

Democracy or Seduction? The Demonization of Scientific Management and the Deification of Human Relations*

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ABSTRACT

The emergence of the Human Relations 'School' of management (HRS, hereafter) in interwar America was less a distinct break with Taylorism or Scientific Management (SM, hereafter) than it was a right wing and decidedly undemocratic outgrowth. That many of Taylor's disciples preceded Elton Mayo in analysing 'the human factor in industry' is well established in the history of management thought. Likewise, that the Taylorists actively sought to promote greater worker participation in the management process and a greater rapprochement with organised labour in the interwar period is also well documented. Yet the conventional wisdom in the organization studies is that HRS was the intellectual progeny of Mayo and his associates in the Hawthorne Studies and that their concern with human problems in industry was both a reaction against, and solution for the shortcomings of SM. The fundamental question this paper seeks to answer is *why* the history has been written in this way and *how* it could be that the participatory nature of Taylorist movement came to be written out of typical accounts. We seek to understand *how* and *why* the meta-narrative regarding SM and HRS became the received wisdom and *who* stood to gain from this establishment of managerial orthodoxy. We seek to understand why it was that Mayo and HRS were deified, whereas Taylor and SM were demonized in the 1930s and beyond. Our central argument is that HRS presented conservative business leaders such as John D. Rockefeller Jr. with a more subtle yet powerful means of resolving conflict and exercising authority in the workplace, one that focused on individuals, their productivity, and on firm performance rather than on collective dealing with employees and so, was more attractive to business leaders of the time than the more democratic approach of progressive figures in the SM movement.

Key Words: Scientific Management; Taylorism; Human Relations; Elton Mayo; John D. Rockefeller Jr.; Industrial Democrac

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“All history is the history of thought” said the philosopher of history, R.G. Collingwood and so, history is actually the re-enactment - in the mind of the historian - of the thought whose history is under scrutiny. This reconstitution governs the selection and interpretation of ‘facts’ and is, indeed, what makes them ‘historical facts’ (Carr 1967). Accordingly, all understandings of management thought are shaped by historiographical processes and these processes are shaped by prevailing power relations and attendant ideologies (Cooke 1999). For this reason, the standard depiction of Human Relations ‘school’ of management (HRS, hereafter) ‘rising out of the ashes’ of Taylorism or Scientific Management (SM, hereafter) is a rhetorical distortion of historical events that cannot be reduced to the mere desire for simpler and smoother historical narrative concerning the development of management thinking, however pedagogically noble this might be. Rather, and to paraphrase Jenkins (1991), this depiction, like all historical accounts, is ‘not for itself, but always for someone’. Further,

particular social formations want their historians to deliver particular things. (P)redominantly delivered positions will be in the interests of those stronger ruling blocs within social formations... . The fact that history *per se* is an ideological construct means that it is constantly being re-worked and re-ordered by all those who are variously affected by power relationships (Jenkins 1991: 17).

How the history of SM and HRS has been hitherto presented obfuscates the fact that HRS presented managers with a more subtle yet powerful means of resolving conflict and exercising authority in the workplace, one that focused on individuals, their productivity, and on firm performance rather than on collective dealing with employees and so, was more attractive to business leaders of the time. But the question begs to be asked: *more attractive than what?* In other words, less well-documented is what actually prompted this rhetorical strategy *viz.* the nature of the

existential context in which Elton Mayo's (and his collaborators') particular knowledge claims are developed. *What was Mayo reacting against? Why does Mayo say what he says, to the audience he says it to, at the particular time he says it?* These are critical questions that we hope to provide answers for below.

The central purpose of the paper is to understand how and why the meta-narrative regarding SM and HRS became the received wisdom and who stood to gain from this establishment of managerial orthodoxy. This discursive exercise allows us, as Townley (1993) has earlier urged, to analyse the rules of formation of a discourse concerning SM and HRS; an analysis of the situations provoking the discourse, the consequences to which it gives rise, the institutional sites from which it derives its legitimation and the position in which it places its subjects. Our central argument in this project is that HRS presented conservative business leaders with a more subtle yet powerful means of exercising authority which could counter the more democratic approach of progressive figures in the SM movement seeking to enable workers to become more active participants in the labour process. In this context we must realise, as Phillips-Fein (2006: 693) notes, that business people are not "neutral and rational figures" and if we study their "political mobilization" we see they are "political actors who are influenced by ideologies as well as by their immediate interests". In this paper, we seek to understand why extant historical accounts of SM and HR have not told the story in this manner. How could it be that the democratic and participatory nature of the Taylorist movement came to be written out of this history? In other words, we investigate how and why Mayo and HRS came to be deified, whereas Taylor and SM were demonized in the 1930s and beyond. We also demonstrate, as does Roper (1995), that apparent paradigm shifts occur through the vilification of elevated figures; he argues that the vilification of Taylor and SM in the 1950s and 60s

was an attempt by the behaviouralist social scientists to assert their claim for reputational authority and legitimacy in the emergent academic (rather than practitioner-based) field of management theory.

The paper is organised as follows. We begin by reminding the reader that progressive Taylorism actively sought to democratize management as well as promote rapprochement with organised labour in the interwar period and beyond, which deeply disturbed conservative business interests and made them more amenable to the philosophies and tactics advocated by the HRS. We then demonstrate Mayo's awareness of the democratic appeal of SM and then focus on *what* Mayo was 'selling', *who* he was selling it to, and *how* he was able to 'sell' these ideas to those that 'bought' them. In particular, we explore the impact on Mayo's rhetorical strategy of having John D. Rockefeller Jr. (JDR Jr., hereafter) as his financial and professional benefactor for the entirety of his career. In conclusion, we bring together these strands in order to shed some light on how and why the meta-narrative regarding SM and HRS became the received wisdom and who stood to gain; namely conservative, anti-liberal segments of the American business community seeking a return to the managerial hegemony they believed they enjoyed in the pre-New Deal era (Harris 1982).

What was Mayo reacting to? Scientific Management and Industrial Democracy

Regardless of the scientific rigour or legitimacy of the Hawthorne studies or his precise role therein, one of Mayo and HRS' central achievements was to bring people's social needs into the limelight and thereby increase their capacity for collaboration at work. Under HRS, employees would obtain the identity, stability, and satisfaction that would make them more willing to cooperate and contribute their

efforts toward accomplishing organizational goals. Motivation is less about “logical” financial incentives, as largely emphasized by SM, and more about management meeting these “nonlogical” social, “belonging” needs of people (Wren 2005; Wren and Greenwood 1998; Kaufman 2000b, 2004, 2008). However, this view must be tempered with the well-documented fact that Mayo and HRS also provided conservative business leaders with an attractive package of ideas and practices for ameliorating labour discontent whilst simultaneously precluding any role for industrial democracy or employee voice of any kind (Rose 1978; Hurd 1987; Miller and O’Leary 1989; Miller and Rose 1990; Steffy and Grimes 1992; Miller and Rose 1992; Rose 1998; O’Connor 1999a, 1999b; Taras 2000). Less well-documented, however, is *what actually prompted this rhetorical strategy* viz. the nature of the social and intellectual context in which Mayo’s (and his collaborators’) particular knowledge claims developed. What was he reacting against? Why does he say what he says, to the audience he says it to, at the particular time he says it?

The most recent and thorough attempt to answer these questions, that of Ellen O’Connor (1999a, 1999b, 1999c), posits that Mayo’s rhetorical strategy was what it was in order to win support from big business by ameliorating their fear of socialist ideas and practices, a genuine concern in interwar America, with the very legitimacy of the US economic and political order at stake. Mayo did this, she argues, by equating collective bargaining with class war and criticizing mass democracy as “socialistic” – “the kiss of death as far as businessmen were concerned” (O’Connor 1999b: 230) – thereby discrediting calls for industrial democracy, initiatives very unpalatable to conservative big business. “Mayo had found a way”, she notes further, “to alleviate worker satisfaction without altering the balance of power or raising wages”; a way to “remedy workplace conflict so that workers would be happier and

thus not join unions” (O’Connor 1999b: 227; 236). In this way, she concludes, both HRS and the Harvard Business School accumulated power.

But the question begs to be asked: *power over who or what?* We believe she does not provide wholly adequate answers to this pivotal question. Power is always relational, so presently we will explore how and why HRS accumulated power over the rival research programme of the time, Taylorism or SM. For instance, in the context of industrial democracy though she mentions Ordway Tead, Mary Parker Follett, and Mary Van Kleeck, she does not underscore that they belonged to a progressive arm of the SM movement in the Taylor Society - about which more will be said below - striving for workers to become more active participants in the management of the labour process and attempting a greater rapprochement with organised labour. Further, and following the leads of Bourke (1982), though O’Connor analyses the Australian origins of Mayo’s evolving HR ideas, neither satisfactorily explore the critical impact thereupon of attitudes towards SM or Taylorism during Mayo’s early Australian career.

So what was the attitude towards SM in Australia prior to Mayo’s departure for the USA? Before turning to this, a quick observation about SM *per se* is in order. Taylor’s desire to rationalise production in the interests of efficiency and mutual prosperity centred on the individual worker pursuing individual goals, motivated by incentive payments, and so, his view of human motivation *was* somewhat simplistic; his view of human nature *was* somewhat inhumane; and his sensitivity to the importance of groups *was* generally negative. Accordingly, and notwithstanding an extensive revisionist history of SM and Taylorism, the received wisdom is largely an uncritical and somewhat unfounded equation of SM with labour deskilling, anti-unionism, and the elitist exclusion of employees from workplace decision-making

(Kaufman 2004). To be sure, there *were* abuses of Taylor's "system" and the bulk of the SM movement *were* conservative engineers and businesspeople with little concern for industrial democracy. Yet revisionist historians have unearthed the existence of a progressive wing of the SM movement, rooted mainly in the Taylor Society, an epistemic community devoted to democratizing and humanizing SM and enriching Taylor's ideas, certainly the most liberal management association in the interwar period (Kaufman 2008). Their research clearly points to an indisputable fact that Mayo would have been well aware of prior to his departure from Australia in 1922: *that some of Taylor's closest disciples in the progressive wing of the SM movement publicly strived for greater democracy in the workplace, espoused the virtues of collective bargaining and union-management cooperation, and actively sustained an alliance with organised labour that centred on what today we would term a mutual-gains strategy* (Nadworny 1955; Scheinberg 1966; Fraser 1991; Harris 1993; McCartin 1997; Nyland 1998; Gabor 2000; Brody 2001; Kaufman 2004, 2008; Nyland and Heenan 2005; Nyland and McLeod 2007). Moreover, and during the same period, *the more progressive-minded Taylorists also forged a collaborative association with international organised labour's peak body, the International Labour Organisation*, that similarly sought to democratise the management process and promote tripartite forms of participatory management (Nyland and Bruce 2009). We believe these head-on challenges to managerial hegemony, by appealing for greater democracy in the workplace, were the pivotal element of SM that Mayo was reacting to in his emerging HR ideas and, so, perhaps the central contributory factor to the demonization of SM the 1930s and beyond.

In her able work analysing Mayo's Australian writings, Bourke (1982) notes that much of his knowledge claims concerning the primacy of psycho-social context

rather than collective bargaining, employee councils, arbitration and “narrowly economic approaches to work and its rewards” as a solution to labour-management problems, was shaped by his reactions against the Australian labour movement. In particular, his critique of democracy (particularly that in industry), as well as his rhetorical strategy of conceptualisation of industrial unrest as a social pathology, was a direct consequence of his experience of industrial disputes and his involvement in worker education. She also asserts that Mayo’s ideas concerning the primacy of a managerial elite as saviour in industrial relations, a point to which we will return below, though developed in the USA, was also well formed *before* his departure to the USA in 1922. What she does not appreciate, though, is the mood of the times *vis-à-vis* SM and Taylorism: like other labour movements around the world, Australian organised labour fundamentally reappraised their initial hostility to Taylorism in the wake of the SM movement’s involvement in studies of how improvements in industrial efficiency could be achieved by the rationalisation of working time (Nyland 1987).

Further, it must be emphasised that the same demands for industrial democracy in the USA that shaped Mayo’s evolving HR thinking were the echoes of earlier calls in Australia amidst widespread post-WWI industrial unrest. A massive strike wave in 1919 prompted employers to develop a more conciliatory attitude to unions, as well as engage in discussions of industrial democracy. Above all else, it was widely feared that the same socialistic spectre haunting the USA and Europe threatened the very foundations of Australian capitalistic system of production and distribution and so, the system needed to be rationalised along the lines suggested by the Taylorists in the USA. Reform measures touted included material improvements in workers’ living standards and, important for our argument, a democratization of the

production process (Nyland 1987). As in the USA, this negative correlation between workers' calls for industry democracy and the threat of socialism would prove to be pivotal in Mayo's HR knowledge claims.

Mayo's Rhetorical Strategy

Given the Taylorists' détente with organised labour and their call for greater worker 'voice' in the labour process in the interwar period, it was important that Mayo paint a particular picture of workers that might somehow preclude the need for management to bargain with them along the lines eschewed by progressive Taylorists. So it was, therefore, he would portray workers as irrational, agitation-prone masses susceptible to "socialistic" ideas and championed the need for a managerial elite to govern them - a very attractive proposition to conservative big business who felt their authority under threat in the immediate postwar period onwards. As Harris (1982: 6; italics in original) observes:

Their authority was challenged, their power over their own employees and factories threatened. The scale and severity of the new problems of labor relations may have been exaggerated...but businessmen undeniably had reason to be worried, and to *act* to oppose and contain a dangerous and undersirable movement of concerted protest.

JDR Jr. certainly acted: he bankrolled a massive corpus of industrial relations research in industry and in universities, and so, has been labelled (alongside the Webbs and John Commons) as a co-founder of the field of industrial relations (Kaufman 2004). He also became Mayo's financial and professional benefactor (Fisher 1983; Trahair 1984; Harvey 1988; Gillespie 1991; Magat 1999; O'Connor 1999a; Bottom 2006) and the "vital core of Rockefeller finance of social science work

seems to have been the work of Elton Mayo at Harvard” (Bulmer and Bulmer 1981: 20).

Either through his family’s various philanthropic foundations or through his own personal wealth, JDR Jr. and his philanthropic network funded Mayo’s salary initially at Wharton and then again at Harvard; he either personally or via corporate contacts arranged access to firms for Mayo’s industrial research (including the Hawthorne plant); and again, either personally or through contacts, JDR Jr. continually assured Mayo a receptive audience for his evolving HR ideas. “Rockefeller’s network paid HBS for Mayo’s expenses, connected him to the ongoing Hawthorne Studies, and publicized his research team’s analysis” (Bottom 2006: 29). Further, as Harvey (1982: 21-22) observes:

For this kind of “scientific” analysis of blue collar blues *cum* revolution. John D. Rockefeller, Jr., spent a great deal of money to solve the problems of the social relationships at the center of the economic system. ... This approach was certainly better from every point of view than the pre-Ludlow use of physical violence to maintain the power of capital over labor.

These are crucial points because they highlight the enormous power JDR Jr. wielded over Mayo, particularly since the latter was never a salaried faculty member at Harvard. As Baritz (1960: 196; 198; parentheses added) noted in this context:

Management...controlled the industrial social scientists in its employ. ... Managers...had the power to hire and fire social scientists. If a social scientist was to be kept on the payroll, he had to produce. The judge of whether he was producing was his boss. His boss was interested in the specific problems of the business including those that threatened managerial control. ... Reducing the pressures of unionism while increasing the productivity of the labor force and thereby lowering costs have been their (industrial social scientists) most cherished goals, because these have been the goals which management has set for them.

The immense pressure to achieve demonstrable results to please his patron would play a significant role in the development of Mayo's ideas (Fisher 1983; Gillespie 1991); namely, we believe it would very much shape his rhetorical strategy to one that would preclude bargaining or dialogue with workers or in any way jeopardise management hegemony.

It is interesting at this juncture to briefly contrast the philanthropic interest in Mayo and HRS with that shown to SM and Taylorism which, after immense initial interest and funding, cooled substantially in the late 1920s following the Taylorists' evolving embrace of industrial democracy, worker dissatisfaction, and unemployment. As Magat (1999: 62) notes:

The Rockefeller Foundation's Fosdick and the LSRM's Ruml refused to include funding for the Taylor Society among programs aiming to apply scientific inquiry to social issues. In a strenuous effort to return to the center of scientific social reform, the [Taylor] Society staged a major dinner conference in 1927 to which leading social investigators, journalists, and officials of the eight leading foundations were invited. Only Russell Sage officials attended.

Most importantly neither Fosdick nor Ruml attended this dinner, nor did the American Federation of Labor's Hugh Frayne, which was particularly damaging because the organisers wished to impress upon foundation officials that they actively courted close cooperation between labour and capital under contemporary Taylorism, as documented in the previous section (Jordan 1994). In sum, because of its gravitation toward industrial democracy and a dialogue with organised labour,

the Taylor Society won neither grants nor the opportunity to coordinate the movement toward social rationalization. The Rockefeller Foundation, the agency most likely to back [Harlow] Person [Managing Director of the Society], continued to focus its attention on established academic and institutional ventures in social investigation throughout the 1930s. Because the Rockefeller Foundation discards unsuccessful grant applications after a few years, and because foundation support had become a prerequisite for credibility, the Taylor Dinner affords the historian a rare chance

to see one of the roads not taken toward the rationalized social reform (Jordan 1994: 205; parentheses added).

Returning to our story, how precisely did Mayo's rhetorical strategy evolve and how was it legitimised? Turning to the first of these questions, Mayo's first serious applied work in industrial psychology in the US, conducted on behalf of the Wharton School between 1923-1925 in Philadelphia, was financed by Rockefeller from his own *personal* funds following difficulties convincing the trustees of the foundation established in his mother's memory of the importance of Mayo's work (Bulmer and Bulmer 1981). Linking medical and industrial institutions won Mayo the enthusiasm of key Rockefeller foundation heads, particularly Laura Spelman Rockefeller Memorial (LSRM, hereafter) director, Beardsley Rummler and tied in closely with JDR Jr.'s concern with industrial relations (Bulmer and Bulmer 1981). So, from the outset and through much of his published work in this period, Mayo's rhetoric was unquestionably geared to what his patron might want to "hear"; *viz.* he consistently paints a picture of workers as irrational, agitation-prone masses susceptible to "socialistic" radicalism and so, unfit for "voice" in the workplace. Mayo's sequence of argument ran roughly as follows: the industrial unrest of his time was caused by "factors of unreason" or "factors of irrationality" and this irrationality amongst workers was the product of "disassociated" or "obsessional reveries". Applying the new medical psychology, he likened workers to 'shell-shocked' soldiers in need of serious psychological/psychiatric attention. Most important here, is the fact Mayo dismisses workers' calls for better wages and conditions and a "voice" over same as "socialistic radicalism" and as symptomatic of some deeper psychosocial maladjustment. The way forward, he concluded, was *not* improved wages and conditions and industrial democracy, but instead, the type of industrial psychological

research he was presently engaged in (Mayo 1923a, 1923b, 1924a, 1924b, 1926). As we will see in more depth below, more democracy for Mayo was a negative development as he believed “Democracy has possibly been responsible for a decrease in respect of statesmanship” and that “emotional organisation of an irrational type has been encouraged rather than diminished by democracy” (Mayo 1924d: 2-3).

This rhetoric pervades much, if not all, of his Wharton writings. He argues repeatedly that “factors of unreason play a part in every industrial dispute” (Mayo 1923b) and further, in the popular *Harper’s Magazine*, that the “unreason which shows itself in industry and in political movements is closely akin to the unreason which showed itself in shell-shock hospitals” (Mayo 1924a: 529). In an unpublished memo to Beardsley Rumml, Mayo notes that “wars and strikes (are) never the product of a sudden and unexpected irrationality. Always (like a nervous breakdown) the product of a long ‘education’ in irrationality – that is to say, always the product of imperfect understanding and organised opposition (so-called ‘democratic’ method’). This is clearly evident in Australia as here” (Mayo 1924d: 6-7). This “unreason” or “irrationality” he widely associates with “pessimistic or dissociated reveries” induced by work conditions which he believes can only “culminate in disorder and unrest (absenteeism, high labor turnover, strikes)” (Mayo 1924c: 256) or worse, that “Socialism, Syndicalism, and Bolshevism - irrational dreams of anger and destruction – are the inevitable outcome” (Mayo 1924a: 123).

Further, in an unpublished letter in 1923, he conveyed his belief that “(s)ocialism is a disassociated reverie in that workers have failed to achieve self-expression and control over their destiny and have substituted for such development a reverie, an imagined social situation, in which the individual worker is free to direct his life work” (Mayo to Willits 1923, Mayo Papers: Box 1c, f. 75. Baker Library,

Harvard Business School). As for the way forward, Mayo sums up his arguments thus:

In every individual there are incompletely developed capacities – fears and hatreds – which go undetected... To these irrational preoccupations in the supposedly normal may be attributed the great mass of industrial maladjustment and both organized and unorganized industrial discontent. ‘Radicalism’ in all its forms is primarily a problem for psychiatry; its economic aspect is of secondary importance. ... (T)he psychiatrist is the only person who knows how to assess the organic and mental symptoms in such situations. And the study is so important from a merely industrial point of view that any other contemporary economic activity pales into insignificance. It is here or nowhere that the problems of industrial peace will be solved (Mayo 1926).

The key point, as Gillespie (1991: 105) observes, is that Mayo must have found it enormously problematic to remain impartial and balance a theoretical commitment to criticize both workers *and* employers as being “irrational” with the fact that he was dependent on employers for access to their factories. So it was, therefore, that he painted “(s)trikes and the political disturbances of mass democracy... not (as) the rational attempts to gain an increase in wages, (but) as expressions of underlying reveries, and it was these reveries that had to be addressed, not the political demands or ‘symptoms’” (Gillespie 1991: 105; parentheses added). Mayo cleverly simply reinterpreted the political stances of aggrieved workers as merely symptomatic manifestations of some underlying personal maladjustments (Gillespie 1991).

The Rockefeller Network

In answering the second key question posed above – how did Mayo legitimise this rhetorical strategy? – we need to consider the related issues of *who* he was ‘selling’ his ideas to, and *how* he was able to ‘sell’ these ideas to those that ‘bought’ them. Following his work for the Wharton School, Mayo began publicly proselytizing on the

benefits of industrial psychology. In terms of the evolution of HRS thought, if we consider Mayo's work throughout the mid-1920s up to the publication of the *Human Problems of Industry* in 1933, we see that it was neither terribly path-breaking nor foundational. In many respects it was not all that unlike much of the work conducted by the Taylorists and others before him. His central concern during this period was with the relationship between fatigue and productivity and, using the human pulse rate as a proxy, with measuring 'organic fitness' and fatigue. In fact, it was not until he published *Human Problems* and later still, after Roethlisberger and Dickson's account of the Hawthorne studies in their 1939 *Management and the Worker*, that the central tenets of Mayo's contributions to HRS were formally articulated (Bruce 2006).

In the public domain at least, there was very little discussion by Mayo of his correlation between workers' calls for industrial democracy and their perceived irrationality and maladjustment. Crucial for Mayo's ability to reach a receptive audience, we believe, first, were his known roles with Rockefeller-owned big businesses, as well as their professional think-tanks, particularly the clandestine Special Conference Committee (SCC, hereafter) and also Industrial Relations Counselors (IRC, hereafter). Particularly important in the context of the latter was his friendship with IRC head, Arthur H. Young. The second means of securing an audience was his pivotal role in the fledgling Harvard executive education program, at the so-called 'Cabot Weekends'. Regardless of Mayo's motives, "what mattered was that there was an audience of social scientists, foundation officials, corporate executives, and managers ready to listen to and support Mayo's approach". His mild criticism of them was "the prelude to a program offering them more efficient techniques of control" (Gillespie 1991: 110).

As far as a receptive audience is concerned, a propitious place to begin is with the covert SCC, which had close personal, philosophical, and financial links to JDR Jr. (Kaufman 2008). Formed in 1919 and including top executives from big businesses including General Electric, General Motors, Du Pont, AT&T, Bethlehem Steel, and US Steel, the SCC was a quasi-organised confederation to pool ideas and policies in the promotion of company employee representation as a means to avoid ‘outside’ trade unions and government regulation, as well as to stabilise workplace relations. While Kaufman (2004) observes that SCC member companies certainly possessed the desire to avoid AF of L-style craft unionism and the closed shop, and that the SCC annual reports and few surviving records provide almost no evidence of direct anti-unionism, the bulk of the literature regards the SCC as a vehicle to preserve the open shop and employers’ ‘right to manage’. The SCC promoted company unions as a means to make management authority more legitimate and more effective without limiting the prerogatives of ownership and management or altering the essential purposes of the enterprise (Scheinberg 1966; Harris 1993; McCartin 1997). Indicative of the SCC’s stance on industrial democracy is a confidential memo from archival sources penned by a Du Pont industrial relations executive appraising the company union scheme at a Standard Oil refinery installed by Clarence Hicks, chief John D. Rockefeller, Jr.’s industrial relations aide and SCC chairman from 1919 to 1931:

This, clearly, is not industrial democracy. It is instead clever humbug. ... (T)he absolute veto power rests with the Company. ... I have no doubt that the employee thinks he is [acquiring] a voice in management and that the operation of the whole scheme promotes cordial relations between employer and employee. As practised at Bayonne, the scheme is entirely innocuous [*sic*] insofar as danger to the Company’s established labor policies are concerned (cited in Brody 2001: 363).

While the SCC was an organisation *of* the big business elite, the IRC evolved as the organisation *for* the elite. Financed chiefly by JDR Jr. and founded in 1926, IRC superseded the law firm of his chief in-house counsel, Raymond Fosdick, of Curtis, Fosdick and Belknap. IRC was headed by Arthur H. Young, formerly a Colorado Fuel and Iron (CFI, hereafter) manager and the methods and philosophy developed at IRC were those employed by Mackenzie King and Clarence Hicks *viz.* Rockefeller-style company unionism. IRC purported to “advance the knowledge and practice of human relations in industry, commerce, education, and government” and promulgated a position of a “win-win” between employers and employees, of greater efficiency and harmony founded on a philosophy of greater cooperation and unity of interest through joint dealing via non-union system of employee representation and other welfare capitalism measures. In this way, Kaufman (2003a) regards IRC as a spokesman for and representative of the liberal/progressive arm of US business. Others, though, believe their outlook was very much a unitarist solution rather than a pluralist one and reflected Rockefeller’s ambivalent feelings towards union forms of collective bargaining (Harvey 1988; Brody 2001; Patmore 2007), a point to which we will return in the next section.

To appreciate the IRC’s stance towards independent trade unions and collective bargaining –reflective of the Hicks- King-JDR Jr. approach in general – we need do little more than consider two confidential memos involving some of JDR Jr.’s closest legal advisors. The first, dated December 15, 1923, was from an industrial relations investigator, Charles M. Mills, addressed to George J. Anderson, formerly head of the industrial relations annex of Curtis, Fosdick and Belknap, the organizational precursor of IRC. Mills’ memo concerned a survey he had made of employee representation plans in five Rockefeller-owned oil companies. Of Standard

Oil (New Jersey) and Standard Oil (Indiana) he reported that “these companies have *never recognized trade unions as collective groups for bargaining* or making contracts”, whilst in Standard Oil (New York) “the spirit and attitude of the leading executives is *anti-union*, and even anti-industrial representation. The policy is strictly individual bargaining. ...A union man is absolutely personal non grata, and is even discharged after hiring, if his identity becomes known” (Mills to Anderson 1923, RFA Friends and Services Series, Box 62, Folder 469, RAC; italics added). He goes on to note that “these policies raise far-reaching questions. Do the Industrial Representation Plans and other features of the Standard Oil labor program tend to take the place of unionism and resist its encroachment?” (Mills to Anderson 1923). He answers his own question as follows:

The labor policies in the Standard Oil companies have unquestionably offset attempts at unionism during the last ten years. Any company which keeps one step ahead of the demands commonly put forward by unions, is not so vulnerable to the first line of attack by unions. ...
Therefore, every feature of a labor policy or a labor program which eliminates the more common causes of union organization, weakens the inroads of unionism.
There is surely one central feature that no company plan has yet provided. I refer to the power of real collective bargaining. ...The problem of the future is to put the power of real collective bargaining into the industrial representation plan, and so counterbalance the threat of unionism in this direction (Mills to Anderson 1923, emphasis in original).

The second memo is from Raymond Fosdick to JDR Jr. in March 22 1934 regarding the latter’s continued financing of IRC. He writes:

One of my responsibilities in the 21 years in which I have been associated with you has been to point out possible dangers ahead in connection with your multifarious interests. The country is at the moment witnessing a head-on collision between the labor union and the company union. Your position has always been clear, i.e., that you stood for adequate representation no matter whether it was by one method or another. We have always tried to hold the scales evenly as far as the management of IRC was concerned, and we

have friends on both sides of the fence. ...Mr Hicks with entire frankness has pointed out to me that the very nature of the work of IRC implies a sympathy toward the company union which, as an organization, we do not have toward the labor union. If this is true – and I fear it may be – it is possible that the charge might be made that you were financing an organization to fight union labor, and you might thereby be maneuvered into an uncomfortable public position (Fosdick to JDR Jr 1934. RFA Economic Interest Series, Box 16, Folder 127, RAC).

JDR Jr. subsequently scaled back his financing of IRC and grants to IRC ceased altogether towards the end of the 1930s, though this might also have been related to JDR Jr.'s belief that IRC had proven its value and could generate sufficient revenue to be self-supporting (Kaufman 2003a).

As far as Mayo's connection with IRC is concerned, in October 1927 IRC head Arthur Young arranged for Mayo to address a group of industrialists concerning what psychology could offer industry. This actually set in motion Mayo's involvement in the Hawthorne Studies (Smith 1985). Precisely a year later in October 1928, he was commissioned by JDR Jr. – via Young - to research ongoing industrial relations problems at CFI and, in particular, to investigate “possible causes of improper functioning of the Industrial Plan and the possible use of forces to bring about a more cooperative relationship between management and employees.” Unsurprisingly, Mayo was critical of the aforementioned 1924 investigation of the Rockefeller Plan – conducted by the Taylorists, Ben Selekmán and Mary Van Kleeck for the Russell Sage Foundation - and also of enquiries into industrial democracy in general. Mayo was of the view that if industrial relations were cooperative, workers could make constructive suggestions, but that these should be evaluated correctly by management. Mayo reported his findings in a 1929 letter to Arthur Woods, a former

CFI vice-president and also president of the LSRM fund that was paying his Harvard salary and who had, in fact, known Mayo since his Wharton days.

As ever, in this letter Mayo alluded to workers' "morbid preoccupation with personal issues as between worker representatives and local management". He further reported that "the type of solution proposed [to the ongoing industrial relations problems at CFI] was also essentially morbid – viz. the solution suggested was to the effect that the words and phrases of the Plan should be made to exert a constraining influence on management" (Mayo to Colonel Arthur Woods, Mayo Papers Box 3b, f. 18, Baker Library, Harvard Business School). Further, of the 1924 Selekman and Van Kleeck studies which concluded that the Colorado Plan would fail "unless the men throughout the industry as a whole secure adequate and effective representation", Mayo noted he was "unable to accept the assumptions of the investigators of the Russell Sage Foundation" (Mayo to Colonel Arthur Woods). The reality is that Mayo really could not reach any other conclusion, given that both Selekman and Van Kleeck personally, as well as their studies, had been severely criticized by the president of the CFI company, by Mackenzie King, by all of JDR Jr.'s legal advisors, and most importantly, by JDR Jr. himself! (Gitelman 1988). In this context and of particular importance is Mayo's discussion of Van Kleeck's emphasis on industrial democracy:

There is another difficulty for me in Miss Van Kleeck's approach to the investigation – she seems to assume that a "democratic" method of managing industry is necessarily appropriate. ... If it means that industry is to develop a two-party system and to determine any issues that arise by discussion and compromise then it would seem that such a method would revive and accentuate a situation of class conflict. This is indeed exactly what has happened in Australia – the country that has provided a "shocking example" of how things should not be done in industry (Mayo to Colonel Arthur Woods).

This statement is important because it brings into sharp relief Mayo's opposition to industrial democracy as espoused by the progressive arm of the Taylorists, as well as presaging his theory of democracy privileging a minority elite leadership and precluding the need for mass participation in political, economic or management decisions beyond those at the ballot box, a point to which we will return below.

Two months after the Colorado study, Mayo received a retainer from IRC and as something of a *quid pro quo* Young was invited to lecture at the Harvard Business School. Thereafter, Mayo and Young became close friends, and Mayo benefited greatly from the connections made through Young. Mayo accompanied Young to Geneva as an "expert industrial relations advisor" when IRC established a branch at the ILO. Young, in fact, was a crucial bridge and broker between Mayo and JDR Jr. in that he drew Mayo into the inner circle of industrial relations executives of major corporations, fostered his involvement in the Hawthorne studies, and ensured Western Electric and AT&T executives understood the importance of Mayo's research (Trahair 1984; Smith 1987). Mayo's involvement with the Hawthorne studies was attractive to Rockefeller (and other) philanthropy officers because this research promised "a technology of social control that could confront problems of industrial unrest and individual maladjustments among workers" (Gillespie 1991: 112-113).

The second means by which Mayo managed to secure an audience and 'sell' his emerging HR ideas, was via his extensive involvement in the so-called 'Cabot Weekends', which were a series of executive education training workshops organised by Mayo's Harvard colleague, Philip Cabot, held for one weekend a month, beginning in January 1935 and ending in December 1941. Invited to these workshops were young executives - the future captains of industry and finance - from America's

largest corporations, including Western Electric, AT&T, Standard Oil, Nabisco, J.P. Morgan, American Tobacco, Du Pont, IBM, and US Steel (Cabot Papers, c. 5, f. 169. Baker Library, Harvard Business School). In practice, the Cabot Weekends were just one part of a particular model of leadership training emphasised by Dean Donham, focusing on business managers as elites or statesmen presiding over a rapidly deteriorating society (Cruickshank 1987). This view received particular impetus from Donham's involvement in the Harvard Pareto Circle who, as an epistemic community, felt the need to defend capitalism against socialistic threats and who invoked Pareto specifically to counter Marx (O'Connor 2008a). Given that the subject matter of the Cabot weekends were about clarifying social and human problems in industry, Cabot shaped many of these meetings around talks by Mayo and Roethlisberger, and subsequently other HRS figures such as T. N. Whitehead and George Lombard, particularly as "...the enthusiastic response by businessmen toward the Hawthorne findings suggested that the School might pursue new directions in executive education" (Cruickshank 1987: 190; Trahair 1984). As Roethlisberger (1977, 86-87) notes, "Cabot at this time must have felt that Mayo's diagnosis of the ills of modern industrial civilization wanted an audience of responsible businessmen. He brought together some of the outstanding business leaders of the time and brought them Mayo in person". Mayo himself notes, in a letter to Donham in 1937:

Cabot's original idea was that very considerable social changes are in process; the capacity of society to adjust itself to such changes without serious damage, without loss of order, will be determined by the adequacy and courage of our leaders...developed only by experience, knowledge of fact and situation, and intelligent understanding.

(Accordingly), Cabot has been driven to make even more use of the services of my immediate colleagues and of the ideas which the group is developing as a result of its investigations (Mayo Papers, c. 2, f. 2; parentheses added. Baker Library, Harvard Business School).

This is an important point, because the Hawthorne researchers and HRS took for granted the necessity of complete managerial hegemony in the workplace. As Gillespie (1991: 268) notes, “Human Relations became an attractive ideology for a technocratic and managerial class trying to reconcile its expanded power with the principles of liberal democracy”. In this way, Mayo made a strong case that his ideas and methods would develop the requisite managerial elite needed to save civilisation by training these leaders at Harvard (O’Connor 1999b). As he asserted, “Human Relations, in the form of skills taught to business leaders and administrators, could ensure social collaboration in the factory and in society at large and win the war against Communism” (1949, cited in Gillespie 1991: 246).

JDR Jr., Mayo, Unions and Industrial Democracy

As it was for other conservative business leaders of the time, Mayo and HRS was music to the ears of America’s “capitalist-prince” and the heir to the world’s largest fortune, JDR Jr., particularly since the latter was decidedly interested in fending off the Bolshevik threat of socialism in the USA (Gitelman 1988). Yet, and as observed above, at the same time, it was a familiar melody that he himself helped compose by sponsoring Mayo’s HRS research at Wharton and then at Harvard, as well as providing Mayo with the necessary network to diffuse his HRS knowledge-claims (Domhoff 1990). JDR Jr. may have been out of his depth in managing the corporate side of the family dynasty, but he was completely on-top of the philanthropic arm (Gitelman 1988) and in Mayo and HRS, JDR Jr. saw the potential to produce and publicise the “human face” of American capitalism, and so, perpetuate his belief that he and his family were stewards of a divine trust. Both Mayo and JDR Jr. shared the view that the scale and scope of business had grown so large that the

personal relationships that once prevailed in business had been lost such that employers and employees found themselves divided by an ever-widening gulf of misunderstanding and mistrust (Gitelman 1988). Continuing the earlier analogy, Mayo simply and shrewdly tuned into what he believed his benefactor wanted to hear in terms of JDR Jr.'s publicly aired belief in corporate stewardship, as well as his privately held antipathy to industrial democracy personified by collective bargaining with 'outside' unions (Gitelman 1988; Tone 1997).

It must be emphasised here, as has Brody (2001: 365), that JDR Jr. harboured "deeply ambivalent, unresolved feelings about organized labor" as is clear in a letter to Mackenzie King in April 19, 1921. Regarding his *International Labour Review* paper, 'Cooperation in Industry' which was originally titled 'Democracy in Industry', JDR Jr. wrote:

You will note that I have used the title DEMOCRACY IN INDUSTRY... please tell me quite frankly whether you think I have introduced the idea of democracy with sufficient frequency to adequately connect the paper with the title (RFA Economic Interest Series, Box 13, Folder 99, RAC).

In May 1 he sent another letter saying:

I finally adopted as a title COOPERATION IN INDUSTRY. The word "Cooperation" does not suggest to my mind as it does to yours, a relationship with Profit Sharing. ...I felt it a safe title to use and really a safer one than DEMOCRACY IN INDUSTRY, which to my mind would more generally be regarded as indicating control rather than cooperation by Labor with Capital (RFA Economic Interest Series, Box 13, Folder 99, RAC).

Though he wanted a public perception of him and his famous employee representation plan as being pro-union, ultimately JDR Jr. could never bring himself to accept unions as the workers' principal bargaining unit, largely if not entirely because he was completely, yet comfortably indentured to his father's wishes, and his father was vehemently *against* unionisation of any of the family businesses. In the

early 20th Century, most business leaders and a good deal of other social groupings – including workers - were united in their fear of and opposition to trade unions, regarding them as part of the problem rather than the solution to industrial peace and prosperity (Gitelman 1988; Kaufman 2000b, 2008). In this way,

Rockefeller's defense of the open shop was as conventional and derivative as most of his views. The union was an organization of outsiders and agitators that, through intimidation and false promises lured otherwise contented employees into conflict with their employers. The union's object in fomenting trouble was to increase its dues paying membership, thus enriching the leadership. These perfectly selfish ambitions endangered the interests of both the employer and his employees (Gitelman 1988: 15).

He firmly believed he was morally justified in not dealing with unions so long as any number of workers in his family companies were not members of same.

Indeed, operating in industries requiring huge fixed capital investments and the need for seamless coordination of interconnected and complex technology, JDR Jr., like most other industrialists, feared unions for the legitimate threat to profits and survival posed by their craft organisation, restrictive work rules, and conflict orientation (Kaufman 2008).

Accordingly, and wary of the negative experience of union accommodation at the progressively managed National Cash Register company, the 1915 Rockefeller Plan - whereby employees directly elect their own representatives to joint committees or councils with management to discuss employment issues - was a union avoidance strategy, though one achieved through union *substitution*, rather than union *suppression*. In contrast to more conservative businessmen who embraced such plans solely as an anti-union device, JDR Jr. intended his plan to beat unions at their own game by promoting greater employee involvement, improving communication and coordination, and providing a spectrum for dispute resolution. In other words, JDR Jr.

endeavoured to foster greater cooperation and unity of interest between the company and workers, thereby increasing productivity, firm competitiveness, and the basis for a mutual-gain outcome, what today is called the ‘high-involvement’ or ‘high-performance’ model of HRM (Rees 2009; Taras 2000; Kaufman 2000b, 2008).

Yet despite the fact that, on net, such employee representation plans benefited workers and broader society in general (Kaufman 2000b), and specifically, CFI miners and steelworkers were much better off than they might have been in the absence of the Plan (Rees 2007), company unions did *not* afford workers the freedom to act *independently* of management, as the latter tended to control the course and result of deliberations. Though unreflective of the Rockefeller Plan, a US Department of Labor study in the mid-1930s found that of 592 employee representation plans in operation, 40% of them had never called a meeting of representatives or their constituents: a sure sign that these were employer-dominated shams (Rees 2009). “Neither Rockefeller nor King were able to look at the distribution of power under the Plan from the worker’s perspective and see how this affected their willingness to express themselves freely and openly to management” (Rees 2009: 66). At CFI managers stage-managed the whole affair, initiated the plan, oversaw the nominations and balloting, and most importantly, because the scheme was ‘joint’, gave management veto rights and simultaneously discouraged any independent voice by workers’ representatives. They retained the rights to hire, to fire, to manage company property, and to supervise work (Patmore 2007; Brody 2001; Gitelman 1988). For workers whose hopes of worker-initiated organisation had ended with the cessation of the strike, the Rockefeller Plan offered more than no plan at all and by voting for its adoption, “they were guaranteed the diluted spirit of collective bargaining, if not the

union mechanism they would have preferred to give that spirit more potent expression” (Tone 1997: 120).

Against the implicit wishes of its architect, Mackenzie King, JDR Jr. “welcomed the Industrial Plan as a substitute for unionisation rather than a transitional step in the evolution to collective bargaining” (Taras 2000: 311; Hogle 1992; Hallahan 2003; Rees 2009). In fact, it is probable that most employee representation plans introduced in both Rockefeller-owned and other companies were introduced precisely to ward off trade unionism (Scheinberg 1966; Gitelman 1988; Tone 1997). For this reason the Rockefeller Plan was openly criticised by AF of L president Samuel Gompers and also by Frank Walsh, the chair of the 1915 US Commission on Industrial Relations, as “sham representation”. Walsh believed that unless workers were allowed to choose their own representatives and collectively bargain with employers, then autocratic management would corrupt political democracy itself, a point that would ultimately shape the progressive Taylorists’ evolving conceptualisation of industrial democracy (McCartin 1997: 28-29; 49-54), as discussed in the first part of the paper.

Moreover, despite the fact JDR Jr. had ample opportunity – beginning with CFI - to recognize unions as legitimate bargaining agents for his own employees, he simply could not bring himself to do so. Early in 1919, his advisors Mackenzie King and Raymond Fosdick urged him to grant union recognition at Rockefeller-owned businesses. King drafted a concrete plan for how collective bargaining and employee representation might coexist and suggested that unions be consulted regarding the installation of the employee representation plan at a Standard Oil (Indiana) refinery. JDR Jr. ignored their counsel and was, in fact, chagrined by the suggestion (Gitelman 1988; Brody 2001). Similarly and in the same year, during a strike at the Minnequa

Steelworks in Colorado, JDR Jr. refused to intervene and recognise the strong push by the workers for unionization and the rejection of the employee representation plan, and instead gave his support to the company management (Patmore 2007). Finally and perhaps most enigmatically, during the second of President Wilson's Industrial Conferences called to end the 1919 Steel Strike, JDR Jr. – in tandem with vice-chair, Herbert Hoover – secured conference endorsement of the need for employers and workers of the country to develop his employee representation scheme (Gitelman 1988). With this major triumph, he subtly and skillfully engineered the transfer of industrial relations from the public and political realm to the private and economic realm, from the sphere where people allocate power to where money holds sway. As Harvey (1988: 41; italics added) further notes:

The privatization of industrial relations reversed the policy of the Wilson administration before and during the war which encouraged *both* Rockefeller-style shop councils and union growth. ... The widespread belief that modern society was moving toward worker control within industrial democracy was...dispelled.

Victory over labour in the field of industrial battle was essential to the maintenance of JDR Jr.'s unitarist-managerial employee representation initiative that retarded worker control and engendered corporate discipline (Harvey 1988). But, more importantly, it was also essential to JDR Jr.'s psyche. As Gitelman (1988: 306; parentheses added) notes:

Fosdick, and Mackenzie King as well, ...failed to perceive how profoundly Rockefeller's self-esteem was bound up with the Colorado Industrial Plan. He could not abandon employee representation without endangering the personal independence or the leadership standing he had gained as its advocate. ...He could not compromise (the Plan) without compromising himself.

What his advisers saw as a social issue was deeply personal and moral to JDR Jr. and a pivotal reason for his refusal to recognise outside unions.

This all said, however, it is important to note that though employee representation and other welfare capitalist practices used at CFI and elsewhere were intended as union substitution strategies, they should not be condemned as inherently and universally anti-social. Indeed, and as noted above, on the whole not only were they welfare-enhancing, giving shopfloor workers ‘voice’ and improving their lives, but also probably a preferable (albeit employer-created) form of industrial democracy to the alternative of often corrupt, bureaucratic, and autocratic or else elitist, ‘warring’ craft unions, personified by the AF of L (Kaufman 2000a). They were an important step in the progressive evolution of management thinking and policy away from the ‘commodity’ model of labour and toward a more humane and participative model (Kaufman 2000b, 2008). In this context, JDR Jr. needs to be judged both in relation to his contemporaries as well as in terms of his ultimate mission; compared to other captains of finance and industry, he *was* a modest liberal, and he conceived of and pitched his Plan to workers and wider society as a means to achieve a more permanent industrial peace which, though unrealised, was a legitimate part of the so-called Progressive movement (Rees 2009).

Turning now to Mayo, extant accounts of Mayo’s rhetorical strategy overlook the fact that he was specifically reacting to proposals for union-management cooperation and industrial democracy advocated by progressive members of the SM movement. But as we have just discussed, given his reliance on Rockefeller funding, he was also shrewdly playing the tune his benefactor wanted to hear. His portrayal of workers as irrational, agitation-prone masses susceptible to socialistic ideas and his advocacy of the need for a managerial elite to govern them was a very attractive proposition to conservative big business who felt their authority under threat in the immediate postwar period onwards. As Witte (1954: 14-15) notes:

The appeal of the Hawthorne experiments and...the “human relations” approach of Elton Mayo lay in the hope they seemed to offer of being able to avoid the dreaded unionism, then “in the air”, by appealing to and working with smaller groups to be found in all establishments. That was by no means Mayo’s central idea, but in the troublesome times of the thirties it was the application of emphasis upon the importance of the group in securing results desired by management which accounted for much of its popularity.

So it was therefore, as Baritz (1960) observes, that in all his corpus of ideas Mayo only twice referred to unions: once one when he highlighted that they were resistant to change, and again, when he said that they organise for conflict rather than cooperation. And for Mayo, cooperation, or what he called “spontaneous cooperation”, meant labour should do as management stipulated. In this context, Sheppard (1950: 91) astutely highlighted that spontaneous cooperation does not include collective bargaining; it does not mean union-management cooperation. The type of organization valued by spontaneous cooperation is vertical not horizontal, which implies the company union.

Mayo and his HRS followers frowned on unions, favouring as bargaining units “small, spontaneously formed factory groups coordinated by private industrial elites” (Schatz 1996: 91). The presence of independent unions implied a high degree of conscious or unspontaneous and formal activity among workers and between themselves and managers. Collaboration would not be effective in such a situation because conscious processes of decisions diluted chances for conformity to a code of behavior congruent with company objectives (Ibid.). As Sheppard (1950: 91; parentheses in original) continued:

That these objectives are determined by a top segment of the manager group Mayo and company neglect to make clear in their recommendations for spontaneous cooperation. Uncritical acceptance by the workers of the orders and goals of management is part and parcel of their submission to spontaneous cooperation.

...Cooperation in the Mayo perspective is a relationship involving happily unorganized (nonunionized) workers who unthinkingly and enthusiastically comply with the wishes of management.

Bendix (1956: 40) similarly observed:

Cooperation in industry is identified by Mayo with society's capacity to survive; and this belief is akin to, if not identical with, the ideal of cooperation which inspired the employee-representation plans and the open-shop campaign of the 1920s. Mayo's neglect of trade-unions and of their role in industry is well in line with the open-shop campaign also, for in this campaign employers were not only fighting unions, but also introducing many measures designed to forestall them by satisfying the demands of workers in line with managerial objectives.

But Mayo's antipathy to unions was more than mere kow-towing to JDR Jr. and belied a theory of democracy privileging a "scientifically trained" minority elite leadership and precluding the need for mass participation in political, economic or management decisions beyond those at the ballot box. In this way, Mayo simply leveraged one strand of two very different politico-cultural approaches to American scientific thought and practice: elitist and populist. Mayo and HRS rode the wave that saw the professionalization and appropriation of science by experts and specialists (read academics and management executives) away from grassroots civil society (O'Connor 2008b).

In espousing such a view, Mayo was in good company. As Pateman (1970) has noted, the "contemporary" theory of democracy espoused by theorists such as Joseph Schumpeter, Robert Dahl, and others - as opposed to the classical liberal or "participatory" theory of Rousseau, Bentham, J.S. Mill, or G.D.H. Cole - downplays the participation of the 'masses' and the virtues of socialisation and political efficacy engendered thereupon by participation in all spheres of social life, particularly in industry. On the contrary, she argues, "it is the participation of the minority elite that is crucial and the non-participation of the apathetic, ordinary man...that is regarded as

the main bulwark against instability” (Pateman 1970: 104). To be sure, the apathetic ‘masses’ are deemed to be unfit for anything more than selecting leaders at the ballot box, as they tend to harbour non-democratic sentiments that might undermine the consensus on the norms of the democratic method itself (Pateman 1970).

Mayo took great exception to the participatory conception of democracy, particularly in industry, espoused by G.D.H. Cole (Bourke 1982). While he agreed with Cole’s overall thesis concerning the need for autonomy and majority rule in the political sphere - that citizens in a polity should be to be ruled by elected representatives of their own free choice - Mayo did not believe this should extend to worker’s choosing their own representatives in industry. Democracy for Mayo was a form of government rather than a social condition. In other words, he did not believe that for a democratic polity to exist it is necessary for a participatory society to exist (Pateman 1970). For Mayo this conflated the moral or civic function of the citizen-voter with the technical function of the professional or expert in industry:

A question of public morality is necessarily determined in a community...by the given level of morality the community has achieved; and in matters of morality every individual must be judged equally. But a scientific question can be determined only by the most skilled investigator; and in this case the opinion of one man may outweigh that of all the other members of the community. Cole’s suggestion of quasi-parliamentary control in industry entirely disregards the fact that industries resemble “professions” in that they are skilled communal functions. In all matters of social skill the widest knowledge and the highest skill should be sovereign rather than the opinion of “collective mediocrity”. ...The outstanding failure of democracy is its failure to appreciate the social importance of knowledge and skill (Mayo 1919: 57; 59).

It is not difficult to see why this view was far more appealing to business leaders such as JDR Jr. than, say, Ordway Tead, Mary Parker Follett, or Mary Van Kleeck’s espousal of worker involvement in workplace decisions as essential to the attainment of democracy in wider society.

Conclusion

In this paper we have tried to get to the heart of why and how, despite the embrace of industrial democracy and mutual-gains partnership with organised labour by a small, but progressive arm of the SM movement, this fact is continually ignored by the bulk of the literature and the entire Taylorist project continues to be demonized, whereas HRS was and remains largely deified. How did this happen and who stood to gain? A partial answer provided here, is the complex web of power and influence revolving around JDR Jr., his closest advisors, and the ‘father’ of HRS, Elton Mayo. Notwithstanding the hazards of imputing motive, each player in this network had something personal, moral, and/or financial to gain.

As we noted above, JDR Jr. believed himself and his family as stewards of a divine financial and philanthropic trust and, intuitively, agreed with the idea that power is the production of intended effects, and so strived to produce only desirable effects (Gitelman 1988). So it was, therefore, he solicited the services of Mackenzie King and sponsored the career of Elton Mayo, both of whom by all accounts craved financial stability and influence. Indeed, in the socioeconomic realm, we prefer to believe that figures like JDR Jr., who wield enormous power, have interests and ends towards which they shape their means accordingly. To discover that JDR Jr. may have been manipulated in terms of the narrow and self-serving definition of these means and ends is disquieting, as Gitelman (1988) has noted. The latter also notes that both King and JDR Jr. were engaged in self-deception and, in particular, that JDR Jr.

did not seek as he claimed ‘a fair deal for the working man’. His interest in employee representation can most charitably be characterized as one of industrial peace at any price, save unionization. He did not care for the workers or their welfare but only for their acquiescence (Gitelman 1988: 337).

For his part, Mayo surely had his patron in mind when he conceptualised business leaders as a natural elite, possessing the ability, and so, the right to rule the rest of the nation. His work presented businessmen with solutions to their concerns about labour strife and the viability of the American socio-economic order amidst the threat of economic downturn, industrial conflict, and alternative political ideologies and class conflict. Further, he offered them elite membership of a fraternity of benevolent leaders (Baritz 1960; Rose 1978; O'Connor 1999a, 1999b). It is little wonder then that

Mayoism emerged rapidly as the twentieth century's most seductive managerial ideology. What, after all, could be more appealing than to be told that one's subordinates are non-logical; that their uncooperativeness is a frustrated urge to collaborate; that their demands for cash mask a need for your approval; and that you have a historic destiny as a broker of social harmony? (Rose 1978: 124).

In this context, Harris (1996, 62-63) notes that the “unitarist-corporatist, vehemently antistatist industrial relations strategy” of union avoidance exercised by JDR Jr. and the conservative business community the 1920s, would ultimately find expression in the HRS in the 1930s and beyond. Similarly, as both Kaufman (2004) and Lichtenstein (2004) note, this would continue into the 1950s and 60s in the guise of the Kerr-Dunlop industrial relations study that “devalued collective action, marginalized the role of government, and heightened the centrality of the managerial elite as the ‘initiator’ and ‘manipulator’ of the industrial system”. To be sure, the entire high-involvement model of employee voice in the post-WWII era was shaped by a narrower managerialist agenda focused on productivity and firm performance rather than the earlier, pre-WWII model which had emphasised collective dealing with employees (Taras 2000).

In this way, Mayo provided the conservative business community with a sound body of intellectual prize-fighters who would support them when they launched their post-New Deal campaign to win back the “Right to Manage” that they believed had been challenged during this era (Harris 1982) and who would ensure their undemocratic demands were painted not in the language of authoritarianism but that of humanism. Mayo justified managerial authority in corporations as the natural order of things, reconciling it with democratic ideals by asserting that the individual was the fundamental unit on which all legitimate cooperative organization is founded. The same social contract melding citizens in the polity provided the model for the bond between the individual and the business firm. The corporation, together with the managerial authority it necessitated, could thus be represented as the perfect embodiment of the democratic ideals of the complex individuality that constituted the distinctly American way of life. Managerial authority did not hold society down; rather, it held it together: the agitation-prone masses were deemed unfit for cooperation and had to be acted on by an elite leadership nurturing vital non-logical impulses amongst work-groups in order to stabilise their emotions for accepting responsibility (Rose 1978; Bourke 1982; Harvey 1988; Miller and O’Leary 1989; Miller and Rose 1995; O’Connor 1999a, 1999b).

In this struggle, the progressive Taylorists and their activist concern with democratizing workplaces and engaging in détente with organised labour were ultimately defeated, leaving the business community in control of the discipline’s applied, theoretical and historical knowledge. This development, we believe, needs to inform those management scholars currently seeking to re-establish a critical tradition within the discipline.

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