

## Efficiency in British Industry in the Post War Years (continued) —

though for industry as a whole the picture is still not very different today, that is not the case for the manufacturing section of industry. In that section the annual rate of increase of productivity is now running at about 3½% and for certain

industries it is considerably higher. Since it is in the manufacturing section that the drive for increased efficiency began and has been prosecuted most vigorously, these results would seem to be a fair indication of the shape of things to come.

**PRODUCTIVITY INDICES (1948 = 100).**  
(Ref. "Hard Facts," Issue No. 3, Feb., 1954.)

Industry	1948	1949	1950	1951	1952	1st Quarter
						1953
Engineering and Shipbuilding	100	107	116	123	119	127
Metal Manufacture and Goods	100	102	107	112	113	112
Vehicles	100	109	115	115	109	121
Chemicals and Allied Trades	100	106	116	122	120	143
Textiles	100	104	108	107	99	113
Clothing	100	103	106	100	102	119
Paper and Printing	100	110	121	121	107	121
Iron and Steel	100	104	108	110	111	122
Note: At 1½% per annum	100	101.5	103	104.6	106.2	107.8

What, then, are the causes underlying the striking increase in productivity in the industries concerned? Before the war there had been among industrialists in the U.K. an increasing awareness of the need for greater productivity and a good deal was being done in the way of introducing the ideas and techniques of scientific management. The war, with its desperate requirements for production, gave added impetus to these efforts, and as the immediate post-war boom subsided, it was widely recognised that British manufacturers could only re-establish their world position on a basis of greatly increased productivity. They had in fact become fully conscious of the disparity between the productivity of American industry and of their own.

A very significant step was taken in 1944 with the despatch of a mission to the U.S.A. of delegates representing the cotton and textile industry to study conditions in that in-

dustry. On their return they reported (the "Platt Report") that output per man in the U.S.A. was some 2-3 times that existing in the U.K. and that British Management, though better trained on the variations of materials and means of getting higher quality work from available machinery, was more conservative, more reluctant to undertake reorganisation and try out new ideas, and without full appreciation of research and its applications.

### Productivity Councils.

Undoubtedly the Platt Report had a big impact at both Governmental and Industrial levels. One consequence was the setting up, in October, 1948, at the suggestion of Sir Stafford Cripps and Mr. Paul Hoffman, of the Anglo-American Council on Productivity. This was an autonomous body on which representatives of industry and labour in the two countries worked

together to study the causes underlying the different productivity rates between the U.S.A. and the U.K., and to find means of increasing productivity in both countries. The work of the Committee was divided among five sub-committees, each dealing with a different aspect. In the event, however, the most fruitful activity proved to be the organisation of visits to plants in the U.S.A. by British teams composed of employers and trade unionists in equal numbers. In all some 66 such visits were made, each resulting in a widely circulated report of findings and recommendations.

When the Anglo-American Council on Productivity came to an end, new proposals for a campaign for industrial productivity were launched at a conference addressed by the Chancellor of the Exchequer, Mr. R. A. Butler, in London during March, 1953. This conference was attended by employers, trade unionists, representatives of the nationalised industries and members of the Productivity Teams who had visited the U.S.A. The outcome was the British Productivity Council, with the following programme:—

Team visits between firms and industries to exchange knowledge and experience of methods and techniques.

Setting up of local productivity committees in 105 industrial towns and centres.

Showing (on Television and elsewhere) of a series of short films illustrating improved methods of industry.

The Council is composed of representatives of the British employers' Confederation, the Federation of British Industries, the Trades Union Congress, the Association of British Chambers of Commerce, the national Union of Manufacturers and

the Nationalised Industries (British Transport Commission, British Electricity Authority and the National Coal Board) so that it will be seen that its sphere of interest and influence is a very wide one indeed. The Council is now well established; it is very active and is making its influence felt.

### **Contributions by British Employers and Management.**

Side by side with the work of the British Institute of Management, British employers as a whole have, to an extent greater than ever, been introducing new techniques to improve the productivity of their own factories. These techniques are too many and various to discuss in detail in the short compass of this review, but some of the most important are:

- (a) The use of Work Study to determine the best method of doing any particular piece of work. Allied to this is the inauguration of "incentive" schemes to encourage good workers. Much of the spade work in this field has been pioneered by Imperial Chemical Industries Ltd.; and also by The British Institute of Management, whose conference on this subject in the early part of 1954 was attended by some 800 industrialists.
- (b) The practice of disclosing financial information to employees with a view to making them "cost conscious" and showing them where the money goes.
- (c) Improved selection techniques for choosing the "right man for the right job."
- (d) Introduction of Bonus and Profit Sharing Schemes aiming at giving the workers a share in the business.
- (e) Better welfare facilities for the worker. This includes better

## Efficiency in British Industry in the Post War Years (continued)

physical conditions and amenities in the factories; sickness and pension provisions; recreational facilities and the like.

- (f) Replacement of out-of-date plant with new equipment.

### Education and Training.

No article on greater efficiency in British Industry would be complete, however, without some reference to the increased regard which is being paid to the necessity of providing systematic education and training in management subjects to fit persons for the responsibilities of management and the use of new management techniques. Undoubtedly, one cause leading to greater productivity since the war in some of the industries mentioned can be attributed to this source.

A recent survey carried out by the British Institute of Management has shown that there are today no less than 125 University courses and a much higher number of courses at 181 Technical Colleges throughout the U.K. which have some relevance to management. Broadly speaking, these courses can be divided into three main classes:

1. For the foreman or potential foreman.
2. For the junior executive or potential departmental manager.
3. For the senior or potential senior executive.

It was early realised after the war that only the largest companies could organise their own courses for their senior executives, and this situation led to the establishment at Henley-on-Thames in 1946, with the support of industry and commerce, of the Administrative Staff College, a residential college designed for the training of such executives. The course is for 12 weeks and accom-

modates 60 students at a time. These are usually people sponsored by their firm or organisation and who have been earmarked as capable of rising into higher management posts. The average age is around 45. The basis of teaching is the syndicate method with considerable use of case studies. At the present day, the total number of executives passing through the College each year is 180, although plans are afoot to increase this number in the near future.

Before concluding this brief survey of the educational field, one striking omission will be noticed—it is that the subject of management education has received but scant attention to date in the British Universities. This situation seems, however, to be on the point of changing and the next few years are likely to witness the establishment of several Chairs in Industrial Administration. This has already been done at London University and at Manchester, and other Chairs are under consideration.

### Trade Union Attitude.

At the present time there are in the U.K. some 700 Trade Unions of which only 186 are affiliated to the Trades Union Congress. It may well be asked, therefore, why in the U.K. so much emphasis is placed on the T.U.C. The reason is not far to seek—there are some eight million members belonging to the Unions affiliated to the T.U.C. and only some one million members belonging to the 500 non-affiliated Unions. The T.U.C. is representative of all the main organisations with the exception of two, with both of which it has close relations (the National Association of Local Government Officers and the National Union of Teachers). It is fair to say, therefore, that the policy of the T.U.C. is the policy of the

U.K. Trade Union movement as a whole.

What then has been the attitude of the T.U.C. to productivity in British industry since the war? A really remarkable development has been taking place over the last decade or so. Possibly resulting from the growing practice of consultation between Government, Employers' organisations and the T.U.C.—a practice greatly extended during the war—the T.U.C. has come to accept that the possibility of a rising standard of living for the working man turns in the last resort on raising the productivity of industry. The question as to the division of the benefits of increased productivity is no longer in dispute at the top levels of the trade union movement.

Whilst this is true of the top levels, the problem of carrying the same conviction down to the lower levels of the trade union hierarchy and to the rank and file remains, and it is at these levels that the controversy is now centred.

From the outset the T.U.C. faced this matter squarely. Their initial problem was the conversion of the affiliated unions. The first step was a conference of their executives in November, 1948, and the General Council's proposals were accepted, though not unanimously. It remained for the T.U.C. to convince the doubting "rank and file" and this was begun in a series of meetings and conferences with the large unions and union federations, to discuss how their proposals for increased productivity and propaganda could be best put into effect. As has already been noted, some members of the T.U.C. served on the Anglo-American Council of Productivity, when it was set up in 1948. In 1950 a team of 10 union officials visited the U.S.A. and recommended on their return that

the large unions should train and employ their own production engineers to study work loads and employers' plans for reorganisation, and that the T.U.C. itself should train such engineers for the smaller unions. Parallel with the foregoing, the T.U.C.'s plans in the educational field were progressing satisfactorily, albeit rather slowly, and assisted by the educational plans made by individual unions—for example, the Amalgamated Engineering Union organised a week's course on industrial management at Bradford in 1950, and this was attended by over 100. Throughout, co-operation between the unions and the British Government (both the present Conservative and the previous Socialist) has been very close—the T.U.C. and the British Employers' Confederation are represented on the Ministry of Labour's National Joint Advisory Council.

Whenever the question of productivity and Trade Unions is raised someone always asks the question "And what about strikes?" Here the figures speak for themselves:

Working days lost by disputes before the war:—

1919	.....	35 million
1920	.....	26 million
1921	.....	85 million
1922	.....	19 million

until the general strike of 1926 when there were 162 million.

Since the war:—

1948	.....	2 million
1949	.....	1.8 million
1950	.....	1.3 million
1951	.....	1.6 million
1952	.....	1.4 million

The figure for 1952 represents a loss on only 40 minutes per man in the year.

Which brings us to the present day. To what extent is it expected

that Trade Union Policy will continue on the lines of the new thought awakened in 1946? Because undoubtedly this complete change of attitude towards increased productivity is the most startling thing to notice in any Trade Union survey. For the answer to this question one can only look to the stability of the policy to date (notwithstanding the change from a Socialist to Conservative Government). The T.U.C. policy has been confirmed at successive conferences. The need for increased production and efficiency has been recognised and reiterated. The T.U.C. has worked consistently for this through its Production Committee. It has also made it abundantly clear that the business of the T.U.C. is to consult with any Government in the interests of its member Unions and the workpeople they represent. There has been co-operation, for instance, in the staggering of hours, the Industrial Disputes Order, industrial techniques, re-deployment of labour and such things as the National Arbitration Order, which for a long time made strikes illegal. (This Order did not in fact prevent strikes taking place, but it did minimise them.)

It would seem, therefore, that one of the more important features leading to increase in efficiency in British industry since the war has been the new outlook of the Trade Unions, and there would not appear to be any signs at present that this outlook will change.

### The Future.

AND what of the future of British industry? Well, it must first be admitted that the somewhat rosy picture painted above of increasing efficiency is based on certain sections of industry only—as mentioned in the outset—and is unfortunately not yet reflected in the overall picture of British industry as a whole. One of the black spots in this respect is coal mining. But this industry faces quite special problems, the chief of which arise from the fact that most of the easily worked seams were exhausted in the inter-war years and the task of getting coal today is, for geological reasons, immensely more difficult than it was twenty years ago. A great programme of development to open up new fields and seams is in hand but several years must still elapse before it can bear fruit.

Other industries too, that are not showing any marked increase of productivity as yet, also have their special problems. But this much can be said with confidence; the country has been aroused to the facts of the situation; increased productivity is recognised as the road to a higher standard of living; an immense amount of work is being done in the pursuit of efficiency, both in its technical and its managerial aspects, and, in considerable sections of industry, notable results are now in evidence. A new wind is, in fact, blowing through British industry and it is only a matter of time before all sections of it respond in the way in which those sections that are now showing much progress have already done.