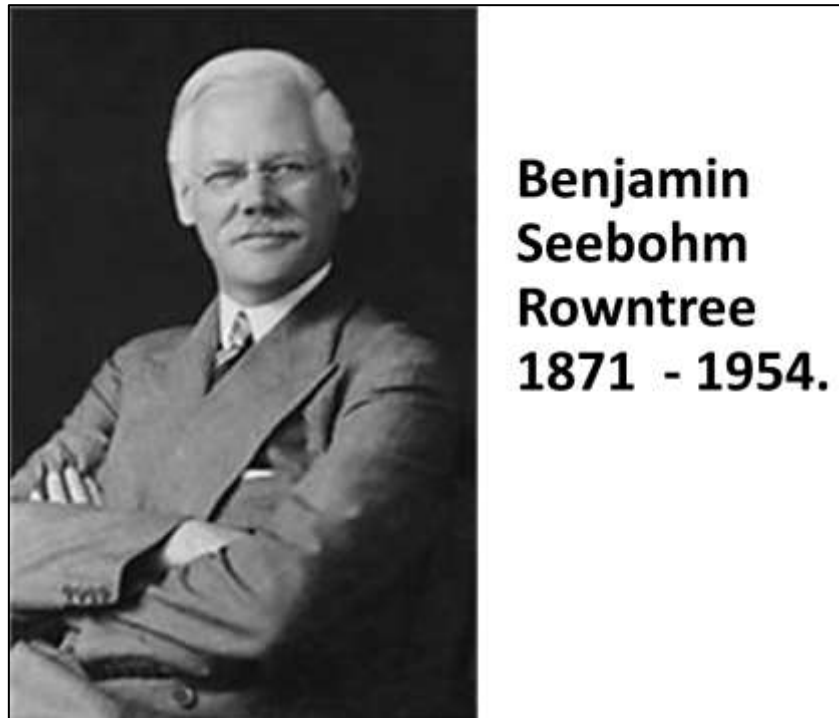


Seebohm Rowntree and the Conditions of Work

An illustrated talk by Bill Sheils



Seebohm Rowntree was born in 1871 into the well-known Quaker confectionery business family, though at that date it was still a modest family run concern. The family were long-standing members of The Society of Friends, and those of Seebohm's generation were prominent in the movement among progressive Quakers at the time to engage more directly with the non-Quaker world.

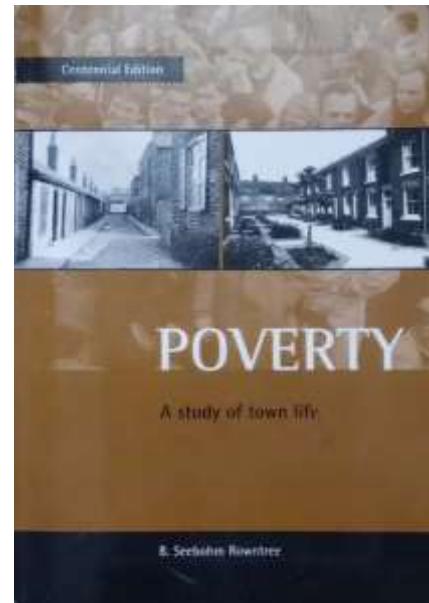
In keeping with this wider social concern, like other members of the family, Seebohm spent his early adulthood teaching in the Quaker Adult Schools established in York as part of this opening out of the Society of Friends to wider society. As a result of his teaching in those schools, for which a huge quantity of material survives in his papers, and through his involvement in the management of the rapidly expanding business, Rowntree became aware through direct contact, with the lives of the working people of York.

This was increased by the exponential growth of the family firm from about 1880, following the success of its new technology in manufacturing fruit pastilles. From employing about 100 people in 1880 the company grew to 864 employees by 1894, tripling again to having almost 3000 workers in 1904, and over 5,500 by 1914.

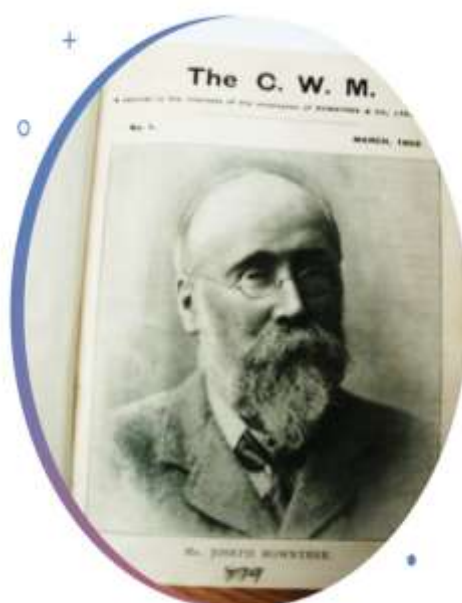
This led to the family firm becoming a public company in 1897, with Seebohm's father Joseph as Chairman and Seebohm as his deputy in charge of labour and, in effect, the day to day running of the factory and its move to a new purpose-built factory on the outskirts of the city in 1906.

Seebohm's main intellectual concern during the later 1890s was his groundbreaking study of Poverty, published in 1901 as *Poverty: a Study of Town Life*, which is still regarded as a founding text for the study of social conditions, both in its methodology and in its analytical sophistication.

This work established Seebohm's reputation as one of the great pioneering social investigators, and his work in this field, followed up and refined in subsequent surveys in 1936, 1950 and 1975-8, continues to provide a benchmark for current researchers.



His main professional activity however was in running the company factory, and in doing so he spent as much time considering the working conditions of his fellow citizens as he did in examining their social and domestic circumstances. The international reputation which Rowntree has acquired as one of the intellectual begetters of the Welfare State has rather overshadowed his important contribution the workplace, about which he also wrote extensively and which, of course, was intimately connected with and impacted upon the wider social experience of the working population.



**Joseph,
manufacturer
and
philanthropist**

The purpose of this talk is to draw attention to this comparatively neglected, at least in this country, aspect of Seebohm's work.

Before beginning two matters are worth noting, one to do with his formation and the other with his future concerns:

1. Rowntree's Quaker upbringing always made him wary of socialism or anything that approached it. When Rowntree was working on his poverty study in the later 1890s some of his assistants were among the founders of the York Branch of the Fabian Society, but he remained aloof. In a lecture to the Adult School class in 1897 he acknowledged the justice of the theory of socialism as he understood it (not quite correctly) in seeking to 'give equality of opportunity', but in the balance between Christianity and Socialism within the Christian Socialist Movement he was on the side of the former, seeing 'the work of Christ's disciples as socialism worked out, beginning from the right end', that is to say, in small communities and not in large-scale social plans.
2. This was to form an important plank of the other issue. Having identified low wages as the principal source of poverty in York, thereby shifting the debate from personal conduct, and maybe worth more recognition than it has had, coming as it did from one of York's major employers, Rowntree's survey, and his responsibilities in the new company led him to a lengthy engagement with the question of labour relations, and that is the area of Rowntree's work which I wish to consider today.

In the decade following publication of his Poverty Survey, Rowntree expended much time and effort giving lectures up and down the country on the relations between what he described as Christianity and Business, exploring the application of Quaker principles to the management of rapidly growing businesses where regular personal contact between employer and employee was no longer possible.

One feature of these lectures, which will be returned to later, is Rowntree's frequent reference to industry needing to be considered not so much a matter of private initiative but as a form of national service, his words, which we might today rephrase as a 'public good'.

At this stage much of his thinking was theoretical and generalised on reading his lecture notes, but in the context of the factory itself some practical measures were undertaken. Most importantly, to improve communications between managers and workers a magazine, The Cocoa Works Magazine, was started in 1902, its purpose was indicated in its strapline, 'Journal in the interests of the Employees of Rowntree and Co, York' and its somewhat paternalistic style of the 'IN' was underlined by the portrait on the cover page beneath, with Joseph's opening message reinforcing that, *'if the business is to accomplish all that the Directors desire in combining social progress with commercial success, the entire body of workers must be animated with a common aim, and this will surely be furthered by a periodical devoted to matters of common interest'*.



The editor was a former Congregationalist Minister, D S Crichton, who had been appointed in 1900 to head the Boys' Welfare Department. The Magazine provided information on the welfare activities of the factory, clubs and societies, including purchases and borrowing from the company library, free to employees, which had over 1,200 books in 1902 and a regular purchasing policy which encouraged suggestions from employees. Gardening and food-growing and cookery classes were available, with regular columns in the magazine, details of University Extension Classes available in York were published and the company arranged discounts for any employees wishing to attend.

More practically the company set up its own pension scheme and by the end of 1906, when the company employed over 3,600 staff, almost 97% of the eligible, that is to say, permanent workforce, including 90% of the female workforce, subscribed to the scheme.

By this date Rowntrees was among the 100 largest employers in the country, and the fifth largest in the food and drink sector. In 1910 a non-contributory Sick Benefit Scheme was made available to all members of the pension scheme.

The sort of provisions outlined here, recreational facilities, education, pension and sickness provision, alongside the development of housing at New Earswick, made the firm among the most enlightened employers in the country and were entirely in keeping with what one would expect from the findings of the Poverty Study.

There were, however, other aspects to industrial policy which did not fit quite so well; the edition for autumn 1902 published a letter from a joiner employee in support of the Penryn Quarrymen, who had been out on strike since late 1900 for not being allowed to join a union. Crichton wrote a supportive editorial on their behalf, and the following issue reported the results of the collection made on behalf of the miners' wives and children.

It should be noted that, in these years, unionisation of the factory was a matter of considerable apprehension to the directors who, in general, preferred to keep unions at arm's length. They did not, however, attempt to ban them, or to prevent discussion of membership in the factory, but the workforce remained largely outside the unions until the outbreak of War.

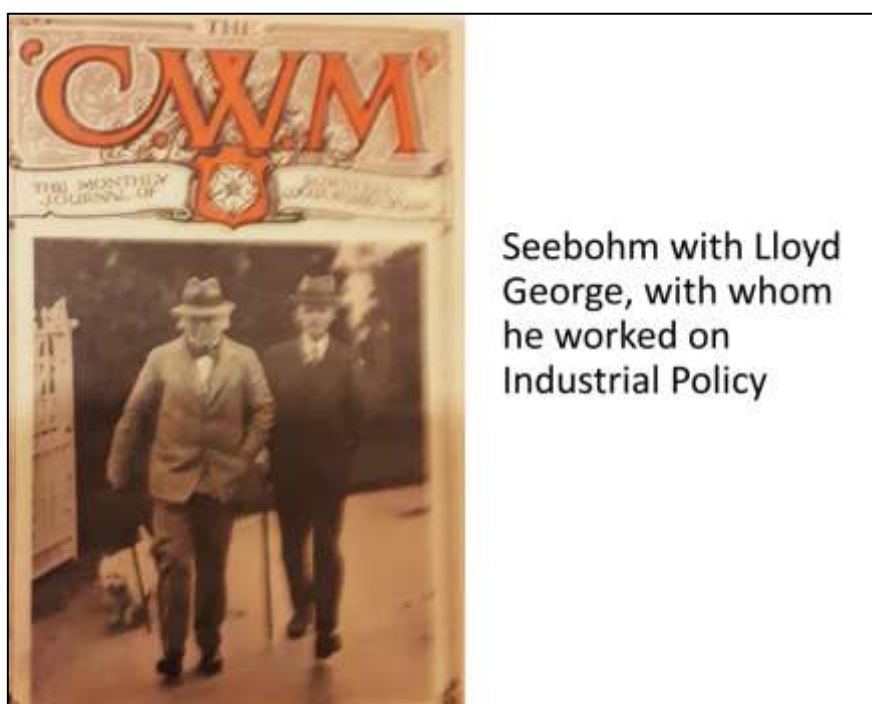
The first straw in the wind came in the summer of 1914 when the workforce requested to be allowed to take a half day unpaid leave to attend that most unQuakerly event, York Races. The directors were opposed, and Seebohm addressed a public meeting in an attempt to dissuade the workers, on economic rather than moral grounds, but, recognising the force of the feeling, the matter was put to a vote.

Not surprisingly the male staff voted by a significant majority in favour of the half day, whilst almost all the female workers were opposed. It was decided to allow those who made application to take unpaid leave, but Seebohm was firm in ensuring that the factory remained working so that those who chose to remain at work did not lose wages. In the end just under 2500 workers, almost half the staff, took time off.

By that date the local Labour Party had requested in June 1913 that the women at the factory should be addressed by a speaker from the General Women Workers' Union, and though the directors were doubtful, they felt unable to refuse the request, though Seebohm and his brother, John Stephenson, voted against; nationally, the government had established a Trade

Board to review pay and conditions in the confectionery sector involving discussion between government, employers and workers (for which reads unions).

Rowntrees' wages were well above the average in the sector and so Seebohm was comfortable with the notion of a national sectoral Board to set minimal standards, but he also undertook his own survey of wages in the factory producing figures over 20% above the minimum set by the board, and in the case of female employees, over 30%, but he remained firmly opposed to national collective bargaining.



The trade depression had led to a great deal of industrial unrest in the years following 1910 but, in the end, it was the labour shortages created by the outbreak of war that accelerated unionism within the company. For a Quaker company the war also brought other problems of an ethical dimension. A Territorial Army corps of 193 men was founded at the Works, despite objections from the Directors, and they were immediately called up, just when demand for the company's products was very high.

In addition, the Company was put under pressure to dismiss conscientious objectors, a pressure which it naturally refused. Notwithstanding their unease, the directors proved generous to those who were on active service. Their names, and reports of their doings, were regular features of the Magazine, as were the war records of those who inevitably died during the conflict.

The company agreed to continue the pension contributions of all those on active service, and offer their families assistance if required, extending this to offering pensions to all widows of servicemen through a gift of £10,000 from Rowntree family members.

The question of conscientious objectors remained contentious with the workforce, many of whom were available for work during the labour shortages, but from 1916 Benjamin, who was himself by then in charge of welfare at the Ministry of Munitions (mostly through his friendship with Lloyd George, who valued his experience of working with a predominantly young female labour force) decided against employing any more Conscientious Objectors for fear of resentment about them replacing female workers.

Trade Unions, though present, were still not welcome in the factory, and requests to address the workers were refused in 1916. By this time Seeborn had become interested in the idea of forming Works Councils, though his cousin and fellow director, Arnold, was sceptical of their value without union support. Nevertheless Works Councils became company policy and were started at factory level to begin with, the first one being formed in the Almond Department in September 1916.

Union activity continued and a strike of women working in the Elect Department in 1917 increased pressure on the directors so that a branch of the newly established National Union of General Workers was formally established in the factory in 1917, and a mass meeting of the National Federation of Women Workers in September 1918 sought a closed shop entry. By this time the Board accepted that about 90% of workers were union members, but they continued to resist formal union representation on the proposed Works Councils, which the unions refused to join if non-union members were present.

Nothing further happened until the end of the war, but eventually the first meeting of the General Works Council took place on 6 January 1919. The Council consisted of 56 members, 26 representing management and administration, of which eight were nominated by the Board, and 30 elected by the workers to represent the various departments in the factory.

There was therefore a majority of worker members. Seeborn was its first Chair, with two vice chairs, one management and one worker elected by fellow members.

Seebohm's opening address indicated the compromises which had been made to bring this about : *'With regard to the executive power of this Council, the Directors felt that they must retain the power of veto over any decision come to by the Council on the one hand, while on the other, the Trades Unions felt that they must retain the power of veto over measures which specially concerned their interest'*.

This fudging of the boundaries was less problematic in practice than expected, as the minutes of the Council indicate, the use of the veto was avoided through discussion within and deals outwith the meetings. For example, in 1921 the question of the promotion of overlookers (supervisors) arose, with the workers on the Council proposing that staff in the relevant department should be consulted before any promotion was made.

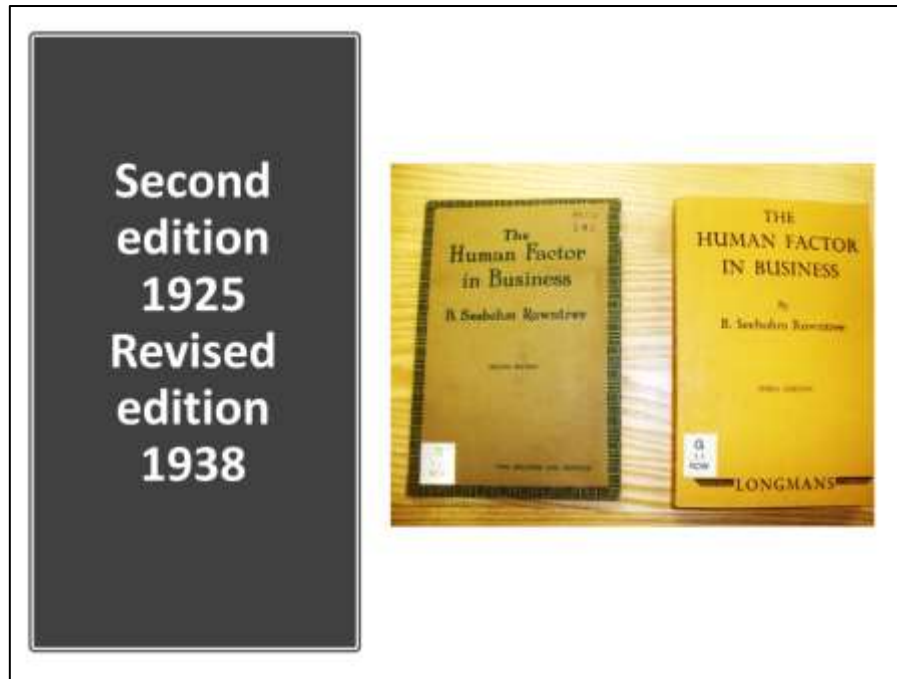
This proved too much for the managers, and following discussion, it was agreed that promotions should only follow after the directors had consulted the workforce through the relevant shop stewards and on the advice of fellow overlookers. It seems that Arnold's view that unions should be involved quickly prevailed.

Another area in which workers' representatives were proactive in the early years was over the appointment of a works psychologist, what we would term a personnel officer, a post close to Seebohm's concern for 'Scientific Management'. The post was to do with fitting the right individuals to appropriate jobs in the name of efficiency (and personal fulfilment), and the workers' representatives were understandably suspicious.

It took over a year of discussions within the departmental councils about the need for such a person, and eventually, given that a majority of the departments were in favour, the board proceeded to make an appointment, though the workers were to elect three members to draw up the job specification and sit on the appointing committee.

The Council undertook discussion of changes to the pension scheme, and passed an increase to the unemployment allowance for those with children under 16, and in 1921 it was decided, at the request of the workers' reps, that no more war disabled should be employed as the policy was likely to put women workers out of work. Clearly the unions were able to influence the Works Council on a number of important issues, but there were limits.

Not surprisingly, the directors retained control of promotion of administrative staff, and over the question of laying off staff at times of low demand, the request by the workers to have the shop stewards consulted over the names was refused; the directors agreeing to give them advance notice and invite comment, but retaining the decision to themselves.



This was the factory background to Rowntree's book *The Human Factor in Business*, published in 1921, with a fully revised edition in 1938 running to twice the length. In the first edition he laid out his industrial philosophy. He had earlier published the *Human Needs of Labour* (1918), which was really a follow up, concentrating on working life, to the findings of his *Poverty* survey, setting out the dietary, housing, clothing, heating and reasonable social needs of workers, including newspapers, the wireless, and an allowance for beer, tobacco, gifts and holidays, and their relations to wages.

In *The Human Factor in Business* Rowntree began by setting out those conditions 'which must be reserved for deserving workers' (Bit of a caveat there!), but perhaps we should not make too much of it.

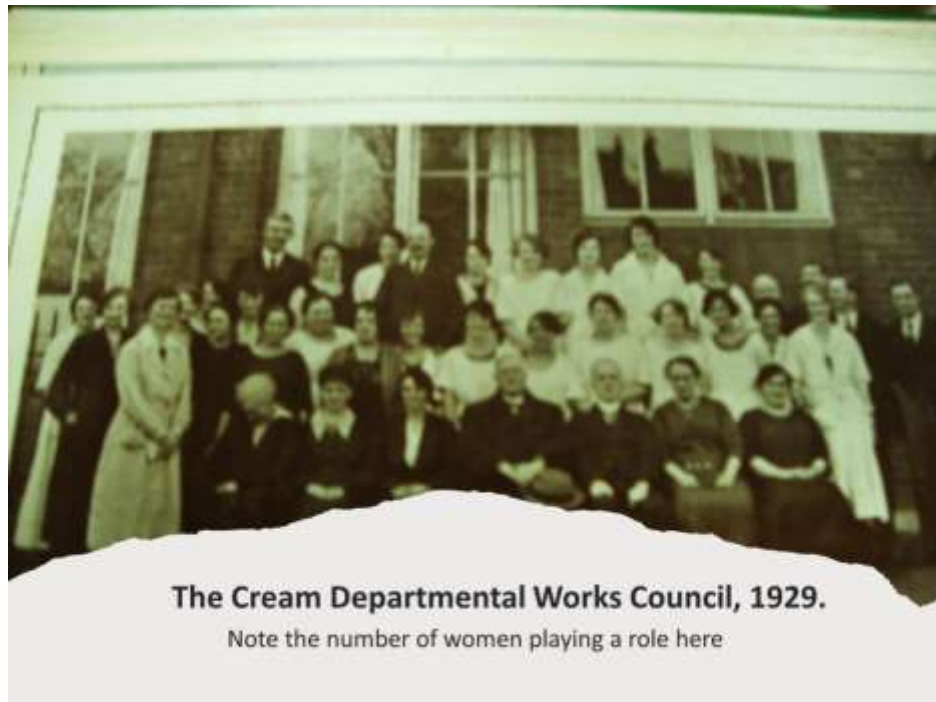
The conditions were:

1. Sufficient earnings to maintain a reasonable standard of comfort
2. Reasonable hours of work, and good working conditions
3. Reasonable economic security during the whole of working life and in old age
4. A status suitable to men in a free country in the twentieth century
5. A share in the financial prosperity of the industry in which they are engaged

Rowntree then itemised what he thought of as the current proposals for achieving these, the first three of which, Nationalisation, Syndicalism or Guild Socialism, Soviet command economies, he dismissed briskly. Turning to his reformist agenda for the capitalist system he was firmly committed to voluntarism. Though willing to accept national agreements through Trade Councils in setting minimum standards, he was adamant that direct contact between employers and employees at the work place was the best environment in which to negotiate any terms and conditions over and above the minimum.

This did not just reflect his antipathy to national wage bargaining on the union side, but it also was rooted in his concern that the link between employer and employee was threatened in a public company by the shareholder who had invested in the company but took no direct part in its organisation. For Rowntree it was necessary for shareholders to accept the responsibility of the employer towards the workers. This was a recurring theme in Rowntree's analysis, and one which he never satisfactorily resolved.

In establishing the system of Industrial Relations within the company Rowntree clearly looked back to Quaker practice, with a system of decision making bodies (meetings) building up from the most basic level to company level, with matters discussed at every level and decision making only referred upwards if the matter affected policy beyond the remit of the lower meeting (a form of Subsidiarity if you like, keeping decision making as close to those affected as possible). In establishing the councils Rowntree started at the lowest level, the sections (workshop level), then there were the departmental councils, and finally the works Council, which looked at company policy in general.



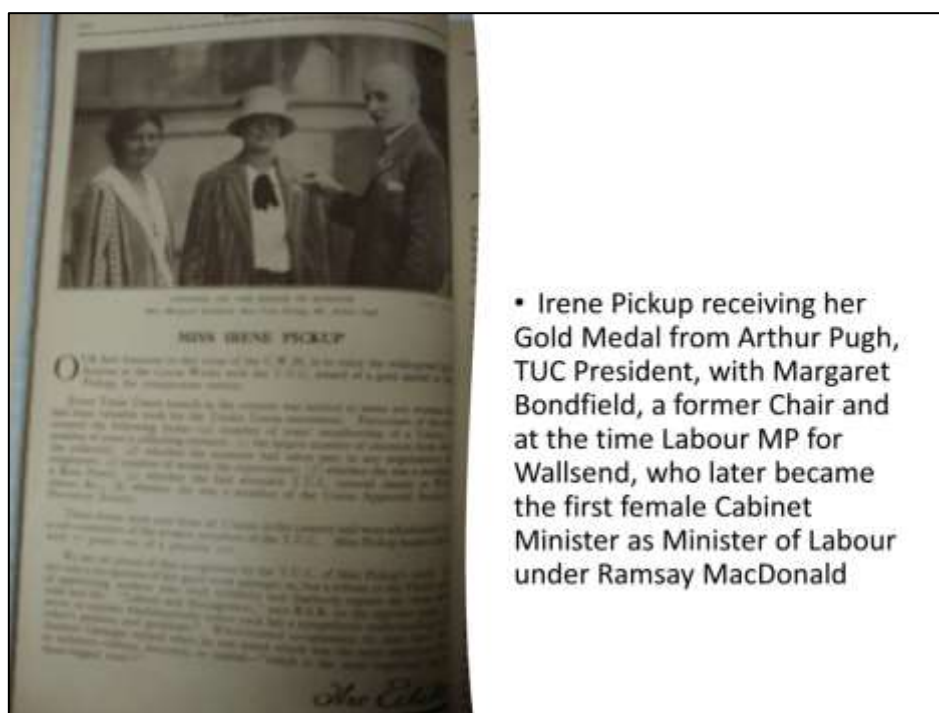
In addition, within the councils, even given the high level of female employment, women workers were more strongly represented in workplace discussion than one might expect, and here again one sees an echo of Quaker practice, with its liberal space for female engagement through the Womens' Meetings. In practice, as he acknowledged in the second edition, the system proved cumbersome, with monthly meetings (again reflecting Quaker practice), occupying too much time, and the sectional councils were abandoned.

The Trades Unions were soon formally incorporated into the structure with representation at departmental level, and by the date of the second edition there were 13 such councils. By this date, as Rowntree acknowledged, most of the business was, in effect, done through the shop stewards, as can be seen over the discussion about profit sharing. A scheme was adopted in 1923 with some opposition from the Shop Stewards, who secured an agreement that any profit sharing would have no effect on wages. As a result, the scheme only showed a profit in two years between 1923 and 1938, but it nevertheless was retained.

On the matter of working hours, when a reduction from 47 to 44 hours was proposed the board wished to retain the 5 ½ day week but the unions pushed for a 5 day week and after a vote within the factory this was agreed by the directors.

In general the minutes of the Council endorse Rowntree's optimistic description of industrial relations in the works in 1938: *'Our relationships with the Unions, ever since they began to organise our workers, have always been cordial: and for many years past notices have been posted up in the works encouraging workers to join'*.

This was reflected in the role of Irene Pickup, a doughty union member and regular on the Works Council who, in the summer of 1926, on the eve of the General Strike, received the Gold Medal of the TUC (**Here she is with Margaret Bondfield and the TUC President Arthur Pugh**). The CWM carried a full report of the event, with a copy of Irene's speech and a congratulatory editorial.



The months after the General Strike saw some initiatives in the Works Council, regular collections were authorised for the miners' and their families; in July the Chief Shop Steward, Fred Hawksby, was sent with the labour manager, Clarence Northcott, on a fact finding mission to America to look at labour relations and mechanization. (Rowntree was himself attracted/ seduced by America, making many visits, seeing growth in both productivity and wages and a union system more comfortably ensconced within capitalist structures than was the case in Britain).

Not surprisingly, their report to a meeting at the factory in December was very optimistic! 'Co-operation being the key to industrial success!' By this date, however, the tensions following the strike began to emerge in the Council and

on 20 October it was noted in the minutes that some of the departmental councils 'were getting a totally wrong impression of the reasons for their existence', following the concern of some workers that they had suffered victimisation after registering complaints over their treatment. In the light of this unease the Council undertook a new venture, the Open meeting, out of work time, which all employees could attend as observers. The first of these took place on the evening of 6 December, with 24 employees in attendance.

1926 was not the only year of industrial difficulty in the factory: lay offs in 1924 affected considerable numbers and the company assisted some of those laid off with small sums to set up in business, which they advertised in the CWM. It has to be said that these looked very like George Osborne's new entrepreneurs of a few years ago, but instead of dog-walkers, delivery vans and Uber drivers, they were a group of Fish and Chip shop, coal delivery, and small greengrocery businesses (presumably from allotments), and even one or two publicans were noted. In addition, the company put by a sum of money to subsidize other companies willing to take on its former employers, underwriting a proportion of their wages for a year.

The trade depression of 1929 was more serious, and within the sector Rowntree had a high proportion of male workers, 35%, placing it at a competitive disadvantage on wages. It was decided to replace 500 male jobs over three years, despite some opposition from other members of the board. The company sought to attract other industries to replace these workers by setting up a fund, and three companies: specialising in chrome plating, rubber making, and the production of water heaters came to York, employing 77 of the redundant staff.

The businesses struggled in the short term but two survived into profit by the end of the 1930s. In the long-term Rowntree concluded that, though worthwhile, these initiatives were not as effective as the continuing practice of helping individual employees to set up small concerns, though statistics of the success or otherwise of these business are not available.

The depression of the years following 1929 proved critical to Rowntree's project and, during the 1930s, the company found itself paying wages lower than that set by the Industrial Council for the sector. This was a major blow to a man who had prided himself on fair wages, good working conditions, and industrial efficiency, and in some respects, his revised book of 1938 is an attempt to reclaim ground for a system of labour relations seriously undermined by the more hostile commercial environment of the 1930s.

What can this story tell us for the present. Clearly the circumstances are very different but, when we come to consider the fact that protection under the European Work Directive has been removed, that membership of trade unions is under threat in several workplaces, that large numbers of workers are facing zero hours contracts, that home working since Covid has led to an atomised workforce with little social support in many cases, that some are being forced into self-employment while still being tied to one provider(in many cases these ‘entrepreneurs’ have to compensate their contractor if unable to fill their commitments through illness rather than receiving sickness benefits as employees!), and, on the subject of benefits, many working families are dependent on benefits because wages no longer meet their basic needs of food, shelter and clothing, we perhaps need to go back to first principles.

These changes in technology and in the workplace has led to much recent research by the Carnegie Trust and the Institute for the Future of Work among others, in attempting to define what criteria are required for ‘good employment’ in today’s environment. It is clear from the conclusions of the Carnegie Trust in 2018 that they continue to draw on the principles enunciated by Rowntree over a century ago.

The Human Factor in Business.

1. Sufficient earnings to maintain a reasonable standard of comfort.
2. Reasonable Hours of Work and good working conditions.
3. Reasonable economic security during the whole of the working life and in old age.
4. A status suitable to men in a free country in the twentieth century.
5. A share in the financial prosperity of the industry in which they are engaged.

Job Quality Measures, Carnegie Trust, 2018

1. Job Security and guaranteed Minimum Hours
2. Satisfactory machinery to negotiate pay
3. Healthy working environment for both physical and mental wellbeing
4. Training in skills and opportunity for progression in the workplace
5. Social support in the workplace through peer support and good communication between managers and workers
6. Representation. Trade Union Membership and employee involvement in decision making
7. Work-life balance. Recognition of leave arrangements for personal circumstances. Avoid building overtime working into the system as essential to efficiency