

**THE ALL-INDIA CONFERENCE OF
LABOUR AND WELFARE OFFICERS**

1615

Sectional Chairman's
Address
on
**PHILOSOPHIES OF INDUSTRIAL
WELFARE**

by
M. R. MASANI



BOMBAY
April 3-6, 1953

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Philosophies of Industrial Welfare

Philosophies of Industrial Welfare might be classified in various ways. My own attempt will be to do so on the basis of three possible approaches to the subject, each of which provides its own philosophy,—namely, the utilitarian, the democratic and the humanitarian.

The utilitarian approach is concerned with the need for social welfare and the desirable results that it produces in so far as the efficiency and productivity of the worker are concerned. Starting with the assumption that efficient production demands the cutting out of all avoidable waste and friction, this philosophy then proceeds to point out that, while machines are well tended and taken care of, the human machine also at work in the factory is neglected—with consequent friction, waste and loss. Attention to the needs of the worker is therefore as much part of the productive process as oiling and tending the machine. Look after all the physical and psychological wants of the worker and he will give you ample return in the form of increased production worth many times what you invest in him. How to make the best possible use of the working population, “how to get workers in the right places in the right numbers and to produce the right goods of the right quality and in the right quantity,” is the objective of this school of thought.

Applying the principles of progressive engineering to the problem of dealing with the worker, the pro-

a desire for better labour utilisation, whether in peace or in war. Indeed, the country where what Drucker calls the concept of the "Slot-Machine Man" has become the official dogma is Soviet Russia.

The second approach, which stems from Democracy, takes a less purely industrial view and is more concerned with the political and sociological aspects. It argues that democracy needs to be extended from the political to the social and economic sphere. Democracy only too often stops at the factory gate. In the polling booth, the worker is as good as his master, but in the factory that equality ceases to exist. This is disastrous because surveys and studies made so far tend to show that the worker considers the fulfilment of his demands for social status and function as something higher than the fulfilment of his economic demands. Several surveys of this nature made in the United States reveal the major demands of industrial workers to be those for good and close group relationship with their fellow workers, good relations with their supervisors, and above all, for recognition as human beings. Wages come well down the list and lag far behind these non-material incentives. There is a lot therefore to support *Peter Drucker's* view that, since the plant community is the real community in an industrial society, it is the one which appears to the worker as the representative and decisive one for the fulfilment of his social aspirations. Lack of such fulfilment creates individual and collective dissatisfaction and poisons the atmosphere in an industrial enterprise. Workers in factories should therefore be

ponents of this school of thought would reconstruct him as "a single-purpose, high-speed machine tool". "Man, according to this concept," writes Peter Drucker in the *New Society*, "is also an automaton responding to monetary stimulus like a chewing-gum vending machine. What could be more natural, therefore, than to attempt to use individual wage incentives as the basis for the social organisation, for the integration of man into enterprise?"

Let it not be thought that any attempt is being made to represent those who subscribe to this philosophy as heartless Machiavellians. It is indeed possible that those who argue this way may not be insensible of the fact that there are other good reasons as well for doing the right thing by the worker. In stressing the utility of welfare they might claim that they are taking an objective and scientific view of the problem and point out how the good employer who attends to the welfare of his workers is also the more intelligent businessman. The proponents of this philosophy would argue that it is not every employer who has the intelligence to realise that cheap labour is in the end the most expensive.

It is quite likely that the larger number of progressive employers in various countries of the world where Free Enterprise operates are motivated by some such attitude of enlightened self-interest. It is certain that such attention as totalitarian dictatorships, whether of the Fascist or Communist varieties, bestow on the worker's welfare is also the product of

ments to be taken into account and not mere units in the mechanism of production." That "man does not live by bread alone" has never been more true than in Industry today. If the employer wants to get the best out of a man, he must appeal to the best that is in him, that is, to his mind and his spirit and not only to his physical capabilities. "Men are human beings with conscious and sub-conscious interests, attachments and loyalties of their own, all of which, however seemingly irrelevant, will always express themselves sooner or later in terms of output. A mere money payment cannot buy these deeper things. What is important is the kind of life a man is living while he is working and not the contents of his pay envelope. If the basis of all industry is man and his needs, the greatest thing in man is the spirit."

Common Ground

Now, there does not appear to me to be anything mutually exclusive in these three philosophies of industrial welfare. Each of them undoubtedly stresses a distinct aspect—material, sociological and spiritual. The first stresses man as a toiler and a machine; the second stresses man as a citizen in a democratic society; and the third stresses man as an end in himself. And yet, as I see it, each in a free society need not be exclusive of the other two. While it may be right to discuss the various philosophies of industrial welfare and to make one's own choice, perhaps the conclusions to which each of these philosophies drive may not be different in so far as a practical programme of industrial

regarded more as "citizens" of the plant community and should be transformed into such citizens from the proletarians which they otherwise are and feel themselves to be. The major incentives to productivity are thus social and psychological rather than financial.

The extension of democracy and of social justice in the industrial sphere can take many forms, such as equality of opportunity for advancement, joint consultation, collective bargaining, a fair wage and welfare measures. Advocates of this approach argue, with considerable force, that if the model to be placed before the worker is not to be that of a free industrial society, the model will be that of the slave industrial society already existing in Soviet Russia and Communist China.

Finally, there is what may be called the humanitarian or ethical philosophy of industrial welfare. This approach is concerned neither with the tangible fruits of welfare measures nor with the ideological urge of democracy or social justice. It goes back to first principles and derives its inspiration from the Golden Rule. Sound industrial relations can only be based on human relations, and human relations dictate that, whatever the relationship, a human being should be treated humanely. That includes respect for his dignity, fair dealing and a concern for his physical and social needs. Acceptance of this philosophy stresses that, when we talk of "manpower or labour force, we are talking of men and women with their own rights and interests, preferences and senti-

leaves room for the creative impulse of the individual, would meet the need more appropriately. The ability to secure the cooperation of the employee is undoubtedly the expression of an art. "Science may design the factory; science may perfect the manufacturing operation; science may organize an office; but science will never secure that human goodwill on which efficiency essentially depends."

A similar issue is raised by the claims of that new arrival on the scene, the Industrial Psychologist. On the basis of ensuring individual job satisfaction, the psychologist claims that what makes people want to work is not only a fair wage but also intangible satisfactions such as self-respect, the esteem of others, a feeling of belonging, and the pride in achievement. Very true, on the other hand, it must be pointed out as a corrective to this line of thinking that not all difficulties can be overcome by psychoanalysing the worker so as to adjust him better to the environment in the factory. "The difficulties are neither illusions to be dispelled by information and indoctrination," writes Peter Drucker "nor personality problems of the worker and the result of factors outside the plant, such as childhood traumas or mother-in-law trouble. The difficulties are objective, concrete and real. They are difficulties rather than conflicts. They lie within the enterprise rather than in some abstraction called the 'system'. Hence they can be attacked and overcome. But they are concrete, impersonal and real, not imaginary or psychological. Hence they require for their overcoming, concrete, radical and major changes in

welfare is concerned. It is possible that, at a later stage of our industrial evolution—comparable to what has been reached in the most industrially advanced and socially progressive countries of the world, such as the countries of Scandinavia, the U.S.A., Britain and New Zealand—a parting of the ways may come when a choice has to be made between further advance in one direction or another. Unfortunately, we in India are at present at such a rudimentary phase of our industrial evolution that, whether we subscribe to the first, second or third philosophy, the measures of social welfare in Industry that we urge are only too likely to be the same. At least for several years to come, our paths are unlikely to diverge.

Before I attempt to indicate what might be the *outlines of a programme of industrial welfare such as* is likely to obtain the support of persons adhering to these diverse philosophies, whether in the ranks of Industry or of Labour, perhaps I should deal with one or two relevant issues that are sometimes raised in this connection. The question is often put : Is *Personnel Management or Industrial Welfare a science* or an art? One may parry the question by asking in return : What is in a name ? It is possible that certain functions of management and welfare could perhaps be performed efficiently by what may be described as scientific methods, and yet the function of controlling and directing human beings certainly calls for more variables than are allowable to the scientist. Human nature is hardly exact, and any attempt to manage it by exact methods is only too likely to fail. Art, which

beyond the reach of Industry in India as a whole. There will have to be a large increase in productivity before such a target becomes practicable. Meanwhile, the workers' needs have to be met and the burden must inevitably be shared by the employer and the State.

I would like to wind up by quoting a "Guide to the Personnel Policy of Industrial Enterprises" prepared by the Industrial Welfare Society in London :

- "1. To use adequate and objective methods of selection for engagement ;
2. To place employees in the available work most suited to their ability ;
3. To provide suitable means for the training of employees, where such means will enable employees to secure competence in the performance of their duties and fit them for promotion within the Company ;
4. To maintain fair standards of remuneration ;
5. To ensure the greatest practicable degree of permanent and continuous employment to suitable employees ;
6. As far as it is practicable, to develop and maintain methods for the regular assessment of employees', supervisors' and managers' services on a basis of merit alone and to use these records as a means of selecting employees for promotion ;
7. To fill vacancies, other than rank and file vacancies, by the upgrading and promotion

the policies, the organisation, the practices, and even in the philosophy of the enterprise."

Why Industrial Welfare ?

Finally, the question is sometimes put : Is it desirable that employers should interest themselves in the welfare of the worker, his health, home and the education of his children ? Are these not matters that could be well taken care of by the worker himself, provided only that he is given a decent, living wage ? Some such line of reasoning is undoubtedly popular in the United States of America and I understand that a large section of the Trade Union movement there would be inclined to adopt it. Undoubtedly, there is something to be said for it. For one thing, it is based on the self-respect of the worker and an objection to paternalism on the part of the employer in a free society which has outgrown the old relationships. From the point of view of Management too, it has its attractions since, by and large, the attempts of Management to run the social life of the plant only too often lead to resentment and resistance by the workers who *feel that they are being treated like children*. Since, in any event, Management today lacks authority and in many cases is forced to share its powers with the Unions, all that is left today is the privilege of being blamed when the operation of industrial welfare measures goes wrong. It is questionable, however, whether industrial evolution in India has reached the stage when measures of industrial welfare by employers may be considered to be out of date. A living wage is still well

13. To organise and maintain benefit schemes to provide against the hazards of old age, illness, and to arrange facilities for good feeding and medical welfare services."

This, in my view, can form a *model to Management and to Labour Officers* to adapt to their own needs. It must not be overlooked, however, that such a personnel policy is recommended in a country like Britain, which has a very long record of progress in this direction. How many of us, for instance, know that the first Works Committee in Britain came into existence in a printing press in 1787 and that the manager used to fine members who were absent a penny a time ?

The history of industrial welfare and relations in Britain is now a century and a half old, having started in the days of Robert Owen in the beginning of the nineteenth century and being initiated by the pioneering work of Quaker industrialists like the Cadburys and the Rowntrees. That first phase of paternalism, adopted through considerations of religion or conscience, was followed in course of time by a phase of labour management between World Wars I and II when labour was plentiful and jobs were scarce and British employers were able to pick their men. At that stage, welfare was still a question of providing canteens, sports clubs and sickness benefits. The most recent phase of personnel management in Britain developed during World War II, when labour became very scarce. Industry found it necessary to compete

of existing employees, so long as actual or potential candidates are available within the Company ;

8. To maintain a high level of physical working conditions and suitable amenities, regarding as a minimum the fulfilment, in letter and spirit, of the Factories Act and other Industrial legislation, with particular reference to the prevention of accidents, the maintenance of health, and the rehabilitation of sick and injured employees ;
9. To guarantee fairness in the maintenance of discipline and to encourage employees themselves to accept responsibility for discipline ;
10. To accord full freedom to, and to encourage, but not to require membership of trade unions, and to accord, as far as it is possible, equality of treatment to members and non-members alike ;
11. As far as it is practicable, to use effective methods of Joint Consultation and Communications to keep employees informed on matters affecting their own and the Company's interests ;
12. To grant to all employees the right of personal and confidential access to their trade union representatives, to Personnel Officers, and to the most senior members of Management and to the Board ;

yet broad-based and well-founded, organisation which can adequately perform the functions that would devolve on such an organisation.

At this Conference, all we can do is to make a modest beginning in the study of the problems of industrial welfare and the means to advance their solution. Yet, the significance of a Conference such as this should not be under-estimated. This is the first Conference of its kind, where those primarily concerned with industrial welfare and relations have come together from throughout this vast country. A Conference such as this should throw up many suggestions and conclusions which may be recorded in the pages of its Report and may stimulate thought and provide a basis for future action and advance.

We may not expect, and indeed we should not seek, to reach dramatic conclusions or issue far reaching plans. It will suffice if there is an exchange of ideas and a sharing of experience, with a consequent deepening of insight in between Conferences such as this. One hopes this will be only the first of periodic Conferences of this nature, and that there will be time for suggestions made during the Conference to be examined, for ideas to be sifted and for proposals to be adapted for implementation in day to day practice. Better Human Relations in Industry are not just a sentimental requirement. They are a pre-requisite to that higher productivity which all of us agree India today needs above all.

for labour and to provide increasing amenities, including good working conditions. Selection and training methods came to receive more and more attention. Speaking comparatively, we in India are yet in an early phase of such an evolution.

Those who came in touch with Mr. John Marsh, Director of the Industrial Welfare Society in the United Kingdom, when he recently visited India at the invitation of the Tata Iron & Steel Company, will undoubtedly wish that we had in this country an organisation of that nature in which industrial employers and trade unionists could find a meeting place and field of common endeavour. Judging by an article advocating such a development written by Mr. V. V. Ranade, Vice-President of the B.B. & C.I. Railway Employees' Union, in the issue of the *Worker* of November 20, 1951, it would appear that a consciousness of the value of such a development has already been felt among thinking elements in the trade union movement. Perhaps the successful conclusion of the very hopeful discussions that have commenced towards the merging of the two democratic trade union federations affiliated to the I.C.F.T.U., namely, the I.N.T.U.C. and the H.M.S., will create a situation which will enable democratic trade unionists to play a more active and constructive part in developments of this nature. I am aware that *nuclei* of such an organisation are already taking shape in this country and it is to be hoped that cooperation between progressive employers and democratic trade unionists will lead in course of time to the creation of a voluntary and non-official,