

Power

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I ASKED a number of workmen in two factories, both of which had some form of employee representation, "If a question came up where you had to decide between loyalty to your union and loyalty to the works, which would you choose?" The answer was always, "The union." Then I asked for their reasons, and here is the summary: (1) "I have taken an oath to the union; (2) the union is a permanent relation, the factory is not; (3) the unions have power back of them, the works council has not." Oath, permanency, power, but the greatest of these, I felt, was power.¹

Power, or control, is a word which we find on almost every page of English labour literature, and frequently enough in our own. One of the leaders of the Sheffield Shop Stewards movement said: "We organize for power," the baldest and most succinct statement I have seen.

One of the most urgent problems of business today is the relation of bargaining to value, and bargaining rests on power. He seems to get the best of the bargaining who has the greatest power. But is bargaining the only determinant of value, whether of goods, labour, or what not? What of scientific management? Does not

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every business man find one of his most pressing problems how to integrate bargaining and scientific methods? As far as I have seen, scientific methods do not, cannot perhaps, set exact values; at present they merely set the limits of the bargaining process. Within those limits bargaining still goes on.

In discussing this question of power, we shall first give some general consideration to the subject and then to labour's demand for power.

THE "URGE" TO POWER

No word is used more carelessly by us all than the word "power." I know no conception which needs today more careful analysis. We have not even decided whether power is a "good" word or a "bad" word. Is the wish for power the desire of grasping and unscrupulous men, is it the "instinctive" urge of our lower natures; or is power a noble, the noblest, aim? Or is it neither of these? What is power? Is it influence, is it leadership, is it force? Why do we all like power? Because we wish to use it to satisfy our desires, or do we just like the feeling in itself? In the case of the men you meet every day in business, either your business associates or your workmen, do you find them trying to satisfy an "urge" to power; or do you find them merely trying to get what they want and seeking power in order to secure their ends? We are often told that there are many men who, after they have accumulated enough wealth to satisfy every want, keep on accumulating from mere love of power. Do you think this is so or do you think that there are still unsatisfied desires which motivate their activity?

Among the psychologists there is much difference of opinion on this subject. Some tell us that the urge to power is instinctive, is inherent in all human beings; others deny this and say that power is desired merely as means to an end. Dr. Floyd H. Allport, in his *Social Psychology*,² tends toward the former point of view. Dealing with social control, he tells us that there is a universal tendency to

produce reactions in others, a tendency which probably originated in the habit developed in infancy and early childhood of controlling parents and nurses in order to secure satisfaction of the bodily needs. As we grow up and become more self-sufficient, the old habit persists in an inclination to control merely for the sake of controlling; not now, you see, means to end. I do not know whether this is so or not, for I do not think we have sufficient proof yet to establish its validity, but it is certainly interesting. Dr. Allport points out that the drive for the control of others (he has committed himself to a good deal by using the word "drive") often does not go to the extent of trying to determine their reactions, but simply to make them react. We could all give instances of this. My guide in the Adirondacks, if we came on a deer out of the hunting season, as we paddled up some lonely creek, would startle me, after an instant's silence, with a sudden yell. He could not shoot, but he could shout and make the deer run, make it *do* something.

We often see between two people the wish, not necessarily to get submissive reactions, but to get any reactions at all. A man will deliberately rustle his newspaper so that his wife will react in some way. She may not look up and smile either; she may frown, or she may irritably ask him to stop making a noise, but he gets some satisfaction even from that. (Perhaps I ought in fairness to add that the only time I have seen this done, it was the wife who rattled the newspaper.)

There are jurists also who talk of a "natural urge" to power, who tell us that the wish to keep a balance of power is such an urge. They say, for instance, that when you feel gratitude, it is the "urge" to regain an equilibrium which has been destroyed by the favour you have had conferred upon you. We can call it by a fine name, elevate it to a virtue, but what it really means is, we are told, that if I am under obligation to you for some favour conferred, I feel an unpleasant sense of your power, and so I return the favour in some way in order to restore the equilibrium between us which has been disturbed. This seemed to me a very strange idea the first

time I came across it, but that very day I asked a man, staying in Boston to give a month's lectures at the Harvard Business School, what he thought of the idea, and instead of saying, as I expected, that it was absurd, he replied: "Of course it's so; here I am spending a month with [a well-known man in Boston] and I shall feel that I am in his power until I can think of some way of paying it back."

Some ethical teachers tell us that the whole subject resolves itself into the question: What do you want power for? This is not a wholly bad question for those interested in business administration. Take the alarm over absentee ownership voiced by a number of people. A good thing, too, that it should be; yet when we hear of the effort of some management to free itself from the domination of absentee-owned capital, we immediately think, What is their motive?

Bertrand Russell has had a good deal to say lately about the *motive* for power. He is very pessimistic over the development of science, for he says that the benefits go to the power-holders, and that the purposes of the power-holders are in the main evil.

But whether power is "good" or "bad," whether it is sought as means to end or as end in itself, most people are much of the time trying to get power. In conversation people try to impress others with their ideas, their feelings or their personal experiences. Some writers call this the egoistic impulse, but that seems too general; on further analysis we should probably find that it comes from the desire for ascendancy. For instance, the psychologists tell us that we like telling a good story because it makes us the centre of interest. Perhaps, in addition to this, it is because for that moment we are controlling others, for an instant we have others completely under our sway. And we must remember that this desire for ascendancy which we see in some form in almost every conversation, is by no means always, nor perhaps usually, because we wish to use at the moment the power gained; we like to bank our power, and keep a good balance on hand to use in large lumps as occasions arise when such use would be of distinct benefit to us.

I think the best way of understanding power would be to make some study of it in our daily lives—in our homes, in our business, or wherever we are—to observe when it appears and why and what the results are. I am always hoping in a group of this kind to find some one or two who will be sufficiently interested to do this with me, watch to see what gives one person influence over another: social position, professional standing, the special knowledge of the expert, wide experience, mere wealth, age, sex, certain personal characteristics, even physical strength. If any of you will do this I want to suggest that in such study you take provisionally the following definitions of power, control, authority, and see what you think of them. Power might be defined as simply the ability to make things happen, to be a causal agent, to initiate change.³ Perhaps the “urge to power” is merely the satisfaction of being alive. Of course there are many different kinds and degrees of satisfaction. The boy throwing stones at a bird gives us an example of a very elementary kind; his “urge” is to make the bird do something—fly away. As a fuller kind of satisfaction we might note that of the violinist. It has always seemed to me that the violinist must get one of the greatest satisfactions of being alive; all of him is enlisted, he surely feels power. Probably the leader of an orchestra feels more. And this comes nearer the kind of power the head of a business feels.

Control might be defined as power exercised as means toward a specific end; authority, as vested control. And we should remember in this study that power and strength are not always synonymous; it is sometimes through our weakness that we get control of a situation. In the London Conference last summer Germany's greatest power was her economic impotence. That is, her bargaining power was the result of the economic condition to which she had been reduced by the demands made upon her by the Allies. We all know that the invalid in a household has, and sometimes exercises quite ruthlessly, power over the well and strong members of the family.

We should notice, too, in this observation of power which I am urging, all the different uses of the word. I saw the other day "the power of Wall Street" spoken of as an ominous thing. Is the power of Wall Street a good thing, a bad thing, or neither? A man said to me once: "I like deer shooting because it gives me a sense of power." Robert Wolf's method of beating one's own record, which he has used so successfully, is in part an appeal to the sense of power. As I have just mentioned Wall Street, we might perhaps to some advantage compare the power of Wall Street with the power aimed at by Mr. Wolf for his workers. I have found this observation of the way the word power is used an interesting study. I am making a list of all the different definitions I come across, by novelists or artists or wherever, and I find this all helping me in my observation of power in everyday life. I think it would help also in business administration, make us more alert and more discriminating; make us wiser in our decision when an employee asks for more "power," when he claims that something belongs to his province which we had taken for granted was in ours. We may decide for him or against him, I am not saying that this foretells what our decision will be, but if we have given some attention to this subject, we shall feel surer that our decision is just; we shall also be able to save time when examining his claims by this preliminary consideration of the subject, by knowing a little where we stand in general before we have to take up a particular situation.

A very interesting thing to observe, which I must not omit to mention, is the connection between rivalry and power. I wish you would watch yourselves and competing firms and see if you can draw any line between rivalry and "urge to power." The psychologists see a difference here. One tells us that in contests of strength of handgrip between two boys in laboratory experiments, it was found that the rivalry attitude gave way almost immediately to an attitude on the part of the stronger to *conquer* his opponent. This is significant for business competition.

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We have innumerable opportunities for the study of power; we might to great advantage, I think, study the farmers' present striving for power. Are they seeking merely higher and more uniform prices; or do they wish to gain power over, or equal to, other groups?

I think one certain gain would come from a study of power: we should learn to distinguish between different kinds of power. For instance, there is the man who beats his rivals by getting, by hook or crook, special privileges in regard to freight rates. That gives him power. But the man who beats his rivals through better business administration, by producing better goods at equal price to the consumer, or the same goods at less price, has power too. We have here obviously two different kinds of power.

POWER-WITH VERSUS POWER-OVER

We have been considering what we must watch if we wish to study the question of power. Let us see if we can get a little nearer the core of this question. So far as my observation has gone, it seems to me that whereas power usually means power-over, the power of some person or group over some other person or group, it is possible to develop the conception of power-with, a jointly developed power, a co-active, not a coercive power.⁴ In store or factory I do not think the management should have power *over* the workmen, or the workmen over the management. It is right for the employers to resist any effort of the unions to get power-over. In discussing *Business as an Integrative Unity* we considered the difference between the "independent" power which the English labour unions are seeking (I use their expression) and joint power. Every demand for power should be analysed to see if the object is "independent" power or joint power. That should be one of the tests of any plan of employee representation—is it developing joint power?

If anyone thinks that the distinction between power-over and power-with is a fanciful or personal distinction, I am pleased to be

able to say that these two prepositions are used to mark a distinction in law; you have rights over a slave, you have rights with a servant.

Of course at present, as I have said, most of us are trying to get power-over. Much of what is called "applied psychology" has this for its aim. The salesmanship classes reach this (although I tried to show in discussing "The Giving of Orders" that a sounder psychology could do better than this); the men being told how to conduct business interviews are being taught this. The so-called psychology of advertising is not concerned with giving information but with gaining power. Many of the trade unionists in the labour education movement wish education for power, that is, increased power in the fight with capital. The head of a Central Labour Union said to me: "I'm for the Trade Union College; we lose out because we send a \$1,500 man to meet a \$10,000 man; the trade unionists have got to educate themselves." I must in justice, however, add that I know unionists who are trying to develop power in the unions in the sense of increased ability to join with management in a co-operating efficiency, a co-operating responsibility, and this is a happy sign.⁵

And I certainly need not go to either capital or labour to find examples of power-over. Reformers, propagandists, many of our "best" people are willing to coerce others in order to attain an end which *they* think good. I have seen it stated, in what was supposed to be a progressive article, that workmen should be led, not driven. Well, leading is often power-over. The demagogue, the ward boss, the labour leader, the crowd orator, all lead, all try to "persuade"—a very innocent sounding word until you examine it. A workman, however, said to me: "In this factory they don't just try to persuade us, they try to convince us"—a very discriminating statement on the part of this man and a tribute to the management of that factory.

This is something we have to watch for in our study of power, in a conference between two or three business men, a consultation of doctors or wherever, namely, how far persuasion is taking the form of power-over. Some very keen observation and subtle discrim-

ination are needed here, for you will see many ways by which this is sought: reason, suggestion, emotion, ascendancy of personality, etc. And since industry today is tending toward the conference method, toward committee government, this is an important study. One of the tests of conference or committee should be: are we developing genuine power or is someone trying unduly to influence the others? A workman in a plant where there is employee representation said to me: "I don't want to be led and I don't want to be patronized, and I watch all the time to see if I am." Notice particularly the first phrase, "I don't want to be led."

But we are now getting near a subject which I decided not to include in these talks because it has been treated so fully and so adequately by others—by Le Bon, by Martin, by Allport—and that is what crowd psychology tells us of power; it is obvious that the getting of power might be considered largely as a matter of creating conditions favourable to suggestibility. Much of the crowd literature assumes that ninety percent of our life is lived under the laws of suggestion and imitation, which means power-over. Granted as large a percent as you please, I still think we may recognize that there is such a thing as power-with.

The insidiousness of power-over is very well illustrated by Gandhi. Surely his method of non-co-operation was a use of power, the only power he and his followers had: the nonpayment of taxes, the boycotting of English merchandise, refusal of honours and titles, of civil and military posts, refusal to attend schools, etc. Gandhi made declaration of "war to the end." Well, war is war. I cannot see that Gandhi's *method* is so different from that of any strike. In his *Letter to all the English of India* of October 27th, 1920, he said: "I wish to conquer you by my sufferings." Was not this a rationalization in effect? It was literally true, but while to Gandhi this had a high, spiritual sound, what was it really but a wish to gain power, to gain power through suffering? We find nowhere in Gandhi's life, letters or speeches any wish to discover a meeting ground for his party and the English. He says he believes in "the

power of the humble," thus using the very word power. Was it their humility which gave Gandhi's party the measure of success which they had, or was it their unanimity, their earnestness and sincerity, their passion of conviction?

We see here how closely power is connected with the fight image when Gandhi calls his struggle a "war of the spirit." In order to make conflict constructive, I think we should try to abolish the war image as rapidly as possible. When the tobacco co-operatives of Greensboro, N.C., were invited to their second annual picnic at the Guilford Battle Ground, they were urged to come to "the spot where our fathers fell in deadly combat with the enemies of political freedom," and hear "the living heroes of today in mortal combat with the subtle, intriguing enemy of farm economic freedom." This is not the spirit of Gandhi, but the same fighting appeal is made in both cases.

This is a rather long introduction to our subject. And these preliminary considerations have been of the most general character. My aim has been, not exhaustive analysis, but to arouse in you a wish to be more analytical toward your own experience in regard to the matter of one person having what is commonly called power over another person, or one group over another group, one nation over another nation.

But even with all that I have left out we have time now to consider only two points, and those very briefly: how to reduce power-over, and labour's demand for power. One way of reducing power-over is through integration, which we considered in our first evening together. The integrating of desires precludes the necessity of gaining power in order to satisfy desire. Do you remember the instance I gave of the conflict in the Dairymen's League in regard to precedence at the creamery platform, a conflict which became so serious that it almost broke up the League? If either side had won in the fight, there would have been power-over, but by finding a solution by which the desires of both sides were satisfied, by integrating the desires of the two sides, power-over was prevented.

I hope it will be seen that what I have called legitimate power is produced by that circular behaviour described in our first talk. This is, I think, almost the heart of the whole matter and deserves more attention than this mere passing notice. Circular behaviour is the basis of integration. If your business is so organized that you can influence a co-manager while he is influencing you, so organized that a workman has an opportunity of influencing you as you have of influencing him; if there is an interactive influence going on all the time between you, power-with may be built up. Throughout history we see that control brings disastrous consequences whenever it outruns integration. Is not that the trouble in India? Russia has to use arbitrary authority because she has not yet learned to integrate. And was it not perhaps the greatest weakness in Woodrow Wilson that he thought control could outrun integration?

We can get still nearer the core of our problem in this matter of reducing power-over by recalling what we spoke of in our second paper, when we were considering the question of giving orders, as the law of the situation. If both sides obey the law of the situation, no *person* has power over another. The present-day respect for facts, for scientific methods, is the first step in this method of seeking the law of the situation, and already we see that it has influenced the whole tone of industrial controversy. Take the case of bargaining between employers and employees. As wages are coming more and more to be fixed by cost-of-living charts, by time-studies, by open books on cost of production, bargaining is more and more eliminated or, I should say, subordinated. It might be put thus: bargaining becomes limited by the boundaries set by scientific methods of business administration; it is only possible within the area thus marked out.

It is the same in international controversy. The pitting of power against power goes on, yet the reports of the expert are today taken into account to such an extent as appreciably to limit the bargaining process. Every commission, industrial or international, has its staff of economists, statisticians, accountants, engineers, experts of all

kinds. The Dawes Plan has been spoken of as a triumph of the bankers. Is it not rather a triumph of facts against empty assumptions? The Dawes Plan first of all disposes of certain fictions. Nowhere do we see more clearly than in the case of reparations the value of facts against assumptions; as time went on it came more and more clearly to be seen that it was not a question of "sympathy" for France or for Germany, but of the facts of the situation. Facts, by reducing the area of irreconcilable controversy, reduce power-over.

As clearly as we see that the consideration of facts reduces power-over, do we see that the withholding of facts is often used as a means to gain power-over. The chief weapon of the speculators is to keep facts from the public. Open prices have been fought for years because so many business men have been afraid they would mean a loss of power. The co-operatives have arraigned big business for its secretive methods, yet I know at least one marketing co-operative which refuses to publish warehouse receipts, or to give information as to solvency, to publish prices until the end of the year, to give overhead cost or number of members, because they fear that such information will give power into the hands of the middlemen.

Do we not see now that while there are many ways of gaining an external, an arbitrary power—through brute strength, through manipulation, through diplomacy—genuine power is always that which inheres in the situation? Our first search should always be to discover the law of the situation. For instance, the middlemen are preventing the farmer from having the power which belongs to his situation; it is hoped that the marketing co-operatives will give him that power. Yet, as I have indicated above, we have not got rid of power-over in the co-operatives. I do not think we shall ever get rid of power-over; I do think we should try to reduce it.

To sum up our consideration of power-over. Power-over can be reduced: (1) through integration, (2) through recognizing that all

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should submit to what I have called the law of the situation, and (3) through making our business more and more of a functional unity. In a functional unity each has his function—and that should correspond as exactly as possible with his capacity—and then he should have the authority and the responsibility which go with that function.

LABOUR'S DEMAND FOR POWER

Perhaps it will throw some light on the subject of power if we consider labour's demand for power. While the employer's attitude on this question of workers' share in management has radically changed of late years; while the employer no longer says, or not often, "These men have the damned impudence to want to run my business," still he has not sufficiently analysed the workers' demand for power. Let us ask ourselves some questions in regard to the workers' wish for what they call share in control.

1. Is this the instinctive urge to power?
2. Is it, on the other hand, a means—to higher wages, shorter hours, better working conditions?
3. Is it the "instinct" of workmanship, and therefore a means to an end? That is, does the workman, suffering sometimes under inefficient management, wish enough share in management to enable him to do his work as he thinks best? The glass-bottle makers in England will not work under a man who is not trained as a glass-bottle hand. It seems obvious that we should encourage all the "power" which tends to increase pride in craft skill.
4. Is it because so many "instincts" are thwarted by modern machine industry; do all these instincts cry out together for "power"?

5. Is there more in the old claim than has yet been recognized, that the worker wants to be treated as a man, not as a "hand"?
6. How far is it an expression of an inferiority complex?
7. Is it to improve status?
8. How far is it a reaction against officialism or the abuses of officialism?
9. Does the worker want to accumulate power to use in the struggle between capital and labour?
10. Is the worker trying to get power without responsibility, those two which can never be divorced? I have seen it stated: "Labour wants wages, hours and security without financial responsibility but with power enough to command respect." How naïve. Many of us would like power without responsibility! Is that possible, or is it the old story of eating and having your cake?
11. Is it that the most fundamental thing in man is his "urge" to self-expression and self-determination, combined with his ever seeking the larger, the more complete? Are these twin impulses at the heart of his being perhaps the chief reason for the workers' demand for power?

You can probably think of other reasons, I have put these eleven down quickly. Further with respect to this point, let us consider especially those two expressions which we hear daily, the delegation of power and the balance of power.

In the literature on employee representation, we read much of the delegation of power. Myers^o tells us that the power of the Works Committee is "delegated," that the board of directors or the stockholders have the ultimate authority. The Nunn, Bush and Weldon Shoe Co. say that they have "delegated" to their employees the power of fixing wages and hours of work and the right to discharge. I read again, "Authority must be distributed from its

source, and filters down through delegation to all parts of business organization." Power must be distributed from its source? Very well, but what is the source? A workman in a factory I was visiting said to me, "Who do you think is the boss here?" It seemed, he said, difficult to discover him. "Is it the Manager of the Works," he asked, "or is it the President? But these are responsible to the Directors. Is it then the Directors? But they are responsible to the people. Is it then the people?" I tried to find out what he meant by the people, but he was rather vague about that. This interested me, however, because I had not thought I should find the old question of sovereignty, which I had struggled with in political and legal science, cropping up in modern industrial organization in such direct manner. The only legitimate boss, sovereignty, is, I believe, the interweaving experience of all those who are performing some functional part of the activity under consideration.⁷

I do not think that power can be delegated because I believe that genuine power is capacity. To confer power on the workers may be an empty gesture. The main problem of the workers is by no means how much control they can wrest from capital or management, often as we hear that stated; that would be a merely nominal authority and would slip quickly from their grasp. Their problem is how much power they can themselves grow. The matter of workers' control which is so often thought of as a matter of how much the managers will be willing to give up, is really as much a matter for the workers, how much they will be able to assume; where the managers come in is that they should give the workers a chance to grow capacity or power for themselves.

There are many ways in which power develops naturally if there is no hindrance. Let me give this as an illustration. We often think of the development of large-scale industry as limiting the individual's opportunity for managing. In some ways this is not true. Take, for instance, what is called "the instinct for workmanship." Formerly, in the time of individual production, this "instinct" was expressed in the individual's own work. Now that individual production has

given way to group production, this "instinct" cannot be expressed unless the individual workman has something to say about group organization and the technique of group production. This seems to me a natural development of genuine power.

It is true indeed that the workmen cannot have anything to say about the technique of group production, about group organization, without the co-operation or even the initiative of management; but there is something here which is not covered by the word "delegation."

INTEREST, RESPONSIBILITY, POWER— AN INDISSOLUBLE PARTNERSHIP

One thing should be borne in mind beyond anything else in the consideration of this subject, and that is that you should never give authority faster than you can develop methods for the worker taking responsibility for that authority. We may find also that we should not give workers authority without some corresponding stake in the business. In a certain store which has a form of profit-sharing, the employees voted one December not to open the store on the day after Christmas, after taking into account the number of people likely to come out on that day against the expenses of operation. But in the case of another holiday when the same question came up, thinking that this time there would be no appreciable effect on the numbers of people shopping, they voted to open. They had the "power" in both cases, and if that "power" had been divorced from a stake in the business they would probably have voted in both cases to close the store. Interest, responsibility, power—perhaps here is an indissoluble partnership. Of course in a case like this the responsibility may have been enough without the stake in the business.

We have an unfortunate precedent in the use of such phrases as the delegation of power, etc. Many writers on government say that the power of the State should be *divided* among various groups;

many tell us that power should be *transferred* from one group to another; many that it should be *conferred* on the smaller nations. Hence it has been natural for many economists who write of something they call "industrial democracy" to tell us that the power now held by owners and managers should be *shared* by the workmen. These expressions, while containing indeed a partial truth, nevertheless at the same time *hide* an important truth, namely, that power is self-developing capacity. This fact is hidden by that expression which has become a pet phrase of the guild socialists, "encroaching control." Divided or conferred authority is non-psychological authority; "encroaching control" is not a genuine control. Power is not a pre-existing thing which can be handed out to someone, or wrenched from someone. We have seen again and again the failure of "power" conferred. You could give me dozens of cases. The division of power is not the thing to be considered, but that method of organization which will generate power. The moral right to an authority which has not been psychologically developed, which is not an expression of capacity, is an empty ethics. This applies to management as well as to workers. We have always to study in a plant how far the authority of the management is real, how far it comes from fulfilling function, from knowledge and ability, and how far it is a nominal or an arbitrary authority.

The difficulty of the political scientists quoted in the above paragraph is that they are confusing power and authority. To confer authority where capacity has not been developed is fatal to both government and business. Those political scientists who use the words power, control and authority as synonymous, are confusing our thinking.

If you want the best philosophical as well as the best psychological principle by which to test the legitimacy of "power" (by which you probably mean authority), you will ask whether it is integral to the process or outside the process, that is, whether, as we have said, it grows out of the actual circumstances, whether it is inherent in the situation. You cannot confer power, because power is the

blossoming of experience. I think a non-understanding of this is the limitation of an article on "Authority" by Ludwig Stein which came out in the September *Atlantic* and was a good deal talked about by business men. Professor Stein says: "That the Bolsheviki had to substitute for the dictatorship from above one from below is a classical example for the sociology of authority." And again, later on: "The fact that old authorities are overthrown only to permit new ones to be created in their stead irresistibly forces the conclusion that authority represents a social-psychological necessity." It does not force me to that conclusion, but to the conclusion that we shall always be seeking an external, and arbitrary authority until we learn to direct our efforts toward seeking—the law of the situation.

There is something in regard to an authority which is not the recognized law of the situation which we should not fail to note in passing, and that is, that an arbitrary authority may rouse very disagreeable reactions. These not only make things difficult for you, but actually reduce your power. Charles Francis Adams used to say: "Increase powers and you decrease power." And only the other day I heard it said that commissions with mandatory powers have less power than those with advisory powers because they put people's backs up. All this is worth consideration.

And we must not omit to mention that most common of fallacies, that when we join with others, we deliberately give up a part of our "power," as it is called, in order to get certain privileges which will issue from the union. When a grower signs a co-operative contract, he is supposed to give up a certain amount of "power." Does he? His marketing capacity is certainly increased by his joining with others. The delusion of the "independent" farmer is now exposed to all. Take again the notion of the sacrifice of sovereignty, that each nation must sacrifice a part of its sovereignty for the sake of the benefits which will come from a League of Nations. This is the rationalization of the sentimentalist. No nation intends to sacrifice

anything; when a nation sees that it is to its interest to become a part of the League of Nations it will do so. Sovereignities must be joined, not sacrificed. We find this fallacy expressed in regard to business administration by those writers who tell us that the manufacturer ought to surrender a part of his power in order to gain a spirit of contentment in the factory.

As a summing up of this question of conferring or sharing power, I should say that if we have any power, any genuine power, let us hold on to it, let us not give it away. We could not anyway if we wanted to. We can confer authority; but power or capacity, no man can give or take. The manager cannot share *his* power with division superintendent or foreman or workmen, but he can give them opportunities for developing *their* power. Functions may have to be redistributed; something the manager does now had better perhaps be left to a division superintendent, to a foreman, even to a workman; but that is a different matter; let us not confuse the two things. Indeed, one of the aims of that very redistribution of function should be how it can serve to evolve more power—more power to turn the wheels. More power, not division of power, should always be our aim; more power for the best possible furtherance of that activity, whatever it may be, to which we are giving our life.

So much for the delegation of power; and now let us consider balance of power. It almost seems as if our conclusions in the preceding paper in regard to joint power did away automatically with the conception of balance of power; yet no conception is more widely held. A labour leader said a few years ago: "We must give up each trying to wrest power from the other side"; so far a very good idea, but he added, "and find an absolute balance of power." He had no notion of a unit of power. I do not think the balance of power will get labour much further than a domination of power.

Myers⁸ evidently believes in the balance of power between workers and executives, as do many others. So does Professor Commons, who, in speaking of the desired equilibrium between capital and

labour, says: "If one is suppressed the other becomes dictator." Certainly, but it seems to me that there is a way out of the difficulty other than the one indicated by Professor Commons.

Many people make co-ordination and balance synonymous, which seems to me a mistake. The guild socialists do this. Their co-ordinating congress, they tell us, is an arbitrator or court of appeal to keep the balance of power between co-ordinate autonomies. This is surely poor philosophy and the religion of the fearful; they are so afraid of power that they say: "Let us all have equal power." I think the aim of co-ordination should be the building up of a functional total. I think we may learn that a jointly developing power means the possibility of creating new values, a wholly different process from the sterile one of balancing. Not to rearrange existing values, but to bring more into existence is the high mission of enlightened human intercourse.

COLLECTIVE BARGAINING AS THE DETERMINANT OF VALUE

I began this paper by asking: "What is the determinant of value?"—surely the most important consideration for business administration whether we are speaking of value of services or what not. Most labour men tell us that value is, or should be, determined by collective bargaining. Many business men say that value should be determined by scientific methods which will do away with collective bargaining. But trade unionists do not want to do away with, or even to narrow the field of, collective bargaining; they want to bargain over everything. They have bargained over wages and hours; now many of them say that they should have the opportunity of bargaining over changes in the technique of industry, since these involve changes in the working conditions. If you tell them that industrial technique is a purely scientific matter, then they reply: "It is never the question alone of the advantage of a new method; but of who is going to get the advantage? If the worker is to get his share that must be bargained for."

This is true as far as it goes. Bargaining is at present necessary, and the result of bargaining rests on the relative strength of the two sides. If we are studying any particular industrial controversy, one of the first steps is to seek the sources of power of the moment. We ask, "What are the general conditions which give to capital or labour the greater economic power of the moment?" Unemployment gives power to the employer; also lack of education among the workmen; also the fact that the employees are not in a position to wait. On the other hand, the power of the workers is reinforced by the strength of the unions back of them, and their strength has increased with the number of unions and the numbers in them.

It is true, therefore, as things are now, that everything should be done to reduce the inequalities in the bargaining power of labour and capital, but I think at the same time we should see beyond that, that our ultimate aim should be different. I do not think this the final secret of solving the problems of business administration. Professor Commons says: "Unless the labourer can speak as a representative of associated labourers, he cannot speak with equal power." While I believe in encouraging employee associations, while I think it a grave weakness of some systems of employee representation that there is not adequate connection between Works Councils and the whole body of workers, still my reason for my very strong advocacy of employee association is not chiefly to bring about equal power, but because this helps us to approach functional unity. I should want to make a "side," not for a fair fight, not for fighting at all, but in order that it should enrich the whole. If I were a manufacturer I should want to consolidate my workers, not in order to give them greater strength in a fight, but in order that they should, by conscious unity, be a stronger part of my plant and thus strengthen my whole organization. I think we should never forget, what we spoke of at greater length in the preceding paper, that there are two kinds of "sides." There is all the difference in the world between controversial sides and integrative or contributing sides. I am interested only in the latter. I differ therefore from those

people who say that the greatest fairness to the worker is to give him equal power in the bargaining process. My whole business philosophy is different from this. I think we owe both the worker and ourselves more than that.

I trust that the difference between this "equal power," so much talked of, and the power-with we have been considering, is evident. Equal power means the stage set for a fair fight, power-with is a jointly developing power, the aim, a unifying which, while allowing for infinite differing, does away with fighting. When the Sheffield Shop Stewards said, "We organize for power," did they mean power-over, equal power, or power-with? The history of the Shop Stewards' movement in England is sufficient answer to this question.

Yet I do not want to be misunderstood on the matter of collective bargaining. It is of course necessary at present; without it both wages and working conditions would fall below even minimum standards.⁹ And, of course, if we do have bargaining we should give the two sides equal advantage as far as possible. I am trying to say merely that I think it is wise to decide, before we begin on any reorganization of our business, whether we believe in collective bargaining as an *ultimate* aim, or whether we accept it for the moment and surround it with the fairest conditions we are able to, at the same time trying to make our reorganization plan look toward a functional unity, which if it does not abolish collective bargaining (it may not) still will give to it a different meaning from that which it has at present. The best point about collective bargaining is that it rests on conference and agreement (there are methods of adjustment, as arbitration, which do not), but I believe in conference, not as an episode of war, but as one of the necessary activities in the process I have called a functional unifying. Would not the unqualified acceptance of collective bargaining as now generally understood commit us to the view that industry must remain at the mercy of shifts in "power" from employer to workman, from workman to employer? And is there any hope for a steady and wholesome progress with that condition of things?

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But I am aware that we have begun on what ought to be another talk, and must therefore end rather abruptly. Should collective bargaining, we asked, be the determinant of value? Not for ever, I think; certainly not in the narrower meaning of that term. It seems to me that value is an interweaving, and that the clever business administrator must know both the strands and the pattern they make.

NOTES

1. Cf. *Creative Experience*, Chapter X, "Power: the Condition of its Validity," and *The New State*, Chapter XXIX, "Political Pluralism and Sovereignty."
2. Houghton-Mifflin Company, Boston, 1924.
3. This is not my own final definition of power, which I shall give at another time, but it is good I think so far as it goes, and therefore can be used legitimately without involving ourselves at present in a definition which might have fuller connotation, but which might not be so simple to handle and apply in our daily jobs.
4. Cf. *Creative Experience*, p. xii: "Our task is not to learn where to place power; it is how to develop power. . . . Genuine power can only be grown, it will slip from every arbitrary hand that grasps it; for genuine power is not coercive control, but coactive control. Coercive power is the curse of the universe; coactive power, the enrichment and advancement of every human soul."
5. Cf. *Creative Experience*, p. 184: "Some trade unionists are beginning to see the finer function of combination, combination in order to develop power in themselves rather than power over others."
6. James Myers, *Representative Government in Industry* (New York: Doubleday-Doran, 1924).
7. Cf. *The New State*, p. 271: "Real authority inheres in a genuine whole. The individual is sovereign over himself as far as he unifies the heterogeneous elements of his nature. Two people are sovereign over themselves as far as they are capable of creating one out of two. A group is sovereign over itself as far as it is capable of creating one out of several or many. A state is sovereign only as it has the power of creating one in which all are. Sovereignty is the power engendered by a complete interdependence become conscious of itself."
8. *Op. cit.*
9. Moreover, I should not include in an objectionable kind of collective bargaining all of the present "agreements" between capital and labour, some of which are arrived at by a different process than that of bargaining alone.