

The Report of a Team of British Trade Union Officials Who Investigated the Role of Unions in Increasing Productivity in the United States of America

On 21st July this year, a report which marked a milestone in British trade union history emerged from the headquarters of the Trades Union Congress. It represented the findings of a team of trade union officials sent to the United States to study the part played by American trade unions in achieving and maintaining a high rate of industrial productivity, and to consider whether a similar role might be undertaken by British trade unions in an effort to raise British productivity. The delegation studied at first hand the reasons for the American predominance in production and it pulls no punches when telling the story to fellow trade unionists. No issues are dodged because of their political implications and unpalatable truths are frankly recognised.

In view of the unique nature and significance of this report we have reproduced here certain extracts by kind permission of the British Trades Union Congress.

AMERICAN UNIONS AND PRODUCTIVITY.

Competitive Economic System.

1. Americans accept the competitive economic system—it ensures a high rate of economic expansion and a high standard of living. Unions rely on competition to increase purchasing power by keeping consumer prices down, but oppose attempts to promote competitive efficiency at the expense of wage rates.

2. The attitude of American trade unions to company profits is typical of their acceptance of a capitalist economy. High profits, at least in competitive industries, are not regarded as immoral or a social evil; indeed they give proof of solvency and assured employment. Usually high profits are considered a sign of efficiency and relatively high output

per manhour. The unions have tended to regard comment on employers' profits as outside their province and have campaigned against them only when feeling they were not getting a fair share.

3. So long as American capitalism continues to "deliver the goods" in the form of a rising standard of living—and American trade unions believe in results rather than theories—there is little possibility of the idea of a carefully defined programme of social and economic planning gaining many adherents.

4. Nevertheless, it is doubtful if competition would be accepted without question in all circumstances as the answer to every social and industrial problem. The assistance given to agriculture, for instance, is recognition of the value of government intervention. Also a re-emerg-

ence of mass unemployment or a falling standard of living would stimulate a trade union demand for remedial measures by the government, perhaps on the lines of the Tennessee Valley scheme.

Management and Productivity.

5. Competition forces management to set the pace of productivity and less efficient concerns are spurred on by the trade unions. Unions drive the best bargain they can with the most efficient and profitable company in an industry and then bargain with other companies to obtain similar wage or piece rates. By helping to improve average industrial efficiency, unions are assured of correspondingly higher wage rates and earnings.

6. Although trade unions on the whole rely on management to increase productivity, a number of unions have already gone some considerable way towards acquiring the facilities for co-operating fully in many phases of managerial functions. Production engineers are employed and management engineering departments established to obtain experience in time studies and other "scientific" management techniques, and to train union officials to deal satisfactorily with production problems on the shop floor.

7. If a company protests that it cannot meet a wage claim, unions will point out that better production methods would enable them to reduce costs sufficiently to pay the claim. In this way unions disseminate production "know how." From information and experiences gained in previous negotiations, they can suggest methods and machinery used by the highly efficient companies to improve efficiency in a plant. The pressure exerted by unions in this fashion can be much more effective than the information gained by management from their technical associations and trade journals.

Mechanization.

8. Except in a few very isolated cases there was nothing to suggest that Americans work harder than their opposite numbers in Britain. It was apparent, as has been stressed by previous British productivity teams, that owing to the greater use of machinery, mechanical handling and lifting equipment, and various other factors, the American operatives' work is more effective.

9. The attitude of union leaders to the introduction of new machinery and labour-saving methods indicates an appreciation of the social advantages of a dynamic industrial pattern. Whilst the idea of security of employment at all costs is not unknown, the absence of any serious opposition to labour-saving machinery is undoubtedly a major contribution, if only a passive one, to increasing productivity. The pride of operatives in using modern machinery was very noticeable in all the factories visited. The maintenance of this attitude is dependent upon an ever-expanding economy, i.e., that redundant operatives will be re-absorbed in another part of the plant or will soon get a job elsewhere as new production is created to meet new demands.

10. Individual fear of redundancy arising out of the introduction of new machinery is frequently offset by a generally established rule of seniority—"last in first out." This suggests that the high rate of American productivity is not attributable to fear of unemployment. The seniority rule may penalise young and able work people, but it limits nepotism and favouritism and ensures employment for operatives who might have difficulties getting jobs elsewhere owing to their age.

Recommendations to British Trade Unions.

11. The need in industry for decisive trade union action in which unions must

accept their responsibilities as well as claim their rights is perfectly clear. A rising standard of living can only be obtained from labour-saving machinery and technical processes and working skill. As trade unions want the standard of living to rise continually they cannot justify opposition to the installation of new or modernised machinery.

12. Where managements are progressive and seeking to use "scientific management" techniques in a reasonable manner to step up production, unions should be prepared to co-operate. Where managements are not sufficiently enterprising and progressive, are unwilling to step up efficiency or extend markets through lower prices, then unions must press them to do so. Union members must recognise

that the use of "scientific management" techniques, however unscientific, is inevitable and necessary in industry today, and that determination to prevent abuses and where possible control "scientific management" is a necessary function of modern trade unionism.

13. A wage policy in which earnings are related to output and factory efficiency is the most obvious one for unions to pursue.

14. Considerable emphasis is placed on the need to encourage labour mobility and flexibility—it is becoming increasingly recognised that full employment means that there are more jobs than workers, rather than providing the redundant with jobs at the same locality.

