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A Tribute to Joseph N. Scanlon

Although there have been others who have pioneered in developing constructive union-management relations to a point that made possible some measure of participation in the production processes by the workers, none to my knowledge, achieved the measure of success and recognition that came to Joe Scanlon. Aided and encouraged by the faculty and his associates here at M.I.T., his work constitutes, in my judgment, perhaps the most significant contribution to better union-management relations that has been made in the course of the past two decades.

We live in an age of advancing technology. We are accustomed to hearing daily about new technological developments in the industrial arts, in production, and indeed in the newer so-called service industries. Somehow we seldom hear or even think of a new technology in human and union-management relations. I suggest that Joe Scanlon contributed to, if he did not actually help to create, a technology of participation that has given a new dimension to concepts of union-management relations.

Even superficial observers who have visited companies having the Scanlon Plan in operation have quickly detected the contrast between

the climate of relationships and the attitudes of both employees and management there and in other companies having what are generally considered good relations.

Joe Scanlon was not a promoter nor did he seek publicity for the success of his efforts. He was quite content to let his efforts and achievements speak for themselves and to let others learn of his efforts by word of mouth and through the power of example. Nevertheless as his accomplishments became known, they were widely publicized.

Today his work is internationally known. The companies that have profited by the application of his ideas have become enthusiastic proponents of his plan. To the employees of these companies, the monetary rewards that have accrued as a result of their participation are important, but the new and friendlier climate of relations that has resulted is of even greater significance.

It was my good fortune to have known and worked with Joe Scanlon for twenty years prior to his untimely death a little more than a year ago. He was one of the millions who suffered cruelly as a result of the depression of the Thirties. He did not become embittered as a result of these trying experiences. Indeed, while unemployed and without enough food and fuel for his family, he took the leadership among the workers in his community in securing unused land, in borrowing tractors and other equipment, in literally begging seed and fertilizer so that he and his fellow workers could raise food and get wood for fuel to meet their basic needs.

Perhaps it was out of these experiences in cooperative effort to assure simple survival that he first became aware of the capacity of people to work together. As the depression lifted and he was able to get back to work in the local mill, the friendships created in the common struggle for survival encouraged a continuation of cooperative endeavor.

Even before the Steel Workers' Organizing Committee was formed in 1936 and the organizing campaign was launched, a local union had been formed among the employees of the company he worked for. Wages were low, employment was uncertain, and competition for a share in the limited market was keen.

The company had but recently emerged from bankruptcy, equipment was obsolete, and costs were high. Then came the union demands for higher wages and improved conditions of employment to compound the difficulties of management. If the demands were granted, it would threaten the survival of the company.

Joe took the leadership again in this period of adversity. He induced the president of the company to come with a committee of the union employees to the Pittsburgh office of the International Union to seek advice and help if possible. It was at this point my acquaintance with him began.

I have told the story of subsequent events so many times I am reluctant to repeat it. Suffice it to say that I suggested that the group return to the mill and arrange to interview every employee in an effort to enlist his aid and familiarity with work processes in eliminating waste, improving efficiency, reducing cost, and improving the quality of the products in order to keep assured of the survival of the company.

My advice was accepted; they returned to the mill and under Joe's leadership and with the full cooperation of management, set about in a most thorough and systematic manner to do just what I had suggested.

The local union did not immediately press requests for higher wages and other improvements. Within a few months, as a result of the sustained cooperative efforts of the workers and management, costs were reduced notably, and the quality of products improved. Even with its obsolete equipment the company survived and was able to grant the wage increases and improved conditions of employment already granted by their more prosperous competitors.

The employees were rightfully proud of their part in this effort to assure the survival of the company and so to preserve their jobs. Management was equally proud of the dramatic but practical result of teamwork. Thus was the foundation laid for building what has since come to be known as the Scanlon Plan.

Last October I participated in the ceremonies during which a memorial plaque in honor of Joe Scanlon was unveiled and dedicated at the Lapointe Machine Tool Company plant in Hudson, Massachusetts. Local Union No. 3536, United Steelworkers of America, consisting of all the employees of that company and the company management jointly arranged to have the plaque designed and produced. I want to repeat, in part, what I said at that time:

Thus the groundwork for a new and more creative concept of union-management relations was laid. As the news of this achievement spread and because it represented a departure from the traditional concept of a union's function and responsibilities, it was greeted with skepticism in some quarters and with enthusiasm in others.

It also led to increasing demands from both union members and harassed management officials for Joe Scanlon's help in putting their relations on a similar cooperative basis. As a result, it was finally decided to establish what came to be formally known as the Production Engineering Department

of the United Steelworkers of America, with Joe Scanlon as Director. In this capacity Joe was able to not only extend the principles of union-management cooperation, which were gradually emerging out of trial and error in a growing number of enterprises, but also to greatly enhance the prestige and influence of the union throughout the basic steel and metal fabricating industries. Unions and management in other quite unrelated industries also sought his help and guidance.

Unfortunately the polluted atmosphere, which a great deal of the time then enveloped Pittsburgh, seriously affected his health. Seeking relief in a different environment, he accepted appointment to the staff of the Industrial Relations Section at the Massachusetts Institute of Technology. Here he was afforded wider opportunities to serve both management and unions and to expose some of the graduate students to the practical application of the principles of participation and union-management cooperation. Although his own academic background was limited, he won the respect of highly educated scholars and academicians. His unique talents were recognized by all associated with him at M.I.T.

It was at M.I.T. that Jack Ali and Ed Dowd and their pioneering associates in management and among the employees of Lapointe first sought and secured Joe Scanlon's advice and assistance. There is no need for me to recite the benefits that have come from this stimulating and fruitful association. In a very real sense, the people at Lapointe provided the laboratory in which the ideas and techniques evolved by Joe Scanlon have been tested, refined, and applied. As he so freely shared his knowledge and experience with you, so you, the Lapointe management and employees, have generously shared your accumulated experience with others. You have received visitors from abroad as well as from many parts of our own country, who were seeking ways to establish better relationships in their enterprises. Many enterprises, whose survival was threatened by unsatisfactory labor relations and resulting high costs, were literally saved from extinction by Joe Scanlon's successful efforts to put their union-management relations on a truly cooperative basis. His knowledge of manufacturing techniques and cost-accounting methods combined with extraordinary persuasive ability, enabled him to blaze new paths in the area of union-management relations.

For his constructive efforts, he earned the everlasting confidence and affection of the management people and the thousands of workers with whom he came in contact. A new and more responsible role for unions in the industrial relationship has been outlined by his pioneering work. Now that our unions have become more securely established, the significance of his work is likely to have greater recognition.

Joe Scanlon was an American worker with a deeply rooted faith in democracy and democratic processes. He believed that democracy, while not perfect, is perfectible and that democratic processes should be extended beyond purely politial governmental areas into industry and into all activities that will enable people to participate to the limit of their individ-

ual capabilities. In the workplaces, he believed that every worker, no matter how humble and seemingly unimportant his task, is capable of making a contribution not only to the success of the enterprise but to the happiness and well-being of his fellows. He believed that to the extent that workers are encouraged and enabled to make such contributions they will acquire the self-respect and self-confidence, the personal recognition and dignity which all normal people naturally seek.

Joe Scanlon was an unassuming, lovable, and unselfish human being, richly endowed by his Creator with the ability to serve rather than to command. His strength of mind was teamed with a greatness of heart. He was a generous and graceful giver and helper. He rejoiced when he saw others able to help themselves. He was a humble man. He sought neither recognition nor distinction. Both came to him nevertheless, as a result of his love and service to his fellow men.

He loved his country, he was proud of the heroic past, dissatisfied with the present, and confident of the future.

I have known many, many friends—I have clasped the hands of many that I loved, but in the long journey of my life, I have never grasped the hand of a better, truer, more unselfish friend than Joe Scanlon. It is quite unusual, I think, for the corporate management and union members to jointly honor a devoted trade unionist. Those of you who today constitute the management of the Lapointe Machine Tool Company and the membership of Local Union No. 3536 are living symbols of the wholesome type of cooperative effort that Joe Scanlon visualized and helped to make a fruitful reality.

It is eminently fitting, therefore, that you should join hands in providing the plaque to be unveiled today, which will honor and perpetuate the memory of an unselfish, humble worker who achieved distinction by helping others to help themselves.