decline, the emergent management bureaucracies in larger organisations embraced and applied industrial welfare strategies with even more enthusiasm for reasons which will be explored.¹⁹² Thus, welfare paternalism on a personal basis evolved into bureaucratic industrial welfare. As regards the decline of welfare paternalism as a result of unionisation, as argued by Coleman of Courtaulds, he suggests to the contrary that the Courtauld family remained firmly in control of the company and welfare remained a central plank of their labour strategy.¹⁹³ On the basis of extensive research of company records,¹⁹⁴ he identifies considerable evidence of the continuation of welfare as an important part of employers' labour strategies up to 1939, including evidence of its increase in the inter-war period. He concludes that industrial welfare, far from being the exclusive preserve of a small number of firms (such as Cadbury, Rowntree or Lever Brothers), was commonly applied across a wide range of industrial sectors. By 1890, the establishment of

¹⁹⁰ *ibid*, p260.

¹⁹¹ Fitzgerald (1988), *op cit*.

¹⁹² *ibid*, pp10, 149.

¹⁹³ *ibid*, p157.

¹⁹⁴ In the railways, gas, iron and steel, chemicals, breweries, textiles, coalmining, shipbuilding, engineering, electrical goods, motor cars and food and tobacco sectors.

housing schemes, social clubs, recreational facilities and provident funds providing for sickness, accident and pension benefits were amongst the main initiatives in place and these and further initiatives continued apace thereafter. A number of reasons are identified for the establishment of industrial welfare schemes. One relates to the issue of managerial control over discipline and work standards. A number of welfare benefits, such as pensions, profit-related bonuses, sick pay entitlements, holiday pay and long service payments, were paid ex-gratia and at management discretion and could be withheld or reduced where individual employees had poor disciplinary records.¹⁹⁵ Secondly, they could be used to encourage worker loyalty to the firm and discourage trade unionism.¹⁹⁶ Thirdly and most importantly, they could be used to attract and retain people with 'firm specific' skills, thus reducing the employers' reliance on the vagaries of the supply of these skills in the external labour market and instead securing supply through an internal labour market.¹⁹⁷ Fitzgerald's study does not say a great deal about the functional organisation of welfare, but suggests that it was driven as a policy by company boards of directors.

Developments in labour management: 1890-1914

Employers' strategies towards labour in the period from 1890 to 1914 drew heavily from the inside contract model. In place of the piecemaster was the salaried foreman, many of whom were former sub-contractors who continued to retain their former rights to hire, fire, discipline and reward and who continued to enjoy absolute authority over the men in their shops. Much of the employers' strategies in relation to the 'effort-reward' bargain also drew from the familiar concept of piecework. In place of the piecework price for a given level of output agreed with the piecemaster, employers increasingly turned to the application of piecework to the individual worker in order to induce the required level of effort and output. Thus, as we shall see, the predominant model of labour management in those industries formerly using sub-contracting, for example in the engineering

¹⁹⁵ See for example *ibid*, pp141, 119.

¹⁹⁶ *ibid*, p131.

¹⁹⁷ *ibid*, p247. See also David J Jeremy (1991), The enlightened paternalist in action: William Hesketh Lever at Port Sunlight before 1914, *Business History*, XXXIII, pp 58-81, in which he shows how WH Lever manipulated religious welfare at Port Sunlight, including the establishment and domination of a church opened in 1889 to control and prevent the emergence of rival creeds "implying different value systems which might threaten a narrowly paternalist one" (*ibid*, p 65).

industry, revolved around the role of the foreman and the use of piecework in the period up to 1914.¹⁹⁸ Amongst some groups of skilled workers in the engineering industry, for example, the use of piece-work increased from around 10 per cent of workers to between a third and a half by 1914 and various writers¹⁹⁹ have suggested that these initiatives, in conjunction with automation and the replacement of skilled workers by the semi-skilled, bore some affinity to the scientific management schemes taking root in the United States in the same period under the influence of mechanical engineers, of whom FW Taylor was a leading example.²⁰⁰ The source of such initiatives in Britain was also works managers and others associated with mechanical engineering and Zeitlin suggests that they had become acutely aware of these developments through the engineering press.²⁰¹ There is, however, fairly general agreement that other aspects of Taylor's scheme of scientific management aroused little interest in Britain until immediately before the First World War.²⁰²

Thus, the first strand of thought to emerge about labour management between 1890 and 1914 arose out of the demise of the inside contracting system and was pioneered by works managers from an engineering tradition, with some influence emanating from American ideas about scientific management. Both the engineering tradition and scientific management would, as we shall see, prove to be a powerful and enduring influence on the development of personnel management in Britain.

Development of the role of the foreman in the management of labour: 1890-1914

¹⁹⁸ Littler (1982), op cit, pp80-98.

¹⁹⁹ Lewchuk, W (1982), Fordism and British motor car employers 1896-1932, in Gospel, H and Littler, CR (1983), Managerial Strategies and Industrial Relations: An Historical and Comparative Study, Aldershot, Gower, p85; Littler (1982), op cit, p39; Zeitlin, J (1983), Labour strategies of British engineering employers, 1890-1922, in Gospel and Littler (1983), op cit, p40.

²⁰⁰ Jenks, LH (1960), Early phases of the management movement, Administrative Science Quarterly, 5, 3, 421-447; George, CS (1972), The History of Management Thought, Englewood Cliffs: NJ, Prentice Hall.

²⁰¹ Zeitlin (1983), op cit, pp40-41.

²⁰² Urwick, L and Brech, EFL (1948), The Making of Scientific Management: Management in British Industry, vol 2, London, Pitman, p88; Littler (1982), op cit; Melling, J (1983), Employers, industrial welfare and the struggle for workplace control, in Gospel and Littler (1983), op cit.

The role of directly employed foreman emerged in the 1870s and 1880s to fill the void left by the decline in sub-contracting in those industries which had previously operated this system. The change should, however, be viewed as one of adaptation rather than step change. Many foremen and chargehands had previously been either employed by sub-contractors²⁰³ or had themselves been contractors.²⁰⁴ In industries where sub-contracting had not been used, Pollard identifies the origins of the directly employed foreman in enterprises from the early part of the nineteenth century onwards, often promoted from the ranks after long service,²⁰⁵ relatively well paid²⁰⁶ and with clear managerial responsibilities for supervising the level and quality of work output in his department.²⁰⁷

From whichever of these two traditions, various accounts of the role of the foreman in the period from 1890 to 1914 provide a clear indication of his extensive influence over labour management decisions at the shop floor level. Gospel summed up his range of responsibilities, stating that "he controlled the production functions of planning, the allocation and speed of work and working methods; he also controlled the personnel functions of hiring, firing, promotion and demotion, as well as discipline, payment and the handling of grievances".²⁰⁸ The allocation of such extensive powers to directly employed foremen instead of to inside contractors was not without its critics and, as Littler notes, a particular concern of the late Victorians was that this could lead to ineffective and inefficient supervision unconstrained by the profit motive and open to favouritism and bribery.²⁰⁹ Concerns about the unrestricted power of the foreman were also noted by Webb who observed, quoting the words of an engineering employer, as follows:²¹⁰

"In most works, the whole industrial life of a workman is in the hands of his foreman. The foreman chooses him from among the applicants at the works gate; often he settles what wages he shall get; no advance of wage or promotion

²⁰³ Pollard (1965) op cit, p85.

²⁰⁴ Gospel (1983), op cit, p97.

²⁰⁵ Pollard (1965), op cit, p132.

²⁰⁶ *ibid*, p141.

²⁰⁷ *ibid*, p268.

²⁰⁸ Gospel (1983), op cit, p97.

²⁰⁹ *ibid*, p81.

²¹⁰ Webb, S (1917), The Works Manager Today, London, Longman Green, pp27-28.

is possible except on his initiative; he often sets the piece-price and has power to cut it when he wishes; and lastly he almost always has unrestricted power of discharge... These are usually promoted workmen, with no very marked superiority in education, outlook or sympathy over those whom they command. It is not surprising, therefore, that these powers are often abused ... The workman has no court of appeal against the edict."

Whilst the considerable powers of foremen continued up to 1914 and beyond, a number of factors began to bring about an erosion of their role in the period before the First World War, with some of his duties being passed to functional specialists.²¹¹ An important cause of changes in the role of the foreman, at least in engineering, arose out of developments in collective bargaining. As the level of unionisation increased from the late 1890s onwards, the power to determine wages shifted from individual bargaining between foreman and worker into a collective agreement.²¹² Two further aspects of the role of the traditional foreman also began to be removed from his area of responsibility in the period from the later 1890s to 1914. These concerned his rights to hire, discipline and fire. Against a background of concern on the part of some employers about possible favouritism on the part of foremen when making selection decisions, some firms began to remove his powers to do so. Cadbury's, for example, did so in the late 1890s.²¹³ In some instances, this task was handed over to welfare workers. At Rowntree's, Niven notes that the recruitment of women was given to its first welfare worker, Mary Wood, one year after she had commenced in 1896²¹⁴ and recruitment of women was similarly handed to a welfare worker at Robertson's Jam in 1905.²¹⁵ In other instances, a few organisations established Employment Departments, headed up by male Employment Managers, to handle all recruitment. This occurred at Rowntree in 1904, Peak Frean in either 1909 or 1910,²¹⁶ Hans Renold in 1909,²¹⁷ Selfridges in 1909²¹⁸ and at John Dickenson's

²¹¹ Gospel (1983), op cit, p90.

²¹² Littler (1982), op cit, p87.

²¹³ Melling, J (1980), Non-commissioned officers: British employers and their supervisory workers, 1880-1920, Social History, 5, 2, p190.

²¹⁴ Niven, M (1967), Personnel Management 1913-1967, London, Institute of Personnel Management, p20.

²¹⁵ *ibid*, p27.

²¹⁶ *ibid*, pp22 & 28.

²¹⁷ Renold, CG (1950), Joint Consultation over Thirty Years, London, Allen and Unwin, p14.

²¹⁸ Pound, R (1960), Selfridge: A Biography, London, Heinemann, pp 51 & 63.

Apsley paper mill, where a 'Labour Bureau' was established in 1911.²¹⁹ Another aspect of the foreman's traditional role, discipline and dismissal, also began to be eroded at this time. At Cadbury's, in the wake of restrictions on the imposition of fines introduced by the Truck Act of 1896, the firm abolished all fines and introduced a new disciplinary procedure in 1898 under which foremen and forewomen could only deal with minor disciplinary matters, but warnings for more serious offences and the right to dismiss was passed to the directors.²²⁰

Though little is known about how widespread the erosion of the foreman's powers was in these areas up to 1914, the extent of the developments may be gauged from the commentaries of two contemporary observers with regard to the foreman's rights to recruit by 1914. In his classic account of life in the railway works at Swindon, Alfred Williams observed as follows:

"Different methods are now employed in engaging new hands. They are seldom taken up from the entrances by the foremen, but must apply at the works' Inquiry Office and begin to pass through the official formula in that way, or the foreman is supplied with names ... This is another indication of the times, a further development of the system at the works."²²¹

Whilst Williams did not make clear exactly what the 'official formula' or 'the system' were and may be referring to some kind of labour office, it was evident that the power to recruit had been taken from the foremen. Sidney Webb offered a broader view of practices regarding appointments and dismissals. He noted that the practices regarding appointments varied enormously even in the same trade:

"At one end we see a foreman summarily picking out this man from a surging crowd at the factory gates; at the other we have all the appointments, even of labourers, made after elaborate enquiries by a special 'Employment Department',

²¹⁹ Evans, J (1955), The Endless Web: John Dickenson and Co Ltd 1804-1954, London, Jonathan Cape, pp170-171.

²²⁰ Cadbury, E (1912), Experiments in Industrial Organisation, London, Longman Green, pp70-77.

²²¹ Williams, A (1984), Life in a Railway Factory, Stroud, Allan Sutton (first published in 1915), p276.

or by one of the partners in the firm or by a manager in a high position, specially deputed for this duty".²²²

As regards dismissal, he notes with approval that "some organisations do allow appeals to higher management" beyond the foreman under procedures which had been established, allowing the foreman to warn or suspend, but not dismiss.²²³

The development of welfare and welfare work: 1890-1914

As noted above, Fitzgerald has identified that the use of industrial welfare policies was an important feature of employers' labour policies from the mid nineteenth century and remained so in the period up to 1914 (and after).²²⁴ The period from 1890 to 1914 did, however, see a further development of industrial welfare, the employment in a small number of companies of salaried welfare workers. Though small in number before 1914, their appearance is significant because it is from this small group of people that the Welfare Workers' Association, the forerunner of today's professional institute, emerged. Whilst more detail of the developments in welfare work in this period will be considered further in chapter 4, a few brief points may be made here. Evidence suggests that welfare work evolved during the nineteenth century out of 'outside' welfare, usually involving sick visiting on a volunteer basis, often by wives or other female relatives of business owners.²²⁵ A similar account of these origins is contained in chapter 6 of the work of the volunteer 'Ladies Managing Committee' set up in the early 1890s at Brunner Mond. Evidence also suggests that where the size of the sick visiting or related tasks grew beyond that which could be managed on a voluntary basis that a few firms began to make either part or full-time appointments on a salaried basis. Such a development occurred at Boots in 1893 and at Rowntree in 1896.²²⁶ By

²²² Webb (1917), op cit, p21.

²²³ *ibid*, p32.

²²⁴ Fitzgerald (1988), op cit.

²²⁵ Proud, ED (1916), *Welfare Work*, London, Bell, p317; Niven (1967), op cit, p16; Coleman (1969), op cit, p248; Chapman, S (1974), *Jesse Boot of Boots the Chemists*, London, Hodder and Stoughton, p167.

²²⁶ Chapman (1974), op cit, p167; Briggs, A (1961), *A Study of the Work of Seebohm Rowntree 1871-1954*, London, Longman, p103.

1914, however, all the evidence indicates that such appointments were only made on a very limited scale. When the welfare workers established the Welfare Workers' Association in 1913, it had just 34 members and Niven suggests that just two dozen firms employed welfare workers at that time, albeit that such leading firms as Cadbury, Boots, Rowntree,²²⁷ Reckitt and others were represented. Salaried welfare work, as distinct from the extensive use of industrial welfare policies, cannot therefore be seen as a phenomenon of great significance before 1914, but its adoption by Rowntree and the personal influence which BS Rowntree enjoyed with Lloyd George before and during the First World War proved, as we shall see in the next chapter, to elevate the cause of welfare work way beyond its significance in the period before 1914.

The emergence of a management literature: 1890-1914

The period from the mid 1890s through to 1914 also saw for the first time in Britain the emergence of a distinct literature about the techniques of management reflective of the growing awareness of its significance and this provides some further insights and confirmation of the main strands noted above. Written exclusively by engineers and works managers, these manuals were primarily concerned with such matters as the purchase of raw materials, plant and equipment, organising production, inspection, warehousing, supply, selling and cost accounting, the 'nuts and bolts' of setting up and managing factories and engineering workshops.²²⁸ Whilst references to labour management by these

²²⁷ Niven (1967), op cit, pp36 & 165.

²²⁸ See Hutton, WS (1890), The Works Management Handbook, London, Crosby, Lockwood and Son; Lewis, JS (1896), The Commercial Organisation of Factories, London, E&F Spon; Barker, AH (1899), The Management of Small Engineering Workshops, Manchester, Technical Publishing Co Ltd; Burton, FG (1899; 1905), The Commercial Management of Engineering Works, Manchester, Scientific Publishing Company; Stannard, JW (1911), Factory Organisation and Management, London, Educational Book Company; Liversedge, AJ (1912), Commercial Engineering - by a General Manager, London, Emmott & Co; Batey, J (1914), The Science of Works Management, London, Scott, Greenwood & Co; Smith, D and Pickworth, PCN (1914), Engineer's Costs and Economic Workshop Practice, London, Emmott & Co; Elbourne, ET (1914), Factory Administration and Accounts, London, Longman Green. Also see Brech, EFL (2002), The Evolution of Modern Management: Volume 4: A Century of Management Literature 1832-1939, Bristol, Thoemmes, for an extensive bibliography of management-related literature from 1832.

writers were in the main scant, interest in the subject deepened and coverage became more extensive in the period immediately prior to 1914.

Slater Lewis, a general manager in the engineering industry, made passing references to labour management in his book The Commercial Organisation of Factories, one of the earliest British management texts.²²⁹ He located responsibility for labour management within the role of the works manager, whose duties included factory rules and discipline, the handling of disputes and grievances, the appointment of foremen, ensuring compliance with the Factories' Acts, the keeping of employee records and the provision of references for former employees. Recruitment and selection of shop floor employees were the responsibility of the relevant foreman, but an appointment was made subject to the works manager's approval of the character references provided by the prospective employee from their previous employer. Slater Lewis's account is not entirely clear about the respective roles of foremen and works managers as regards discipline, but it appears that the practice was for lesser disciplinary matters, short of dismissal, to be handled by the foreman, but for dismissal to be referred to the works manager. Barker²³⁰ and Burton,²³¹ both practising engineers and works managers, provided similar portrayals of the works manager's role and confirmed that it was the practice for a works manager to have the final say in employee engagement as a result of scrutinising references and also that his involvement in disciplinary matters was in the decision to dismiss, rather than in lesser disciplinary offences, which remained in the hands of foremen.

The first British text to give more systematic coverage of labour management issues was JW Stannard's Factory Organisation and Management, published in 1911.²³² Stannard, an engineer and works manager who referred to himself as having "professional expertise extending over many years",²³³ devoted three

²²⁹ Lewis (1896), op cit.
²³⁰ Barker (1899), op cit.
²³¹ Burton (1899; 1905), op cit.
²³² Stannard (1911), op cit.
²³³ *ibid*, p131.

chapters to what he called 'the labour problem'. In common with most other discussions about labour management amongst engineers and works managers in books and articles in the period before 1914, Stannard's main focus was on wage payment systems. He did, however, make one of the earliest references in British management literature to the role of 'employment departments' in recruitment and selection and promotion decisions. In particular, he highlighted the emergent role of an employment manager in making selection decisions, instead of the foreman. "While", he argued, "a foreman may be able to judge a man's ability to do certain work, it rarely happens that he has also the intuitive knowledge necessary to judge a man from other and equally necessary standards".²³⁴ An employment manager should be selected "from among the executive staff" and "needs to be an expert judge of character and a man capable of learning as much as possible from a brief interview".²³⁵ Stannard noted that in some instances, the employment manager was wholly responsible for the selection decision, but more often he was "merely the interviewer and the reviewer of the reports from other sources, being responsible for all investigations as well as for securing and verifying references",²³⁶ with the final decision being made by the manager responsible. "Every business", he concluded, "can make use of the services of some kind of employment department".²³⁷

The most influential general British management text to appear before the First World War was ET Elbourne's Factory Administration and Accounts, published in 1914. The book went through five editions, last appearing in 1934 under the title The Fundamentals of Industrial Administration.²³⁸ Elbourne was a former works accountant at Vickers Sons and Maxim Ltd and, at the time of writing, was departmental works manager at the Birmingham Small Arms Co Ltd. The roles of foremen and works managers described by Elbourne echo the earlier accounts of Slater Lewis, Barker, Burton and Stannard. Selection of employees

²³⁴ ibid, p174.

²³⁵ ibid, pp176-177.

²³⁶ ibid, p177.

²³⁷ ibid, p175.

²³⁸ Elbourne (1914), op cit; Elbourne, ET (1934), Fundamentals of Industrial Administration, 5th ed, London, Longman Green.

was usually made by the foreman who then passed the 'engagement form' and character references brought from a previous employer on a 'workman's character form' to the works manager for approval.²³⁹ Foremen were also responsible for offering the rate of pay, based on an authorised list of rates issued by management or, where applicable, the trade union district rate.²⁴⁰ The power of discharge lay in the hands of the foreman, but was subject to approval by the works manager. Like Stannard some three years before, some brief passing reference was made to the existence of 'employment functions'. He noted: "It is not unusual in this country for all prospective employees to be interviewed by the one officer, this constituting a sort of employment bureau",²⁴¹ but he concluded that this approach was not widespread and most selection decisions remained in the hands of foremen, subject to authorisation by the works manager, as described above.

Conclusions: labour management 1890-1914

Information drawn from both historical research and contemporary texts indicate that the foreman played the key role in labour management decisions, in particular recruitment, promotion, discipline and dismissal, though there was evidence of an erosion of the foreman's absolute rights during the period, with an increasing requirement to defer to the authority of the works manager in these matters. Remuneration was increasingly determined by collective bargaining against a background of significant trade union growth, whilst at workshop level engineers and works managers during the period from 1890 to 1914 had extensively introduced piecework schemes in order to control the effort-reward bargain. All the contemporary texts emphasised the importance of works managers in developing labour management practices in the period up to the First World War, with a trend towards removing some of the powers formerly enjoyed by foremen. Welfare work itself was not seen as of sufficient importance to receive a mention.

²³⁹ Elbourne (1914), op cit, p85.

²⁴⁰ *ibid*, p86.

²⁴¹ *ibid*, p85.

Both Stannard,²⁴² in the first instance, and Elbourne²⁴³ confirmed the existence of specialist employment functions before 1914, but both also suggest that their existence was not widespread. Where they existed, their role was limited to initial screening at the stage of selection, with final decisions remaining with line management.

Evidence suggests that it was the growing power of the trade unions that brought about limitations in the role of the foreman, rather than any application of the idea of functional management, including specialist employment functions, as proposed by Taylor's scheme of scientific management. Whilst Taylor's scheme had been discussed in the specialist engineering press in Britain from 1895 and even wider coverage had been given to systems of piecework,²⁴⁴ the period immediately before the First World War saw a burgeoning of discussion of it in the wake of the publication of Taylor's book The Principles of Scientific Management in 1911. This debate about scientific management extended beyond the ranks of engineers to encompass a number of leading employer spokesmen. Both Edward Cadbury and CG Renold of Hans Renold Ltd were supportive of Taylor's emphasis on careful selection and appropriate training and also supported careful costing, time study and standardisation.²⁴⁵ As Urwick and Brech have noted, the debate was interrupted by the outbreak of war in August 1914, but "the progress of the war itself and the accompanying demand for production put the substance of scientific management on the map of British industry", not least by providing the stimulus for the foundation of modern personnel management.²⁴⁶

²⁴² Stannard (1911), op cit.

²⁴³ Elbourne (1914), op cit.

²⁴⁴ See, for example, FW Taylor, A piece rate system: a step toward the partial solution of the labour problem, Cassiers' Magazine, October 1895, 8, 6, 585-600; FW Taylor, A piece rate system, The Engineer, 17 April 1896, 392-392, 24 April 1896, 481, 1 May 1896, 442; FW Taylor, A partial solution of the labour problem, Cassiers' Magazine, xii, February 1898, 369-1 to 369-12; HL Gantt, A new system of rewarding machine shop labour, Cassiers' Magazine, xxiii, 1, November 1902, 118-126; HL Gantt, The premium system in the British engineering trades, Cassiers' Magazine, xxiii, 3, January, 1903, 426-433; P Ballard, Scientific management and science, Cassiers' Magazine, xli, 5, May 1912, 425-430.

²⁴⁵ Cadbury, E (1914), Some principles of industrial organisation: the case for and against scientific management, Sociological Review, VII, 2, April, 99-117.

²⁴⁶ Urwick and Brech (1948), op cit, pp187-188.

The impact of war and its aftermath on the ideas and practice of labour management: 1914-1920

When war of unprecedented proportions broke out in 1914, it did so against a background of four years of industrial unrest and considerable social division. Yet 1914 was to prove a watershed which saw the passing of the Victorian and post-Victorian world and the emergence of a different society in its aftermath. Most significant was the change in the traditional role of the state. The pre-war years of New Liberalism had seen some growth in the role of the state as regards the provision of old age pensions and state sickness and unemployment insurance, but these provisions were targeted at those less able to help themselves.²⁴⁷ When war arrived, the watchwords were 'business as usual', used by Lloyd George on the day war broke out, reflecting a view that government should continue to adhere to a strategy of minimum intervention and rely mainly on market forces to produce the goods and the manpower to wage war.²⁴⁸ By mid 1915, it had become apparent that 'business as usual' was delivering neither sufficient armaments nor the manpower to win the war. Mainly on the initiative of Lloyd George, who established the Ministry of Munitions in July 1915, the government effectively took control of the engineering industry and embarked on state intervention on an unprecedented scale. In many respects, the Ministry of Munitions became a massive experiment in industrial re-organisation, mechanisation, rationalisation and more efficient cost accounting practices.²⁴⁹ According to the Ministry's official historians, it provided "a demonstration of the application of scientific methods of labour control²⁵⁰ and put into practice two emerging themes of management thinking in the period immediately prior to the war - scientific management and welfarism - summed up by Burk as a combination of "paternalistic altruism and tough efficiency".²⁵¹

²⁴⁷ Taylor, AJP (1970), English History 1914-1945, Harmondsworth, Penguin, p26.

²⁴⁸ Burk, K (1982), ed, War and the State: The Transformation of British Government 1914-1919, London, Allen and Unwin, p7.

²⁴⁹ ibid, pp47-49.

²⁵⁰ HMG (1918-1922), History of the Ministry of Munitions, London, HMSO, V, V, p175.

²⁵¹ Burk (1982), op cit, p50.

A number of wartime influences served to focus attention on the management of labour in a way that had not occurred previously and these influences proved to have a lasting effect. The factors influencing the development of techniques of, and approaches to, the management of labour during the Great War may be summarised as follows. First, legal regulation of employment went beyond anything known hitherto. Secondly, the Ministry of Munitions established a bureaucratic Labour Department for enforcing its regulations. Thirdly, it applied for the first time the science of psychology to efficiency and working conditions through the research of the Health of Munition Workers Committee. Fourthly, the latter also established welfare supervisors on a widespread basis across the controlled sectors, giving a boost to welfare work. Fifthly, the war provided an opportunity for further growth in trade union membership and influence, especially at workplace level. This was associated with demands for greater industrial democracy and fundamental changes in the attitudes of employers to labour which would remain permanent features of the post-war world. It is to these influences that we now turn.

The Ministry of Munitions and the legal regulation of labour

A number of potentially conflicting problems confronted the government at the commencement of the war. Apart from the scale of mobilisation, the government had to balance the demands for manpower into the armed forces with the requirements to produce armaments, as well as essential raw materials and food on the home front.

The Ministry of Munitions was established in June 1915 and the Munitions of War Act was passed in July. The Act was essentially concerned with labour regulation. It outlawed strikes and lockouts and made arbitration compulsory. It created a category of 'controlled establishment' and the workplaces covered were subject to the regulations of the Munitions of War Act. It suspended all traditional working practices for the duration of the war and gave the Ministry powers to define work methods, manning levels and the allocation of operatives and promoted 'dilution' which required employers to take initiatives to replace the skilled with the semi-skilled. A major effect of dilution was to bring about a significant increase in the

number of women in the labour force. Female employment increased by 50 per cent from 3.28 million to 4.95 million during the period of the war.²⁵² The greatest increase was in the engineering workshops where 800,000 were recruited mostly in the year after July 1915 and was all the more marked since relatively few females had worked in this sector prior to the war. Wage rates also became subject to the control of the Ministry. In order to prevent 'poaching' of scarce labour by uncontrolled establishments, which had hitherto been a problem, it introduced 'leaving certificates'. These prevented employees leaving controlled establishments without the employer's consent and without a certificate, an employee could not be engaged by a non-controlled establishment for a period of six weeks. It also introduced the concept of 'war badges' for which employers could apply in order to protect key workers from call-up. The Act was enforced by Munitions Tribunals which had powers to fine and imprison.²⁵³

Given that the Munitions of War Act was concerned with manpower regulation, a Labour Department was established at the Ministry of Munitions and it occupied a strategic position in the implementation of its provisions. It was organised into five sections dealing with the enrolment of Munitions workers, the issuing of war service badges to employee exempt from military service, control of profits and law enforcement, the operations of Munitions Tribunals and welfare.²⁵⁴ Outside the Headquarters organisation, the Ministry was sub-divided into ten geographic administrative areas. Each area was administered by a local board of management composed of employers acting in a voluntary capacity, supported by an Area Organisation Department. In the first few months of the war, a Labour Officer was appointed in each area office to implement central policy. As the workload increased, these duties were sub-divided into three specialist roles from November 1915. Dilution Officers, who were generally trained engineers, were appointed to promote the use of unskilled labour. Investigation Officers were appointed to deal with questions of timekeeping, wages and disputes. Finally, welfare officers dealt with workshop conditions, canteens and transport facilities

²⁵² Pollard (1983), op cit, p42.

²⁵³ HMG (1918-1922), op cit, v1.1, p22, I IV, pp1-49; Burgess (1980), op cit, pp162-163.

²⁵⁴ HMG (1918-1922), op cit, v1.1, p22.

for munitions workers. In addition, they were assisted by extra-mural welfare officers who dealt with the well-being of female munitions workers, inspected accommodation and promoted recreational and educational schemes.²⁵⁵ As Burgess has concluded: "The Munitions of War Act represented the maximum degree of control the state could exercise over the labour market, short of outright industrial conscription".²⁵⁶ By the end of the war, the Ministry of Munitions employed an administrative staff of 65,000, controlled the employment of 3.4 million workers, directly managed 250 government factories, quarries and mines and supervised operations in 20,000 'controlled' establishments.²⁵⁷

The health of munition workers

Lloyd George has argued in his memoirs that he had two key concerns when establishing the administrative arrangements of the new Ministry. One of these was to set an example of the state as a good employer in relation to workers' welfare. The second related to the poor state of working conditions in which increasing numbers of women were being required to work.²⁵⁸ Accordingly, one of Lloyd George's earliest initiatives was to appoint a Health of Mmunition Workers Committee in September 1915 to advise on questions concerning "industrial fatigue, hours of labour and other matters affecting the personal health and efficiency of the munition worker".²⁵⁹

Whilst the Committee contained representatives of employers and labour, a majority of its members were drawn from the Factory Inspectorate and medical interests.²⁶⁰ The most immediate problem for the Committee was to consider the question of long hours being worked in munitions which was causing productivity to decline.²⁶¹ Even by the standards of the time, excessive hours, ranging from

²⁵⁵ HMG (1918-1922), op cit, VII.1, pp146-150.

²⁵⁶ Burgess (1980), op cit, p163.

²⁵⁷ Pollard (1983), op cit, p21.

²⁵⁸ Lloyd George, D (1933), War Memoirs, vol 1, London, Nicholson and Watson, p1345.

²⁵⁹ *ibid*, p346.

²⁶⁰ *ibid*, pp346-347.

²⁶¹ Hurwitz, SJ (1968), State Intervention in Great Britain: A Study of Economic Control and the Social Response 1914-1919, London, Cass, pp110-111.

70 up to as many as 100 hours per week were being worked by men and women and there were reports, for example at the Woolwich Arsenal, that many workers had only one day off per month.²⁶² Whilst such hours exceeded the legal maxima for women and young people under the Factories Acts (which imposed no control on men's hours), the Factory Inspectorate had been pressured into granting exemption orders "almost automatically".²⁶³ The Committee's first report in November 1915 urged the discontinuation of Sunday working and its second report in January 1916 urged a reduction in overtime working.²⁶⁴ Neither of these proposals were implemented at this time (although Sunday working was reduced in 1917), but in any event, there was a decrease in the number of employers seeking permission to work their employees long hours in 1916.²⁶⁵

Welfare supervision

The next area to which the Committee turned was welfare supervision. The Committee reported in January 1916, issuing a memorandum urging the appointment of Welfare Supervisors to oversee the work of women in the munitions factories. The reasons given for the appointment of welfare supervisors were fourfold. First, there was a need to manage overcrowding in munition workers' accommodation and identify new housing in the vicinity of factories. Secondly there was a need to liaise with local transport providers to reduce overcrowding at peak travel times. Thirdly, there was a requirement to improve canteen provision especially at night and fourthly, there was a perceived need to manage the personal welfare of employees in large and impersonal establishments. The Committee recommended that the duties of the Welfare Supervisor in relation to women's employment should be as follows:²⁶⁶

- To be concerned with or directly engage new labour.

²⁶² HMG (1918-1922), op cit, V, pp87-92.

²⁶³ *ibid*, p92.

²⁶⁴ *ibid*, p110.

²⁶⁵ Hurwitz (1968), op cit, p112.

²⁶⁶ HMG (1914-1916), British Parliamentary Papers 1914-1916, Iv, Cmnd 8151, London, HMSO.

- To manage housing accommodation.
- To identify local transport facilities and adapt factory hours if necessary to reduce overcrowding.
- To advise on the establishment of canteens.
- To investigate absence and sickness.
- To investigate slow and inefficient work.
- To oversee young workers.
- To advise on recreation and education.
- To investigate complaints and assist in the maintenance of discipline.
- To liaise with other organisations in the provision of worker welfare.

A question arises as to why the Committee adopt the idea of welfare supervision which, as we have seen, was only implemented in a very small number of workplaces prior to the war and why in particular did it focus on the welfare supervision of women rather than all employees? As regards the general idea of welfare supervision, it is possible to identify a number of strands coming together that led to such a recommendation. First and foremost, there was the pressing question of long hours, output and efficiency. Despite the adoption of new management techniques, the policies of the Ministry of Munitions did not represent an experiment in idealism for its own sake. Its main concerns were with stability of labour and the achievement of unbroken output and as its historians make clear, "the Ministry of Munitions developed a widespread system of intervention into the conditions of labour in the interests primarily of efficiency".²⁶⁷ Thus, it was the question of efficiency that primarily concerned the Health of Munition Workers Committee when they put forward the following rationale for recommending welfare supervision:

"If the present long hours, the lack of helpful and sympathetic oversight, the inability to obtain good wholesome food, and the great difficulties of travelling are allowed to continue, it will be impracticable to secure or maintain for an extended period the high maximum output of which women are undoubtedly capable".²⁶⁸

²⁶⁷ HMG (1918-1922), op cit, v.v, p1.

²⁶⁸ HMG (1914-1916), op cit.

This does not explain why welfarism might not also have been applied to efficiency amongst men and this is a matter to which we shall return shortly.

A second possible explanation for the recommendation to adopt welfare supervision amongst women lay in the strong representation of the Home Office Factory Inspectorate on the Health of Munition Workers Committee. The women's branch of the Inspectorate had for a number of years before the war strongly advocated welfare supervision and had associated itself with the embryonic welfare movement.²⁶⁹ The Munitions of War Act created a unique opportunity to put the ideas which they had been recommending into practice. Indeed, the Factory Inspector's Annual Reports during wartime reported sympathetically on the achievement of welfare supervision.²⁷⁰

A third factor providing suitable conditions for the adoption of welfare work at the Ministry of Munitions arose out of the sympathetic attitude on the part of Lloyd George himself and the close relationship which he had formed with Seeborn Rowntree, one of the leading pioneers of welfarism in British industry. The two had first met in 1907 and had got to know each other well through their joint involvement in a Liberal policy group in 1912. Rowntree had also informed Lloyd George about his firm's welfare scheme at the Cocoa Works in York and at the time of the outbreak of war Rowntree had become Lloyd George's adviser and part-time consultant.²⁷¹ Briggs concludes that "there seems little doubt that Rowntree was responsible for impressing on Lloyd George the urgency of the case for improved welfare conditions in munitions factories".²⁷² The conclusion reached by Briggs is supported by Rowntree's own notes held in the archives of his personal papers at York, in which Rowntree recorded the following:²⁷³

²⁶⁹ Anderson, A (1922), Women in the Factory, London, Murray, pp254-256 & 260; Proud, ED (1916), Welfare Work, London, Bell, p66; HMI (1933), Annual Report of the Chief Inspector of Factories and Workshops for the Year 1932, Cmnd 4377, London, HMSO, p63; Yeandle, S (1993), Women of Courage: 100 Years of Women Factory Inspectors 1893-1993, London, HMSO, pp42-43.

²⁷⁰ Lloyd George (1933), op cit, p1351.

²⁷¹ Briggs, (1961), op cit, pp62-63.

²⁷² *ibid*, p117.

²⁷³ BS Rowntree Archive BSR93/VII/21 (1915), Fiche 43/1.

"In November 1915, I was walking over Epsom Downs with Lloyd George and not unnaturally we were talking about the war. At that time he was the Minister of Munitions and he said to me 'we shall have to have a million women in industry before this war is over'. I replied 'it is time enough to talk like that when you are treating properly the women who are already in industry'. I told him of a factory in the North of England where conditions were unspeakably bad. Men were lying on the floor at night copulating with girls. A foreman in the factory said that he would rather his daughter went to hell direct than through that factory. Lloyd George said to me 'you can't tell me anything worse than I already know. I have tried to get someone to deal effectively with these bad factories but I have not found anyone suitable. Why don't you have a shot at it? If you do I will start a Welfare Department at the Ministry of Munitions and make you Director of it' ".

Following the publication of the Health of Munitions Workers Committee recommending the appointment of Welfare supervisors, Rowntree's appointment was announced on 3 January 1916 and he took up his duties immediately.²⁷⁴

Thus, welfarism appeared at the Ministry as a result of successful lobbying on the part of the Factory Inspectorate, aligned to a sympathetic predisposition towards it on the part of the Minister Lloyd George and because it was perceived as helping to resolve problems of efficiency. This does not explain why the main focus was on women's welfare and for this the explanations lie elsewhere. The first lies in the nature of state intervention within the political philosophy of minimum state intervention. Much of the factory legislation of the nineteenth century, in particular controls on working hours, was directed at women and young people, who were seen as vulnerable and in particular need of protection. Interference in the freedom of men to work in whatever conditions they chose in pursuit of their own economic interests tended to be seen as going too far in breach of the principle of minimal intervention by government. Moreover, men could look to their trade unions to seek improvement via collective bargaining rather than legal intervention.²⁷⁵ Such a view remained widely espoused at the time of the First World War, even on the part of such an enthusiastic proponent of welfarism as Rowntree himself²⁷⁶ and is also the reason given by the official

²⁷⁴ Briggs (1961), op cit, pp117-118.

²⁷⁵ Wedderburn, K (1971), The Worker and the Law, Harmondsworth, Penguin, p243.

²⁷⁶ Briggs (1961), op cit, p12.

historians of the Ministry of Munitions for the lack of focus on men's welfare.²⁷⁷ A second factor generating a focus on the welfare of women related to a perception of women and women's roles, as reflected in the Committee's recommendations. The influx of large numbers of women into the munitions factories was seen as a necessary, but essentially short-term, aberration. As Braybon has pointed out, a woman's role was seen as primarily reproductive and domestic and the Committee was concerned about the extent to which industrial work interfered with women's tasks in the family.²⁷⁸ These concerns in relation to the rationale for recommending welfare supervision were summed up in the Committee's own words:

"Upon the womanhood of the country most largely rests the privilege first of creating and maintaining a wholesome family life. More than ever is their welfare of importance to the nation and more than ordinarily is it threatened by conditions of employment".²⁷⁹

Underlying this rationale was a concern with the behaviour and morals of young working women as the nation's mothers working in close proximity to men and an implication that this required close supervision.²⁸⁰

By the end of the war, it has been estimated that over 1000 welfare workers of various grades were employed.²⁸¹

Scientific management at the Ministry of Munitions

It was noted earlier that the decade and a half before the First World War had witnessed extensive discussion of scientific management, in particular focusing on pieceworking including systems such as the premium bonus, culminating in major coverage in the period 1911-1914 described by Urwick and Brech as a

²⁷⁷ HMG (1918-1922) V. V, p3.

²⁷⁸ Braybon, G (1981), Women Workers and the First World War, London, Croom Helm, p141.

²⁷⁹ Health of Munition Workers Committee [HMWC] (1918), Industrial Health and Efficiency: Final Report, Cd 9065, London, HMSO, pp20-21.

²⁸⁰ Braybon (1981), op cit, p143.

²⁸¹ HMG (1918-1922), op cit, vol V, III p37.

"sudden and remarkable recrudescence of interest".²⁸² Prior to the war, therefore, there had been no shortage of awareness of the possibilities of scientific management amongst managements in both private and government establishments, but the main constraint to further implementation lay in the strong opposition of trade unions.²⁸³ Once the opposition of the trade unions had been weakened (but not eliminated) by the Munitions of War Act in July 1915, the way was opened to make the Ministry of Munitions "a laboratory of and testing ground for the development of British scientific management practice".²⁸⁴

According to Burk, the Ministry embarked on an extensive programme of reform, ranging from a restructuring of the engineering industry, to technological innovation and new management practices.²⁸⁵ The capacity of the engineering industry was expanded with government financial aid and engineering firms were encouraged to specialise, a lack of which had been seen as a major cause of declining competitiveness in the pre-war period. The introduction of the latest machinery was encouraged, with 95 per cent of the machinery in new munition factories being driven by electricity. In shipbuilding, the use of pneumatic and electrical tools was extended and in munitions manufacture the use of automatic and semi-automatic lathes was increased. The outcome was the spread of standardised and simplified work and the more widespread adoption of mass production. A further area of reform was in cost accounting systems. Whilst relatively sophisticated costing systems had operated in some British factories before the war, the Ministry extended their application across the national and controlled factories so as to improve the accuracy and detail of cost information for management decision-making. Another area of innovation concerned time and motion study²⁸⁶ and Brown has argued that "it was in the Munitions factories in Britain that motion study and its allied approaches were pioneered".²⁸⁷

²⁸² Urwick and Brech (1948), op cit, p122.

²⁸³ Zeitlin (1983), op cit, p44; Penn, R (1982), *Skilled workers and the labour process*, in S Wood, ed, *The Degradation of Work: Deskilling and the Labour Process*, London, Hutchinson, p95.

²⁸⁴ Brown, G (1977), *Sabotage*, Nottingham, Spokesman, p159.

²⁸⁵ Burk (1982), op cit, pp47-49.

²⁸⁶ *ibid*, p49.

²⁸⁷ Brown (1977), op cit, pp189-190.

The use of time and motion study also featured in the reports of the Health of Munition Workers Committee on Industrial Health and Efficiency which brought the issues of fatigue and efficiency to the attention of munitions' employers. Against a background of excessively long hours of work in munitions factories, the Committee drew attention to the possibility that hours could be reduced, while at the same time increasing output through the careful study of work and the reduction of its fatiguing elements along the lines recommended by Gilbreth. In one munitions factory, for example, hours were reduced by 13 per cent, whilst hourly output increased by 39 per cent and total output by 21 per cent.²⁸⁸ No firm conclusion can be reached about the extent to which time and motion study was applied across the whole of the munitions industry during the war. One American authority,²⁸⁹ who had observed the development of scientific management in Britain, described it as an "outburst of enthusiasm" in comparison with the comparative coolness of employers before the war and the historians of the Ministry of Munitions concluded that "the method of detailed time study... has been applied in a good many cases to the fixing of base times for premium bonus with good results".²⁹⁰ Despite these observations, Drury's study of scientific management in Britain concluded that "most of the English discussion was about premium methods of wage payment".²⁹¹

Contemporary evidence about the extent of interest in and application of various forms of bonus incentive scheme appears to confirm Drury's assessment. The Ministry's historians concluded that there was "a wide extension of systems of payment by results", mainly in industries that had previously been on time rates and that more generally that "collective bonuses based on output were widely adopted".²⁹² The growth in payment by results was attributed to substantial increases in the proportion of "repetition work of a uniform character... over a largely increased proportion of the field of industry",²⁹³ which in turn reflected the

²⁸⁸ *ibid*, p188.

²⁸⁹ Drury, HB (1918), Scientific Management: A History and a Criticism, 2nd ed, New York, Longman, p120.

²⁹⁰ Cited in HMG (1918-1922), *op cit*, V. I, p156.

²⁹¹ Cited in Brown (1977), *op cit*, pp 150 & 159.

²⁹² HMG (1918-1922), *op cit*, V. I, pp121 & 157.

²⁹³ *ibid*, p12.

restructuring of work along scientific management lines. GDH Cole in his book Workshop Organisation about the workshop movement in the First World War reached similar conclusions. He noted that "the tendency from 1914 to 1916 was indeed all in the direction of an increasing substitution of payment by results for time work"²⁹⁴ although the trends varied from industry to industry. It was most common amongst less skilled workers, in particular dilutees, but tended to be resisted by skilled workers. Cole concluded that from early 1917 "the process of introducing payment by results advanced rapidly, often attended by considerable workshop friction" with an emphasis on extending new forms of incentive payment system such as the premium bonus.²⁹⁵ The government's own survey data for 1917 indicated that at least 60 per cent of shipyard workers were on piecework of various kinds and between a third and a half of engineering shops, brought about largely "as a result of the pressure of employers".²⁹⁶

From a variety of perspectives, ranging from industrial restructuring to technology to accounting systems, time and motion study and bonus arrangements, the Ministry of Munitions did much to promote aspects of scientific management in Britain. The final assessment of the Ministry's historians regarding its achievements in this field was as follows:²⁹⁷

"The Ministry of Munitions gave, and advertised, a demonstration of the application of scientific methods of labour control, as outlined by the Health of Munition Workers Committee and other experts. This application was admittedly very imperfect, but it marked a definite step forward in methods of production in this country, on lines similar to those followed at the same time by some of the 'scientific management' firms of the United States, but avoiding the rather grotesque expedients of certain American pioneers".

A question remains about how widespread all these developments were, especially in the light of the views expressed by other contemporary observers, such as Drury and Cole who (as noted above) took the view that piece rate systems represented the most widely adopted aspect of scientific management.

²⁹⁴ Cole, GDH (1923), Workshop Organisation, Oxford, Clarendon, p62.

²⁹⁵ *ibid*, p63.

²⁹⁶ HMG (1918-1922), *op cit*, V. I, pp121-127.

²⁹⁷ HMG (1918-1922), *op cit*, V. V, pp175-176.

Workplace industrial relations, industrial democracy and the rise of the shop stewards' movement

Apart from the initiatives of the Ministry of Munitions that brought about new ideas about labour management, another important influence came from the further growth of trade unionism during the war, demands for greater workplace democracy, the growth of workplace bargaining and the emergence of shop stewards as workplace bargainers. Trade union membership as a whole increased by nearly 60 per cent from 4.1 million members in 1914 to 6.5 million in 1918.²⁹⁸

The requirements of the Ministry of Munitions meant that managements had to engage in workplace bargaining over such matters as the loosening of demarcation lines, dilution and deskilling and the employment of women. Whilst in the past, much of this bargaining was carried out with the local, full-time official of the union, the scale of the task required by the Ministry meant that there were not enough officials to carry out this work and so shop stewards of the union at the workplace, previously minor officials responsible for collecting union dues, began to usurp the traditional position of the full-time official. The origins of the shop steward movement were in the shipbuilding industry in Glasgow and this provided a model which spread throughout the munitions industry. Other factors also led to the rise of the shop stewards. Much of the traditional role of trades unions in collective bargaining and the power to use the strike weapon had been suspended. Inflation had taken off from the early part of the war and frustration was caused because it was not fully compensated by officially granted wage increases. Frustrations had also arisen over the restrictions on labour mobility. Together these factors created a void which was filled by the shop stewards movement. A key role was played by the shop stewards in negotiations over dilution which struck at the heart of the principles of demarcation enforced by the craft unions and one of the tasks of the shop stewards was to attempt to ensure that dilution did not go beyond the minimum necessary. Another important

²⁹⁸ Pelling, H (1971), A History of British Trade Unionism, Harmondsworth, Penguin, p281.

function of the shop steward was to record all changes in work practices so that, as promised by the government, they could be restored after the end of the war. Another important role of the shop steward was in bargaining over piecework rates which (as noted earlier) had spread rapidly during the war, and a requirement to consult had been enshrined in legislation (known as Circular L6). In all, it has been estimated that the number of shop stewards trebled or quadrupled in many workplaces during the war in response to the demands of workplace bargaining.²⁹⁹

The rise of the shop steward movement was also associated with demands for greater democracy in industry. For some radicals within the movement, such as syndicalists and the Socialist Labour Party, it was seen as a vehicle for revolutionary change and for bringing about worker control and the ending of capitalism.³⁰⁰ Others, such as GDH Cole, concluded some seven years after the beginnings of the movement that "although the shop steward movement rose to fame primarily as a quasi-revolutionary movement, the great mass of the work done by the stewards remained throughout the war period essentially unrevolutionary in character".³⁰¹

Following the strike wave of 1917 associated with the shop stewards' movement and amid official concern over what Hinton³⁰² refers to as "the new forces of workshop organisation generated by the war", the Labour Department of the Ministry of Munitions advocated the adoption of workshop committees in the belief that it "would help to check the more revolutionary tendencies of the shop stewards' movement".³⁰³ Later, as we shall see, the government adopted the Whitley proposals in 1917 to institutionalise workshop committees across industry.

²⁹⁹ Cole (1923), op cit, pp33 & 53-58.

³⁰⁰ Hinton, J (1973), The First Shop Stewards' Movement, London, Allen and Unwin, p48.

³⁰¹ Cole (1923), op cit, p55.

³⁰² Hinton (1973), op cit, p213.

³⁰³ *ibid.*

A number of employers responded to these developments by establishing joint works consultative committees.³⁰⁴ Whilst workshop committees had appeared in a few workplaces before the war to deal with welfare or recreational matters, their remit extended to workplace matters which had previously been the unilateral concern of managements alone.³⁰⁵ One of the problems, however, was that management and trades unions held divergent expectations about the roles of workshop committees. The industrialist, CG Renold, writing in 1917, noted that the trades unions saw in the workshop committee "the beginnings of a new order in which control could be wrested from the Capitalists and vested in Labour".³⁰⁶ On the other hand, he noted, many employers saw works committees as "vehicles for industrial peace and co-operation".³⁰⁷

Reconstruction and the Whitley Council proposals

The debate about the potential of works committees led to another initiative emerging from the war that would shape the future direction of labour management and were associated with what was termed 'Reconstruction'. Originally set up as a Committee of Cabinet Ministers in March 1916, its remit was considerably extended by Lloyd George in March 1917 when he invited a range of experts to consider post-war reconstruction in a wide range of policy fields. The fields included wages and employment; housing, health and social welfare; the control of industry; and education. In July 1917, the work of the Reconstruction Committee and its various sub-committees was elevated into a newly created Ministry of Reconstruction under Christopher Addison who was given the new post of Minister of Reconstruction.³⁰⁸

³⁰⁴ Renold, CG (1917), Workshop Committees, London, British Association.

³⁰⁵ Cole (1923), op cit, pp20-22.

³⁰⁶ Renold (1917), op cit, p7.

³⁰⁷ *ibid.*

³⁰⁸ Briggs (1961), op cit, pp135-136.

In terms of new proposals for labour management, the most significant contribution was made by the sub-committee on 'Relations Between Employers and Employed', which was set up under the chairmanship of the Rt. Hon. J H Whitley M.P. in October 1916 and whose report was produced in March 1917 and published the following June.³⁰⁹ The Whitley Report of 1917 represented an official recognition that the balance of power on the shop floor had changed during the war, since workshop committees had become widespread and, in Cole's view, the proposals were aimed at "satisfying the workers' claim to a share in the control of their industry".³¹⁰ The Whitley Report recommended the establishment of Joint Standing Industrial Councils, joint employer-worker committees designed to give labour a greater say in matters, such as pay and conditions of employment, which affected them. It was proposed that these should operate at various tiers: joint industrial councils at national level, district councils and joint works councils at establishment level, with the whole scheme based upon trade union membership, recognition and collective bargaining.

No legislation regarding the implementation of Whitley's joint industrial councils was ever enacted, but by 1920 more than 70 were implemented on a voluntary basis.³¹¹ The Whitley proposals did, however, highlight the importance of assigning specific responsibilities to managers for the conduct of workshop industrial relations. In its Notes on Works Committees, the Ministry of Labour recommended that certain members of the management side should form a constant nucleus of works committees, including the managing director, works manager and where such an official existed, the labour or welfare superintendent.³¹² In practice, however, Whitley's recommendations resulted in an extension of national collective bargaining arrangements, following the pattern which had emerged during the war, across many industrial sectors. Whitley's Joint Industrial Councils were national negotiating bodies, to be supplemented by committees at district and works level. Where works committees were set up

³⁰⁹ ibid, p148; Lloyd George (1933), op cit, pp1957-1958.

³¹⁰ Cole (1923), op cit, p115.

³¹¹ Lloyd George (1933), op cit, p1958.

³¹² Cole (1923), op cit, p159.

towards the end of the war and immediately after, their life span was brief against a background of rising unemployment and the hostility of many employers after 1920, the initiative lost impetus.³¹³

When the war ended in 1918, it had apparently witnessed a number of significant developments which changed the context of labour management. In addition to extending the application of scientific management and introducing welfare work amongst women on a wider basis, the demands of the trades unions and the expectations of the shop floor were for less autocracy and more joint control of workplace decisions.

The context of labour management: 1920-1939

In many respects, the economic and political climate of the inter-war years generated conditions which might not be seen as highly conducive to the growth of labour management as a specialist activity. Unemployment never fell below 10%³¹⁴ and thus, in principle, labour was plentiful and the bargaining power of trade unions was reduced, though unemployment fell with recovery from the mid 1930s. The character of trade unionism also changed after the General Strike of 1926, with a swing from radicalism before this date to a more accommodating relationship with capital after it.³¹⁵ Trade union membership fell sharply from its peak of over eight million in 1920 to below five million in the late 1920s, only recovering in the later 1930s to exceed six million at the end of the period. In contrast with the increase in government intervention seen in the years before the First World War, culminating in extensive regulation of labour during it, the period after 1922 was characterised by a belief in non-intervention and few significant changes in labour legislation were introduced in the inter-war period. Despite

³¹³ Child, J (1969), British Management Thought, London, Allen and Unwin, p50; Briggs (1961), op cit, p148.

³¹⁴ Gospel (1992), op cit, p64.

³¹⁵ Wrigley, CJ (1987), A History of British Industrial Relations: vol 2: 1914-1939, Brighton, Harvester, p101.

unemployment and depression, the inter-war years were, however, characterised by real economic progress, notably after the recovery of 1932.³¹⁶

As regards the structure of industry, a dominant theme of the 1920s was rationalisation and merger. Rationalisation had a number of perspectives broadly drawn from the scientific management tradition.³¹⁷ At shop floor level, it was concerned with the application of scientific management to the organisation of labour. It was also concerned with the application of management techniques in the fields of costing, work measurement and plant layout. Beyond the level of the individual firm, it advocated greater collaboration and sharing of information so as to reduce overlap and duplication and the sharing of common services. It encouraged firms to standardise the use of materials. Beyond this, at the level of an industrial sector, it advocated mergers so as to gain the economies of scale and greater resources of large enterprises.³¹⁸

Hannah also identifies links between rationalisation and a growth of functional differentiation of managerial tasks, noting that most large companies had functional specialists in personnel, finance and accounting and technical areas by the late 1920s.³¹⁹ Whilst business leaders in the larger firms were generally supportive of rationalisation, there were concerns about controlling and co-ordinating emergent bureaucracies and the evolution of a professional management hierarchy was seen as central to the full realisation of the potential economic advantages of rationalisation.³²⁰

During the 1920s, nearly two thousand firms were absorbed in mergers and acquisitions and, although the growth in concentration affected most industries, the effect was particularly marked in the newer expanding sectors. ICI, formed from the four largest firms in the chemical industry, controlled more than one third

³¹⁶ Glynn, S and Oxborrow, J (1976), Inter-War Britain: An Economic and Social History, London, Allen and Unwin, p90.

³¹⁷ Child (1969), op cit, p86; Hannah, L (1983), The Rise of the Corporate Economy, New York, Methuen, p32.

³¹⁸ Child (1969), op cit, pp86-87; Pollard (1983), op cit, p104; Littler (1982), op cit, p101.

³¹⁹ Hannah (1983), op cit, p78.

³²⁰ *ibid*, pp70-81.

of its sector and AEI, GEC and English Electric dominated the electrical industry. The food, drink and tobacco sector became dominated by a few large companies - Unilever, Ranks, Spillers, Cadbury-Fry, Rowntrees, Reckitt and Coleman, Distillers and Imperial Tobacco. The merger wave slowed considerably after 1930, but by that time 10 manufacturing firms each employed more than 30,000 people and the largest of them, Unilever, ICI and GKN, over 50,000, whilst 135 firms employed 5,000 people or more and accounted for 44.5 per cent of gross output.³²¹ A related effect was a growth in plant size. By the mid 1930s, 21.5 per cent of employees worked in plants employing 1000 and over and a further 13.9 per cent in plants employing 500-999 workers. In terms of employment by size of firm, nearly half the labour force was to be found in firms employing 500 workers or more.³²² In no fewer than 33 industrial sectors, the three largest units accounted for 70 per cent of total employment or more.³²³

Another important feature of industry in the inter-war period was the quickening pace of technological change, particularly in the 1930s. The use of electricity as the source of power for driving machinery increased significantly, assembly line techniques, automation and mass production became more widespread and in sectors such as chemicals, continuous processes began to be introduced.³²⁴ According to Branson and Heinemann "speed up and intensification of work" became particular characteristics of factory life in the 1930s.³²⁵

Influences on the Developing Philosophies of Labour Management: 1920-1939

Described by LF Urwick as 'The Father of British Management',³²⁶ the pivotal figure in the development of labour management philosophies and practices in the inter-war period (and indeed before) was undoubtedly that of Benjamin

³²¹ *ibid*, p101; Gospel (1992), *op cit*, pp44-45; Pollard (1983), *op cit*, p101.

³²² Pollard (1983), *op cit*, p101.

³²³ *ibid*.

³²⁴ Branson, N and Heinemann, M (1971), *Britain in the Nineteen Thirties*, London, Weidenfeld and Nicholson; Pollard (1983), *op cit*; Hannah (1983), *op cit*; Gospel (1992), *op cit*.

³²⁵ Branson and Heinemann (1971), *op cit*, p80.

³²⁶ in Child (1969), *op cit*, p306.

Seeborn Rowntree (1871-1954). As the country's first reported Labour Director from 1890, he was a pioneer of the appointment of welfare workers from 1891 and established one of the first Employment Departments in 1904.³²⁷ He facilitated the establishment of the Welfare Workers' Association at York in 1913 and did much to develop welfare work at the Ministry of Munitions during the war.³²⁸ In the post-war period he initiated the annual Oxford management conferences (from 1922 biennial conferences) and also established the Management Research Groups for the exchange of information about management practices between firms (with which over 100 were associated) in 1926.³²⁹ He remained throughout the inter-war period the author of the only text solely devoted to labour management, The Human Factor in Business, which went through three editions, appearing in 1921, 1925 and 1938. In short, Rowntree was at the centre of all the key developments between 1890 and 1939. Moreover, he assembled around him at the Cocoa Works in York a group of staff who would themselves make significant contributions to the development of labour management philosophy and practice. Notable among these were Colonel Lyndall F Urwick, an Oxford graduate, who joined Rowntrees in 1920 to deal with problems of 'organisation' and remained with the Company until 1928,³³⁰ where his brief included selection testing, time and motion studies and investigating industrial fatigue.³³¹ A second figure who would become influential in the development of a philosophy of labour management and management generally was Oliver Sheldon, appointed in 1920 to look into hiring, pay and other procedures.³³² An Oxford graduate in scripture and law, Sheldon is reported to have been "influenced by Rowntree's Christian example of running the Cocoa Works according to both scientific principles and high ethical ideals" and also to have been "keenly interested in American scientific management and the work of FW Taylor".³³³ In 1923, he

³²⁷ Briggs (1961), op cit, p95, p103; Niven (1967), op cit, p22.

³²⁸ Niven (1967), op cit, p37; Briggs (1961), op cit, pp112-163.

³²⁹ Briggs (1961), op cit, pp268-274.

³³⁰ Briggs (1961), op cit, p227.

³³¹ Fitzgerald, R (1995), Rowntree and the Marketing Revolution 1862-1969, Cambridge, Cambridge University Press, p264.

³³² *ibid.*

³³³ D Jeremy and C Shaw (1986), eds, Dictionary of Business Biography, London, Butterworth, v5, p117.

published The Philosophy of Management, considered to have been one of the most influential books on management in the inter-war period.³³⁴

Outside the 'Rowntree circle', the other significant contribution to the development of both labour management philosophy and management philosophy in general came from John Lee, a former director of the London Telegraph and Telephone Centre, who published widely in the 1920s until his death in 1928.³³⁵

Since BS Rowntree was the pivotal influence, it is important to focus on the sources of Rowntree's philosophies and practices. Thereafter, the philosophies of Sheldon and Lee and the influences on them will be considered. A first and important influence on BS Rowntree was his Quaker religion. Quakerism is based around the belief that the 'Light of Christ' is given to each individual and that "every person should have the fullest opportunity to give expression to the 'Light' that is within them."³³⁶ Child summarises the four facets of the Quaker social conscience as follows:³³⁷

- "(i) A dislike of exploitation and profit of one man at the expense of another
- (ii) A traditionally puritan view of the 'stewardship of talents', stressing the value of hard work, lack of waste, the careful organisation of resources, and a personal renunciation, all for the service of others
- (iii) A tradition of egalitarianism and democratic relationships, and
- (iv) An abhorrence of conflict between men.

The first of the above precepts, the dislike of exploitation, raises particular concerns amongst Quaker employers about the morality of profits, but this needs to be seen in the light of the second precept, that of service to others and the efficient use of resources. These combine in a Quaker view of industry

³³⁴ Child (1969), op cit, p72. However, in the foreword to a 1965 reprinted edition of the book, Alex W Rathe, Professor of Management at the Graduate School of Business Administration at New York University, tempers Child's view by arguing that "too few managers had read this book before it went out of print in 1935", in O Sheldon, op cit, 1965 edition, pv.

³³⁵ Child (1969), op cit, p59.

³³⁶ Child, John (1964), Quaker employers and industrial relations, Sociological Review, 3, November, p 294

³³⁷ *ibid.*

which sees the role of industry as serving the whole community through efficient management of businesses.³³⁸

The importance of these precepts was reflected in two major conferences of Quaker employers held in 1918 and 1928. The main resolutions adopted at the 1918 conference were: (i) the recognition of the status and rights of the worker as a person through consultation, trade union recognition and the provision of a living wage (ii) the provision of security of employment by avoiding casual labour (iii) the avoidance of lay-offs through internal transfer to other work (iv) protection against unjust dismissal (v) the sharing of profits through profit-sharing and co-partnership schemes.³³⁹ At their 1928 conference, the key resolutions related to: (i) needs for higher efficiency based in the moral obligation of the employer to enable employees to earn the highest possible wage (ii) the importance of employing managers who were trained professionals and who were able to balance technique with ethical considerations.³⁴⁰

Rowntree's (1938) summary of the main thrusts of labour policy at his Company shows the importance of the resolutions from the Quaker conferences and the Quaker precepts discussed earlier. The worker's status was protected through support for trade union membership. Democratic relationships were supported through a system of departmental consultative councils and a central works council. Protection against unjust dismissal, reflecting egalitarianism, was afforded through an appeals committee consisting of two workers and two director nominees. The use of profit sharing was adopted in 1923. Worker security was facilitated through a pension scheme and a scheme of redundancy payments, introduced in 1920 for workers who were laid off and subsequently became unemployed. The Quaker precepts could also be seen in the Company's statement of labour policy introduced in 1921 which included: the

³³⁸ *ibid*, pp294-295.

³³⁹ as summarised in the papers of the 1928 Quaker Employers' Conference, Quakerism in Industry: Full Record of a Conference of Employer Members of the Society of Friends, held at Woodbrook, Birmingham, 12-15 April 1928, London, Friends Book Centre, pp2-3.

³⁴⁰ *ibid*, pp17-19; Child (1964), *op cit*, p301, p303.

right to join (or not join) a trade union; commitments to workplace consultation and employee involvement in the business; the aim of paying as high a level of remuneration as was compatible with the state of the business; commitment to internal promotion channels; etc.³⁴¹ Rowntree's (1938) account also emphasises what was done to promote the Quaker precept of efficiency through the introduction of time and motion study in 1922, the use of psychometric aptitude tests for selection from the same time and programmes of education and training for all levels of staff. In short, as Child³⁴² has concluded, the essence of the Quaker approach to business was to combine "both ethical criteria and business necessities" which, as we shall see, "became a major source of appeal to the emergent management movement", within which the pursuit of efficiency, justice and service were important legitimating ideas.

If Quakerism was one important influence on Rowntree's philosophy and practice, another was his considerable understanding of scientific management. His biographer notes from a memorandum issued as Director of Welfare at the Ministry of Munitions in 1916 that he "had already familiarised himself with the literature on scientific management".³⁴³ He comments that Rowntree was attracted by FW Taylor's emphasis on efficiency, but felt that more attention was needed to the 'human factor'.³⁴⁴ Of particular significance in the development of Rowntree's understanding of scientific management was a trip made to the United States in 1921 about which extensive notes are held in his personal archives.³⁴⁵ He was generally impressed by the more advanced use of labour-saving machinery than in the UK, the predominance of functional organisation of factories, the extent to which employers exchanged information and ideas through conferences and 'research groups' and the extent to which training was provided at all levels, including workers, foremen and managers.³⁴⁶ The latter emphasis on training was described by Rowntree as "one of the chief

³⁴¹ BS Rowntree Archives BSR93/VII/20.

³⁴² Child (1964), op cit, p307.

³⁴³ Briggs (1961), op cit, p118.

³⁴⁴ *ibid*, p119.

³⁴⁵ BSR93/VII/20, pp1-107.

³⁴⁶ *ibid*, p1, pp21-24, pp75-107.

differences between English and American factories".³⁴⁷ During his American visit, he looked at the work of Employment Departments at Dennison Manufacturing, a paper products manufacturer (where works committees and a central works council were in place), Goodyear, Studebaker, International Harvester and General Electric, all of whom had Employment Departments concerned with such activities as engagement, discipline, dismissal and health and safety.³⁴⁸ Amongst these Companies, Goodyear in particular had many years of experience in operating an Employment Department, having first introduced one in the first decade of the century under the influence of scientific management and mechanical engineers.³⁴⁹ Of particular significance, as noted by his biographer, was his meetings with Henry S Dennison of Dennison Manufacturing and Robert B Wolf, a mechanical engineer, and both men would become lifelong friends.³⁵⁰ Both men were prominent members of the Taylor Society and were closely associated with the liberal ideas which it espoused after Taylor's death in 1915, as discussed earlier.³⁵¹ Rowntree records being impressed by the "scientific management methods" adopted by HS Dennison at Dennison Manufacturing, including the use of a labour policy statement, psychometric testing, job analysis/classification and grading and internal promotion plans linked to programmes of training.³⁵² If Dennison influenced Rowntree's thinking about labour management practices, Robert B Wolf strongly influenced his philosophy underlying practice. Briggs describes Wolf, an engineer with an interest in both scientific management and industrial psychology, as "a pioneer of human relations".³⁵³ Wolf emphasised to Rowntree the "necessity for developing the opportunity for self-expression in work itself" and saw the task of management as "largely educational in the sense that it enabled men and women to carry out their tasks more intelligently and with greater personal freedom".³⁵⁴ Briggs concludes that Rowntree was

³⁴⁷ *ibid*, p83.

³⁴⁸ *ibid*, pp35-35, p 67-74.

³⁴⁹ Jacoby (1985), *op cit*, p47.

³⁵⁰ Briggs (1961), *op cit*, pp178-180.

³⁵¹ Jacoby (1985), *op cit*, pp102-104.

³⁵² *BSR93/VII*, 20, pp35-45.

³⁵³ Briggs (1961), *op cit*, p179.

³⁵⁴ *ibid*.

impressed by Wolf's attempt to bring together philosophy and psychology³⁵⁵ and it is also possible to see a relationship between these ideas and the Quaker precepts. Briggs notes that "at the end of his American visit, Rowntree hailed Wolf's message as the 'most inspiring he had heard in America and that it permitted him to go back to England with a vision of a new industrial order' ".³⁵⁶ It is not difficult to see through Rowntree's activities after his visit, notably the establishment of the Management Research Groups, his long continuation of the Oxford conferences, together with the labour policies introduced at the Company after 1921, the importance of these American influences. Indeed, Rowntree returned to America six times between 1921 and 1937 and also sent his Labour Manager, Dr Northcott, and his Chief Shop Steward, FW Hawksby there to inspect factories in 1926.³⁵⁷ On his return from America, Rowntree established a functional structure in 1921-1922, including a Labour Management function with a clearly stated labour policy framework.³⁵⁸

It was mentioned earlier that Oliver Sheldon joined Rowntree in 1920 because of BS Rowntree's approach which combined Christian beliefs, scientific principles and high ethical ideals. Also as noted earlier, Sheldon was keenly interested in American scientific management and the work of FW Taylor, making this clear in a published review of Taylor's biography issued in 1923 and written by FB Copley. Commending the book to his readers, he paid tribute to Taylor by saying " his contribution to the art of management...served not only industry but the whole of society".³⁵⁹

No doubt reflecting both personal views and experience at the Company, Sheldon published his Philosophy of Management in 1923.³⁶⁰ In the context of increasing separation of ownership from control, Sheldon saw the emergence of professional management as a 'third force' in industry with an identity of its

³⁵⁵ ibid.

³⁵⁶ ibid, p180.

³⁵⁷ ibid, p183.

³⁵⁸ BSR93/VII/9; Fitzgerald (1995), op cit, p207, p245.

³⁵⁹ Sheldon, O (1924), The father of scientific management: FW Taylor, Business Organisation and Management, June, p169.

³⁶⁰ Sheldon, O (1923), The Philosophy of Management, London, Pitman.

own, “distinguishable alike from Capital on the one hand and Labour on the other”.³⁶¹ Management in his view had “no axe to grind”³⁶² and would be judged solely by the efficiency with which it did its work. Sheldon saw management as based on twin ideals derived from a notion of professional morality and service to the community.³⁶³ On the one hand, management was concerned with the pursuit of efficiency through the application of scientific principles derived from professional training,³⁶⁴ summarised as the ‘things of production’.³⁶⁵ Moreover, professionalisation was inextricably bound up with functionalisation: “functionalisation”, he wrote “pre-supposes experts”.³⁶⁶ Above all was the requirement to legitimate control in the wake of the inadequacy of “the old system of factory management...for the times in which we live”,³⁶⁷ based on “the determination of sound business policies”.³⁶⁸ On the other hand, the way management did its work had to balance the ‘things of production’ with the ethics and morality of what ought to be done, writing:³⁶⁹ “Our conduct of industry must be such that the assumption that what is ethically highest is most beneficial to all receives practical expression and ample proof”.

Sheldon ultimately saw management as having a social responsibility to the community as a whole, again closely reflecting BS Rowntree’s beliefs derived from Quakerism. Sheldon argued that it was the community that purchased the products of industry, but would only do so if they were offered at an affordable price and of satisfactory quality. This constituted a “demand from the community for efficient production by means of efficient administration, skilled workmanship, fair profits and legitimate wages” and all this lay in the domain of the manager in serving the community.³⁷⁰ The manager was accountable to the

³⁶¹ ibid, p40.

³⁶² ibid, p29.

³⁶³ ibid, p40.

³⁶⁴ ibid, pp43-44, p250.

³⁶⁵ ibid, pxiv.

³⁶⁶ Sheldon, O (1920d), The immediate future of industrial management, Business Organisation and Management, 2, 6, September, p592.

³⁶⁷ Sheldon, O (1920c), Staff work in industry, Business Organisation and Management, 3, 1, October, p57.

³⁶⁸ Sheldon, O (1928), The organisation of business control, in Northcott, CH et al, eds, Factory Organisation, London, Pitman.

³⁶⁹ ibid, p23.

³⁷⁰ ibid, p74.

community for the efficient production of goods, to the owners for the delivery of profits and to the workforce for making the best use of the capacities of each individual through careful selection and subsequent training.³⁷¹

John Lee's writings revolve around a reaction to traditional autocratic management, which had brought in its wake industrial unrest and the potential for a new approach to co-operation in industry offered by the emergent profession of management. In his first book in 1921, he opened by presenting the challenge to find new ways of industrial control. The "old management", with its "autocratic discipline" and "dominant authority", no longer provided the solutions to industrial unrest.³⁷² Elsewhere, Lee concluded scathingly:³⁷³

"The captains of industry have had a long opportunity and it is not uncharitable to say that they have failed. Today the great mass of workers regard their employers, their true leaders, as men to whom success is measured in amassed wealth without regard to the cost to the workers".

For Lee, scientific management provided a partial answer, in particular the application of Taylor's functional model of organisation at all levels, including management.³⁷⁴ In addition, management required an understanding of industrial psychology and in this respect he commended Lilian Gilbreth's (1914) book The Psychology of Management.³⁷⁵ He also welcomed the contribution of scientific management and motion study to the systematic training of the worker³⁷⁶ and its approach to workplace discipline by "allotting it to a functionalised officer whose mission is to encourage rather than penalise shortcomings"³⁷⁷ Lee was also particularly concerned to achieve greater worker involvement in industry and this was a major theme of his 1923 book.³⁷⁸ Within the context of a highly centralised system of British industrial relations, he

³⁷¹ ibid, p74, p76, p86, pp162-166, pp180-183.

³⁷² Lee, J (1921), Management: A Study of Industrial Organisation, London, Pitman, p4.

³⁷³ Lee, J (1922c), The Social Implications of Christianity, London, Student Christian Movement, p113.

³⁷⁴ Lee (1921), op cit, p121.

³⁷⁵ ibid, p99.

³⁷⁶ ibid, p61.

³⁷⁷ ibid, p74.

³⁷⁸ Lee J (1923), Industrial Organisation: Developments and Prospects, London, Pitman.

supported profit sharing and co-partnership, but also emphasised the need for workplace employee involvement through such mechanisms as works committees.³⁷⁹ For Lee, as for Sheldon, industrial managers represented the emergence of a professional grouping which brought experience and special training that was superior to the “old fashioned owner”.³⁸⁰ Like Sheldon, he saw the manager as a ‘third party’, independent of owners and workers, but able to impartially represent owners’ views to workers and vice versa and in a 1922 conference paper he suggested that the evolving role of the manager would “emphasise the mediational work of management” and as a result “the age long conflict of Capital and Labour will find management as its neutral territory”.³⁸¹ Like Sheldon, Lee saw the emergence of the new profession of management as serving the wider community and therefore as a real hope for the future. Managers held their positions by virtue of their expertise rather than connections with ownership and as a result could take a more balanced view.³⁸²

The personal philosophies and beliefs underpinning Lee’s views are set out in more detail in The Social Implications of Christianity.³⁸³ As a Christian, Lee saw the direction and organisation of industry as a “sacred responsibility” in which “the exercise of our authority in the human relationship” should be seen as “part of our worship”.³⁸⁴ He argued that as Christians, life could not be divided into compartments: “corporate life has aspects..which seem to be apart from religion”, but, he argued, “the Christian will not emphasise their separateness”.³⁸⁵ As a Christian, he saw management as providing the opportunity for “a priesthood in industry just as there is a priesthood in worship”, creating a community of interest between all those engaged in industry.³⁸⁶

³⁷⁹ ibid, pp62-69.

³⁸⁰ Lee (1921), op cit, p2.

³⁸¹ Lee, J (1922), Ideals of industry, a paper to Rowntree’s Oxford Conference, 6-10 April, BSR93/VII/21, pp40-41.

³⁸² Lee (1922c), op cit, p115.

³⁸³ Lee (1922c), op cit.

³⁸⁴ ibid, p39, p76.

³⁸⁵ ibid, p75, p77.

³⁸⁶ ibid, p115.

Lee also saw the role of the manager in the pursuit of efficiency as a profoundly Christian duty. The Christian was “responsible for making the best of the world which God has given him”, with “a responsibility for ensuring that everyone under their control had opportunities to develop their talents and abilities to the full”.³⁸⁷ Though always stressing the importance of fully considering the ‘human factor’, Lee concluded:³⁸⁸

“There is a Christian side to scientific management since it may become the method for making the blind to see and the deaf to hear. Waste is the greatest affront to the Christian consciousness and especially the waste of human effort”.

The thoughts of both Sheldon and Lee epitomise Perkin’s analysis of the rise of professional society in the latter part of the nineteenth century and into the inter-war period.³⁸⁹ Perkin saw the emergence of a “divergence between the professional and entrepreneurial classes” in which “individualism and laissez-faire” came to be questioned and professionalism became associated with social reform.³⁹⁰ Independent of both capital and labour, the “professional social ideal” became one of service to society as a whole, pursuing the twin goals of “social justice” and “national efficiency” that so characterised Edwardian New Liberalism.³⁹¹ By organising into professional societies and adopting professional values, managers reaffirmed their independence from domination by employers and strove to legitimise a position “standing midway between the shareholder, taxpayer or consumer, whom they serve, and the graded army of manual workers whom they direct”.³⁹²

Another writer who has considered what she has termed the ‘philosophy of administration’ between 1900 and 1939 is Thomas.³⁹³ Thomas identifies the

³⁸⁷ ibid, p88.

³⁸⁸ ibid, p89.

³⁸⁹ Perkin, H (1990), The Rise of Professional Society: England Since 1880, London, Routledge.

³⁹⁰ ibid, p121.

³⁹¹ ibid, p123, p140.

³⁹² ibid, p182.

³⁹³ Thomas, R (1989), The British Philosophy of Administration: A Comparison of British and American Ideas: 1900-1939, 2nd ed, Cambridge, Centre for Business and Public Sector Ethics.

emergence of a philosophy in which scientific principles co-existed with a “commitment to ethical idealism”.³⁹⁴ Dealing first with the issue of ethics, Thomas identifies three key underlying principles: aspirations to achieve a higher form of society; service to the community; and the happiness and well-being of the worker.³⁹⁵ All three ideals are undoubtedly present in the writings of Sheldon and Lee. On the other hand, Thomas underemphasises the influence of scientific management as a legitimate basis for industrial control in the writings of Sheldon and Lee. She notes that “by the 1920s, scientific management had come to be interpreted in Britain in terms of the mechanisms associated with it”, for example time study and the use of job instruction cards, “whilst its principles had become obscured”.³⁹⁶ In reality, it was the principles rather than the mechanisms that formed the centrepiece of Sheldon and Lee’s writings, with an emphasis on functionalisation and standardisation through business policies and systematic selection and training of the worker to achieve business control, balanced by an ethical concern for the ‘human factor’.

The role of the Industrial Welfare Society and Its Relationships with the Professional Institute: 1920-1939

A complex interplay of differing political factors lay behind the establishment of a second national organisation to promote welfare and welfare work in industry, the Industrial Welfare Society (IWS), set up by Reverend Robert Hyde in 1918. Following its establishment, the relations between the IWS and the professional institute (the WWA) remained strained during the inter-war period.³⁹⁷ Niven³⁹⁸ notes that the Welfare Workers’ Association opposed the formation of the IWS on grounds, as we shall see, that Hyde was making the

³⁹⁴ *ibid*, p24.

³⁹⁵ *ibid*.

³⁹⁶ *ibid*, p14.

³⁹⁷ According to Niven, closer relations between the two organisations only emerged from joint consultations between them in 1940 when putting proposals about the training of welfare workers to the Welfare Department of the Ministry of Labour; in 1947, the two bodies gave a joint paper on personnel management to the eighth International Management Conference in Stockholm (Niven (1967), *op cit*, p103, p 129); the historian of the IWS similarly argues that relationships between the two bodies were placed on a sounder footing following the move of IPM Director HJ Marsh to become deputy director of the IWS in 1948 (Elizabeth Sidney (1968), The Industrial Society 1918-1968, London, Industrial Society, p20.

³⁹⁸ Niven (1967), *op cit*, p74.

welfare movement an employers' movement rather than a professionally independent one.

The founder of the IWS, Robert Hyde, was ordained in the Church of England and became noted for his work amongst the poor in his parish of Hoxton.³⁹⁹ It was there that Hyde met a young doctor by the name of Christopher Addison who assisted him in his work.⁴⁰⁰ By the time of the First World War, Dr Addison had risen to become the Chief Medical Officer at the Ministry of Munitions and he had put forward Hyde's name to BS Rowntree, Director of the Welfare Department at the Ministry, to take charge of boys' welfare and Hyde was duly appointed in 1916.⁴⁰¹

Hyde founded his society in July 1918 and from a fairly early stage, the IWS encountered official opposition. Fitzgerald notes that the Ministry of Labour, whilst acknowledging Hyde's personal persuasiveness, objected to the foundation of the IWS on the grounds that Hyde had achieved few concrete results during his time at the Ministry of Munitions, apart from forging close contacts with certain Scottish shipbuilders. A key figure in assisting Hyde to establish the IWS was one of these contacts, William Beardmore of shipbuilders Beardmore and Company.⁴⁰² Beardmore, who had established a Welfare Department in 1917 with a particular focus on apprentice welfare. Fitzgerald relates that Beardmore had a specific agenda: taking over control of the apprenticeship system from the trade union so that the Company could train directly in the context of anticipated technological changes intended to make the Company more competitive after the war. Beardmore had influence with other Clyde shipbuilders and it was their sponsorship that led to the establishment of the IWS, with its first council meeting consisting of six shipbuilding firms and Hyde.⁴⁰³

³⁹⁹ Jeremy, DJ and Shaw, C (1984), op cit, v3, p408.

⁴⁰⁰ Hyde, Robert H (1968), Industry Was My Parish, London, Industrial Society, p38.

⁴⁰¹ Jeremy and Shaw (1984), op cit, p409; Hyde (1968), op cit, p70.

⁴⁰² See also Hume, JR (1979), Beardmore: The History of a Scottish Giant, London, Heinemann.

⁴⁰³ Fitzgerald (1988), op cit, pp203-204.

Against a background of post-war construction, the coalition government of Lloyd George saw the promotion of industrial welfare as an important means of promoting industrial peace. Both the Home Office and the Ministry of Labour became involved in the promotion of welfare. At a Home Office Conference called to discuss the issue in July 1920, the Home Secretary stressed the government's concern to do all it could to assist bodies concerned with the promotion of welfare.⁴⁰⁴ A paper from the President of the WWA, Miss ET Kelly, argued for the professional independence of welfare and also, inter alia, that the promotion of welfare "follows logically from the recognition of trade unions at the workplace and the involvement of employees in welfare via works committees".⁴⁰⁵ A trade union speaker, FS Button, also argued for trade union involvement in welfare and, given the common ground with Kelly, the editorial in Welfare Work welcomed Button's approach.⁴⁰⁶ The paper by Hyde of the IWS, only briefly reported in Welfare Work, noted that he was concerned to highlight "the danger of having the development of a movement such as welfare work in the hands of government department".⁴⁰⁷ To this the editorial retorted "after the great interest shown by the Home Secretary and his staff..one could not help feeling that government departments were not so cold and mechanical as Mr Hyde would have us believe".⁴⁰⁸ Niven adds that Hyde had emphasised that the future of welfare work depended on employer's support, "however good the supervisor".⁴⁰⁹

Hyde's position, as Fitzgerald points out, reflected the fact that the IWS was sponsored by employers from its earliest days "to protect managerial prerogative from the encroachments of labour and the state"⁴¹⁰ and the close agreement between Kelly and the trade unionist noted above emphasised the point. Fitzgerald also notes that employers were opposed to the WWA, both because it was independent of employer domination and also because it was

⁴⁰⁴ Report of the Home Office Conference (1920), Welfare Work, 1, 7, July, p108.

⁴⁰⁵ Kelly, ET (1920), Welfare work from the welfare worker's point of view, Welfare Work, 1, 7, July, p101.

⁴⁰⁶ Report of the Home Office Conference (1920), op cit.

⁴⁰⁷ ibid.

⁴⁰⁸ ibid.

⁴⁰⁹ Niven (1967), op cit, p64.

⁴¹⁰ Fitzgerald (1988), op cit, p204.

seen as too close to the Labour Party. Employers were concerned that welfare workers might side with workers against management.⁴¹¹

In the same year, the Ministry of Labour suggested that the WWA and the IWS might merge to create a more balanced base from which to promote welfare, especially as the WWA might make limited progress in the face of employer opposition. There were concerns on the part of the Ministry that Hyde was using his influence with employers to damage the WWA. Fitzgerald notes that Hyde warned a number of welfare supervisors that “their employers subscribed to him” and that consequently “they must do what he told them” and also that “Beardmore refused to employ WWA members”.⁴¹²

Hyde did in fact approach the WWA in 1919 and 1920 about a merger which the WWA rejected on the grounds that its professional and independent status would be compromised by the IWS as an employer-dominated body.⁴¹³ When the WWA successfully sought incorporation as a professional body in 1924 to become the Institution of Welfare Workers, the IWS opposed this on the grounds that the WWA did not represent “such a preponderance and decisive section of welfare workers”⁴¹⁴ and re-echoed the view that the WWA’s belief in professional independence, eschewing employer membership, did not advance the cause of welfare.⁴¹⁵ As Sidney points out, Hyde emphasised that having the right ‘character’ for welfare work rather than the right qualifications was more important, an approach which in Sidney’s view imbued the culture of the IWS historically as “resolutely amateur”, but free to take up whatever causes or campaigns it wished.⁴¹⁶

As evidenced by Hyde’s (1968) biography and Sidney’s (1968) history of the IWS, it did much to bring both employers and trade unionists together in the promotion of welfare practices in the inter-war period through its courses,

⁴¹¹ *ibid*, p205.

⁴¹² *ibid*, p205.

⁴¹³ Niven (1967), *op cit*, p64; Fitzgerald (1988), *op cit*, p205.

⁴¹⁴ Niven (1967), *op cit*, p69.

⁴¹⁵ Sidney (1968), *op cit*, p19.

⁴¹⁶ Sidney (1968), *op cit*, p20.

conferences and advisory services. It provided a 'broad church' of people involved in welfare beyond the narrower professional perspective of the WWA, including medical officers, nurses, canteen managers and others, as well as welfare workers, who attended its courses and conferences. From a more independent perspective, Jones notes that its achievements included advising employers on medical and health plans, helping to establish works committees, setting up suggestion schemes, helping to establish pension funds and modernising dining rooms.⁴¹⁷ For Jones, the promotion of welfare by the IWS has to be seen in the context of industrial relations: welfare was a means of promoting the objective of industrial peace and closer co-operation between employers and workers.⁴¹⁸ In Fitzgerald's view, by the early 1930s, the IWS had achieved a "pre-eminence in the co-ordination and encouragement of welfare activities in factories."⁴¹⁹ However, as noted earlier, following the early skirmishes between the IWS and the WWA, relations between the two bodies remained cool throughout the inter-war period and a rapprochement would only emerge during the Second World War and in the post-war period. The key point of difference was about how to advance the cause of welfare. For the WWA, it was about professionalism and independence from employers; for the IWS, it was about gaining the maximum of support from the industrial community from both the employer and trade union sides.

Developments in labour management functions and practices: 1920-1939

Two sources in the literature provide some insights into these developments, though in the main the information is sparse. One of these is historical accounts and the other is contemporary management texts.

⁴¹⁷ Jones, H (1983), Employers' welfare schemes and industrial relations in inter-war Britain, Business History, XXV, pp61-72.

⁴¹⁸ *ibid*, p64.

⁴¹⁹ Fitzgerald (1988), *op cit*, p206.

Few historical texts have had much to say about developments in labour management in the inter-war period, the main exceptions being Child, Gospel and Fitzgerald.⁴²⁰ Whilst Child's main interest was in management ideas rather than practice, he notes the beginnings of a management movement in Britain around 1921 and from the mid 1920s a distinct shift from the concerns with industrial democracy, social responsibility and a human regard for employees' interests which emerged during the First World War as techniques of labour management towards a scientific search for efficiency balanced by concerns for fairness and equity.⁴²¹ Gospel⁴²² identifies, against a background of high unemployment during the inter-war period, a continuation of the practices of 'externalisation', involving a 'hire and fire' approach with low levels of job security which had typified the traditional practices of many British employers.⁴²³ In only a few sectors (railway companies, gas companies, banks and a few other larger employers) does he identify the development of 'internalisation', the bureaucratisation of the employment relationship through the creation of hierarchical internal labour markets. Designed to attract and retain staff with the skills specifically required by the organisation and also to enhance loyalty, such employment practices adopted revolved around pension schemes, sick pay schemes, holidays with pay, other fringe benefits and promotional hierarchies.⁴²⁴ In a similar vein, Fitzgerald has argued that the extension of industrial welfare practices which occurred during the inter-war period performed similar functions in terms of internalising labour markets.⁴²⁵

As noted earlier, few business histories contain much information on labour management at the firms concerned. The most notable exception is Reader's account of labour management at ICI,⁴²⁶ the key points of which will be considered in the case study of ICI later in Chapter 6. From the limited references available, it is possible to glean that Marks and Spencer established

⁴²⁰ Child (1969), op cit; Gospel (1992), op cit; Fitzgerald (1988), op cit.

⁴²¹ Child (1969), op cit, pp70-71.

⁴²² Gospel (1992), op cit.

⁴²³ *ibid*, p62.

⁴²⁴ *ibid*, pp75-76.

⁴²⁵ Fitzgerald (1988), op cit.

⁴²⁶ Reader, WJ (1975), Imperial Chemical Industries: A History: Volume II: The First Quarter Century 1926-1952, London, Oxford University Press, pp57-97.

a Central Welfare Department in 1933, responsible for training store staff manageresses whose responsibility it was to look after staff welfare and co-ordinate welfare services at store level, including medical, chiropody, optical and dental services, sickness payments and convalescent homes.⁴²⁷ The Company established a Central Personnel Department in 1934, separate from welfare, to develop training programmes for store sales staff and store management and also to develop systems for identifying and developing future store managers.⁴²⁸ Pilkington's first established a Central Personnel Department in 1934, its first appointee being Peter Cozens-Hardy, a nephew of the Chairman Austin Pilkington. Against a background of an ageing management structure and a crisis of management succession in the Company, the key role of the Personnel Department was to identify and develop managerial talent.⁴²⁹ At Courtaulds, a Central Labour Department was established in 1937 following persistent labour unrest between 1934 and 1936. Its first Chief Labour Officer was PE Pedder, a former yarn mill manager. At the same time, the Company retired its female welfare officer who had been in post for the previous 25 years, but whose interference in "sundry personnel matters....had long been resented by many".⁴³⁰ Following this, the re-organisation of welfare was "placed on a different footing" under the auspices of the newly established Labour Department.⁴³¹ At Boots (wholesale), personnel management continued in the welfare tradition until the late 1930s. The Company had appointed its first Welfare Manager, Major Tom Knowles, in 1918 with responsibilities for both male and female staff. The main remit of the Welfare Department included recruitment, education, organising sports and social activities, co-ordinating medical services, health and safety and the canteen. Only in the wake of the Company's move to new production facilities at Beeston, which was associated with a major upheaval resulting in worker grievances, a fall in morale and increased trade union activity, did the Company

⁴²⁷ Rees, G (1969), St Michael: A History of Marks and Spencer, London, William Clowes and Son, pp93-94.

⁴²⁸ *ibid*, p91.

⁴²⁹ Barker, TC (1977), The Glassmakers Pilkington: The Rise of an International Company, Manchester, Technical Publishing Co Ltd, pp333-334.

⁴³⁰ Coleman, DC (1969), Courtaulds: An Economic and Social History: Vol II - Rayon, Oxford, Clarendon, pp448-449.

⁴³¹ *ibid*, p449.

appoint its first Wholesale Personnel Manager, Mr EH 'Nobby' Clark, a former production manager, in 1938.⁴³² Selfridges, having pioneered a functional Staff Department in 1909, with a focus on staff recruitment and training, had a Staff Director on the board by the mid 1930s. The incumbent was Percy A Best, a former travelling salesman, who had first been appointed as Staff Manager in 1909.⁴³³

A number of management texts appeared during the inter-war period and, in contrast to their pre-war counterparts, gave much more attention to the management of labour and provide some useful contemporary perspectives on the development of labour management practices. One of the earliest by Elbourne⁴³⁴ concluded as follows:

" Labour questions so obviously increased in importance in consequence of the war that the corresponding increased burden on factory managers in respect to labour administration practically forced the larger firms to appoint an official to deal exclusively with employment and labour matters".

In another early post-war management text, Herford et al provided a general management text written by accounting and works management practitioners and devoted one chapter to 'Personnel' (probably the earliest reference to this term in Britain).⁴³⁵ The text identified the Employment Manager as an integral element of industrial administration, with responsibility for selection, training, accidents and dealings with the Factory Inspector, administration of benevolent funds and insurance, and concern with general amenities. For Lee,⁴³⁶ a leading and influential management writer of the period, the work formed part of a functional organisation structure and involved selection, training and discipline. Lee specifically excluded welfare from his framework of what he termed 'staff

⁴³² Chapman, S (1974), Jesse Boot of Boots the Chemists, London, Hodder and Stoughton, p168, pp174-175, p194.

⁴³³ Pound, R (1960), Selfridge: A Biography, London, Heinemann, p51; Honeycombe, G (1984), Selfridges: 75 Years- The Story of the Store 1909-1984, London, Park Lane Press, p186.

⁴³⁴ Elbourne, ET (1920), The Management Problem, London, Library Press, p22.

⁴³⁵ Herford, RO, Hildage, HT and Jenkins, MG (1920), Outlines of Industrial Administration, London, Pitman.

⁴³⁶ Lee, J (1921), Management: A Study of Industrial Organisation, London, Pitman.

management' on grounds that welfare was 'charity' unsuitable to the 'new industrial conditions'.⁴³⁷

Texts varied as regards the extent to which they saw industrial relations as part of the labour manager's role. Whilst absent from the above accounts of the early to mid 1920s, Wright,⁴³⁸ a mechanical engineer and works manager, referred to a specialist functional labour department as an Industrial Department, headed up by an Industrial Manager "in charge of all departments directly affecting the workpeople".⁴³⁹ Along with a Commercial function (office administration, accounts, sales, and purchases) and a Progress function (manufacturing and works management), the Industrial Manager was someone who enjoyed equal status and all three functional heads reported to the General Manager.⁴⁴⁰ A heavy emphasis was placed on the Industrial Manager's role in industrial relations, with a further range of sub-functions - engagement, works council, timekeeping, wages and welfare - reporting to him.⁴⁴¹ Similarly, Sheldon's⁴⁴² account (based on practice at his employer, Rowntree) included industrial relations in the seven areas of work identified in his 'employment department': engagement, transfer and discharge; employment security; welfare; training and education; relationships with trade unions; and consultation and 'co-operation'.⁴⁴³

Rowntree also wrote about the labour management practices at his company and this text, which went through three editions, was also unique in inter-war management literature in that it was devoted to labour management alone.⁴⁴⁴ Based on his experience within his own firm, the 1921 edition noted that the Employment Department was split into a men's and women's section, each with

⁴³⁷ ibid, pp99 & 104.

⁴³⁸ Wright, HT (1920), Organisation as Applied to Industrial Problems, London, Charles Griffin and Co.

⁴³⁹ ibid, p56.

⁴⁴⁰ ibid, p227.

⁴⁴¹ ibid, p54.

⁴⁴² Sheldon, O (1924a), The Philosophy of Management, London, Pitman.

⁴⁴³ ibid, p143.

⁴⁴⁴ Rowntree, BS (1921a; 1925; 1938), The Human Factor in Business, London, Longman Green.

an Employment Manager reporting to a Labour Director. They were responsible for the recruitment of manual staff only, the roles of foremen and managers in this respect having been "discarded many years ago",⁴⁴⁵ whilst non-manual recruitment remained in the hands of line managers. The Employment Managers had also been given a mandatory role in investigating the circumstances of any proposed dismissal, but after such investigation, the right to dismiss remained with the foreman, subject to the approval of the departmental manager.⁴⁴⁶ By the time of the 1925 edition, the Employment Department was headed up by a single 'Labour Manager' reporting to the Labour Director, with the male and female Employment Managers reporting to him. The Labour Manager had been given a broad remit concerned "with all wage and labour questions in the works", with the exception of salaried staff.⁴⁴⁷ Rowntree also noted that a works psychologist had been appointed in 1922, as part of the company's adoption of scientific management, with a brief to use vocational aptitude tests. He also noted, as a result of the increasing complexity of management techniques employed at the firm, including "costing and planning systems, scientific organisation and psychology", that the new methods had given rise to a previously unconsidered need for supervisory and management training.⁴⁴⁸

Towards the later 1920s, Lee's Dictionary of Industrial Administration⁴⁴⁹ was able to state that "two of the most prominent members of the works executive today are the works engineer and the labour manager" and referred to the two as occupying "a position of equal importance".⁴⁵⁰ The role of labour manager was defined as involving recruitment, redeployment, discipline and dismissal.⁴⁵¹

⁴⁴⁵ Rowntree (1921), op cit, p85.

⁴⁴⁶ ibid, pp87-88.

⁴⁴⁷ Rowntree (1925), op cit, p55.

⁴⁴⁸ ibid, pp77-78.

⁴⁴⁹ Lee, J (1928), ed, Dictionary of Industrial Administration, 2 vols, London, Pitman.

⁴⁵⁰ ibid, p1130.

⁴⁵¹ ibid, pp1130-1132.

By the mid 1930s, Hiscox and Price⁴⁵² noted the prevalence of functional structures in larger organisations and, for the purpose of labour administration, the functional unit was an 'Employment Department' headed up by a 'Labour Manager' responsible for "the engagement of workers and the control of all subsequent labour relations".⁴⁵³ This broad definition of the Employment Department's remit was reflected in the wide range of activities ascribed to it, apparently indicative of the way in which the role had developed since the accounts of the early to mid 1920s. Again the influence of the ideas of scientific management in the 1930s can be seen, with references to such activities as job analysis and job specification; selection and engagement, increasingly involving the use of 'trade tests' and devising and managing schemes of internal promotion.⁴⁵⁴ Significantly, the remuneration of labour was included in the remit, an aspect apparently missing from most of the previous accounts, encompassing piece-rates and associated industrial relations issues involved in dealing with trade union restrictions and demarcation.⁴⁵⁵ Much more was also said about training activity in comparison with most of the previous accounts. The authors also referred to the impact of automation on the decline in employment of skilled workers and the associated 'decay' of traditional craft apprenticeship training.⁴⁵⁶ There had, in consequence, been an increase in the proportion of relatively unskilled and untrained employees, but the previous practice of putting a trainee alongside a worker was no longer available. Whilst some organisations had passed these duties to the foreman, they noted that organisations were increasingly using training instructors and special training shops and the organisation of this activity had often been placed within the Employment Department.⁴⁵⁷ Other activities included the by now well-established practice of placing responsibility for dismissal in the hands of the Labour Manager, rather than the foreman, with discretion to transfer an employee to another department, rather than dismiss outright; health and safety

⁴⁵² Hiscox, WJ and Price, JR (1935), Factory Administration in Practice, 3rd ed, London, Pitman.

⁴⁵³ *ibid*, p255.

⁴⁵⁴ *ibid*, pp255-256.

⁴⁵⁵ *ibid*, p275.

⁴⁵⁶ *ibid*, p261.

⁴⁵⁷ *ibid*, p262.

and accident prevention; exit interviewing to establish the causes of an employee leaving; and labour turnover analysis.⁴⁵⁸

The final account of the development of labour management functions and practices came from Rowntree in his 1938 edition of The Human Factor in Business.⁴⁵⁹ The framework of labour administration described in 1925 remained intact, with male and female Employment Managers reporting to a Labour Manager, who in turn reported to a Labour Director responsible for labour policy in conjunction with the board.⁴⁶⁰ In Rowntree's assessment, the company's structure of labour management in the mid 1920s had been in the forefront of practice, but by 1938 it was to be found more widely and he concluded "in the last 13 years many of the practices fully described in my previous book are now so commonly employed that it seemed unnecessary to dwell on them in detail".⁴⁶¹

Clearly, as a close participant in the development of labour management during the interwar period, as Labour Director, author, organiser of the annual Oxford conferences and co-ordinator of the Management Research Groups, established in 1926 to provide a network for employers to exchange information about their practices in a wide range of fields, Rowntree was well placed to assess progress and his conclusion is significant. Labour or employment management had apparently become "commonly employed" and it had done so over a period of 20 years since its first emergence during the latter stages of the Great War. The accounts of practice indicate that selection, based on job analysis and job specification and testing, had further embraced the ideas of scientific management and that plant-level industrial relations had increasingly featured in the role. Despite some increased discussion about systematic training, this aspect of the labour manager's role appeared to remain relatively underdeveloped, as apparently did involvement in remuneration which was also absent from most of the accounts.

⁴⁵⁸ ibid, p260.

⁴⁵⁹ Rowntree (1938), op cit.

⁴⁶⁰ ibid, p100.

⁴⁶¹ ibid, pvii.

Whilst the content of textbooks do not of themselves provide absolute confirmation of widespread developments in practice, these varying accounts of the development of labour or employment management in the inter-war period strongly indicate that it had become firmly established. Unlike the picture portrayed by Niven, there is no strong suggestion that labour management functions were struggling to survive. All the accounts indicate the emergence of Employment or Labour Departments with a broader remit than welfare alone, although the latter formed part of the work. All the indications are that something significant was happening, but whether its origins lay in a restyling and reorientation of welfare work or whether they lay elsewhere remains unclear from these published accounts. The next two chapters trace the development of the two strands of welfare and labour management in order to try and find answers to these questions and to establish whether or not the origins of British personnel management and the development of its techniques lay in welfare or elsewhere.

CHAPTER 4

STRANDS IN THE HISTORICAL DEVELOPMENT OF PERSONNEL MANAGEMENT: 1890-1939 - (1) WELFARE WORK

As was discussed in chapter 2, the view that modern personnel management had its origins in welfare work has become pervasive and is the predominant position adopted in all discussions of this subject. The view stems from Niven's historical account which has shown that the origins of the professional association, now the Chartered Institute of Personnel and Development, had its origins in the establishment of an association of a small group of welfare workers in 1913.⁴⁶² Given, therefore, this unanimity of view that welfare work represents the most important strand in the development of modern personnel management in Britain, in contrast it might be noted to the predominant view in the USA which attributes the origins of personnel management to scientific management,⁴⁶³ this chapter explores the development of welfare work as a functional specialism from its origins in the 1890s, through its growth during the First World War to the vicissitudes of its development in the inter-war period to 1939.

Origins of welfare work: 1890-1914

As noted in the last chapter, welfarism was one of the two main ideas about managing and controlling labour to be current on the eve of war, the other being a growing interest in some forms of scientific management, associated with engineers and works managers. Welfare work as a specialist activity carried out on a salaried basis began to emerge tentatively from the mid 1890s, but appeared however to have had been implemented on a very limited scale and

⁴⁶² Niven, M (1967), Personnel Management 1913-1967, London, Institute of Personnel Management.

⁴⁶³ Eilbert, H (1959), The development of personnel management in the United States, Business History, 33, 345-364; Miller, FB and Coghill, MA (1959), Sex and the Personnel Manager, Industrial and Labor Relations Review, 18, 32-44; Ling, CC (1965), The Management of Personnel Relations, Illinois, Irwin.

perhaps involved just two dozen firms prior to 1914.⁴⁶⁴ As noted in the last chapter, welfare work as a distinct occupation emerged in the 1890s, though the employment of salaried welfare workers appears to have been restricted mainly to paternalist employers in the food, soap-making and pharmaceutical sectors.⁴⁶⁵ Various factors appeared to underlie their appointment. Firstly, their appointment occurred in workplaces where owners were not only strongly driven by religious and humanitarian concerns, but also a belief that welfare and improvements in working conditions promoted efficiency. For BS Rowntree, welfare was seen as a “paying proposition” rather than merely being a “good thing to do”⁴⁶⁶ and for Edward Cadbury “business efficiency and the welfare of employees” were seen as “but different sides of the same problem”.⁴⁶⁷ Secondly, since early welfare work was directed at female employees, the appointment of welfare workers was restricted to workplaces where significant numbers of women were employed.⁴⁶⁸ This may in part have reflected the prevailing Victorian belief that women in the workplace needed special protection and thus, for example, many of the provisions of nineteenth century factory legislation were directed at women (and young people) only⁴⁶⁹ and also at unease generally about the employment of women in factories. Braybon⁴⁷⁰ has argued that an important rationale underlying welfare supervision of women at work stemmed from a concern about the extent to which industrial work interfered with the woman’s primary reproductive and domestic roles and with the morality of their working in close proximity to men. A third influence related to growing organisational size. Evidence suggests that welfare work had its origins in the practices of some employers to engage in ‘outside welfare’, such as sick visiting, by the employer himself or his wife, daughters or other family members, but as the numbers of female employees increased, these tasks had to be delegated to salaried welfare workers.⁴⁷¹ At

⁴⁶⁴ Niven (1967), op cit, p165.

⁴⁶⁵ *ibid*, p165.

⁴⁶⁶ Briggs, A (1961), A Study of the Work of Seebohm Rowntree 1871-1954, London, Longman, p122.

⁴⁶⁷ Cadbury, E (1912), Experiments in Industrial Organisation, London, Longman Green, pxvii.

⁴⁶⁸ Niven (1967), op it, p28.

⁴⁶⁹ Wedderburn, K (1971), The Worker and the Law, Harmondsworth, Penguin, p243.

⁴⁷⁰ Braybon, G (1981), Women Workers and the First World War, London, Croom Helm, pp141-143.

⁴⁷¹ Proud, ED (1916), Welfare Work, London, Bell, p317.

Courtaulds, for example, Coleman notes that Sam Courtauld's wife, Sarah Wharton, delegated women's welfare to such an appointee when the numbers of female workers had grown considerably.⁴⁷² A similar development occurred at Boots in Nottingham, where in the early days Mrs Boot "regarded the welfare of female employees as her particular concern".⁴⁷³ As the numbers of female staff grew, she was first assisted by a part-time welfare worker from 1893 and in 1911, when the numbers of female staff exceeded 1000, the company appointed its first full-time welfare worker, Eleanor Kelly, who was later to become an influential figure in the welfare workers' movement. At Rowntrees, BS Rowntree appointed a 'social helper' in 1891, but as numbers of women grew, a full-time welfare worker, Mary Wood, was first appointed in 1896 and by 1904 a total of seven welfare workers were employed, managed from 1900 by a male 'Employment Manager', David Crichton.⁴⁷⁴ A fourth influence on the emergence of welfare work in the 1890s was, in the view of Crichton,⁴⁷⁵ the establishment of the Women's Branch of the Factory Inspectorate in 1893 "which urged the advantages of employing an educated woman to look after women's welfare" and continued periodically to do so up to 1914", a view confirmed in other contemporary and historical writings.⁴⁷⁶

As regards what welfare work actually involved, the main contemporary account by Proud published in 1916 provides some indicators.⁴⁷⁷ As noted earlier, the term 'Employment Department' had begun to appear before the war, but Proud was firmly of the view that the title 'Welfare' was preferable, acknowledging that the term was "vague" but should necessarily remain so in keeping with its progressive ideals.⁴⁷⁸ The work was formally defined as consisting of "voluntary

⁴⁷² Coleman, DC (1969), Courtaulds: An Economic and Social History, vol 1, Oxford, Clarendon, p248.

⁴⁷³ Chapman, S (1974), Jesse Boot of Boots the Chemists, London, Hodder and Stoughton, p167.

⁴⁷⁴ Briggs (1961), op cit, p103; McGivering, I (1970), The development of personnel management, in Tillett, A et al, eds, Management Thinkers, Harmondsworth, Penguin, p175; Niven (1967), op cit, p22.

⁴⁷⁵ Crichton, A (1968), Personnel Management in Context, London, Batsford, p19.

⁴⁷⁶ e.g. Anderson, A (1922), Women in the Factory, London, Murray, pp254-256; Proud (1916) op cit, p66; Yeandle, S (1993), Women of Courage: 100 Years of Women Factory Inspectors 1893-1993, London, HMSO, pp42-43.

⁴⁷⁷ Proud (1916), op cit.

⁴⁷⁸ ibid, p4.

efforts on the part of employers to improve, within the existing industrial system, the conditions of employment in their factories”⁴⁷⁹ and was seen as something which “emphasises the common human interests of all”.⁴⁸⁰ The emergence of welfare departments was attributed to the growth in size in industrial enterprises and the growth in the joint stock company bringing about impersonal relationships, whereas “formerly personal intercourse was the basis of relations between master and man”.⁴⁸¹ Whilst acknowledging that “in many cases, a welfare or social department exists with vague ideas as to its function”,⁴⁸² Proud argues that “choosing workers gives a big, definite responsibility and a *raison d’être*”, but in practice departmental heads and foremen/women were in the main resistant to this and the welfare department “merely sorts out applicants into groups - those who may be engaged and those who may not”.⁴⁸³ Much of the remainder of Proud’s extensive treatise on welfare work is devoted to detailed accounts of the provisions of the Factories Acts in relation to which welfare workers had some role in carrying out internal inspections and the promotion of social and recreational activities within which welfare workers performed the role of ‘social secretary’, either organising them on their own initiative or in conjunction with the employees.⁴⁸⁴ In addition, the keeping of employee records, including illness and accident records and the organisation of classes for young workers could apparently also be part of their remit.⁴⁸⁵ Though identifying a range of potential activities that may be taken on board by welfare workers, Proud concludes by noting that “no Welfare Department actually accomplishes all that is here described”, but comments that “nothing is included which is not attempted in at least one factory”.⁴⁸⁶

Whatever the espoused objectives of welfare work, a number of commentators have attributed alternative motives to employers appointing welfare workers. They argue that it was no coincidence that many of the employers involved in

479 *ibid*, p5.
480 *ibid*, p55.
481 *ibid*, p59.
482 *ibid*, p89.
483 *ibid*.
484 *ibid*, pp177 & 262.
485 *ibid*, p261.
486 *ibid*, p251.

such appointments were associated with food, soap-making and pharmaceuticals and in addition to the appointment of full-time welfare workers at Rowntrees in 1896 and at Boots in 1911, welfare workers also appeared at WE Jacobs in 1896, Reckitt and Sons and Robertson's Jam in 1905, Carrs Biscuits in 1906 and Peek Frean in 1909.⁴⁸⁷ It has been argued that all these industries not only needed to have hygienic conditions for production, but also benefited from letting consumers know that this was so. Mathias has argued that "Quaker employers and similar progressives were able to provide welfare in their sheltered domestic markets, with a workforce benefiting from a hygienic environment in which to produce goods for mass consumption".⁴⁸⁸ Lever himself acknowledged that Port Sunlight could be seen as an advertisement for soap, although he asserts that this was not his intention.⁴⁸⁹ Moreover, employers with well developed welfare functions publicised their work at trade exhibitions, for example, Boots, Jacobs, Colmans and Rowntrees did so at an exhibition at Olympia in 1913.⁴⁹⁰ The role of welfare work in public relations was also noted in an early textbook on welfare work by E D Proud who observed that the general public, to the extent that they knew about it, viewed it as "a form of advertisement"⁴⁹¹ which served to boost confidence in the product. Moreover, she noted that most of the publications which had hitherto appeared on welfare work were "little more than advertising media"⁴⁹² produced by the firms promoting welfare work. Such a possibility was also recognised by Edward Cadbury who observed that welfare departments might be perceived as having been instituted "merely for the purpose of advertising".⁴⁹³

Whatever the motives underpinning the establishment of welfare work as a specialist activity in the period from 1890 to 1914, there are two conclusions that

⁴⁸⁷ Niven (1967), op cit, pp20-28; Reckitt, BN (1951), The History of Reckitt and Sons Limited, London, A Brown and Sons, p59.

⁴⁸⁸ Cited in Melling, J (1983), Employers, industrial welfare and the struggle for workplace control, in Gospel, H and Littler, CR (1983), Managerial Strategies and Industrial Relations: An Historical and Comparative Study, Aldershot, Gower.

⁴⁸⁹ Wilson, C (1954), A History of Unilever, vol 1, London, Cassell, p149.

⁴⁹⁰ Chapman (1974), op cit, p169; Niven (1967), op cit, p32.

⁴⁹¹ Proud (1916), op cit, p267.

⁴⁹² *ibid*, p271.

⁴⁹³ Cadbury (1912), op cit, p263.

may be reached about its future influence on the development of personnel management. First, as Fitzgerald has demonstrated, welfare in one form or another continued to feature strongly in the labour management practices of employers long into the inter-war period.⁴⁹⁴ Secondly, welfare workers succeeded in establishing a professional association in 1913 which has existed continuously to the present day. However, the extent of welfare work in the period before 1914 must be put in perspective. The total number of firms with welfare workers was only around two dozen prior to the First World War,⁴⁹⁵ but welfare work had the backing of a number of leading employer figures, not least Seebohm Rowntree who was instrumental in helping to establish the Welfare Workers' Association at York in 1913.⁴⁹⁶

War and the promotion of welfare supervision at the Ministry of Munitions:

1915-1918

Given the uncertainty surrounding the future of welfarism in any form, the coming of war resulted in an apparent boost to the cause of the welfare workers' movement. As noted in chapter 3, there were a number of reasons why welfare work emerged at the Ministry of Munitions in 1915. Lloyd George, the Minister of Munitions, was concerned to set an example of the state as a good employer and was also concerned at the conditions of women whose numbers were increasing rapidly in the munitions industry. There were also concerns about the effect of long hours, poor conditions and fatigue on efficiency. A key catalyst in the adoption of welfare at the Ministry had been B S Rowntree who, through his long and close friendship with Lloyd George over many years, had urged the adoption of welfare supervision and had been appointed as Director of the welfare section.

Rowntree took up his duties as Director of the newly established welfare section within the Ministry's Labour Department on 3 January 1916. In his approach to

⁴⁹⁴ Fitzgerald, R (1988), British Labour Management and Industrial Welfare, London, Croom Helm.

⁴⁹⁵ Niven (1967), op cit, p165.

⁴⁹⁶ ibid, pp32-33.

the job, it has been argued that he was not just an idealist motivated by his Quaker religious beliefs, but rather was concerned "to reconcile the claims of efficiency and welfare".⁴⁹⁷ In the views of a colleague at this time, he was "pre-eminently a practical man, hard-headed and down-to-earth.. any scheme suggested to him had to work and pay.. (and) his religious views were anything but obtrusive".⁴⁹⁸ He had become familiar with Taylor's 'Scientific Management' before the war, was impressed by its emphasis on efficiency and was interested in the time and motion study method. He did, however, feel that Taylor underemphasised the importance of the human factor and he, like Cadbury, took the view that business efficiency and employee welfare were essentially interrelated.⁴⁹⁹ In this respect, his approach was in accord with that of the Ministry as a whole in combining "paternalistic altruism and tough efficiency".⁵⁰⁰ Rowntree later used this argument to try and persuade sceptical employers to adopt his approach, arguing that welfare should be made "a paying proposition" rather than merely being "a good thing to do".⁵⁰¹

Under the provisions of section 6 of the Munitions of War (Amendment) Act of 1916, the Minister had powers to impose welfare supervisors in both national and controlled establishments where women were employed and leaving certificates were in operation.⁵⁰² Rowntree's preference, however, was to educate rather than compel employers into compliance.⁵⁰³ Such was the employer opposition to these appointments that Niven recounts an instance in which the officials of the Ministry of Munitions were "intrigued" that one firm had actually requested their help in finding a welfare worker "instead of complaining of having one thrust upon them".⁵⁰⁴ From the outset, his new section was viewed with profound suspicion by employers many of whom regarded him as "a faddist" out of touch with the hard facts of business life, a philanthropic cocoa manufacturer who knew nothing

⁴⁹⁷ Briggs (1961), op cit, p119.

⁴⁹⁸ ibid, pp122-123.

⁴⁹⁹ ibid, pp118-119.

⁵⁰⁰ Burk, K (1982), ed, *War and the State: The Transformation of British Government 1914-1919*, London, Allen and Unwin, p50.

⁵⁰¹ Briggs (1961), op cit, p122.

⁵⁰² As explained in the last chapter, in order to prevent 'poaching' of scarce labour by uncontrolled establishments, employees could not leave their employment without a 'leaving certificate' issued by their employer; failure to do so meant that an employee could not be re-engaged by an uncontrolled establishment for six weeks.

⁵⁰³ HMG (1918-1922), *History of the Ministry of Munitions*, 8 vols, London, HMSO, V.V., p6.

⁵⁰⁴ Niven 191967), op cit, p44.

about heavy industry.⁵⁰⁵ Employers raised many objections, including management reluctance to delegate staff matters to a woman inexperienced in factory life or the risks of undermining the authority of foreman and forewomen and appointments were sometimes made as a result of Ministry pressure.⁵⁰⁶ In April 1916, it was laid down that welfare supervisors had to be appointed in government-owned national factories where women or young persons were employed and the appointees had to be approved by the welfare section.⁵⁰⁷ In April 1916, the welfare of boys was added to the section's remit and the Rev. Robert Hyde, later to found The Industrial Welfare Society, was appointed to lead this work.⁵⁰⁸ No order was made for the mandatory employment of welfare workers in uncontrolled establishments (except amongst TNT workers in December 1916) and the policy remained one of recommendation and persuasion.⁵⁰⁹ Recommendations were only made for larger firms and the selection of welfare supervisors was made by the firm's directors and needed no approval from the welfare section. By the end of the war over 1,000 welfare supervisors were appointed in munition factories. Just over 200 welfare supervisors were appointed by the welfare section directly, around 700 were appointed by firms on a voluntary basis and around 100 were appointed compulsorily in TNT factories.⁵¹⁰

Four early tasks occupied Rowntree and his team. These were concerned with defining the nature of welfare work, setting up an organisation and the recruitment and training of welfare workers. Rowntree's definition of welfare work as "the provision of an environment which will enable everyone to be and do his best"⁵¹¹ was a simple one, but his conceptions of its potential were visionary. Although concerned with industrial welfare, he saw it as inextricably bound up with improvements in the wider society on the grounds that "we cannot separate a man's life as a citizen from his life as a worker".⁵¹² He acknowledged that

⁵⁰⁵ Briggs (1961), op cit, p120.

⁵⁰⁶ HMG (1918-1922), op cit, V.V.: 3.3.

⁵⁰⁷ Lloyd George, D (1933), War Memoirs, vol 1, London, Nicholson and Watson, p349.

⁵⁰⁸ Briggs (1961), op cit, pp120-121.

⁵⁰⁹ HMG (1918-1922), op cit, V.V, p6.

⁵¹⁰ *ibid*, V. III, p37.

⁵¹¹ Briggs (1961), op cit, p128.

⁵¹² *ibid*, pp128-129.

organised welfare work was comparatively new, but argued that the circumstances for its development were propitious, first because the uncaring attitudes of employers towards working conditions were "passing away rapidly" and secondly because the recent rise in size of working units called for the formal establishment of a welfare function.⁵¹³ True to his sympathies for scientific management and his commitment to wider societal improvement, he saw welfare founded upon adequate wages and increased productivity. "We must", he argued "have immensely improved methods of organisation and work, and better equipment in our factories, and we must make a much more effective use of science, chemistry, engineering and so on".⁵¹⁴ He saw the essential role of welfare workers as "improving the relationship between Capital and Labour" and drew on an engineering analogy to compare them to "the human engineer who goes into the factory to see that all the human machines were working at their highest potential".⁵¹⁵ Finally, in his radical vision for welfare work, he saw it as encouraging the extension of industrial democracy, to be associated with the establishment of works councils in conjunction with trade unions, which should be given "very considerable power" and "definite responsibilities with regard to industrial control".⁵¹⁶ Rowntree's radical vision for welfare work appears to have evolved during 1916 and 1917 and thus, with more modest aims and objectives, he published his welfare charter in the Spring of 1916 to guide the work of the welfare section, as follows:⁵¹⁷

1. Clean wholesome workrooms, and work suited to the capacity of the worker;
2. Adequate facilities for securing nourishing food under restful and wholesome conditions;
3. A working day of such total length and so divided up by rest intervals as not unduly to tax the workers' strength, and which would give reasonable opportunities for rest and recreation. In no case should the hours worked be more than those recommended by the Health of Munition Workers' Committee, and if a shift were as long as five hours it should be broken by a brief rest interval;

⁵¹³ *ibid*, p129.

⁵¹⁴ *ibid*, p130.

⁵¹⁵ *ibid*, p131.

⁵¹⁶ *ibid*, p132.

⁵¹⁷ *ibid*, pp127-128.

4. Wages sufficient to provide what was necessary for physical efficiency, and to leave over a sum for reasonable recreation. In this connection it was essential to distinguish between wage rates and 'earnings';
5. Amenities in the factory, such as cloak-rooms, lavatory accommodation, overalls, etc., of such a kind as men and women coming from clean and respectable homes might reasonably demand;
6. The absence of bullying and nagging by those in authority;
7. Reduction to the absolute minimum of danger to life and health from unprotected machinery and from handling explosive or poisonous substances;
8. The provision of such supervision in the factories as might be necessary to ensure 'a standard of behaviour such as would not offend an employee coming from a respectable home';
9. The payment of due consideration to the workers as *individuals*. 'It is not enough that the general conditions are satisfactory. It should be the aim to treat each worker with consideration';
10. Provision (where necessary) of suitable recreation, outside working hours, especially for those working under strain or on monotonous work.
11. Absolute justice, both as regards discipline and wages.

These eleven points were all concerned with the internal economy of the factory: outside the factory too, there were four essential components of welfare:

1. The provision of adequate and reasonably comfortable means of transit to and from work;
2. Where housing accommodation was provided, the maintenance of reasonable standards of comfort, food and prices;
3. The provision of such outside supervision as might be necessary to ensure that girls and boys living away from home were not demoralised during their free time; and
4. Such supervision of lodgings as would prevent exploitation of workers, and would also prevent 'women and lads' from lodging with 'disreputable people'.

As regards organisation, Rowntree established a headquarters organisation that grew in the first 12 months to over 40 people. It evolved into seven sub-sections: travelling welfare investigation officers (headed up by Miss Proud), factory supervision, applications, hostels, equipment, publicity and boys' welfare.⁵¹⁸ In the field, between one and three welfare officers were appointed to each of the Ministry's 10 Area Offices for the national factories and were concerned with workshop conditions, canteen provision and local transport facilities. In addition,

⁵¹⁸ *ibid*, p127.

they were supported by extra-mural welfare officers who dealt with the general well-being of munitions workers, inspected hostel and other accommodation and promoted extra mural recreational and educational schemes.⁵¹⁹ All welfare officer appointments had to be approved centrally and local recruitment activity was supported by the travelling welfare investigation officers. The latter also played a key role in advising and persuading the directors in uncontrolled establishments, where welfare supervision was not compulsory, to make such appointments, at least in the larger establishments.⁵²⁰ There was apparently no shortage of applicants for the posts with 2,500 applications being received in the first year, but very few had any training in the field.⁵²¹ Indeed, it appears that there was no general accepted occupational experience for welfare work and Proud has commented on the motley range of practitioners - clergymen, teachers, organists, doctors, gymnasts, overlookers, cooks and ex-constables - engaged in the field.⁵²² Early priority was given to arranging short training courses lasting about six weeks which were run at the London School of Economics and at the Universities of Bristol, Liverpool, Sheffield, Leeds, Birmingham, Glasgow and Edinburgh.⁵²³ Indeed, the stimulation of specialist training for welfare work at universities proved to be one of the longer lasting legacies of the welfare section to survive after the end of the war.⁵²⁴

Rowntree left the Ministry in March 1917 when Lloyd George (who had become Prime Minister in December 1916) invited him to join the Reconstruction Committee and his position as Director of the Welfare Section was taken by Dr E L Collis, a Home Office Medical Officer and member of the Health of Munition Workers Committee.⁵²⁵ The work of the Welfare Section continued along the lines established by Rowntree until it was wound up in 1919, by which time it has been estimated that over 1,000 welfare supervisors of varying grades were employed. When large numbers of munitions factories were shut down, welfare

⁵¹⁹ HMG (1918-1922), op cit, V. II. I, p150.

⁵²⁰ Briggs (1961), op cit, p124.

⁵²¹ *ibid*, pp123-124.

⁵²² Proud (1916), op cit, p67.

⁵²³ Niven (1967), op cit, p41; Briggs (1961), op cit, p123.

⁵²⁴ HMG (1918-1922), op cit, vol V. III, p169.

⁵²⁵ Briggs (1961), op cit, pp127 & 135.

supervisors were discharged. However, according to a survey conducted in May 1919, of the 733 factories remaining open in which welfare supervisors had been employed, just over one-third said that they would be retaining them, whilst the remaining two-thirds would not.⁵²⁶

An assessment of developments in welfare work during the First World War

In their review of the contribution of welfare work during the war, the historians of the Ministry of Munitions concluded that the nature and role of welfare supervision in the national factories and controlled establishments varied even more widely than did the interpretation of the term welfare.⁵²⁷ During the first year of many of the appointments, the role of welfare workers tended to be poorly defined and was often misunderstood and resented by employers. As a result, a wide range of roles emerged. On the one hand, the role was performed by a promoted chargehand in a small works combining technical supervision over production, with responsibility for first aid equipment and messrooms. On the other, a 'lady superintendent' emerged as an internal part of factory management, responsible to the director or general manager, "recognised as an authority on all questions connected with woman labour".⁵²⁸ In between these two extremes, a wide variety of roles and functions existed, but generally included involvement in selection for employment, either at the initial screening or in the final decision; some involvement in discipline, either directly or in conjunction with the forewoman; inquiry before the dismissal of a worker; investigation of workers' complaints, absence and bad time keeping; and a general welfare role relating to canteens, factory conditions, protective clothing, sick visiting and social or recreational activities. The Ministry's historians conclude, however, that "the scope of welfare supervision was still indeterminate at the date of the Armistice".⁵²⁹ Given the potentially broad nature of the work, various specialisms had emerged. Where dangerous work was being performed, the health side of the work was emphasised. In other establishments, domestic matters (i.e.

⁵²⁶ HMG (1918-1922), op cit, vol V III, p37.

⁵²⁷ HMG (1918-1922), op cit, V. III, p31.

⁵²⁸ *ibid.*

⁵²⁹ *ibid*, V. V, p171.

canteens and cloakrooms) and social or recreational activities predominated, estimated to have been the major role for about half of all welfare supervisors. Finally, some supervisors had taken on a more specifically managerial role, represented by the engagement and control of labour, the latter including the keeping of records on labour turnover, absenteeism and bad timekeeping and associated investigations of causes.⁵³⁰

Official assessments of the war-time achievements of welfare supervisors are generally favourable. Thus, for example, the historians of the Ministry of Munitions conclude that, despite some initial employer objections, the results achieved by welfare supervisors "in the great majority of cases... justified the decision".⁵³¹ However, not much was said about what these results especially were, beyond the "constant reports from employers as to the 'change of tone' in their factories and the practical advantages gained by the welfare superintendents' work".⁵³² Similarly, the reports of the factory inspectors towards the end of the war attributed a general improvement in working conditions, both in Munitions and in non-munition trades, to the influence of the welfare movement in changing the 'whole spirit' of management.⁵³³ In the immediate post-war period, both the Home Office and the factory inspectors continued to press the case for welfare supervision through the issuing of Statutory Orders, the publication of a pamphlet on the topic and the promotion of training in the work.⁵³⁴ Not surprisingly, Lloyd George was another ardent enthusiast and paid tribute in his War Memoirs, published 15 years later, by reproducing a speech first given in February 1916 which he viewed as prophetic in the light of the extensive development of welfare and labour management by the early 1930s.⁵³⁵

"It is a strange irony, but no small compensation, that the making of weapons of destruction should afford the occasion to humanise industry. Yet such is the case, old prejudices have vanished, new ideas are abroad; employers and workers, the public and the state, are favourable to new methods. This

⁵³⁰ *ibid*, V. III, pp33-36.

⁵³¹ *ibid*, p37.

⁵³² *ibid*.

⁵³³ Lloyd George (1933), *op cit*, pp351-352.

⁵³⁴ Niven (1967), *op cit*, pp56 & 64.

⁵³⁵ Lloyd George (1933), *op cit*, p1353.

opportunity must not be allowed to slip. It may well be that, when the tumult of war is a distant echo, and the making of munitions a nightmare of the past, the effort now being made to soften asperities, to secure the welfare of the workers, and to build a bridge of sympathy and understanding between employer and employed, will have left behind results of permanent and enduring value to the workers, to the nation and to mankind at large".

The historians of the Ministry of Munitions also reproduced this speech and concluded:⁵³⁶

"If the welfare work of the Ministry of Munitions did not reach this ideal...it left in 1919 a definite bequest to the progress of industry.. It pushed forward the movement, existing in a very limited number of factories before the war, to focus in some one responsible person, or section of the management, the care of the health and physical needs of the firm's employees".

Favourable assessments came not only from official sources, but also and perhaps surprisingly, won the influential endorsement of Sidney Webb. Although, as we shall see, Webb's views were not totally uncritical, he concluded in his published address to works managers in 1917:

"Every works manager ought to realise that it has been demonstrated beyond dispute that in a factory where workers are properly looked after, even at some considerable expense, there is less time lost by ill health; the average output is less pulled down by weakness and fatigue; the 'labour turnover' is reduced to a minimum because nobody wants to leave; the quality of the workers steadily rises as the increased power of selection from among the crowd of candidates begins to tell.... No professional manager can afford to ignore what will presently be an indispensable branch of works administration".⁵³⁷

Despite these favourable assessments, however, the welfare movement was not without some powerful critics, not least from the trade union movement and from female shop-floor workers themselves and it is to these criticisms that we now turn.

⁵³⁶ HMG (1918-1922), op cit, vol V.V, pp175 & 168.

⁵³⁷ Webb, S (1917), The Works Manager Today, London, Longman Green, pp139-141.

Conflict of loyalty

One of the issues to arise out of the war-time experience of welfare supervision concerned conflict of loyalty in the role. To whom in an organisation was the welfare worker responsible? One source of this confusion arose from Rowntree's belief, based on the practice of welfare at the cocoa works, that welfare workers could represent both the interests of the directors and the employees,⁵³⁸ a belief confirmed in the observation of the Ministry's historians and in E.D. Proud's leading contemporary textbook.⁵³⁹ Somehow welfare work was to occupy the moral high ground, untainted by association with management or questions of efficiency and instances occurred in which welfare supervisors insisted that welfare should be divorced from considerations of efficiency and pressures to improve output.⁵⁴⁰ At the same time, whilst ostensibly representing the views of employees, a number of welfare workers took the view that they knew best and welfare measures were imposed on workers, rather than being introduced through mechanisms of co-operation and consultation, thus attracting the taint of philanthropy or patronage in the eyes of many workers.⁵⁴¹ These patronising attitudes were well reflected in Proud's textbook when she declared that "women are habitually less thoughtful than men in matters concerning their own health"⁵⁴² and thus welfare workers knew what was best for them.

The potential for conflict of interest in the welfare worker's role as a representative of employees whilst being on the employer's payroll were also commented on by contemporary observers. An article in the Woman Worker in 1917⁵⁴³ put the problem as follows:

"The present developments seem to us to place the sincere welfare worker in an impossible position. If she truly studies the interests of the girls her position is

⁵³⁸ Briggs (1961), op cit, p103.

⁵³⁹ HMG (1918-1922), op cit, V. III, p47; Proud (1916), op cit, p 67.

⁵⁴⁰ Melling, J (1983), Employers, industrial welfare and the struggle for workplace control, in Gospel and Littler, op cit, p70.

⁵⁴¹ HMG (1918-1922), op cit, V. III, p48.

⁵⁴² Proud (1916), op it, p78.

⁵⁴³ Quoted by Braybon (1981), op cit, p146.

made difficult by the employer, to whom her recommendations often mean capital outlay; yet the girls never forget that she is part of the management staff and therefore suspect".

Similar observations were made by Sidney Webb, but from a perspective which was broadly supportive of the main objectives of welfare work (if not the way it had always been practised). Webb went on to make recommendations regarding the future role of the welfare worker, arguing that:

"It is not easy in some establishments to keep the balance between her duty to her employer, who is apt to be primarily concerned with increasing profits and her natural sympathies with the women workers' claims... The welfare superintendent must look after the interests of the employer, or he will not keep her; and she must genuinely promote the interests of the women whose welfare she is there to secure, or they will not be influenced by her."⁵⁴⁴

Webb rhetorically asked whether this was an insoluble dilemma and answered by saying that whilst many employers and employees might conclude that it was, he held a different view. He argued that it was desirable that welfare work "should remain in the middle ground and should not be drawn by management into other efficiency improvements".⁵⁴⁵ Recognising that some of the difficulties with welfare work had arisen because a number of appointees had been both unsuitable and untrained, he argued that at least a year of training in social studies (such as run by London University and others) should be insisted upon. In this way, welfare workers could operate in a semi-independent capacity providing professional advice to, but not becoming an integral part of an organisation's management. Moreover, Webb was not alone in holding this view, since similar opinions had also been expressed by senior lady factory inspectors.⁵⁴⁶

Other observers of the development of wartime welfare supervision, in particular some trade unionists, had more radical ideas of where welfare should be and to whom it should be accountable. Echoing the wartime demands by trade unions and shopfloor workers for greater democracy in industry, some trade unionists

⁵⁴⁴ Webb (1917), op cit, p149.

⁵⁴⁵ *ibid*, p151.

⁵⁴⁶ Melling (1983), op cit, pp69 & 80.

held the view that welfare should be democratised and placed under greater worker control, following an approach that had been adopted in a few factories during the war. At one factory, a welfare committee had been established in April 1916, consisting of twelve representatives elected by the workers and one representative, also elected by the workers, of the management. The committee had been given total discretion to administer a welfare fund, based on weekly deductions from payroll, to provide recreational or social activities and sickness benefits. In another instance, a works committee at a Sheffield foundry was given responsibility for overseeing welfare activities. The committee consisted only of trade union representatives, with no representatives from management, but the welfare supervisor had been 'unanimously invited' on a discretionary basis. At another workplace, an elected welfare committee had the sole right to make proposals to management about welfare amenities, but no executive power to implement any changes.⁵⁴⁷ In 1917, the standing Joint Committee of Women's Industrial Organisations took the view that welfare supervision should either become the responsibility of the state, on the same lines as the factory inspectorate, or preferably should be managed by a trade union committee at each workplace and carried a resolution to this effect.⁵⁴⁸ A similar resolution was passed by the Woolwich Trades and Labour Council in 1918, calling for a democratic system of control over welfare schemes and supervisors, with equal worker and employer participation, and for priority to be given to recruiting welfare supervisors from the ranks of workers.⁵⁴⁹

Against the background of this debate, the problems regarding the 'hybrid' nature of the welfare workers' role had not gone unnoticed by the Ministry of Munitions. The Ministry saw the criticisms as due, in part, to the early propaganda for welfare work and thus in the latter part of the war increasingly emphasised the need for the welfare worker "to become a definite part of the managerial staff".⁵⁵⁰ However, as noted earlier, this only occurred in a minority of cases and much of

⁵⁴⁷ HMG (1918-1922), op cit, V. III, p50.

⁵⁴⁸ Tillett, A, Kempner, T and Wills, G (1970), eds, Management Thinkers, Harmondsworth, Penguin, p196.

⁵⁴⁹ HMG (1918-1922), op cit, V. III, p49.

⁵⁵⁰ *ibid*, p48.

the work still focused on social and recreational matters. Moreover, the proposals of those such as Sidney Webb and others that welfare should seek autonomy from works management and managerial concerns for efficiency were defeated by the determined opposition of employers and Ministry officials.⁵⁵¹ In 1918, the final report of the Health of Munition Workers Committee clearly defined the welfare worker as "the person to whom the employer delegates this section of management" and so as to clarify some of the confusion which had arisen in relation to the authority of line managers, it added that the work "is purely administrative and advisory".⁵⁵² Shortly after this, the Welfare Workers Association adopted a similar definition, seeing welfare work as "that part of management which deals with the well being of those engaged in business".⁵⁵³ Niven implies that his definition had been the result of considerable internal debate and concluded:

"The committee [of the WWA] had taken the bit between its teeth. If welfare work were indeed recognised as being part of management, many of the difficulties encountered would vanish and the way would be free for the proper development of the work".⁵⁵⁴

The apparent shift from the high moral ground untainted by managerial involvement or efficiency considerations in such a short space of time seems remarkable. In fact, it was to cause a deep division within the welfare movement which festered for a further decade. The first sign of the strain could be seen in a paper given by Miss E B Voysey,⁵⁵⁵ a leading figure in the Welfare Workers Association, to the Industrial Reconstruction Council (IRC) in 1919. As noted in chapter 3, there had been a rapid growth in interest in scientific management in the period 1917 to 1919, but writers on this subject had tended to be sceptical of the value of welfare work which was seen as reflective of a traditional approach to management, based on benevolent paternalism and was therefore unprofessional and unscientific. Moreover, their proposals for schemes of

⁵⁵¹ Melling (1983), op cit, p70.

⁵⁵² Niven (1967), op cit, p51.

⁵⁵³ *ibid.*

⁵⁵⁴ *ibid.*

⁵⁵⁵ A former welfare worker at Hudson Scott (tin box makers) in Carlisle and from 1919 Secretary of the WWA.

scientific management saw welfare being placed in the hands of relevant specialists with the appropriate qualifications, such as physiologists, psychologists or time and motion experts. Given the theme 'The Relation of Welfare Work to Scientific Management', much of Voysey's paper appeared to present the official line (given the interest of the IRC in scientific management) that welfare work and scientific management are "very much bound together" and "on the whole, the two seem to be complementary".⁵⁵⁶ In her concluding remarks, however, she appeared unwilling to sustain the official line and returned to the high moral ground which she believed distinguished welfare work from scientific management:

"Welfare work postulates that the first necessity of industry should be the full development of all the capacities of the individuals concerned and this will automatically react on their productive capacity...The aim of scientific management is maximum production. But what is this production for? Surely for the benefit of man as an individual? If, however, this production of maximum output is going to hinder a man's full development as an individual, it is defeating its own end. Welfare work, on the other hand, only wants maximum output in so far as it serves the true end of man - which end is his maximum development in character and individuality".⁵⁵⁷

Thus, the war ended with welfare workers divided over whether they served management or employees and what role they should play in the efficiency of their enterprises. Moreover, a question had arisen as to whether welfarism belonged in management at all, but rather should be subordinated to the democratic control of trade unions.

The attitudes of women workers and trade unions

Considerable controversy arose over the patronising style and manner of many welfare superintendents towards the female workers in their charge and there were also accusations that they were anti-union. In the assessment of the historians of the Ministry of Munitions, some problems arose because of the haste with which many appointments were made against the background of a

⁵⁵⁶ Voysey, EB (1919), The Relation of Welfare Work to Scientific Management, London, Industrial Reconstruction Council, p11.

⁵⁵⁷ *ibid*, p11.

lack of qualified people to do the job. They acknowledge that some supervisors displayed a lack of 'tact' and "from sheer ignorance of industrial organisation opposed trade union propaganda in the factory".⁵⁵⁸ Given the motley range of middle class backgrounds from which many welfare workers were drawn, it is evident that few would have been familiar with factory life or working class traditions, such as trade unionism. Moreover, as Webb⁵⁵⁹ observed, there were sometimes family connections between welfare workers and owners of a firm which led employees to view the welfare worker as "an informer paid by management although masquerading as a friend". Beyond the charge of nepotism in the appointment of welfare workers, Webb notes a further range of qualities considered to be appropriate for welfare work but which in his view, were equally undesirable. These included having 'a commanding manner', being 'a good disciplinarian' or having 'a great interest in philanthropic work'.⁵⁶⁰ The historians of the Ministry of Munitions, whilst recognising that such problems existed, nevertheless concluded that these were "exceptional cases".⁵⁶¹

There is, however, considerable contemporary evidence of resentment on the part of workers and their trade unions at the patronising and interfering style of many welfare workers. Braybon for example, quotes an article from the Queen magazine of 1916 about the duties of a welfare supervisor which makes it clear that the role went beyond the supervision of working conditions to one of guardian and arbiter of women's morals:⁵⁶²

"In a sense the behaviour and morals of the workers are in her care. If one of the hands are noisy or too free with the men workers, hers is the delicate task of dealing with this".

Innumerable instances of interference such as this, both within the workplace and beyond it, were reported in the press at the time. Thus, for example, one girl complained that "if you go to the picture-house three times a week, you hear

⁵⁵⁸ HMG (1918-1922), op cit, V. III, p48.

⁵⁵⁹ Webb (1917), op cit, p147.

⁵⁶⁰ *ibid*, p151.

⁵⁶¹ HMG (1918-1922), op cit V. III, p48.

⁵⁶² Braybon (1981), op it, p143.

about it from her".⁵⁶³ Welfare workers would watch women outside factories and break up conversations with male workers or soldiers. In the words of one contemporary observer, Mary Macarthur of the Standing Joint Committee of Women's Industrial Organisations:

"She interferes if the girls are out at night (especially if they are with a man in khaki), she interferes if boots are dirty, or blouses low at the neck, or stockings thin."⁵⁶⁴

Curfews were imposed in women's hostels, male visitors banned and wearing of make-up prevented. In one instance, one welfare worker made her debut in a factory where very rough girls worked by saying "you want a club, you come from such overcrowded, dirty homes" and was astounded when they threw their lunch at her.⁵⁶⁵ It is not highly surprising, therefore, that Mary Macarthur declared in 1917 that "there is no word in the English language more hated amongst the women workers of today than that of 'welfare' ".⁵⁶⁶

As regards trade unionism, Mary Macarthur took the view that "most welfare workers" discouraged it⁵⁶⁷ and hence many unions opposed welfare work or, as discussed earlier, sought democratic control over it. This tendency was also noted by Sidney Webb who argued that "welfare work will fail, and do more harm than good, if it is made use of as an alternative to trade unionism or as a means of preventing or discouraging in the factory trade union membership".⁵⁶⁸ In Webb's view, the welfare supervisor should unquestionably take every opportunity of pointing out the advantages...of belonging to a trade union".⁵⁶⁹ Webb further argued that if welfare supervisors ceased to presume or pretend that they represented workers and instead worked through the elected works

⁵⁶³ ibid, p145.

⁵⁶⁴ Cited in Tillett et al (1970), op cit, p194.

⁵⁶⁵ Braybon (1981), op cit, p146.

⁵⁶⁶ Cited in Tillett et al (1970), op cit, pp193-194.

⁵⁶⁷ ibid, p194.

⁵⁶⁸ Webb (1917), op cit, p147.

⁵⁶⁹ ibid, p148.

committee, they would find "the prejudices against welfare work rapidly disappear".⁵⁷⁰

Towards the end of the war, the leaders of what had been renamed the Central Association of Welfare Workers (CAWW) had become aware of some of the poor standards of practice and the charge of anti-unionism. They sought to repair the latter by adopting a policy in 1917 which stated that the "CAWW as a body is in sympathy with the ideals of the trade union movement which aim at the improvement of working conditions and of relationships between employer and employed".⁵⁷¹ Niven notes that "relations with the trade unions were constantly under discussion" in 1918 and a joint conference with the trade unions was proposed, but did not take place on the grounds that "the Association was not ready for such a major step".⁵⁷²

Welfare work and scientific management

We saw earlier how welfare work, as it was launched at the Ministry of Munitions under the influence of Rowntree's ideals, attempted to occupy the moral high ground, to remain independent of management and efficiency questions and to represent workers interests. We saw also how this created confusion about the role and objections from workers and their trade unions that someone paid by the employer could legitimately perform such a function without conflict of interest. It was noted too how, in some factories, welfare work came to be viewed as a branch of works management and how the professional association, amid some controversy, acknowledged the managerial nature of the work in its definition.

It appears from contemporary evidence, however, that in the perceptions of many workers and their organisations, welfare work was seen as an integral part of scientific management, in particular because of the circumstances in which it was introduced at the Ministry of Munitions. Dilution was seen in the eyes of many

⁵⁷⁰ *ibid*, p149.

⁵⁷¹ IPM Archives MSS 97/1EC/1, Conference Report for 1917, Modern Records Centre, University of Warwick.

⁵⁷² Niven (1967), *op cit*, p52.

trades unionists as associated with scientific management and thus the image of welfare suffered because of its perceived linkage to this policy, particularly as many women had been brought in as dilutees. The historians of the Ministry of Munitions summed up the problems as follows:

"The attempts of the Department to popularise provision for industrial welfare were to some extent handicapped by the fact that the propaganda for its adoption by employers began almost at the same time as energetic propaganda to induce workmen to accept the dilution of labour. 'What are the employers getting at?' was a question reported in the early stages of the welfare movement by those in touch with the trade union rank and file. Welfare measures were, it was said, an attempt to increase output, desirable indeed during the war, but leading ultimately to employers' profits".⁵⁷³

The links between scientific management and welfare work were further reinforced by the work of the Health of Munition Workers Committee whose early focus was on the issue of long hours, fatigue and their potential impact on output, ideas which had in turn been influenced by the work of Frank and Lillian Gilbreth.⁵⁷⁴ In Brown's view, the Committee's advocacy of welfare supervision in January 1916 made it clear that "for all the altruism of Rowntree and his like, the need for increased production was the key force behind the spread of welfare".⁵⁷⁵ The links between scientific management and welfare work also featured in Sydney Webb's wartime lectures to works managers, when he observed the following:

⁵⁷³ HMG (1918-1922), op cit, V. III: 168.

⁵⁷⁴ Frank B Gilbreth (1868-1924) and his wife Lillian M Gilbreth (1878-1972) were pioneers of motion study and were associated with the 'one best way' approach to task analysis, in addition to emphasising the importance of systematic training, the provision of the appropriate tools for the job and improved working environments. FB Gilbreth's ideas are set out in Motion Study, published in 1911, Primer of Scientific Management, published in 1912 (both New York, Van Nostrand & Co) and Fatigue Study, published in 1916 (New York, Sturgis and Walton). In 1914, Lillian M Gilbreth published The Psychology of Management (New York, MacMillan) which was subsequently accepted by Brown University for the award of a doctorate and was one of the earliest texts to integrate these two themes. They were both close associates and admirers of FW Taylor until a rift in 1913 when the Gilbreths came to the view that Taylor undervalued the importance of motion study. The Gilbreths visited Britain on a number of occasions between 1904 and 1924, mainly involved in guest lectures (Lillian M Gilbreth (1998), As I Remember: An Autobiography, Norcross: GA, Engineering and Management Press, p110, p118, p180, p194 (First published in 1941); CS George (1972), The History of Management Thought, Englewood Cliffs: NJ, Prentice Hall, pp99-101, p193, p195; CA Horn (1983), Essays on the Development of Modern Management, Sutton Courtney, Institute of Management Services, pp11-12)

⁵⁷⁵ Brown, G (1977), Sabotage, Nottingham, Spokesman, p187.

"One particular form of 'scientific management' is that, in the course of the last few years a new duty has been placed on management, under the name of 'welfare work'... This is partly philanthropy and partly - we had better be candid about it - a way of increasing industrial efficiency. Those benevolent and far-sighted firms... such as Cadburys, Rowntrees, Levers, and others less in the public eye, who have in Great Britain pioneered welfare work of various kinds, have found their expenditure well repaid, not merely in their satisfaction at the benefit to their operatives, but also, even unexpectedly, in the increased productiveness of their establishment".⁵⁷⁶

Webb himself was supportive of improvements in efficiency through both scientific management and welfare work, but argued the case for trade union involvement and consultation in the process. In this respect, Webb's views were close to those of both Cadbury and Rowntree who were supportive of scientific management, as long as it took into account workers' welfare, and recognised a legitimate role for trades unions.⁵⁷⁷ Thus, not only did many workers and their trade unions perceive welfare work to be associated with scientific management and increased efficiency, but Webb, who was closely associated with the labour movement, and some leading employers took the view that they should be so. Such a view grew in influence during the war and became closely associated with official writings on 'Reconstruction' and the related ideas of employers involved in the Industrial Reconstruction Council. In Child's view, the views of the leading employer spokesmen associated with the I.R.C. reflected a "reaction against the older laissez -faire attempt to treat labour as but another commodity [which] was now quite in keeping with the results of experiments into fatigue and monotony."⁵⁷⁸ Scientific management had discovered the human factor and the writings of the Reconstruction movement reflected a desire to integrate the management strategies of efficiency and welfare which had emerged during the war. In the view of Urwick and Brech "Scientific management remained the same in essence, but it has matured and consolidated and in the process it has undergone certain shifts of emphasis".⁵⁷⁹ In their view, this represented a change

⁵⁷⁶ Webb (1917), op cit, pp138-139.

⁵⁷⁷ Cadbury (1912), op cit, pp269-270; Briggs (1961), op cit, p145.

⁵⁷⁸ Child, J (1969), British Management Thought, London, Allen and Unwin, p49.

⁵⁷⁹ Urwick, L and Brech, EFL (1948), The Making of Scientific Management: Management in British Industry, vol 2, London, Pitman, p102.

in emphasis from the Taylorian conception of scientific management arising in particular from the work of Gilbreth and Gantt. In George's view, Gilbreth's interest "lay in the development of man to his fullest potential through effective training, work methods, improved environments and tools and a healthy psychological outlook",⁵⁸⁰ whilst Gantt, amongst various contributions to management thought, identified that training workers to become more skilled was a significant management responsibility. The new thinking was reflected in the Ministry of Reconstruction's publication Scientific Business Management which in addition to describing traditional features of scientific management, including motion study and bonus systems, contained a substantial section on 'personal intercourse' calling on managers to build sound personal relations with employees and develop their commitment.⁵⁸¹ It was reflected too in the IRC's invitation to Miss E B Voysey to address them on the links between welfare work and scientific management in 1919. As noted earlier, she identified "a vast amount in common between the two",⁵⁸² identifying in particular the importance of selecting workers and the provision of the best possible conditions. Like many leading management spokesmen, she argued that both perspectives were necessary to achieve greater efficiency "we have proved by experience that scientific management which leaves out of consideration the human element in the factory is a failure".⁵⁸³ Voysey had apparently been unaware that scientific management had already been developing in the direction that had hitherto been the exclusive concern of the welfare worker. Her paper was criticised from the floor on the grounds that her understanding of scientific management had been drawn from Taylor. Another member of the audience pointed out that more recent scientific management was concerned with the care of the worker and it was recommended that she should refer to The Psychology of Management by Lillian M Gilbreth⁵⁸⁴ for a more up-to-date view.

⁵⁸⁰ George, CS (1972), op cit, p101.

⁵⁸¹ Ministry of Reconstruction (1919), Scientific Business Management, London, HMSO.

⁵⁸² Voysey (1919), op cit, p5.

⁵⁸³ ibid, p.11.

⁵⁸⁴ Gilbreth, LM (1914), op cit. Lilian Gilbreth criticised welfare work as "charity" and argued that scientific management made a "scientific provision for welfare" (ibid, p 319) through scientifically determined rest breaks, clear work standards and instructions and systematic training (ibid, p 320).

These new developments were also identified by both electrical and mechanical engineers in their debates about their future professional training needs at the end of the war. In November 1918, the Electrical Engineers were addressed on the subject of 'The Human Factor in Industry' in which it was argued that:

"The most urgent changes are required in connection with the training of works managers.... Questions like industrial organisation and administration, fatigue, welfare, selection and training and trade unionism must be their special study".⁵⁸⁵

A similar need was identified by the Mechanical Engineers in October 1919 in an address by their president who emphasised that:

"If we are to maintain or perhaps I should say, if we are to prevent further encroachments upon our established position in the engineering world, mechanical engineers must give more attention to the administration and organisation of workshops".⁵⁸⁶

Thus, just as the potential contribution of welfare work was being more widely recognised, it was at the same time being taken over by writers on scientific management and practitioners from the ranks of engineers and works managers. As Tillett et al have concluded:

"Scientific management was thus joining forces with and in this respect, perhaps supplanting welfare work in advocating the importance of industrial betterment. Managers were now being pressed not by social workers, but by efficiency engineers, to make proper provision" for welfare facilities.⁵⁸⁷

Having apparently been deprived of their unique contribution, considerable doubt lay over the future of the infant welfare workers' movement in the post-war world. Many welfare workers lost their jobs when most of the female munitions workers left the factories and those welfare workers who remained were marginalised back to 'outside welfare', social work and recreational activities outside the

⁵⁸⁵ Urwick and Brech (1948), op cit, p127.

⁵⁸⁶ *ibid*, pp127-128.

⁵⁸⁷ Tillett et al (1970), op cit, p179.

factory⁵⁸⁸ and the membership of the Welfare Workers' Association fell to below 400 by 1922.⁵⁸⁹

Welfare work in decline: 1919-1922

Niven⁵⁹⁰ notes that welfare work went into decline in the immediate post-war period and, as evidenced in the columns of their own journal Welfare Work, first published in 1920, the welfare workers' movement went into something of a crisis in the early 1920s from which it never fully recovered. At the heart of the debate, echoing the philosophical difficulties experienced during the First World War, was the welfare worker's role in the management of the enterprises they served and their relationship with such fundamental issues as scientific management and efficiency.

With the ending of war-time controls, the winding up of the Ministry of Munitions and the return of male labour to their pre-war occupations, the recommendation to employ welfare supervisors was lifted and many were discharged. According to an official survey in May 1919, only around one-third of firms stated that they would be continuing to employ welfare supervisors⁵⁹¹ and it is possible that industry's desire to employ them fell further with the onset of recession in mid-1920. Niven's evidence suggests a marginalisation of welfare work, where it continued, to 'outside welfare' with a focus on social and recreational activities and sick visiting outside the factory. She concluded: "The welfare worker was thus not recognised as a full member of the factory staff and had to struggle to get a foothold inside the factory and to be identified with management".⁵⁹² For those established within the factory, much of their work focused on recruitment and selection as well as more traditional welfare concerns, but even in this

⁵⁸⁸ Niven (1967), op cit, pp55-57.

⁵⁸⁹ Tillett et al (1970), op cit, p197.

⁵⁹⁰ Niven (1967), op cit, pp55-57.

⁵⁹¹ HMG (1918-1922), op cit, v.V.III, p37.

⁵⁹² Niven (1967), op cit, p57.

emergent area of their work, many foremen resisted any interference with their traditional role.⁵⁹³

In the early post-war period, the coalition government of Lloyd George broadly continued its war-time interventionist strategy between 1918 and 1922, as embodied within the ideas associated with reconstruction. However, the government remained keen to continue its war-time promotion of welfare work through strategies of persuasion rather than legal enactment. Thus, a succession of official post-war publications continued to urge the importance of welfare work in industry. For example, in 1919, the continuation of welfare work was advocated by a report of the War Cabinet on Women in Industry and a leaflet Welfare and Welfare Supervision in Factories and Workshops, issued in 1919, urged the adoption of welfare work as "an essential part of efficient management".⁵⁹⁴ In July 1920, the Home Office called a conference "to review the present position of welfare generally and to consider by what means the movement can best be carried forward".⁵⁹⁵ The conference was attended by representatives of the state, employers, welfare workers and trade unionists, the latter continuing to be sceptical about the underlying motives of the welfare movement. A Home Office report based on the conference proceedings, Welfare Training and Welfare Work, was published later the same year. Against a background of concern, particularly on the part of trade unionists, about the inept and amateurish approach displayed by many welfare workers during the war, the main conclusions of the report focused on the need for adequate training. The further investigation of this issue was referred to the Joint Universities Council for Social Studies which produced their findings in a report, University Training for Welfare Work in Industry and Commerce, in 1921. It recommended that training for welfare work should be based upon an existing two year course for social workers, but with an emphasis on the practical application of welfare work in the

⁵⁹³ ibid.
⁵⁹⁴ ibid.
⁵⁹⁵ ibid, p63.

second year. These recommendations were accepted and remained the basis of training in welfare work for the next 25 years.⁵⁹⁶

After 1921, official interest in the promotion of welfare work went into decline and no further enquiries into it were published in the inter-war period. A key factor was a change in the political environment in 1922. Lloyd George's post-war coalition, which had attempted to implement reconstruction through state intervention without great success, was voted out in the general election of 1922 and was replaced by the Conservative administration of Bonar Law (succeeded on his death in 1923 by Baldwin), committed to "the minimum of interference" in the belief that "the nation's first need is, in every walk of life, to get on with its work".⁵⁹⁷ Such a political climate, which broadly persisted throughout the remainder of the inter-war years, was therefore hardly conducive to the promotion of initiatives amongst employers, such as the adoption or extension of welfare work. Moreover, as noted in chapter 3, economic recession, coupled with high levels of unemployment and a plentiful labour supply, were also unconducive to the development of welfare work.

It was noted in chapter 3 that employers increasingly turned their attention towards efficiency and rationalisation in the 1920s and also how the 'new look' approach to scientific management embraced the notion of welfare. We saw too how a debate opened up within the welfare workers' movement at the end of the war about whether it should remain independent of management and questions of efficiency or should become more closely bound up with them. Against the background of decline in welfare work, the leaders of the movement appear to have engaged in an internecine debate about this issue which, as we shall see, festered on into the mid 1930s.

⁵⁹⁶ *ibid*, pp64-65.

⁵⁹⁷ Taylor, AJP (1970), English History 1914-1945, Harmondsworth, Penguin, p254.

Debates about the nature of welfare work: 1920-1931

The early post war debates about the nature and role of welfare work were strongly reflective of the altruistic tone of 'reconstruction' movement, which (inter alia) advocated the building co-operative relationships with trade unions through joint industrial councils, a shift away from the traditional 'laissez faire' approach to labour, a continued role for government intervention in industry and the organisation of industry as 'public trusts' run for the benefit of the community. Thus, for example, Adelaide Anderson, a senior and pioneering figure in the women's branch of the Factory Inspectorate and long time supporter of the welfare movement, argued that welfare work lay at the centre of a radical new vision about industrial relationships. In a speech given at an international congress of the Royal Institute of Public Health, an early edition of Welfare Work in June 1920 reported her view that the welfare movement was central to "a demand for a wholly new conception in industry, new human relationships and a socialised aim of production, rather than efficiency and quantity of output."⁵⁹⁸ At a Home Office conference on 'Welfare Training and Welfare Work', held in July 1920, some radical proposals about the future of welfare work were put forward by a trade union speaker and reported approvingly in Welfare Work. A theme which had emerged towards the end of the war and after it was that welfare work might rightly belong in the trade union domain and this was reiterated by a trade union speaker, Mr Button. Instead of outright rejection of these ideas, the editorial of Welfare Work described this radical proposal as "a very interesting line of thought" and concluded with the hope that "he will not let it rest in an embryo state, but will develop it at some future occasion".⁵⁹⁹ In fact, the journal never reported the development of such ideas on any future occasion, reflecting in all probability the post-war change in climate: the arrival of a Conservative administration opposed to intervention, recession, rising unemployment and employer hostility to the notions of industrial democracy proposed by the Reconstructionists. Nevertheless, the opening articles in the journal indicated that the leadership was open to fairly

⁵⁹⁸ Welfare Work, 1, 6, June 1920, p83.

⁵⁹⁹ Welfare Work, 1, 7, July 1920, p108.

radical ideas in the immediate post-war period amid the debate about reconstruction, probably allied with a degree of uncertainty about the future direction of welfare work following the removal of wartime controls.

Against a background in decline in the employment of welfare workers, the movement set off in search of ideas for rectifying this decline and one set of ideas which it considered was the emergent American model of Personnel Administration in the period from the early to mid 1920s.

The influence of the American model of personnel administration

It is clear from the earliest editions of Welfare Work that readers were well informed about developments in the United States, with a number of articles being devoted to this subject. In addition, leading figures who were shaping the policies of the British welfare movement were exposed to American ideas at various international conferences which they attended. The first article on American practice appeared in the first year of the journal's publication when FJ Marquis reported on a visit to see personnel administration in action in US firms. He reported that there was "an absolute abhorrence amongst the more enlightened firms of the phrase 'welfare worker'"⁶⁰⁰ because of its earlier associations with paternalist philanthropy. The 'Supervisor of Personnel', he reported, was clearly part of management, well remunerated and ranking in position equal to the Production Manager or Head of Finance and the writer

⁶⁰⁰ Marquis, FJ (1920), Some observations on welfare work, Welfare Work, 1, 9, September, p133. James Marquis was a sociology graduate, former schoolmaster, one-time member of the Fabian Society and strongly committed to the reduction of poverty (DJ Jeremy and C Shaw (1986), eds, Dictionary of Business Biography, v 4, p147). He was later elected to the peerage as the Earl of Woolton. After war service in the War Office, followed by a business tour of the United States in 1920, he joined the department store Lewis's of Liverpool (which also had stores in Manchester and Birmingham) in 1920 as a Director where, according to his autobiography and in accordance with the views expressed in his article, he initiated changes in the Company's traditional approach to staff management by taking responsibility for engagement, discipline and dismissal away from line managers and placing them in the hands of a specialist Staff Manager appointed at each store. He later became joint managing director of the company in 1928 and chairman in 1934 (ibid, 146-151; Lord Woolton (1959), The Memoirs of the Rt Hon The Earl of Woolton, London, Cassell & Co, p70).

commended the approach to the reader as “the nearest approach to the ideal which I have seen”.⁶⁰¹

In April 1922 Daniel Bloomfield, a leading US consultant and author in the field of employment management,⁶⁰² reiterated the American approach. He confirmed the American retreat from welfare work on the grounds that it was a “superficial way of dealing with fundamental problems” and defined the current thrust of the work as being “concerned with the development of management of personnel in business and industrial establishments”.⁶⁰³ Accordingly, its chief function was to “strengthen the work of management so that all problems arising out of relations of employers with employees receive the same close expert attention that other phases of management are receiving”.⁶⁰⁴ The approach was founded upon a clear statement of employment policies as the basis for conducting employer and employee relationships and for guiding consistent action by management. The field covered was broad, encompassing employment (including job analysis, wage scales, terms and conditions, recruitment and selection, promotion and dismissal), training, health and safety and employees’ services (benefits and recreational facilities). Moreover, he concluded significantly, “the real difference between personnel work in Great Britain and the United States is in the manner of organisation of the work within individual establishments”.⁶⁰⁵ In the United States, the work was tied “very closely with the chief administrative officials of the establishment”⁶⁰⁶ and was represented at board level by a vice-president giving exclusive attention to personnel and labour matters.

A subsequent article was published on this subject in September 1922 by Louise C Odencratz, an employment manager with Smith and Keuffmann in

⁶⁰¹ *ibid.*

⁶⁰² See D Bloomfield, The Problem of Labour, Selected Articles on Employment Management, Employment Management, Labour Maintenance: A Practical Handbook of Employees’ Service Work, all published in 1920.

⁶⁰³ Bloomfield, D (1922), Employees’ service work from an American point of view, Welfare Work, 3, 28, April, p63.

⁶⁰⁴ *ibid.*

⁶⁰⁵ *ibid.*, p64.

⁶⁰⁶ *ibid.*

New York and provided the perspective of the American practitioner.⁶⁰⁷ Given a brief by the journal to discuss welfare work in America, she opened by pointedly explaining that she has substituted the term 'personnel' for 'welfare', reiterating the retreat from the latter term and the reasons for it. In providing her summary of the current position in the USA, she argued as follows:⁶⁰⁸

"The tendency is for personnel workers more and more to get into the production end, or at least to work closely with the production manager. So we find personnel workers all through the country concerning themselves with questions of training, promotions, job analysis, time studies and rate setting, methods of wage payments, standards of wages and cost of living, wages and production standards, working hours and regularity of production".

The leadership of the welfare workers' movement were also made aware of the American perspective at international exchanges from 1922 when the International Welfare (Personnel) Congress was established and which had provided the source of the papers on American practice published in the journal. The next international conference under the auspices of the International Congress in 1925 again provided exposure to practice in United States, notably a paper delivered by Dr W J Donald, Managing Director of the American Management Association, which had become the representative body for welfare or personnel work. His report reiterated a shift in the United States from "old fashioned welfare work" towards a professional management function based upon centralised policy-making employment departments.⁶⁰⁹ "The tendency of the time", he argued, "is in the direction of subjecting all American personnel work to the tests of economic results ... (and) the recognition that it is an integral and inseparable part of management".⁶¹⁰ Contrasts also became apparent in the two countries' approaches to training for work in this field. In the United States, training for the work was bound up with university business departments, whilst in

⁶⁰⁷ Odencratz, C (1922), Personnel work in America, Welfare Work, 3, 33, September, pp166-168.

⁶⁰⁸ *ibid*, p166.

⁶⁰⁹ International Industrial Welfare (Personnel) Congress (1925), Report of Proceedings, Zurich, the Congress, p93.

⁶¹⁰ *ibid*, p95.

Britain it was associated with social work.⁶¹¹ American speakers talked in terms of a "profession", British speakers in terms of a 'movement'.⁶¹²

The affinities between scientific management and the development of 'personnel administration' in the United States were clear, with its emergence as a centralised policy-making function and its involvement in such activities as job analysis, time study, rate setting and wage payment systems. American developments were not, however, published in Welfare Work after 1922 for reasons which will shortly become apparent.

Rejection of the American model and a continuing search for a philosophy of the welfare movement: 1920-1927

The response of British practitioners to the American approach, which had already adopted the term 'personnel administration' to cover this field of activity by this time,⁶¹³ was almost universally hostile.

Amid the interest in the American approach in the early 1920s, a British practitioner by the name of A Rowland-Entwistle offered his thoughts on the American approach, based on a visit he had made to enquire into practice there in the columns of Welfare Work on April 1921. In his view, practice in the United States was too tied up with scientific management from which "for the past ten years" Britain had suffered "as a result of an influx of transatlantic Apostles of a so-called new gospel of efficiency".⁶¹⁴ All it has achieved, he argued, was "an Americanisation of British industrial practice, not only futile in result but probably one of the greatest factors contributing to the growth in friction and misunderstanding between employers and workers".⁶¹⁵ The American approach to functional management, he argued, concentrated too much power in the hands of managers, such as the Employment Manager who

⁶¹¹ ibid, pp406 & 440.

⁶¹² ibid, pp93, 146 & 149.

⁶¹³ For example, the leading US text book by Ordway Teade and HC Metcalf, Personnel Administration: Its Principles and Practice, New York, McGraw Hill (1920).

⁶¹⁴ Rowland-Entwistle, A (1921), Principles of employment management: 1, Welfare Work, 2, 16, April, p54.

⁶¹⁵ ibid.

had executive authority over employment policies. Such an approach would rob the employer of his right to determine policies in relation to the human side of the business and rob managers of executive authority in their own departments. Welfare in the UK needed to provide a link in the chain of communication between the personal wishes of employers and employees, with a focus on welfare, employment, education and recreation.⁶¹⁶ Any attempt to “slavishly copy” American methods, he concluded, “must be repudiated”.⁶¹⁷ Since so much emphasis was placed on the personal desires and preferences of employers, Rowland-Entwistle’s approach appears to amount to an advocacy of paternalism, with the welfare worker as its communication medium.

Any approach to welfare work based on scientific management was also attacked by another welfare worker, Annie E Owen, in the columns of Welfare Work. In her view, “as soon as our interest in scientific management becomes greater than our interest in the individual, then it seems to me that we lose ground as Welfare Workers...real Welfare is a spirit, a principle in industry”.⁶¹⁸ The search for this ‘spirit’ and ‘principle’ would, as we shall see, occupy much of the time of welfare workers as they debated their future direction in the early to mid 1920s.

It was noted earlier that welfare workers had attempted to occupy the ‘middle ground’ between management and workers during the First World War, based on Rowntree’s conception of the work, but this stance had been opposed both by employers and officials of the Ministry of Munitions who saw the role as firmly part of management. In consequence, the Welfare Workers’ Association had reluctantly accepted this principle in its definition of the work in June 1918. We saw, too, how in practice leading spokespeople of the welfare workers’ movement had experienced difficulties in accepting that their role was to work for the ends of scientific management, efficiency and maximum production. Their fundamental hostility to these objectives continued to characterise the

⁶¹⁶ Rowland-Entwistle, A (1921), Principles of employment management: 2, Welfare Work, 2, 18, June, p85.

⁶¹⁷ Rowland-Entwistle (1921), April, op cit, p54.

⁶¹⁸ Owen, AE (1920), The welfare worker, Welfare Work, 1, 8, Aug, p122.

debate about their future role during the early to mid 1920s. Their leading spokesperson, Eleanor Kelly,⁶¹⁹ had effectively laid down a manifesto for the development of welfare work in 1920. Whilst accepting the principle that “the welfare worker is the person to whom a firm entrusts certain functions of management”, she laid down a prerequisite for a firm adopting welfare work that it “must regard its business activities as, to some extent at least, a social service and not merely a means of making money”.⁶²⁰

It became evident too that Kelly was pursuing a radical agenda based on strongly held religious beliefs. “Capitalism must conform to the Christian ideal or pass away”, she later wrote in 1925.⁶²¹ Welfare work was not simply about improving working conditions, but had missionary aspirations to bring about “the gradual re-adjustment of our relations with each other, with the physical world around us and with God”.⁶²² Analogies to the work of missionaries were woven into her statements at this time of the roles of the welfare worker, for example, in the following exhortation to a conference of welfare workers in 1922:⁶²³

“As welfare workers, we can justify our existence only if we are visionaries...welfare has to be seen as a vision and is needed in industry as a prophet...Above all things, if we are to accomplish anything we must have faith in God and our fellow men - a faith we can only hope to maintain if we are in right relation to both”

Kelly's vision of welfare work in the early to mid 1920s remained hostile to its use in boosting production, enhancing efficiency and serving the cause of scientific management and is one of the main reasons why the American model of personnel administration remained anathema. Her opposition became explicit at the International Congress in 1925, referred to earlier, at which leading figures of the British welfare movement had been exposed to papers on

⁶¹⁹ Former welfare worker at Boots, a founder member of the WWA in 1913, Honorary Secretary to the WWA 1917-1919 and currently a welfare worker at Debenhams.

⁶²⁰ Kelly, E (1920), Welfare work from the welfare worker's point of view, Welfare Work, 1, 7, July, p101.

⁶²¹ Kelly, E (1925) Welfare Work in Industry, London, Pitman, p2.

⁶²² *ibid*, pv.

⁶²³ Welfare Work, 3, 2, Aug 1922, p144.

the American approach. Given that the conference was concerned to establish international agreement about the nature and remit of this work, fundamental differences had emerged between the British and American approaches and an important point of principle was at stake. At the end of the proceedings, she rose to complain that the papers had assumed that welfare work must increase production, arguing:⁶²⁴

"Was this necessity really axiomatic? It was necessary that Congress should come to a fundamental decision on this point ... with some exceptions, the rest of the papers assumed that the only way to get the world right was to increase production and that health and social amenities would follow in consequence ... the opposite was the truth".

So vexed was the issue that no agreement could be reached on the uneasy compromise of including both 'Welfare' and 'Personnel' in the title of the association that it was resolved that its membership should be open to both and also that controversy would be avoided by calling it 'The International Association for the Study and Improvement of Human Relations and Conditions in Industry'.⁶²⁵

The debate about the principles and philosophy underlying welfare work in Britain continued at the WWA conference of 1926. To one speaker, ML Haskins of the London School of Economics, welfare work was about the search for social justice.⁶²⁶ Another speaker, Miss Borland of Munro and Co in Edinburgh, reviewed possible employers' motives underpinning welfare work and firmly rejected both its potential role in increasing profit as "inconsistent with any true conception of welfare, having in it no element of altruism" and also its potential role in contributing to scientific management and enhanced efficiency as "inconsistent with welfare in so far as it depreciates human values",⁶²⁷ yet

⁶²⁴ International Industrial Welfare (Personnel) Congress (1925), op cit, pp449-450.

⁶²⁵ *ibid.*

⁶²⁶ Haskins, ML (1926), The evolution of the welfare motive, *Welfare Work*, 7, 83, November, 205-207.

⁶²⁷ Borland, CR (1926), The evolution of the welfare motive, *Welfare Work*, 7, 83, November, p203.

paradoxically reached the following conclusion about the future direction of welfare work:⁶²⁸

"Efficiency today demands nothing less than the full application of science to industry, including the newer social sciences of psychology, sociology and social relations. Such an ideal of efficiency, so humanised, socialised and enlarged, or something like it, seems to me to lie behind some of the best effort called 'welfare' today and to be in the general direction in which we are heading".

In conclusion, the 'philosophy' of welfare work as it emerged during the early to mid 1920s, was far from clear. On the one hand, it involved a religious crusade which was inconsistent both with profits and scientific management. On the other, it recognised some 'socialised' notion of efficiency and the potential contribution of science, including the social sciences, to industry. Clearly recognition of the latter was bound up with the welfare worker's claims to professionalism, based upon newly established university training in a body of knowledge drawing mainly from the social sciences. Yet, somehow, the application of this knowledge must serve the moral and spiritual well-being of the worker, rather than, as seems at least as likely in the context of capitalist enterprise, the efficiency and profitability of the employer. Welfare work claimed to be part of management, yet detached from it and its key rationale. The work was about the moral and spiritual welfare of the worker for its own sake, carried out for and on behalf of the worker and for some, at least, it was about non-interference in the employer's policies towards labour. This apparently contradictory position raises many questions. Did the welfare workers genuinely believe that they could remain independent of management? Were they peddling neo-paternalism? Were they wrestling with their consciences in the light of the changed economic and social environment of the 1920s, which increasingly placed emphasis on efficiency, in contrast to the more idealistic notions which motivated them to work in the movement in the first place? Was this 'philosophy' in fact an unworkable compromise between differing viewpoints emerging within their ranks about the extent to which they should serve the end of efficiency? It seems possible that all these are intermingled in

⁶²⁸

ibid.

the debate but, as we shall see below, this introspective philosophising was overtaken by events in 1926 and 1927. The debate simmered on in 1927 and the editor of Welfare Work reminded readers that they held "an independent position as between management and workers ... and they owe loyalty to both".⁶²⁹ By this time, however, the tide was beginning to turn against the traditionalists and voices of criticism began to emerge from their ranks.

The emerging criticism of the traditional approach to welfare work: 1925-1927

The leading critic of the mainstream view about the nature of welfare work to emerge in the mid 1920s was offered by Miss KE Wilkinson, a welfare worker at Horrockses and Crewdson Cotton Mills in Preston. Her first recorded criticism occurred within a paper delivered to the meeting of the International Congress of 1925 at which she referred to the development of welfare work in Britain away from its scope as "largely recreational and medical" as a "somewhat slow and painful process"⁶³⁰ and concluded:⁶³¹

"The movement is hampered by a lack of understanding of its aims and a not inconsiderable degree of narrow preconception as to its scope and even of dogmatism on the part of welfare workers themselves".

Wilkinson followed up her critique in a paper to the annual conference of the Welfare Workers' Association in September 1926, though its content was not published in the columns of Welfare Work until September 1927. Given that its content deviated markedly from other papers which had reflected the mainstream view of hostility to scientific management, efficiency and profits, the delay of one year before its publication in the journal was, as we shall see, indicative of a major debate about the future direction of welfare work.

⁶²⁹ Welfare Work, VIII, May 1927, p81.

⁶³⁰ International Industrial Welfare (Personnel) Congress (1925), op cit, p146..

⁶³¹ *ibid*, p149.

The results of that debate were reflected in the editorial for September 1927 which referred to “the opening of a new chapter, new plans, new beginnings and new beginnings should mean a preliminary stocktaking... it is the question where we are going which clamours for a reply”.⁶³² Wilkinson’s critical article was apparently offered as that stocktaking and that reply, with the editorial concluding: “Miss Wilkinson’s searching criticism of the movement goes right to the heart of it”.⁶³³ The article, which represented the first serious critique by a leading member of the British movement to be published in the journal in the eight years of its existence was, in itself, a significant indicator of the shift that had apparently taken place between the ‘philosophy’ conference of September 1926 and September 1927 when her critical article appeared.

The main thrust of Miss Wilkinson’s speech, as reflected in her article was as follows.⁶³⁴ The reluctance of industrial welfare to move away from its “haphazard multiplicity of duties” of a social and recreational nature and recognise that it was “an integral part of administrative management” had created difficult conditions which hampered its further development. Referring to its “undue prolongation of this immature transitional state” as “not only disquieting, but profoundly disappointing”, she continued:

“The movement bears far less sign of the influence of clear and logical thought than it should have done. It is open to discussion whether it is still not subconsciously influenced by a more or less benevolent motive and not yet thoroughly awake to its economic position....Without desiring to open old controversies one cannot entirely ignore the influence that the name has had upon the professional aspect of the movement. The benevolent connotation of the word ‘welfare’ has confused the issue...and in no small measure it has been responsible for its haphazard development and unsatisfactory status. The unfortunate and confused idea that the first concern of welfare workers is with the administration of benevolence, has made them suspect in the eyes of the public, both industrial and general, and has done much to create a certain attitude of smugness from which the movement must in honesty admit it is not wholly free. If some of its complacent self-satisfaction can be attributed to the direct influence of the name, some may also be traced to the unfortunate absence of the influence of true professionalism... Relying more upon instinct

⁶³² Welfare Work, 8, 93, Sept 1927, p157.

⁶³³ *ibid.*

⁶³⁴ Wilkinson, KE (1927), A critical view of our profession, Welfare Work, 8, 93, September, pp162-163.

than knowledge, it has neglected to develop a professional technique, and in so doing has failed to realise its possibilities, or what is even more important, its limitations. It has certainly flirted mildly with scientific methods, but the affection with which it clings to its early outlook would not violate the finest conservative tradition. But no amount of good intentions will ever make a satisfactory substitute for efficiency. Burdened with the conviction of a mission in life, and rather overimpressed with the need for setting an example, the welfare movement sometimes exhibits a curious inclination only to see itself when looking at industry and to assume the self-appointed role of the most ethical and disinterested movement in it... The extraordinarily tenacious belief that a certain amiability of character or temperament is the chief qualification for welfare is still with us, and it is due in no small measure to the lack of realisation that welfare is slowly becoming part of industrial organisation, and that as such its effectiveness can only be conditioned by its efficiency... The fundamental reality, that trade must be maintained in economic competition with other nations, cannot be lost sight of either by the welfare or any other movement...Can (the welfare movement) assure itself that it has adjusted its outlook as speedily as the needs of the work have demanded or has it been so blinded by the desire to do good that it has not realised the limitations of its own work, and thereby created an artificial barrier between the interests involved in welfare and those of general management. The keynote of the present is adaptability and it is imperative that the welfare movement give more thought to the principles at stake. Conservatism of method and narrow preconception of aim have hampered much of the work of the welfare movement. It has in the past suffered too much from a tendency to consider ideals rather than the facts which were immediately before it...Welfare as a whole has hesitated, and still does hesitate, consciously to throw in its lot with industrial administration or management...The conception of scientific method in welfare is still in its infancy. This method may be criticised as a hard and possibly an inhuman doctrine, but surely both sentimentality and half-digested, ill-considered theories can be harder still. The way of progress never lies along the road of half-knowledge and expediency is never a sound criterion".⁶³⁵

Considering that this paper was given at a conference looking backwards to its roots in history in search of a 'philosophy' of welfare, critical of efficiency and profits and reaffirming the religious calling of welfare work, this speech must, to say the least, have been met with disapproval.⁶³⁶ Its analysis provides some further perspectives on the questions raised at the end of the previous section about the rejection of the American model of personnel administration. Welfare work in Britain remained conservatively rooted in its origins in benevolent

⁶³⁵ *ibid.*

⁶³⁶ Nothing was published in *Welfare Work* between September 1926 and September 1927 relating to any debate; internal committee minutes of the WWA are missing from the institute's archives for the period from 1924 to 1928.

paternalism, exhibited a certain haughty or ethical disdain for industry itself and matters of efficiency and profits and exulted in the superiority of amateurism over professionalism. Nevertheless, the critical article must have struck some chords in appropriate quarters because, as we shall see in the next section, events moved swiftly between the conference of September 1926 and January 1927.

The adoption of the notion of an Employment Department: 1926-1927

Miss Wilkinson's article appeared in the September of a year in which the journal had embarked on the promotion of the 'Employment Department' in a long series of articles commencing in January 1927. Since these obviously had to be planned and commissioned in advance, it suggests that the Wilkinson critique was influential. Moreover, the articles were published as a book later the same year by the Institute, under the title The Employment Department, edited by Wilkinson, perhaps reflecting her importance in driving through the new ideas. Although the journal said very little of substance about the reasons for the apparent change in direction in the wake of the conference of September 1926, the editorials of December 1926 and January 1927 provided some clues. In addition to the role of Wilkinson herself, another important source of change appeared to have been the momentous events of the General Strike and long coal strike of 1926 which seemed to have overtaken the introspective moralising that was the major theme of the journal in 1926. In a brief editorial review of the approaching settlement of the coal strike in December 1926, it concluded:

"We are all to blame in this matter... The apparent impossibility of co-operative action between the miners and the mineowners is a direct challenge to those who maintain the vitality of welfare ideals... We may be sure that no large body of men would remain out for so long a period unless they honestly felt they were fighting for a certain measure of right".⁶³⁷

⁶³⁷ Welfare Work, 7, 84, Dec 1926, p237.

Following up this theme, the editorial for January 1927 referred obliquely to hopes about repairing “the tragic blunders of the past” and, through its new series of articles on the Employment Department commencing that month, made it clear that “we have filled the old word ‘welfare’ with a new meaning” in the light of “so much misunderstanding on this subject”.⁶³⁸

Welfare workers had also been stung by proposals that had appeared in the press during 1926 suggesting that the promotion of industrial peace could be achieved by welfare and the editorial firmly rejected the view that welfare should be used to undermine workers’ allegiances to their trade unions.⁶³⁹ Concern was expressed, too, that the only sphere of co-operation between employers and employed was restricted to the field of social and recreational activities, “the old autocratic type of welfare, something done for the workers by the employer” which welfare workers had been prominent in promoting.⁶⁴⁰ It was almost as if the magnitude the coal strike had caused welfare workers to reflect deeply on the triviality of the solutions they were offering to the major industrial relations issues of the day.

The opening article in the series on the Employment Department by Miss NJ Kessler clearly showed the debts owed to the American model of personnel administration within the notion of the Employment Department. The writer referred specifically to the American contribution at the international conference of 1925 (as noted earlier), providing evidence that at least some welfare workers at this time saw merit in the American model. The article opened by highlighting the American replacement of the word ‘welfare’ by ‘personnel’, but it was perhaps a measure of the continuing controversy surrounding the American approach that ‘employment department’ rather than ‘personnel department’ was preferred by the Institute in the relaunch of the welfare image.⁶⁴¹ In introducing her theme about the change of name, Kessler went on

⁶³⁸ Welfare Work, 8, 85, Jan 1927, p1.

⁶³⁹ *ibid.*

⁶⁴⁰ *ibid.*

⁶⁴¹ The title of Institute of Personnel Management was not adopted until 1946.

to argue:⁶⁴² “What we have to now realise is that the use of the word (welfare) has had a bearing on the development of the work, for it has not only tended to slow down the pace of progression in this country, but more disastrously has confused values”. Quoting approvingly from the words of the American representative at the 1925 congress, WJ Donald, Managing Director of the American Management Association, she observed that “the most important function of the manager of the personnel department is to make it possible for the line executive to perform his share in the man-management process in the most effective way”.⁶⁴³ The American vision of the personnel function, she continued, was important for the following reasons:

"It shows us the welfare department, not as a super structure, nor as an appendage, nor even as that rather vague thing 'an integral part of industry', but as a definite link in the chain of administrative management and a factor in the plan of industrial efficiency.... No amount of recreation schemes, canteens, rest rooms or medical schemes, however first class they may be, can put the head of the welfare department in the position to co-operate efficiently with the line executive in the man-management process".⁶⁴⁴

In reviewing the British approach to the management of people, for too long, she argued, this had been based on custom and practice and on the whims of under-managers and foremen and few firms had placed activities, such as selection and engagement, much less dismissal, into the hands of their welfare or employment departments. The majority of firms had no labour policy. She concluded:⁶⁴⁵

“(It is not) intended to suggest that the methods of the United States should be introduced unmodified into British industry. But it would seem that in the matter of the employment department the States have thought further and more clearly than we have, and we should not only be foolish, but ridiculous, to refuse very careful consideration to the idea presented, merely because the methods of another country seem to us to be open to criticism.”

⁶⁴² The Employment Department: I - Introductory, Welfare Work, 8, 85, Jan 1927, p2.

⁶⁴³ *ibid.*

⁶⁴⁴ *ibid.*

⁶⁴⁵ *ibid.*

This introductory article was followed by a series of monthly contributions on the 'Employment Department' from February to August 1927, covering interviewing, induction, transfer, promotion, dismissal and employee records.⁶⁴⁶ In practice, the content of these articles was somewhat mundane (particularly in the light of current American practice) and failed to live up to the vision presented in Kessler's introductory paper, possibly reflecting the reality that they were largely written by contemporary practitioners who were describing contemporary practice, located mainly within the welfare tradition. They did, however, succeed in mapping out the potential remit of a reconstituted welfare function under the banner of an 'employment department', but the key issue of 'labour policy' noted by Kessler was barely addressed. As we shall in the next chapter, 'labour policy' had been an area of considerable interest to 'labour managers' and the 'labour management' movement which had grown up in parallel during the 1920s, but whose practitioners had had in the main had no connections with an association consisting predominantly of welfare workers. Thus, the new notion of an employment department tended in reality to reflect the welfare tradition of practitioners who were actively involved in the welfare work and the whole idea of 'labour management' would have to await a further radical change in the development of the welfare movement.

Rationalisation and the impact of labour management on the welfare movement: 1928-1931

Rationalisation was first discussed in the columns of Welfare Work in 1928 and was destined to have a profound influence over further debates about the nature of welfare (or even employment) departments over the next three to four years. The first article on the topic was published in June 1928,⁶⁴⁷ contributed

⁶⁴⁶ Smith, JS and Wilkinson, KE (1927), The Employment Department: II - The interview from the welfare worker's point of view, Welfare Work, February 1927, 22-25; Blackett, M (1927), The Employment Department - 3. The interview from the standpoint of the psychologist, Welfare Work, March, 42-44; Finch, BU (1927), The Employment Department - 4. The introduction to the job, Welfare Work, April, 67-70; Wynne, N (1927), The Employment Department - 5. Following up transfers, Welfare Work, May, 82-84; Marshall, AC (1927), The Employment Department - 6. Promotions, Welfare Work, June, 102-103; Cole, AS (1927), The Employment Department - 7. Dismissals, Welfare Work, June, 122-124; Robertson, A (1927), The Employment Department - 8. Records, Welfare Work, August, 138-139.

⁶⁴⁷ Rationalisation and welfare work, Welfare Work, 9, 102, pp100-101.

by the Management Research Groups, and three further articles appeared in 1929, two of these written by LF Urwick. Rationalisation was taken as the theme of the welfare workers' 1929 conference at which Urwick was the leading speaker. In his articles of March and April 1929,⁶⁴⁸ Urwick provided a clear and succinct exposition of the topic. The origins of rationalisation lay in the International Economic Conference held in Geneva in 1927 called to discuss ways of relieving the depression and unemployment which had affected all industrial nations in Europe since the first world war. He outlined three strands of thought that came together in the rationalisation movement. First, in Germany the term 'die Rationalisierung' had been applied to the process of merging and integrating previously competing and independent businesses into larger enterprises in order to achieve economies of scale and enhance efficiency and competitiveness. A second strand drew from Taylor's scientific management and was concerned with the application of his ideas, such as functional management and the sub-division of tasks, within the enterprise itself. A third strand was referred to as 'Psycho-Technology' and drew in particular from the contribution of the British Health of Munition Workers' Committee during the First World War, subsequently the Industrial Fatigue Board, and the National Institute of Industrial Psychology, which had focussed on the importance of such issues as fatigue, physical working conditions and employee selection. Urwick noted that rationalisation embodied a shift from laissez-faire and belief in free market forces towards an attempt to take more rational control of the market through the application of scientific methods. In Europe, the emphasis tended to be on business amalgamations, of which ICI was a classic example, whilst in the USA, the emphasis was more on scientific management within the enterprise. As regards the British situation, Urwick went on to urge a better understanding by employers and managers of scientific management on the grounds that it was "essential to productive efficiency".⁶⁴⁹

⁶⁴⁸ The problems of rationalisation: I - Rationalisation in Europe, *Welfare Work*, 10, 111, March 1929, pp42-44; The problems of rationalisation: II - Rationalisation and industrial education, *Welfare Work*, 10, 112, April 1929, pp62-64.

⁶⁴⁹ *Welfare Work*, April 1929, op cit, p62.

What, then, were the implications of rationalisation for the welfare movement? These were also addressed by the journal. The first article, presented in June 1928 and written by the 'Management Research Groups' established by Rowntree in 1926, contained a vitriolic criticism of the welfare movement and highlighted two key implications for it. First, welfare workers could no longer ignore the importance of efficiency within the enterprises in which they worked - welfare work could no longer isolate itself from these questions on grounds of morality and ethics, despite the attempts which had been made to reconstitute traditional welfare work as 'employment management'.⁶⁵⁰

"The welfare movement is primarily concerned with the well-being of the worker. It is a moral and ethical movement. But no moral or ethical movement can stand wholly divorced from the material life of its time. Just as it is impossible in the long run for an economic method which is not fundamentally moral to survive, so too a moral principle which is fundamentally uneconomic must adjust itself or perish. That is to say, welfare work of any kind has no significance unless it is both in accord with the latest scientific discoveries as to the foundations of individual well-being whether physical or psychological, and is also contributory to the production of goods or services in the long run. In so far as welfare accords with these conditions, it must necessarily be recognised as an ally by all who are concerned with industry."

A second issue for welfare workers to consider in relation to rationalisation was raised in the same article. The welfare movement needed to recognise that its birthplace was among those employers who, even before 1914, saw welfare and a scientific approach to management and efficiency as closely interrelated. It pointed out that "many of the individual factories in Great Britain in which rationalisation has taken the greatest hold are those which, 15 or 20 years ago, were pre-eminent for their welfare activities"⁶⁵¹. Given B S Rowntree's leading role in the Management Research Groups which penned the article, it seems plausible that it is Rowntree's own company that was being referred to here, an ironic twist for the welfare movement which had been much influenced by the Rowntree approach and its pioneering welfare workers, such as Mary Wood and David Crichton, from its early days.

⁶⁵⁰ Welfare Work, June 1928, op cit, p100.

⁶⁵¹ ibid.

Some further implications were pointed out in the third article of the series by Walter Meakin, author of The New Industrial Revolution, about rationalisation. Rationalisation, through amalgamations, challenged family-based control and the tendency towards welfare paternalism often associated with it and also emphasised that efficiency came before improvements in pay and conditions, not after it. Moreover, the emphasis of rationalisation on scientific methods would result in an increase in the importance of applying these methods to the human element, for example through the increased application of industrial psychology.⁶⁵²

What were the welfare workers to make of all this? If rationalisation challenged paternalism and family-based control, it challenged the underlying rationale of the welfare movement which was based on non-interference with the employers' rights to make employment policy. As if to restore some balance to the general drift of the arguments over the previous year, culminating in the rationalisation series, the last of the articles on rationalisation was immediately followed by one putting a contrary view, as if to demonstrate that the traditional school had not yet conceded. The writer, Miss FAF Livingstone, Head of Employment and Health Department at Needlers Chocolates in Hull, asked whether the welfare movement was concerned with social work or was concerned with management and questions of efficiency, two questions which had divided the movement since the First World War, but with apparently more adherents of the former view. The article concluded as follows:⁶⁵³

"The movement is on the verge of a fresh leap forward... which of these two types of work is going to persist now that rationalisation is upon us?... Can we avoid the danger that (the welfare worker)... is no longer a social worker... Is welfare work a matter of efficiency or ethics".

⁶⁵² Meakin, W (1929), Problems of rationalisation: III - The human element, Welfare Work, 10, 113, May, 52-54.

⁶⁵³ Livingstone, FAF (1929), Development of the industrial welfare movement, Welfare Work, 10, 113, May, p85-86.

The author left the reader in little doubt as to the answer.

As noted earlier, the Institute held its national conference on the theme of rationalisation in September 1929, but little more was said about the subject until some momentous announcements were made in the editorial for August 1930. What was the Institute going to do about rationalisation, it asked? A key driving force behind the response was AS Cole who in September 1930 commenced his third period of office as President. Having been a founder member in 1913, Cole's previous periods as President had been in 1920-1921 and 1925-1926. He had been employed as Employment Manager at Peak Frean from 1909 or 1910 after some years in a line management role and with whom he remained until his retirement in the 1930s.⁶⁵⁴ Without much further explanation, the editorial of August 1930 announced as follows:⁶⁵⁵

"We seem to have arrived at the stage in the history of industry in which industrial welfare must merge with labour management.... the old rule of thumb will finally be discarded for a scientific and business-like method... welfare is still regarded as something that can be tacked on to industry... labour management is something which is knit up with the very warp and woof of industry"

In the editorial for June 1931, without providing much explanation, it was announced that what had been titled 'The Institute of Industrial Welfare Workers' since 1924 would be redesignated 'The Institute of Labour Management'.⁶⁵⁶

For reasons that are not clearly explained in Niven's history of the Institute of Personnel Management, amid much "heart burning and argument",⁶⁵⁷ the new title was accepted at an EGM by two-thirds of the membership who attended to vote. Factors said to have influenced the change included the closure of welfare departments because of the depression and "changes taking place in industry" towards labour management as distinct from welfare problems.⁶⁵⁸ Concerns were

⁶⁵⁴ Niven (1967), op cit, pp165-166.

⁶⁵⁵ *Welfare Work*, 12, 128, Aug 1930, p141.

⁶⁵⁶ *Welfare Work*, 13, 138, June 1931, p337.

⁶⁵⁷ Niven (1967), op cit, p84.

⁶⁵⁸ *ibid*, p83.

expressed by the traditionalists who feared that the vocational nature of the work and its pioneering spirit would be lost in an "impersonal professionalism" and compromise was necessary: the new title was followed by 'Industrial Welfare, Staff Management and Employment Administration' in brackets.⁶⁵⁹

The Institute's archives provide a few further pieces of information about these developments. The issue was first discussed at the Council of the WWA in December 1928, the minutes of which recorded as follows: "It is increasingly being recognised by businessmen that an important part of the works organisation is dealing with the problems connected with the employment of labour, but the name 'welfare work' has become too narrow and out of step with the times".⁶⁶⁰ The meeting resolved to consult the branches about change of name, but this produced little support.⁶⁶¹ Nevertheless, a special sub-committee was set up to explore the issue further in September 1929 and this concluded that "the evolution in the realm of labour management has outstripped the development of the Institute which has been restricted by its present constitution".⁶⁶² The membership of the sub-committee appeared to contain a balance between representatives of traditional welfare workers, such as Miss Kelly and Miss Newcombe, the 'critic from within' Miss Wilkinson, and labour managers, represented by Miss Wynne and AS Cole.⁶⁶³ At a subsequent meeting in October 1929, mention is made of the 'Meakin' conversation, a reference to Walter Meakin, author of The New Industrial Revolution, a leading book on rationalisation, who had evidently been influential in urging a change of

⁶⁵⁹ ibid, pp83-84.

⁶⁶⁰ IPM Archive MSS97/1/CO/1 Council Minutes 1928-1931, Modern Records Centre, University of Warwick.

⁶⁶¹ ibid.

⁶⁶² IPM Archive MSS97/1/SP/1 Minutes of Special Committee Meetings 1929-1930, Modern Records Centre, University of Warwick.

⁶⁶³ Miss ET Kelly was a former welfare worker at Boots and Debenhams, but since the early 1920s had moved into social work as warden of St Margaret's House, a Church of England Settlement in Bethnal Green; Miss ED Newcombe had been a welfare worker at Hans Renold and subsequently performed a number of roles for the welfare movement, including editor of the journal, acting as Honorary Secretary of the International Industrial Welfare (Personnel) Congress and serving as a member of several Trade Boards; Miss KE Wilkinson was Chief Welfare Supervisor at Horrockses and Crewdson Cotton Mills in Preston; AS Cole was Employment Manager at Peek Frean, a position he had held for 20 years; Miss Nora Wynne was board member for labour policy at Carrs biscuits in Carlisle and became a close associate of the leading spokespeople of the Institute of Labour Management, Richard Lloyd Roberts and Dr CH Northcott, in the 1930s (Niven, (1967), op cit, pp67, 70, 80, & 87).

name and direction.⁶⁶⁴ Following the sub-committee's recommendations, the Council of the WWA actively discussed proposals about a change of name in January 1930, with one dissenting voice, that of ET Kelly. These proposals were formally adopted at the Council meeting of May 1930, Kelly sent her apologies and her name never appeared again in the Institute's minutes.⁶⁶⁵

A remarkable feature of the change in direction was that it had occurred at a time when the WWA's membership was still dominated by female welfare workers. Since at least the time of the First World War, employment functions in larger workplaces had been split into two divisions, women's welfare staffed by female welfare workers and labour management staffed by men. At the time of this change in direction, few labour managers were in membership of the WWA which was seen as an organisation of female welfare workers.⁶⁶⁶ After 1931, the position changed such that by 1939 men constituted 40 per cent of the ILM's membership.⁶⁶⁷

Thus, after more than a decade of debate about the relationship between welfare work and efficiency, against a background of declining demand for welfare work, the debate was apparently conceded to pressures from outside the ranks of welfare workers. For reasons which are not clear in Niven's account of these momentous developments, labour managers decided not only to abandon their indifference (or even hostility) to the welfare workers' professional association, but also to join it in increasing numbers and take a leading role in influencing its future direction. In a retrospective account of these developments, Cole noted that "in this country there was no known organisation which could speak authoritatively on Labour Management" and that he had reached the view that "this country wanted an Institute of Labour Management".⁶⁶⁸ There was the Welfare Workers' Institute, "but", he argued, "it had the unfortunate experience of

⁶⁶⁴ IPM Archive MSS97/1/SP/1 Minutes of Special Sub-Committee for 12 October 1929, Modern Records Centre, University of Warwick.

⁶⁶⁵ IPM Archive MSS97/1/CO/1 Council Minutes, Modern Records Centre, University of Warwick.

⁶⁶⁶ Niven (1967), op cit, pp76, 77 & 80.

⁶⁶⁷ *ibid*, p81.

⁶⁶⁸ Change of name, Labour Management, Jan 1935, p9.

being brought up in an environment which seemed not to fit it to take this place in the forefront".⁶⁶⁹ Other agencies had been approached and it had also been discovered that steps were already being taken to found a body as the national authority on labour management and, as President of the WWA in 1930, Cole had urged that it was preferable to change the nature of the WWA, as the body in place, than to found a new one.⁶⁷⁰

Leading labour managers, such as Dr C H Northcott, Labour Manager at Rowntree and Richard Lloyd-Roberts, Chief Labour Officer at ICI, were invited into membership, the latter advocating that labour policy should emanate from the board of directors downwards, in contrast to the traditional belief that welfare work should develop from the shop floor upwards.⁶⁷¹ Labour management had suddenly emerged, apparently from outside the realm of welfare workers and their professional body, the Welfare Workers' Association. Since the journal Welfare Work had been silent about labour management until October 1930,⁶⁷² it was not entirely clear what it was or where its origins lay. Was it something new that had recently emerged, perhaps amongst a small group of large employers, or did it have roots in some completely different tradition? It is to these questions that we shall turn in the next chapter.

The name of the journal, too, was changed in July 1931 to Labour Management, but as if to imply that nothing had really changed, the editorial's valedictory message ran as follows.⁶⁷³

"The change of name signifies no change of principles, or of heart. It means that we are planning for the future and dropping an outworn designation as we part with an old coat. It may be objected that the new coat is rather too large for the wearer, but even if this be so, we are only following the example of the prudent parent who buys his son's clothes a little larger than is needed at the moment, knowing that he will grow... To many of us, the old coat has been a

⁶⁶⁹ ibid.

⁶⁷⁰ ibid.

⁶⁷¹ Niven (1967), op cit, p85.

⁶⁷² The first reference to labour management appeared in Welfare Work in October 1930 in an article by AS Cole entitled 'The functions of labour management', 12, 130, 185-187, presumably to inform the welfare worker readership what it was about and prepare them for the impending change.

⁶⁷³ Welfare Work, June 1931, p331.

very real friend. It has seen us through storm and sunshine, and has been perhaps the dearer in proportion to the trouble and anxiety it has caused us. And so, after a quarter of a century, the old name goes. Our reason approves where sentiment regrets”.

The change of name came suddenly, with little explanation, little open debate in the columns of the journal and little evidence that it was widely supported by the membership or that it reflected any significant change in welfare practices. Nevertheless, it signalled the end of an era, at least from the official position of the Institute’s leadership. Welfare work had been subsumed by labour management. Following the introspective debates about the ‘philosophy’ of welfare work up to 1926, events had moved rapidly in a space of five years. The status quo seems to have been shattered by the impact of the coal strike and the rationalisation debate, which in turn reflected an already emergent trend towards a growth in the scale of industrial enterprises and the concentration of employment into larger plant sizes. The growth in size of enterprises required new tools of management and control and the notion of ‘labour management’, which had apparently emerged in larger enterprises, offered such a tool. Whilst welfarism was officially dead in the eyes of the Institute’s leading policy-makers, as we shall see from events between 1931 and 1939, it nevertheless obstinately refused to go away.

An uneasy alliance: welfare work and labour management: 1930-1939

The apparent intrusion of labour managers into the affairs of welfare workers requires some preliminary explanation of who these people were and where they had come from, before going on to consider the relationships between them and the welfare workers between 1931 and 1939. The detail of the development of the labour management movement will be considered in the next chapter.

By 1930, it had become apparent that the period from the First World War onwards had seen the development of two competing professional ideologies about the nature of personnel work. On the one hand, a predominantly female

welfare workers' movement had advocated professional independence from management, saw the employee as their client and eschewed all involvement in matters of efficiency. In order to reinforce their independence, they had banded together in a professional association. On the other hand, a predominantly male and strongly managerially-oriented labour management movement had also emerged, with strong roots in engineering, works and scientific management oriented around the promotion of efficiency. This latter group saw themselves as integrated with management and identified closely with the aims of their enterprises. In the main, very few sought to identify with the independent professional association and in any event, as evidenced by the writings of their leading spokespeople and practitioners, as we shall see, they sought to do all they could to distance themselves from welfare. One exception to this was AS Cole, who had been involved in the affairs of the welfare workers association since its foundation in 1913⁶⁷⁴ and was one of very few men to be active in it. Though President of the Welfare Workers' Institute in 1920-1921 and 1925-1926,⁶⁷⁵ it was not until his third and last period of office in 1930-1931 that he emerged as the leading force from within the Institute's membership in favour of encompassing labour management within its ranks.⁶⁷⁶ As discussed earlier, vigorous debates occurred within the welfare workers' movement about its future direction, but at no time were Cole's views on this matter recorded. This was remedied following his inauguration as the Institute's President in 1930 in the debate that preceded the change of name of the institute from welfare to labour management and also in a later, retrospective article written in 1935.⁶⁷⁷ Cole recorded in 1930 that his views about the subject had been influenced by meeting Ordway Teade during the war who, along with H C Metcalf, had published the standard American text Personnel Administration in 1920 which had portrayed the work of the labour manager as the functional specialist involved in labour policy, labour costs, executive decision-making in a wide range of areas (including engagement, promotion, education, health and safety, payment systems and dismissal) and advising managers on the interpretation

⁶⁷⁴ Niven (1967), op cit, p165.

⁶⁷⁵ *ibid*, p166.

⁶⁷⁶ Welfare Work, Oct 1930, pp185-187.

⁶⁷⁷ Cole, AS (1935), Change of name, Labour Management, 17, 180, January, pp8-9.

of labour policy.⁶⁷⁸ Thus, in the debate which followed his inauguration as President and preceding the change of name, it fell to Cole to define what labour management involved to an institute membership consisting almost entirely of welfare workers. "Welfare work", he argued, "had made the fundamental error of regarding itself as a branch of social work, setting itself the task of trying to right all the wrongs and social injustices of industry, whilst in reality it was about management and administration", involved in the activities defined above.⁶⁷⁹ In a later retrospective account of the development of what he termed "the two camps" of welfare and labour managers over the previous two decades or more, Cole had the following to say:⁶⁸⁰

"I suppose when the Institute was formed [in 1913] there were hundreds of thousands of firms, employing several millions of workers. (They) were all engaged, amongst other things, in the management of labour and had been doing it for many years. It was all taken very much as a matter of course; nobody gave any special heed to it, when suddenly someone somewhere breathed the word 'welfare'. Back in those distant ages someone said: "What you want, my lad, is to look after the welfare of your work people and you will have no trouble with them"...The curious thing is that nobody in the early days of the Institute saw that the banding together of the tiny group of welfare workers left out in the cold their thousands of brothers and sisters engaged in the same job under another name. I did not see it, but as time passed by my eyes were opened to the danger of the isolation and others saw it with me. We saw the tables being completely reversed and the welfare workers left out in the cold by all those - a far greater number - engaged in the management of labour who had not had the label 'welfare' affixed to them or their jobs".

Cole's words went right to the heart of the matter. Welfare workers were always in the minority, but through the formation of a professional institute as a legacy which has lasted to the present day, it has come to be assumed that the origins of modern personnel management lay in welfare work. In reality, the origins of the professional institute lay in an institution of welfare workers, but the origins of personnel management practice lay amongst the 'thousands' engaged in the management of labour - engineers, works and production managers and labour

⁶⁷⁸ Cole, AS (1930), The functions of labour management, Welfare Work, 12, 130, October, p186.

⁶⁷⁹ *ibid*, p185.

⁶⁸⁰ Cole (Jan 1935), *op cit*, p8.

managers - whose ideas were drawn, as we shall see in the next chapter, from scientific management, but who did not associate with the professional institute. Indeed, most remained outside the ranks of the Institute of Labour Management's membership after 1931, but a relatively small group of leading figures from the labour management movement took over policy-making after this time and imbued the institute with its own traditions. The Institute's own historian presents the events of 1931 as simply a change of name, after which "the Institute would go forward again".⁶⁸¹ All the evidence from the columns of the journal in the 1930s points to the contrary: labour managers in the 1930s still represented a minority of the membership, which (as we shall see) remained the traditional female welfare worker, but the views of the former dominated policy-making. After 1931, there is a marked change in the names of the regular contributors to the journal. Gone were the leading figures, all female, of the 1920s - Kelly, Livingstone and even the critic from within, Wilkinson - replaced by Lloyd-Roberts of ICI (who predominated), Northcott of Rowntree, CG Renold of Hans Renold and Miss Shaw of Metropolitan-Vickers, the only female, together with the ever present figure of AS Cole as the sole survivor from the early days, but for some time associated with the labour management camp. Radical changes also took place in the content of the material in the journal with, as noted above, much more emphasis on the predominant concerns of contemporary scientific management, including rationalisation, planning and labour policy.

In the run up to the change of name and immediately afterwards, the content of many of the articles in the latter days of the Welfare Work journal in 1930 and 1931 were heavily imbued with the traditions of scientific management, apparently reflecting the subject matter of interest to labour managers and contrasting sharply with the high moral tone, deep religious conviction and attacks on profits, as well as the copious descriptions of employers' social and recreational initiatives, which had characterised the pages of the journal only five years before. In 1930 and 1931, the articles invited the reader into the world of labour policy, the Priestman-Atkinson system of payment by results

⁶⁸¹ Niven (1967), op cit, p84.

(originally devised in 1917 amid the wave of interest in Taylorite piecework payment systems), the Bedaux system of work measurement and wage payment, labour audits, age distributions and labour turnover.⁶⁸²

Even, according to the Institute's archives, the location of its headquarters at Gordon Square in the heart of London University came under criticism for being 'too academic' and in 1933 they were transferred to what might be seen as more business-like premises in Grosvenor Gardens in Victoria.⁶⁸³

The relationships of welfare workers and labour managers: 1931-1939

Having adopted the new title of Institute of Labour Management in May 1931, the Institute's leadership proceeded to extend invitations into membership to prominent labour managers. According to the Institute's Secretary, Miss OD Spicer, there had been a mixed response to this initiative:⁶⁸⁴

"A few accepted the invitation, a few replied wanting to know more about the Institute with a view to finding out whether we really were representative of the Labour Management movement, some made no reply at all, which was again indicative of the fact that they did not regard the Institute as being sufficiently representative to make it essential for them to belong".

The difficulties in attracting labour managers were also confirmed by another Institute activist, Miss Borland, who noted: "we have already a few, and if we

⁶⁸² CH Northcott, Policy and regulations in a business, Welfare Work, 12, 127, July 1930, 198-202; JB Longmuir, Towards a labour policy, Welfare Work, 12, 128, August 1930, 142-143; CH Northcott, The labour manager and the process of rationalisation, Welfare Work, 12, 131, November 1930, 198-202; RC Foot, General problems of labour management, Welfare Work, 12, 131, November 1930:202-205; H Atkinson, Some functions of labour management: I - Finance: Methods of wage payment - the Priestmann system, Welfare Work, 13,136, April 1931:298-300; RC Mattinson, Some functions of labour management:1 - Finance - methods of wage payment - the advantages to the worker of the application of a common denominator to all plant activities, Welfare Work, 13,137, May 1931:319-322 and 13, 138, June 1931:338-340).

⁶⁸³ IPM Archive MSS97/1/CO/1, Modern Records Centre, University of Warwick; WHM Jackson (1935), Evolutionary development, Labour Management, 17, 180, January, 10, later referred to the "scholastic environment" of Gordon Square.

⁶⁸⁴ Supplement to Labour Management, 16, 178, November 1934, p2.

can satisfy their needs, we hope to have many more labour managers, quite outside the welfare tradition".⁶⁸⁵

A significant success for the renamed Institute was that it had succeeded in recruiting Richard Lloyd-Roberts, Chief Labour Officer at ICI and two of his colleagues into membership and it was anticipated that further members of their staff would follow. Members of the ICI Labour Department had attended the Institute's annual conferences in 1932 and 1933, but in the spring of 1934 this group told the Institute that "they did not feel that their membership was proving as valuable and as essential as they had anticipated and hoped, and that therefore proposed to withdraw their membership".⁶⁸⁶

This provoked a crisis within the Institute which resulted in one of its periodic introspective debates about the nature of the work. The problem was that the Institute was still dominated by welfare workers and had not done much to embrace the broader ideas of labour management. The problem was stated succinctly and frankly by Miss Borland at a meeting called to discuss the issues in November 1934:⁶⁸⁷

"Today I can't help thinking that we have not fully accepted the implications of our last big advance. In changing our name from Industrial Welfare to Labour Management we implied and stated that our aim was to promote sound labour policy. We had a conference on 'Towards a Labour Policy' and our magazine took this as its watchword, but we haven't in the Institute generally fully implemented our bargain. Many of us have been afraid of the words 'Labour Policy', calling them too highbrow or high falutin' ".

Moreover, it appeared that there were particular problems at the local branch level. First, the activists who dominated their affairs and designed their programmes of speakers remained predominantly women from the welfare tradition. As Spicer observed, it was to be expected that "a group consisting chiefly of welfare superintendents, responsible for the health and welfare of the

⁶⁸⁵ *ibid*, p4.

⁶⁸⁶ *ibid*, p2.

⁶⁸⁷ A fuller conception, *ibid*, p3.

girls in their firm" would design programmes to meet their own needs rather than those of "two or three labour managers from, say, the heavy industries, with no tradition of industrial welfare behind them".⁶⁸⁸ Secondly, as Miss Borland observed, the new male labour manager was not made welcome at branch meetings:⁶⁸⁹

"It must be frankly confessed that branches as at present organised have too little to offer to some of our new members...and as we are being perfectly frank, we must admit to two things. Some branches frankly hesitate to ask new members in their area - particularly men members - to join them, being conscious of this difficulty and it is to be feared that some new members, again chiefly men, do not attach themselves to the local branch."

Delegates to the conference called to discuss these issues considered, but rejected, proposals to sub-divide the Institute into special interest groups, fearing loss of unity and the risk that the movement could split apart. Instead, they resolved to proceed down the route of embracing labour management, despite continued resistance at grass roots level. Two ways forward resulted from these discussions. First, Lloyd-Roberts obtained agreement to a resolution that the Institute would take a higher profile in espousing and promulgating certain principles of progressive labour policy and urging these on British industry (and, by implication, on welfare practitioners themselves). Secondly, following some proposals put by Borland, Lloyd Roberts obtained agreement that more would be done to promote 'propaganda'.⁶⁹⁰ Ostensibly, this involved wider external publicity, but it could not also but impact internally on the 'non-believers' of the welfare tradition.

The outcomes of these two initiatives may briefly be considered. First, Lloyd-Roberts remained in membership and assumed the dominant role in shaping the Institute's proposals for labour policy. Carrying much the same message, his views were published regularly from the mid to late 1930s, presumably with the propaganda objective in mind. Secondly, the journal stepped up its

⁶⁸⁸ *ibid*, p1.

⁶⁸⁹ *ibid*, p5.

⁶⁹⁰ *ibid*, p10.

propaganda of an anti-welfarist nature. Not long after the conference of November 1934, the influential figure of AS Cole, steeped in the welfare tradition but subsequently a convert to labour management, penned an article in January 1935 about the Institute's change of name.⁶⁹¹ The early welfare workers, he argued, had been elitist and exclusive and had ignored the greater number of workers engaged in the field without 'welfare' in their title. They had viewed their activities as added or tacked on to industry, whilst remaining separate from management and questions of business efficiency. But, Cole added, no doubt for the benefit of those clinging to the welfare tradition:⁶⁹²

"Even today employers are exhorted to take up welfare...That a decent treatment of the operatives is a part of good management in all businesses does not seem to dawn on the intelligences of those who preach the gospel of taking up welfare work. Thus we are still perpetuating the same blunder, even in 1934, an enlightened year."

Trade union suspicions about the motives of welfare were well-known during the time of the First World War and immediately after and were considered in chapter 3, but according to another article penned by Dorothy Elliott of the National Union of General and Municipal Workers in November 1935, the grounds for these suspicions persisted, arguing that:⁶⁹³ "The trade union official, when trying to organise women and girls, sometimes feel a real hostility from the welfare worker". As if by contrast and also to imply that labour management, not welfare, represented the route to good industrial relations, an article by a shop steward provided a positive commentary on labour management. Recalling a time when the foreman had absolute power to engage and dismiss and echoing earlier links to workplace democracy asserted by writers on scientific management, he noted:⁶⁹⁴

"Absolute power vested in unsuitable individuals too often resulted in great mischief. Downright misery was often caused among staff when this power was

⁶⁹¹ Change of name, Labour Management, 17, 180, pp8-9.

⁶⁹² *ibid*, p8.

⁶⁹³ Elliott, D (1935), What labour management means to me - by a trade union leader, Labour Management, 17, pp182-183.

⁶⁹⁴ What labour management means to me - by a shop steward, Labour Management, 18, January 1936 pp2-3.

misused and degenerated into sheer tyranny. Bullying, injustices and wrongful dismissals went unchecked, and rebellious, dissatisfied workers were the result...Abuses of this nature are far less likely to occur under labour management...(It) functions as a sort of watch tower... it lays down a policy... and I am prompted to reiterate how very important it is that the right spirit and outlook is embodied in that policy”.

The anti-welfarist views of leading industrialists were also quoted, for example the following words of Lord Melchett of ICI delivered in a speech to Institute members under a banner headline ‘Welfare Is No Policy’:⁶⁹⁵

“One of the subjects that is frequently discussed when one deals with the question of labour management is that well-worn subject of welfare. In fact, this was originally the Institute of Industrial Welfare Workers. I have always thought that one of the wisest things you ever did was to change your name. Welfare as a policy is about the most useless thing in the world. Welfare is no policy. It has long ceased to have any meaning in that regard”.

Gradually, the attacks subsided, the word ‘welfare’ appeared less and less in the columns of the journal and was never used in the Institute’s pronouncements on labour policy, industrial relations policy or, later in the decade, personnel policy. As if, however, conscious of the stubborn persistence of welfare, despite the propaganda efforts of the Institute’s leading spokespeople, Lloyd-Roberts returned to it in his last major policy statement before the war, ‘A Personnel Policy: Its Basic Principles and Its Development’, having previously avoided any reference to the subject of welfare.⁶⁹⁶

"In all this I have deliberately refrained from using that word ‘welfare’ and I am anxious that no-one should think that ‘welfare’ and ‘progressive personnel policy’ as synonymous terms. Obviously, welfare activities may very well be a manifestation of a progressive personnel policy, but it by no means follows that every firm with welfare activities has a progressive personnel policy”.

Of course, welfare had not gone away. Welfare workers, under the umbrella of the Personnel function, continued to be employed in British industry at least until the 1970s and probably beyond and the spirit of welfare lives on in many

⁶⁹⁵ Labour Management, 17, 190, December 1935, p203.

⁶⁹⁶ Labour Management, 20, 215, April 1938, p79.

Personnel functions to the present time. It certainly continued to thrive in the 1930s and even by the end of the decade, the 'appointments' column of the journal contained far more notices about the appointments of 'welfare supervisors', 'welfare superintendents' and 'welfare managers', than for other possible designations, such as labour officers or managers. Nor did the debate about welfare end in 1939. Welfare remained a part of personnel management in the post-war decades as it was a part of labour management in the 1920s and 1930s. The extent to which employee welfare and the employee as a client should form part of personnel work was the forerunner of similar debates which would recur again and again.

CHAPTER 5

STRANDS IN THE HISTORICAL DEVELOPMENT OF PERSONNEL MANAGEMENT: 1914-1939 - (2)

EMPLOYMENT AND LABOUR MANAGEMENT

The previous chapter noted how the welfare movement suddenly, though reluctantly, threw in its lot with the labour management movement in 1931. The purpose of this chapter is to trace the origins and development of the labour management movement and the ideologies and techniques which it espoused. Quite evidently, this was not a set of ideologies and techniques which suddenly emerged at this date, but as we shall see, represented an entirely different strand of thought about the management of labour. Whilst welfarists spent the 1920s debating their future direction, an alternative scheme of employment or labour management had put down deeper roots in industry, roots which in the longer term proved far more enduring and far more influential in the development of modern personnel management. Its roots and whole philosophy lay within the tradition of scientific management and its founders were to be found amongst engineers and works managers, with little interest in or sympathy for the welfare movement or its professional association. As noted in chapter 3, all key decisions regarding labour lay in the hands of works managers and foremen and there was only very limited evidence that specialist employment departments had emerged before 1914. As with the growth of welfare work, so also with the emergence of a distinct concept of functional labour management, its origins can be found in the changes brought about by the First World War. As we shall see, the key catalysts were developments in the ideas emanating from scientific management, coupled with the practical pressures on wartime managements arising out of the legal regulation of employment during the war and the emergence of industrial democracy and workplace bargaining. This chapter considers each of these issues in turn and traces the development of labour management from its origins during the First World War and its development in the inter-war years to 1939.

Scientific management and industrial democracy in labour management

literature: 1914-1919

The management literature of the period 1914 to 1919 was characterised by two, sometimes interrelated, themes. The predominant one was scientific management and a number of writers revisited the ideas of Taylor and subsequent writers in the Taylor tradition and drew conclusions about the need for functionalised labour or employment departments, highlighting its role in such activities as recruitment, training, discipline and dismissal. A second theme was workplace democracy. Each of these will be considered in turn.

Scientific management

The fundamental rationale for the establishment of specialist employment or labour departments put forward by the writers on scientific management during the period of the war was based on the concept of functionalisation. Though the concept had begun to receive coverage before the war,⁶⁹⁷ there is little evidence that British industry had re-organised on functional lines to any great extent by 1914 (the firm of Hans Renold being, as we shall see, a notable exception) and, as has been described in relation to labour decisions, these lay in the hands of works managers and foremen as 'generalists'. The case for functionalisation generally and labour management specifically began to be urged more strongly in British wartime management literature, for example by M and AD McKillop⁶⁹⁸ and AD Denning.⁶⁹⁹ M and AD McKillop, who were efficiency consultants and associates of Gilbreth,⁷⁰⁰ traced the origins of functionalisation in Taylor's scheme of scientific management and his notion of

⁶⁹⁷ Notably Stannard, JW (1911), Factory Organisation and Management, London, Educational Book Company, and Elbourne, ET (1914), Factory Administration and Accounts, London, Longman Green.

⁶⁹⁸ McKillop, M and AD (1917), Efficiency Methods, London, A Shaw & Co.

⁶⁹⁹ Denning, AD (1919a), Scientific Factory Management, London, Nisbet & Co; Denning, AD (1919b), Scientific factory management, Engineering and Industrial Management, 20 March, pp170-176; 3 April, pp246-249; 10 April, pp278-282.

⁷⁰⁰ According to Chellew, H (1919), Human and Industrial Efficiency, London, University of London Press, p41.

functional foremanship which subdivided a foreman's roles into specialist activities.⁷⁰¹ The concept had been further developed by Emerson who had evolved the concepts of 'line' and 'staff' organisation which had elevated Taylor's functional foremanship into functional management, with 'staff' advisers responsible for 'policy' and 'line' managers responsible for operating within the policy framework. The McKillops emphasised that within this framework policies about the management of people lay within a specialist function and in their view it was the work of a specially trained engineer and certainly not the province of the welfare worker.⁷⁰² AD Denning (1919), a former works superintendent at Lotus Ltd (shoemakers), similarly argued that functionalisation was required in order to overcome the problems inherent in the "absurdly wide range of duties of the average foreman" and thus advocated the establishment of employment departments "charged with supervising a considerable portion of the relations between employer and employed".⁷⁰³

The wartime writers also enumerated the activities of the proposed employment functions. One of these was recruitment and selection of workers. In Denning's view, this could only be performed in a haphazard way by hard-pressed foremen but by passing this task to the employment department, recruitment could be carried out more efficiently since foremen were "relieved of the distractions involved in scouring the labour market" and in consequence, the employment specialist could find a "more dependable run of workers than they could find themselves".⁷⁰⁴ Another activity of the employment specialist, systematic training, was also identified. Casson,⁷⁰⁵ a Canadian by birth and former associate of Emerson who had done much in Britain to publicise

701 McKillop, M and AD (1917), op cit, p26.

702 ibid, pp18 & 155.

703 Denning, (1919a), op cit, p119.

704 ibid.

705 Casson, H (1917), Factory Efficiency, London, Efficiency Magazine; Casson, H (1919), Labour Troubles and How to Prevent Them, London, Efficiency Magazine; Herbert N Casson was something of a publishing phenomenon, writing over 180 books between 1897 and 1951. Following an early career in business journalism in New York in which he became familiar with the 'efficiency' methods of many business leaders and efficiency consultants whom he interviewed face-to-face and after a three year spell running a successful advertising agency, he came to England in April 1914. In 1915, he established the Efficiency Magazine, the content of which was entirely written by himself on the basis of his knowledge of American business efficiency methods. Written in a populist and jargon-free style, the magazine proved successful and did much to spread an understanding of scientific management, selling 24, 000 copies per week from its first edition, eventually rising to a circulation over 30,000 in 8 languages by the early 1930s. The Efficiency Magazine also acted as publishing house for his innumerable books after 1915; his particular interests were in selling and advertising, but he also wrote occasionally about labour management issues (Herbert N Casson (1931), The Story of My Life, London, Efficiency Magazine, pp75-177; EE Casson (1952), Postscript: The Life and Thought of Herbert N Casson, London, Efficiency Magazine, pp35-45, pp55-70).

scientific management through the Efficiency Magazine which he edited, noted that systematic training was central to scientific management and, whilst a novel idea in Britain at this time, had been pioneered by a number of companies which he listed.⁷⁰⁶ A third area identified was discipline and dismissal and this was also tied up with notions of efficiency and justice. Both Webb⁷⁰⁷ and Denning⁷⁰⁸ expressed concern about the abuse of foremen's powers and for Denning in particular, scientific management was seen as a vehicle for delivering workplace democracy. By placing discipline and dismissal in the hands of an employment specialist, "workers would be safeguarded against arbitrariness" and "therein lies the employment department's chief merit from the worker's point of view".⁷⁰⁹ Scientific management was being presented by Denning as more in keeping with the new climate of greater democracy and universal franchise and represented a shift away from traditional, 'rule of thumb', autocratic and undemocratic management. "The tendency of the times in which we live", he argued, "are away from arbitrary autocracy and towards what - for want of a better phrase - I will call constitutional democracy",⁷¹⁰ the parallels being the establishment of a constitution or procedure for effecting dismissals.

Thus, the writers from a scientific management perspective between 1917 and 1919 emphasised both the inefficient and undemocratic aspects of traditional autocratic management. Central to the approach were the Taylorist and post-Taylorist ideas about functional management and one of the outcomes of adopting functionalisation was that labour management should be allocated to a specialist. Its remit concerned the selection, training, discipline and dismissal of employees and the employment function was seen as the vehicle for delivering both greater efficiency for the employer and justice for its employees. Moreover, labour management was not about welfare, because scientific management had identified functional experts, physiologists, psychologists,

⁷⁰⁶ Casson (1919), op cit, pp78 and 164-172.

⁷⁰⁷ Webb, S (1917), The Works Manager Today, London, Longman Green, p28.

⁷⁰⁸ Denning (1919a), op cit, p122.

⁷⁰⁹ *ibid.*

⁷¹⁰ *ibid*, p84.

time and motion specialists, 'fatigue eliminators' and so on to perform these specialists tasks.

Industrial democracy

It was noted in chapter 3 how wartime production pressures and labour scarcity gave trade unions greater power and influence on the shop floor and had provided conditions for the rise of the shop steward movement with a radical political agenda. Official recognition of the shift in the balance of power on the shop floor gave rise to the Whitley Council proposals in 1917 which advocated (*inter alia*) the establishment of joint workshop committees on a formally constituted basis. Not surprisingly, wartime management literature also saw such joint committees and industrial democracy generally as a potentially new and powerful tool for managing industrial relations, an approach which was totally absent from pre-war management literature. As noted above, writings on scientific management also saw the latter as a vehicle for enhancing industrial democracy, with its more objective and less arbitrary approach to the management of labour.

In the wake of the Whitley Council proposals in 1917, seen as a central plank of post-war reconstruction, discussion of works committees and industrial democracy burgeoned in literature about labour management in last two years of the war and immediately after it.⁷¹¹ The issue of industrial democracy also featured prominently in Rowntree's post-war management conferences, which commenced in 1919, before fading from the agenda around 1921⁷¹² and also

⁷¹¹ See Renold, CG (1917), Workshop Committees, London, British Association; Carter, H (1917), ed, Industrial Reconstruction: A Symposium, London, Fisher Unwin; Webb (1917), op cit; Chapman, SJ (1918), ed, Labour and Capital After the War, London, Murray; Deeley, WJ (1918), Labour Difficulties and Suggested Solutions, London, Benn Brothers; Hichens, WL (1918), Some Problems of Modern Industry, London, Nisbet & Co; Denning (1919a), op cit; Ministry of Reconstruction (1919), Scientific Business Management, London, HMSO; Goodrich, CL (1920), The Frontiers of Control, London, Bell.

⁷¹² See Mercer, JM (1919), Oversight from the worker's standpoint, BS Rowntree Archive BSR93/VII/21 'Oxford Conferences', 24-28 April; Webb, S (1920), The new spirit in industry, BS Rowntree Archive BSR93/VII/21 'Oxford Conferences', 15-19 April; Simon, ED (1921), Can workers share in the control of industry?, BSW Rowntree Archive BSR93/VII/21 'Oxford Conferences', 14-18 April; Northcott, CH (1921), Sharing control with the workers: a working policy, BS Rowntree Archive BSR93/VII/21 'Oxford Conferences', 14-18 April 1921.

featured for the first time in two post-war management texts.⁷¹³ Some contributors reflected on the pre-war origins of aspirations for industrial democracy within trade unions and on its rapid development during the First World War. Sydney Webb, who along with Beatrice Webb had entitled their classic work on trade unionism Industrial Democracy (published in 1897), told the audience at one of Rowntree's post-war conferences that aspirations for achieving industrial democracy had been "long embedded in trade union objectives" and was not essentially a new idea emerging from the war, but concluded that what was new was the emergence of its "universality in the last two years of war".⁷¹⁴ From an employer perspective, F Dudley Docker⁷¹⁵ saw its origins in the emergence of radical trade unionism in the years immediately before the war which in his view had resulted in "industrial warfare" which had brought the country close to "civil war". Renold⁷¹⁶ saw the development of aspirations for greater industrial democracy emerging around 1912 amid the strike waves of that year, with rapid developments taking place in the last two years of war. Rowntree, in an introduction to his management conference in March 1920, also offered his reflections on these development based on his 30 years of experience in industry and located the rise of industrial democracy in conditions of war.⁷¹⁷ In his view, in the period up to 1914 employers had seen themselves as "masters in their own house", regarding it as their rights to give orders "without very much querying...(and) be implicitly obeyed".⁷¹⁸ In his view, that situation "passed away as a result of the war" and, he continued, "within five years we have witnessed a revolution in the minds of the workers which might, I suppose, have taken quarter of a century had there been no war".⁷¹⁹

⁷¹³ Wright, HT (1920), Organisation as Applied to Industrial Problems, London, Charles Griffin and Co, and Lee, J (1923), Industrial Organisation: Developments and Prospects, Pitman, London.

⁷¹⁴ Webb (1920), op cit, p8.

⁷¹⁵ In Chapman (1918), op cit, p129; see also Davenport-Hines, RPT (1986), Dudley-Docker: The Life and Times of a Trade Warrior, Cambridge, Cambridge University Press.

⁷¹⁶ Renold (1917), op cit, p7.

⁷¹⁷ Rowntree, BS (1920) Introduction to conference, 19-22 March, BS Rowntree Archives BSR93/VII/21, pp3-4.

⁷¹⁸ *ibid*, p3.

⁷¹⁹ *ibid*.

Thus, with its origins in historical trade union objectives, radical trade unionism just before the war and its emergence as "universal" in war-time conditions, together with its official adoption the Whitley Council proposals in 1917, industrial democracy emerged as a very important idea.

Wartime influences on the emergence and development of specialist labour management functions: 1914-1919

If scientific management and industrial democracy were important to the context in which labour management would develop during the war, the specific circumstances of its emergence relate to the many and often conflicting pressures, in particular, within the controlled industries: legal regulation restricting the traditional use of 'hire and fire'; local negotiations on dilution and restrictions on free collective bargaining which challenged traditional trade union rights in the workplace; a rapid expansion of trade union membership, with trade unionism itself becoming more militant; pressures to increase efficiency; and demands by workers as a whole for more democratisation in the workplace and a direct say in management. Such conflicting pressures would clearly have imposed enormous and hitherto unprecedented pressures on managements to deliver the output required for the war effort. Yet, all historical accounts of the development of personnel management during this period have argued that these pressures gave rise to a rapid growth in the employment of welfare workers, with the implication that welfare provided management with the answers to the conflicting pressures faced in workplaces. Whilst apparently implausible, no alternative explanations of how organisations responded to these conflicting pressures have been offered. In fact, as will be demonstrated, they responded by establishing 'labour management' functions, with a broad remit encompassing recruitment, discipline, dismissal and workplace industrial relations. Its appointees, often called 'Labour Officers', were apparently drawn from the ranks of engineers and works managers with experience of shop floor life. A number of accounts of these developments emerged in the engineering press towards the end and immediately after the war. Two particularly detailed accounts, with reflections on the extent of their implementation during the war,

were provided by Elbourne in a series of 12 articles entitled 'labour administration' in The Engineer between September and December 1918 and Rowland-Entwistle in a series of nine articles on 'employment management' in Engineering and Industrial Management between June and December 1919. Both articles are unique in the sense that they provided the first in-depth case studies of labour or employment management practices, as distinct from welfare work, in Britain which emerged during the circumstances of war.

Case study 1: The development of 'labour administration' at a shellworks

ET Elbourne,⁷²⁰ a former works accountant and works manager before the war and who had become Assistant General Manager at the Ponders End Shellworks in 1915, provides the first account published in Britain of the rationale for and development of what he termed 'labour administration', a notion quite different and distinct from welfare work, as follows:⁷²¹

"Labour questions having so obviously increased in importance in consequence of the war, it is only natural that an increased burden should be laid on factory managers in respect to labour administration. The burden has at times been needlessly excessive, owing to the fact that the organisation of manpower has been effected experimentally along the lines of trial and error. The publication of Government requirements on the one hand and the turmoil occasioned by military service on the other, has practically forced the larger firms to appoint a competent official to deal exclusively with employment and labour matters generally, on behalf of the management. Such an official is commonly known as the Labour Officer and has a range of duties dependent on the extent of his executive powers. This specialisation has long been a feature of factory administration in the United States, and there were instances of it in this country long before the war."

Thus, a specialist function of labour management arose out of increased size of production unit, placing additional burdens on works managers amid conditions

⁷²⁰ According to EFL Brech, The Evolution of Modern Management, v1, Bristol, Thoemmes, 2002, p17, Edward Tregaskis Elbourne, trained as a mechanical engineer in Birmingham and became an associate member of the Institute of Mechanical Engineers in 1896; between 1902 and 1914, he worked in works administration and accounting at Vickers Sons and Maxim, British Small Arms and John I Thorneycroft & Co.

⁷²¹ Elbourne, ET (1918), Labour administration: a series of articles based on actual factory practice and experience, The Engineer, 20 September, p235.

of scarcity of labour, government regulations about labour requiring interpretation and increased trade union power. A particular influence was the introduction of a requirement under the Munitions of War Act of July 1915 for 'leaving certificates' in controlled factories in order to prevent the poaching of scarce labour. In response, employers had to tighten up on their procedures for terminating employment, especially since penalties for a breach of these regulations involved fines or even imprisonment.

Elbourne explained that the 'Labour Administration' function, managed by what he termed the 'Works Investigation Officer' (WIO), a term probably borrowed from the title of 'Investigation Officers' used by the Ministry of Munitions, was created out of three formerly separate departments: the Time Office, the Works Record Office and the Patrols department. Its remit covered male employees only (women being the responsibility of the Lady Manager) and the WIO was responsible to the Works Superintendent. The role of the WIO, as defined by the General Manager, was to "consider the reasonable well-being of individual employees, without either weakening the general discipline or indulging in sloppy sentiment"⁷²² and the main activities were as follows:⁷²³

- The receipt of requisitions for additional labour
- The engagement of men: all recruitment had to take place through the local Employment Exchange and all applicants were interviewed by the WIO who was also responsible for taking up references; the interview was also used to communicate the works regulations, the functions of the Works Co-ordination Committee and the name of the new employee's committee representative.
- Timekeeping: On the basis of reports prepared by the Time Office, it was the WIO's task to interview anyone whose timekeeping was poor and issue warnings. The general rule was that a preliminary warning would be issued before any dismissal and any dismissal action would be taken in consultation with the foreman and management.

⁷²² *ibid*, p236.

⁷²³ *ibid*.

- Labour disputes: The services of the WIO had to be called on at the earliest possible opportunity whenever any industrial action was threatened
- Transfers: The WIO co-ordinated any transfer of employees between departments, for example, where the requirements for labour in a particular department had reduced
- Suspensions and lay-offs: Foremen were required to notify the WIO as soon any notice to suspend or lay-off was issued. In the case of suspensions, it was his duty to investigate. In the case of lay-off, the WIO would consider the possibility of transfer or provide assistance in finding alternative employment where transfer was not possible.
- Apprentices and boys: The role here was to assist and support the Works Superintendent to monitor the progress of apprentice and all boys in the firm's employment, whether apprenticed or not.

In terms of the way in which the role operated in practice, the WIO explained it as follows in an extract of a report to the management:⁷²⁴

"The WIO acts as an intermediary between the management and the workers. He must approach his duties with the fixed aim of being a peacemaker, trying always to act impartially, to judge fairly, to ensure to the workers a fair hearing for any complaint and at the same time uphold any lawful authority. As the servant of the management he is bound to obey their instructions...He must be able to adopt the workman's point of view, to see things as the workman sees them, and then, using the broader vision, to judge what is the best all-round course of everybody. This is the attitude I take in this branch of my work, and to me it is a great pleasure to find that, in spite of having no executive authority - which is not necessary - the men are increasingly relying on me when any difficulty arises".

Elbourne's account of the role first and foremost saw it as an impartial one, with advisory rather than executive power, empathising with workers on the basis of the incumbent's close knowledge of shop floor life. The notion of equity lay at the heart of the philosophy of labour management. Elbourne subsequently reiterated in some post-war reflections on his work that it had been characterised by "a sincere desire - some might even call it an obsession - to establish

⁷²⁴ *ibid*, pp235-236.

equity",⁷²⁵ echoing the emergent view of writers in the scientific management field that it was about industrial democracy in contrast to traditional, undemocratic ways of managing. Having explained the broad remit of the role, he went on to discuss in more detail the various functions performed, the main aspects of which will be considered below.

Discipline, dismissal and grievance handling

As noted earlier, employers had to tighten up on their procedures for terminating employment against a background of legal sanctions for non-compliance. This in turn called into question the traditional rights of the foreman in relation to shop floor discipline. Elbourne explained these difficulties in the following terms. Traditionally foremen had the right to dismiss, subject usually to prior consultation with and the agreement of the works manager. Such agreement was not usually withheld, since a veto on the part of a works manager would have the effect of undermining the authority of the foreman on the shopfloor and herein lay a dilemma. The justice of any discharge depended on the fairness of the foreman, but as Elbourne noted, "not every foreman deserves the trust that this implies and some foremen are tyrants and even blackmailers".⁷²⁶ For a variety of reasons, arbitrary behaviour by foremen in conditions of war was unwelcome: labour was scarce, it would be likely to have a demoralising effect on the workforce at a time when there were pressures to increase output and above all, the circumstances of termination could be the subject of investigation and the imposition of legal sanctions at the Munitions Tribunals. Thus, the system adopted was to put all dismissals in the hands of the Works Investigation Officer whose job it was to investigate all proposed dismissals, gather evidence from the parties, interpret the works rules and independently adjudicate. As Elbourne explained:⁷²⁷

"This investigation is itself a check on hasty, ill-considered actions by foremen and is necessary should a claim be made later before the Munitions Tribunal.

⁷²⁵ Journal of Industrial Administration, 2, 1, Feb 1921, p55.

⁷²⁶ Elbourne, op cit, p235.

⁷²⁷ ibid.

The Works Investigation Officer (WIO) represents the firm in all Munitions Tribunal cases...In the particular works under quotation, the officer was originally appointed to deal only with Tribunal work and special enquiries at Government Departments in connection with all kinds of matters. This work gave him his title, which has been thought to be equally appropriate for his duties on labour matters. When men desire to leave of their own accord, they are required to fill in a form, stating their reasons and, if at all possible, the WIO witnesses their signatures. This procedure originated through trouble at the Tribunal, where men claimed they had been dismissed and had not left of their own accord".

Thus, fairly early on in the development of the role of the labour officer it involved quasi-legal duties. Elbourne also provided an account of the role of the WIO in grievance handling. He noted that two frequent complaints arose out of discrepancies in wages and favouritism shown by foremen. In the case of complaints about wage discrepancies, his role involved checking the times recorded by the Time Office and the calculations made by the Wages Office, responding to the complainant and resolving any error identified. Handling complaints about impartiality or favouritism on the part of the foreman were described by Elbourne as "one of the most difficult".⁷²⁸ The main issue was to avoid undermining the authority of the foreman, bearing in mind that the power of the WIO, as defined above, was advisory not executive. The approach taken by the WIO was to carry out an investigation of the account given by the foreman and complainant and if the latter's account proved well-founded, the WIO persuaded the foreman to give way, then spoke to the man on the foreman's behalf.⁷²⁹

Works committees

Against a background of "public opinion" which was "broadly in sympathy with the principle of works committees" and at the encouragement of the Ministry of Labour, various 'works co-ordination committees' (as they were termed at the Ponders End Shellworks) had been established in 1917 separately for men and women on the shop floor, foremen and clerical staff. Their functions were purely

⁷²⁸ ibid.
⁷²⁹ ibid, p236.

consultative and all questions to do with rates of pay were excluded. The WIO was appointed to act as Secretary to the Men's Committee. The selection of members was by secret ballot on a constituency basis, sub-divided into departmental, shift and skill groups, with a minimum of one representative per group and an additional representative per one hundred constituents after the first hundred. Apart from the WIO, each meeting was attended by the General Manager, minutes were taken and passed to the Executive Committee of senior managers for a formal response. Foremen, who had their own committee, did not attend these shopfloor co-ordination committees and this caused them initial concern that their authority would be undermined. Whilst the actions of foremen were occasionally discussed by the committees, Elbourne concluded that foremen have to recognise "the works co-ordination committee as an integral part of the works administration with which they have to live".⁷³⁰ Matters dealt with as a result of the committee meetings included minor changes in works rules and procedures, reconsideration of the operation of bonus schemes, improvements to lighting and various other aspects of working conditions, and health and safety. Sub-committees also dealt with canteen matters and the making of hardship awards from a fund contributed to by employees, with a small top up from the employer.

Selection of men

For reasons which will become apparent, it had become policy during the war to place all vacancies with the Employment Exchange. Prior to the war, vacancies had formally been notified to the Employment Exchange since their establishment in 1909, but priority had been given to the long standing practice of directly engaging labour recommended by foremen. For a variety of reasons, this practice was discontinued. First, the system of recommendation by foremen was, in Elbourne's view, "abused...and laid the works staff open to imputations of bribery and corruption".⁷³¹ Secondly, because of strict rulings

⁷³⁰ Elbourne, ET (1918), Works Co-ordination Committee, The Engineer, 27 September, p258.

⁷³¹ Elbourne, ET (1918), Selection of men, The Engineer, 4 October, p280.

about the employment of aliens, it became necessary to screen applicants, require them to produce birth certificates where there was any doubt as to their British nationality and occasionally ask the police to investigate. Thirdly, the labour function became responsible for ensuring that men liable for conscription were not recruited into the works.⁷³² A fourth issue related to the employment of ex-servicemen. The Employment Exchanges treated their re-employment in civilian work as a priority and this, together with pressure and publicity mounted by various ex-servicemens' associations, had made it, in Elbourne's view "altogether impolitic to consider engagements except through the Employment Exchange".⁷³³ At the same time, there was a need to screen discharged soldiers carefully, particularly as to their fitness for work.⁷³⁴

Thus, recruitment and selection came to be centralised into a specialist function for a number of reasons. There was discontentment at the system of foremen's recommendations because of the risk of corruption. The availability of a public employment service made it logical to concentrate all an employer's dealings with this agency in the hands of a single official. Finally, constraints imposed by the legal framework, for example the need to avoid the employment of aliens and issues arising out of the employment of discharged servicemen, both served to emphasise the need for careful screening in place of previously more haphazard methods of recruitment and selection.

The relationship between labour administration and welfare work

With the arrival of women in the workshops in the early stages of the war, the firm decided to appoint two trained nurses, one on each shift, as matrons to keep "a watching brief as to general behaviour".⁷³⁵ The matrons shared the task of selection with the foremen and generally enjoyed the same status as them. However, fairly early on, various problems arose with this arrangement, referred to by Elbourne as "rivalry of an undesirable character...coupled with

⁷³² Elbourne, ET (1918), Time Office (Men), The Engineer, 1 November, p363.

⁷³³ *ibid.*

⁷³⁴ *ibid.*

⁷³⁵ Elbourne, ET (1918), Women, The Engineer, 25 October, p348.

injudicious selection of operators",⁷³⁶ which led it to being discontinued. Instead, a Lady Manager with experience of production was appointed, with two female Principal Overlookers responsible for supervising each shift, both of whom were capable of technical supervision in the workshop, as well as being trained nurses. Elbourne went on to stress that the arrangement did not involve welfare work or welfare supervision and made very clear his views of such arrangements:⁷³⁷

"The Ministry of Munitions' conception of welfare supervisors was never very acceptable, and although the original 'matrons' possibly correspond with that description, it is certain that today the administration is immeasurably superior to any welfare scheme. The handicap of the welfare supervisor is that she is not the real thing; she is a makeshift to provide a short-coming incidental to man-management of women. As a war emergency measure she has doubtless been justified, and there need be no reluctance in conceding to her kind a great deal of credit for the splendid work done by women generally on munitions. Unfortunately, and perhaps inevitably, because she has done so much in a neglected field, she and her congeners imagine that the principles now guiding their work are permanent. She is, however, a stepping-stone and not too fortunately named, for it is surely a misnomer to claim as 'welfare' - with its implied halo of suitable size - all the everyday supervision and the provision of facilities which are the obvious duty of any intelligent employer....As to influences inside the factory, the welfare supervisor must fade out and the works employing women in peace time should have lady managers, with a co-ordinated staff as here described....Lady Managers and their women assistants require to have both workshop experience and technical training to hold their places securely".

Thus, Elbourne distanced his scheme of labour management from welfare which in his view had no future after the war.

Accidents

Accident prevention and better standards of workplace safety appear to have been topics commanding more attention during the First World War. No doubt with labour in scarce supply and pressures to maintain output at high levels, the reduction of time lost through accidents had an underlying logic. The article

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ibid.

⁷³⁷

ibid, pp349-350.

opened by noting that "an educational campaign has recently been started on commendable lines by the British Industrial 'Safety First' Association" and that "the Home Office has also issued a pamphlet dealing with Safety Committees in Factories and Safety Inspectors as members of factory staffs".⁷³⁸ Much of Elbourne's account of this aspect of the work was concerned with the arrangements for dealing with accidents, such as first aid facilities and casualty room, ambulance attendants and nurses on the staff in addition to the works doctor, and so on. As regards accident prevention, a 'Technical Suggestions Committee' had been established, consisting of two members of the technical staff, three skilled employees nominated by the Works Co-ordination Committee and one representing the Foremen's Committee. The Labour Management function was represented by the Works Medical Referee, who acted as chair and the Lady Manager, who attended in an ex-officio capacity. Accident statistics were maintained by an Accident Clerk, attached to the Time Office and the Committee was provided with details of these. The Accident Clerk also acted as secretary to the Committee and workers who wished to submit suggestions for the Committee's consideration did so through him. The suggestions contained in the minutes were reviewed by the Works Superintendent in conjunction with the General Manager as regards practicality of implementation.⁷³⁹

In sum, Elbourne provides what appears to be the first published account in Britain of the activities of a labour officer performing a set of duties distinctly different from welfare work. The remit was broad, encompassing recruitment, discipline, dismissals, grievance handling, health and safety and industrial relations, but Elbourne emphasised that the work had nothing to do with welfare.

Case study 2: The development of 'employment management' at a large manufacturing organisation

⁷³⁸ Elbourne, ET (1918), Accidents, The Engineer, 13 December, p504.
⁷³⁹ *ibid*, pp504-506.

In addition to the extensive coverage given by The Engineer to these apparently recent and novel wartime developments in the practice of labour management, another leading engineering journal, Cassier's Engineering Monthly also turned its attention to this topic for the first time towards the end of the war. It first did so in an unattributed article entitled 'employment management' which appeared in January 1918 and this too remarked on the wartime emergence of specialist labour management functions. The journal reported as follows:⁷⁴⁰

"The question of employment and methods of selecting the men for given positions is becoming more and more recognised as a factor of almost equal importance to that of production or of distribution. The quest for more scientific knowledge of the difficult and illusive nature of the problems involved in employment is furnishing results of the highest significance and the fact that some of the larger manufacturing industries of Great Britain are commencing to establish employment departments, is the most valuable tribute to the results of the experiment".

As had occurred in the columns of The Engineer in 1918, so Engineering and Industrial Management in 1919 offered a long series of articles on 'Employment Management' written by A Rowland-Entwistle. Echoing the observation about the development of employment or labour management in Britain during the preceding few years, Rowland-Entwistle opened his series of articles with the following assessment, indicating that employment management had emerged during the immediate pre-war years, but had become firmly established during the war:⁷⁴¹

"This series of articles is offered as an introduction to a comparatively new branch of industrial administration - the science and practice of Employment Management. Not so new as to be novel, employment management may be regarded as having passed during the last ten years or so through all the preliminary stages of its evolution, and to have become sufficiently firmly

⁷⁴⁰ Anon (1918a), The problems of employment, Cassier's Engineering Monthly, January, p45.

⁷⁴¹ Rowland-Entwistle, A (1919), Employment Management – 1. The Employment Manager: His object, scope and functions, Engineering and Industrial Management, 19 June, p590. (Cassier's Engineering Monthly was renamed Engineering and Industrial Management in February 1919.)

established on a basis of definite experience, so that it may be presented not as a prop to a speculative edifice, but as an essential part of the foundation of a permanent structure".

The organisation concerned in the case study was not named, but the series of articles indicated that it was based on the writer's own wartime experience as an Employment Manager in a manufacturing organisation employing thousands of workers.⁷⁴² At the start of his series of articles, the author attributed the development of employment management in particular to an increase in the power of organised labour:⁷⁴³

"So badly has the human factor been managed that it has insisted on organising itself. Its efforts in this direction have met with bitter opposition. Organised labour has become strengthened in consequence, and it is militant in character instead of co-operative. The war gave Labour a wonderful opportunity, and it was not slow to take advantage of it."

Other factors identified in the emergence of employment management included the use of scientific method in place of 'rule of thumb', echoing the influence of the ideas of scientific management and, in the light of both trade union power and improving standards of education, that other significant influence on contemporary management thinking, pressures for greater democracy in industry.⁷⁴⁴

"If our manufacturing and commercial prestige is to be maintained, we must proceed along the lines of exact knowledge. The 'hit or miss' method must go, and in every department of human activity the human factor must be considered first. Mankind is more awake today than it ever was. Labour has begun to use brains as well as hands. More work with less effort is going to be done, and civilisation is going to surge forward irresistibly to a higher and more constant level if from the multitude of counsel we can distil that wisdom necessary to guide the democratisation of industry along the lines which will be the ultimate good of everybody".

A further factor in its development was in the author's view the growth of large-scale industry, the separation of ownership from control and the loss of close

⁷⁴² ibid, p591.

⁷⁴³ ibid, p590.

⁷⁴⁴ ibid, p590.

contact between owners and employers.⁷⁴⁵ As businesses grew, he argued, the function of engaging staff was delegated to foremen and heads of departments and herein lay a problem.⁷⁴⁶

"They have not the same sense of responsibility towards the worker as the employer should have. Because it is not the primary function of the manager or foreman to represent the personality of the employer, he does not do so. More often, he misrepresents, not only the employer to the worker, but the worker to the employer".

Like Elbourne, he saw the role as one of 'honest broker' or 'the man in the middle', rather than being distinctly managerial. Unlike Elbourne, however, his version of employment management was somewhat more sentimental in tone and echoed some of the ideology of the welfare movement. For him, employment management was about trying to re-establish the lost 'personal touch' and representing the essential 'goodness' of the employer to the worker and the aspirations of the worker to the employer. Like Elbourne, as the following summary of the role as seen by Rowland-Entwistle concludes, the notion of equity lay at the heart of the Employment Manager's task:⁷⁴⁷

"The work of the employment manager then is to deputise for the employer in his primary function, to endeavour to restore that personal relationship with the worker which has ceased to exist with the growth of industry. It is a big and responsible job, and one that must be filled with great care. To the employment manager the employer is entrusting more than specific duties. He is placing his honour in his care. He must interpret the employer to the worker; he must be the expression, manifest before all, of the good will of the man at the top. He must convey to the employer the thoughts and feelings, the needs and aspirations of the worker, making of the employer a leader and a friend, and of the worker a faithful and willing servant. To do this successfully, the basis of the relationship must be equity - "what is just". Why is all this necessary? It is necessary because management has grown up between the employer and the worker like an impenetrable wall by reason of which these two have come to regard each other as enemies...The ideal of the employment manager is to divert all this misspent energy on both sides into co-operative effort for mutual benefit".

⁷⁴⁵ ibid, p591.

⁷⁴⁶ ibid.

⁷⁴⁷ ibid.

The scope of employment management

Having presented his analysis of the development and recent growth in employment management, Rowland-Entwistle went on to discuss the scope of the employment manager's activities, which fell into three main categories: engagement, transfer and discharge and training and education, with welfare being a separate activity from employment management, but reporting to the employment manager. His summary of the role was as follows:⁷⁴⁸

"All the sources of labour supply have to be known...All the laws of contract relating to master and servant must be known, together with the laws and procedure governing state insurance. Trade customs and trades unions must be studied and friendly relations established with trade union officials of all ranks...The employment manager must have all this knowledge at his finger tips. He must be able to organise his department and train his own staff and lay down the routine of engaging and discharging, recording and reporting, establish all the inter-departmental links necessary to provide the service he is called upon to give in supplying and controlling labour from start to finish."

The role portrayed of the employment manager was a relatively extensive one, 'supplying and controlling labour from start to finish', encompassing prior analysis and specification of all jobs, knowledge of contract law, dealings with trades union officials, and discipline and discharge, as well as functional managerial responsibilities for departmental staff. Like Elbourne, he saw the role as quasi-legal. Moreover, Rowland-Entwistle recognised that the role of the employment manager was a relatively recent development, unfamiliar to many parts of industry. Thus, the employment manager was breaking relatively new ground and had to handle the internal political implications of assuming authority over matters previously handled by line functions. As Rowland-Entwistle went on to explain:⁷⁴⁹

"This work would not be so difficult if it had been done before, but the employment manager in this country will be obliged to break new ground in almost every instance. This means that he will have to go into a factory and break down traditional practices and prejudices. He will meet ignorance and

⁷⁴⁸ *ibid*, pp591-592.

⁷⁴⁹ *ibid*, p592.

suspicion, jealousy and hostility. The foremen and managers who have hitherto engaged their own workpeople will not relinquish lightly what they regard as privileges. They will look upon the employment manager as an intruder come to rob them of power and prestige. Even with firms whose businesses have been reconstructed on modern lines, and where scientific management has been introduced in part, this particular department of scientific control will not be received readily. However strongly the new employment manager may be backed by the authority of the directorate, he will fail if he has to invoke that authority to gain his ends. He can succeed only by showing those with whom he must work, who are of an equal or similar status to himself, that his presence there is going to be a direct benefit to themselves....Co-operation must be the keynote of the employment manager's mental attitude. He must be a high-grade salesman. To be a salesman of the first class you must be able to sell anything to anybody, and willing to sell nothing but goods of the best quality. The man who tries to bluff in this work cannot do it more than once".

Apart from some perceptive observations on the political and other skills required, many of which would be equally applicable today, particularly pertinent was the explicit linkage between the introduction of employment management functions as 'departments of scientific control' within businesses 'reconstructed on modern lines...where scientific management has been introduced in part', further suggesting an explicit link between the new conception of employment management and the adoption of methods of scientific management. Indeed, as if to emphasise the close association of employment with scientific management, with its roots in engineering, he drew an analogy of the employment manager as a 'human engineer', responsible for "the arranging and fitting of every bolt, screw, nut, lever, piston, cylinder, valve and rod in the human machine", ⁷⁵⁰ an epithet which we shall see later became quite common in the inter-war period.

Employment

Employment activity was organised into three main divisions: one dealing with recruitment, a second dealing with conditions and a third with education and

⁷⁵⁰ ibid.

training. The first of these dealing with recruitment was itself sub-divided into several sections:⁷⁵¹

- (i) Juvenile employment section: This was controlled by either a man or woman, "according to the preponderance of boys or girls employed"⁷⁵² or where there were large numbers of both sexes, two separate sections.
- (ii) Engagement, transfer and discharge section: This was sub-divided into two sections - male and female. Given that the separation of employment work by gender remained a common feature, at least up to the second world war, it is informative to consider the reasons given by Rowland-Entwistle to explain this:

"In the division which covers the selection and routine of engaging, transferring and discharging, there are then only two clearly defined sections, male and female. It is necessary to make these sections as independent of each other as possible. On the manufacturing side of industry, the principle of segregation of the sexes has been recognised for a long time. Men and women work best apart. This is a fact so obvious that it does not need argument. In offices, however, promiscuity has been allowed to grow up. This does not make for efficiency. Where a man must dictate letters, it is better that he should dictate them to another man or to a phonograph, rather than to a girl. The employment manager must educate his fellow managers to this point of view. He must persuade them also to so organise office work that the part which is done by girls may be done separately with the minimum of personal communication between the sexes. This attitude may be challenged hotly, especially by women. There is, however, no such thing as equality between the sexes. So long as there is physical difference for just so long will there be inequality. This being so, segregation of work and workers makes for efficiency".⁷⁵³

Thus, below the employment manager, there were two chief assistants, one of each sex to carry out all the preliminary interviewing, whilst the employment manager would carry this out for supervisory and managerial positions. Great emphasis was placed on carrying out this work so as to create a good impression with applicants, whether successful or not and it was stressed that

⁷⁵¹ Rowland-Entwistle, A (1919), *Employment Management – 2. The Employment Department, Engineering and Industrial Management*, 3 July, pp6-10.

⁷⁵² *ibid*, p6.

⁷⁵³ *ibid*.

staff should be trained in the skills of interviewing and selecting.⁷⁵⁴ Recruitment commenced with a specification of the job, with employees being selected against the specified criteria.⁷⁵⁵

"Each job, whether skilled or unskilled, has to be studied carefully... and be capable of exact specification. Four factors have to be taken into consideration in selecting a worker:

- (a) His ability to do the work required
- (b) His reliability - consistent record of service, general character, punctuality, sobriety, health, etc
- (c) His adaptability i.e. whether his temperament will clash with his fellow workers or supervisors
- (d) His possibility i.e. whether he is a man who can be trained for different or more responsible work".

The recruitment process started with a requisition for labour "countersigned when it comes from a foreman or under manager..(this) checks overstaffing, a very common weakness in industrial management".⁷⁵⁶ The possibility of a transfer was first considered, especially if the job offered an opportunity for promotion. After that, a waiting list of prospective employees would be consulted, and then Employment Exchanges and trade union officials were advised and vacancies placed on noticeboards. Advertising was seen as a last resort.

The period of war had also apparently seen a change in the style of employment interviewing, apparently reflective of the change in social attitudes and the demands for greater democracy during the war.⁷⁵⁷

"The old way of interviewing a worker was to regard him with magisterial severity, cross-examine him like a prosecuting counsel, and treat him as with a beggar. If his services were required he received gracious condescension and generous patronage when he had emerged from the inquisitorial gauntlet. Otherwise he was given work grudgingly to the accompaniment of warnings and cautions, terms and conditions far more severe than we as a nation would inflict upon our worst enemy. This is the tradition which the worker has handed down from father to son, of the treatment of the worker by the employer...Happily, it is

⁷⁵⁴ ibid, pp6-7.

⁷⁵⁵ Rowland-Entwistle (1919) 19 June, op cit, p591.

⁷⁵⁶ Rowland-Entwistle A (1919), Employment management IV – The employment of workers, Engineering and Industrial Management, 24 July, p102.

⁷⁵⁷ ibid, p103.

becoming only a tradition. The practice of methods as black as those pictured is increasingly rare".

Increasingly, according to Rowland-Entwistle, attitudes were changing:⁷⁵⁸

"An applicant for a position is almost always nervous and often apprehensive. the methods of the past are to blame for this state of things...If the interviewer will regard the applicant for work as a business man regards a customer with whom he is anxious to do business if possible, his mental attitude towards the worker will be such that the applicant will feel at ease immediately...Your first questions should be put to ascertain how and why he has come to apply to your particular firm...The next questions should ascertain what kind of work the man wants to do and the kind of work he has done...The interviewer, when he has gained experience in this work will be able to elicit a lot of information...by encouraging the applicant to talk rather than by direct questioning...Encourage the applicant to ask questions. Assume that he will want to know certain things. He is your customer".

The documents used for recruitment included an 'interview form', asking for personal details, previous employment and education and training and it was recommended that the interviewer should complete this form on behalf of the applicant. Following the interview, the interviewer completed an assessment of "the general appearance and physical capacity of the man" for the information of the foreman carrying out the second interview.⁷⁵⁹

The article went on to discuss the question of the executive authority of the employment department in making selection decisions. The essence of the argument was that in principle the final decision should lie with the line, but in practice the decision might be delegated to the employment department, with the line manager maintaining the right of veto. In any event, the employment department should always insist on its right to carry out all preliminary screening. Rowland-Entwistle expressed the general approach as follows:⁷⁶⁰

"It is assumed here that the employment department acts as an agent or intermediary. It does not actually make appointments. The final authority for engaging a worker must lie with the man who actually employs his services. It is

⁷⁵⁸ ibid, pp103-105.

⁷⁵⁹ ibid, p104.

⁷⁶⁰ ibid, p105.

strongly argued in some quarters that the full responsibility should rest with the employment department. When a manager knows from experience that the employment department can and will select the right types of workers, he will gladly give the department a free hand, but although a manager may never exercise it, the right of veto must be maintained by him. On the other hand, the employment department must maintain equally strongly its right of preliminary selection. Workers must not be brought into the factory until they have satisfied the employment department of their suitability".

It was made clear, however, that the employment manager had no authority in the area of wages, though he may be asked to advise or recommend:⁷⁶¹

"On all questions of wages and rate fixing, bonuses, etc, the employment manager should act in an advisory capacity only, as a member of a committee or when asked for his views. On the manufacturing side the authority to fix rates must rest with the manager responsible for production, on the maintenance and administrative sides it should rest with the general executives concerned. The employment manager may advise or recommend, but if he were to have authority in this matter a debatable ground would be set up between himself and other managers"

Following engagement, it was recommended that the worker should be given a 'guide book' containing information about the nature of the business, its policies, the works rules and its social, recreational and educational amenities.⁷⁶²

The relationship between welfare and employment management

Whilst Rowland-Entwistle had welfare workers reporting to him, as noted above, he like Elbourne clearly sought to distance the employment manager from certain aspects of welfare work, as might be expected from his previous emphasis on the origins of the work in scientific management and the analogies drawn with engineering. Thus, his account of the welfare aspect opened with just this point:⁷⁶³

⁷⁶¹ ibid, p102.

⁷⁶² ibid, p106.

⁷⁶³ Rowland-Entwistle (1919) 19 June, op cit, p592.

"The word 'welfare' is probably the most misused and most mistrusted word in the English language today so far as its use and abuse among employers and employed is concerned. It is used here to cover all those activities of the employment manager which relate to factory conditions, accident prevention, first aid, medical service, the health of the worker, and problems such as industrial fatigue. It is essentially scientific work".

Thus, some aspects of welfare work represented matters of legitimate management concern and were therefore 'scientific'. The rest of it, he carefully defined as extra-mural 'social work', involving such activities as "feeding, transport, housing, sports, recreation and amusements, thrift, insurance, sickness and accident benefits and the administration of the employer's benevolence"⁷⁶⁴ which others, such as those in the welfare workers' movement, referred to as 'welfare'. Whilst such activities came under the control of the employment manager, in his view all such initiatives should be seen as "purely social work, which all should be done outside the factory, and should not be allowed to interfere with the business".⁷⁶⁵

Having distanced his concept of employment management from such 'social work', he launched into a diatribe on the recent experience of this type of work in industry.⁷⁶⁶

"The pre-war 'welfare' worker of the 'busy-body' pattern, with its unfortunate hot house war growth, the Ministry of Munitions type, invaded the industrial world intent on showing the employer how to run his business and nearly succeeded in converting the factory into a village institute. Captains of industry, conscripted by the Government, their businesses controlled, were paralysed by the attack, and in many cases were hypnotised into acceptance of and identification with a state of affairs which earned the suspicion, contempt or derision of the workers, according to their various mental calibres. From this confusion we are slowly emerging, sadder but wiser. Signs are not wanting that cohorts of 'welfare workers' are beginning to take stock of their position and their ideas. Their undesirables are being eliminated and their intelligents are re-organising on saner lines. Their work can be utilised by linking up with the employment department, and by placing it under the control of the balanced and trained business man - the employment manager. A clear distinction must be made between welfare work in the factory, which must be directly related to efficiency,

⁷⁶⁴ ibid.
⁷⁶⁵ ibid.
⁷⁶⁶ ibid.

and social work outside the factory, where the relation is indirect. The independence and initiative of the worker must be neither sapped nor vitiated, its growth must be fostered, encouraged and directed. With these conclusions every thoughtful employer and worker must agree".

Education and training

The third and final area of the employment manager's work was education and training which, it was suggested, was "perhaps the most important...indeed, it is in this direction that the greatest opportunity for service lies".⁷⁶⁷ These were seen as two distinct activities: training relating to the vocational skills and knowledge required to the job and education relating to the provision of information about educational opportunities which individuals might pursue for themselves with the objective of encouraging continuous learning.⁷⁶⁸

"The course of study taken up by a worker through the employment department may or may not be directly related to his work. It doesn't matter. If the employer wishes to train his workers to do their work, he will do so at his own expense and during working hours. If the worker wishes to train himself to do his work better, he will do it at his own expense and in his own time. The employment department may undertake the direction of all this work, but for purely vocational training, specialists will be employed and this work should be as distinct as possible from educational work....The idea has grown up that opportunity for education ceases when manhood is reached...The adult worker in industry must be brought to realise that education does not end, but only begins, with the coming of age".

The article concluded, without giving much further information, that "the employment manager must train managers and foremen in the art of management and he must direct their training in the science of management".⁷⁶⁹

Whilst more limited in scope than Elbourne's account, with notably no mention of industrial relations, Rowland-Entwistle (like Elbourne) portrays 'employment

⁷⁶⁷ ibid, p593.

⁷⁶⁸ Rowland-Entwistle (1919), 3 July, op cit, p10.

⁷⁶⁹ ibid.

management' as involving a distinct set of functional activities, with welfare only at the margin of them.

An assessment of the extent of development of labour and employment management during the First World War

Whilst the engineering press provided two in-depth case studies of the development of labour or employment management, quite different in character from welfare work upon which previous accounts of the early development of personnel management have been based, there remains a question about the extent of these developments at this time. In the absence of the availability of any contemporary survey data, no definitive statistics can be provided. Instead, it is only possible to rely on a range of assessments made by contemporary observers. The earliest assessment appeared in Cassier's Engineering Monthly which, as noted above, concluded towards the end of the war that "some of the larger manufacturing industries of Great Britain are commencing to establish employment departments".⁷⁷⁰ The writers of both case studies also offered their assessments. In Elbourne's view, the conditions of war "practically forced the larger firms to appoint a competent official to deal exclusively with employment and labour matters generally on behalf of the management".⁷⁷¹ Rowland-Entwistle, whilst referring to the "science and practice of employment management" as "a comparatively new branch of industrial administration", went on to conclude that it had become "firmly established" on a "permanent" basis.⁷⁷² Denning⁷⁷³ concluded that "employment departments have now been established in a great variety of businesses and are charged with supervising a considerable portion of the relations between employer and employed". In 1920, Oliver Sheldon, later to become an influential figure in the development of British management ideas during the 1920s, noted that "many firms in the last few years have instituted employment on a functional basis"⁷⁷⁴ and just four

⁷⁷⁰ Anon (1918a), Jan, op cit, p49.

⁷⁷¹ Elbourne (1918), 20 Sept, op cit, p215.

⁷⁷² Rowland-Entwistle (1919), 19 June, op cit, p590.

⁷⁷³ Denning (1919a), op cit, p119.

⁷⁷⁴ Sheldon, O (1920b), The scope of the employment department, Engineering and Industrial Management, September 16, p372.

years later concluded that "there is little need to emphasise the necessity for employment work to be organised as a distinct department...so many firms...have instituted Employment Departments that we may presume this form of organisation as established".⁷⁷⁵ At around the same time Rowntree concluded that "a personnel or employment department is coming to be regarded as essential" and that "an increasing number of employers" are installing them.⁷⁷⁶ In 1921 Elbourne reworked his pre-war management text into a second edition and the section on 'labour administration' increased threefold to nearly 100 pages. In contrast to the pre-war edition, where a specialist employment function received only a fleeting reference, the new edition contained an account of the role of the Labour or Employment Officer, noting that "it became a common practice during the war to have such an office apart from the ordinary Time Office and usually the office was called the Works Employment Bureau or Labour Office".⁷⁷⁷ In 1922, Fleming and Brocklehurst⁷⁷⁸ identified that "the selection of workers is the most important feature of the Employment Department" and concluded that such a role had been "accepted by most large industrial concerns".⁷⁷⁹ Functionally, they identified the Employment Manager as on a par with the Sales Manager, Works Manager and Financial Manager.⁷⁸⁰

None of the above represents precise quantification because no survey data were gathered at the time, but the range of assessments from various quarters tends to support a view that labour or employment functions, quite distinct from

⁷⁷⁵ Sheldon, O (1923), The Philosophy of Management, London, Pitman, p163.

⁷⁷⁶ Rowntree, BS (1921), The Human Factor in Business, London, Longman Green, pp83-84.

⁷⁷⁷ Elbourne, ET (1921), Factory Administration and Accounts, 2nd ed, London, Longman Green, p240.

⁷⁷⁸ Fleming, APM and Brocklehurst, HJ (1922), An Introduction to the Principles of Industrial Administration, London, Sir Isaac Pitman.

⁷⁷⁹ *ibid*, p93.

⁷⁸⁰ *ibid*, p109. APM Fleming, an electrical engineer, joined Westinghouse in 1900 and became responsible for the centralised recruitment and training of apprentices in 1908 (D Jeremy and C Shaw (1984), eds, Dictionary of Business Biography, v 2, p380; J Dummelow (1949), Metropolitan-Vickers Electrical Co Ltd 1899-1949, Manchester, the Company, p33). Highly committed to both technical research and education and training, he oversaw the development of a comprehensive education and training programme at Metropolitan-Vickers, from semi-skilled to graduate apprentices from the 1920s. In 1931, he became Director of Research and Education for the Company, by that time part of AEI (Jeremy and Shaw (1984), *op cit*).

welfare functions, had become well established in larger organisations by the end of the war.

Conditions of war had apparently given rise to rapid developments in previous conceptions of labour management in which welfare work was mainly peripheral. The pioneering articles about these developments which appeared in the engineering press demonstrated a remarkable growth in interest in this topic from 1916 onwards. The length and depth of the coverage had been extensive and was all the more remarkable since no articles of this nature had appeared previously. Moreover, conditions of war had created important influences in its development. Such influences included legal regulation of recruitment and dismissal, close scrutiny of applicants' rights to work in civilian employment, the pressures of labour scarcity, a growth in trade union power, in particular on the shop floor and official encouragement to establish joint works committees.

The influence of scientific management on the development of ideas and practices of labour management: 1920-1939

The ending of the war brought about an end to the emergency regulations governing employment and thus brought to an end too one of the major influences on the development of labour management. With the onset of recession and a change of government in 1922, the debate about industrial democracy also faded from the employers' agenda. The third influence on the development of wartime labour management, scientific management, continued to grow apace in the post-war years. It is impossible to overstate the extensive coverage given to the topic of scientific management towards the end of the war and in the immediate post-war years in contemporary engineering and management journals. The subject was also widely discussed at Rowntree's newly established Oxford management conferences, held biennially from

1919.⁷⁸¹ For example, between July 1919 and August 1921, Engineering and Industrial Management periodically carried a long series of 28 articles by Henry Atkinson, a leading UK exponent of scientific management, designed to educate the reader in the topic.⁷⁸² He noted that FW Taylor had included the idea of an employment department in his scheme of scientific management and this was duly given coverage by Atkinson in the edition of 19 May 1921. The article reminded the reader that Taylor, contrary to the impressions of some, had believed in the welfare of the worker and saw an employment department as an integral feature of his notions of functional management. Atkinson's coverage of the topic of 'The Employment Department' includes the following:⁷⁸³

"The greatest economy of production may best be achieved when the work is carried out on a scientifically organised basis by healthy and contented workers who have a personal interest in the control and execution of their work...The selection of the right worker is one of the most important features in industry. This is the duty of the employment department. Much of the inefficiency of the average factory is due to the employment of workers who are not properly fitted. The employment manager should know intimately the nature of all the work in the factory and the calls it will make upon the worker. All the different kinds of work should be tabulated and studied and from the study they should be classified."

The key issue to emerge from the post-war publicity given to scientific management was, as it had been during the war, 'functionalisation', within which labour management was seen as an integral function. By the later 1920s, the debate moved on to the achievement of greater efficiency through

⁷⁸¹ The volume of this literature is too extensive to be footnoted in full, but the reader is referred to the following sources given in full in the bibliography as representative, though not exhaustive. For coverage of scientific management in the engineering and management press, see Anon (1918b), Denning (1919a), Denning (1919b), Scott Maxwell (1919), Fleming and Pearce (1920), Atkinson (1919-1921), Leroy (1921), Butterworth (1921), Anon (1922), Farmer (1922), Fowler (1922), Davenport and Emery (1923/4), Sheldon (1924) and Mackay (1925). For Rowntree's 'Oxford Conference' papers dealing with scientific management, see Renold (1920), Denning (1921), Urwick (1921), Allingham (1921), Rowntree (1921b) and Casson (1924). The burgeoning of general texts giving coverage to scientific management between 1917 and the mid 1920s was noted above.

⁷⁸² According to Brech (2002), v4, p34, Atkinson was a former works manager who had become a freelance consultant specialising in piecework systems based on Taylor's ideas and was best known for developing the Priestmann-Atkinson system for Priestman Brothers in Hull.

⁷⁸³ Atkinson, H (1921), Scientific management: XXVI: The Employment Department, Engineering and Industrial Management, 19 May, pp569-570.

rationalisation within industry and this too, as we shall see, owed its origins to scientific management. The key influences on the practices implemented by the labour management movement in the 1920s were closely bound up with developing notions about functionalisation, rationalisation and other ideas promulgated by writers in the scientific management traditions. Thus, the intellectual debt owed to Taylor became evident in the ideas of the leading writers on labour management during the 1920s and 1930s, notable among whom were Urwick, Northcott and Sheldon. The labour management movement evolved a range of ideas underpinning practice which were distinctly different from those which underpinned the ideologies of the welfare movement and from which the labour management movement sought vigorously to distance itself. The ideas which they were putting into practice from the early 1920s were developed from Taylorite and post-Taylorite scientific management and included functionalisation, rationalisation, the concept of policies, including labour policies, as the framework for rational business decision-making, with business planning integrated into labour supply planning, labour budgeting and industrial training. It is to the emergence of these ideas that we now turn.

Functionalisation

As noted earlier, the concept of functional management and the role of labour or employment management functions within it had emerged in the wartime literature on scientific management. The adoption of functional organisation became even more widely discussed in management journals and at management conferences in the immediate post-war period. During the early years of Rowntree's 'Oxford' conferences, platforms were provided to the leading exponents of scientific management in Britain, including AD Denning, HW Allingham, LF Urwick and CG Renold.⁷⁸⁴ Of all the ideas offered by scientific management, particular interest was shown by these speakers in the development and extension of functional management. Audiences were reminded that the origin of the concept had been in Taylor's notion of 'functional

⁷⁸⁴ Oxford Conference Papers (OCP): April 1920, April 1921, February 1922, [BS Rowntree archive BSR93/VII/21](#).

foremanship', the sub-division of the role of the traditional foreman into eight separate functions, but had been further developed by subsequent writers on scientific management (notably Emerson) into a notion that management as a whole should be structured on functional lines. Just as functional foremanship should replace the general foreman, so senior managers should cease to run loose groupings of departments performing different functions and instead specialise in only one function. In the assessment of Professor E M Wrong of Oxford University "change is being made in the gradual substitution of 'functional' management for departmental management".⁷⁸⁵ He went on to point out that traditional, departmental management drew managers into detailed decision-making which overwhelmed them and prevented them from carrying out a consistent policy. In a subsequent paper, Wrong saw functionalisation as a 'revolution' in both management and in the wider society. "Everyone's talking about 'functions' and 'functional' things today", he argued and pointed to the rise in pressure groups, management associations (which had begun to burgeon around 1920), trade unions, employers' associations and so on, all created to perform some specialist function of one kind or another.⁷⁸⁶ In another paper, Lee argued that functionalisation was leading to the emergence of the specialist, professional manager in place of direct control by owners. With no involvement in ownership, the manager's interest as an employee was in the pursuit of efficiency, objectively and impassionately based upon professional knowledge.⁷⁸⁷

Like Lee, Sheldon also saw professionalisation of management as intertwined with functionalisation. In his view, the traditional form of 'departmental' structure in which the department head was "monarch of all he surveys", with freedom to engage his own labour and set his own wages, tended towards "autocracy, flattery, servility and sycophancy because favours (e.g. promotion) lie in the

⁷⁸⁵ Wrong, EM (1920), The position of management: probable changes, a paper given to Rowntree's Oxford management conference, 15-19 April, BSR Archive 93/VII/21, pp4-7.

⁷⁸⁶ *ibid*, p5.

⁷⁸⁷ Lee, J (1922b), Ideals of industry, a paper given to Rowntree's Oxford conference, 21-25 September, Archive BSR/VII/21, York, pp40-41.

hands of one powerful individual".⁷⁸⁸ Under functionalisation, on the other hand, all activities were grouped according to the principle of specialisation and a 'Labour Department' was part of his functional scheme.⁷⁸⁹ Echoing the notions of Weber regarding the legitimisation of authority, based on the shift from traditional or 'benevolent-paternalistic' towards rational-legal and bureaucratic-professional organisational forms, as well as the ideas of Taylor, Sheldon argued that "by placing each function under the care of an expert in each type of work, greater efficiency is bound to result".⁷⁹⁰ By 1928, Urwick identified Labour Management as one function typically found in larger organisations.⁷⁹¹ The evidence suggests, therefore, that the concept of functionalisation became increasingly influential during the 1920s, with specialist Labour Management functions becoming an integral part of the management structure in larger organisations.

Rationalisation

Rationalisation emerged as a major topic of debate in the later 1920s and it too had its intellectual origins in Taylor's scheme of scientific management, by focusing in particular on questions of specialisation and company merger at industry level and functionalisation within industry. Rationalisation, as writers on the topic pointed out, also had profound effects on the developing concept of labour management.

LF Urwick, a former employee of Rowntree and now an international consultant, was the leading exponent of the need for rationalisation in Britain and, as noted in the last chapter, the ensuing debate about its implications for welfare work provoked a major debate within the welfare workers' movement and a reappraisal of its future direction.

⁷⁸⁸ Sheldon, O (1928), The organisation of business control, in Northcott, CH et al, eds, Factory Organisation, London, Pitman, p36.

⁷⁸⁹ *ibid*, p40.

⁷⁹⁰ *ibid*.

⁷⁹¹ Urwick, LF (1928), Reorganising an existing business, BS Rowntree Archive BSR93/VII/21, a paper given to Rowntree's Oxford Conference, 27-30 September, p15.

In Urwick's view, rationalisation drew from emergent German ideas and was concerned with the process of merging and integrating previously competing businesses, from the ideas of scientific management, in particular, functionalisation and from the application of psychology to working conditions. For Urwick, rationalisation embodied a shift from non-intervention by government and belief in free market forces towards an attempt to take more rational control of the market through the application of scientific methods 1929.⁷⁹²

The ideas emerging out of rationalisation struck a particular chord with the leading thinkers of the labour management movement because of its emphasis on efficiency and functionalisation and, as we shall see, the importance of centralisation, planning and policies, it was very much in accord with the overall direction advocated by their leading spokespeople of the 1920s and with the practices which they had been putting in place. As one of their leading spokespeople (A S Cole) observed, echoing the debate between the welfare and labour management movements, labour management was not a branch of social work nor was it about trying to right all the wrongs and social injustices of industry, but was about management and administration. The debate about rationalisation had brought this latter role into sharper focus and Cole continued his argument as follows:⁷⁹³

"The present day discussions on rationalisation have served to show that, in the future, management in industry will develop along well defined lines and that functionalisation will be given a more important place. Radiating from the administration at the top there will be centralisation of the control of production, centralised control of the supply and maintenance of the equipment necessary to turn the raw materials into the saleable product and centralised control of the labour force to use the equipment in the most efficient manner. Taylor's definition of a functionalised branch of factory management is 'all attention given to one factor rather than general attention to all factors'. Rationalisation itself has reached the stage when a new interpretation emphasises [quoting

⁷⁹² Urwick, LF (1929), The problems of rationalisation: I – Rationalisation in Europe, Welfare Work, 10, 111, March, pp42-44; The problems of rationalisation: II – Rationalisation and industrial education, Welfare Work, 10, 112, April, pp62-64.

⁷⁹³ Cole, AS (1930), The functions of labour management, Welfare Work, 12, 130, October, p185.

Taylor again] a 'healthy reconstruction of industry on economic and humane lines' ".

Another leading spokesperson of the labour management movement, Dr CH Northcott, Labour Manager at Rowntree, also highlighted how the ideas emerging from rationalisation were in accord with their views about the nature of labour management. Labour management was not about the application of "relatively stupid axioms concerning human conduct", as he saw the views of the welfare movement.⁷⁹⁴ The goals of labour management and rationalisation were closely interrelated. They were both concerned with using existing plant more efficiently and installing new and better plant; methodical and co-ordinated mass production; and the elimination of waste. The effects of rationalisation on labour were to increase mechanisation and concentration of numbers employed in a plant. It was about centralisation and the removal of decisions away from the shop floor and this applied as much to the labour function, as to the manufacturing function.⁷⁹⁵

Policies

According to Denning,⁷⁹⁶ the origins of the notion of a 'policy' can be found in the work of A H Church and was therefore firmly rooted in the ideas of scientific management. It was also connected to the notion of 'standardisation' which lay at the heart of the ideas of scientific management from Taylor onwards. A clear exposition of the importance of policy was provided by another influential thinker within the labour management movement of the 1920s, Oliver Sheldon who argued as follows:⁷⁹⁷

"The beginnings of sound organisation is the determination of sound business policies, based on the knowledge of the conditions which the business must encounter...It is often true that the absence of any clear policy is a worse

⁷⁹⁴ Northcott, CH (1930), The labour manager and the process of rationalisation, Welfare Work, 12, 131, November, p198.

⁷⁹⁵ *ibid*, pp198-201.

⁷⁹⁶ Denning (1919a), *op cit*; see Church, AH (1914) Science and the Practice of Management, New York, The Engineering Magazine Company.

⁷⁹⁷ Sheldon, O (1928), *op cit*, pp19-20.

condition than the existence of a clear policy which is wrong. Absence of policy means, in effect, that a multiplicity of policies exists. This is directly conducive to chaos. The responsibility for determining policy clearly rests with those who direct a business...policies, therefore, come from above... The responsibility is one which cannot be delegated or passed to subordinates. There is, therefore, a clear demarcation between those who determine policies and those who execute them. This line of demarcation lies at the root of sound organising".

The establishment of a labour policy became a central idea of the labour management movement in the 1920s and a written labour policy had, for example, been established at Rowntree's in the early to mid 1920s.⁷⁹⁸ Northcott explained the central notions of policy and regulations in labour management which provided standard guidance to managers in a variety of circumstances. The origins of the approach, he noted, lay in military regulations used by the army or the book of rules found in the railways or other services wherever "large bodies of men must be governed and controlled."⁷⁹⁹ Moreover, he argued, the notion of policy had come directly from scientific management:⁸⁰⁰

"I am going to ask you to listen to the argument for it as a logical corollary of scientific management. To me, it results from the very nature of scientific management, the governing idea of which is order and arrangement. It is now clear to all who have done much thinking on improved methods of management that great waste of time, effort and money result from careless, haphazard and rule-of-thumb arrangements. Every time that a new situation arises or an old one recurs, the man who is finally responsible for it has to be sought out and his ruling obtained. While this may be possible, though undesirable, in a small firm, it is impractical in a large one, except at great cost of patience and temper and much waste of opportunity. All such contingencies must be provided for, so far as they are regular and amenable to rule".

Thus, as regards labour policy, this contained "a body of instructions indicating the right procedure" and was "characterised by "clear, systematic thinking, untinged by political considerations".⁸⁰¹ Moreover, labour policy "must be

⁷⁹⁸ BS Rowntree Archive BSR93/VII/9; Fitzgerald, R (1995), Rowntree and the Marketing Revolution 1862-1969, Cambridge, Cambridge University Press, pp268-269.

⁷⁹⁹ Northcott, CH (1930), Policy and regulations in a business, Welfare Work, 12, 127, July, p123.

⁸⁰⁰ *ibid.*

⁸⁰¹ *ibid*, p124.

decided by each Board of Directors if action on labour matters is not to be haphazard and unguided".⁸⁰²

This, then was the nature and significance of a labour policy which lay at the heart of the labour management perspective. It emanated from the business planning process and was the ultimate responsibility of the board of directors, advised by functional specialists in labour management. It was based on the application of standardised, depoliticised rules, unbiased by the whim or favour of owners or managers which had so characterised traditional employment policies. This was not only the distinctive, but radically different perspective brought by labour managers to the welfare movement. Welfare was ad hoc, unplanned and, in the main, peripheral rather than central to the objectives of the business.

Pronouncements on labour policy became the central and most important initiative pursued by the leading spokespeople of the labour management movement in the mid to late 1930s after they had achieved ascendancy in the former welfare workers' institute. The most frequent pronouncements were made by Richard Lloyd-Roberts, Chief Labour Officer at ICI, who elevated labour policy to the status of a mantra. For Lloyd-Roberts, 'progressive' labour policy was aimed at promoting partnership, combined with greater job security, within firms.⁸⁰³ Moreover, progressive labour policy performed an important political function. Central to Lloyd-Roberts' ideas was that the purpose of industry was to serve the community on "terms which were equitable to the various interests concerned - the owners of the capital, the employees of all ranks and the customers",⁸⁰⁴ reflecting (as we shall see in chapter 6) the distinctive political objectives of the employment policies of Lord Melchett at ICI. The central importance of progressive labour policy and its political role became

⁸⁰² *ibid.*

⁸⁰³ Lloyd Roberts, R (1934), A labour policy, *Labour Management*, November, pp189-190; (1935), Labour Management as we see it, *Labour Management*, June, pp102-103; (1936), The human problems of management, *Labour Management*, April, pp60-64; (1937), Industrial relations in practice, *Labour Management*, March, pp22-28; (1938), A personnel policy – its basic principles and its development, *Labour Management*, April, pp74-79.

⁸⁰⁴ Lloyd Roberts (1937), *op cit*, p22.

evident in his pronouncements in 1938 against a background of discussions about nationalisation of coal at home and the threat of war abroad. First on the home front, labour policy was about making capitalism work and he argued, "my advocacy of progressive policy is rooted in my desire that private enterprise shall survive".⁸⁰⁵ As regards to the threat to the "British way of life" from abroad, progressive labour policy stood for democracy "based on the principles of freedom, justice and liberty".⁸⁰⁶ Not only was the concept of labour policy the central and most important idea of the labour management movement of the inter-war period, but employer-driven 'progressive' labour policy appeared to represent a replacement for the wartime notion of industrial democracy, based on joint employer-employee committees, when faced with threats to the capitalist system.

Planning

As pointed out by Urwick in the columns of Welfare Work,⁸⁰⁷ the concept of planning and the advocacy of a planning department had been central to Taylor's scheme of scientific management and it too became another of the important ideas put forward by the labour management movement in the 1920s and 1930s. Moreover, as argued by Northcott, the development of sound business and labour policies were dependent on the existence of a sound framework of planning:⁸⁰⁸

"Before regulations can be drafted, a great deal of thinking is necessary. One has to plan all the arrangements that are likely to be required in a business. Planning of this sort may be of two types: in the first instance, what I might call 'major planning', and in the second, planning of details. Major planning is long distance planning. It is an endeavour to sketch what the future may be expected to bring about... The major plan of any business is a sketch of what the business is moving towards. In other words, it is the formulation of the objectives which the directors have clearly worked out. These objectives

⁸⁰⁵ Lloyd Roberts (1938), op cit, p74.

⁸⁰⁶ ibid, pp73-74.

⁸⁰⁷ Urwick (1929), March, op cit, p42.

⁸⁰⁸ Northcott, CH (1930), Policy and regulations in a business, Welfare Work, 12, 127, July, pp123-124.

constitute what is rightly called a policy. In the light of this policy, the smaller details of a business fall into their proper place".

The concept of planning also lay at the heart of rationalisation, with its rejection of the belief in non-intervention by government and the self adjusting forces of free market competition and its adoption of the belief that markets could be controlled through the application of what was widely referred to at the time as a 'scientific approach'. In an article in Labour Management which summarised the concept of planning, Urwick argued as follows:⁸⁰⁹

"Planning... is a method of approach to the problems of business organisation. Its ultimate purpose is to secure a higher standard of living for the community as a whole. In what then does it differ from our previous concepts of business arrangements? Briefly in making matters of deliberate and conscious decision all kinds of adjustments which were previously carried out in a haphazard way under pressure of circumstance. The decisions were made in an uncoordinated and incoherent manner... we followed the market. Demand was assumed. There was little attempt to forecast it or control it. In other words, we are (now) no longer satisfied with the fatalism of Victorian economics. We do not consider that the propositions of Ricardo and the Mills are a description of the workings of an inscrutable Providence with which it would be blasphemy to interfere".

Urwick went on to point out the implications of planning for labour management, arguing that "it must necessarily touch the personnel policy along the line"⁸¹⁰ and concluding:⁸¹¹

"If we propose to plan our supplies of materials, our manufacturing programmes and our selling effort years ahead, there is an unanswerable argument for dealing similarly with the men and women who work in the business. The somewhat light-hearted attitude under which human beings are hired and fired, for the hour, the day, or the week in accordance with the circumstances of a fluctuating market, will have to be replaced by a more considered and deliberate adjustment of the demand for labour to the demand for goods".

⁸⁰⁹ Urwick, LF (1936/7), Planning for the future as it affects the Personnel policy of the organisation, Labour Management, December-January, pp221-222.

⁸¹⁰ *ibid*, p222.

⁸¹¹ *ibid*.

He went on to argue that engagement and dismissal needed to be handled in a more systematic way. Displacements which would occur as a result of technical change and reorganisation needed to be handled in a planned way so as to recognise workers' concerns about insecurity and enhance security of tenure. It was necessary to allow for natural wastage as a result of retirement, death or marriage⁸¹² to minimise displacements, introduce programmes of retraining for existing employees and ease the retirement process through the provision of enhanced pensions. Training, in general, at all levels of the organisational hierarchy, needed to be increased, linked to a "rational and equitable system of promotion" on the grounds that "you cannot keep men and women striving to develop themselves unless there are reasonable prospects of advancement and assurance that advancement will go by merit and not by favour". Thus, as had occurred in writings about scientific management from Taylor onwards, scientific management was rational and meritocratic and challenged traditional, nepotistic and unscientific rule of thumb approaches to management. "Nepotism", he identified, "was the most serious difficulty facing us in the next ten years" and concluded:⁸¹³ "Any real 'planning' of economic life must be accompanied by an end to planning of family succession in the administration of business... The administration of great affairs cannot be left to the accident of birth".⁸¹⁴ Above all, he argued, planning should set a standard and be adopted by a board who took full responsibility for it.

Thus, labour management, as promulgated by the leading spokespeople and practitioners of the 1930s, was the natural corollary of the application of rationalisation and scientific management principles to the management of people. It involved the centralisation of the labour management function, specialisation as a distinct branch of management and the introduction of standardised rules in the form of labour policies, replacing the ad hoc and arbitrary whims of foremen, managers and owners of firms. The concept of planning lay at the heart of the new approach to labour management and, as

⁸¹² At this time, it was expected in many employments that women would leave on marriage.

⁸¹³ Urwick (1936/7), op cit, p224.

⁸¹⁴ *ibid.*

will be argued, underpinned the main thrust of the ideas presented in the 1930s in the columns of the journal. As we shall see, these main themes were: the centrality of labour policy, also referred to in the later 1930s as industrial relations or personnel policy; the concept of budgeting, including labour budgeting as a planning tool; and the case for systematic training as the means by which firms could seek to control the natural forces of supply in the labour market and apply the methods of scientific management to operator training. Whilst by the end of 1939, no article contained any reference to manpower planning which later evolved from the work of the War Office in the Second World War,⁸¹⁵ many of the elements of a planned approach to the management of internal and external labour markets became apparent. Thus, for example, the impact of demographic trends on labour supply, the influencing of labour supply through systematic training, retraining as an alternative to redundancy and as a means of enhancing job security, the systematic assessment of performance, and promotion through merit, all feature in the new planned approach to labour management in the 1930s, at least in concept.

Industrial training

The significance of industrial training in the framework of scientific management has been noted in writings about this topic going back to the war and into the 1920s.⁸¹⁶ Sheldon, for example, argued:⁸¹⁷

"The training of the worker is the most outstanding contribution of 'Scientific Management' to modern industrial problems. It forms, indeed, the principal basis of its methods. Time and motion studies, the standardisation of the job, the making and issue of the Instruction Card, the definition of the task, and the

⁸¹⁵ Lawrence, J (1980), Manpower and personnel models in Britain, in AR Smith, ed, Corporate Manpower Planning, Farnborough, Gower.

⁸¹⁶ e.g. McKillop, M and AD (1917), op cit; Denning (1919), op cit; Casson (1919), op cit; Sheldon (1923), op cit; Northcott et al (1928), op cit. The origins of systematic training owe much to Henry L Gantt, a protégé and close associate of FW Taylor between 1887 and 1901. From 1908, Gantt pioneered standard job instruction cards and the notion of 'vestibule training', systematic off-the job training in a specially designated training room (D Nelson (1980), Frederick W Taylor and the Rise of Scientific Management, Madison: Wisconsin, University of Wisconsin Press, p38, pp71-72, 85, 99-101; CS George (1972), The History of Management Thought, Englewood Cliffs: NJ, Prentice Hall, p105; CC Ling (1965), The Management of Personnel Relations, Illinois, Irwin, p109-110). It was also of central importance to the approach of the Gilbreths and Lilian Gilbreth devoted a chapter to it in her book of 1914 (CS George (1972), op cit, p101; LM Gilbreth (1914), The Psychology of Management, New York, MacMillan, chapter 8). The following British accounts of scientific management placed systematic training within the remit of the Employment Department: HN Casson (1919), op cit, p48; AD Denning (1919a), op cit, pp123-124; H Atkinson (1921), Scientific management XXVII: Education and training, Engineering and Industrial Management, 2 June, 629-630; CG Renold (1921), The benefits to workers of scientific management, a paper given to Rowntree's Oxford conference, 15-19 April, BSR93/VII/2, p18.

⁸¹⁷ Sheldon (1923), op cit, p180.

theory of the 'Task and Bonus' system of remuneration are, one and all, based on the assumption that the worker can and will be trained to do the job in the prescribed manner and the scheduled time. Without training, the whole fabric of 'Scientific Management' is impossible."

As noted above, the growing importance of training and retraining in the context of technological change and in the light of its effects on worker's job security, was highlighted by Urwick's article on planning,⁸¹⁸ though training itself never featured in the Institute's pronouncements on labour policy, apparently reflecting the low priority given to this topic. The probability that systematic training remained a relatively underdeveloped idea of the labour management movement in the inter-war years than something put into widespread practice was confirmed in an article written at the end of the period by Bernard Ungerson of the NIIP who concluded as follows:⁸¹⁹

"There can be no doubt in the minds of any person closely associated with industry in this country that the approach to nearly all industrial problems has become steadily more scientific during the last twenty years. The major impulse towards this development came from the work of such pioneers as F W Taylor and Henri Fayol. There has been, however, one notable exception... comparatively little progress has been made in the methods of training industrial workers. While a few of the more progressive firms in this country have instituted training schemes which are systematic and scientific, in most firms the employee learns to carry out his job either by copying an experienced worker as best he can or else being told briefly what to do and then being left to evolve his method for himself"

Whilst industrial training was very much in its infancy in the 1930s, despite arguments put about its logical place in a planned approach to labour management, the seeds of the approach which would develop during the Second World War and after could be found in the contributions of Miss A G Shaw of Metropolitan-Vickers Ltd. Miss Shaw became Superintendent of Women (of whom a large number were employed until marriage) in 1933 and established a works training school. She was also made head of motion study, originally established by the company during the war, for reasons which will

⁸¹⁸ Urwick (1936/7), op cit, pp219-225.

⁸¹⁹ Ungerson, B (1940), The training of industrial workers, Occupational Psychology, January, p26.

immediately become apparent.⁸²⁰ Having worked with Dr Lilian Gilbreth (wife of Frank Gilbreth and both pioneers of motion study) in the United States as a research assistant,⁸²¹ the intellectual origins in scientific management of Shaw's approach to systematic training were clearly evident. In an article 1937 explaining what systematic training, as distinct from traditional 'ad hoc' methods, involved, she said:⁸²²

"First of all, an analysis must be made of the individual jobs and standard methods of work established - that is, not only the processes applied to the work, but the operators' movements during these processes... From the resulting job analysis, it is possible to group the operations according to the types of movements required. Once this has been achieved a training scheme can be developed to teach new operators the movements required".

She advocated that training should take place 'off-the-job' (in modern terminology) in a special area set apart in the factory or in a training school and operatives should be tested to ensure that they had reached the standard required before being transferred to production departments. In a later article, Shaw discussed the role of systematic training from a broader perspective which would have been equally novel. Echoing the planned approach advocated by Urwick, she argued that training was central to the process of planning and influencing the future supply of labour to the organisation. As will be discussed below, there was a growing awareness in the mid 1930s of demographic influences on the labour supply and at this time demographers were forecasting future shortages of young people in the labour market. This, coupled with technical and organisational change, Shaw argued, would require organisations to retrain existing employees rather than, as had been the case in

⁸²⁰ Dummelow, J (1949), op cit, p126, p129.

⁸²¹ Niven, M (1967), Personnel Management 1913-1967, London, Institute of Personnel Management, p79.

⁸²² Shaw, AG (1935), The efficiency of labour and its measurement, Labour Management, July, p127. Dummelow also notes that from the early 1920s, labour management responsibilities lay with a Labour Superintendent for male employees, the incumbent throughout the inter-war years being Mr A Walmsley, and a Superintendent of Women (ibid, p118, p162). Correspondence between AG Shaw and LM Gilbreth is contained in the Frank and Lilian Gilbreth Collection, Purdue University, Lafayette, IN, (LM Gilbreth (1998), As I Remember: An Autobiography, Norcross: GA, Engineering and Management Press, p247.

the past, dismiss current workers and seek to employ new ones with the requisite skills.⁸²³

A topic related to training in which some interest was expressed in the early 1930s was what was termed "the labour audit or periodic review of staff".⁸²⁴ Defined as a "systematic, scientific personnel stocktaking", it is described as "a fairly recent development of management, undertaken at present by comparatively few firms". Its functions were concerned primarily with providing each employee with an assessment of their performance, sometimes through the use of rating scales, in order to determine salary increases, suitability for promotion and training needs.⁸²⁵ In modern terminology, this would be called performance appraisal. The writer of the article referred to the technique as being of "such interest in value" and concluded with the belief that "it may be found applicable and useful... in nearly all industries, in all sizes of organisations, and for all but the lowest grade of labour".⁸²⁶ In the light of this assessment, it is perhaps surprising that the topic was not considered again in the inter-war period.

Labour supply

As indicated by Shaw's planned approach to systematic training, the mid 1930s saw a growth in awareness of the notion of labour supply based on an analysis of demographic forecasts. Such an awareness represented yet another perspective on the use of planning: if employers had information about forecasted changes in labour supply, especially if those forecasts indicated reductions in supply and therefore potential labour shortages, they could be encouraged to take a planned approach to policies on training and retraining.

⁸²³ Shaw, AG (1936), The next ten years in industry: the systematic training of workers towards greater efficiency, Labour Management, November, pp195-197.

⁸²⁴ Borland, CR (1933), The labour audit or periodic review of staff, Labour Management, 15, 167, November, p185.

⁸²⁵ *ibid*, pp185-186.

⁸²⁶ *ibid*, p185.

Two articles were presented in the journal on the theme of labour supply, the first in November 1935⁸²⁷ and the second in August/September 1936,⁸²⁸ both by ADK Owen of the research organisation Political Economic Planning. The apparent novelty of the concept of labour supply to employers was indicated in the opening words of the second article:⁸²⁹ "In past years industrialists planning their production some time ahead have seldom taken into account possible changes in the supply of labour available for their particular industry or undertaking". Based on data previously presented by Dr Grace Leybourne in the Sociological Review of April 1934, the articles noted that the overall rate of population growth had declined from 12 per cent per annum between 1891 and 1901, to five per cent between 1911 and 1931 and was forecasted to be less than one per cent between 1931 and 1941. When these changes worked their way through into a decline of young entrants to the labour market, there would be labour supply shortages for apprentices and trainees and there would also be implications for industries which employed large numbers of young people generally. The articles proposed a range of planned interventions to counter the problem, including incentives for industry to relocate to depressed areas, schemes to encourage young workers to relocate to areas where jobs were more plentiful and improved pension provisions to encourage elderly workers out of employment and create openings for young people. It is clear to see in these discussions of the early 1930s about economic planning the embryo of post-war Keynesian interventionism. The message for employers was that the shortfall of young people would require more planned training, retraining and redeployment of adult workers within individual enterprises or a greater willingness to recruit older workers into jobs previously performed by the young. However, taking into account our earlier conclusions that employers demonstrated a relative lack of interest in training in the 1930s, there is little evidence that these warnings were heeded, quite possibly as Gospel has

⁸²⁷ Owen, ADK (1935), The next ten years in industry: 1 - The supply of labour, Labour Management, 17, 189, Nov, pp85-186.

⁸²⁸ Owen, ADK (1936), The next ten years in industry: 2 - The supply of labour, Labour Management, 18, 198, Aug/Sept, pp138-139.

⁸²⁹ ibid, p138.

explained,⁸³⁰ against a background of high unemployment and a plentiful labour supply, the mindsets of most employers remained focussed on a strategy of 'externalisation', based on hiring and lay off, rather than on 'internalisation', the development of internal labour markets in which systematic training could have played an important part.

Labour budgeting

The subject of labour budgeting, a technique also owing its origins to Taylor's scheme of scientific management, was considered by Northcott in the first edition of Labour Management. Budgeting was a further aspect of the process of rationalisation and depersonalisation of decisions in industry. In firms dominated by the personality of individuals, Northcott explained, expenditure tended to be at the whim of those individuals who occupied positions of influence and was a reflection of the formerly irrational and haphazard nature of decision-making, the avoidance of which had become a persistent theme of the new school of labour managers. Budgeting, on the other hand, involved rational discussion by senior management of all expenditure proposals, weighing them in the light of business priorities and objectives.⁸³¹ A more extensive article appeared in February 1934, enlarging upon Northcott's points and presenting both the 'theory' of budgeting and an attempt to research current 'practice'. The article noted the American origins of budgeting, rooted in scientific management and emphasised its purpose as a tool of planning. Based on an "accurate and rigorous analysis of past and present conditions", it was a device to secure financial control and to provide a yardstick against which to measure actual performance against plans. The article, penned by writers from Pilkington, Planters Margarine, Dunlop and Owen Owen, went on to enumerate a wide range of budget headings likely to be found in a labour budget and endeavoured to report on the approaches of a number of organisations with regard both to their budgeting practices in general and labour budgeting in particular. As regards budgeting in general, the conclusion was that "not many

⁸³⁰ Gospel, H (1992), Markets, Firms and the Management of Labour in Modern Britain, Cambridge, Cambridge University Press.

⁸³¹ Northcott, CH (1931), Some functions of labour management:1 - finance - a labour budget, Labour Management, July, pp2-4.

English firms seem to have proceeded further than preliminary investigations".⁸³² As regards labour budgeting, it was concluded from enquiries through members at a "number of factories" that "we have been unable to find any firms who forecast a complete labour budget, though it is reported to be done by some American firms".⁸³³ This cannot purport to be other than a superficial investigation nor to be a reliable view of the extent of budgeting practice, labour or otherwise, at the time. It did, however, reflect an interest of the new school of labour managers in getting close to costing issues, in particular as the finance function was emerging as the most influential function in the post-rationalisation period.⁸³⁴ Although potentially a tool of labour management, the topic received little further consideration in the columns of the journal in the period to the end of 1939, with the exception of an account of the practices at Crosse & Blackwell by RM Gentry, the company's Labour Manager in 1934.⁸³⁵

The influence of engineering ideology in the development of Labour Management

Given that Taylor and other pioneers of scientific management were mechanical engineers, a view was frequently put that the practice of management rightly belonged to engineers. The McKillops,⁸³⁶ for example, adopted this view, arguing that "they consider management as more of an engineer's job than has previously been conceived...because he is supposed to be scientifically trained and also because he should understand the operations to be performed in the shops". The term 'human engineer' emerged at the end of the First World War and remained an epithet used throughout the inter-war period. The implications of the use of this term seemed to be twofold. Either a

⁸³² Harris, RSD et al (1934), The labour budget in theory and practice, Labour Management, February, p23.

⁸³³ *ibid*, p25.

⁸³⁴ Knights, D and Wilmot (1986), Managing the Labour Process, Aldershot, Gower, pp29-31; Hannah, L (1983), The Rise of the Corporate Economy, 2nd ed, London, Methuen, p81.

⁸³⁵ Gentry, RM (1934), A contribution to payroll budgeting and control, Labour Management, April, pp68-70.

⁸³⁶ McKillop, M and AD (1917), *op cit*, p18.

labour manager should be an engineer or at least be scientifically trained. Alternatively, labour managers who were not engineers used such analogies in order to legitimise their role and, in particular to distance it from welfare work. An example of the former view of the human engineer was offered by Chellew who argued:⁸³⁷

"We need a new type of engineer who shall be called the Human Engineer. His qualifications shall be training in physiology and medical science...with knowledge of the conditions that obtain within the walls of the factory...Engineers are greatly concerned with the efficiency of the mechanical plant, but the human engineer goes to the very root of the problem of production".

A similar view was put by Rowland-Entwistle⁸³⁸ who, as noted earlier, described the work of the employment manager as "human engineering, the arranging of every bolt, screw, nut, lever, piston, cylinder, valve and rod in the human machine, the application to humanity in industry of all the laws and principles of the engineering sciences to the realisation of an efficient producing machine which will run perfectly when lubricated". In Rowntree's view also, the head of the employment department might be described as a human engineer arguing that "the chief mechanical engineer is responsible for selecting machines suitable for the work to be done and for keeping them running smoothly and avoiding overstrain and breakdown, so the employment manager will perform similar functions with regard to the human instruments of production throughout the works".⁸³⁹

A trenchant view about the importance of the labour officer as an engineer came in an article about the 'Labour Office' in the engineering press in 1925. Referred to as "one of the most important departments in a big engineering works, if properly exploited by the right type of man",⁸⁴⁰ apparently, in the view of the unnamed writer "less than half are functioning in the right way, simply

⁸³⁷ Chellew (1919), op cit, pp70 & 81.

⁸³⁸ Rowland-Entwistle (1919), June, op cit, p593.

⁸³⁹ Rowntree (1921a), op cit, p83.

⁸⁴⁰ Anon (1925), The 'Labour Office': Some notes on an important department, Engineering Production, Jan, p30.

because they are in the charge of the wrong type of man". The Labour Office was "no place for the polished clerk, however skilled he may be at office work", but rather an "all-round mechanic should be in charge".⁸⁴¹ The remainder of the article is concerned with recounting incidents of having 'the wrong type of man' in the role. In the view of the writer, based on discussions with foremen and chargehands, "they might as well close the labour office down for what good it is to us",⁸⁴² quoting the words of one foreman:⁸⁴³ "I told him I wanted three fitters and two millers, men who could do their own setting-up and work to a blue print. I have got three duds and a couple of improvers". Thus, it was concluded:

"The whole difficulty can be solved by placing a practical engineer in charge of the office, that is, a man who has taken his turn on the lathe, the bench, the miller and driller, and on the planing and slotting machine. That is the ideal man for the labour office. Such a man may not know much about filing records, indexing, and office routine. He may not be able to write a business-like letter; he may not be able to write a letter at all, but you can depend upon it that the man knows his own job and can be relied on to pick the wheat from the chaff so far as the selection of suitable men for the machine and fitting shops is concerned. It is not an expert letter writer that engineering firms require in their labour offices, but men who can distinguish between good and fair, smart and poor, mechanics. Firms who decide to put such a man in charge of their office, though they may have to pay the right type of engineer a higher salary than the man already in, they will quickly get their money back with interest. The clerk can remain as an assistant (if it is a large office, of course) to initiate the new man and keep his records in order, and in a month's time the firm will have at their service an indispensable man".⁸⁴⁴

The imagery of engineering was a persistent one and re-emerged in the 1930s. With regard to the role of labour managers, the journal Labour Management⁸⁴⁵ argued that:

"We need expert human engineers, that is, engineers who can understand and handle human machines in industry and commerce, and who can assign the

⁸⁴¹ ibid.

⁸⁴² ibid.

⁸⁴³ ibid.

⁸⁴⁴ ibid.

⁸⁴⁵ May (1932), p283, drawing from the words of a publication by M Martin-Leake and T Smith entitled The Scientific Selection and Training of Workers in Industry and Commerce, London, Pitman, pp7-8.

right work to the right machines, and to see to it that these machines are kept in good running repair and are not thrown out of gear by wrong handling and unsuitable usage...human engineers are as essential to the modern business as are the mechanical engineers and their manufacturing staff".

A background in and analogies to engineering were also invoked by labour management practitioners in order, it must be surmised, to boost the credibility and legitimacy of this newly emergent occupation. One such practitioner, from the engineering company British Thomson-Houston, saw the role of the labour manager as "governing the inflow and outflow of human material...virtually the human engineer within an organisation...with prolonged personal experience in engineering".⁸⁴⁶ Thus, in the writer's view, the labour manager needed to be an experienced engineer who in effect continued to ply his trade as a 'human engineer' in a scientific manner using 'human material'. A similar position was adopted in a review of the development of 'Works Personnel Departments' in a range of engineering works in 1934. In the writer's view, a labour manager in an engineering works "should undoubtedly be a fully trained and qualified engineer, for there are too many questions bearing on the workshop to risk placing anyone else in the chief position".⁸⁴⁷

Development of labour management functions and practices: 1920-1939

Having considered the underpinning ideas of the labour management movement in the inter-war period and also their intellectual sources, this section is concerned to explore the development of labour management functions and their practices from 1920 to 1939. Further insights into the development of labour management functions practices in the inter-war period may be gleaned from contemporary management texts and journals. Before considering the nature of these developments, not surprisingly since the emergence of labour management functions was a relatively recent phenomenon in the early part of this period, a number of debates appeared in the management and engineering press about what the function should be called and who should staff it. Thus,

⁸⁴⁶ Young, AP (1930), A General Manager outlines an Employment Department, Industrial Welfare, April, p154.

⁸⁴⁷ Tripp, GW (1934), The works personnel department, The Engineer, 11 May, p474.

before considering developments in practice, we shall first consider the nature of the debates which emerged in the 1920s.

Debates and issues around the title, role and status of labour management functions

A number of debates emerged in the management and engineering press about the nature and development of labour management functions in the 1920s and these persisted in some instances into the 1930s. The first issue which arose immediately after the First World War was what the newly emergent labour management function should be called. A second concerned the background and qualifications of a labour manager, with associated debates about the status of and level of remuneration for the role. A third debate arose out of where responsibility should lie for industrial relations and whether it should remain the responsibility of works managers or labour managers.

In the early to mid 1920s, the term 'Employment Department' was most widely used,⁸⁴⁸ but other nomenclatures such as 'Industrial Department',⁸⁴⁹ 'Employment Bureau'⁸⁵⁰ and 'Labour Office'⁸⁵¹ also appeared. By the 1930s, the title of 'Employment Department' continued to be popular,⁸⁵² 'Labour Department' was also used⁸⁵³ and 'Personnel Department' also began to appear.⁸⁵⁴ Even by 1934, one assessment of the development of labour

⁸⁴⁸ e.g. Herford et al (1920), op cit; Sheldon, O (1920a), The Employment Department, Engineering and Industrial Management, 24 June, p816; Sheldon, O (1920b), op cit, p372; Atkinson, (1921), op cit, p569.

⁸⁴⁹ Wright (1920), op cit.

⁸⁵⁰ Campbell, W (1922), The employment bureau: a consideration of its important functions, Engineering Production, 26 October, p388.

⁸⁵¹ Anon (1925), The 'Labour Office': Some notes on an important department, Engineering Production, Jan, p30.

⁸⁵² Young (1930), op cit, pp116-118; Hiscox, WJ and Price, JR (1935), Factory Administration in Practice, 3rd ed, London, Pitman.

⁸⁵³ Richardson, JH (1932), Industrial psychology and works management, Industrial Welfare, December, p578.

⁸⁵⁴ Hurford, G (1932), The conservation of man-power, Industrial Welfare, January, p24; Anon (1933), Personnel policy for a motor firm, Industrial Welfare, May, 10-11, p17; Tripp

management functions in the engineering industry noted that there were continuing difficulties in reaching agreement on the title of the head of the function. Arguing that it remained "difficult to suggest an appropriate title for this official", the term 'Labour Manager' had become "usual". In the view of the writer, the latter title was "hardly comprehensive enough", but he continued, "the title of Employment Manager is definitely worse, whilst the more suitable one of Superintendent of Personnel does not appear to find favour in this country, so that all things considered, we may be forgiven for alluding to him as Labour Manager for want of a better appellation".⁸⁵⁵

It appears that during the mid to late 1930s, the use of the term 'personnel' was becoming more entrenched. Lloyd Roberts first uses the term 'personnel policy' in a pronouncement on behalf of the Institute of Labour Management (ILM) in 1938⁸⁵⁶ and Niven⁸⁵⁷ recounts that the ILM were actively considering a change of name to the Institute of Personnel Management (IPM) in 1939, but the outbreak of war halted these discussions, with the result that the title of IPM was not adopted until 1946.

The qualifications, status and remuneration of the labour or employment manager was another debate which emerged periodically in the inter-war period. It was noted earlier how the ideology of engineering and the concept of the labour manager as a 'human engineer' was widely canvassed in writings about the role of labour managers and functions. A number of accounts of practice, particularly from the engineering and manufacturing sectors, also insisted that the incumbent should be a qualified engineer. One account of the workings of a 'Labour Office' in the engineering industry in 1925 noted that the labour officer was often a "polished clerk", good at "filing records, indexing and office routine" and able to "write a business-like letter", but earned a lower salary than a qualified engineer.⁸⁵⁸ Such an assessment appeared to be

(1934), op cit, pp474-475; Seymour, H (1935), The Personnel Department: theory and practice, *Industrial Welfare*, October, pp23-25.

⁸⁵⁵ Tripp (1934), op cit, p474.

⁸⁵⁶ Lloyd Roberts (1938), op cit, pp74-79.

⁸⁵⁷ Niven (1967), op cit, p90.

⁸⁵⁸ Anon (1925), op cit, p30.

indicative of the lowly status enjoyed by labour management practitioners, at least in engineering organisations and led to the recruitment of the "wrong type of man" in the writer's view.⁸⁵⁹

Nearly a decade later, the same point was stressed by another writer in an account of labour management practices in the engineering sector as a result of visiting "a large number of well-known works".⁸⁶⁰ In the writer's view, the fact that the labour manager was very often not an engineer and was given a "slightly lower salary" than other managers had raised issues of credibility and lowered status for the labour management function.⁸⁶¹ In addition, this had led to him "being excluded from certain conferences on the ground that they 'hardly concern him' or some equally thin excuse, with the result that everyone feels that he has a less responsible post".⁸⁶² What was required in an engineering works, he argued, was that the labour manager "should be a fully trained and qualified engineer, for there are too many questions bearing on the workshop to risk placing anyone else in the chief position" and that the incumbent should be "on an equal footing with the departmental chiefs and in common with them report to the managing director".⁸⁶³

Thus, whilst these writers argued that labour management was an important and useful function, the incumbent might experience lower status without the appropriate engineering background and qualifications.

Developments in practice: Early to mid 1920s

Not only were there debates about the status of the role, but in the early 1920s, works managers were found debating whether their traditional roles in labour management in the works should be delegated at all. As noted earlier, the notion of functionalisation was beginning to emerge into more general practice

⁸⁵⁹ *ibid.*
⁸⁶⁰ Tripp (1934), *op cit*, p474.
⁸⁶¹ *ibid.*
⁸⁶² *ibid.*
⁸⁶³ *ibid.*

during the mid to late 1920s, but in many workplaces at the beginning of the 1920s the works manager would have retained full responsibility for all labour questions and early post-war accounts in the engineering press were indicative of the unease with which functionalisation and delegation of labour management responsibilities were viewed by works managers. It was noted in chapter 3 that in the immediate aftermath of war, professional engineers were found arguing against "further encroachments" into their traditional roles in workplace labour management. By the early 1920s, however, some works managers were found complaining in the engineering press about the consequences of retaining full responsibilities for these matters and about the disproportionate amount of time spent on them. Thus, one was found arguing that "every works manager has to spend two-thirds of his time on labour questions to the consequent neglect of his technical and works duties"⁸⁶⁴ and another concluded that these pressures presented "one of the most serious problems confronting the works manager today".⁸⁶⁵ Such concerns may have further fuelled the discussions about functionalisation and the installation of labour management departments. The problem of pressures on the time of the works manager in dealing with labour questions was aired and a proposed solution offered by H Mensforth, a mechanical engineer and works manager at Metropolitan Vickers, in a paper given to a conference of works managers in the Manchester Association of Engineers in 1920, in which he argued as follows:⁸⁶⁶

"The first requisite in this connection is the establishment of a department with an officer whose function is to deal with applicants for employment, to interview in the first instance all applicants and to satisfy himself that the applicant is employable. The applicant can then be referred to the foreman needing the assistance for enquiry as to fitness for the work... It is necessary that all requisitions for employees shall pass through the hands of the employment

⁸⁶⁴ Anon (1920), Some reflections on modern management methods by a factory manager, Engineering and Industrial Management, 27 May, p681.

⁸⁶⁵ Mensforth, H (1920), Phases of works management, Engineering and Industrial Management, 4 March, p306. Holberry Mensforth, a mechanical engineer, joined Westinghouse in 1903, became superintendent of the engineering department in 1913, works manager in 1913 and general manager in 1917. In the latter capacity, he set up works and staff committees in 1917. He became Chairman of English Electric in 1930 (Jeremy and Shaw (1986), op cit, v 4, pp215-216).

⁸⁶⁶ *ibid.*

manager, who should, in addition, deal with all records of service of employees, their transfers and discharge and also with out-of-work and sickness benefits, etc.. (also) see that the Factory Acts are complied with.. (and).. in case of accidents, the employment manager is also in a position to deal with any questions which may arise... A satisfactory employment manager is invaluable, as the reputation of the firm obtaining amongst applicants for employment depends to a considerable extent on his efforts".

Evidently based on first hand experience of such functions, the engineering press carried a number of similar accounts of the role of labour or employment departments in practice over the next five years. Thus, in 1922, Engineering Production carried the following account of an 'Employment Bureau' in a large, but unnamed establishment in the engineering industry. The article noted that:⁸⁶⁷

"Whilst the activities of many sections of works organisation have long been more or less systematised, it is only comparatively recently that the importance has been appreciated of instituting a methodical procedure in connection with the recruitment, discharge of labour and associated service".

The necessity of keeping records was seen as a key driver behind the institution of an Employment Bureau, keeping records for Government departments (e.g. unemployment and health insurance, income tax and accident reports), for employers' associations and trades unions (e.g. wage rates, working conditions and agreements) and for the use of the employer (e.g. employee details and histories, return of company property, reasons for leaving). The role of the 'Manager of the Employment Bureau' was portrayed as involving initial screening interviews of candidates before passing them to the foreman for a final decision, issuing of works rules to new starters, receipt of insurance cards, arranging medicals, keeping employee, medical and accident records and the processing of leaving notices.⁸⁶⁸

In the same year, Sir Henry Fowler, Chief Mechanical Engineer of the Midland Railway, provided an account of how employment management had developed

⁸⁶⁷ Campbell (1922), op cit, p188.
⁸⁶⁸ ibid, pp188-190.

in the railway industry, strongly emphasising its role in the company's scheme of scientific management.⁸⁶⁹ Arguing that "greater attention" was now being paid to shop management and "speeding up",⁸⁷⁰ the greatest impact of change had been on the role of the traditional foreman. His former rights to engage and dismiss, fix piecework prices, order and receive materials and determine the rates of pay of his men had "naturally of recent years changed very materially".⁸⁷¹ A key factor had been trade union recognition which had standardised wage rates and this had had the effect of taking pay determination out of the hands of the foreman. Another key factor had been scientific management introduced in the Midland Railway, within which employment management was seen as an integral part and impact of these developments were summarised as follows:⁸⁷²

"Men are engaged by the employment manager and allocated by him to the shops. The materials are ordered and allocated to the shops by the order office. Machines for carrying out the operations are purchased after collaboration between the drawing office and the works engineer and they are fixed in the shop by the works engineer's staff, their speed and feed being controlled by feed and speed experts. Progress of the work through the shop is governed by a planning department, its heating, ventilation and lighting by the welfare department, and any disciplining of the men by the employment manager. Piecework or premium prices are set and controlled by timers under the direct supervision of a special department. Any question of dealing with labour or shop conditions is dealt with in conjunction with the shop committee".

Thus, apparently, many of the key ideas in Taylor's scheme of scientific management had been implemented at the Midland Railway by this time, including functionalisation, rate-fixing by 'speed and feed experts', the premium bonus and the installation of an employment department, together with the acceptance in a context of trade union recognition that such initiatives were subject to the joint control of management and the shop committee.

⁸⁶⁹ Fowler, Sir Henry (1922), Some notes on shop management, Engineering and Industrial Management, 26 January, pp106-107.

⁸⁷⁰ *ibid*, p106.

⁸⁷¹ *ibid*.

⁸⁷² *ibid*.

The journal, Engineering Production, returned in 1925 to the topic of 'The Labour Office', noting that "many firms have started these labour offices" and referring to them "one of the most important departments in a big engineering works".⁸⁷³ Whilst being mainly concerned to argue the case for having a qualified engineer in charge of it, as noted earlier, the role of the labour manager was portrayed as mainly being concerned with recruitment, but also grievance handling, exit interviewing and record keeping.

In parallel to the development of employment or labour management in sectors predominantly employing manual workers in the early 1920s, a concept of 'centralised staff management' also emerged in white collar sectors, notably in retailing, and an account of this development first appeared in the Journal of Industrial Administration in May 1921 in an article by Gladys A Burton, Director of Education at Selfridge and Co. Burton noted that the predominant model in the retail sector at that time revolved around welfare departments which had little executive authority and low status.⁸⁷⁴ Her summary of the position generally pertaining in retailing was as follows:⁸⁷⁵

"It is not usual to have a staff division in the UK; where one exists, the person is given no strong executive authority, but is rather a kind of welfare supervisor, acting in an advisory capacity.. Nominally... he may have the handling of employees at the moment of their entrance and departure from the business or factory, but he has usually to engage, promote, remunerate, or discharge employees at the direction of the foreman or departmental managers. His real importance in the eyes of his employer, of the foreman, and the employees as a whole can rightly be gauged by his salary, which is certainly not high enough to attract the best type of man, unless he is doing it for love".

In addition to further fuelling the debate about the status and remuneration of such officials at the time, Burton also made it clear that the conception of staff management at the company (no doubt influenced by its American origins in its approach to staff management at this time) had more in common with the

⁸⁷³ Anon (1925), op cit, p30.

⁸⁷⁴ Burton, GA (1921), The principles of centralised control of staff, Journal of Industrial Administration, 1, 5, May, pp131-138.

⁸⁷⁵ ibid, p132.

underpinning ideas of labour management than those of the welfare movement. The central role of staff management was at Selfridge's "to establish staff policy and advise line management on its subsequent interpretation".⁸⁷⁶ In common with an emergent strand of thinking amongst contemporary labour managers, one of the main objectives of staff management was "to avoid the inconsistencies and injustices of foremen's and supervisors' decisions" which were seen as ad hoc, unscientific and unprofessional.⁸⁷⁷ In addition to establishing staff policy and advising line management on its subsequent interpretation, other aspects of the role involved effecting transfers to avoid the risks of one department hiring whilst another was firing, providing a professional recruitment and selection service to line management, incorporating the recently emerging techniques of psychological testing and providing a centralised education and training service. In the main, she too distanced her approach from traditional welfare work, but recognised that it had a part to play in her conception of staff management, arguing:⁸⁷⁸

"Only when there is a strong central policy governing staff welfare... can welfare work be really successful. Only too often the welfare worker is a disillusioned individual, who started out with high hopes and enthusiasm, but became discouraged from lack of support or clearly understood policies" .

Common to all of the accounts of the period from the early to mid 1920s was the involvement of the labour department in recruitment which appeared to be the central activity. Record keeping and involvement in discipline, grievances and dismissal were also widely mentioned, whilst involvement in training and industrial relations appeared less frequently. The inclusions of references to 'staff policy', advising the line on policy and psychological testing in the Selfridge account are amongst the earliest to the use of such a framework in Britain, but this may of course have reflected the influence of the company's American parent.

⁸⁷⁶ ibid, p137.

⁸⁷⁷ ibid.

⁸⁷⁸ ibid.

Developments in practice in the 1930s

Outside the discussions in the journal, Welfare Work which have already been considered, accounts of the development of labour management in the management texts and engineering and management journals did not reappear until 1930.

In 1930, A P Young, General Manager of British Thomson-Houston Co Ltd's Rugby Works, provided an account of the role of the Employment Department in his organisation.⁸⁷⁹ The department consisted of an Employment Department Manager, reporting to the General Manager and to whom reported a 'Chief Man Employment Officer', a 'Lady Superintendent' and an 'Apprentice Supervisor', each of whom had small teams of staff. Whilst the emphasis on recruitment identified by the accounts of practice in the early to mid 1920s remained, this account of recruitment practice reflected the influence of the rationalisation debate noted earlier. Thus, recruitment was seen as part of a process of systematic planning and the control of labour supply, two important ideas which had emerged from the rationalisation debate and scientific management, as discussed earlier and the language used to describe recruitment activity strongly reflected this ideology.⁸⁸⁰

"The method of ensuring a supply of productive labour is as follows. The load variation in any manufacturing department is carefully charted by the planning section of that department under the direct control of the Superintendent. The latter will therefore look ahead and arrange...for the grade and quality of new productive labour required and the times when it will be absorbed into the shops. This request is communicated to the head of the main Employment Department"

The influence of scientific management could also be found in an account by G Hurford, Director of Manufacturing at STC Ltd, in 1932 of the role of the

⁸⁷⁹ Young (1930), op cit, pp116-118. AP Young, an electrical engineer, joined British Thomson-Houston in 1901; he became works manager at the Company's Coventry works in 1921 and works manager at the Rugby works in 1928 (Jeremy and Shaw (1986), op cit, v 5, pp930-931).

⁸⁸⁰ *ibid*, pp116-117.

'Personnel Department' in his organisation, probably one of the earlier British-owned organisation to use this term.⁸⁸¹ As in the previous accounts of the early to mid 1920s, the department's activities involved recruitment, selection, employee records and statistics, as well as accident prevention, medical and welfare provisions, sick benefits and pension plans. However, in this account too, there was more emphasis on recruitment as a scientific activity. Thus, each job in both factory and office had a job specification and selection was carried out against the criteria set out in the specification. Tests and examinations were used in the selection process. The company also had an appraisal scheme in place and each employee was assessed annually on a scale of performance of 1 to 5 against ten performance criteria:

1. Knowledge of job
2. Intelligence
3. Quality of work
4. Quantity of work
5. Co-operation
6. Initiative
7. Keenness and loyalty
8. Ability to make decisions and take responsibility
9. Ability to train employees
10. Organising ability

Though it was not clear whether the Personnel Department was responsible for producing job specifications, the need for management to analyse jobs and specify criteria against which employees would be selected, performance would be assessed and training needs identified all stemmed from ideas which had their origins in scientific management.

Another of the key ideas of the labour management movement in the 1920s and 1930s which, as noted earlier also had its origins in scientific management - the importance of labour policy - was also highlighted in a review of the

⁸⁸¹ Hurford (1932), op cit, p24.

'Personnel Policy' of motor manufacturing firms in 1933.⁸⁸² The names of both writer and firm were not given, but we were told that the firm was based in the West Midlands. The author described their arrangements as follows:⁸⁸³

"The Employment Department is a particularly important feature of the personnel policy of motor manufacturing firms... The principal object of the department, states the Employment Manager of one firm, is to determine that no person is engaged who is not a profitable investment; and this must be the guiding axiom of the department.. The Employment Department should also be responsible for the industrial and social welfare of employees, and in this connection, should work in conjunction with workers' committees or joint factory council.. Personal grievances should be ventilated either through the joint factory organisation or through the Employment Department.. If the complaint is serious, the Employment Manager will be in an independent position to submit the matter for consideration to an appropriate quarter.. The Employment Department should be responsible for the engagement and dismissal of employees, but always acting in conjunction with departmental managers."

The account equated 'personnel policy' with recruiting the 'right type of man' and was thus narrower in conception than the approaches advocated by those such as Urwick and Northcott. The account served again to highlight the importance of recruitment as a key activity within labour management, in addition to its well-established role in discipline and dismissal. It also, however, re-introduced the function's involvement in industrial relations, an aspect missing from most accounts since the First World War and immediately after. It is not possible to conclude from the information given whether or not this had been a recent development, but it mirrored the interest in 'labour' and 'industrial relations policy' shown by the leading figures in the Institute of Labour Management at this time, as was discussed earlier.

Further evidence of a growing role of labour managers in plant level industrial relations in the early to mid 1930s also emerged from an article by J H Richardson, Montagu Burton Professor of Industrial Relations at the University

⁸⁸² Anon (1933), op cit, pp10-11 & 17.

⁸⁸³ *ibid*, pp10-11.

of Leeds and author of a leading industrial relations textbook of the 1930s.⁸⁸⁴
Richardson concluded that:⁸⁸⁵

"An increasing number of firms were finding it necessary to appoint labour or employment managers who were given responsibility for many of the human problems of the undertaking... Labour managers usually found it necessary to establish machinery for consultation with representatives of the workers, for example, by means of works councils". Consultation covered a wide range of issues, including works rules, safety, working conditions, efficiency, waste, and so on".

A review of the work of labour management functions in the engineering industry in 1934 was provided by a mechanical engineer, GW Tripp, in The Engineer.⁸⁸⁶ Entitled 'The Works Personnel Department in the Engineering Industry', the account was based on the writer's experience of practices in the industry which he indicated had apparently adopted labour management functions on a relatively wide basis, though not always with entirely satisfactory results. According to Tripp the typical features of the organisation and staffing of the labour management function in the engineering industry were as follows:

"The size of the Labour Manager's staff will depend on the magnitude of the undertaking, but in a large works he will undoubtedly require a good deal of help. It is suggested that he should have two assistants of equal standing, one of whom would act as his right-hand man, deputise for him in his absence, prepare his cases, and clear up a number of minor problems without reference to his chief, while the other would be more of a specialist, devoting all his energies to the youth of the works, and probably be known as the 'apprentice supervisor', a term that appears to be generally accepted at the present time...Should female workers be employed in considerable numbers, it will be advisable to have a third assistant answerable only to the labour manager... a 'women's supervisor'...The number of clerks cannot be estimated without some knowledge of the size of the business..(but) it must be stressed that if the department is to function properly, there must be a sufficiency of staff to maintain all records and ensure general efficiency...Many firms have been disappointed in the results solely because they have never tackled the problem seriously".⁸⁸⁷

⁸⁸⁴ Richardson, JH (1933), Industrial Relations in Great Britain, London, King and Son.

⁸⁸⁵ Richardson (1932), op cit, p578.

⁸⁸⁶ Tripp (1934), op cit, pp474-475.

⁸⁸⁷ ibid.

The account of the organisation of the function, with a three-way split between males, females and youths, replicates a pattern described in other articles going back to the time of the First World War and it would therefore appear that this became a relatively enduring feature of labour departments in the inter-war period. The concluding comments about lack of resources devoted by firms to labour departments is a useful reminder that they probably still tended not to be viewed as central to the management structures of organisations, whilst performing a useful role, investment in staff resources had been limited and in consequence, there had been disappointment with the results achieved.

Tripp's article summarised the typical activities of the works Personnel Department as follows. In common with all other accounts, recruitment and selection remained prominent and he also noted that there had been a tendency, where labour managers had established credibility with foremen and works managers, to take over executive authority in recruitment decisions. A further role involved chairing works committees, re-emphasising the apparently growing importance of labour managers in works industrial relations that had become evident in other accounts of the mid 1930s. Echoing an earlier debate about the extent to which works managers should delegate certain of their traditional industrial relations activities to labour managers, Tripp noted when "matters concerning piecework prices, wages and questions of production" arose at works committees chaired by the labour manager, "it may be considered desirable for the works manager to preside, but even so the labour manager or his deputy should be present".⁸⁸⁸ Another emergent role of labour managers was in chairing promotion boards. Arguing that internal promotion provided routes to "upward mobility" and engendered "a spirit of commitment" he argued that:⁸⁸⁹

"It is of paramount importance that the method of promotion be above reproach, and for this reason many firms have adopted the very wise expedient of a promotion board, although many still make the mistake of regarding the matter as the concern of the works management alone, to the exclusion of the

⁸⁸⁸ *ibid*, pp474-475.

⁸⁸⁹ *ibid*, p475.

labour manager. If, however, the latter is made chairman of the board he cannot be accused of departmental bias".

As with a number of accounts of the development of labour management, from the period of the First World War, themes such as 'equity', 'fairness' and, here, 'above reproach' emerged strongly as underpinning values in many organisation's approaches to employment policies. 'Nepotism', 'favouritism', 'corruption' and similar notions that implied inherent risks of bias or excessive power concentrated in the hands of individuals, had come to be viewed as symbolising the old pre-war order - unscientific, 'rule of thumb' and above all, inequitable in post-war circumstances. The tensions between the old ways and the new are evident in the labour manager's involvement in promotion decisions. Tradition held that identifying candidates for promotion was the right of works managers, but new ideas associated with equity, 'engendering and maintaining a spirit of contentment' through providing opportunities for 'upward mobility' required that the method of promotion needed to be seen to be 'above reproach'. The safeguarding of these new values and the avoidance of accusations of 'bias' required that the labour manager should be involved to ensure fair play. Similar notions of equity and the promotion of ethical business practice were also apparent in another of the labour manager's emergent roles in the mid 1930s. Tripp noted that since the war the employment or labour policies of engineering employers had increasingly adopted the notion of permanent employment of manual workers in place of the casualisation of the pre-war period, including some growth in the adoption of pension schemes for manual workers. Tripp concluded his review by reiterating the widespread adoption of the principle that no dismissal should occur without the approval of the labour manager, again emphasising the equity in such an approach as "a salutary check on the foreman's impetuosity".⁸⁹⁰

A reference by Hiscox and Price⁸⁹¹ to industrial training as part of the remit of the Employment Department may be indicative of an increased interest in this

⁸⁹⁰ ibid.

⁸⁹¹ Hiscox and Price (1935), op cit.

subject, given that much of the discussion in the mid 1930s, as noted earlier, about a planned approach to labour management saw training and retraining as central to it in a context of technological change. In the same year, Ferguson,⁸⁹² a senior official at the Association for Education in Industry and Commerce since its foundation in 1919 (which merged with the British Association for Commercial and Industrial Education (BACIE) in 1935), published the results of an extensive survey of training in industry carried out between 1931 and 1934. He noted that the enquiry was initiated in 1931 "when much public attention was then being given to such questions as the qualifications of recruits to industry, the methods of training and the kind of education best suited to develop these recruits"⁸⁹³ and concluded:⁸⁹⁴

"For many years a steadily growing number of employers have realised that for the fullest and best development of industry it is of the highest importance that the most careful and through attention should be given to the education, training and development of the human factor in industry".

The study provided detailed accounts of the training programmes at 18 employers who responded to the survey, though it was not stated how many employers in total were contacted. Extensive detail was provided on a wide range of training schemes operated by the participating organisations and only a brief overview can be provided here. The types of training identified included evening classes in office skills, executive trainee schemes and sales training at Rowntree; a staff of seven in a central training department at Harrods involved in induction, shopfloor sales training and executive training programmes for school leavers and graduates; office, sales and executive training programmes at United Dairies; apprentice training with college day release at Lever Brothers; training schemes for professional engineers with part-time study for external University of London degrees in mechanical and electrical engineering at Metropolitan Vickers; and foreman and supervisor training at Peak Freen.⁸⁹⁵

⁸⁹² Ferguson, RW (1935), ed, Training in Industry, London, Pitman.

⁸⁹³ *ibid*, p1.

⁸⁹⁴ *ibid*, p15.

⁸⁹⁵ *ibid*, pp57-147.

Mindful of Ungerson's⁸⁹⁶ assessment that "comparatively little progress" had been made in the field of industrial training in the inter-war period beyond the initiatives of "a few of the more progressive firms" and also that this survey was both on a limited scale and contained replies from firms who might be seen as 'progressive', the progress of industrial training within the remit of labour management functions should not be exaggerated.

An assessment of the extent of development of labour management by 1939 and the companies practising it

Niven⁸⁹⁷ quotes an unsourced estimate that there were 1800 welfare officers and labour managers in 1939, 40 per cent of whom were male. This contrasts with a previous survey of the late 1920s by the Industrial Welfare Society showing the number of male welfare workers at less than four per cent of the total, though this would in all probability have excluded those involved in employment or labour management whose main roles were not in welfare. According to Niven,⁸⁹⁸ three-quarters of the Institute's membership in 1939 were female and evidence suggests that by 1939, they remained predominantly employed in welfare work. Indications can be gleaned from an analysis of the job titles of the appointments of members to new posts between 1930 and 1939 in Welfare Work (January 1930 to June 1931) and Labour Management (July 1931 to December 1939), of which a total of 157 were made. Though caution is required because job titles may be indicative, but not definitive, evidence of the orientation of roles towards either welfare or employment/labour management, it is possible to discern the following. Between 1930 and 1933, all 72 appointments announced contained 'welfare' in the job title, usually 'welfare worker', 'welfare officer' or 'welfare superintendent'. Between 1934 and 1939, around 90 per cent of appointments referred exclusively to 'welfare', whilst the remaining 10 per cent referred to employment supervisors/managers, labour officers or labour managers, with the exception of 1935 and 1939 when the

⁸⁹⁶ Ungerson (1940), op cit, p26.

⁸⁹⁷ Niven, op cit, p76, p81.

⁸⁹⁸ Niven, op cit, p125.

latter rose to 30 per cent in both of these years. Whilst no clear trend is obvious, there are some indications of a decline in the exclusive orientation towards welfare evident in the early 1930s. However, it is also important to stress that since the bulk of the appointments announced were for females (95 per cent) and the apparent decline in the use of 'welfare' in job titles may reflect a change in fashion, rather than any real orientation away from welfare.

Another trend of significance during the 1930s was the apparent growth in the number of men engaged in this field of work from a probable underestimate of less than four per cent in the late 1920s to 40 per cent by 1939, three-quarters of whom remained outside the membership of the institute at that date.⁸⁹⁹ Since Labour Management inevitably reported on the activities of those active in the ILM via articles, branch events, conferences and announcements of appointments, much of the work of this majority outside its membership went unreported. It is, however, possible to identify from the columns of Labour Management those people who were active within the ILM after its creation in 1931 and which companies they came from. It is also possible to identify that they were predominantly male, predominantly from heavier industries such as engineering and most had such job titles as employment/labour/personnel officer or manager, or, where white collar employment was mainly involved, staff manager. Before considering the evidence of who was actively involved in the labour management movement of the 1930s, it is first worth summarising what is known about the evolution of employment or labour management functions prior to this time based upon evidence from sources already cited.

Before 1914, the evidence of the existence of employment or welfare departments on a functionalised basis indicates that they were not widespread. The employment of welfare workers was limited to a small number of companies before this time and employment departments were few in number. Rowntrees had installed an Employment Department under an Employment Manager in 1904; Selfridges had appointed a Staff Manager heading up a Staff Department in 1909; Peak Frean had appointed an Employment Manager in its

Employment Department around 1910; Hans Renold has done similarly, also in 1910; and John Dickenson had set up a Labour Bureau in 1911. All the contemporary evidence showed that both welfare work and labour management, the latter with a strong focus on industrial relations, expanded significantly during the First World War and that by the end of the war and into the early 1920s, Employment or Labour Departments had become widely established in larger companies. Evidence about which companies had such departments and what their activities were in the 1920s is, however, somewhat limited in contemporary sources. Rowntrees installed a functionalised Labour Department in 1922, the function having evolved rapidly from a 'Social Department' before 1917 to a 'Central Employment Department' in that year.⁹⁰⁰

An Employment Department headed up by an Employment Manager at Hans Renold and a Labour Director heading up a Labour Department at Brunner Mond continued in the post-war period (see next chapter), as did the existence of an Employment Department under an Employment Manager at Peak Frean under AS Cole. Selfridges continued to employ the Staff Manager appointed in 1909 (and elevated him to Staff Director in the 1930s) and also in 1921 appointed a Director of Education.⁹⁰¹ Lewis's of Liverpool appointed a Staff Director in 1920 and the Midland Railway had an Employment Department in place in 1922.⁹⁰² At Metropolitan-Vickers men's and women's Employment Departments were in place in 1920, managed by what were termed 'labour superintendents'.⁹⁰³ On the formation of ICI in 1926, a Central Labour Department was established under a Director, Henry Mond, to whom reported a Chief Labour Officer (see next chapter) and by 1929, Carrs of Carlisle had a

⁸⁹⁹ Derived from Niven's figures, op cit.

⁹⁰⁰ Fitzgerald (1995), p245; BS Rowntree Archive BSR93/VII, p1b.

⁹⁰¹ Pound, R (1960), Selfridge: A Biography, London, Heinemann, p51; Honeycombe, G (1984), Selfridges: 75 Years: The Story of the Store, London, Park Lane Press, p186; Burton, G (1921), op cit, p131.

⁹⁰² Lord Woolton (1959), Memoirs of the Rt Hon Lord Woolton, London, Cassell & Co, p70; Fowler (1922), op cit, pp106-107.

⁹⁰³ Mensforth (1920), op cit, pp306-308; Dummelow, J (1949), Metropolitan-Vickers Electrical Co Ltd: 1899-1949, Manchester, the Company, p118.

board member for labour policy.⁹⁰⁴ Beyond that there was some evidence that “many firms” in the engineering industry had Labour Offices in place.⁹⁰⁵

Much more evidence emerges of the existence and activities of Employment, Labour and in some instances Personnel Departments in the 1930s, much of this stimulated by the establishment of the ILM in 1931 and the growing caucus of Labour Officers/Managers, mostly male, who became actively involved in its affairs. Between 1930 and 1939, the columns of Welfare Work and Labour Management contained a considerable number of references to the activists in the labour management movement and also carried articles written by many of them. What follows is a summary of these references, together (where indicated) with other information gleaned from business histories. By 1930, Thomas Firth and Sons, Sheffield Steelmakers, and Green and Silley Weir, had Labour Officers in post, both of whose incumbents (AG Marshall and WHM Jackson respectively) were leading figures in the ILM and British Thomson-Houston had an Employment Department under an Employment Manager reporting to the General Manager in place. By 1931, a Labour Management function was in place at WD and HO Wills. By 1932, Standard Telephones and Cables had established a Personnel Department under a Personnel Manager, Needler's of Hull, chocolate makers, had a Head of Employment and Health and at Harrods, a Staff Manager was in post. By 1933, Mavor and Coulson of Glasgow had a Labour Manager, its incumbent JB Longmuir being active in the ILM. In 1934, both Marks and Spencer and Pilkingtons established Central Personnel Departments, both concerned with training, management development and management succession.⁹⁰⁶ Reports of the existence of Labour Departments under Labour Officers or Managers in the following companies appeared in Labour Management in 1934: Owen Owen, Liverpool, Cross and Blackwell, Planter's Margarine, Dunlop Rubber, and Avon Rubber; Employment Departments were reported at Osram GEC and Cadbury's. In

⁹⁰⁴ Niven, op cit, p80.

⁹⁰⁵ Anon (1925), p30.

⁹⁰⁶ Rees, G (1969), St Michael: A History of Marks and Spencer, London, William Clowes and Son, pp93-94; Barker, TC (1977), The Glassmakers Pilkington: The Rise of an International Company, London, Weidenfeld and Nicholson, pp333-334.

1935, the existence of a Labour Officer at Beyer Peacock, Labour Managers at Ashton Brothers, Hyde and Atkins of Hull, an Employment Manager at the Austin Motor Company and a Personnel Manager at David Brown & Sons in Huddersfield were noted. Towards the end of the decade, Courtaulds established a Central Labour Department under a Chief Labour Officer and in the same year, Boots (Wholesale) appointed its first Personnel Manager.⁹⁰⁷ Both companies had previously had a strong welfare orientation and both had made these appointments in the light of a need to manage industrial relations.⁹⁰⁸ Labour Management also reported that Crompton Parkinson had a Personnel Manager in post by 1938 and Joseph Lucas had a Labour Manager in place by 1939. Topics of particular interest presented in articles and conferences by a number of the above included business planning, labour policy, recruitment and selection, discipline, works councils, training and industrial relations.

In December 1934, the ILM established a sub-section known as the Staff Management Association⁹⁰⁹ which operated as a separate branch and ran its own meetings and conferences. From 1936, it also received its own column in Labour Management. Bringing together people who were mainly concerned with labour management amongst non-manual workers (and who often dubbed themselves 'Staff Managers'), its leading figure was FW Lawe, Staff Manager at Harrods, its active membership came from the following organisations: Selfridges, ICI, STC, Boots, Owen Owen, Peak Frean, the BBC, National Provincial Bank, Midland Bank, Westminster Bank, John Lewis Partnership, Inland Revenue, the GPO, Debenham and Freebody, Unilever and the Central Electricity Board. Topics of discussion amongst staff managers included recruitment and selection, including the use of psychometric tests, training, performance appraisal, promotion and management succession, staff grading and staff welfare.

⁹⁰⁷ Coleman, D (1969), Courtaulds: An Economic and Social History, v 2, pp448-449; Chapman, S (1974), Jesse Boot of Boots the Chemists, London, Murray, p194.

⁹⁰⁸ *ibid.*

⁹⁰⁹ Niven, *op cit*, p86.

As regards companies pioneering a more systematic approach to training, an emerging branch of labour management, Ferguson⁹¹⁰ identified the following organisations: Harrods; Gas, Light and Coke Company; Lever Brothers; Cadbury; Reckitt and Sons; Boots; Spirella Company of Great Britain; LMS Railway; LNER; Great Western Railway; United Diaries; Rowntree; Tootal Broadhurst Lee; Morland and Impey (Birmingham); Metropolitan Vickers; Lyons and Co; Peak Frean and Co; and G & J Weir. In addition, Niven⁹¹¹ also notes the existence of systematic training at Lewis's of Liverpool and the Fine Spinners and Doublers Association.

Evidence from a wide range of sectors indicates that employment, labour and staff management had become significant. These sectors include: food manufacturing, electrical and mechanical engineering, chemicals, railways, motor manufacturing, steelmaking, rubber, glassmaking, pharmaceuticals, banking, broadcasting, post and telecommunications, electricity supply and the civil service. For an assessment of the extent of these developments, we have to rely on the views of contemporary observers. As far back as 1928, Lee noted that "two of the most prominent members of the works executive today are the works engineer and labour manager".⁹¹² In 1930, AP Young, General Manager of British Thomson-Houston's Rugby Works, concluded "many companies have taken the logical steps in an employment policy of co-ordinating in an employment or labour department".⁹¹³ In 1933, a review of labour management in the motor industry by an unnamed reviewer concluded that "the employment department is a particularly important feature of the personnel policy of motor manufacturing firms".⁹¹⁴ In 1934, JH Richardson, Professor of Industrial Relations at Leeds University and author of the leading contemporary textbook on industrial relations concluded that "an increasing number of firms were finding it necessary to appoint a labour or employment manager".⁹¹⁵ In 1936,

⁹¹⁰ Ferguson (1935), op cit.

⁹¹¹ Niven, op cit, pp78-79.

⁹¹² Dictionary of Industrial Administration, (1928), 2 vols, London, Pitman, p1130.

⁹¹³ Young, op cit, p154.

⁹¹⁴ Anon, op cit, p 10.

⁹¹⁵ Richardson, op cit, p578.

FM Lawe, Staff Manager at Harrods and, as noted above, a leading figure in the ILM's 'Staff Management Association', put the view that "during the last ten years staff and labour management have made great strides in establishing itself as a separate function of management" and moreover "the technique of staff training has advanced greatly in recent years".⁹¹⁶ A final assessment comes from BS Rowntree in 1938 in the third edition of his book The Human Factor in Business which appeared in 1938. Here, he concluded, "in the last thirteen years many of the practices fully described in my previous [1925] edition are now so commonly employed that it seemed unnecessary to dwell on them in detail".⁹¹⁷ The conclusions of contemporary observers offer quite strong evidence of the growth and extent of employment, labour and staff management by 1939.

Conclusions

The period from 1890 to 1939 had witnessed the emergence and growth of a distinct labour management movement with entirely different traditions and philosophies from the welfare movement. Commencing with shifts of power away from foremen to works managers in relation to labour management decisions, the period before 1914 saw the tentative emergence of 'employment departments' or 'employment bureaux' to whom some decision-making mainly in the field of recruitment were delegated. The conditions of war had served as a major stimulus to the formalisation of labour management functions, concerned with a broad remit of activities including selection, discipline, dismissal, grievance handling, workplace industrial relations and tentatively, some involvement in industrial training. The stimulus had come from a combination of factors, including statutory regulations requiring interpretation within workplaces, the growth in size and power of trade unions and their demands for greater workplace democracy and recruitment difficulties in the context of a tight wartime labour market. It had not, as its practitioners were at

⁹¹⁶ Lawe, FM (1936) Trends in personnel management, British Management Review, January-March, p85.

⁹¹⁷ London, Longmen Green, p vii

pains to point out, emanated from welfare work which represented a marginal and often unwanted activity placed under their control, mainly concerned with the rapid growth in female employment during the war. All the assessments of observers towards the end of the war and immediately after it put the view that the development of labour management, involving the wide array of activities outlined, had been a significant one and none argued instead that welfare work, with its more limited scope, had emerged as the more enduring influence. Following the growth in interest in scientific management during the First World War, further interest in this topic and ideas emanating directly from it burgeoned in the post-war period and became the single most important influence on the development of ideas about labour management in the inter-war years. The key ideas were about functional specialisation, planning (in particular the role of systematic training in planning and gaining control over firms' labour supply in the context of technological change) and the standardisation of practices within the framework of labour policies. Evidence from a wide range of industries suggests that the considerable growth in the employment of males in employment, labour or personnel management, particularly during the 1930s, represents a significant development. Welfare work remained the main focus of females in this field and since females were in the majority, it is reasonable to conclude that labour management had not overtaken welfare work by 1939, but had made significant inroads. Welfare work had, however, been marginalised within the professional institute by the propaganda of the activists of the labour management movement. The rapid growth of males in labour management would presage a trend such that by the period just after the Second World War, slightly less than half the membership of the institute would be female.⁹¹⁸

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Niven, op cit, p125.

CHAPTER 6

CASE STUDIES IN THE DEVELOPMENT OF PERSONNEL MANAGEMENT AT COMPANY LEVEL: 1890-1939

Chapters 4 and 5 have been concerned to trace the broad development of welfare and labour management as seen through the eyes of contemporary observers and writers. The aim of this chapter is to delve in more detail into the ways in which labour management practices and functions developed over the period in question in three selected organisations. The three organisations which will be considered are Brunner Mond for the period from 1890 to 1920; Renold Chains for the period from 1890 to 1920; and ICI for the period from 1926 to 1939. The main reasons for their selection is that they have retained extensive records relating to labour management. No claims can be made that they are representative of British industry as a whole and their purpose here is to serve as illustrative examples. Whilst chapters 4 and 5 were concerned to provide a broad account of 'macro level' developments across British industry as a whole, the purpose here is to approach the developments at the 'micro level' of the firm, with the ultimate objective of assessing the extent to which broadly similar conclusions can be drawn from the macro and micro level perspectives, in addition to shedding new light on the subject.

Case Study 1: Labour management at Brunner Mond and Co: 1890-1920

This first case study considers the development of labour management at the chemical firm of Brunner, Mond and Co which by 1890 employed over 2000 people. The Company became one of the constituent parts of ICI in 1926 and thus the account of the development of labour management at Brunner, Mond and Co is considered up to 1920, whereafter the developments at ICI are considered in a separate case study covering the period from 1926 to 1939. After providing some introductory information about the founding figures, Brunner and Mond, and the Company's policy and decision-making structure,

the development of its labour management policies and practices will be considered in two periods - 1890 to 1914 and 1915 to 1920.

Brunner, Mond and Co was founded in 1873 by John Tomlinson Brunner (1842-1919), knighted in 1895, and Dr Ludwig Mond (1839-1909), located at Northwich, Cheshire. John Brunner, whose father had come to England from Switzerland in 1832, had spent a dozen years on the financial and commercial side of a chemical manufacturing firm in Widnes. Ludwig Mond, a chemical engineer and German by birth, had come to England in 1867. The basis of the business was the production of soda by the recently developed and more efficient Solvay method for which Mond had secured licences to produce for the British and American markets from its Belgian inventor. Soda was an increasingly important commodity in the manufacture of a wide range of products, including soaps, dyes, textiles, paper and glass.⁹¹⁹ Since the characters and beliefs of the Company's founders had a significant impact on the nature of labour management policies and practices, it is appropriate to open by considering what these were.

Characters and beliefs of the company founders

According to his biographer, John Brunner was heavily influenced by his Unitarian upbringing which emphasised temperance, frugality and the quintessential Victorian values of hard work "which he advocated with all the fervour of a Samuel Smiles".⁹²⁰ Unitarianism also gave him an independence of thought and in contrast to many other employers of his day, he positively encouraged trade unionism in his workplaces and was later reported as saying to his workers, amid the wave of 'new unionism in the late 1880's, "nothing would please me more than that you should band together for your common good".⁹²¹ In keeping with his Liberal principles, however, he was always

⁹¹⁹ Koss, SE (1970), Sir John Brunner, Radical Plutocrat 1842-1919, London, Cambridge University Press, pp3-4 & 13-14; Goodman, J (1982), The Mond Legacy, London, Weidenfeld and Nicholson, pp35-36.

⁹²⁰ Koss (1970), op cit, p39.

⁹²¹ ibid, p148.

opposed to compulsory trade union membership amongst his workers, arguing that "for trade unionism to do its best work, freedom of contract and the rights of the individual would have to be respected by all the parties".⁹²² Brunner was also strongly opposed to any intervention by government or others in the affairs of industry. Koss argues, however, that "this was no cynical espousal of laissez-faire arguments, but rather the expression of a strongly held belief that management must assume the full burden of its responsibilities".⁹²³ As we shall see, his belief in independence of action led him to eschew membership of an employers' association for a long time after many employers had done so for collective bargaining purposes.

Ludwig Mond was in many respects a more radical character. From an early age he had espoused socialism and in his first years in England his biographer describes him as adopting "socialist-comradely ideals towards the British working man".⁹²⁴ After these early years, Mond remained a professed, but 'theoretical' socialist, having become somewhat disillusioned by the British working man whom he had once eulogised. Koss observes that he "found it difficult to appreciate the attitudes and conventions of English workmen... he could not understand why employees would stint on their efforts when he gave so freely of his; at the works, as at home, he was first and foremost a strict disciplinarian".⁹²⁵ Mond's relationships with all his staff, from shopfloor to directors, were characterised by fear and respect.⁹²⁶ It was perhaps typical of the man that when he died in 1909, he left a legacy to provide pensions for 'elected' employees of a pound a week, to be determined by a representative committee.⁹²⁷

Of the two men, Brunner would prove to be the more influential in shaping the overall direction of labour policy at the company, not least because he occupied

⁹²² *ibid*, p149.

⁹²³ *ibid*, p38.

⁹²⁴ Cohen, JM (1956), The Life of Ludwig Mond, London, Methuen, p158.

⁹²⁵ Koss (1970), *op cit*, p35.

⁹²⁶ Cohen (1956), *op cit*, p159.

⁹²⁷ Watts, JI (1923), The First Fifty Years of Brunner Mond 1873-1923, privately published, Winnington, Northwich, p81.

the role of chairman from 1891 to 1918, whilst Mond's research and other business interests resulted in his having less involvement in policy-making, particularly from the early 1900s onwards.⁹²⁸

Policy and decision-making structures before 1914

When production commenced in the spring of 1874, Mond took responsibility for the manufacturing side and Brunner the management side: finance, buying, selling, labour relations and working conditions.⁹²⁹ From the early days of the company into the 1880s, the recruitment of professional staff was an important priority and this lay in the hands of Brunner and Mond personally, with Brunner being responsible for non-technical and commercial appointments and Mond for all technical appointments.⁹³⁰ In the main, Mond relied on recruiting foreign-trained chemists, mostly German-speaking. However, through his connections with Professor Roscoe at Owen's College in Manchester, a few British-trained chemists were recruited for more junior technical roles, such as laboratory work, but the most promising of these were subsequently transferred from technical to executive posts at an early date.⁹³¹ Cohen recounts that overseas-trained scientists (especially German-speaking) remained preferred for research work, but that the company tended to choose local "North Country science graduates, often of strict, sometimes of teetotal upbringing and to transfer the most promising of them from scientific posts at an early date".⁹³²

By the early 1890s, the numbers employed had grown to a considerable size - all the more remarkable since heavy industry generally was depressed during this period.⁹³³ By 1889, 2225 people were employed and by 1893 this had grown to over 3600.⁹³⁴ From the mid 1880s, both Brunner and Mond withdrew

⁹²⁸ Goodman (1982), op cit, p47; Reader, WJ (1970), Imperial Chemical Industries: A History: Volume 1: The Forerunners 1870-1926, London, Oxford University Press, p220.

⁹²⁹ Goodman (1982), op cit, p36.

⁹³⁰ Reader (1970), op cit, p101; Cohen (1956), op cit, p158.

⁹³¹ Cohen (1956), op cit, p158; Koss (1970), op cit, p34.

⁹³² Cohen (1956), op cit, p158.

⁹³³ Reader (1970), op cit, p101.

⁹³⁴ Brunner Mond Archives, hereafter referred to as 'BM'; see Appendix 'Research Note on Primary Historical Sources Consulted' for further detail. BM3/2/1, p309; BM3/2/4, p369.

from the day-to-day management of the enterprise and increasingly placed the running of the business in the hands of carefully selected managers and working directors. Brunner sat as a Liberal MP from 1885 to 1910 and Mond moved to London in 1884 to pursue research and other business interests. As Reader⁹³⁵ has observed, the company evolved what was effectively a two-tier Board structure. The main Board represented the interests of the owners and from 1884 the operational affairs of the company were managed by a Board of managing directors.⁹³⁶ Brunner himself became chairman in 1891 and held office until 1918.⁹³⁷ According to Koss,⁹³⁸ both Brunner and Mond attended board meetings and approved "any fundamental changes in commercial policy or technique", with Brunner giving longer active service and visiting the works more frequently. The detailed operational decisions, including labour policy decisions, were made by the monthly meetings of managing directors which both Brunner and Mond also attended, the latter less frequently after 1900. Koss has expressed the view that the establishment of the managing directors' board and the increased delegation of decisions to professional managers, many of whom were trained scientists, from the mid 1880s reflected the fact that "Brunner Mond and Co had outgrown the paternal management of its founders".⁹³⁹ No doubt the technical and research capability of the firm did increasingly rely on the talented team of chemical engineers, many from Germany and Switzerland, which Mond had recruited, but Brunner was often deferred to in important matters of labour policy, for example (as will be discussed below) trade union recognition, the firm's policy on membership or non-membership of a trade union, inter-union relationships and demarcation issues, membership or non-membership of employers' associations, employee pensions and certain pay claims.⁹⁴⁰ In matters of labour policy, Brunner remained influential until he became less active in operational decisions in the early 1900s, but the basic tenets of his philosophy and his influence as

⁹³⁵ Reader (1970), op cit, p92.

⁹³⁶ *ibid*, pp220-221.

⁹³⁷ *ibid*, p480.

⁹³⁸ Koss (1970), op cit, p46.

⁹³⁹ *ibid*.

⁹⁴⁰ BM3/2/4-5.

chairman continued to shape the company's approach to labour management close to the time of his retirement in 1918.

The evolution of labour management: 1890-1914

Three strands may be identified in the development of the company's approach to labour management in an era before the establishment of a formal labour management function (which did not occur until 1916). The first, closely associated with Brunner's personal beliefs, was based, like many other employers of the time, on welfare and paternalism. The second, again closely associated with Brunner's philosophy, concerned the management of industrial relations at a time of significant growth in trade union membership. The third, against a background of growth in company size, involved the evolution of bureaucratic labour administration within what was known as the 'Time Office'. It is to each of these strands of development that we now turn.

Welfare and paternalism

Brunner, like many other good employers of his day, was a paternalist who provided welfare benefits. Various housing schemes were initiated between 1882 and 1910 for key workers, as was fairly common practice at this time, with in excess of 700 houses being owned, though this initiative was more aimed at attracting and retaining workers than pure benevolence.⁹⁴¹ In terms of Brunner's approach to welfare benefits, he was always anxious that, wherever possible, these were not seen as purely employer benevolence, but rather as welfare schemes which employees contributed to and managed for themselves. One example was the contributory sick club, set up from the early days in 1877, which was managed by the employees themselves. Koss notes that Brunner himself "served by invitation as its President, but his duties were confined to taking the chair at the annual meetings; policy-making and financial control rested in the hands of a committee, elected by the members".⁹⁴² Over and above the arrangements made by the workers themselves through their contributory sick club, the main board also agreed discretionary payments to long term sick employees, particularly those who had given long and faithful service.⁹⁴³ In 1898, the rules were formalised and the company agreed to grant employees of over 25 years of service weekly 'compassionate allowance' payments on a discretionary basis to those who had been unfit for work for up to 52 weeks, extendable at the board's discretion.⁹⁴⁴

Pensions were considered by the board for foremen in 1899 and for other workers in 1901, but Brunner stood out against them.⁹⁴⁵ His reasons seem to have related to cases of employer abuse of company pension schemes reported at this time which had resulted in funds being used to fine employees guilty of misconduct. Brunner wrote of his 'repugnance' at such abuses, referring to them as "despotism, however paternal".⁹⁴⁶ Pensions eventually

⁹⁴¹ Watts (1923), op cit, pp83-86; Haber, LF (1971), The Chemical Industry 1900-1930, Oxford, Clarendon, p399.

⁹⁴² Koss (1970), op cit, p153.

⁹⁴³ BM1/2/3.

⁹⁴⁴ Watts (1923), op cit, p76.

⁹⁴⁵ BM3/2/5 pp133 & 254.

⁹⁴⁶ Koss (1970), op cit, pp152-153.

came into being through the fortuitous route of the Mond legacy in 1910 which provided a fund left in trust after Ludwig Mond's death in 1909 to pay pensions to 'elected' employees of £1 a week, determined by a committee of employee and management representatives.⁹⁴⁷

As regards holidays with pay, Brunner Mond was the first company in Britain to introduce them, doing so in 1884.⁹⁴⁸ This put them well in advance of other employers, many of whom did not introduce these until the inter-war period. Holidays with pay were not, however, only introduced out of benevolence, but also out of a desire to increase efficiency. They applied to all workers after one year's service and were conditional on a worker having not lost more than a certain number of shifts during the preceding year for reasons other than genuine sickness for which evidence had to be provided. No doubt because of the arduous nature of the work and the long hours (84 hours a week until the adoption of a 54 hour week in 1889), lost time was a considerable problem for the company, as evidenced by the fact that in the scheme's first year of operation only 42% of the workers qualified as meeting the criterion of 10 days or shifts lost.⁹⁴⁹ By the late 1890s, the qualifying criterion was reduced to 3 days lost, but by this time 90% qualified.⁹⁵⁰ Concerned that workers might not be able to afford to go away on their week's holiday, Sir John Brunner authorised double pay for all holiday leave from 1902.⁹⁵¹ By the time of the First World War, the criterion was brought down to 2 days lost and some decline in employees qualifying was experienced, with a drop from 92% qualifying in 1915 to 81% in 1917.⁹⁵²

As a Unitarian, for whom education served both practical, vocational purposes and also imparted moral values,⁹⁵³ Brunner built a number of schools in the vicinity of his works and also funded scholarships for employees' children at

⁹⁴⁷ Watts (1923), op cit, p71.

⁹⁴⁸ Goodman (1982), op cit, p49.

⁹⁴⁹ Watts (1923), op cit, p71.

⁹⁵⁰ *ibid.*

⁹⁵¹ Koss (1970), op cit, p43.

⁹⁵² BM3/2/9, pp305-306.

⁹⁵³ Koss (1970), p3.

Liverpool University.⁹⁵⁴ From 1886 he also encouraged and funded the attendance of younger employees at night continuation classes, an approach which was apparently unusual at the time.⁹⁵⁵

Despite Brunner's introduction of various welfare schemes in the areas of housing, education, sickness payments and paid holidays, his scepticism about employer beneficence was hardly conducive to the development of extensive welfare work on the lines of other benevolent employers during the 1890s. The company nevertheless did adopt a system of welfare visiting, its existence at Brunner Mond being first recorded in 1893. Known as the 'Ladies Managing Committee', it consisted of volunteers whose task it was to visit sick employees or ex-employees (both male and female) and organise occasional social events for past and present staff.⁹⁵⁶ Another early initiative of this Committee was to encourage the company to appoint a nurse at the Winnington works.⁹⁵⁷ In 1900, this Committee was given authority by the board to make discretionary sick payments to long term sick employees who had fallen on hard times.⁹⁵⁸ No further reference was made to this Committee in the board minutes nor was much said about welfare in general. Welfare was not established on a functional basis with salaried staff until during the First World War as will be explained in the section 'Emergence and development of a labour management function' below.

The management of industrial relations

From time to time, industrial relations occupied a considerable amount of the time of the managing directors' board, especially during periods of economic upturn when labour became scarcer and the relative power of trade unions to bargain wages upwards became greater. Industrial relations issues featured prominently in 1889 and again around the turn of the century. At other times in

⁹⁵⁴ Watts (1923), op cit; BM3/1/2: 316-317.

⁹⁵⁵ Koss (1970), op cit, p41.

⁹⁵⁶ BM3/2/5, p8.

⁹⁵⁷ *ibid.*

⁹⁵⁸ *ibid.*, p169.

the period between 1890 and 1914, it appeared more rarely on the agenda. Interestingly, industrial relations did not feature much in the period 1910 to 1914 when trade union militancy in the rest of the country was at a peak.

The particular industrial relations issue which occupied the board in 1889 was the emergence of new unionism among the unskilled and associated demands for an 8 hour day. Brunner recognised this as a "very important movement" and moved quickly to adopt an 8 hour day in place of the previous 12 hours.⁹⁵⁹ Since the reduction of hours proved costly for the company and also drew protests from other local employers,⁹⁶⁰ it is not entirely clear why the company decided to be in the vanguard. Notwithstanding Brunner's espousal of a favourable position on unionisation amongst his unskilled workers, keeping unionism at bay may well have been the central aim and recognition of the union for unskilled workers did not occur until 1902.⁹⁶¹ The decision may also have reflected the influence of Mond in industrial relations policy and his hostility to trade unionism amongst the unskilled.⁹⁶²

Following a lull during the early to mid 1890s, industrial relations re-emerged as an important topic on the board's agenda around the turn of the century. As noted above, both Brunner and Mond had increasingly delegated more responsibility for operational decision-making to carefully chosen working departmental directors and the management of industrial relations was no exception. The guiding principles underlying industrial relations policy stemmed from Brunner's fundamental beliefs - tolerance of the right to join or not join a trade union and resistance to employer combination. Operational decisions in the field of industrial relations were made within this framework, but Brunner was deferred to when important points of principle arose. The chief person to whom operational industrial relations were delegated was Gustav Jarmay, later Sir John Jarmay (1856-1944). A Hungarian by birth and educated in Zurich, he was a brother-in-law of John Brunner. Described by Reader as a "brilliant

⁹⁵⁹ BM3/2/4, p84.

⁹⁶⁰ Goodman (1982), op cit, p49.

⁹⁶¹ BM3/2/5, p282.

⁹⁶² Koss (1970), op cit, p35; BM3/2/5: 214.

chemist", he joined the company in 1878 and was the first of the company's salaried managers to become a director, becoming so in 1888.⁹⁶³ During the period 1888 to his retirement in 1918, Jarmay (according to the minutes of the managing directors' meetings) had more involvement than any other single director in making decisions about labour issues, particularly with regard to pay claims and other negotiations with trade unions.⁹⁶⁴

Another working director with considerable involvement in labour affairs around the turn of the century was Dr David Hewitt, an Irish doctor who had given up medicine and worked for a number of years in industrial consultancy as a chemist. He became a director in 1885 and remained so until his retirement in 1913.⁹⁶⁵ Reader describes him as "a professional manager who apart from technical matters dealt with purchasing and labour relations".⁹⁶⁶ The minutes record him as being involved, often with Jarmay, in negotiating pay claims with the trade unions and handling disputes regarding demarcation and trade union recognition, particularly up to the early 1900s.⁹⁶⁷

Industrial relations issues with which the managing board had to deal in this period included trade union recognition and a policy on trade union membership, pay bargaining, demarcation, restrictive practices and inter-union relationships and a policy on membership of an employers' federation. Each of these will be considered in the sections below.

Policies on trade union membership and recognition

Though Brunner stated that he had no objection in principle to trade unionism, he remained suspicious of unions of the unskilled which, unlike craft unions,

⁹⁶³ Reader (1970), op cit, pp93, 221 & 481-482.

⁹⁶⁴ BM3/2/3-9.

⁹⁶⁵ Reader (1970), op cit, p93.

⁹⁶⁶ *ibid.*

⁹⁶⁷ BM3/2/3-5.

organised on an industry basis. His reasons related to business confidentiality and a fear that confidential information might get into the hands of competitors and this, together with ideological objections to employer combination, influenced his attitude both to union recognition and membership of an employers' association.⁹⁶⁸

In the period before 1900, trade unions were recognised for craft workers in the firm's plants, but not for any other groups. The issue of recognition for semi-skilled, shift process workers first arose in 1900 when the National Union of Gasworkers and General Labourers (NUGGL), which was aspiring to be the national union for the chemical industry, wrote to the company to raise questions about manning changes at the plant on behalf of the members which it had recruited and explore the issue of recognition of the union. Jarmay, as director responsible for industrial relations, had the responsibility of responding, but in recognition of the important principle at stake, deferred to both Mond and Brunner for advice. As had been the case in 1889, Mond's attitude remained hostile, but Brunner's more conciliatory.⁹⁶⁹ Mond's position was strengthened when a union member had been found coercing another into joining the union and the man was warned of instant dismissal in the event of a recurrence.⁹⁷⁰ Recognition was resisted, but eventually the conciliatory stance of Brunner prevailed and the union was recognised sometime in 1902, reflective of the greater influence of the latter over industrial relations policy at this time.⁹⁷¹

As regards the company's attitude towards membership or non-membership of a trade union and the issue of the 'closed shop', Brunner remained opposed to making unionism a condition of employment and neutral on the question of trade union membership. This attitude no doubt sprang from Sir John's strongly-held Liberal views about respect for the rights of the individual.⁹⁷² Following further pressure in the years before the First World War from the

⁹⁶⁸ Koss (1970), op cit, pp148-149.

⁹⁶⁹ BM3/2/5, pp214 & 220.

⁹⁷⁰ *ibid*, p223.

⁹⁷¹ *ibid*, pp223, 282 & 289.

⁹⁷² Koss (1970), op cit, p149.

unions to issue a statement that union men were preferred to non-union men, the Company reiterated its position in September 1913 by issuing a statement that the "directors wish it to be understood that all men are entirely free to join, or not to join, a union, and that no difference in treatment of union or non-union men will be made".⁹⁷³

Pay bargaining

In the absence of formal collective bargaining conducted on an annual basis, along the lines developed in the twentieth century, wage bargaining for craft employees was based on a concept of the 'going rate' amongst other employers in the district. Trade unions collected information on the rates (including overtime rates) paid by employers in the district for each category of member and periodically sent a list of these to the company, with the request that rates be increased to match those on their list.⁹⁷⁴ In order to respond to claims, the company also had to keep abreast of the going rates amongst local employers, a task which occupied the time of Jarmay and Hewitt, particularly when rates were rising rapidly and frequent fragmented claims were being received. On the basis of this information, the company would either counter-argue that their rates were comparable or, if their investigations showed otherwise, they would be likely to concede the union claim.⁹⁷⁵ Many of these exchanges would be conducted by letter, though from time to time, the company met deputations from the local branch of the union, but there were no formal negotiations in the modern sense. These tasks were most often undertaken by Jarmay and Hewitt, in regular consultation with both Sir John Brunner and Dr Mond.⁹⁷⁶ In all, at least 13 craft unions were referred to in the minutes at the turn of the century and the frequency and fragmented nature of the bargaining is striking: between February and June 1900, for example, the managing board discussed more than 20 separate pay claims from different groups of workers and the issue of pay bargaining occupied a considerable

⁹⁷³ BM3/2/10, p253.

⁹⁷⁴ BM3/2/7, p212; BM3/2/4, p27.

⁹⁷⁵ *ibid*, pp276 & 307; BM3/2/5, p137.

⁹⁷⁶ BM3/2/4, pp264 & 276; BM3/2/5, pp73-74, 128 & 137.

amount of the time of Jarmay and Hewitt and also the board itself at which each pay demand was discussed. In addition to handling these claims from the craft unions, Jarmay and Hewitt also had to handle the fragmented pay claims of the process workers prior to trade union recognition. These claims were submitted to Jarmay or Hewitt either on an individual basis or by groups of workers and again were taken to the board for discussion and authorisation.⁹⁷⁷

Demarcation, restrictive practices and inter-union relations

These issues arose quite frequently in the years 1899 to 1902, but apparently not at all before these years and very rarely afterwards and the minutes provide snapshots of how the company's directors responsible for industrial relations, Jarmay and Hewitt, handled them. In 1899, for example, Dr Hewitt was found responding to a local official of the Boilermakers union requiring changes to current demarcation practices at the Company on account of revised rules agreed with the Amalgamated Society of Engineers (ASE). Hewitt responded that the company could not agree to the proposed demarcation changes and asked whether they had been sanctioned by the unions concerned centrally. It appeared that they had not, because the Boilermakers did not press the matter.⁹⁷⁸ Also in 1899, the Boilermakers attempted to limit the company's intake of apprentices, but this too was resisted on Hewitt's advice.⁹⁷⁹ In 1902, demarcation issues between the Boilermakers and the ASE re-emerged and again, Hewitt advised that the matter should be escalated to the Boilermakers head office, after which nothing further was heard.⁹⁸⁰ Examples of Jarmay's involvement in industrial relations issues included the handling of a grievance from the National Union of Gas and General Labourers, prior to their recognition in 1902, regarding 'speed up' and reductions in manning levels and another grievance in the same year raised by the Amalgamated Society of Carpenters and Joiners about encroachment on their work by unskilled

⁹⁷⁷ BM3/2/5, pp151, 155, 159, 161, 165 & 168.

⁹⁷⁸ BM3/2/5, pp106-107.

⁹⁷⁹ *ibid*, p130.

⁹⁸⁰ *ibid*, pp266-267.

labourers. Jarmay advised the board to take the line in both these cases that the company would decide the content of the work of unskilled employees.⁹⁸¹

The handling of the demarcation disputes and the responses of both Jarmay and Hewitt during this period bore all the hallmarks of the seasoned industrial practitioners that these two men, both chemists, had become. Their experience and understanding of industrial relations appeared to guide them as to whether they should deal with the issues through the unions concerned, sometimes escalating the matters to union head office level for resolution, or whether to hold the company line and risk the consequences of industrial action. That the company came through the period 1890 to 1914 with no major dispute, at a time when unionism was advancing rapidly and Britain was experiencing a degree of ferment in industrial relations generally, seems due in no small part to the skills and experience of these two men. It should not be forgotten, however, that their freedom to act was bounded by the authority granted by both Brunner and Mond and the company's records consistently show that both Jarmay and Hewitt deferred to the founders when important points of policy had to be decided. In addition, Sir John Brunner's tolerant position on trade unionism helped to encourage a climate in which positive relationships with the trades unions were possible. In effect, Jarmay and Hewitt performed the roles of 'industrial relations troubleshooters' at a time when specialist labour management functions did not exist.

Attitudes to employers associations

For a variety of reasons which have been noted, in particular the Liberal philosophy of Sir John Brunner, the company's policy was to manage its own industrial relations and to eschew employer combination. A number of approaches were made before the First World War by employer organisations aimed at persuading the company to alter this position. In view of their fundamental importance to Sir John Brunner's beliefs, these aspects of

⁹⁸¹ *ibid*, pp213-214.

industrial relations at the company were handled by him personally and the company's policy line was maintained until during the First World War.

Although the company preferred to remain independent from multi-employer bargaining, it was affiliated to the Alkali Manufacturers' Association which acted as a parliamentary lobby group on behalf of its members on matters to do with the alkali trade.⁹⁸² In November 1902 it was seeking support to broaden its activities and become more actively involved in parliamentary lobbying with regard to "questions arising in parliament affecting employers and workpeople".⁹⁸³ The communication from the Association described the background to their concerns as stemming from the rise of the Labour Party, especially its recent successes in municipal elections, the likelihood of its increased strength in the next parliament and also recent "legal decisions regarding conspiracy and picketing",⁹⁸⁴ a reference to a judicial decision (in *Quinn v Leathem*) removing trade union immunities in relation to civil conspiracy and secondary picketing. The Association's letter urged its members to support a proposal that "a conference of representatives of employers' associations should be held... to discuss the present attitude of political parties to industrial problems and to consider the practicality of a more effective combination of interests".⁹⁸⁵

Sir John, however, in keeping with his long established views about external interference in the affairs of industry in general and his firm in particular, had no sympathy whatever with this proposal. He saw no right of a trade association to interfere so directly in political matters; "as an Association", he said, "it has nothing to do with socialism, municipal or otherwise".⁹⁸⁶ Besides, Sir John was a Liberal MP and would remain so until 1910, so he was no doubt anxious to avoid any personal conflict with party policy.

⁹⁸² BM3/2/5, p214.

⁹⁸³ BM3/2/6, p2.

⁹⁸⁴ *ibid.*

⁹⁸⁵ BM3/2/6, p2.

⁹⁸⁶ *ibid.*

The Engineering Employers Federation made an approach to the company in 1907, but again this was turned down, as were three other approaches from the London Waterside Manufacturers, the Machinery Users Association and the St Helens Engineering Employers Association, all in this same year.⁹⁸⁷ Indeed, as we shall see, employer combination was resisted until 1916, by which time Sir John was within two years of retirement.

In conclusion, at a time before any specialist labour function existed at the Company, industrial relations periodically occupied an important position on the operating board's agenda. The basic principles within which the Company operated were laid down by Sir John Brunner and he acted to ensure that these were complied with. Operational matters, in particular demarcation and related grievances and pay bargaining, were delegated to Jarmay and Hewitt, both chemists, who were apparently required to bring industrial relations issues to the board, but whose advice was sought and usually heeded.

The role of the Time Office in labour administration

The functions of the Time Office were to record the times that workers started and left the plant and to calculate and pay wages. It needs to be remembered that 'clocking' in and out of work using a card-punching machine was a later development which, at Brunner Mond, was introduced in 1919, amid some apprehension on the part of the men.⁹⁸⁸ Prior to this, workers reported to the Time Office on arrival at work and were issued with a tag on which their works number was stamped and the Timekeeper recorded the time of arrival in a book. On leaving, the worker returned the tag to the Time Office and the time of leaving was again recorded.

The Time Office was established at Brunner Mond around 1887, probably at a time when the workforce had increased to such a number (just under 2000 in 1888) that informal methods of time-recording, such as observation by the

⁹⁸⁷ ibid, pp307 & 314.

⁹⁸⁸ BM3/3, p44.

foreman, had become inefficient.⁹⁸⁹ Time Office staff reported to the Company Secretary who in the period before the First World War was responsible for the financial and administrative aspects of labour management. The first Timekeeper appointed was a man by the name of Mr T Winstanley who continued to perform this role until around the time of the First World War. Because, as we shall see, the role of the Time Office expanded over the years, Winstanley and his staff effectively came to perform many administrative duties related to labour management within the company beyond the remit of timekeeping and wage payment.

As regards the activities of the Time Office, it was evident from an early stage that its remit was broader than purely time recording and wages, a remit which would further evolve to incorporate various aspects of labour administration over a period of time. It provided a daily point of contact between labour and management at a time when personal contact was becoming less practicable because of the growing workforce size, a central point through which to communicate and a convenient medium through which to handle various aspects of labour administration. From its earliest days, it was required to report all latecomers to the Company Secretary and collect any fines imposed for whatever reason and therefore played an administrative role in the disciplinary process.⁹⁹⁰ It was also the point through which reference checks on new employees were sent out and forwarded on return to the relevant manager.⁹⁹¹ It was given authority to deal with workers' requests for advances in wages and became the point in the works where notices to workers were posted: for example, works rules and any changes affecting current pay rates or hours of work.⁹⁹² It was also, from an early stage, the keeper of employee records (including dates of joining, leaving, leaving reasons and job histories), the keeper of pensioner lists and it was also responsible for posting internal vacancies and receiving applications.⁹⁹³ Following the passing of the

⁹⁸⁹ BM3/2/2, pp18 & 79; BM3/2/3, p180.

⁹⁹⁰ BM3/2/2, p79; BM3/2/3, p227.

⁹⁹¹ BM3/2/3, p180.

⁹⁹² BM3/2/3, p309; BM3/2/4, pp81 & 96; BM8/12.

⁹⁹³ BM8/10, 11.

Workmen's Compensation Act of 1897, it became the point to which all accidents and injuries had to be reported and therefore became the repository of these records.⁹⁹⁴ Indeed, from an examination of the correspondence conducted by the Time Office, it is evident that it dealt with a miscellaneous range of matters that would be familiar to many Personnel functions today: receiving unsolicited applications for employment, letters of enquiry about the financial status of employees, references about past employees, correspondence from retired employees, requests from retired employees to be considered for 'compassionate' payments and so on. It also became a point of contact between current employees and management and dealt with a myriad of employment-related administrative matters, including receiving letters of resignation, requests for loans, individual requests for pay increases and letters of explanation from sick employees. A further role was in liaising between sick or retired employees and the volunteer Ladies Managing Committee, receiving requests for visits and passing these on to the welfare visitors.⁹⁹⁵ When the Mond legacy established a pension fund for allocation to selected employees in 1909, Winstanley was appointed as secretary to the Mond Pension Fund Committee, handling requests from past employees to be considered for a pension and communicating back the committee's decisions about these.⁹⁹⁶ The Time Office was essentially clerical and administrative and had very little executive authority, only being able to take executive decisions within well-defined limits, such as deciding what percentage of wages could be advanced or the terms applying to loans and their repayment.⁹⁹⁷ Winstanley was effectively the chief clerk of the Time Office and the confidential nature of the work carried out by the Time Office and his extensive contacts with past and present staff, as well as with directors and senior managers, appeared to give him some status. He corresponded in his own name, on behalf of the company, and for many both inside and outside the works, he represented the company and was their main point of contact with its decision makers, be they current, past or prospective employees or others in the community around the works

⁹⁹⁴ BM8/11.

⁹⁹⁵ BM8/14.

⁹⁹⁶ BM8/10.

⁹⁹⁷ BM3/2/3, pp175 & 309.

who wished to contact the company for a variety of reasons.⁹⁹⁸ In short, the Time Office played a vital role in labour administration at a time when the company's workforce was increasing rapidly and no formal function existed to handle these tasks.

Wartime and Ministry of Munitions control: 1915-1918

The effect of war, in particular after the introduction of the Munitions of War Act in the latter part of 1915, was to place once again the issue of labour management and industrial relations higher up the managing board's agenda of priorities. This heralded a marked change from the experience of the previous decade or so in which these matters had been discussed infrequently. As had by now become long established, Jarmay remained the company's chief spokesperson on the managing board regarding labour matters during the war, joined during the course of it by JI Watts, a chemist and technical manager who had been with the company since 1881 and a director since 1909 and his subordinate, Richard Lloyd Roberts, who joined the Company as Labour Officer in 1916. The appointment of Lloyd Roberts resulted in the establishment of a formal Labour Management function for the first time. Watts was appointed director of labour and welfare following Jarmay's retirement and held this post from 1917 to his retirement in 1926. Lloyd Roberts, prior to arriving at Brunner Mond as its Labour Officer in 1916, had been a civil servant at the Post Office and later at the Labour Exchanges.⁹⁹⁹

The outbreak of war was not discussed by the managing board until the middle part of 1915 when Jarmay reported on such issues as increased frequency of sectional pay claims and serious recruitment difficulties.¹⁰⁰⁰ Prior to the introduction of the Munitions of War Act in 1915, the company's position had been protected somewhat as it had been officially listed as an organisation engaged in munitions work. Thus, the local Labour Exchange had been

⁹⁹⁸ BM8/10-14.

⁹⁹⁹ Reader (1970), op cit, p60.

¹⁰⁰⁰ BM3/2/8, pp322 & 328.

instructed by the Ministry of Munitions not to divert the company's labour force to military service or other munitions work and a committee of the company's managers had been authorised to issue war badges which protected the status of the workforce engaged in war work.¹⁰⁰¹ When the Company became a controlled establishment in November 1915 and therefore subject to the labour regulations overseen by the Ministry of Munitions, Jarmay was given the task of liaising with the Ministry. In December 1915 and January 1916, following meetings at the Ministry of Munitions, Jarmay briefed the managing board on dilution, the requirement to replace skilled labour by unskilled wherever possible in shops where work was exclusively concerned with the manufacture of munitions.¹⁰⁰² He became extensively involved in negotiating changes in working practices with the trades unions and for liaison with the Dilution Officers of the Ministry of Munitions between January and April 1916, but the issue was not reported at the board after this. Given the multiplicity of unions present in the plant, the negotiations proved to be protracted and time-consuming and Jarmay reported regularly on the difficulties in getting union agreement to dilution and the need to refer to arbitration to resolve differences.¹⁰⁰³

A further issue with which the managing board had to deal during the earlier part of the war was the long standing question of employer combination. As has been noted, this had long been resisted, mainly because of the position taken by Sir John Brunner on the matter. Wartime conditions finally intervened to change this position in 1916. Because of labour scarcities, war conditions created considerable wage inflation and in June 1916 the board met to discuss the "constantly increasing demands for increases in wages being received from numerous unions".¹⁰⁰⁴ The outcome was a decision to combine with other employers in the area in the chemical industry, Crosfields, Gossages, Castner-Kellner, The Ammonia Soda Company and The United Alkali Company "in the formation of an association to deal with this question so as to secure unity of

¹⁰⁰¹ *ibid*, p314.

¹⁰⁰² BM3/2/9, pp2, 9 & 14.

¹⁰⁰³ *ibid*, pp34, 36, 41 & 47.

¹⁰⁰⁴ *ibid*, p59.

treatment".¹⁰⁰⁵ Such apparently were the inflationary pressures that a long standing principle appeared to have been abandoned without much debate and it was not without significance that Sir John Brunner, now in his mid 70s and within two years of retirement, had become less influential in labour policies. After initially rejecting an approach by the Federation of British Industries to join in September 1916, this decision was changed in February 1917 when the newly-formed national employer body was joined and somewhere towards the end of that year, the Company also joined the Chemical Manufacturers Wage Committee.¹⁰⁰⁶

Following the Whitley Report of 1917, Watts in his capacity as newly-appointed labour and welfare director took on the task in November of that year of putting forward proposals for the company's first works consultative committees, although (as noted earlier) joint committees had existed for many years to administer the sick pay scheme.¹⁰⁰⁷ Watts based his proposals on a scheme which had operated for a number of years at the South Metropolitan Gas Company, whom he had consulted, and the works consultative committees were established on a department by department basis following negotiations with the trades unions in February 1918.¹⁰⁰⁸ In view of the existing consultative committees for administering the sick pay scheme, these bodies were wound up in October 1918 and their work was merged into the new structure.¹⁰⁰⁹ Following Home Office recommendations that workplaces should appoint safety representatives to carry out inspections with the manager and foreman concerned, the task of nominating these representatives was also passed to the departmental works committee.¹⁰¹⁰ Just after the war, in April 1919, the company established a plant-wide 'General Works Committee', containing representatives from each departmental body, with Richard Lloyd-Roberts, the Labour Officer, as its secretary.¹⁰¹¹

¹⁰⁰⁵

ibid.

¹⁰⁰⁶

ibid, pp73, 172 & 278.

¹⁰⁰⁷

ibid, p248.

¹⁰⁰⁸

ibid, pp269 & 286.

¹⁰⁰⁹

BM3/2/10, p19.

¹⁰¹⁰

ibid, p29.

¹⁰¹¹

BM3/3/3, p5.

Emergence and development of a labour management function

At the outbreak of the war, the structure of labour management at the company was very much as it had evolved in the late 1890s. Sir John Jarmay was the director responsible to the managing board for industrial relations; the Time Office was responsible for labour administration and reported to the Company Secretary; and welfare was handled by the volunteer Ladies Managing Committee. By the end of the war, JI Watts had become the director responsible for both the Labour Department, which included industrial relations within its remit, and the Welfare Department. Moreover, just after the war, many of the employment responsibilities of the Time Office were reallocated to the Labour Department. Thus, Watts' portfolio became markedly functional, with responsibility for all employment and labour matters lying within his remit. The reasons for emergence of a Labour Department and a more unified structure of labour management, in the absence of any documented explanation the minutes of the managing board, appear to lie in both changes in personnel at the top and also in pressures brought about by the war. As regards changes in personnel, Sir John Jarmay retired in 1918, but had become less actively involved in industrial relations matters during 1916, with his industrial relations responsibilities formally passing to Watts the following year. Given Jarmay's long experience of industrial relations, in contrast to Watts' lack of it, it seems plausible that the company's management expertise in industrial relations needed strengthening against a background of ongoing workplace bargaining over dilution and wages, together with legal regulation, which led to the establishment of a Labour Department and the appointment of Richard Lloyd Roberts as Labour Officer in 1916. Accounts of Lloyd Roberts' work during the latter part of the war and immediately after clearly indicated the sharp focus of his role on industrial relations. Support for this comes from the board's minutes which provide snapshots of Richard Lloyd Robert's work from 1917. His role involved three main areas of activity. First, he acted as the company's external representative on various bodies concerned with employment and industrial relations: the Chemical Employers' Federation, the local Advisory Committee of

the Employment Exchange and the Northwich Council of Social Service.¹⁰¹² In his role as company representative at the Employers' Federation, he reported back periodically to the managing board on current negotiations and sometimes asked for guidance on the line to be taken. Secondly, he was what might be termed an industrial relations 'troubleshooter' and the board minutes received periodic accounts of his involvement in disputes about piece-rates, the Company's refusal to employ union nominees, the refusal of union members to work with non-members and union attempts to impose a closed shop.¹⁰¹³ Lloyd Roberts third role was to act as secretary to the works consultative committees and the plant-wide 'General Works Committee',¹⁰¹⁴ a not uncommon role for labour officers at the time. Apart from his industrial relations role, the recruitment of male employees also became centralised on the establishment of the Labour Department in 1916. Prior to the war, the engagement of boys had been placed in the hands of one individual, in place of six different people who had hitherto been involved.¹⁰¹⁵ After the introduction of legal regulation under war conditions, including the requirement to liaise with the Employment Exchange over recruitment and the issuing of war badges to munitions workers who were exempt from military service, these activities had been passed to a committee of company managers. Following Lloyd Roberts' appointment, himself a former employee of the Labour Exchange, he took over this role.¹⁰¹⁶ The war had also created serious recruitment difficulties, with over 500 unfilled vacancies being recorded in July 1915, and thus there would have been logic in appointing a specialist to concentrate on this task.¹⁰¹⁷ The recruitment of females, whose numbers reached nearly 2500 by the end of 1917, lay in the hands of 'lady superintendents' and the rapid increase in female employment during the war had also led to the employment of full-time welfare officers, but all matters to do with female employment resided within the Welfare Department.¹⁰¹⁸ A third factor influencing the emergence of a specialist labour

¹⁰¹² BM3/2/9, p256; BM3/2/10, p200; BM3/3, p213.

¹⁰¹³ BM3/2/10, pp126, 200 & 253.

¹⁰¹⁴ BM3/3, p5.

¹⁰¹⁵ BM3/2/8, p30.

¹⁰¹⁶ BM3/2/8, p214; BM3/2/9, p256.

¹⁰¹⁷ BM3/2/8, p328.

¹⁰¹⁸ BM3/2/10, p261.

management function concerned the administration of discipline. The Munitions of War Act had introduced provisions for prosecuting employees guilty of serious misconduct and, indeed, the company had authorised its first three prosecutions in January 1916, two for insubordination and the other for attempting to bring drink into the workplace.¹⁰¹⁹ Because of the severity of the penalties for misconduct and also in order to avoid unnecessary dismissals in the light of recruitment difficulties, the board decided that for the first time, the power to dismiss should be taken away from foremen and placed in the hands of managers. In order to achieve consistency, the board also issued some general principles to be applied to the issuing of warnings. The first was that dismissal should not normally be applied to a first disciplinary offence, except where it was serious, but rather employees should be warned that repetition would be likely to result in dismissal, with the warning being recorded in a manager's 'warning book'. The second principle adopted was that a warning should be removed from the employee's record after a 12 month period or earlier at a manager's discretion where an employee was doing good work. The Labour Office was given a central role in this bureaucratisation of discipline in that managers had to inform it of all warnings and these warnings were recorded on the employee's record card. The Labour Office took on the role of advising managers on the imposition of disciplinary penalties and also monitored compliance with the 12 month expiry period of the warning.¹⁰²⁰

Thus, at Brunner Mond, a labour management function had emerged during the war to handle matters of industrial relations, recruitment and discipline against a background of legal regulation, whilst 'lady superintendents' handled matters of female employment whose numbers as dilutees grew significantly in wartime conditions. Little mention was made about welfare in the Board's minutes, with most of the discussions about labour management focusing on male employment and related matters of industrial relations and the activities of the Labour Office. The war had seen the establishment of a clearer functional structure of labour management, with the appointment of a director specifically

¹⁰¹⁹ BM3/2/9, p14.

¹⁰²⁰ BM3/2/10, p173.

responsible for policy and a Labour Officer heading up a Labour Department responsible for all operational decisions within the policy framework. The final stage in the evolution of a functional structure was implemented immediately after the war in May 1919 when the responsibilities of the Time Office were reallocated between Finance, where it had resided since 1911, and the Labour Office, with all its responsibilities for labour administration being transferred to the latter and its timekeeping and payroll functions remaining with the former.¹⁰²¹

Conclusions

Three strands of development can be identified in the company's approach in the period between 1890 and 1914 before the establishment of a formalised labour management function which did not occur until 1916. The underpinning principles of labour policy lay with the founders, Brunner and Mond, with the former's influence being greater after 1900. Brunner's attitude towards labour was strongly influenced by his personal beliefs which led him to adopt some degree of welfare paternalism, though not the employment of salaried welfare workers, and which shaped his response to trade unionism. Operational decisions as regards matters of industrial relations were delegated to two technical directors, Jarmay and Hewitt, but in particular the former. Administrative aspects of labour management were handled by Winstanley and the staff of the Time Office, reporting to the Company Secretary.

The above structure remained in place until 1916 when a formal labour management function emerged during the war to handle matters of industrial relations, recruitment and discipline amongst male employees against a background of legal regulation, whilst the welfare function was concerned with the recruitment and welfare of female employees whose numbers as dilutees grew significantly in wartime conditions. A more recognisably functional structure was established in 1917 when JI Watts was appointed director of labour and welfare prior to the retirement of Sir John Jarmay who had handled

¹⁰²¹ BM3/2/10, p81.

the industrial relations portfolio since around the turn of the century. Whilst Watts was responsible for labour policy, Lloyd Roberts, as Labour Officer, was responsible for operational matters within the policy framework and the functionalisation process was completed in May 1919 when the labour administration aspects of the role of the Time Office, located within Finance, were transferred to the Labour Office.

The case overall sheds new light on how labour management was handled at company level in the period before the adoption of a formal labour management function. It confirmed the important role in industrial relations performed by those who may be seen as works managers and it identifies for the first time the role of a Time Office, reporting to the Company Secretary, in labour administration. The case confirms the importance of wartime influences, as discussed in chapter 5, on the emergence of distinct labour management functions with responsibilities for recruitment and selection, industrial relations and discipline. It also confirms the marginal role played by welfare work prior to 1914, with all such activities being carried out by the volunteer Ladies Managing Committee.

Case Study 2: The emergence and development of scientific management and Employment Management at Hans Renold Limited: 1890-1920

Hans Renold was born Switzerland in 1852 and came to England in 1873. After working in the machinery export industry in Manchester, in 1879 he bought a business in Salford which made driving chains used in the textile industry. In 1880, Renold had invented and patented the 'bush roller chain', one of the two key inventions which paved the way for the modern bicycle (the other being the pneumatic tyre) and this enabled Renold to diversify the firm into the new and rapidly growing market for bicycle chains in the 1880s and 1890s. Around 1900, in addition to bicycle chains and chains for use in driving industrial machinery, a

new opportunity arose for applying the bush roller chain to motor cars, replacing belt-drives. A private limited company was formed in 1903.¹⁰²²

As regards the character of Hans Renold himself, like other liberal-minded employers of his day, he could be described as tough but fair. Tripp recounts that he had "a bright and cheerful faith in his and his factory's future, a faith which included also an intense and charitable love of his fellow men, especially those who worked well, displaying in their care and craftsmanship the same exacting standards as he set himself".¹⁰²³ Apparently, he had a saying: "Our job is not to make chains; it is to make men and women - they will make the chains for us",¹⁰²⁴ indicating that he saw labour as more than the hired hands which was the widespread view of employers at the time and would seem in part to account for the priority which he later gave to labour management, notably being one of the first companies in Britain to establish a specialist Employment Department (which appeared in 1910). This view is shared by the company's historian who, in summarising Renold's work, argued that "what verged on the exceptional...was his rigorous advocacy and practice of advanced ideas in management and labour relationships".¹⁰²⁵

Hans Renold's son, Charles Garonne Renold (1883-1967), entered the business in 1905, having studied at an engineering college in America, and was appointed a director in 1906 at the age of 23.¹⁰²⁶ Whilst Hans Renold remained in overall control as chairman, a post which he continued to hold until his retirement at the age of 76 in 1928,¹⁰²⁷ many of the important business decisions, including labour management decisions, were made by CG Renold from the period before the First World War. He became Works Director in 1915, Managing Director in 1920 and Chairman of the Company after his father's retirement in 1928.¹⁰²⁸

¹⁰²² Tripp, BH (1956), Renold Chains 1879-1955, London, Allen and Unwin, pp19, 21-22, 25 & 49.

¹⁰²³ *ibid*, p25.

¹⁰²⁴ *ibid*.

¹⁰²⁵ *ibid*, p29.

¹⁰²⁶ Renold, CG (1950), Joint Consultation over Thirty Years, London, Allen and Unwin, p65.

¹⁰²⁷ Tripp (1956), *op cit*, pp124-125.

¹⁰²⁸ *ibid*, pp70, 105 and 124-125.

In terms of numbers employed at the company, the earliest figures available put this at 800 in 1910, rising to just over 1300 on the eve of the First World War. Wartime saw a rapid increase, peaking at just over 2700 in 1917, thereafter falling back to 1500 in 1919.¹⁰²⁹

The development of scientific management and functional organisation at the Company: 1905-1920

Charles Renold described the business which he had entered in 1906 as being a "one man regime...with Mr Hans, as Governing Director, exercising all effective power".¹⁰³⁰ He continued:

"The 'one-man' control was so overloaded that it was threatening to break down. One of the symptoms of this was the welter of conflicting instructions to various departments. Owing to the lack of any real delegation of responsibility, instructions were given in great detail and because of their volume there was no time to relate one instruction to another or to the already existing ones. There was thus doubt and confusion as to which instructions remained valid and as to what, in fact, the intention was at any given moment".¹⁰³¹

Charles Renold notes, however, that his father had begun to realise the need for changes and, between 1905 and 1910, introduced into the management of the company half a dozen university graduates of better education and calibre than was possessed by existing staff.¹⁰³² With his background training in engineering and the methods of scientific management in America, he commenced by establishing a 'Central Office' in 1908, the function of which was to "issue, monitor, revise, but above all to standardise Hans Renold's instructions".¹⁰³³ With no formal functional organisation in place and directors being responsible for loose groupings of departments, typical of traditional, pre-

¹⁰²⁹ *ibid*, pp3 & 6; D&SM, 30/6/1919 (Hans Renold Ltd Archives, Directors & Shareholders Minute Books, hereafter referred to as 'D&SM', followed by the date of the minutes; see Appendix on 'Research Sources' for more information).

¹⁰³⁰ Renold (1950), *op cit*, p65.

¹⁰³¹ *ibid*, p66.

¹⁰³² *ibid*, p65.

¹⁰³³ *ibid*, p67.

functional organisational structures, the new Central Office acquired a vital role in communicating and co-ordinating.¹⁰³⁴ The process of standardisation was further formalised in 1911 when CG Renold introduced what were called 'J' books in 1911 and these were continually updated thereafter.¹⁰³⁵ In the years between 1910 and 1914, when numbers employed rose from 800 to over 1300, a quarter of whom were women,¹⁰³⁶ Renold set about the implementation of scientific management in the company, including time study, the premium bonus system, standardisation, central planning, functional organisation and the introduction of a specialist labour management function.

CG Renold dates the origins of the application of methods of scientific management within the company to 1912. He notes that they were "introduced after an investigation in the USA of the work of FW Taylor" and that by 1913, "organisation charts were in full use, setting out the structure of the business and the delegations of authority".¹⁰³⁷ By 1913, a more distinct functional structure based on the principles of 'line' and 'staff' had emerged and the Employment function was one of a number of 'Central Services', along with Statistics, Purchasing, Costing and Financial Accounting, which served two main production functions.¹⁰³⁸ The Employment function remained at the centre until 1924 when it was devolved, as part of a shift towards decentralisation, into the works organisation and reported to the Works General Manager.¹⁰³⁹

In addition to the implementation of functional management, the minutes of the operating board indicate that the Company started to move towards the adoption of Taylorist techniques on the shop floor during 1911 when the 'premium bonus system' was introduced.¹⁰⁴⁰ This system had evolved out of Taylor's 'differential piece-rate' and provided bonuses to workers who were able to complete jobs in less than the standard time allowed. In the early days after

¹⁰³⁴ ibid.

¹⁰³⁵ ibid, p88.

¹⁰³⁶ Tripp (1956), op cit, p95; HOMM, 5/9/16 and 12/9/16 (Hans Renold Ltd Archives: Head Office Meeting Minutes, referred to hereafter as HOMM, followed by the date of the minute).

¹⁰³⁷ Renold (1950), op cit, p14.

¹⁰³⁸ ibid, pp68-69.

¹⁰³⁹ ibid, pp70-71.

¹⁰⁴⁰ HOMM, 18/5/11.

its implementation, the Company experienced difficulties in establishing accurate time studies to underpin the scheme and turned for assistance to Henry W Allingham, a British mechanical engineer and a consultant on scientific management.¹⁰⁴¹ Shortly after his arrival in early 1912, Allingham's first task was to establish a reliable system of time study about which he put proposals to CG Renold in April. Renold cautiously supported the proposals, putting the view that "it will have to be done quietly" in the light of potential worker opposition.¹⁰⁴² Allingham also established a system of standard, printed job instruction cards which was put in place by August of that year.¹⁰⁴³ Shortly after, Allingham was appointed to the permanent staff with the title of 'Production Engineer' in the 'Production Study Department No. 47'¹⁰⁴⁴ and with time study and instruction cards in place, the premium bonus system was extended more widely across other production departments.¹⁰⁴⁵ These initiatives appeared to have had a substantial impact on productivity, according to reports presented to the operating board in 1913:

"The Auto Department has now been speeded up 60 per cent...The increase in production of the small stud machines will soon be 100 per cent and in the case of the largest studs may be 300 per cent...In the Hardening Department the Reward System [as the Premium Bonus System was called] has been put into force and there has been an increase both in quantity and good work... (with) a 25 per cent increase in output".¹⁰⁴⁶

Having considered how scientific management became established at Hans Renold Limited, it is now appropriate to consider the early development of labour management at the company. As will become evident, the two developments were intertwined.

¹⁰⁴¹ ibid, 1/12/1911.
¹⁰⁴² ibid, 18/4/1912.
¹⁰⁴³ ibid, 28/8/1912.
¹⁰⁴⁴ ibid, 17/9/1912.
¹⁰⁴⁵ ibid, 21/8/1912.
¹⁰⁴⁶ ibid, 14/7/1913.

Development of labour policies and the emergence of an Employment Department: 1890-1914

Responsibility for labour matters in the period up to 1910 lay mainly in the hands of the company's founder and chairman Hans Renold in keeping with the "one man regime" described by CG Renold¹⁰⁴⁷ and, as noted earlier, it was only in 1910 that he delegated this work. The evolution of labour management policies had three aspects over this period: welfare, industrial relations and the functionalisation of employment management and it is to each of these that we now turn.

Welfare

In the light of apparently "charitable love of his fellow men" and concerned with the wellbeing of the workforce,¹⁰⁴⁸ early initiatives for his workers focussed around welfare-related initiatives, though stopped well short of any extensive scheme of welfare work. In 1896, he shortened the working week from 54 to 48 hours, well in advance of many other employers who did not adopt this a standard until 1919 or 1920.¹⁰⁴⁹ It was, however, typical of his overall philosophy towards business efficiency that, following the reduction in hours, he gave each worker a card personally signed by himself emphasising that these were working hours and that each employee had to be at their workplace and ready to start on time.¹⁰⁵⁰ The shortening of the working week was also accompanied by a tightening of discipline as regards lateness. "Latecomers would be let in a quarter of an hour after time, losing an hour's pay which would be paid into the sick fund" he is quoted as saying.¹⁰⁵¹ Tripp records that he pointed out "in his usual terse manner" that "the object is not to impose fines, but to encourage punctuality".¹⁰⁵²

¹⁰⁴⁷ Renold (1950), op cit, p65.

¹⁰⁴⁸ Tripp (1956), op cit, p25.

¹⁰⁴⁹ ibid, p29; Evans, A and Palmer, S (1985), Negotiating Shorter Working Hours, Basingstoke, MacMillan, p7.

¹⁰⁵⁰ Tripp (1956), op cit, p75.

¹⁰⁵¹ ibid.

¹⁰⁵² ibid.

Other early initiatives included the establishment of a works canteen in 1896,¹⁰⁵³ two weeks' paid holiday for employees with 10 years' service (7½ days after five years) in 1906¹⁰⁵⁴ and the appointment of a qualified nurse to look after women's welfare in 1910.¹⁰⁵⁵ Women were first employed in 1887 or 1888 and Tripp records that Mrs Renold took an active part in furthering the welfare of the girls in the factory: she provided readings to the workers at mealtimes, brought hot soup to the unheated workshops in winter and gave out mittens which she had knitted.¹⁰⁵⁶

Hans Renold was, however, reluctant to adopt welfare as the centrepiece of his approach to labour management, despite welfare being in vogue amongst certain leading philanthropic employers in the first decade of the century. His approach was instead to establish what he termed a 'Social Union' in 1909.¹⁰⁵⁷ Arguing that recreational activities "should be entirely voluntary and in the hands of the workers", the Social Union was self-funded on the basis of employee subscriptions and its management entirely in the hands of a council elected by its members.

Industrial relations

Whilst information about this topic is only available from 1910, the minutes of the operational board of that year indicate that union pay claims appeared periodically on the agenda. The policy of the company seems to have been to grant 'de facto' recognition of the ASE for its skilled workers by considering the district pay claims put on behalf of their members and by observing trade union rules with regard to overtime rates.¹⁰⁵⁸ Renold notes that at this time trade unionism existed amongst skilled workers, but little among other groups.¹⁰⁵⁹

¹⁰⁵³ *ibid*, p74.

¹⁰⁵⁴ D&SM, 14/2/1906.

¹⁰⁵⁵ Tripp (1956), *op cit*, p96.

¹⁰⁵⁶ *ibid*, p25.

¹⁰⁵⁷ Renold, CG (1921), *Workshop Committees*, revised ed London, Pitman, pp31-32.

¹⁰⁵⁸ HOMM, 19/8/1910, 24/9/1912, 3/10/1912 & 19/6/1913.

¹⁰⁵⁹ Renold (1950), *op cit*, p15.

The company remained unfederated to the Engineering Employers' Association throughout this period and during the war.¹⁰⁶⁰

In 1910, responsibility for responding to union pay claims lay within the remit of the company secretary, HV Herford.¹⁰⁶¹ Despite the liberal attitudes of Hans Renold, the presence of trade unionism in the workplace appeared to be unwelcome, since Herford commented to the meeting that "we only open our doors to union men on sufferance".¹⁰⁶² By mid 1912, after the departure of Herford from the company, the industrial relations portfolio passed to Mr Hellfrisch, an engineer and works manager, who reported that there had apparently been an increase in trade union membership to the extent that half the workforce had become members of the Amalgamated Society of Engineers.¹⁰⁶³ He attributed this to the effect of the National Insurance Act of 1911 under which trade unions were recognised as approved societies for the provision of health and unemployment benefits.¹⁰⁶⁴ The membership of trade unions nationally expanded rapidly at this time, from just over 21/2 million members in 1910 to over 4 million by 1914 and the trade union historian Henry Pelling has similarly attributed this to the National Insurance Act, arguing that amongst the various influences on trade union growth at this time "probably none was as important as the integration of the unions' benefit functions into the state schemes for health and unemployment insurance",¹⁰⁶⁵ but as we shall see, the impact of the wartime 'works committee' movement amongst shop stewards radically altered the company's stance of dealing with the trade unions reluctantly and at a distance.

Gradually, as we shall see, responsibility for handling industrial relations began to shift tentatively away from the company secretarial and works management functions into the newly established Employment Department just before the

¹⁰⁶⁰ HOMM, 17/7/1917.

¹⁰⁶¹ HOMM, 19/8/1910.

¹⁰⁶² *ibid.*

¹⁰⁶³ HOMM, 15/10/1912.

¹⁰⁶⁴ *ibid.*

¹⁰⁶⁵ Pelling, H (1971), A History of British Trade Unionism, Harmondsworth, Penguin, pp129 & 281.

war and this process accelerated markedly during it when Hans Renold Ltd became a 'controlled establishment'.

The emergence of an Employment Department

An Employment Department under an Employment Manager first emerged in 1910 and thus pre-dated the upsurge of interest in scientific management in the Company. Though Tripp has referred to this initiative as "one of the first steps in the scientific evolution of a constitutional management for the Company",¹⁰⁶⁶ there is no evidence that the Department was specifically established because employment functions had featured in Taylor's scheme of scientific management. Rather, as Tripp has acknowledged elsewhere, in the years up to 1910, Hans Renold still retained close involvement in investigating applicants for employment, their rewards and promotion, but had begun to find the burden involving himself in day-to-day labour decisions was becoming too much in the context of rapidly growing numbers of employees and this had led him to delegate more of this responsibility.¹⁰⁶⁷ CG Renold has also concluded that the Employment function's "terms of reference were somewhat vague" in the early years and that its role within the Company's scheme of scientific management, as we shall see, evolved gradually between 1910 and 1916.¹⁰⁶⁸

Not a great deal of information is available about the activities of the Employment Department during its first three years, but it appears to have been headed up by a man named Ashcroft whose main activities were in recruitment.¹⁰⁶⁹ The next stage in the professional development of the Employment Department occurred in 1912 with the appointment of William Joseph Deeley in March of that year as "an assistant generally to the directors at a salary of £350, to advance after 12 months if satisfactory to £400".¹⁰⁷⁰ Deeley was a mechanical engineer by background and had previously been in

¹⁰⁶⁶ Tripp (1956), op cit, p94.

¹⁰⁶⁷ *ibid*, p75.

¹⁰⁶⁸ Renold (1950), op cit, p72.

¹⁰⁶⁹ HOMM, 30/4/1912.

¹⁰⁷⁰ D&SM, 26/3/1912.

technical college teaching. His initial role was to bring in a new apprenticeship scheme and take over from Herford, the Company Secretary who had just tendered his resignation, all matters to do with apprentices, apprentice records and evening classes.¹⁰⁷¹ Deeley reported to Mr Hellfrisch, the works manager, whom he was required to consult "in all things" prior to their implementation.¹⁰⁷² Fairly soon, Deeley demonstrated wide ranging expertise in employment matters and in due course proved himself able to advise on a broader range of matters than purely apprentice training. One of his first tasks was to advise on the implications of the National Insurance Act of 1911 and he soon also became involved in discussions about workplace discipline, dismissal and pay claims.¹⁰⁷³ He also acted as the company's representative at a meeting of officials of the Labour Exchange who were urging the firm to take more employees from the Labour Exchange.¹⁰⁷⁴ In October 1912, recruitment was added to his overall responsibilities and in that month also, the operating board appointed him to the title of 'Employment Manager'.¹⁰⁷⁵ Other areas falling into his early remit included reporting to the board on accidents, accident compensation and absence recording and monitoring.¹⁰⁷⁶

One of Deeley's first major initiatives at the board's request was the establishment of a grading system, a feature of which "was an annual review of the work and remuneration of every employee", which CG Renold later saw as a major rationale behind the establishment of the employment function.¹⁰⁷⁷ The stimulus behind the grading system appeared to be the company's concern at meeting the ASE's demands for 'across-the-board' increases in wages unrelated to the experience or performance of the workers concerned. A meeting of the operating board in November 1912 recorded the following discussion:¹⁰⁷⁸

¹⁰⁷¹ ibid; HOMM, 7/5/1912.
¹⁰⁷² HOMM, 7/5/1912.
¹⁰⁷³ HOMM, 30/4/1912, 11/7/1912 & 20/8/1912.
¹⁰⁷⁴ ibid, 11/10/1912.
¹⁰⁷⁵ ibid, 15/10/1912 & 22/10/1912.
¹⁰⁷⁶ ibid, 19/11/1912 & 14/3/1912.
¹⁰⁷⁷ Renold (1950), op cit, p14.
¹⁰⁷⁸ HOMM, 2/11/1912.

"The ASE recently demanded an increase in wages of 3/- per week for all members, irrespective of their wages at the time. This procedure is unsatisfactory. The best way to meet such demands is to grade our workers according to the requirements of the various classes of work and to fix scales for each grade".

Over the next few months, Deeley and the board worked out their grading scheme, which was introduced in March 1913. It consisted of four 'classes of work, tradesmen, operators, special labourers (with some limited range of skills) and labourers. Scales of pay were then attached to these grades, with actual pay being awarded to individuals according to managers' assessments of their performance: learner, below average, good average and specially good (and with promotion potential).¹⁰⁷⁹

In the remaining 18 months before the outbreak of the First World War, Deeley further consolidated his position of influence by taking on a steadily broader employment management portfolio. His activities included the resolution of a complaint by tradesmen from different unions that overtime rates laid down by the unions concerned were not being observed; handling a sectional claim from non-unionised female office staff for a longer lunch break; dealing with the Factory Inspector regarding the fitting of new guards on machines; and establishing and overseeing of a First Aid Treatment Room.¹⁰⁸⁰ As has been noted in connection with the National Insurance Act, the emergent role of Deeley as Employment Manager also increasingly involved advising the company on the interpretation of statutes and court decisions and developing the appropriate policies for compliance. For example, in January 1914, he reported to the board that a decision reached in the Rochdale County Court would have policy implications for the company's practice of deducting an amount from an employee's wages equal to the sickness benefit due under the National Insurance Act. The Court had ruled that an employer had no rights to make such a deduction unless it had the signed agreement of the employee. He advised that the firm's current terms of engagement were too ambiguous

¹⁰⁷⁹ *ibid*, 2/11/1912 & 11/3/1913.

¹⁰⁸⁰ *ibid*, 4/2/1913, 19/6/1913, 18/9/1913 & 26/10/1913

and that the form of words used should be revised, taking legal opinion if necessary. He also advised that all employees should be informed of the legal decision so that they understood why the amendment to their contractual terms was necessary.¹⁰⁸¹ A month later, Deeley was also involved in gathering data for the company's insurer regarding a claim by an employee for compensation as a result of injuries sustained through an alleged accident at work. In the event, no evidence could be found of an accident occurring on the day alleged. The claim did, however, serve to focus the attention of the board once again on accidents and, in response to their request, Deeley presented them with an accident reporting procedure, laying down the records and action required in the event of an accident occurring.¹⁰⁸²

The year prior to the commencement of the First World War saw an economic downturn and Hans Renold deemed it appropriate to adopt a formal policy of avoiding the discharge of employees when the business was slack. The rationale for doing so emanated from his wish that the system of scientific management operated by the company (referred to as the 'Reward System') should not be seen as a cause of unemployment, an accusation made by a number of trade unionists at the time. The minutes record his words as follows:¹⁰⁸³

"The policy of discharging the men did not commend itself. Mr Hans Renold did not wish it to be said that the Reward system and speeding up had resulted in the men being discharged".

Accordingly, the board adopted policies of stopping overtime, non-engagement of new employees and the transfer of employees from departments where the work was slack in order to avoid laying staff off.¹⁰⁸⁴ The implementation of such a policy required careful monitoring and co-ordination across all departments and this role, too, would be performed by the Employment Department. In

¹⁰⁸¹ *ibid*, 13/1/1914.
¹⁰⁸² *ibid*, 10/2/1914 & 17/2/1914.
¹⁰⁸³ *ibid*, 26/11/1913.

¹⁰⁸⁴ *ibid*.

addition to the Employment Department's roles in advising on industrial relations and legislation relating to employment, its development during the three years prior to the war was also intertwined with the company's espousal of scientific management. Whilst not directly involved in the development of the premium bonus or work measurement, which lay in Allingham's domain, it played a key role in the development of a grading structure introduced to control the relationship between reward and effort, the origins of which lay in an investigation of scientific management in the USA in 1912.¹⁰⁸⁵ Moreover, the Employment Department became the function through which Hans Renold's policy on job security would be implemented, a key rationale of which was to bolster the reputation of the company's scheme of scientific management and protect it from the potential criticism that it led to employees being discharged.

Deeley's role as Employment Manager had evolved rapidly during the space of two years (1912 and 1913) from supervisor of apprentices to adviser in a number of key areas of labour policy. These included some involvement in industrial relations and dealings with the trades unions at a time of expanding membership; recruitment; reward management; health, safety and accidents; and, notably, the provision of advice to the board on the small, but growing, body of law relating to employment. The significance of both these issues for the business, in particular industrial relations and legal regulation, grew markedly during the First World War and, as we shall see, further served to emphasise the central importance of an employment or labour management function at the firm.

The development of labour management: 1915 - 1920

The company became a controlled establishment under the Munitions of War Act and by August 1915 its works were busily engaged on war contracts.¹⁰⁸⁶ Numbers employed increased from just over 1300 in July 1914 to nearly 2400 in the autumn of 1916, around half of these being women compared with about

¹⁰⁸⁵ Renold (1950), op cit, p14).

¹⁰⁸⁶ Tripp (1956), op cit, p100.

a quarter just before the war.¹⁰⁸⁷ Tripp summarises the impact of the war on labour management within the firm as follows:¹⁰⁸⁸

"Under the impact of war, labour, management and capital throughout industry were becoming more self-conscious; also they were becoming more readily aware of each other as entities with unsolved problems...Labour [became] aware of its intrinsic importance for the first time...The influx of unskilled men into the factories, the entry of women to the engineering industry...the difficulties caused by the 'dilution' of skilled craftsmen with unskilled men and even - a revolutionary step in the craft domain - with women, and the intensification of troubles arising on the lines of demarcation between different unions, all played their part in making labour relations a function and a problem to a degree unknown before".

With an increased workload, Mr CJ Jones, a clerk from the Manufacturing Grinding Department, was appointed to assist WJ Deeley in January 1915, with a remit to take on recruitment and filing and also Miss Cassidy, a First Aider responsible for the welfare of women, was attached to the Employment Department.¹⁰⁸⁹ In May 1915, Deeley reported to the board on the time consuming nature of recruitment in wartime. In the first place, people were difficult to find. Nearly a thousand people had been added to the total workforce within a year; many more had been interviewed and, in addition, transfers to other jobs in the works were running at over 50 a month. At the end of the month and apparently quite suddenly, Deeley announced his resignation as a result of ill-health brought about by the pressures of the war, though he continued in a consultancy capacity for a short time before going back into teaching.¹⁰⁹⁰ It was decided that a Mr Heckells, a draughtsman from the Drawing Office should take over, with a remit to develop the technical training aspect of Deeley's work.¹⁰⁹¹ Events were overtaken by the passing of the Munitions of War Act in June 1915, which resulted in the works becoming controlled establishments, and it was resolved that dealings with the Ministry of Munitions required a senior appointment.¹⁰⁹² Accordingly, Mr WH Jackson, a

¹⁰⁸⁷ *ibid*, p105; HOMM, 5/9/1916 & 12/9/1916.

¹⁰⁸⁸ Tripp (1956), *op cit*, pp104-105.

¹⁰⁸⁹ HOMM, 12/1/1915.

¹⁰⁹⁰ *ibid*, 24/5/1916 & 21/6/1915.

¹⁰⁹¹ *ibid*, 24/5/1916

¹⁰⁹² *ibid*, 14/6/1915.

director appointed by CG Renold from outside the company in 1911, would be placed in charge of "employment problems and the education of the unskilled".¹⁰⁹³ Heckells returned to the Drawing Office and it was also resolved to appoint a new Employment Manager from outside the company. The appointee was a Mr HR Lloyd, an engineer and works manager by background. Harold Rees Lloyd had previously been employed by the company to head up the Central Office which co-ordinated production in the company's plants in August 1909. He was subsequently made a director in August 1910, but was relieved of this position (for reasons that are not known) in December 1912.¹⁰⁹⁴ Lloyd rejoined the company at the request of WH Jackson in July and by the autumn of 1915, Lloyd had reporting to him Mr CJ Jones as Assistant Head of the Employment Department and Miss ED Newcomb (also a leading figure in the Welfare Workers' Association) as Assistant Manager, responsible for women's employment, plus additional support staff.¹⁰⁹⁵ This team remained in place for the duration of the war, but from the autumn of 1917, against a background of developments in workshop committees at the company, CG Renold (in his capacity as works director) took over the employment and industrial relations portfolios from WH Jackson.¹⁰⁹⁶

As regards the role played by Lloyd as Employment Manager during the war, the board minutes of May 1916, just under one year after his appointment, recount that, far from being concerned with purely administrative matters, it was seen as central to the promotion of workplace efficiency. The minutes defined his role as follows:¹⁰⁹⁷

"His primary duties are selecting suitable staff from amongst applicants for employment; watching to see that conditions of employment are observed in practice; criticising all wage advance recommendations; dealing with miscellaneous questions of employment and discipline e.g. special leave, general deportment and discipline outside the immediate control of Heads of

¹⁰⁹³ *ibid*, D&SM: 1/7/1911.

¹⁰⁹⁴ Boyns, T (2001), Hans and Charles Renold: Entrepreneurs in the introduction of scientific management techniques in Britain, *Management Decision*, 39, 9, pp719-728.

¹⁰⁹⁵ HOMM, 21/6/1916 & 1/10/1915; Niven, M (1967), *Personnel Management 1913-1967*, London, Institute of Personnel Management, p52.

¹⁰⁹⁶ HOMM, 9/10/1917.

¹⁰⁹⁷ HOMM, 26/5/16.

Departments and the apprenticeship system. To provide an overall check that labour is used efficiently. To question constantly all Heads of Department as to whether all their staff is needed and is earning its salt. To seek out, by discussion with Heads, all those who could fill weightier positions than they hold, with the object of utilising all available talent".

The significance of the role was also reflected in the appointment of Mr Lloyd and Mr Jenkins, the Financial Manager, to jointly form an 'Economic Committee' in May 1916 with the purpose of advising the directors on "how the business is running from the point of view of economy", with a remit to act as the "watch dogs of the place", to "go wherever they liked and ask whatever questions they liked" and "report periodically to the Board on what has been done to improve the efficiency of the place".¹⁰⁹⁸

In terms of its day-to-day activities, two key areas occupied much of the time of the labour management function during the war. The first of these concerned the interpretation of the implications of the Munitions of War Act, together with associated negotiations with the trade unions. Most frequently mentioned in the board's minutes was dilution, but the interpretation of regulations regarding such matters as war badges, discipline, dismissal, hours of work and wages also featured. The second area of significance from 1917 onwards was the emergence of the workshop committee movement. The role of these issues in the development of labour management during the war will now be considered.

Dilution

At the outset of the war, the dilution of skilled work so that it could be performed by less skilled operatives was urged by the Ministry of Munitions on controlled establishments on a voluntary basis. From the early part of the war, the company had enthusiastically pursued a voluntary strategy of dilution through its increased employment of women and unskilled workers and had established special training schemes for this purpose. In May and June 1915, schemes had been established for training dilutees as automatic lathe operators, machine

¹⁰⁹⁸ *ibid.*

operators and other skilled jobs and it was reported in June 1915 that 17 trainees had passed through in a matter of weeks.¹⁰⁹⁹ As an aside, Hans Renold commented favourably on the early experience of these training schemes and the potential future role of in-house training as an alternative to reliance on traditional apprenticeships, observing:¹¹⁰⁰

"Much might be gained by devoting more attention to the training of employees for all kinds of work. It was hoped to develop training schemes and put them into practice after the war".

From January 1916, dilution became obligatory (regulated through what were known as Forms L2 and L3) and Lloyd, as Employment Manager, became extensively involved in its implementation for the remainder of the war. He became the board's adviser on the interpretation of the wartime labour regulations and his role involved him in regular consultations and negotiations over their implementation, both internally with managers, superintendents and shop stewards and externally with officials of the Ministry of Munitions, the Labour Department of the Board of Trade (which from 1917 became the Ministry of Labour) and district trade union officials.

Dilution became a more pressing matter from early 1916 onwards. Lloyd brought to the attention of the operating board that, as a result of an agreement between the Government and the ASE, dilution was about to become obligatory, rather than merely a recommendation as hitherto.¹¹⁰¹ He noted that no workshop rules regarding demarcation would be enforced other than those specified in the Ministry of Munitions model rules and the Ministry also laid down rates to be paid to dilutees and skilled workers.

People engaged in essential war work had been issued with 'war badges' which protected them from call up, but by the summer of 1916 the Ministry of Munitions had begun what became the first of many exercises in 'debadging' in

¹⁰⁹⁹ *ibid*, 24/5/1915 & 30/6/1915.

¹¹⁰⁰ *ibid*, 24/5/1915.

¹¹⁰¹ *ibid*, 28/1/1916

order to free up more men for war service. The usual procedure was that Lloyd prepared a list of lesser skilled men who could be 'debadged' and called up in consultation with managers, superintendents and shop stewards. The Dilution Officer of the Ministry of Munitions, who was usually a trained engineer, and the Divisional Officer of the Labour Department of Board of Trade also visited the works. The role of the former was to investigate the skills of the men and the possibilities for dilution and the latter was to assist in recruiting replacement dilutees. Thereafter, a list would go to the Military Recruitment Officers who organised medical examinations and classified the men according to military requirements. Following this, the Dilution Officer revisited the works to enter into discussions about releasing those men fit for military service and also determine what needed to be done regarding dilution and substitution in order to maintain output.¹¹⁰² The co-ordination lay in the hands of Lloyd as Employment Manager. From time to time, there were differences of view between the company and the Dilution Officer concerning which men could or could not be spared, requiring Lloyd to negotiate with the Ministry of Munitions, but the final decision lay with government and military officials.¹¹⁰³ As pressures increased from 1917 to free up more men for military duty by culling skilled men, the issue of debadging ran into opposition from the craft unions in the form of strikes and embargoes against dilution. The Minutes record that Lloyd involved the shop stewards fully when seeking to comply with the dilution orders and also his periodic involvement in consultations with trade union district officials and with the Chief Investigation Officer of the Ministry of Munitions whose task it was to mediate in industrial action.¹¹⁰⁴

Within the wartime framework of legal controls over hours of work and wages, The board also sought Lloyd's advice on these matters. To take a few examples, Lloyd reported to the board on the interpretation of Circulars L2 and L3 on the wages to be paid to female and semi-skilled dilutees; on Home Office orders restricting the hours of employment of women, with proposals on altered

¹¹⁰² *ibid*, 15/8/1916, 27/12/1916, 16/1/1917, 13/13/1917 & 1/5/1917.

¹¹⁰³ *ibid*, 27/12/1916.

¹¹⁰⁴ *ibid*, 1/5/1917, 8/5/1917, 24/7/1918, 4/9/1918 & 13/9/1918.

rosters in order to comply; and on the interpretation of pay awards which were controlled by the Committee on Production.¹¹⁰⁵

In short, the role of the Employment Manager became almost exclusively involved in matters of industrial relations within a context of legal regulation and the growth of trade union power at shop floor level.

Workshop committees

In addition to the emergence of the Employment Manager as an industrial relations adviser, the second significant development in labour management practices during the war at the company lay in the emergence of workshop committees. This initiative was entirely driven by CG Renold, as Works Director and also employment and industrial relations director from October 1917, in consultation with the board.¹¹⁰⁶ Indeed, Renold became so passionately committed to the idea of workshop committees and joint consultation that he published a book about them and during the inter-war period gave conference papers and wrote articles on this subject.¹¹⁰⁷ Many years later, he revisited the topic and wrote another book about his 30 years' of experience of them.¹¹⁰⁸

The establishment of a shop committee was first raised by the district secretary of the ASE, Mr Holt, and the district organiser, Mr Binns, in March 1915. The minutes of the operating board record that the proposal was "generally favourably received".¹¹⁰⁹ The main motivation seemed to be the protection of the premium bonus or 'Reward' system, as it was known, because the minutes

¹¹⁰⁵ ibid. 25/2/1916, 3/10/1916, 10/10/1916, 14/11/1916, 21/11/1916.

¹¹⁰⁶ ibid, 9/10/1917.

¹¹⁰⁷ Renold, CG (1917), Workshop Committees, London, British Association; Renold, CG (1920), The benefits to workers of scientific management, a paper given to Rowntree's Oxford management conference, 15-19 April, BS Rowntree Archive 93/VII/21; Renold, CG (1921), Workshop Committees, revised ed London, Pitman; Renold, CG (1927), The improvement of industrial relations, Welfare Work, April, 70-72.

¹¹⁰⁸ Renold (1950), op cit.

¹¹⁰⁹ HOMM, 22/3/1915.

record that a shop committee might be a useful mechanism for communicating greater understanding of the scheme at shop floor level, as follows:¹¹¹⁰

"Complaints about the [Reward] System from any quarter might easily arise through not understanding the calculations on which it is based and these could be satisfied in an informal way by the Shop Committee"

Nothing further came of this proposal and the subject of workshop committees did not arise again until 1917. By 1917, the workshop committee movement had become widely established within the trade union movement and would, during the course of 1917, become enshrined in public policy through the proposals of the Whitley Committee. CG Renold dates the origins of workshop committees at the company to late 1916 and early 1917 and notes that they emerged out of two parallel and related developments: official recommendations by the Ministry of Munitions and shop floor pressures. Renold relates that a management initiative to establish a workplace committee stemmed from a recommendation by the Ministry of Munitions that employers should consider setting up Accident Prevention Committees jointly with their employees.¹¹¹¹ Following consultation with the superintendents, Renold proposed that such a committee might be given a broader remit and suggested that a joint management-worker 'Welfare Committee' might be established. This proposal was implemented in early 1917 and Renold records that the committee consisted of 12 management representatives (including the Works Director, the Employment Manager, the Woman Assistant Employment Manager, the Plant Manager, the Sales Director, the Finance Manager and 6 other officials) and 20 employee representatives (9 men and 11 women, representing the unionised skilled workers and the non-unionised groups).¹¹¹² The main business of the committee included such matters as communicating information about munitions contracts and its effects on the expansion or contraction of employment, changes in works organisation and new staff

¹¹¹⁰ *ibid.*

¹¹¹¹ Renold (1956), *op cit*, p19.

¹¹¹² *ibid*, pp19 & 22.

appointments.¹¹¹³ No sooner had this committee been formed when Renold reported to the board that a committee of shop stewards from the ASE had been formed and he concluded that "the formation of the provisional Welfare Committee probably gave rise to the movement as some men thought that it was an attempt on the part of the management to encroach on their preserves".¹¹¹⁴ The question of the shop stewards' committee and the company's attitude towards it was discussed by the board in October 1917, particularly as complaints had been received from the superintendents that committee members had been leaving their posts and moving about the works without permission. CG Renold put the view that the company should provide reasonable facilities for shop stewards to visit each other during working hours on condition that they notified superintendents of their movements and this view prevailed.¹¹¹⁵ The company did not, however, recognise the shop steward committee as the sole medium of management-union communication until 1920 and continued to persevere with their Welfare Committee.¹¹¹⁶ Nevertheless, the company did recognise the shop stewards' committee 'de facto' as a forum with which it was prepared to consult and take note of as, for example, during a dispute in July 1917 over the shop stewards' opposition to further dilution training.¹¹¹⁷ The company also established an Education Committee in 1918 and involved representatives of the shop stewards in this.¹¹¹⁸ At some point towards the end of the war or just after it, Renold notes that management initiated a process of joint control with the shop stewards over matters of discipline. Disciplinary rules were discussed and agreed with the shop stewards' committee and the committee was also consulted in all cases of disciplinary action. Prior to any disciplinary action being taken, the manager concerned had to notify the Employment Manager of the circumstances and the latter would inform the Chairman and Secretary of the Shop Stewards' Committee of the case against the individual and of the disciplinary action contemplated. This did

¹¹¹³ ibid, p23.

¹¹¹⁴ HOMM, 20/2/1917.

¹¹¹⁵ ibid, 9/10/1917.

¹¹¹⁶ Renold (1950), op cit, p24.

¹¹¹⁷ HOMM, 31/7/1918.

¹¹¹⁸ ibid, 1/9/1918.

not prevent the shop stewards taking any action that they thought appropriate, but it did enable them to hear the facts from a management point of view.¹¹¹⁹

In July 1920, the company recognised that the shop stewards' committee had come to represent almost all employees, unionists and non-unionists alike below management level and, according to Renold, from this time "the shop steward was accepted as the sole channel for negotiation and discussions on all questions between the management and all grades of worker other than the staff".¹¹²⁰ This conclusion was stimulated both by the growth of trade unionism at the end of the war and immediately after amongst the unskilled and semi-skilled and also a frank admission of the failure of the alternative Welfare Committee framework.¹¹²¹ On this decision, Renold reflected:¹¹²²

"Notwithstanding all the efforts made by both sides, the Welfare Committee failed to establish itself as a vital organ in the works community...The workers' side considered that the Committee was an unreal body and maintained that it needed much wider scope and more real powers if it was to be effective".

CG Renold's espousal of the cause of joint consultation stemmed from a number of sources. First, he saw it as a medium of communication to achieve a better understanding of the company's 'Reward' system, central to its scheme of scientific management. Secondly, it was introduced against a background of pressures of public policy and the shop steward movement. Thirdly and importantly, there was the notion of a 'constitutional' management for the company. From his earliest days in the company, Charles Renold was concerned to establish a clear framework of rules for guiding the actions of management and ensuring consistency. In 1921, he published his manifesto for works committees and argued that they provided "machinery for carrying the function of the trade union into greater and more intimate detail than is possible by any outside body".¹¹²³ The scope of joint management-worker decision-

¹¹¹⁹ Renold (1950), op cit, pp113-114.

¹¹²⁰ *ibid*, p28.

¹¹²¹ *ibid*, pp24 & 34.

¹¹²² *ibid*, p23.

¹¹²³ Renold (1921), op cit, p14.

making envisaged was broad, especially in the context of the times, and included piece-rate determination, avoidance of job losses, grading of workers, grievances, discipline and accident investigation. In his later evaluation of his experiences at this time, he highlighted 'the regularisation of procedures for consultation', the establishment of what he termed 'a code of common law for the workshop' and the development of the role of the Employment Manager as his key contributions to the practice of management at the firm.¹¹²⁴ His concept of a constitutional 'code of common law for the workshop' and his assessment of the significance of the Employment function at the company, both of which are interrelated, are the topics to which we now turn.

'Constitutional Management' and the development of the employment function at Renold: 1890-1920

The key developments in labour management at Renold may be summarised as follows. In the era of the 'one-man' regime of Hans Renold as 'Governing Director', which survived until towards 1910 when the total workforce had reached 800 people, all key labour policy decisions were made by Hans Renold himself. The decisions included hours of work, standards of work, recruitment, promotion and pay. Indeed, until the arrival of CG Renold in the business and his establishment of a central co-ordinating office in 1908, most of the key business decisions were made by Hans Renold. CG Renold's role was to codify or standardise decision-making procedures and develop a more systematic approach based on his American training in scientific management and further research into scientific management undertaken by the company in 1912. A number of steps were made towards the functionalisation of the organisation structure before the First World War and, according to CG Renold, the appointment of an employment specialist in 1910 was part of this process. At a time when the number of employees employed in the business was increasing (up more than 60 per cent between 1910 and 1914), the early task of the employment specialist was in recruitment. The next phase in the development

¹¹²⁴ Renold (1950), *op cit*, p102.

of the labour management function occurred in 1912 with the appointment of WJ Deeley. The rationale behind the appointment of Deeley was to give a boost to the company's apprentice training programme, but Deeley brought expertise beyond apprentice training alone and soon became valued within the management team for the broader range of employment advice which he was able to provide. Appointed initially on a consultancy basis, within six months he was made Employment Manager on a permanent contract in October 1912. A number of key developments in the company's business environment provided Deeley with opportunities to prove his worth as an integral member of the management team. These included the provision of advice on how the company should respond to the National Insurance Act and assisting the company to respond to the growth of trade unionism. He also devised and introduced a scheme of grading which represented a device for controlling the sectional pay claims of the trades unions and also for establishing a system of pay awards based on closer relationships between effort and reward. Following his resignation early in the war, Deeley was succeeded by HR Lloyd who remained as Employment Manager for the duration of the war. Shortly after Lloyd's appointment, the employment function had evolved into a distinct department, with an Employment Manager, two Assistant Managers and support staff. Once again, it was the regulatory framework of law governing employment during the war that gave a further boost to the central role of the employment function within the management of the company, together with recruitment pressures at a time of labour shortages and the continued growth and strength of trade unionism. Lloyd's role was concerned, in particular, with plant level industrial relations and associated relationships with external bodies. A key area of activity from 1916 to the end of the war concerned dilution and this involved the preparation of plans for dilution with the superintendents, the organisation of training of dilutees and negotiations with the Dilution Officers of the Ministry of Munitions and officials of the Employment Department of the Board of Trade (from 1917 the Ministry of Labour). It also involved negotiations with local trade union officials and, from early 1917, with the shop stewards' committee. Other areas of involvement included plant level pay negotiations and advising on hours of work within the constraints of legal regulation. The company's other main labour management initiative during and immediately

after the war, joint consultation, lay in the hands of CG Renold as Works Director. In short, three factors influenced the development of the labour management function in the period from 1912 to 1920. First, there was the company's strategic commitment to scientific management through standardisation of rules and procedures and functionalisation. Secondly, there was the growth of external pressures affecting the management of labour, notably wartime employment regulation and the growth of trade unionism. Thirdly, there was the 'contingency' or 'chance' factor of having the right person in the job of Employment Manager. In both Deeley's and Lloyd's cases, they were able to seize the opportunities presented by providing expert advice regarding the labour management challenges faced by the company and prove their worth as fully integrated members of the management team.

Further insights into the development of the Employment function are provided by CG Renold himself in his published writings. He acknowledges that in the early years after 1910 the terms of reference of the Employment Department were "somewhat vague", but states that this was addressed in 1916 when its functions were defined as follows. First, it was emphasised that the Employment Department was not a 'Welfare Department'. Welfare was, in the main, provided through the Hans Renold Social Union which was run by the employees, though aspects of welfare came within its remit.¹¹²⁵ It was not in any sense 'in charge' of labour nor was it responsible for labour policy which was made by the operating board, in particular by CG Renold, in the light of advice given by the Employment Manager. Its duties encompassed the keeping of all employment records, screening candidates for recruitment, handling dismissals, organising wage and salary reviews, merit advances, promotions and above all, managing industrial relations.¹¹²⁶ Above all, in Renold's view, it was "essentially the repository and custodian of all agreements, rules, decisions and practices concerning labour policy".¹¹²⁷ In effect, it performed a key role in Renold's conception of 'constitutional' management, based on establishing and

¹¹²⁵ ibid, p72.

¹¹²⁶ ibid.

¹¹²⁷ ibid.

following consistent rules and procedures. In 1921, he summarised the rationale for an 'Employment' or 'Labour' Department as follows:¹¹²⁸

"The negotiations and discussions with the various committees will give rise to customs, precedents, procedures and interpretations which will become in themselves a system of laws that will require the focusing of labour policy in a single department if chaos is to be avoided".

Renold had recognised the potential significance of custom and practice in a workplace in shaping relationships between management and employees and its potential for undermining management authority through the establishment of precedents. In his later book, he elaborated as follows:¹¹²⁹

"The conception of the Employment Department as the repository of labour policy had important consequences...Due to its vast store of knowledge and experience and to the fact that it neither laid down policy nor acted as management's spokesman in negotiations with the shop stewards, the Employment Department came to occupy in many respects a detached position. It could thus act as adviser to either side. Senior Superintendents, faced with some labour problem, could obtain factual information as to existing agreements and practices and advise on their application to the situation in hand. Shop stewards could do the same in full confidence that the Employment Manager was just as concerned to see that they should obtain the full 'benefit of the law' as that management should. The Employment Manager was available to the chairman and the secretary of the shop stewards at any time and without formality. Due to this easy access and to his position of consultant, they developed the practice of taking questions and complaints to him before bringing them formally to a joint meeting. Many difficulties were able to be dealt with by virtue of his good offices and never became formal issues at all. This applied especially to such as arose out of personal frictions between a man and his Superintendent. This easy contact between the shop stewards and the Employment Manager not only rendered recourse to the formal joint meeting procedure in many cases unnecessary, but it enabled each side to acquire a real understanding of what was in the mind of the other. It constituted an invaluable supplement to the formal procedure".

The Employment function at Renold during the period of the First World War took on the role that Tyson and Fell¹¹³⁰ refer to as that of 'contracts manager',

¹¹²⁸ Renold (1921), op cit, p48.

¹¹²⁹ Renold (1950), op cit, pp72-73.

¹¹³⁰ Tyson, S and Fell, D (1992), Evaluating the Personnel Function, 2nd ed, Cheltenham, Stanley Thorne.

encompassing both the express terms of the contract and, perhaps more significantly, those implied by custom and practice. The legal analogy is also noted by Renold himself when he concludes: "The 'rules' are those jointly agreed...and thus constitute a body of known and accepted common law under which everyone in the community knows his rights and obligations".¹¹³¹ Such a role did not evolve out of welfare, but rather out the growing power of the trades unions to enforce custom and practice in the workplace within a wartime context of labour regulation, a scarcity of labour supply and buoyant demand for the firm's output of armaments.

¹¹³¹ Renold (1950), op cit, p104.

Case study 3: Centralised labour management at Imperial Chemical Industries (ICI) : 1926 - 1939

ICI went into business on 1 January 1927 and comprised Brunner, Mond & Co, Nobels' Explosives, the United Alkali Company and the British Dyestuffs Corporation. According to Reader,¹¹³² under the strong influence of Alfred Mond, its Chairman, three areas of policy were seen as essential to the organisation's success from its foundation. Two of these related to the management of people - labour relations and management selection and training - and the third to research. At its formation, ICI employed 33,000 people in the United Kingdom and within two years this rose to 57,000. ICI ranked amongst the largest enterprises of the time in Britain and one of Mond's earliest strategies was to find a means for giving the ICI Board "absolute and rapid control over all the activities of the four constituent companies".¹¹³³ The chosen strategy was the centralisation of all the key business functions: R & D, sales, buying and labour control.¹¹³⁴ The Central Labour Department was set up in 1927 and its first Chief Labour Officer was Richard Lloyd Roberts who had held the same post at Brunner, Mond since 1916 and in his new role at ICI he reported to Sir Alfred's son, Henry Mond, who held Board responsibility for labour matters.¹¹³⁵ According to Sir Alfred's biographer, "so determined was Lord Melchett (as Sir Alfred became on ennoblement in July 1928) to see the fruition of his schemes for labour in Imperial Chemical Industries that he appointed his son, who in those days always worked in the next room to his father, so that he might himself have the closest personal control over labour".¹¹³⁶ Before considering Alfred Mond's 'scheme for labour' in more detail, it is first appropriate to look at some of the contextual factors that gave rise to it.

¹¹³² Reader, WJ (1975), Imperial Chemical Industries: Volume II: The First Quarter Century 1926-1952, London, Oxford University Press, p57.

¹¹³³ *ibid*, p27.

¹¹³⁴ *ibid*.

¹¹³⁵ *ibid*, p60.

¹¹³⁶ Bolitho, H (1933), Alfred Mond: First Lord Melchett, London, Martin Secker, p305.

Key influences on Alfred Mond's labour policies

Three key influences on the development of Mond's labour policies can be identified. First, there were the political beliefs held by Mond himself based on many years of experience in industry and parliament. Secondly, the specific political context of the times, notably the changing fortunes of the trades unions in the wake of the 1926 General Strike, need to be considered. Thirdly, and most importantly, there was the strategy of rationalisation that underpinned the formation of ICI and therefore the commercial success of that strategy. Each of these will be considered in turn.

Mond's political beliefs and their influence on ICI's labour policies

As regards Sir Alfred Mond himself, his biographer notes that towards the end of his political career as Cabinet Minister in Lloyd George's coalition government in 1922, his memoranda had become "dominated by his bitter anxiety over the growth of socialism" and, he continued, "when he was faced by socialism, he was possessed with a passionate anger which shunned all compromise".¹¹³⁷ Following the return to power of the Conservatives in 1923, with Labour in opposition and the Liberals a rump, Bolitho recounted a speech on socialism delivered by Mond in 1923 which he described as "the greatest success of his parliamentary career".¹¹³⁸ The speech was made in response to an attack made by Philip Snowden, leader of the Labour party, advocating nationalisation and the removal of capitalists from industry, specifically referring to Brunner, Mond and Co as "a typical firm against which the Socialists might array themselves".¹¹³⁹ Rising to the challenge, he responded that "the last accusation which could be brought against Ludwig or Alfred Mond was that of being intolerant capitalists" and went on to enlarge on the company's "liberal democratic experiments", including the shorter working week and annual paid holidays introduced long before most other employers, together with mechanisms of worker

¹¹³⁷ ibid, p232.

¹¹³⁸ ibid, p234.

¹¹³⁹ ibid, p239.

consultation.¹¹⁴⁰ It was a shift to the left by the Liberals in 1925 and Mond's profound disagreement with Lloyd George's 'Land Policy' involving measures of state control of the land, which Mond referred to as "no more than a blundering attempt at bureaucratic socialism", that led him to leave the Liberal party and defect to the Tories in 1927.¹¹⁴¹

Mond's views about socialism are significant because they represent one strand of thinking that underpinned his approach to labour policy at ICI and his initiatives at industrial peacemaking through the Mond Turner talks which will be discussed further below. On its formation, ICI was one of the largest enterprises in the country, and with the Labour party fully committed to nationalisation, the company was a likely candidate, as evidenced by Snowden's words quoted above. An important rationale of Mond was, therefore, to operate a 'progressive' labour policy that could be used to defend the company from attacks against capitalism as he had done in the context of Snowden's attack on Brunner, Mond. The political motive underpinning the company's labour policy was later made explicit by Richard Lloyd Roberts, ICI's Chief Labour Officer, when he addressed a conference of the Institute of Labour Management in 1934 and argued:¹¹⁴²

"The present capitalistic system is on trial. There are people in the country who believed in Socialism as the only solution for our present evils. Can the present organisation of industry afford an outlet for the needs and aspirations of the people engaged in it? If not, it is doomed....The capitalistic organisation of industry had not had a sufficient trial to see what it can do. The coming of our profession was to influence the course of events".

In 1938, he returned to the same theme in another speech delivered to the Institute of Labour Management, in which he argued that: "My advocacy of a progressive personnel policy is rooted in my desire that private enterprise shall

¹¹⁴⁰ ibid; see also Sir Alfred Mond (1927), Industry and Politics, London, MacMillan, in particular: Socialism - What It Really Is (ibid, pp308-325) and Why Socialism Must Fail (ibid, pp326-337) in which he reflects fundamental concerns with the Labour Party's advocacy of nationalisation which he anticipated they would be bound to implement whenever they came into power.

¹¹⁴¹ ibid, pp259 & 282.

¹¹⁴² Lloyd Roberts, R (1934), A labour policy, Labour Management, November, p9.

survive and I am satisfied that it can only survive to the extent that it recognises and fulfils its obligations to the community".¹¹⁴³

In conclusion, then, ICI's formation and development up to 1939 (and indeed for a period after the Second World War) occurred at a time when nationalisation featured high on the agenda of the Labour party and thus the political environment in which the Company operated was far from secure. One way in which Mond sought to influence this environment was to create a 'progressive' labour policy in order to demonstrate both to his own workforce and to the community at large, in particular those who espoused socialism and nationalisation, what contemporary private enterprise was capable of achieving as regards terms and conditions of employment and the wellbeing of its people.

The role of the unions and the Mond-Turner talks in the development of ICI labour policies

If a political motivation was one rationale underpinning labour policy at ICI, Mond's extensive dealings with the trades unions through the Mond-Turner talks of 1927 to his death in December 1930 had a closely related objective. Described by Reader as an "autocratic liberal" who was "ambivalent to trade unions",¹¹⁴⁴ his initiatives cannot be ascribed to any altruism about sharing power with trades unions in the enterprise. Rather, he was concerned to lend support to moderate trade unionists, such as Ernest Bevin of the Transport workers, in the pursuit of industrial peace after the General Strike at the expense of left wing unionists.¹¹⁴⁵ However, his dealings with the unions also had more immediate practical, commercial objectives. In the autumn of 1926, Mond was engaged in trying to get the large number of unions representing workers at ICI to accept a new internal industrial relations system which the unions opposed on the grounds that it

¹¹⁴³ Lloyd Roberts, R (1938), A personnel policy: its basic principles and its development, *Labour Management*, 20, 215, April, p74.

¹¹⁴⁴ Reader (1975), op cit, p11.

¹¹⁴⁵ McDonald, GW and Gospel, HF (1973), The Mond-Turner talks, 1927-1933: a study in industrial co-operation, *The Historical Journal*, xvi, 4, p828; Reader (1975), op cit, p59.

undermined trade unionism and collective bargaining and the TUC had also become involved in the consultations.¹¹⁴⁶ The cornerstones of Mond's proposals for labour policy at ICI involved personal contact, improved status, increased security, co-partnership and communication of information, all of which will be considered in more detail below.¹¹⁴⁷ Against the background of these discussions about the future labour policy of ICI, Baldwin's Conservative administration was beginning to pursue initiatives to bring about industrial peace in the wake of the General Strike of 1926.

According to McDonald and Gospel, three factors combined to bring about a favourable climate for industrial co-operation during the period 1927 to 1929: a drive by a number of leading employers for greater efficiency; a shift from the left among trade union leaders in the wake of the General Strike; and a degree of economic recovery from the depression of the early to mid 1920s.¹¹⁴⁸ At the first joint conference of early 1928, Mond set out his agenda for the meeting and put forward the following matters for discussion, opening by noting that the employers present acted in an individual, not representative, capacity: gaining support for rationalisation, taking into account what might be done through employee transfer, compensation and pensions to alleviate the impact on redundant workers; measures to enhance the status and security of workers; and consultation, worker participation and the provision of information.¹¹⁴⁹ As noted, a number of these ideas underpinned Mond's proposals for labour policy at ICI, but in the event, most of them did not feature in the subsequent joint reports. Mond did, however, obtain support for rationalisation, an outcome which he regarded as important.¹¹⁵⁰

In practice, nothing concrete was achieved by the Mond-Turner talks, but Mond's involvement in these talks in the early days of ICI can be attributed to a complex

¹¹⁴⁶ McDonald and Gospel (1973), op cit, p817.

¹¹⁴⁷ ICI (nd), The Mond Turner Talks, internal unpublished paper, London, the Company, pp3-4.

¹¹⁴⁸ McDonald and Gospel (1973), op cit, p809.

¹¹⁴⁹ ICI (nd), op cit, pp3-4.

¹¹⁵⁰ ibid, pp5-6; Gospel, H (1979), Employers' labour policy: a study of the Mond-Turner talks 1927-1933, Business History, 21, pp185-186.

set of interrelated motives. Whilst obtaining the commitment of the unions to the proposed labour programme at ICI was one, he was also concerned (as noted above) to shape their political views by proposing 'progressive' labour policies and emphasising what could be offered by the private sector against a background of political pressure for nationalisation. Other interrelated motives, closely connected with the establishment of ICI, included obtaining trade union support for rationalisation, Empire free trade and reform of the anti-trust laws.¹¹⁵¹ The talks also enabled Mond to engage in what has been termed 'attitudinal structuring'¹¹⁵² by creating positive impressions and a favourable climate amongst trade union leaders regarding the underlying aims of his labour policies for ICI, the effectiveness of which was reflected in the following comments of Ernest Bevin:¹¹⁵³

"Lord Melchett had probably a greater grasp than any other man I had met since the war (1914-1918) of post-war problems...He realised that one could not apply the old nineteenth century method of discarding the human being as one would old machinery, without regard to what would happen to the men and to the nation as a result of the perpetuation of these soulless methods...I became convinced that the principle which actuated him was his consciousness that the workpeople involved in industrial reorganisation must not be left to bear the whole weight resulting from inevitable change".

Mond's dealings with the trades unions, then, were closely intertwined with his political beliefs which were discussed above. Radical unionism had shown its face in the General Strike, trade unionism had been damaged as a result, with its membership declining, but the overall result had been a shift to the right within the trade union leadership. Moderate trade unionism, if encouraged, could act as a bulwark against communism and radical socialism and thus favourably influence the uncertain political and industrial relations climate in which ICI sought to develop its business. Moreover, moderate trades unionism shared some common ground with the political objectives of Mond and certain other larger employers during the late 1920s. Government attitudes towards what were seen

¹¹⁵¹ Gospel (1979), op cit, pp184-185.

¹¹⁵² Walton, RE and McKersie, R (1965), A Behavioural Theory of Labour Negotiations, New York, McGraw Hill.

¹¹⁵³ Quoted in ICI (nd), op cit, p10.

as the formation of anti-competitive trusts through rationalisation remained suspicious. Mond's discussions with the trades unions won support for the notion that large, rationalised enterprises had both the resources and competitive strength to provide secure employment and better conditions.

Rationalisation and its influence on labour policies at ICI

A third important influence underlying Mond's approach to labour policies at ICI was his enthusiastic commitment to the principles of rationalisation in industry generally and, by implication, at ICI specifically. The origins of Mond's commitment to rationalisation have been attributed to his experience of the First World War when he had become impressed by the co-operation that had been achieved across the British Empire. Mond saw the traditional practices of regarding "trade processes as a jealous secret" as being "out of date"¹¹⁵⁴ in the context of world competition and took the view that modern methods required an exchange of information about the results of research between all those engaged in the same industry.¹¹⁵⁵ He saw the creation of ICI as a "precursor", an "example" and a "precedent" for stimulating the rationalisation movement in British industry and took the view that this was "absolutely necessary if British industry is to survive in the markets of the world".¹¹⁵⁶ Mond also saw rationalisation as a way of combatting nationalisation and believed that if rationalised industries delivered security and prosperity for workers, political support for nationalisation would be weakened.¹¹⁵⁷ An immediate task for the British chemical industry in the post-war period was to close the gap, particularly in relation to research capability, with the German and American chemical industries (most notably IG Farben and Du Pont). Mond's vision was based on Empire Free Trade, allied to protectionism within the framework of the Empire.¹¹⁵⁸ The companies involved in the ICI merger relied mainly on the British market and the great bulk of its assets were home-based. Mond's vision foresaw

¹¹⁵⁴ Mond (1927), op cit, p212.

¹¹⁵⁵ *ibid*, pp212-213.

¹¹⁵⁶ *ibid*, p215.

¹¹⁵⁷ *ibid*, p220.

¹¹⁵⁸ Bolitho (1933), op cit, p327; Reader (1975), op cit, pp47-54.

the emergence of a more international company dominating the chemical industry in the imperial territories in the future in the way that the group currently dominated the British market.¹¹⁵⁹ Hence, of course, the name chosen for the newly rationalised organisation.

The significance of the ideas associated with rationalisation in the 1920s and their impact on the development of labour management were discussed in earlier chapters. Suffice to say here that government policy which during the 1920s had favoured a return to pre-war conditions of unfettered inter-firm competition swung behind rationalisation with the publication of the Final Report of the Balfour Committee in 1929 and during the 1930s legislation was enacted to encourage mergers in various industrial sectors.¹¹⁶⁰ As noted earlier also, the rationalisation movement had its origins in Taylor's ideas about scientific management, the most important of which were his proposals regarding functionalisation and specialisation, central planning and standardisation, all of which, as we shall see, featured prominently in ICI's approach to labour policy.

Mond's proposals for labour policies at ICI: 1926-1927

Between the autumn of 1926, when he was engaged in negotiations with ICI's trade unions and before whom he had placed his plans for labour policies and the autumn of 1927, when he revealed the full programme, Mond made a number of public statements about his proposals. In October 1927, he met the press with a 'Complete Statement on the Labour Programme of Imperial Chemical Industries Limited' and also sought wider publicity for them by writing them up in an article in *The Spectator* in November 1927.¹¹⁶¹ Given the concerns of the trades unions about insecurity of employment, his response to this lay at the heart of the proposals. In the light of the large size of the enterprise, which parts of the press had referred to as a 'soulless merger', he was concerned that contact should be maintained between the heads of the firm and all those employed at all levels to

¹¹⁵⁹ Reader (1975), op cit, p9.

¹¹⁶⁰ Pollard, S (1983), *The Development of the British Economy 1914-1980*, London, Edward Arnold, pp105-106.

¹¹⁶¹ Reader (1975), op cit, p60; Bolitho (1933), op cit, p301.

the shop floor. An internal ICI paper noted that "so serious were these rumours and accusations that Sir Alfred Mond felt called upon to denounce them", which he did in a speech at the statutory General Meeting of the Company in March 1927.¹¹⁶² In response to those in the trade union movement who argued that rationalisation would lead to a worsening of pay and conditions, he argued for "high production, cheap costs and high wages".¹¹⁶³ The 'five keynotes' , announced by Mond at a press conference on the labour programme of the company held on 7 October 1927, were as follows:¹¹⁶⁴

- Personal contact: to be achieved through a system of works councils, general works councils and a central council
- Improved status and security: to be achieved by offering the opportunity for manual workers to attain staff grade after five years' of service and with it certain privileges, particularly full pay for up to six months a year whilst off work in the event of certified sickness absence
- Co-partnership: aimed at encouraging a direct financial interest in the company, the scheme would provide the opportunity to purchase shares by easy payments
- Information: this strand focused on the importance of disseminating information throughout the organisation through a range of media, including consultative committees, house journal and other internal publicity.

In keeping with the espoused model of rationalisation, centralisation and standardisation were central to the strategy of the new company, including labour management.¹¹⁶⁵ Soon after the foundation of the company, the Board decided that the "Labour Policy should be directed to build up the ICI morale as distinct from a purely local patriotism and that the Company's relations with its workers should be founded on a common policy throughout".¹¹⁶⁶ Centralisation and

¹¹⁶² ICI (1949), The Personnel Policy of ICI, unpublished paper for the Private Industry Commission, London, the Company, p4.

¹¹⁶³ Bolitho (1933), op cit, p304.

¹¹⁶⁴ ICI (1949), op cit, pp6-7.

¹¹⁶⁵ Reader (1975), op cit, p60.

¹¹⁶⁶ ICI (1949), op cit, p16.

standardisation of labour policy was co-ordinated through the ICI Labour Department (known, shortly after, as the Central Labour Department) which was established early in 1927, with the purpose "of securing uniformity of policy and co-ordination of method in the conduct of all matters affecting relations between the Company and its workers, while restricting as little as possible the autonomy of the various constituent firms".¹¹⁶⁷

Notwithstanding Sir Alfred Mond's ongoing discussions with the trades unions at the Mond-Turner talks, which in any event did not bind any organisation, including his own, as the participants were acting as individuals,¹¹⁶⁸ the company's attitudes remained ambivalent to trade unionism. As noted earlier, a key part of the labour strategy was to encourage individual loyalty to the company, but not to encourage trade unionism or collective bargaining.¹¹⁶⁹ Against a background of declining trade union membership in the company in the late 1920s (estimated at between 30 and 40 per cent of employees in different parts of the business), a key function of the central Labour Department was to control the company's relationships with the unions.¹¹⁷⁰ The company's position was succinctly summed up in the late 1920s by both Henry Mond and Richard Lloyd Roberts. Henry Mond, writing in 1927 about the benefits to workmen of the Staff Grade Scheme, emphasised that it would "bind them more closely to the Company's interests than to the interests of the working classes" and two years later stated that "it gives them greater security than any form of trade unionism could give them".¹¹⁷¹ In a similar vein, Lloyd Roberts wrote in a Labour Department Report in 1928:¹¹⁷²

"There is a fundamental antagonism between the Company's policy and that of the Unions...their whole effort is directed towards allying ICI Workers with Workers generally, whereas the Company's policy continually tends to ally Workers with the Company. In the degree in which the Company's policy is successful, the Worker's growing inclination is to regard his natural contact as being with his Management, whereas the Unions consider it should be with his Union".

¹¹⁶⁷ *ibid.*

¹¹⁶⁸ Gospel (1979), *op cit*, p187.

¹¹⁶⁹ *ibid*, p194.

¹¹⁷⁰ Reader (1975), *op cit*, p65.

¹¹⁷¹ *ibid*, p64.

¹¹⁷² *ibid.*

The organisation of labour management: 1927-1939

By July 1927, a memorandum was issued regarding the duties and responsibilities of the Central Labour Department.¹¹⁷³ Its key role was industrial relations and the Central Labour Department would exercise tight central control over all trade union negotiations and all questions involving changes in wages or working conditions of any group of employees. Whilst it was not proposed to standardise wages or conditions across the Company, standardisation of the procedure was felt necessary in order to maintain a uniform approach. Whilst works and factory managers would be consulted, any approach by a trade union had to be passed to the Central Labour Department for action. In addition to central control over trade union relationships, the Central Labour Department was also responsible for overseeing the works council arrangements, advising works about legislation and encouraging social and recreational activities.

The organisation of the Central Labour Department consisted of Henry Mond as Director responsible, with Richard Lloyd Roberts as Labour Officer reporting to him, responsible for trade union negotiations, share participation scheme, and the Central Council. Overseeing the work of the Labour Department was an Advisory Committee, consisting of representatives of the constituent companies, with whom Lloyd Roberts had to consult and whose role was to advise "in finding ways and means of overcoming any difficulty that arose in the implementation of any feature of the Labour Policy".¹¹⁷⁴ Sir Alfred Mond himself explained the purpose of this Committee as enabling "a necessary interchange of views between those who frame a policy and those who execute it".¹¹⁷⁵ Reporting to Lloyd Roberts within the Central Labour Department were three 'Service Departments': one responsible for wage records; statistics; sickness records; accident prevention; ambulance teams; education; and works councils; a second was responsible for recreation, sports, functions and inter-company competitions;

¹¹⁷³ ICI (1949), op cit, pp95-96.

¹¹⁷⁴ *ibid*, p17.

¹¹⁷⁵ Bolitho (1933), op cit, p303.

and a third responsible for government regulations, legislation, works magazine, etc. The structure of labour management also required that a Labour Officer or Labour Manager, responsible for carrying out the Labour Department's instructions, should be appointed locally in each constituent organisation. This person reported to their local board, but was subject also to 'advisory and supervisory control' by the Central Labour Department.¹¹⁷⁶

Possibly in order to try and redress the balance of what appeared to be a highly centralised system which allowed no scope for local managements to make their own decisions in matters of industrial relations, a further procedural memorandum on the responsibilities of the Central Labour Department was issued in July 1927 on 'The Relations Between the Central Labour Department and the Subsidiary Companies'.¹¹⁷⁷ This opened by emphasising that the responsibility for all negotiations with the trades unions and the maintenance of good industrial relations lay with senior local managers, but reiterated the procedure which required that no discussions could take place or changes implemented without the authority of the Central Labour Department. These proposals were aimed at finding an appropriate balance between the principle of local autonomy and central control. Senior local management, with the advice of their local Labour Manager, were responsible for plant level industrial relations and were able to make recommendations to the Central Labour Department. However, their freedom to make independent decisions was carefully controlled from the centre which effectively had executive powers.

In 1928, a further memorandum was issued defining the 'Functions of a Factory Labour Manager'.¹¹⁷⁸ The standardised list involved the provision of 'administrative' support in recruitment, selection and dismissal; the maintenance of records; the keeping of accident records; provision of secretarial and administrative support for works councils; the administration of the Company's various benefit schemes (savings schemes, share schemes, pensions and

¹¹⁷⁶ ICI (1949), op cit, p97.

¹¹⁷⁷ *ibid*, pp98-99.

¹¹⁷⁸ *ibid*, pp100-103.

benevolent funds); and overseeing the canteen, company housing and sports and recreational activities. The local role of the Factory Labour Manager in industrial relations involved the preparation of data necessitated by trade union claims, the preparation of reports for local management, the maintenance of 'friendly contact' with trade union officials and ensuring that the Central Labour Department was consulted and its agreement obtained to all correspondence with the trade unions. The role of the Factory Labour Manager, as described in the memorandum, involved a considerable amount of record-keeping and the provision of secretarial or administrative support, together with certain advisory work requiring knowledge of company labour policies and legislation. The role appeared to involve very little executive authority and the emphasis was on supporting and advising works management who held overall responsibility for the management of labour in the plant, subject to the authority of the Central Labour Department.

The above organisation remained in place until 1938 when a 'Personnel Executive Committee' was formed and the Central Labour Department became responsible to the Chairman of this Committee. Compared with the brief of 1927, the work of the Central Labour Department continued to emphasise its important role in industrial relations and its role as custodian of the Company's labour policy. In addition, the Department had taken on a more strategic external relations role, including liaison with government departments regarding proposed legislation and networking amongst other associations and firms in order to keep abreast of developments in the administration of industrial relations.¹¹⁷⁹

Key developments in labour policy: 1927-1939

As noted earlier, the five 'keynotes' underpinning the labour policy developed by Sir Alfred Mond were: personal contact; improved status; increased security; co-partnership; and information.¹¹⁸⁰ This section considers how these principles were delivered in practice. The policies to underpin the five keynotes were as

¹¹⁷⁹ *ibid*, p18.

¹¹⁸⁰ *ibid*, p6.

follows and each will be considered in turn below: consultative committees; status and security (the Staff Grade Scheme); employee benefits; and communication.

Relationships with trades unions and employers' associations will be considered in the subsequent section.

Consultative committees

In Mond's view, communication was of critical importance, especially in the light of the size and highly dispersed nature of the ICI organisation, with over 50,000 employees, and his thoughts on the matter were summed up in the following words spoken in the early days of the company:¹¹⁸¹

"I find that more difficulties occur through misunderstanding than by any other cause. More labour troubles arise not from any deliberate ill will on either side, but from a lack of comprehension of each other's point of view".

Thus, the function of consultative committees was to tackle this problem and address Mond's principle of personal contact. In 1927, he set out his vision for the proposed system of Works Councils as follows:¹¹⁸²

"These will provide a direct link between the board and the workers of the remotest works and will also help to maintain that essential personal touch which tends to be lost with the growth of larger and even larger units in industry. We shall have local works councils, general works councils, and, drawn from the other, a central works council in London, over which, as Chairman of the company, I shall preside. Thus will be created a direct bond between and a personal contact between the head of the company and the lowest paid workman".

Described by the Company as "the most important single feature of the new Company's Labour Policy", the scheme took some time to work out and was

¹¹⁸¹ *ibid*, p33.
¹¹⁸² Bolitho (1933), *op cit*, p303.

launched in April 1929, with the following main purposes set out in the Rule Book:¹¹⁸³

- "- To give the employees a wider interest in, and a greater responsibility for, the conditions under which their work is performed.
- To provide a recognised and direct channel of communication between the employees and the management on all matters.
- To promote throughout every factory a spirit of co-operation in securing the efficiency of that factory and the contentment of the employees engaged there."

As envisaged by Mond, who worked with Lloyd Roberts on the practical implementation, the scheme consisted of three tiers, Works, Group and Central. The Works Committees consisted of equal numbers of management and workpeople, the latter being elected by ballot. They were usually chaired by the manager of the works and met monthly, or more often if the need arose and also established sub-committees to deal with such matters as safety or canteens. Elected representatives from the Works Councils attended six-monthly Group Councils, based on the Company's product group structure, and from these elected members sat on a Central Council, which also met six-monthly, chaired by the Chairman of the Company.¹¹⁸⁴

The Councils were purely consultative and had no executive power and their remit did not extend to discussing wages, hours or terms and conditions. Typically, such matters as health, safety, sport, recreation, efficiency and cost saving and the administration of benevolent funds fell within their remit and they also provided management with a forum to give information on any reorganisation, new plant or processes, new building work and the like.¹¹⁸⁵

¹¹⁸³ ICI (1949), op cit, p8.

¹¹⁸⁴ ibid, pp34-35.

¹¹⁸⁵ Reader (1975), op cit, pp61-62.

Status and security: The Staff Grade scheme

The second and third principles underpinning Mond's labour policy concerned the status and security of the worker and his plans involved establishing a Workers' Staff Grade to which 50 per cent of workers of over five years' service could potentially secure promotion. With it would come the benefits, akin to those enjoyed by the office staff, of one month's notice of termination of employment and weekly wages in place of hourly rates. In describing the vision which drove the policy, Mond said in 1927:¹¹⁸⁶

"In these days of increasing education and with the transition from the manual to the machine age of industry, the question of status is of vital importance, and this is how we are endeavouring to satisfy the legitimate desire of the worker for an improved status and a more established security".

The scheme was launched in June 1928, Lloyd Roberts introduced its objectives as follows:¹¹⁸⁷

"It is intended to fulfil a two-fold purpose:

1. To improve the conditions of ICI workers and
2. To create an avenue of promotion for all grades.

The Scheme is so framed as to give to those promoted a greater ease of mind and a higher status in the service of the Company than they have hitherto possessed".

He went on to outline the rules of the Scheme as follows. It would be open to all workers with a minimum of three years' service and a minimum age of 24. Selection to the Grade was made by management "after careful consideration of each individual worker", taking into account the following qualities : keenness; team spirit; skill at work; economy in labour and material at work; general tidiness in and about his job; time-keeping; and length of service.¹¹⁸⁸ In addition to the benefits envisaged by Mond, the Staff Grade Scheme also provided a guaranteed weekly wage for 26 weeks in any one calendar year during absence

¹¹⁸⁶ Bolitho (1933), op cit, p303.

¹¹⁸⁷ ICI (1949), op cit, p45.

¹¹⁸⁸ *ibid.*

owing to sickness or injury and leave of absence with pay for approved purposes.¹¹⁸⁹ Although Mond envisaged that the benefits might apply to 50 per cent of manual workers, 25 per cent received promotion when the scheme was launched, a figure only slightly exceeded at 30 per cent qualifying in the mid to late 1940s.¹¹⁹⁰

Coming as the Scheme did at the time when Mond was about to agree the principle of trade union recognition as part of the Mond-Turner talks, it was received by Bevin with a "blast of hostility" and a "blow at working class solidarity and the power of the unions" and he wrote to Mond: "It seems to us to be an attempt to drive a wedge between the workmen in the factory; assuming for a moment that 100 men apply to go on the staff and 25 are taken on, we can imagine what is going to be the feelings of the remainder".¹¹⁹¹ Against a background of continuing difficulties experienced by the unions in organising the ICI work force, Bevin told Lloyd Roberts in 1931 that the Staff Grade Scheme aimed "a foul blow at the whole of the union movement" and another, unnamed craft union leader told him that "the results of your labours is that you have built a ring fence around all your Works, so that your workers are no longer any good to their fellows: they are too selfishly contented".¹¹⁹² Indeed, both the Staff Grade scheme and the scheme of consultative councils were disliked by the unions, the latter because they were seen as providing alternative channels of communication outside their sphere of influence. Writing later in an internal paper about these aspects of the Company's labour policy, Lloyd Roberts reflected on the traditional hostility of the trades unions towards the "Company's parallel efforts directly with its own employees" and the union's "prejudice against any one group of employees being treated preferentially over the general body".¹¹⁹³ He quoted the words of Joe Scott of the AEU who had argued that the trade union movement opposed preferential treatment because it tended to "break up

¹¹⁸⁹ ibid.

¹¹⁹⁰ ibid; Lloyd Roberts, R (1945), Post-War Labour Policy, Internal memorandum dated 15 October, p8; Reader (1975), op cit, p63.

¹¹⁹¹ Reader (1975), op cit, p64.

¹¹⁹² Lloyd Roberts, R (1949), A Labour Policy for a Large Undertaking, unpublished paper, London, the Company, p8; Reader (1975), op cit, p66.

¹¹⁹³ Lloyd Roberts (1949), op cit, pp6 & 7.

the solidarity of the workers in their class outlook" and that the "the existence of preferred groups in a union branch always created friction and trouble for the officers".¹¹⁹⁴ In his paper, Lloyd Roberts continued: "I have emphasised this attitude of the unions because I believe that until it is broken down, industrial efficiency will be retarded" and therefore labour policy must incorporate "a definite challenge to this traditional conception".¹¹⁹⁵ He concluded "the Staff Grade Scheme was such a challenge".¹¹⁹⁶

Employee benefits

Two quotations from Mond serve to illustrate his underlying philosophy about remuneration. When writing about his policies for the new organisation in The Spectator in November 1927, Mond argued that "the slogan must be 'partnership in work, pay, play and profits' and the more closely that slogan can be translated into actual practice, the more effectively will the whole organism function".¹¹⁹⁷ In a similar vein, he told a press conference called to launch the labour programme of the Company in October 1927 that "the world could not be made more prosperous by making the rich poorer: what had to be done was to make the poor richer; the solution was not to destroy capitalism, but to make the worker a capitalist".¹¹⁹⁸ His solution was to adopt a scheme whereby workers might buy shares in the Company at below market price and also make periodic offers of free shares to worker shareholders. The shares could be purchased in instalments over two years and, in the event of a worker dying before payments were completed, the Company would complete the payments and give the shares to the next of kin.¹¹⁹⁹ The 'Share Investment Scheme' was launched in January 1928 and enabled employees to buy Ordinary shares at 2/6 under market price. During that year just under ten per cent of the company's total

¹¹⁹⁴ *ibid*, p8.

¹¹⁹⁵ *ibid*.

¹¹⁹⁶ *ibid*.

¹¹⁹⁷ Bolitho (1933), *op cit*, p301.

¹¹⁹⁸ ICI (1949), *op cit*, p9; Sir Alfred Mond was particularly committed to profit sharing and co-partnership (Mond (1927), *op cit*, pp109-126) and took the view that "a successful scheme is a certain method of linking everyone engaged in industry with the results of their work" (*ibid*, p43).

¹¹⁹⁹ Bolitho (1933), *op cit*, p304.

workforce of 57,000 did so.¹²⁰⁰ This scheme was replaced by a second, less generous scheme in January 1932 in which shares could be purchased at current Stock Exchange prices, again with an option to pay by instalments.¹²⁰¹

Not a great deal further is said about the operation of the employee share purchase scheme in the Company's account of its labour policies during the 1930s and it appears that the scheme may not have fulfilled the original hopes expressed by Mond. It appeared, too, that Lloyd Roberts' views about profit sharing and share ownership schemes differed markedly from those of Sir Alfred. Reflecting later about his experience, he argued that "on that subject, I personally have been consistently a theoretical supporter, but lukewarm when its practical application in a large undertaking is considered...and I have felt that the return to the Company on such an expenditure would be virtually nil...in my view, there must exist a speculative element in any such scheme if it is to arouse a measurable response".¹²⁰² Lloyd Roberts' argument was that the individual was too remote from any ability to influence profit and that the payment came to be looked upon as merely an addition to wages or salaries. Moreover, he argued, that there could be lower profits even where productivity had improved and this could be a cause of discontent. He concluded "the case for profitsharing is materially weakened in my judgement when it is recognised that neither the volume nor the efficiency of production bear any necessary relation to the trading results of the Company in a given period".¹²⁰³ His view was that the Company already shared its prosperity through the provision of secure employment, regular pay reviews and its contributions to pensions and other financial benefits.¹²⁰⁴

If profit sharing and employee share ownership did not in practice play the role envisaged by Mond, the period from 1928 to 1939 saw the introduction of an array of other financial employee benefits incorporated into the remuneration package of ICI employees.

¹²⁰⁰ Reader (1975), op cit, p63.

¹²⁰¹ ICI (1949), op cit, pp50-51.

¹²⁰² Lloyd Roberts (1949), op cit, p11.

¹²⁰³ *ibid*, p12.

¹²⁰⁴ *ibid*, pp13-14.

One week's holiday with pay was granted in 1928 to every worker with a minimum of one year's service, subject to an employee's work performance, conduct and absence records being satisfactory. A range of benefits were introduced from the late 1920s designed to underpin Mond's principle of security. One aspect was security in old age and on 1 January 1928 non-contributory discretionary pensions were introduced, based on a sliding scale according to the number of years of service at the retirement age of 65.¹²⁰⁵ A contributory fund was established in January 1937 which paid retirement pensions as of right and membership became compulsory for all employees joining the Company after this date.¹²⁰⁶ Schemes to provide security of income during illness also featured from 1929 when the Company introduced a Savings Bank Scheme to encourage private savings. Deposits could either be made by direct payment or by deductions from wages and an interest rate of five per cent per annum was paid.¹²⁰⁷ In April 1929, a fund of £50,000 was made available by the Directors in order to make grants to employees in cases of hardship or distress and the fund itself was at the disposal of the various works committees.¹²⁰⁸ In January 1930, a contributory sickness and death benefit scheme was established under the auspices of the Imperial Chemicals (Workers) Friendly Society. This provided for sickness benefits to be paid for up to 26 weeks to employees outside the Staff Grade Scheme and also for a lump sum payment to be made to a widowed spouse.¹²⁰⁹ In October 1939, a non-contributory scheme of sickness and injury benefit was introduced for employees aged 23 and over, with a minimum of three years' service, and paid a weekly allowance for up to 13 weeks in a calendar year.¹²¹⁰

In addition to schemes designed to enhance financial security, the Company also introduced a 'Merit Bonus' for tradesmen in 1936. Under this scheme, tradesmen were assessed against six performance criteria - technical ability, reliability,

¹²⁰⁵ ibid, pp11-12.
¹²⁰⁶ ICI (1949), op cit, p51.
¹²⁰⁷ ibid, p11.
¹²⁰⁸ ibid, pp10 & 48.
¹²⁰⁹ ibid, pp49-50.
¹²¹⁰ ibid, p47.

mechanical ability including economy of materials and labour, alertness to details and team work, general tidiness about the job and discipline - and marks were awarded for each. Tradesmen were then graded A to E and an enhanced hourly rate became payable according to the rating awarded.¹²¹¹ No such scheme applied to non-craft workers, though in 1945 a job evaluated grading structure known as 'The ICI Method of Job Appraisalment for General Workers' Jobs', was introduced for these workers, based on an assessment of four job-related characteristics - mental requirements, physical requirements, acquired skills and knowledge and working conditions.¹²¹²

Communication

The fifth of Mond's principles underpinning the Company's labour policy concerned communication of information across all parts of the business. One aspect of this, the system of interlinking consultative committees has already been considered. Mond's principles also envisaged a works magazine "in order to meet the worker's legitimate desire for more information as to the running and conduct of his industry and which would also serve "as a connecting link between all the workers of the combine".¹²¹³ Accordingly, a company magazine was launched in January 1928. Issued monthly, it very quickly doubled in length to 120 pages to become what was believed to be the largest workers' and staff magazine in the world.¹²¹⁴

Relationships with employers' associations and trades unions: 1927-1939

At the time of the establishment of ICI, practice regarding membership of employers' associations varied amongst constituent companies. Brunner Mond and the British Dyestuffs Corporation were members of the Chemical Employers'

¹²¹¹ *ibid*, p40.

¹²¹² *ibid*, p41.

¹²¹³ Bolitho (1933), *op cit*, p304.

¹²¹⁴ ICI (1949), *op cit*, pp37-38.

Federation, some parts of Nobel Industries were federated to the Explosives Trades Employers' Association, whilst other parts were not, and United Alkali was not federated to any employers' organisation. In the light of the Company's commitment to a common labour policy, it was decided that all constituent companies should join the Chemical Employers' Federation in July 1927.¹²¹⁵

In the light of the criticisms levelled by the trades unions at the Company's labour policies between 1927 and 1930, as discussed earlier, the Company responded to a request from the main unions represented to a conference in February 1929 in order to clear up "certain misunderstandings".¹²¹⁶ Under the chairmanship of Ernest Bevin, the trade union committee consisted of representatives from the National Union of General and Municipal Workers, the Amalgamated Engineering Union, the National Federation of Building Trade Operatives and the Transport and General Workers' Union. Against the background of the Mond-Turner talks, which in July 1928 resulted in joint agreement on the principle of trade union recognition, Sir Alfred Mond announced his commitment at the Company's second General Meeting in April 1929 "to the value of working together with accredited representatives of organised labour".¹²¹⁷ This involved the establishment of a Trade Union Advisory Council, containing representatives from the trades unions with members in the firm, with the following functions:¹²¹⁸

- "- To examine from the point of view of the organised workers such questions affecting relations between the Company and its operative employees as may be referred to the Council by the Board and to submit recommendations thereon
- To consider suggestions that may be put forward from time to time by the representatives of the organised workers and to make such recommendations thereon as may be appropriate".

¹²¹⁵ *ibid*, pp21-22.

¹²¹⁶ *ibid*, p24.

¹²¹⁷ *ibid*, p25.

¹²¹⁸ *ibid*.

Regular meetings were held with this body from November 1929 and throughout the 1930s and in 1933, following representations by the Trade Union Advisory Council regarding clarification of the Company's attitude towards trade unionism, the Chairman Sir Harry McGowan issued the following memorandum on 'Trades Unionism' to all management staff:¹²¹⁹

"I have recently become aware that considerable uneasiness exists in the Trades Union movement as to the attitude of ICI in its various Works towards Trades Union membership, notwithstanding the frequent public declarations that have been made from time to time. I therefore wish to emphasise again that membership by any worker of any recognised Trades Union is not in any way contrary to the labour policy of this Company. Suggestions have been made to me that in some ICI Works a Trades Unionist is prejudiced in a subtle way and is not made to feel that it would be better for him if he were not in his Union. It must be recognised and accepted by every member of the Supervisory Staff that a worker has a real freedom to belong to his Union if he wishes to do so, without the slightest prejudice to his employment prospects with the Company".

Notwithstanding the above assertions, it was the long established policy of the Company that employees would be free to join or not join a trades union and that no pressure would be brought either way.¹²²⁰

In December 1935, ICI withdrew from the employers' association, a step "not taken lightly", but nevertheless taken because "the development of the Company's Labour Policy from a progressive standpoint was found to be handicapped by reason of important differences in outlook between the ICI Board and certain of the other member firms".¹²²¹ After withdrawal from the employers' association, the Company engaged in direct national bargaining with the principal trades unions.¹²²²

From December 1935, negotiations were conducted through national, company-level agreements. In 1936 and 1937, three ICI national agreements were concluded for labourers, engineering tradesmen and building tradesmen and for the first time since the formation of the Company, standard rates were introduced

¹²¹⁹ ICI (1933), Trades Unionism, unpublished memorandum, London, the Company.

¹²²⁰ ICI (1949), *op cit*, p27.

¹²²¹ *ibid*, p22.

¹²²² *ibid*.

in all ICI factories (except Metals). In December 1937, a single company agreement was reached with all 17 unions recognised on working conditions throughout ICI (except Metals).¹²²³

Conclusions

The essence of ICI's approach to labour management and labour policies was essentially strategic and closely bound with the key objectives of the business, particularly with controlling contingencies in the environment which potentially threatened the achievement of corporate strategy. Such threats, as perceived by the company, included an unfavourable political climate from the left towards large combines, with aspirations to nationalise them and also the militancy of trades unions at the time of the company's formation. The company, in the light of its size, also faced the issues of standardisation and co-ordination and in relation to these too, labour policy was invoked as the main tool of integration, based upon the 'five keynotes' underpinning its practices in relation to labour across the company. As noted in earlier chapters, its practices were based on the key ideas of the labour management movement of the 1920s, all of which had evolved from their roots in scientific management: functionalisation, centralisation, planning and the use of 'policy' as an instrument of control. In a politically threatening climate, 'Progressive' labour policy served to demonstrate what a model private sector employer could achieve and no doubt was also aimed at keeping the unions out of the company. The most important role of the Central Labour Department concerned industrial relations and these were tightly controlled from the centre, with little freedom given to local managements and such was the Company's concern to maintain direct control that it took the step of leaving the employer's association and setting up its own company-level agreements, a very unusual move for a British-owned organisation at this time. By linking its labour policies closely to perceived threats to the business, ICI can be viewed as pioneering aspects of strategic human resource management which would only be fully recognised many decades later.

¹²²³

ibid, p28.

CHAPTER 7

CONCLUSIONS

We opened our history of personnel management in Britain by briefly considering the only significant published account available from Niven.¹²²⁴ Niven's account is a history of the professional institute and shows how the association set up by welfare workers in 1913 continuously evolved through various nomenclatures to what today is known as the Chartered Institute of Personnel and Development. There is no doubt that Niven has demonstrated this historical continuity. Because the professional institute had its origins in welfare work, it has since been assumed that the practice of personnel management in Britain had similar origins and that in effect welfare workers were solely responsible for the development of its tools and techniques. The official history, however, failed to explain exactly what was going on when the welfare workers' institute became the Institute of Labour Management in 1931. For Niven, this was merely a 'change of name', yet the account of the uneasy relationships between the almost exclusively female welfare workers and the male dominated 'labour managers', together (as we saw in chapter 4) with the remarkable change in tone and content of the Institute's official journal (renamed Labour Management in 1931), suggested that something of much greater significance had taken place. Whilst the change was presented in terms of an evolution and restyling of the name 'welfare', no information was given about who these 'labour managers' were, what their origins were or whether the practice of labour management differed fundamentally from welfare work as it had evolved at that time. It was postulated in the Introduction that if the so-called labour managers had evolved a set of practices which differed fundamentally from welfare work and were in 1931 effectively taking over the Welfare Workers' Institute, then this might call into question the continuous evolution of modern personnel practice from welfare. The implication seemed to be that labour management had somehow evolved as an entirely separate

¹²²⁴ Niven, M (1967), Personnel Management 1913-1967, London, Institute of Personnel Management

movement which had actively disassociated itself from the welfare movement. Thus the aim of the current research was to investigate what 'labour management' was and from that to reach conclusions about whether its ideas may have proved a more enduring influence than welfare on modern personnel work. It was also noted in passing that the history of American personnel work, which has received much more attention from historians than in Britain, had placed much more emphasis on the influence of the ideas of scientific management, with welfare work being an early, but largely discredited, influence on its development, having enjoyed a brief period of ascendancy from around 1900 before being eclipsed by about 1915.

Experimentation in new models of labour management: 1890-1914

Our history of personnel management in Britain opened with an account of the techniques of labour management around 1890. At a time when apparently little functional organisation of management existed in Britain, consequently no evidence was identified of any specialist personnel management function in operation at this time. The widespread system of sub-contracting responsibility for all labour matters to a piecemaster had given way to direct employment and the delegation of labour management to directly employed foremen, many of whom had formerly been sub-contractors. Whilst welfare paternalism on personal basis had gone into decline, as Fitzgerald¹²²⁵ has demonstrated, many employers continued to use industrial welfare beyond 1890 as an integral part of their labour strategies (and indeed appeared to increase its use in the inter-war period).

As discussed in chapter 3, a key factor in the decline of both sub-contracting and welfare paternalism on a personal basis as systems of labour management in the period before 1890 onwards appears to have been the result of the changing nature of trades unionism and associated dissatisfaction on the part of labour as a result of the long trade depression of 1873 to 1896. The 'new

¹²²⁵ Fitzgerald, R (1988), British Labour Management and Industrial Welfare, London, Croom Helm.

unions' of the unskilled which emerged in the late 1880s placed the ending of sub-contracting and its associated exploitation high on their agendas and employers too were motivated to cut margins earned by the sub-contractors in order to raise profits. Various factors also combined at around this time to bring about a decline in personal paternalism, including the increased militancy of skilled workers' unions against a background of increased automation and deskilling of traditional craft roles; the rise in socialism and the growth of less deferential attitudes; and the growth in limited companies which diffused ownership and broke the power of personal paternalism.

The period between 1890 and 1914 may be seen as one of experimentation in the absence of any clear new model of labour management. One approach, as noted, was based on 'welfarism' and many employers continued to evolve industrial welfare strategies in this period. A few, particularly amongst employers in the food, soapmaking and pharmaceutical sectors commenced the employment of welfare workers in a salaried basis from the 1890s on and it was from these appointees that the embryonic welfare worker movement emerged. The most significant early initiatives were taken by BS Rowntree at the York Cocoa Works who appointed a 'social helper' in 1891 and by 1910 had effectively established a welfare function with a staff of seven, headed up by what was termed an Employment Manager. It is not possible to gauge the extent to which salaried welfare workers employed in the period up to 1914, but the presence of just two dozen firms at the inaugural meeting of the Welfare Workers' Association in 1913, together with Niven's estimate that a total of 60 welfare workers had been employed in all factories before the war,¹²²⁶ suggest that the practice was probably not widespread. This is confirmed much later by Cole¹²²⁷ who referred to those who established the Institute as a "banding together of a tiny group of welfare workers". To judge by Cadbury's¹²²⁸ account of management at the firm and his avowed support for scientific management, foremen and forewomen performed the most important role in day-to-day

¹²²⁶ Niven (19967), op cit, p42.

¹²²⁷ Cole, AS (1935), Change of name, Labour Management, 17, 180, January, p8.

¹²²⁸ Cadbury, E (1912), Experiments in Industrial Organisation, London, Longman Green.

labour management decision-making, subject to the rules and regulations set down by senior management and, together with the use of piecework incentives to boost output, the model adopted by the welfare paternalists did not appear to differ much in the period from 1890 to 1914 from that adopted in firms where sub-contracting had formerly operated.

A second and apparently more influential approach to labour management concerned the evolving roles of foremen and works managers. In some workplaces, foremen continued to enjoy unbridled rights to hire, fire, discipline and reward the men in their shops up to 1914, but both contemporary and historical evidence suggests that the overall tendency was towards an erosion of the powers of the foreman over this period. One cause of this was the growing adoption, particularly in the engineering industry, of piece rate incentives to boost effort levels on the shop floor and the period between 1890 and 1914 saw a marked increase in the use of such schemes. Another cause related to the increase in trade union membership (which nearly trebled between 1890 and 1914) to which employers had responded by combining in employers' associations for collective bargaining purposes. The results of both these initiatives were that the powers of the foreman to determine individual wages and incentives shifted from individual to collective bargaining. The early British management texts, published from 1896 onwards, also suggest the powers of foremen in relation to discipline and dismissal were increasingly subject to the authority of the works manager, at least in some workplaces. According to these sources, it was the works manager who was responsible for drafting disciplinary rules and procedures and the person to whom any proposed dismissals had to be referred. Finally, as regards the foreman's power to hire, evidence suggests that some employers became concerned at the potential inefficiencies and openness to corruption of this approach. The early management texts indicate that works managers often had the ultimate say in the engagement of employees after scrutinising references and a number of firms went further and passed responsibility for handling recruitment to 'employment departments' or 'labour bureaux'. In the few firms where female welfare workers had been employed, it had become an established part of their role to recruit women. Between 1904 and the outbreak of war, an increasing

number of firms established employment departments or labour bureaux specifically to handle all recruitment, at least at the initial screening stage. Rowntree did so in 1904, Peek Frean in 1909 or 1910, Hans Renold in 1909, Selfridges in 1909 and at John Dickenson's Apsley Mill a 'labour bureau' was established for this purpose in 1911. These developments were of sufficient significance that a contemporary works manager became the first author of a British management text to record the emergence of employment departments specifically concerned with recruitment and selection. Some three years later Elbourne was able to observe that "it was not unusual in this country for all prospective employees to be interviewed by the one officer, this constituting some sort of employment bureau".¹²²⁹ Thus it may be concluded that in the period before 1914, some firms had transferred the power of recruitment from foremen to a specialist employment function and in doing so laid the foundations for the modern personnel department.

Recruitment and selection is but one aspect of modern personnel work and the cases of Brunner Mond and Hans Renold provided further insights into the ways labour management policies and practices evolved over this period. From the early days of the company through to the mid to late 1880s, the recruitment of specialist staff lay with Brunner and Mond personally, the former responsible for non-technical and commercial appointments and the latter for technical staff. Only with the growth of the business, which exceeded 2000 people by the late 1880s, was responsibility for these appointments handed over to carefully selected senior managers. Brunner himself was the predominant influence on all matters to do with labour policy. As a paternalist, he personally initiated various schemes of worker housing, holidays with pay, shorter working hours, education, sickness schemes and so on and also directly managed the company's relationships with the trades unions in conjunction with the board, at least until the late 1890s. As with recruitment, from the late 1890s onwards, he increasingly delegated operational aspects of industrial relations to two senior managers, both chemists, but continued to be deferred to when important

¹²²⁹

Stannard, JW (1911), *Factory Organisation and Management*, London, Educational Book Company; Elbourne, ET (1914), *Factory Administration and Accounts*, London, Longman Green, p85.

policy decisions had to be made. The company eschewed membership of an employer's association until during the First World War and thus, Brunner together with his two appointed senior managers dealt directly with trade union pay claims and the resolution of disputes arising over demarcation and restrictive practices. The administrative aspects of labour management evolved out of functions of the Time Office which reported to the Company Secretary. Originally established to issue tags to workers on arrival and collect them on departure and thus record starting and finishing times, these limited duties widened informally as the workforce expanded. The Time Office under its chief clerk, T Winstanley, became the daily point of contact between labour and management at a time when personal contact was becoming less practicable because of growing workforce size, a central point through which to communicate with the workforce and a convenient medium through which to handle various aspects of labour administration. Beyond time recording, it became responsible for keeping employee records, following up reference requests, keeping accident and injury records, responding to speculative applications for employment, handling requests for references, receiving sick notes, receiving letters of resignation and dealing with a myriad of requests from employees for loans, pay advances, compassionate payments and so on. Though it had little executive authority and could only take decisions within well-defined limits, the Time Office played a vital role in labour administration and took on many tasks that would be familiar to many personnel departments today.

Brunner Mond did not establish a formal Labour Department until 1916 when it did so in order to manage both recruitment difficulties and industrial relations in the context of wartime pressures. In an era before virtually any organisation in Britain had adopted a system of functional management, the various activities that today might form a coherent remit of a personnel function were sub-divided amongst various officials within the organisation. Following Tyson and Fell's¹²³⁰ typologies of personnel management roles, Brunner acted very much as the

¹²³⁰ Tyson, S and Fell, D (1992), Evaluating the Personnel Function, 2nd ed, Cheltenham, Stanley Thorne.

'architect' of the key principles underpinning the company's labour strategy; his senior management appointees, Jarmay and Hewitt, acted as 'contracts managers' who negotiated with the trades unions within the framework of overall policy laid down by Brunner and Winstanley, chief clerk in the Time Office reporting to the Company Secretary, performed the 'clerk of the works' role in relation to administrative matters.

At Renold, an Employment Department under an Employment Manager was established in 1910 without any clear remit, but appeared mainly to be concerned with relieving Hans Renold of the burden of recruitment. In 1912, the incumbent was replaced by WJ Deeley. Brought in initially as an apprentice training instructor, he succeeded in enhancing the role of the employment function by demonstrating competence in a wide range of spheres, including the provision of advice on legal matters, wage payment systems, health and safety and industrial relations. By 1914, Deeley had become an important member of the company's senior management team.

The progress of welfare work: 1914-1931

Niven's¹²³¹ official history of the Institute makes much of the impact of the First World War on the development and growth of welfare work, not least in terms of its growth in numbers of welfare practitioners from around 60 before the war to about a thousand at the end of it, mainly as result of legal compulsion within the Ministry of Munitions and the sectors controlled by it. Whilst the assessment of the historians of the Ministry of Munitions¹²³² were generally favourable about what welfare work had achieved, without actually specifying any precise achievements, in reality the work attracted much hostility from both employers, trades unions and workers on the shopfloor. Niven herself notes that welfare workers were rarely accepted by employers as an integral part of factory staff and that they "usually found themselves relegated to extra-mural social

¹²³¹ Niven (1967), op cit.

¹²³² HMG (1918-1922), History of the Ministry of Munitions, 8 vols, London, HMSO.

work".¹²³³ She also recounts an instance in which the officials of the Ministry of Munitions were "intrigued" that one firm had actually requested their help in finding a welfare worker "instead of complaining about having one thrust upon them".¹²³⁴

Whilst the Ministry of Munitions spent the war urging employers to make welfare workers part of the management staff, neither were employers keen to do this nor indeed did many welfare workers wish to occupy such a role. They saw themselves as working in both the interests of management and employees, but independent of management and questions of efficiency. In practice, this often meant that they wished to impose their own solutions, irrespective of the wishes of management or workers. Voysey, a leading spokeswoman of the welfare workers movement, made their position quite explicit in a paper given immediately after the war: welfare workers were only interested in maximising output "only so far as it serves the true end of man...his maximum development in character and individuality".¹²³⁵ Against a background of decline in the employment of welfare workers in the immediate post-war period, the welfare worker movement continued to debate what role they should play in industry and were exposed to developments in the American model of 'personnel administration' between 1920 and 1925 in the columns of their journal Welfare Work and at international conferences. The American approach had left welfare behind, embraced scientific management, aligned itself firmly with top management and had evolved into a policy-making function concerned with all aspects of employment management. The approach, however, was apparently met with almost universal hostility and Kelly, the leading spokeswoman of the welfare movement in the early to mid 1920s, told an American delegation so at an international conference. There was too much emphasis on the role of welfare work ('personnel' work in American terminology) in increasing production in the belief that "health and social amenities would follow in consequence, (but) the opposite was the truth",

¹²³³ Niven (1967), op cit, p43.

¹²³⁴ *ibid*, p44.

¹²³⁵ Voysey, EB (1919), The Relation of Welfare Work to Scientific Management, London, Industrial Reconstruction Council, p11.

she argued.¹²³⁶ Elsewhere, Kelly had clearly stated her aspirations for welfare work in terms of a 'social service',¹²³⁷ as 'visionaries' and 'prophets',¹²³⁸ and to bring about "the gradual re-adjustment of our relations with each other, with the physical world around us and with God".¹²³⁹ Much internecine debate about a 'philosophy of welfare work' and what its role in industry should be continued throughout the 1920s, with voices of opposition occasionally being heard (notably that of Miss KE Wilkinson who advocated that welfare work should throw in its lot with management), but no real conclusions were reached as to how these lofty ideals would ever be delivered in practice. Some attempts were made by leading figures in the welfare movement to offer some coherent set of practices in a series of articles in Welfare Work 1927, including tentative proposals to retitle the function the 'Employment Department', but in practice the proposals were limited to interviewing, induction, transfer, dismissal and record-keeping, in all probability reflecting the typical activities of many welfare workers. In 1928 and 1929, the discussion about the future direction of welfare work appeared to be overtaken by the emergent national debate on rationalisation. Welfare workers were exposed to the arguments for rationalisation by one of its leading exponents, LF Urwick, who penned articles about it in the Welfare Work journal and addressed the Institute's national conference on it in 1929. Rationalisation had three central ideas. First, it involved the merger and integration of previously competing businesses into larger enterprises to achieve economies of scale and enhance efficiency and competitiveness. Secondly, it advocated the adoption of functional management on the lines proposed by FW Taylor. Thirdly, it advocated the application of science, notably industrial psychology, to workplace efficiency. Above all, Urwick argued, rationalisation embodied a shift from a belief in free market forces towards an attempt to take more rational control of the market through the application of scientific methods generally. Through the columns of Welfare Work, advocates of rationalisation pointed out the contradictions

¹²³⁶ International Industrial Welfare (Personnel) Congress (1925), Report of Proceedings, Zurich, the Congress, pp449-450.

¹²³⁷ Kelly, E (1920), Welfare work from the welfare worker's point of view, Welfare Work, July, 101-102.

¹²³⁸ Kelly, E (1922), The aims of welfare work, Welfare Work, August, 143-144.

¹²³⁹ Kelly, E (1925) Welfare Work in Industry, London, Pitman, p2.

between welfare work as practised and the aims of rationalisation. Welfare work was rule-of-thumb, antithetical to the application of scientific ideas in which few practitioners in any event had received specialist training. Welfare work distanced itself from increased efficiency, one of the central thrusts behind rationalisation and it continued to peddle an outdated notion of employer paternalism which itself had been dropped by some of its pioneering exponents such as Rowntree. Rationalisation, through amalgamation, challenged family-based control and the tendency towards welfare paternalism often associated with it. In the wake of this searing criticism, but without any further published debate, AS Cole, President of the Welfare Workers' Association, announced in August 1930 with much explanation that "we seem to have arrived at the stage in the history of industry in which welfare must merge with labour management" and plans were duly put in place to redesignate the Welfare Workers' Association the Institute of Labour Management and this took effect in June 1931. In the years between 1913 and 1931, the welfare workers' movement never succeeded in reaching agreement over any coherent or practical set of ideas about what their role should be, remained hostile to the promotion of efficiency, uncomfortable with the idea that they should be firmly aligned with management and resistant to such influences as scientific management and its applications to personnel work, as reflected in the American model of personnel administration. Despite tentative attempts to redefine welfare in terms of an 'Employment Department' in the later 1920s, with a limited focus on recruitment, transfer and records, very few ideas emerged from the welfare workers' movement which could now be said to have laid the foundations of modern personnel work.

There remains the issue of reconciling Fitzgerald's¹²⁴⁰ account of the pervasiveness and growth of industrial welfare in the inter-war period with the present account which indicates that the emphasis, in specialist personnel work

¹²⁴⁰ Fitzgerald (1988), op cit.

at least, shifted away from welfare and towards more rational labour management, drawing its ideas from scientific management. In reality, both welfare and scientific management provide policies and practices for controlling the labour process and, as noted at the end of chapter 5, welfare workers remained a majority of the membership of the Institute of Labour Management in 1939 and welfare work itself remains a role performed by many human resource practitioners today. Indeed, the doubling in the Institute's membership from just under 400 in 1922 to nearly 800 in 1939¹²⁴¹ may provide confirmation of Fitzgerald's¹²⁴² finding that welfare expanded in the inter-war period. A possible explanation of the apparent dichotomy appears to lie in the construction of a professional occupational ideology. Objectively, the majority of specialist practitioners in the inter-war period were concerned with routine and low-level administration of welfare in workplaces, as Wilkinson put it "with the administration of benevolence". Indeed, Wilkinson's 'critical view of our profession' of 1927¹²⁴³ provides further pointers to the issues. The routine and administrative nature of the work was confirmed as being "largely recreational and medical, with a possible concern for certain amenities" involving a "haphazard multiplicity of duties". This did not, she noted, conform any occupational definition of a professional which required a "high standard of educational and technical qualifications". She went on to pinpoint the problem of the lowly status of welfare work as lying in the motives of the welfare workers themselves, most of whom did the work out of a "benevolent motive...burdened with the conviction of a mission in life...and (out of) philanthropic sentiment". Thus, as Fitzgerald has pointed out, welfare policies were important for many employers, but those whose occupation lay in administering welfare were consigned to a lowly status. The real problem was that welfare workers regarded themselves as 'social workers'¹²⁴⁴ and were deeply committed to the principle of employee welfare. The solution to the problems of lowly status in

¹²⁴¹ McGivering, I (1970), The development of personnel management, in Tillett, A et al, eds, Management Thinkers, Harmondsworth, Penguin, p97.

¹²⁴² Fitzgerald (1988), op cit.

¹²⁴³ Wilkinson, KE (1927), A critical view of our profession, Welfare Work, 8, 93, September, 162-163.

¹²⁴⁴ Livingstone, FAF (1929), Development of the industrial welfare movement, Welfare Work, May, p86.

Wilkinson's view was that to achieve professional status "welfare...must throw in its lot with industrial administration or management".¹²⁴⁵ As we saw in chapter 5, labour management had already sought legitimacy in scientific management and aligned firmly with their company's managements. Adopting the Wilkinson line would, of course, have raised major questions about the need for a Welfare Workers' Association at all and indeed, as we saw, that was the final outcome with the establishment of the Institute of Labour Management in 1931.

An important point to be made about the events of 1931 is that welfare, as Fitzgerald¹²⁴⁶ has shown, was prior to that date and afterwards an important element in employer's labour strategies and was an integral part of the remit of many employment or labour departments. For example at ICI, welfare in the form of pensions, profit sharing, sick pay, death benefits, social and recreational facilities all featured in the Company's labour policies and practices. Rowntree's account of labour management practices at the firm in the late 1930s shows that "recreational and social activities" and "the canteen" fell within the remit of subordinate staff reporting the Labour Manager.¹²⁴⁷ The accounts of the roles of the labour management functions at STC, Metropolitan-Vickers, British Thomson-Houston, together with overviews of practices in motor manufacturing and engineering (as set out in chapter 5) all included references to welfare as part of their remit. The real issues which had emerged in 1931 can be interpreted as follows. The numbers of labour officers and managers had grown as a result of functionalisation in the 1920s and, intertwined with aspirations for professionalisation (a theme noted in the writings of Lee, Sheldon and Perkin), they wanted their own professional institute. As AS Cole noted, they did consider creating their own one because of the perceived unsuitability of the WWA. The problem which they encountered was the exclusivity with which many welfare workers regarded their work, as noted in the comments of Wilkinson above, with its origins in a

¹²⁴⁵ Wilkinson (1927), op cit, p163.

¹²⁴⁶ Fitzgerald, op cit.

¹²⁴⁷ 1938: 101.

combination of idealism, philanthropy and paternalism underlying the establishment of the WWA in 1913. These traditions remained deeply rooted, as we have seen, into the 1920s. Whilst their work had been increasingly subsumed within employment or labour management as a result of the growth of functionalisation, they steadfastly clung to the values which reflected those pioneers of welfare work before 1914. This was, for example, clearly evident from their 1926 conference in search of a 'philosophy of welfare' which harked back to the ideals of their pre-war roots. As noted in previous chapters, the whole environment of business changed markedly in the post-war period against a background of rationalisation, functionalisation and professionalisation within management, but many welfare workers, particularly leading figures, seemed reluctant to move with the times. As an editorial in the Welfare Work journal admitted in August 1930, against the background of proposals that their Institute should be taken over by labour managers, "welfare is still regarded as something that can be tacked on to industry...labour management is something which is knit up with the very warp and woof of industry". Perhaps the most telling and influential assessment of the developments of these two traditions came from AS Cole in the wake of the demise of the Welfare Workers' Institute in 1931. As noted in chapter 5, Cole was apparently one of the few males to maintain active involvement in the Welfare Workers' Association from its foundation in 1913 and put his weight behind its re-establishment as the Institute of Labour Management. In a retrospective assessment written in 1935, he stated that when the Welfare Workers' Association was formed, it was effectively an elitist club of a few people who saw welfare as key to the management of labour. He noted that when the Welfare Workers' Association was formed in 1913, grappling with the issue of labour management had been the concern of thousands of firms employing several millions of workers for many years. As we have seen in our case studies, responsibility for labour management prior to the First World War lay variously with company founders, directors, company secretaries, works managers, foremen, and, from an administrative perspective, in the Time Office. It was also noted that in a number of instances before 1914, certain aspects, such as recruitment and selection, together with labour administration, passed to specialist employment departments. In Cole's assessment in 1935,

the “banding together of the tiny group of welfare workers” in 1913 “left out in the cold their thousands of brothers and sisters engaged in the same job under another name”. The irony of the events of 1931 was not lost on Cole who concluded that the arrival of the Institute of Labour Management “saw the tables reversed and the welfare workers left out in the cold by all those - a far greater number - engaged in the management of labour who had not the label ‘welfare’ affixed to them and their jobs”. “Welfare work”, he argued, “had made the fundamental error of regarding itself as a branch of social work, setting itself the task of righting all the wrongs and social injustices of industry, whilst in reality it was about management and administration”. Cole’s words went right to the heart of the matter. Welfare workers were always in the minority, but through the formation of a professional institute as a legacy which has lasted to the present day, it has come to be assumed that the origins of modern personnel management lay in welfare work. Though the origins of the professional institute did indeed lie in welfare, the bulk of the evidence indicates that the practices that paved the way for the modern personnel function lay with those practitioners whose agenda was concerned with labour management, drawing its ideas from scientific management. During the period from 1913 to 1931, the welfare movement developed few new or coherent ideas and though the ghost of welfare did not depart, despite the efforts of the leading spokespeople of the Institute of Labour Management from 1931, and is still present today, the foundation of many of today’s practices, whilst still incomplete by 1939, had effectively been laid by the labour management movement.

In effect, of course, many labour managers were the bosses of welfare workers or at least held more senior positions and were seeking by the takeover to create a managerially-oriented professional institute in line with their own values and ideologies. The relatively junior status of many welfare workers, together with gender issues and the desire of welfare workers to be independent of management and questions of efficiency, had no doubt prevented people from more senior positions in labour management from joining the WWA in the 1920s. Anti-welfarist propaganda featured strongly in the pronouncements of the leading figures after the takeover in 1931, not

because their companies had jettisoned welfare, far from it, but because labour managers had evolved a set of practices much broader than welfare alone. Labour managers in the 1930s sought to emphasise the strategic nature of their work and, in so doing, to re-orientate the image and reputation of the institute and of the profession as a whole. As discussed in chapter 5, Northcott and Lloyd Roberts had much to say about the importance of labour policy, emphasising that it was integrated with business planning and emanated from the board of directors downwards, as distinct from the perspective of welfare workers who saw their work in terms of a mission to spread welfare from the bottom. Labour policies, of course, included policies on industrial welfare, but its administration appeared to be seen as a routine matter from which they sought to distance themselves. Thus, in relation to welfare, it was not a question that this had been unimportant part of labour management before 1931 or that welfare ceased to be important thereafter, but more a question of the emphasis that labour managers chose to place on their work in developing a professional ideology. As Northcott emphasised in 1936, "labour management brought in a person who was definitely part of the management" and in the same vein a later editorial in Labour Management defined the labour manager as a "business executive" in contrast to the 'welfare secretary' who was "nobody's child...in the factory, but not of it".¹²⁴⁸

The emergence and growth of labour management: 1914-1939

As was noted earlier, responsibility for labour management prior to 1914, in a period before functionalisation lay largely in the hands of directors, senior and works managers and foremen and administrative staff. A firm's informal 'policy' towards labour reflected the ideas and beliefs of founders or leading figures, and these in turn were reflected in the practices towards labour adopted and followed by works managers and foremen. Some tentative steps occurred in the period before 1914 to bureaucratised labour management through the establishment of 'employment departments' or 'labour bureaux' whose main role

¹²⁴⁸ Northcott, CH (1936) in Lawe, FM, Trends in personnel management, British Management Review, January-March, p98; Editorial, Our silver jubilee: the evolution of labour management, Labour Management, xx, 217, June 1938, p117, p118.

was in screening applicants for employment, but with the final decision being taken by works managers or foremen.

The period of the First World War, however, brought about significant changes to the typical pre-war practices. These developments were discussed in some detail in chapters 3 and 4 and also in the Brunner Mond and Renold cases and the main points need only be revisited here. The key influences on the development of formalised labour management departments were as follows.

First, the government engaged in the most extensive legal control over labour and industry in general than had ever hitherto been seen under the Munitions of War Act of 1915 which affected all industries engaged in war work. Government's essential task was to balance the demands for manpower for the armed forces with requirements to produce armaments, as well as essential food and raw materials on the home front. The movement of employees was restricted by 'leaving certificates' and employers could also apply for 'war badges' in order to protect essential workers from call-up and the system was enforced through Munitions Tribunals which had powers to fine and imprison. This system required employers to tighten up their procedures for dismissal, since the circumstances surrounding dismissal could be the subject of investigation and the imposition of sanctions at a Munitions Tribunal. Thus, as Elbourne¹²⁴⁹ explained, firms had to protect themselves from any arbitrary decisions made by foremen and thus many curtailed the powers of foremen to dismiss and placed the overseeing of disciplinary decisions in the hands of a Labour Officer. Clearly within such a framework of legal controls over labour, management had to pay much more attention to the way it was managed and also increasingly needed expert guidance in the interpretation of the law. Similar portraits of the roles of Lloyd and Lloyd Roberts as labour managers emerged in the Hans Renold and Brunner Mond cases as expert interpreters of

¹²⁴⁹ Elbourne, ET (1918), Labour administration: a series of articles based on actual factory practice and experience, *The Engineer*, 20 September, 235-136; 27 September, 257-258; 4 October, 280-281; 11 October, 299-300; 18 October, 322-323; 25 October, 348-350; 1 November, 365-367; 8 November, 389-390; 22 November, 432-435; 29 November, 453-455; 6 December, 478-480; 13 December, 504-506; 27 December, 548-550.

the extensive regulations affecting the companies' management of labour during the First World War.

A second important influence on the emergence and development of labour departments was the changed climate of industrial relations in time of war. The Munitions of War Act suspended free collective bargaining, together with the rights to strike or impose lockouts. In addition, the Act suspended all traditional working practices for the duration of the war and promoted 'dilution' which required employers to take initiatives to replace skilled workers with semi-skilled, a major effect of which was to bring about a significant increase in the number of women in the labour force. As was evident in the Brunner Mond and Hans Renold cases, workplace bargaining over the introduction of dilution, together with the administration of the 'war badge' scheme was time-consuming and increasingly called for a management official with expertise in handling industrial relations. The Munitions of War Act also required employers to consult workers over any matters arising through the application of the Act in workplaces and Elbourne¹²⁵⁰ notes also that the Ministry of Munitions actively encouraged the establishment of consultative committees for this purpose. Thus, the importance of industrial relations as an issue for management attention increased markedly during the war. Trade union membership almost doubled and the trades unions and shop stewards demanded more democracy in the workplace.

A third influence on the growth of labour management functions during the war concerned recruitment and selection, an aspect which featured prominently in the Brunner Mond, Renold and Ponders End Shellworks cases and also at Rowland-Entwistle's manufacturing organisation. According to Elbourne,¹²⁵¹ foremen still occupied an influential position in recommending people for employment and there was concern that this privilege was open to corruption and bribery. Moreover, there were strict regulations about the employment of aliens and thus checks on birth certificates were required where there was any

¹²⁵⁰ *ibid.*
¹²⁵¹ *ibid.*

doubt about nationality and sometimes the police were called in to investigate further. Thirdly, checks were required to ensure that those recruited were not liable for military service. Fourthly, careful screening was required when recruiting ex-servicemen in relation to their fitness for work. For all these reasons, recruitment and selection were taken out of the hands of the foreman and placed with the Labour Officer. The importance of serious recruitment difficulties was also highlighted in the Brunner Mond case and was one of the factors which led to the formal establishment of the Labour Department in 1916 under Richard Lloyd-Roberts, himself a former employee of the public Employment Exchange.

Thus, the driving forces behind the establishment of specialist labour departments had less to do with welfare, but much more to do with helping organisations adapt to legal regulation and the growing power and influence of trades unions in a context of a tight labour market. Moreover, all the writings about labour management from the period of the First World War on made it clear that they were not practising welfare and emphasised their distance from it. Elbourne¹²⁵² emphasised that labour administration was "immeasurably superior to any welfare scheme" and saw the latter as a temporary, makeshift arrangement resulting from the influx of women into war production. Rowland-Entwistle¹²⁵³ argued that labour management must lie in the realm of the Employment Manager - a "trained business man" - and that the only legitimate role for welfare work should be social and recreational and performed outside the factory under the control of the Employment Department. Possibly because welfare work was seen as having feminine associations, as noted in chapter 5, a frequent image was portrayed of the employment or labour manager as an engineer or a 'human engineer' in the inter-war period, closely tied up with the 'warp and woof' of industry. At the time of the establishment of the Institute of Labour Management in 1931 and after, the disdain with which welfare work was held in the eyes of labour managers became ever more apparent. In Northcott's

¹²⁵² *ibid*, pp349-350.

¹²⁵³ Rowland-Entwistle, A (1919), *Employment management*, Engineering and Industrial Management, 19 June, p592.

view, welfare was about the application of "relatively stupid axioms about human conduct"¹²⁵⁴ and, as noted in chapter 4 and above, the journal Labour Management contained much anti-welfare propaganda in its articles during the 1930s. Written by leading figures in the labour management movement, trade unionists and business leaders, they were designed both to distance labour management from the narrower perspective welfare worker, with a total focus on employee wellbeing, and present a broader, more coherent strategic approach.

Neither the emergence nor the existence of such Labour Departments has hitherto been mentioned in previous historical accounts of the early development of personnel management in Britain and all the previous emphasis has been on the development of welfare work during the First World War. Yet both the cases of Brunner Mond and Hans Renold, together with the extensive first hand accounts of these developments published in the specialist engineering press by Elbourne,¹²⁵⁵ Rowland-Entwistle¹²⁵⁶ and others indicate how Labour Officers and Labour Managers, apparently mainly from engineering backgrounds, effectively developed the kind of coherent remit that was handed down to the modern personnel department: recruitment, selection and transfer; workplace industrial relations, including chairing consultative committees and negotiating with trades union officials; health and safety, including accident monitoring and prevention; education and training, including vocational training for young people and adults and the provision of information about further education opportunities; and interpretation of employment law and provision of advice to management. The main missing element from the perspective of the contemporary personnel practitioner was reward management, an element which would remain outside the brief of many (but not all) Labour Managers throughout the remainder of the period to 1939.

¹²⁵⁴ Northcott, CH (1930), The labour manager and the process of rationalisation, Welfare Work, 12, 131, November, p198.

¹²⁵⁵ Elbourne (1918), op cit.

¹²⁵⁶ Rowland-Entwistle (1919), op cit.

If Labour Managers established the brief that laid much of the foundation of modern personnel management, a question remains about how widespread was its adoption after the First World War? As noted in chapter 5 no definitive survey of this topic appears to have been conducted so it is necessary to rely on the published assessments of contemporary observers. In Elbourne's¹²⁵⁷ view, such appointments were made by most of the larger firms during the First World War and three years after the war he noted that "it became a common practice during the war to have such an office apart from the ordinary Time Office and usually the office was called the Works Employment Bureau or Labour Office".¹²⁵⁸ Whilst clearly there had yet to be a uniformly agreed title for the function, Sheldon¹²⁵⁹ suggested that its growth had continued in the immediate post-war period to the extent that "so many firms have instituted Employment Departments that we may assume this form of organisation as established".

It was noted in chapter 5 that the latter years of the war and immediately after had seen a significant growth in publications about Taylor's scheme of scientific management written specifically for a British audience. In particular, this put the case for functional organisation generally and labour management specifically. *Inter alia*, this literature pointed out that Taylor's notion of functional foremanship had been further developed by Emerson into the concepts of 'staff' and 'line' organisation, with staff advisers responsible for policy and line managers responsible for operating within the policy framework and in their view specialist advisers on labour matters should come from the ranks of engineers. A number also put a contemporary case for scientific management within the context of workplace democracy and in doing so advocated the establishment of specialist employment departments. In so doing, they pointed to the haphazard ways in which foremen made decisions about selection, discipline and dismissal: these were not only arbitrary, but also inefficient, unscientific and even 'undemocratic'. Instead, these activities should be placed in the hands of trained employment specialists, untainted by personal prejudice,

¹²⁵⁷ Elbourne (1918), op cit.

¹²⁵⁸ Elbourne, ET (1921), Factory Administration and Accounts, 2nd ed, London, Longman Green, p240.

¹²⁵⁹ Sheldon, O (1924a), The Philosophy of Management, London, Pitman, p372.

and in so doing would help to promote greater fairness and democracy, in contrast to the methods of the past which were seen as 'rule of thumb', unscientific and undemocratic. There is no evidence that Labour Departments were established as part of the growing application of elements of scientific management during the First World War and much more evidence that employers were developing new structures as a response to wartime conditions. However, as noted in chapter 5, it is impossible to overstate the enormous interest in scientific management which emerged in the early post-war period and the subsequent influence of these ideas on the developing practice of labour management, as advocated and practised by its leading spokespeople. Both Lee and Sheldon emphasised that the first prerequisite was the adoption of one of the key ideas of scientific management - functionalisation - and the establishment of labour management as a distinct function charged with setting and providing expert advice on labour policy. The notion of policy was first developed by Church from Taylor's ideas about standardisation and the notion of a written labour policy became another of the central ideas of the labour management movement of the 1920s. As Northcott later explained, on the basis of his experience of operating a labour policy at Rowntree's, responsibility for labour policy lay with the board of directors, advised by functional specialists in labour management and was based on the application of standardised rules which guided management action, unbiased by whim or favour of owners or managers which had so characterised traditional, non-scientific, rule-of-thumb decision-making. As noted in chapter 5, the notion of labour policy became the central and most important of the initiatives pursued by the leading figures of the labour management movement, notably Richard Lloyd-Roberts of ICI, on behalf of the Institute of Labour Management in the mid to late 1930s. It became apparent that the role of 'progressive' labour policy both within ICI, as evidenced in the case study, but also for employers generally was about much more than employment practices. Against a background of debates about the nationalisation of coal at home and the threat of war abroad, progressive labour policy had political connotations and was about promoting partnership, reconciling differences between capital and labour, "rooted" in Lloyd Roberts' view "in the desire that private enterprise shall survive". Moreover, echoing the views of scientific management writers in

the period of the First World War and immediately after that scientific management was a vehicle for workplace democracy, replacing former arbitrary and autocratic management styles, so too progressive labour policy came to be presented as the vehicle for defending the 'British way of life' against autocratic political threats from abroad; progressive labour policy stood for democracy and "the principles of freedom, justice and liberty".¹²⁶⁰

Another important set of ideas about the practice of labour management arose out of the rationalisation movement in the later 1920s which, as noted earlier, had produced a trenchant critique of the welfare movement. These ideas, as noted, also drew their intellectual origins from Taylor and emphasised, in accordance with the ideas promulgated by the leading spokespeople of the labour management movement, the importance of centralisation, standardisation, planning and policies, with the objective taking more rational control of the market through the application of scientific methods and bringing about a shift away from reliance on free market forces. The case of ICI illustrated the central importance of the ideas of rationalisation and Alfred Mond's enthusiasm for them that shaped and influenced the centralised structure of the Labour Department and the application of standardised labour policy based on a set of guiding principles.

According to Urwick, business planning and forecasting were of central importance within rationalisation and by the mid 1930s he had evolved a conceptual framework for manpower planning linked to business planning and forecasting, though its application in practice did not appear until the second world war in military planning. Urwick's ideas revolved around the need for planning engagement and dismissal in a more systematic way as a result of the quickening pace of technological change. These, in his view, needed to be managed in a more planned way, taking into account workers' concerns about insecurity and recognising that changing technology would be likely to generate labour supply shortages in terms of the skills required. All this required

¹²⁶⁰ Lloyd Roberts, R (1938), A personnel policy: its basic principles and its development, Labour Management, 20, 215, April, 74-79.

employers to pay more attention to training, retraining and redeployment. As noted in chapter 5, industrial training had long featured in Taylor's scheme of scientific management and though it was rather neglected in Britain in the inter-war period, Miss AG Shaw, another leading figure in the labour management movement and former associate of Dr Lilian Gilbreth (wife of Frank Gilbreth and both involved in the development of 'motion study'), pioneered 'systematic training' at Metropolitan-Vickers Ltd. Following the methods of training advocated in scientific management writings going back to the time of the First World War, Miss Shaw introduced training 'off-the-job', based upon an analysis of the methods and movements required of operatives. Beyond being concerned with the delivery of skills training, Shaw echoed Urwick's approach to business planning by emphasising the role of training in the management of the free market forces of supply and demand. Training needed to be seen in the context of planning for an organisation's future demand for skills in the light of technological change and in the light of analysing demographic forecasts about the potential supply of labour to the organisation. These, then, were some of the key ideas which influenced the distinct thinking and practice of the labour management movement from the early 1920s onwards. All the key ideas had their origins in Taylor's system of scientific management and these intellectual origins were emphasised in all the writings of those coming from what may be termed a neo-scientific management tradition. Even, as noted in chapter 5, the origins of scientific management in mechanical engineering were consistently reflected in writings about labour management in the 1920s and 1930s, with epithets of the labour manager as a 'human engineer' being a persistent one, no doubt invoked to boost the credibility and legitimacy of a newly emergent occupation.

The growth of the use of functional structures in British industry in the inter-war period appears to have been an important driving force behind the growth and development of labour or employment departments. Specialist labour departments emerged during the First World War in response to the circumstances described earlier, but probably was not part of any formal or organisation-wide adoption of functionalisation. All the contemporary evidence suggested that having been established, they continued as part of the

management organisation in the post-war period, at least in larger organisations. By 1928, Urwick put the view that functionalisation had become widespread in larger organisations and that labour management functions by that time had become a typical feature of their functional structures. The embryonic nature of the development of labour functions was reflected in the variety of titles given to them. During the 1920s, the term 'Employment Department' was most often used, but others such as 'Industrial Department', 'Employment Bureau', 'Labour Office' and, in the white collar sectors, 'Staff Management Department' also appeared. By the 1930s, 'Employment Department' continued to be popular, but 'Labour Department' was also used and in 1932, the first appearance of the term 'Personnel Department' emerged. Evidence suggests that the term 'personnel' was coming into more widespread use by the later 1930s and indeed the Institute of Labour Management had actively discussed adopting the title of the Institute of Personnel Management when war intervened to halt the its implementation. Whatever their nomenclature, a common feature of labour functions where both men and women were employed was to divide its activities on gender lines, typically headed up by a male Labour Manager to whom staff separately responsible for male and female employment matters reported.¹²⁶¹

Typical activities of the labour function in the 1920s were dealing with aspects of recruitment and selection, including the receipt of employment requisitions, preliminary screening selection interviews, pre-employment checks (e.g. medicals and references) and the issuing of works rules to new starters; handling of transfers and redeployment; the keeping of employment records, apparently stimulated by a growth in demand from various government departments, employers' associations and trades unions, as well as for internal use; advising on compliance with the Factories Acts, accident prevention and the keeping of accident records; and dealing with disciplinaries and grievances and handling dismissals. Little mention was made in the 1920s of much

¹²⁶¹ Rowntree, BS (1921a; 1925; 1938), *The Human Factor in Business*, London, Longman Green; Young, AP (1930), A general manager outlines an Employment Department, *Industrial Welfare*, April, pp116-118 & 152-154; Tripp, GW (1934), The works personnel department, *The Engineer*, 11 May, pp474-475.

involvement in industrial training or industrial relations. Involvement in recruitment and selection continued to appear prominently in the 1930s, but with more emphasis on selection as a scientific activity, seeing it as part of a planned and systematic process requiring prior analysis of job requirements and the use of various tests to identify the suitability of candidates. The role of the Labour Manager in industrial relations, including involvement in chairing joint consultative committees dealing with a wide range of workplace issues, also received much more prominence in the accounts of their work in the 1930s, in contrast to the apparent absence of such a role since the time of the First World War. Such developments do appear to have been in their infancy as the Institute of Labour Management selected 'industrial relations' for the theme of its annual conference in 1938 and the editorial in the journal Labour Management for that month concluded that in the future, labour management would eventually be located "in its proper setting as part of the great field of industrial relations". It might also be added that the emergence of the Institute's interest in industrial relations also reflected the influence of Richard Lloyd-Roberts whose company, as noted in the ICI case, left its employers' association in 1935 and by 1937 had established a single company-level agreement. As with so many aspects of the ICI approach to labour management, the model adopted presaged many later developments in the post-1945 period. For most organisations by the end of the 1930s, however, further developments in the role of the Labour Department in the management of industrial relations were constrained by the existing national system of collective bargaining conducted between employers' associations and trades unions and covering all but a few non-federated firms. What could not have been foreseen at the time is that this system began to break down within the context of full employment in the post-war period and only at this time did the labour specialist emerge in the role of workplace bargainer. As noted earlier, industrial training was in its infancy in the 1930s and thus labour practitioners apparently had little involvement in this area beyond some connections with apprentice training and youth education schemes. Involvement in both this and systems of remuneration were minimal by the end of the 1930s. All the evidence indicates that the development of labour management in the 1920s and 1930s in Britain represented the continuation of a related set of activities

which had emerged in particular during the First World War and whose ideas evolved under the influence of scientific management from the early 1920s onwards.

Finally, it is important to revisit the question of the relative importance of labour management, the extent to which it had become the model practised by 1939 and the extent to which welfare work continued to be influential. As noted earlier, the issue is not whether labour management replaced welfare, because welfare continued to be a part of labour management, but rather the extent to which welfare remained the predominant orientation of the employment function. As noted in chapter 5, welfare remained important at Marks and Spencers following the establishment of their Central Welfare Department in 1933 and also remained central to the approaches at Courtaulds and Boots (Wholesale) until the very end of the 1930s. As discussed in chapter 5, welfare remained part of the remit of many employment or labour departments. Moreover, as noted at the end of chapter 5, the appointment of welfare officers announced in the columns of Labour Management during the 1930s remained predominantly (at around 95%) welfare appointments, strongly suggesting that the ILM, with three-quarters of its membership being female, remained an institute consisting mainly of female welfare workers in 1939. However, also as noted at the end of chapter 5, the columns of Labour Management revealed an extensive array of organisations from a wide variety of sectors where employment, labour and increasingly personnel officers and managers, together with their non-manual counterparts, staff managers, had been appointed. Moreover, the evidence of well-placed contemporary observers noted at the end of that chapter, including John Lee, AP Young, JH Richardson, FM Lawe, BS Rowntree and others all concluded that employment, labour and staff management had become well established by the late 1920s and by the late thirties had become, in Rowntree's words, "commonly employed".¹²⁶²

¹²⁶²

Rowntree, BS (1938), The Human Factor in Business, 3rd ed, London, Longman, pvii.

The evolution of welfare work into labour management was also addressed by another contemporary observer, JH Fullwood, Employment Manager at Peak Frean and president of the ILM between 1933 and 1936. In his view, “the present work and function of Labour Management is the logical outcome of the past ie the care of the individual which was the guiding principle in the earlier stages of Welfare Work” had evolved “beyond the narrower care of the individual (and) broadened into efficiency”.¹²⁶³ He attributed the “spread of labour management” to the “great economic difficulties of the last few years” and to the need for the profession to show itself to be “efficient and business-like”.¹²⁶⁴ Like Rowntree, he enumerated the activities of the labour management function. Welfare remained part of the work, but a broader conception of their remit beyond pure welfare, encompassing recruitment and selection, discipline, grievances, health and safety, together with emerging roles in industrial relations and training, featured in its activities. In the light of the names of the organisations involved, it is strongly suggestive that this broader conception of employment work had permeated a significant number of larger organisations by 1939. By this time, many of the fields that characterise modern personnel work had become an established part of their remits, awaiting further development during the Second World War and the post-war period.

Reflections on theoretical perspectives and the historical development of personnel management in Britain

Chapter 2 considered a range of theoretical perspectives which sought to explain how personnel management emerged and developed and the aim of this final section is to revisit these perspectives and assess their utility in explaining the origins and development of personnel management in Britain in the period from 1890 to 1939. Three perspectives were considered: structural-functionalism and contingency theory; a historical-evolutionary perspective; and

¹²⁶³ Fullwood, JH (1934), Labour management of today, Labour Management, June, p109.
¹²⁶⁴ *ibid.*

labour process theory and the significance of scientific management as a technique of control. Each of these will be analysed in turn below.

Structural-functionalism and contingency theory

Structural-functionalism takes the view that organisations seek to achieve internal equilibrium through making internal organisational adjustments in response to external environmental changes and contingency theory went on to analyse a range of external variables to which organisations may need to respond. It was postulated that personnel functions emerge when labour related variables are seen as problematic to the achievement of internal equilibrium. Tyson and Fell¹²⁶⁵ argue that a personnel department becomes 'functional' for an organisation where it represents the organisation's central value system by aligning itself with the ideology of senior management, establishing operating rules and procedures, act to provide stability and help the organisation adapt to change. Legge¹²⁶⁶ has argued that functions in organisations enjoy power and influence to the extent that they are able to provide expertise that helps the organisation adapt and survive, noting that functions have power where "its coping activities are seen as both expert and non-substitutable".¹²⁶⁷

¹²⁶⁵ Tyson and Fell (1992), op cit.

¹²⁶⁶ Legge, K (1978), Power, Innovation and Problem-Solving in Personnel Management, Maidenhead, McGraw Hill, p30.

¹²⁶⁷ *ibid*, p27.

These observations have relevance to the main thesis about the development of personnel management in the period 1890 to 1939. Welfare work failed to align itself with the ideology of management, indeed, many welfare workers were hostile to profits and efficiency and in that sense failed to become 'functional' for the organisations which they served, except in a marginal administrative sense. In terms of Legge's views about a body of expertise which might help organisations cope with environmental contingencies, welfare workers never succeeded in establishing any coherent set of ideas and instead relied on 'amateurism' and winning over the goodwill of the employer. Labour management, on the other hand, rooted in the ideology of scientific management, saw itself firmly as a part of management and offered a range of tools and techniques which were seen as relevant to management's problems. In consequence, labour management functions became established on a relatively widespread basis by 1930, whilst welfare work never really recovered after 1918 when the First World War had given it an initial stimulus.

Chapter 2 went on to consider a range of contingency variables. The following external variables were identified: technology; the labour market; the product market; and the role of the state. The following internal variables were also noted: organisational growth and size; organisational structure; social, cultural and trade union influences; and the beliefs, values and styles of the dominant management group.

In accounts of the development of labour management before 1914, four of these influences were of particular importance. The first of these related to the beliefs and values of dominant management figures, often also the founders of the business. The cases of Brunner Mond and Renold both showed how the beliefs of the founding figures strongly shaped the overall direction of labour practices. The second important influence before 1914 related to social change and the changes in the nature of trades unionism. Trade union membership grew rapidly in this period and extended to the ranks of the semi-skilled. There was also an increase in trade union militancy which was linked to a third influence: changing technology. Increased use of automation threatened the traditional base of craft skills and was an underlying factor in major disputes

(e.g. the national engineering lockout of 1897). The account of the roles of Sir John Brunner and two of the company's senior managers at Brunner Mond showed the importance with which the management of industrial relations was regarded and the extent to which industrial relations policies were shaped by Sir John Brunner's personal ideologies. For many organisations, however, expertise in industrial relations was sought through membership of employers' associations. The fourth factor related to the changing structure of industry through mergers and the growth of the joint stock company. As was indicated by the example of Courtaulds, the separation of ownership from control, aligned with less deferential attitudes, undermined the system of personal patronage upon which welfare paternalism had been based. In particular, the growth of trades unionism and the emergence of professional managers combined to create a new emphasis on fairness and equity in the workplace and by 1914, the power of foremen to hire, reward, discipline and fire began to be eroded, replaced by works rules and regulations under the closer control of works managers. The factor of organisational size had also resulted in the establishment of specialist labour offices or bureaux in a number of organisations before 1914, particularly concerned with recruitment.

In the period of the First World, different contingencies came into play. The most important was the role of the state and state regulation of labour in wartime conditions, together with the power that tight labour market conditions afforded trade unions, notably demands for workplace democracy. The cases of Brunner Mond and Hans Renold, together with the accounts of Elbourne¹²⁶⁸ about developments in labour management at a shellworks and Rowland-Entwistle's¹²⁶⁹ about developments in a manufacturing organisation and others all indicated how the conditions of war required organisations to seek expertise in interpreting labour regulations, dealing with Ministry of Munitions officials and handling workplace industrial relations. All these accounts indicated that specialist labour management functions emerged with a wide brief over recruitment and selection, industrial relations, discipline, dismissal and health

¹²⁶⁸ Elbourne (1918), op cit.

¹²⁶⁹ Rowland-Entwistle (1919), op cit.

and safety as a result. The war also gave a boost to welfare work because of regulations covering the employment of women in war work and it was estimated that by the end of the war, some one thousand welfare workers were employed. The case studies offered by Elbourne and Rowland-Entwistle, however, both emphasised that the work of labour or employment managers was not about welfare and welfare itself was seen as marginal to their activities.

The contingencies in the post-war environment changed considerably. Government intervention and regulation declined and much of the period, at least until the mid-1930s, was characterised by high unemployment. These conditions were not, in principle, fruitful for the further development of labour management as a specialist function and, indeed, welfare work went into decline after the ending of the war. Welfare workers spent the next decade debating what their role should be in industry and by 1930 seemed to be struggling to establish any professional identity.

If conditions were inauspicious for the further professional development of welfare work independently from labour management, the environment nevertheless proved fruitful for the development of labour management as a whole which continued to rise inexorably from its foundations in wartime conditions. The most important influence on this was the massive upsurge of interest in scientific management from the early 1920s and from which the labour management movement drew its most important ideas. More will be said about this below, but from a contingency perspective, an important influence was the growth in firm size and the extensive interest generated by both rationalisation and functional organisation. Contemporary evidence, as discussed in chapter 5, indicated that functional organisation had become entrenched, at least in the larger organisations by 1930 and that labour management functions had become widely adopted as an integral part of functionalisation. Trade unionism also provided a further stimulus to the growth of labour management in the 1930s. Trade union membership had fallen from 6.5 million in 1919 to 4.4 million in 1933, but after this enjoyed a recovery, in line with economic recovery and falling unemployment, to over 6 million again by 1939. As noted in our account of the practices of labour managers in the

1930s, the issue of industrial relations steadily rose in importance during the decade, in addition to well established activities, such as recruitment and selection, discipline and dismissal.

Thus, from an historical perspective, whilst the contingencies which actually affected the growth of labour management waxed and waned with the passing of time, at different times external factors combined to create conditions suitable for its emergence and growth, the most significant of which was the initial stimulus given by the role of the state in the First World War. Contingency theory does perhaps fall short of providing a full explanation of why it continued to grow so significantly in the 1920s and 1930s when labour market conditions were potentially unfavourable and labour itself might have been seen by employers as unproblematic, with labour supply plentiful and trade union militancy apparently defeated after the General Strike of 1926. Such explanations lie elsewhere and in the growth and influence of the ideology of scientific management and it is to these that we shall turn later.

Before leaving the topic of contingency theory, it is worth finally revisiting some of the ideas considered on chapter 3 concerning organisational growth and size on the evolution of personnel management functions. Ling¹²⁷⁰ suggested that five evolutionary phases could be identified. The first, 'distinct staff differentiation' involves the devolution of specialist tasks without formally establishing a department. The second, 'complete staff differentiation' involves the establishment of a specialist department to perform a limited range of tasks, but without policy-making powers. The third, 'staff integration', sees the integration of all the specialist activities under a single department head.

¹²⁷⁰ Ling, CC (1965), The Management of Personnel Relations, Illinois, Irwin.

The fourth, 'staff elevation', sees the elevation of a function to the status of other functions, with policy-making powers and possibly also board representation. The fifth, 'staff decentralisation', occurs where a central function devolves certain powers to satellite functions. In the case of employment functions in the USA, Ling suggested that the first phase occurred between approximately the 1890s and 1910; the second and third phases merged and occurred between 1910 and 1920; the fourth occurred during the 1920s and the fifth amongst the small number of organisation adopting divisionalised structures in the 1920s and 1930s. The evolution of these phases in Britain is remarkably similar. At Brunner Mond, for example, the first phase of devolution occurred during the 1890s when specialist aspects of labour management were devolved in a fragmented way between the directors (industrial relations), the Time Office (labour administration) and the Ladies Managing Committee (welfare) and remained in place until 1916. Wartime pressures resulted in the establishment of a Labour Department in 1916 and brought together all labour management activities - industrial relations, recruitment, welfare - into one function and a specialist Director of Labour and Welfare was appointed in 1917. The process was completed at the end of the war with the passing of all labour management responsibilities of the Time Office from Finance (where it was located at this time) to the Labour Department. In effect, Ling's phases two to four occurred in a short space of three years, no doubt accelerated because of war conditions. Following the establishment of ICI in 1926, a degree of 'staff decentralisation' occurred through the devolution of some responsibilities to satellite labour departments. Similarly rapid developments of Ling's phases occurred at Renold between 1910 and 1916. Up to 1910, recruitment lay with Hans Renold personally; industrial relations lay with the directors and works managers and welfare was handled through the 'Social Union'. Phase two occurred in 1910 when an Employment Department was set up to take on a limited role in recruitment, reflecting Ling's phase two. An Employment Manager was appointed in 1913 (the 'staff integration' phase) and by 1916 the Employment Manager had become a fully integrated member of the senior management team, thereby achieving 'staff elevation'. On a broader level, the review of developments in chapters three to five suggest the tentative emergence of 'distinct staff differentiation' in the form of welfare workers and

'labour bureaux' for handling recruitment began to occur before the First World War. 'Staff integration' involving the bringing together of the full range of welfare and labour management activities under a single departmental head, apparently occurred on a widespread basis during the war and by the late 1920s, 'staff elevation' of labour management functions appears to have occurred, at least in larger organisations.

The historical evidence provides some support for the ideas of Greiner¹²⁷¹ and Baird and Meshoulam¹²⁷² about the emergence of formal functions during a 'direction' phase following an initial phase of 'creativity' resulting in a crisis of control. This was certainly a factor at Renold when Hans Renold's 'one man regime' was threatening to break down and resulted in the establishment of an Employment Department in 1910 to which he could delegate recruitment. Beyond that, however, other supporting evidence is thin, but perhaps this is not surprising because the models are based on organisational growth and evolution under normal conditions, whereas specialist labour management functions evolved in response to the abnormal conditions of war.

Historical-evolutionary models

A range of models of this type were considered in chapter 2 and all were characterised by the view that modern personnel management had its origins in welfare paternalism and employer benevolence. Quite evidently, the current thesis presented offers a major challenge to this view which, as noted has represented the conventional wisdom in all historical accounts of the development of personnel management in Britain. There is no evidence that the distinct ideas and practices of the labour management movement had any origins in welfare nor did welfare evolve into labour management around 1930 or at any other time. The labour management movement always saw itself as part of works management and inextricably tied up with the concerns of

¹²⁷¹ Greiner, LE (1972), Evolution and revolution as organisations grow, Harvard Business Review, July/Aug, 37-46.

¹²⁷² Baird, C and Meshoulam, I (1988), Managing two fits of human resource management, Academy of Management Review, 13, 1, 116-118.

management, in contrast to the welfare movement was in the main hostile to the concerns of management. Not a great deal is known about the backgrounds of labour managers themselves, but evidence indicates that they comprised a mix of former works managers and those with other experience of management and administration. The abundance of references during the inter-war period to labour managers requiring a background in engineering and the use of such imagery as the 'human engineer', cited in chapter 5, are strongly indicative of a works management heritage, rather than one located in welfare work. Such early pioneers of the labour management movement as ET Elbourne at Ponders End Shellworks and CG Renold, WJ Deeley and HR Lloyd at Renold were engineers or works managers by background.

For Torrington and Hall,¹²⁷³ the inter-war period was characterised by the emergence of the 'human bureaucrat', emanating from growth in organisational size. If 'humane' is taken to mean a concern for establishing fair and equitable procedures, then the historical evidence supports the use of such an epithet. They also suggest that practitioners of the inter-war period increasingly took up the ideas of industrial psychology and also Mayo's human relations ideas. The historical evidence, assessed on the basis of what practitioners said about their work and the influences on it, does not suggest that the influence of organisational psychology was great and no evidence was found that there was any great awareness of Mayo's ideas at this time.

As part of their thesis about the historical evolution of personnel management, Tyson and Fell¹²⁷⁴ have identified three 'models' arising out of the historical traditions identified: the 'clerk of the works' performing administrative functions in personnel management, the 'contracts manager' focusing on generating, maintaining and policing rules, procedures and agreements and the 'architect', devising policy and fully integrated into the top management team. These models were seen as both historical-evolutionary, evolving from one stage to

¹²⁷³ Torrington, D and Hall, L (1995), Personnel Management: HRM in Action, London, Prentice Hall.

¹²⁷⁴ Tyson and Fell (1992), op cit.

the next, and also as existing contemporaneously. The historical evidence of the period from 1890 to 1914 is strongly suggestive that these roles ran contemporaneously, rather than evolving from one stage into the next. Thus, at Brunner Mond before the period of the First World War, in an era before functionalisation, the chief clerk in the Time Office performed the tasks of labour administration (reporting to the company secretary and later to Finance), two senior technical managers performed the 'contracts manager' roles in relation to the conduct of industrial relations and Sir John Brunner was the 'architect' of labour policy. When a Labour Management function was established in 1916, it did not evolve out of the Time Office, though some of the latter's administrative responsibilities were later transferred to it, but rather an outside expert (Lloyd Roberts) was appointed as 'contracts manager', whilst Sir John Brunner operated as 'architect' of labour policy. 'Clerk of the works' types of incumbents were appointed in the early days of the existence of an Employment Department at Hans Renold from 1910. It was only when an incumbent, WJ Deeley, was appointed from outside and proved himself competent and qualified to advise about issues of concern to management, including industrial relations, training, payment systems and legal developments associated with the National Insurance Act, that a 'contracts manager' emerged. The role had not emerged as a result of 'clerk of the works' appointees. The cases about wartime developments similarly indicate that Lloyd Roberts at Brunner Mond, Lloyd at Hans Renold, Elbourne at the Ponders End Shellworks and Rowland-Entwistle at his manufacturing organisation were all appointed as 'contracts managers' specifically because of their expertise in employment matters and that their roles did not evolve out of clerical work. The conclusion seems to be that all the evidence points to contemporaneous existence of these three roles, rather than a process of historical evolution from one to another. Moreover, none of the 'contracts managers' succeeded in becoming 'architects'. The 'architect' role in labour policy remained the exclusive preserve of founders or their successors: Sir John Brunner at Brunner Mond, CG Renold at Renold Chains and Alfred Mond at ICI.

Labour process theory and the significance of scientific management as a technique of control

It was noted in the Introduction that all the research in the United States into the origins and development of personnel management had identified a primary role for scientific management, apart from an early flirtation with welfare between 1900 and around 1910 or 1915, after which it declined rapidly and became 'discredited'. In Britain, the view has persisted that the origins of British personnel management lay in welfare, out of which employment or labour management evolved around 1930. In the wake of Braverman,¹²⁷⁵ extensive research by labour process theorists in Britain has identified a range of practices drawn broadly from scientific management that were used by employers for the purpose of labour control, but historically, with its origins apparently in welfare work, personnel management has been perceived as distanced from any influence of Taylor and scientific management. The evidence of the development and extensive influence of the labour management tradition in personnel management in Britain suggests strongly to the contrary.

In principle, FW Taylor can be credited with establishing a case for a specialist employment function in his scheme of scientific management, highlighting the role of such a specialist function in recruitment, discipline, training and reward management. There was, however, insufficient interest in or awareness of Taylor's ideas about management organisation in Britain before 1914 to attribute the emergence of specialist labour departments to any influence of scientific management at this time. Interest in the ideas of Taylor and other post-Taylorite developments in scientific management (e.g. Emerson and the Gilbreths) did increase during the First World War, but again, the widespread establishment of labour departments at this time was clearly attributable to wartime regulations and conditions, rather than to any implementation of

¹²⁷⁵ Braverman, H (1974), Labor and Monopoly Capital, New York, Monthly Review Press

scientific management. It was, however, in the immediate aftermath of war, amid an enormous resurgence in interest in the ideas of scientific management and their application that proved to be the single most important influence on the development of labour management in Britain and rapidity of its eventual growth to the extent that by 1930, labour management functions were widespread features at least in larger organisations. Without the dynamic interrelationships between scientific management, organisational practices and labour management, labour functions would in all probability not have grown to any significant extent outside the very largest organisations in the inter-war period and would probably only have emerged to any position of importance in the changed labour market conditions after 1945. As was noted in chapter 5, all the important ideas of the labour management movement after 1920 can be directly linked to scientific management. The most important of these ideas was functional organisation, an idea originally proposed by Taylor and widely propounded by post-Taylorite writers, consultants and advisers on scientific management. So powerful was the influence of this idea that functional organisation became widely established in Britain by 1930, with a labour management function as an integral part of the functional organisation implemented in larger organisations. Other important ideas from the post-Taylorite school of scientific management in the 1920s and 1930s included the importance of standardising management practices around the notion of 'policy' and labour policy was central to the ideas and practices of the labour management movement between the wars. Further important ideas embraced during the 1920s, as discussed in chapter 5, included labour costing and budgeting (with their origins in Taylor's ideas) and scientific selection through the application of the ideas of industrial psychology (itself a development of Taylor's ideas). Another important influence on the practice of labour management emanating from post-Taylorite thinking in the later 1920s and into the 1930s was rationalisation which challenged the traditional beliefs in the working of the free market and argued for more rational control over market forces. These ideas, too, were embraced by the labour management movement. Much emphasis was placed on 'planning' and the integration of business and labour plans, with organisations taking control over their labour supply, presaging the later development of manpower planning in the post-war

period. In the context of more rapid technological change in the 1930s and falling unemployment, people such as Urwick argued that organisations needed to pay more attention to training and retraining in order to take more rational control over their labour supply in tighter labour market conditions and move away from traditional, laissez-faire hire and fire. A leading exponent of systematic training was Winnie Shaw, one of the few females amongst the leading figures of the labour management movement and herself trained by the Gilbreth's who had evolved ideas about systematic training from Taylor's principles. Though training of the industrial worker remained an underdeveloped idea in the inter-war period, systematic training was yet another of the ideas of the labour management movement with its origins in scientific management which would become an important part of the post-war practice of personnel management. In short, all the evidence about the development of the key ideas underpinning contemporary personnel management practice, including manpower or human resource planning, labour policies guiding practice, scientific selection, systematic training and so on all have their origins in scientific management and were all originated and pioneered by the labour management movement in the inter-war period.

Scientific management versus welfare: the emergent dilemmas

Chapter 2 concluded by highlighting some of the dilemmas identified by the literature arising out of the perceived origins of British personnel management in welfare. Though we have demonstrated that the welfare movement left no ideas of substance to modern personnel management, it did leave a legacy of a professional institute and an apparently enduring notion that personnel work was connected to welfare. Yet, as also noted, welfare has remained an important part of many personnel practitioners' roles and a debate continues about whether this is desirable or not. As was discussed in chapter 2, the welfare origins of personnel management had left a legacy of 'caring' versus 'controlling' and this debate evidently has deep roots in the early development of personnel management in Britain. An associated issue concerns gender, with welfare work being associated with femininity and powerlessness and this

too was a central issue between labour managers and welfare workers. As Cole¹²⁷⁶ stated in 1935 when discussing the takeover of the predominantly female Institute of Welfare Workers by predominantly male labour managers, the institution established by a minority of welfare women was deemed 'unfit' to be the national voice for the majority of practitioners and, as Northcott noted, were confined to propounding 'relatively stupid axioms about human conduct'.¹²⁷⁷ The vehemence with which the leading spokespeople of the labour management movement attacked the ideas of the welfarists was indicative of how deep the divide was. Finally, the issue of professionalism was noted as an ongoing one for personnel practitioners. Freedom to provide independent advice to clients is an important feature of a professional and clearly one aspired to by the welfare movement which held strong views about independence from management. Another feature of professionalism is valued expertise drawn from a body of knowledge which, in Legge's¹²⁷⁸ terms, becomes 'non-substitutable' and valued by management. In this respect, the welfare movement failed to develop any body of knowledge perceived as valuable to management, but labour managers on the other hand, closely integrated and developed a body of knowledge closely bound up with managerial concerns. That body of knowledge was intertwined with the ideas of scientific management, in particular those aspects of scientific management which aroused enormous interest in Britain in the period after 1918 and established the foundations of the personnel management practices of today. Yet today the spirit of welfare lives on and for some it never went away.¹²⁷⁹ In the wake of the emergence of human resource management, recent years have seen renewed calls for a more ethical stance and independence from management amongst practitioners. For Hart,¹²⁸⁰ for example, the blatant managerialism inherent in HRM is "amoral" and "unprofessional" and moreover,

¹²⁷⁶ Cole (1935), op cit.

¹²⁷⁷ Northcott (1930), op cit, p198.

¹²⁷⁸ Legge (1978), op cit.

¹²⁷⁹ Kenny, J (1975), Stating the case for welfare, Personnel Management, September, 18-21, 35; Stewart, J (1983), Whatever happened to the welfare officer?, Personnel Management, June, pp38-41; Beaumont, P (1984), Personnel management and the welfare role, Management Decision, 22, 3, pp33-42.

¹²⁸⁰ Hart, TJ (1993), Human resource management - time to exorcise the militant tendency, Employee Relations, 15, 3, pp29-36.

harking back to the welfare roots of the occupation, "light years away from the noble origins of those famous social philanthropists" who imbued their work with "appropriate social and religious values". For Hart, the role of HRM should be one of duality, serving both employer and employee interests and, by extension, the interests of society¹²⁸¹ and be reintegrated with "moral and spiritual values". In a similar vein, numerous others have called for the HR practitioner to become the 'conscience of the organisation', 'guardian of moral and ethical values' and the 'defender of social justice and fair treatment'.¹²⁸² All this, of course, re-echoes the debate of the 1920s and 1930s between welfare workers and labour managers, with their managerial orientation and intellectual roots in scientific management and organisational efficiency. For Haskins,¹²⁸³ welfare work was about 'the search for social justice'; for Anderson¹²⁸⁴ and Owen¹²⁸⁵ it was about an intrinsic interest in human beings as individuals and building 'new human relationships'; for Kelly,¹²⁸⁶ it was a religious crusade; and in Livingstone's¹²⁸⁷ view, welfare workers primarily saw themselves as concerned with the promotion of 'ethics and social justice'. The debates about ethics and morality have deep roots in the twin occupational origins of HRM in welfare and labour management. For some, the 'soft' model of HRM, with its concerns for organisational, individual and societal wellbeing, offers the potential for a more ethical approach to HRM.¹²⁸⁸ On the basis of this review of historical developments lying at the roots of modern HRM, it would be difficult to

¹²⁸¹ ibid, p31.

¹²⁸² See, for example, Connock, S and Johns, T (1995), Ethical Leadership, London, Institute of Personnel and Development; Miller, P (1996), Strategy and the ethical management of human resources, Human Resource Management Journal, 6, 1, pp5-18; Miller, P (1998), Strategy and the ethical management of human resources, in Storey, J, ed, Strategic Human Resource Management, London, Sage; Winstanley, D and Woodall, J (2000), eds, Ethical Issues in Contemporary Human Resource Management, Basingstoke, Macmillan; Woodall, J and Winstanley, D (2001), The place of ethics in HRM, in Storey, J, ed, Human Resource Management: A Critical Text, 2nd ed, London, Thomson; Ackers, P (2001), Employment ethics, in T Redman and A Wilkinson, Contemporary Human Resource Management, London, FT Prentice Hall.

¹²⁸³ Haskins, ML (1926), The evolution of the welfare motive, Welfare Work, 7, 83, November, pp205-207.

¹²⁸⁴ Anderson, A (1922), Women in the Factory, London, Murray.

¹²⁸⁵ Owen, AE (1920), The welfare worker, Welfare Work, 1, 8, Aug, p122.

¹²⁸⁶ Kelly (1925), op cit,

¹²⁸⁷ Livingstone (1929), op cit.

¹²⁸⁸ Winstanley and Woodall (2000), op cit; Woodall and Winstanley in Storey (2001), op cit.

disagree with the views expressed by Legge¹²⁸⁹ that there is little likelihood that the 'soft' model will prevail over the 'hard' or that HRM, with firm roots in labour management, will evolve in any other than a utilitarian and managerialist direction.

¹²⁸⁹ Legge, K (1995), Human Resource Management: Rhetorics and Realities, Basingstoke, Macmillan, p137; Legge, K (1998), The morality of HRM, in C Mabey, D Skinner and T Clark, eds, Experiencing Human Resource Management, London, Sage, p28; and Legge K (2000) in Winstanley and Woodall, op cit, p37.

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APPENDIX: RESEARCH NOTE ON PRIMARY HISTORICAL SOURCES CONSULTED

Journal Sources

Journals dedicated to the topic of management did not appear until 1919-1920. Prior to that, management issues were periodically considered in the engineering press. The following represent the main journal sources available about the topic of management between 1890 and 1939 and were consulted in the course of this research from the collections held at the British Library of Political and Economic Science at the London School of Economics and The Science Museum Library in London.

Business Organisation and Management, published monthly by Pitman between October 1919 and August 1929, its early editions were sub-titled 'A monthly Journal for the Accountant, the Secretary, the Manager and All Engaged in commerce'; from 1922, this sub-title was changed to 'A Monthly Magazine Devoted to the Organisation, Management and Administration of Industry and Commerce'.

British Management Review, published quarterly from January 1936, this journal was the organ of the Confederation of British Management Associations, a body set up in 1935 under the influence of BS Rowntree to take over the organisation of Rowntree's annual Oxford management conferences. The content of this series was reviewed to December 1939, though the series continued to appear quarterly until 1947.

Cassier's Magazine, published monthly from November 1891-December 1913 (this journal series, which began in November 1891 periodically changed its name and later appeared as Cassier's Engineering Monthly, January 1914-January 1919, Engineering and Industrial Management, February 1919-December 1923, Cassier's Industrial Management and Mechanical Handling, January 1924-December 1929 and Factory and Industrial Management, January 1930-December 1935 when the series ended. Whilst providing a content of a mainly technical nature up to 1915, this changed from around 1916 to the mid 1920s when management issues predominated in its columns. Thereafter, its content reverted to that of a technical engineering journal.

The Engineer, January 1890-December 1939, a weekly publication which first appeared in 1856. Commercially published, it had no connection to any professional body and its content was mainly of a technical nature targeted at all branches of engineering, notably railways, iron and steel, civil engineering, the water industry and mechanical and electrical engineering generally.

Engineering, subtitled 'An Illustrated Weekly Journal', this was published commercially from 1910 to 1920 and was mainly concerned with technical matters and only occasionally with management issues.

Engineering Production, sub-titled the British Journal of Works Practice and Administration, was published fortnightly from January 1920 to May 1925 when

it merged with the Automobile Engineer and became a technical journal with no coverage of works management or administration.

Industrial Welfare, published monthly from January 1920 to December 1939 (and after), this journal was the organ of the Industrial Welfare Society, later known as the Industrial Society and now the Work Foundation.

Journal of Industrial Administration, published briefly on a bi-monthly basis from January 1921 to May/June 1922, this journal was the official organ of the Institute of Industrial Administration, an organisation which was the brainchild of Edward Elbourne and was set up in October 1920. The journal folded after 12 editions, though the Institute itself remained in existence until 1947 when it was merged with the British Institute of Management.

Labour Management, published by the Institute of Labour Management (now the Institute of Personnel and Development) on a monthly basis from July 1931 to December 1939 (and after), the journal continued the series which started as Welfare Work in January 1920, but changed its title when the name of the Institute was altered from the Institute of Welfare Workers.

The Human Factor, published monthly from January 1927 and later entitled Occupational Psychology, this journal was the vehicle for the publication of research by the National Institute of Industrial Psychology and continues in publication to the present time.

Welfare Work was published monthly from January 1920 to June 1931 and was the official organ of the Welfare Workers' Institute; the series continued from July 1931 as Labour Management, reflecting the change of name of the Institute.

Archive Sources

(1) Brunner Mond and Co

The material for the case of Brunner Mond and Co was drawn from the company archives held in the Cheshire County Records Office, Duke Street, Chester CH 1RL. The records consulted were as follows:

- DIC/BM3/1/2-5: Board Minutes 1890-1923
- DIC/BM3/2/1-12: Managing Directors' Minute Books: 1884-1926
- DIC/BM3/3/3: Executive Committee Minutes: 1919-1926 (the years in which this body operated)
- DIC/BM8/10-14: Papers of T Winstanley, Time Office
- DIC/BM19/18: Miscellaneous papers 1906-1920

(2) ICI

The following internal papers were provided by the Company's Head Office in Millbank, London, SW1 which provided accounts of personnel policy and practice in the pre-war period, though those dated after the Second War

provided retrospective accounts, including papers prepared in 1949 related to the Company's response to the Private Industry Committee:

- Memorandum from R Lloyd Roberts, Chief Labour Officer, to Group Chairman on Trades Unionism, 1 September 1933
- Memorandum from R Lloyd Roberts to the Personnel Director, Post-War Labour Policy, 15 October 1945
- Undated paper on the Mond Turner Talks
- A paper by R Lloyd Roberts A Labour Policy for a Large Undertaking, 24 May 1949
- The Personnel Policy of ICI, a report for the Private Industry Committee, 1949

(3) Hans Renold Ltd

Original material was drawn from the company's archives held at the Local Studies Unit at the Manchester Central Library, St Peter's Square, Manchester M2 5PD in archive M501. The following series were consulted:

- 650.0522/HR/910/1-10: Head Office Meeting Minutes (HOMM): 1910-1918
- Directors' and Shareholders' Minute Books (D&SM): 1903-1939

(4) Other sources

(a) Joseph Rowntree Foundation, The Homestead, 40 Water Lane, York YO3 6LP: BS Rowntree's personal archives. The following sources were consulted:

- BSR93/VII/1-12, 20: Entitled 'BSR as a Manager of Labour', this collection contains miscellaneous company memoranda written between 1917 and 1938
- BSR93/VII/21: A full collection of the papers given by all visiting speakers at Rowntree's management conferences between April 1919 and September 1933
- Fiche 43: Miscellaneous papers of BS Rowntree at the time of the First World War

(b) Modern Records Centre, University of Warwick, Coventry CV4 7AL: Only very limited records of the Institute of Welfare Workers/Institute of Labour Management for the period 1913 to 1939 survive and they are held as archives MSS97/1/CO/1 and MSS97/1/CO2, Council Minutes and MSS97/1/SP/1, Minutes of Special Sub-Committees. Other material includes MSS97/1/EC/1-3, early conference reports and Executive Committee minutes for 1913 and 1917-1921, MSS 97/4/1 and 97/4/2/1-2 Annual Reports 1920-1922, and MSS97/4 and 97/5 miscellaneous papers published elsewhere. In the main, these records are concerned (as might be expected) with the administrative affairs of the Institute, but have little to say about the development of practice in welfare/labour management in this period.