



How the workplace has changed in 75 years

*Dramatic developments in the economy,
in technology, and in the labor force
have required changes
in working conditions and standards*

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The Department of Labor owes its inception in 1913 to a crisis in the American workplace.¹ For four decades, starting with the great railroad strikes of July 1877, the Nation became witness to a contagion of work stoppages and protests. About 1,500 strikes a year involved more than 300,000 workers; momentous confrontations were accompanied by substantial loss of life, limb, property, and commerce.² This was the unnerving record of the period, and sufficient reason to search for answers and solutions.

Contemporary analysts can offer explanations for the industrial unrest of the late 19th and early 20th centuries: Low wages, long hours, unsafe working conditions, irregular employment, capricious supervision, and the antiunion tactics of some managers provided the visible sparks. The underlying powderkeg was the spread and fastening of the wage labor system; dampened prospects for independent producer-ship; increased specialization, weakening of skills, and mechanization of jobs; business

cycle fluctuations; the effects of immigration and urbanization; and the developing economic and political power of concentrated capital.

Gathering and reporting information about workers emerged as one remedy. Economic distress in the Nation's first industrial State, Massachusetts, compelled State legislators there to establish a Bureau of Statistics of Labor in 1869. The collection of data on the working and living conditions of the State's laboring men and women provided the basis for private and legislative reform. The success of Massachusetts' labor statistics bureau under its first effective commissioner, Carroll Wright, and other State-level experiments in social investigation served as the precedent and incentive for creation of an equivalent Federal agency by the Congress in 1884. The U.S. Bureau of Labor, first headed by Wright as well, was an initial step toward the establishment of a Department of Labor; information collection and dissemination became the Department's prime justification for existence, and remains the assigned role for the Bureau of Labor Statistics.

Structured mediation loomed as a second solution to industrial conflict. Management and

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labor had to learn to deal across bargaining tables, not barricades; government could serve as a go-between. By the late 19th century, the Congress had enacted legislation creating government-assisted mediation procedures for railroad labor disputes—the most volatile area of industrial unrest in that period. In successive congressional debates over the creation of a Department of Labor (between 1874 and 1913, more than 100 bills and resolutions had been considered) the agency's potential function in conciliation drew constant support.

For workers, unionization emerged as the key to their plight. Changes in the workplace spurred the growth of trade unionism in this country, and as early as 1868, unions affiliated with the National Labor Union raised the issue of the need for a Federal bureau to sponsor legislation and presidential initiatives on behalf of workers. Because of organized labor's ambivalence toward state power, this demand was low key, but once the American Federation of Labor (AFL), under the leadership of Samuel Gompers, consolidated its power at the turn of the 20th century, the AFL became the main lobbying force behind the creation of the Department of Labor, despite Gompers' advocacy of voluntarism and nonpartisanship. Mainstream unionists viewed the Department as a vital way to influence legislation and executive action.

The Department of Labor, then, appeared as a remedy for industrial unrest. Reformers placed great stock in the power of investigation, exposure and publicity, and government-sponsored mediation. For trade unionists, a Cabinet-level agency meant direct access to state policymaking and a powerful, yet neutral, third party to promote "fairness" in labor disputes. If the Department of Labor emanated from a crisis in the workplace and a subsequent search for solutions, on its 75th anniversary, an assessment of its effect on the workplace is in order. How has the workplace changed since 1913? What role has the Department of Labor played in this change?

American workplace—then and now

Location of work. A survey of the workplace in the 20th century should begin with a discussion of its diversity. Americans work in a variety of settings from the home to mills and stores.³ Large-scale worksites, such as the multistoried office building, the hospital complex, and the sprawling plant, dominate the landscape, but small to medium size enterprises persist and proliferate, finding niches in our protean and layered market, receiving small-batch orders on contract from larger core sector firms. An array of services and products are produced in these various environments.

Some overall shifts in the setting of work in the 20th century are apparent. When the Department of Labor was dedicated in March 1913, slightly less than one-third of the work force was engaged in agricultural pursuits. Today, farmworkers are less than 5 percent of all workers. The share of manufacturing employment has remained relatively stable, with one-fourth at the turn of the century and less than one-fifth today. The proportion of workers in the service sector, largely in shops and stores, has stayed equally static, growing from 10 percent of the labor force to 15 percent. The greatest employment increase has occurred among white-collar office workers. These workers accounted for 20 percent of all workers when William B. Wilson became the first Secretary of Labor; they now account for about 60 percent of the total. In terms of the location of work, the shift from farm to office is the most notable story to be told in the history of the workplace in recent times.

Demographic profile. The demographic characteristics of the workplace have also changed. Compulsory school attendance laws and factory inspection acts, passed at the local and State levels, had begun to make a dent in the problem of child labor before 1913, but 15 to 18 percent of youngsters between age 10 and 15 still were gainfully employed, representing 6 percent of the total work force. (In certain areas, particularly textile mill and coal mining districts, these numbers were much higher.) Full-time child labor, a scandal in its day, has now passed, by and large, from the American scene.

On the opposite end of the age spectrum, there has been a precipitous decline in the employment of older workers. Seventy-five years ago, two-thirds of all men over age 65 were still drawing wages; today, less than 20 percent of our male senior citizens are in paid employment. The age profile of the labor force has thus changed, with a contraction of labor force participation at both ends of the age scale.

The changing role of women in the workplace is an even more dramatic story. In 1913, less than one-fourth of all adult women worked outside the home; in 1987, a clear majority do so. Seventy-five years ago, women made up less than 20 percent of the work force; today they represent nearly 50 percent. Women have not only entered the labor market in greater numbers, but they have remained there for longer periods. Only 10 percent of all 40-year-old women worked in 1913, compared with close to 50 percent of such middle-aged women today. Most notable has been the vast increase in the participation rates of married women. At the time of the inception of the Department of Labor, a small minority of married women, be-

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tween 2 and 3 percent, were in the job market, compared with 40 percent today. The addition of women to the workplace certainly represents a major transformation.

The ethnic composition of the work force has also changed. Large-scale immigration at the turn of the century—more than 1 million immigrants reached these shores in 1910 alone—swelled the foreign-born component of the laboring population. While the foreign-born constituted no more than 20 percent of total workers at that time, in major manufacturing centers, particularly in the Midwest and Northeast, they were a visible majority. The enactment of quota restrictions in 1921 and 1924 slowed immigration to a trickle, and the proportion of foreign-born came to represent a declining proportion of workers, although second- and third-generation immigrants continued to dominate certain industries. However, two recent decades of increased immigration from Latin America and Southeast Asia have raised the proportion of foreign-born in the American workplace again.

The role of blacks in the workplace has changed, too. In 1913, nearly 90 percent of the black population lived in the South and worked in private homes as servants and on the land as sharecroppers and tenant farmers.⁴ Around World War I, blacks began migrating in great numbers to the North and West; today less than one-third of the black population reside in the South. Black migrants found few employment opportunities in the new areas: about 90 percent of the women found jobs as domestics, and the men occupied service and common day-labor positions. Only during and after World War II did blacks swell the industrial work force; unfortunately, progress came at a time when the Nation began a long-term process of industrial decline. The greater presence of blacks in the workplace in general is another part of the story of the changing demography of work.

Conditions and standards. Improvements during the last 75 years in the conditions and standards under which workers have labored represents a third way in which the American workplace has been transformed. The days worked each week and the hours worked each day have declined; safety on the job has improved; employment is more regular; various extra awards, such as paid vacations and sick leave, have been institutionalized; and a range of protections is offered—from grievance procedures, promotion systems, and seniority rights to unemployment, workplace injury, medical, life, and pension insurance. The comparison between 1913 and 1988 is clear.⁵

However, progress in fringe benefits and job security has not been uniform or universal. A

significant feature of work in 20th-century America is the emergence and development of two sets of occupational opportunities and experiences. Some workers now hold positions that are relatively well paid, safe, stable, rewarding, and open-ended in terms of advancement and responsibility. Other workers are confined to a sphere of dead-end, casual jobs that have none of these advantages. A bifurcated labor market based on standards and not just on skill is a feature of modern-day work.

Work experience. What about the content, nature, and organization of work in the United States during the 20th century? The vast diversity of work settings and pursuits makes generalizations on this subject open to qualification. Still, voluminous research literature attests to the reality that few American workers derive inherent pleasure or satisfaction from their work; that for most, work is not an end in itself, but a means toward greater income and consumption; and that social interaction at the workplace is valued more than the work itself.⁶ Whether alienation on the job is significantly greater now than it was 100 or 150 years ago is impossible to determine; the conditions breeding disaffection, however, certainly predate the establishment of the Department of Labor, with patterns established in the 19th century continuing into our own times. In the last 75 years, there has been precious little change in the nature of the work experience.

The long-range cause of modern workplace alienation can be traced to transformations in the organization of work that date to the early 19th century. Production of goods according to divisions of tasks on the basis of wage labor and with the use of machinery began then and evolved, albeit in an uneven fashion, throughout the 1800's. At the turn of the 20th century, the division of labor became a studied and concerted matter with time-and-motion studies, piece-rate incentive systems, and publicity efforts of people like Frederick Winslow Taylor. "Taylorism" also had an uneven history—there was notable resistance from workers and usurped supervisors alike, adding to the unrest of the day that led to the creation of the Department of Labor, and the whole process of task definition and ratemaking could be quite cumbersome in all but the most standardized production endeavors. Yet, detailed task work has become fixed practice in this century, and has been extended from manufacturing to office and service work. Moreover, innovation in "conveyor belt" technology, brought to the fore by Henry Ford and others, wed the machine to the principle of division of labor, leading to more

fully developed assembly-line production than ever contemplated or implemented in the 19th century.⁷ The overburdening of the workplace with new layers of hierarchy and bureaucracy added to the sense of powerlessness for workers. Thus, for some employees, work has gradually become more monotonous, meaningless, and dispiriting.

However, there are exceptions to this general portrait of work. Small work settings, small-batch work, and the production of goods according to craft practices persist; some workers, particularly those in new technical occupations, enjoy great autonomy and responsibility; the professional job market has expanded (although specialization increasingly marks the work of lawyers, doctors, and the like); and workers, too, either formally or informally, continue to counter the more dehumanizing aspects of work. Still, recent losses in productivity and the well-documented fact of worker dissatisfaction have rendered the reorganization of work an important issue. At stake is a possible reversal of patterns set in motion at the dawn of the industrial capitalist age.

Role of Labor Department

The setting and social demography of the workplace, as well as the conditions under which the great majority of workers toil, have changed remarkably since the Congress established the Department of Labor in 1913. What role has the Department played in these changes? The activities of the Department of Labor have affected the workplace, although it is in the area of standards that the agency's impact has been the greatest.

The Department of Labor has figured in only a limited and indirect way in shifts in the location of work in this country since 1913. Department enforcement of regulations on conditions of work has raised the costs of labor and contributed to sectoral shifts, but this aspect is relatively insignificant and misses more important parts of the total story. Increased agricultural productivity induced by mechanical, chemical, and organizational innovation, the rising capital costs of farming, and the lure of nonagrarian pursuits have brought about a precipitous absolute and relative fall in the number of people working the land.

Increased productivity, foreign competition, and capital mobility and flight similarly have led to very recent declines in manufacturing employment, although compared with farming, the industrial component of the work force has remained fairly stable over the last 75 years. The further formation of national and international markets as well as growth in the scale of enterprise have likewise contributed to an increase in

white-collar employment—more and more workers are needed for the coordination, monitoring, accounting, and facilitation of the flow of goods and services through our more complicated, global economy. Large-scale occupational shifts, then, have had little to do with the existence and operations of the Department of Labor, although there is one worksite—the home—where the agency has played a role in employment shifts.

Home work. The home has always been a critical location of both paid and unpaid work.⁸ Despite modern laborsaving devices and reductions in the drudgeries of home work, the hours spent in the uncompensated toil of home and family maintenance have not decreased notably over this century. Before 1800, moreover, practically all goods produced in this country were made in the home for direct family consumption or local barter. The spread of market activity and mechanized manufacture placed industry outside the home for the first time, but rather than disappearing, home work continued in the 19th century on the basis of the putting-out system and with goods produced expressly for sale in the marketplace. Such contracted home labor had the potential to be classically exploited and "sweated," and by the 20th century, the practice was under increasing attack from reformers and trade unionists. In the 1940's, officials of the Department of Labor, relying on powers afforded under the Fair Labor Standards Act of 1938, banned or began policing home work in the most corrupt of instances, garment and apparel making. The Department, in monitoring paid work in the home in this way, played a direct role in changes in work settings. The question of home labor, however, is far from resolved. Pressure is mounting for the Department to lift its restrictions against work in the home, and as the microcomputer revolution is allowing for the dispersal of certain kinds of office work, the issue of standards by which family members work in the home on a contract basis becomes germane again.

Workplace demographics. The Department of Labor, on the surface, has had as minimal an impact on changes in the social composition of the work force as on the location of work. State compulsory school attendance laws, Federal and State acts banning child labor, the greater value families place on education of children, and general gains in real income have been responsible for the decline in labor force participation of young people. Similarly, Social Security legislation and improvements in real income accumulation have contributed to a reduction in the number of senior citizens at work. Changing

attitudes and family economics, as well as equal opportunity legislation and rulings, have dramatically increased the numbers of women in the workplace. Transformations in southern agriculture and civil rights agitation and enforcement have also made blacks a greater part of most workplaces. While the Department of Labor regulated immigration and naturalization until 1940 when the Department of Justice assumed charge, the reduction in the numbers of foreign-born at work in America has had more to do with popular feelings, politics, and congressional decisionmaking than direct Labor Department activity.

In at least three ways, however, the Department of Labor has played an important role in the changing demography of the workplace. The steady stream of investigative reporting flowing from the original Bureau of Labor, and then from the Bureau of Labor Statistics and the Children's and Women's Bureaus of the Department of Labor have placed the easily hidden labor market problems of children, women, blacks, and immigrants clearly in view and provided ammunition for reformers and reason for legislative action. Various Secretaries of Labor have also been prime movers behind legislation and executive orders opening the doors of the American workplace to disadvantaged groups.

Job placement. The Department of Labor also significantly figures in the flow and funneling of workers into and through the labor market, particularly people in search of work. The Department, through the U.S. Employment Service, operates the largest labor exchange in the world, collecting information on job openings from employers and providing referrals to prospective employees.⁹ This function dates back to 1907 when the Bureau of Immigration and Naturalization opened an employment office for immigrants. The Labor Department inherited this operation in 1913 and, in 1915, the U.S. Employment Service was created to assist the general population of unemployed and jobseekers. The Employment Service flourished during World War I, helping to allocate labor to wartime industries; then its role was curtailed in the 1920's. The Wagner-Peyser Act, passed in 1933, created a new U.S. Employment Service which now is in its sixth decade of service. Starting in the 1940's, various attempts were made to upgrade the Employment Service's image and function by asking it to handle more than low-level entry positions. In recent years, the Employment Service has made between 4 million and 5 million placements a year, upwards of 15 percent of the yearly total of new hires in the economy.

Worker training. A third way in which the Department of Labor affects the demography of the work force lies in worker training, especially in efforts to enhance the skills and potential for employment of young people and older displaced workers. This role has developed in a fuller manner only recently.¹⁰ The Department oversaw special training programs during World Wars I and II and in 1937, under the National Apprenticeship Act, received responsibility for promoting and monitoring the apprenticeship programs of businesses. Until the 1960's, the Federal Government's role in labor force participation, however, remained centered on schools and the encouragement and financing of vocational education. At that time, widespread youth unemployment and the severe employment problems of various disadvantaged groups called for a different approach and program. In 1961, the Congress enacted the Area Development Act and, in 1962, the Manpower Development and Training Act, which placed the Labor Department in charge of a number of training efforts. Jurisdiction for these projects was divided among a number of Federal agencies, and general support has wavered since the early 1970's; yet, the Department of Labor's record on manpower training gives it definite first claim on future initiatives.¹¹

Enforcing standards. As to the question of the standards and conditions under which men and women work, a number of developments can be cited to account for the change. The labor unrest of the late 19th and early 20th centuries was a sure sign that new strategies had to be forged to remotivate labor—the corporate form itself, bureaucratic structures of management, and assembly-line production techniques had destroyed incentives. If the work held no inherent interest or value now, if independent masterhood no longer served as a goal, diligence and loyalty had to be instilled and engendered in unprecedented ways. The stick approach—increased supervision, Taylorism, union-busting—worked only to a point; corporate managers were now forced to look for and experiment with more positive methods. Allow for careers within firms, create status hierarchies and promotion systems, offer new benefits, social programs, and insurance protections—these were paternalistic efforts first attempted at the turn of the century and greatly extended during the 1920's. Improved conditions thus came partially from top management in response both to the symptom, industrial conflict, and the cause of the problem, changes in the organization of production at the workplace.

Workers also forced new standards from below. Unions demanded higher wages, shorter

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hours, guaranteed work, grievance and seniority rights, and pensions. Part of the great campaign to organize workers in the mass production industries in the 1930's, in fact, represented an effort by workers to reinstall under union control many of the paternalistic programs jettisoned by managers during the stringent times of the Great Depression; transforming jobs with few advantages to more secure and desirable employment was another aspect of the organizing campaign. In this way, the unions contributed to the creation of a two-tiered labor market and institutionalization of a new system of work incentives.

Government also played a critical role in improving conditions of employment, and here the Department of Labor figured as the key agent of change. The Department's role in setting and enforcing standards dates to World War I, when firms receiving government orders for goods and services had to abide by various stipulations on working conditions formulated and overseen by the Department. In 1934, a Division of Labor Standards was created in the Department with the responsibility to encourage and advise State officials in the formation of local ameliorative measures. Legislation passed during the New Deal years also placed the Department in charge of setting and upholding guidelines for work on Federal construction projects and, once again, firms under contract to the Government. The Fair Labor Standards Act of 1938, which among other items banned child labor and established maximum hours and minimum wage rates for enterprises engaged in interstate commerce, represented a crowning touch. The act rendered the Department of Labor the official policing agency of the workplace, a crucial function it fulfills to this day.

Safety and health. Finally, in the last two decades, the Department has assumed a new role specifically relating to safety and health standards at work, certainly a vital matter. In 1970, the Congress passed the Occupational Safety and Health Act, which gave the Department of Labor authority to set guidelines to protect workers from work-related accidents and diseases and the power to inspect workplaces and fine employers who violated Department-established regulations. In 1971, a separate executive agency, the Occupational Safety and Health Administration, was created to enforce the requirements set and revised by Labor Department officials. While the actual impact of the Occupational Safety and Health Administration remains an issue of debate, the Department continues its historical role in improving conditions of work by attending, since the early

1970's, to the specific but crucial matter of workplace safety.¹²

Future challenges

If there is one area of working conditions that remains impervious to change, it is in the nature of the work experience. The Department of Labor in its traditional charge of documentation and publication has helped make workplace alienation a public concern, but the agency has not played a transformative role. This raises the question of the future course of action. What place will the Department of Labor occupy in decades to come?

Any discussion of the future role of the Labor Department must acknowledge that the agency operates under severe limitations. The Congress delegates responsibilities and provides funding; respective Presidents and Secretaries of Labor shape the Department's practices and sway.

Over the last 75 years, the Department of Labor, through successive bureaucratic overhauls, has also seen its jurisdictions circumscribed, eliminated, and partitioned. The Department's authority over immigration was transferred to the Department of Justice in 1940; its authority over conciliation was passed to the Federal Mediation and Conciliation Service in 1947. The Congress created a separate National Labor Relations Board and Social Security Administration which are involved in activities that could have been lodged in the Labor Department. During the 1960's, the agency further shared responsibility for worker training with numerous other Federal offices (creating a scattered and diffused initiative). Since 1913, questions about the Department's relationship with the trade union movement have made congressional legislators hesitant to render it full powers. The Department's future course and role, then, is not certain.

The Labor Department, however, could play an important part in the pressing current and continuing problem of workplace alienation. Worker-owned businesses, team production, quality-of-worklife groups, and greater worker participation in managerial decisionmaking are reforms presently being discussed and tried. A national commitment to transforming the organization and experience of work might see the Department of Labor, in the years ahead, becoming initiator, designer, monitor, and regulator of such efforts. In the absence of this new kind of mandate, the Department no doubt will continue to fulfill its original mission: to enforce standards already agreed to by legislators and gather the information necessary for the American people to make better decisions about the way we work. □

"...the official policing agency of the workplace..."

¹ Standard histories of the Department of Labor include *Twenty-Five Years of Service, 1913–1938* (Department of Labor, 1938); *The Anvil and the Plow: A History of the United States Department of Labor* (U.S. Department of Labor, 1963); Ewan Clague, *The Bureau of Labor Statistics* (New York, Praeger Publishers, Inc., 1968); and Jonathan Grossman, *The Department of Labor* (New York, Praeger Publishers, Inc., 1973).

² Melvyn Dubofsky, *Industrialism and the American Worker, 1865–1920* (Arlington Heights, IL, Harlan Davidson, 1985). Scholars remain in debt to the Department of Labor for its voluminous publications. Statistics reported in this essay are drawn from a remarkable historical compendium of information on the American workplace, *Two Hundred Years of Work in America* (U.S. Department of Labor, 1976).

³ Philip Scranton and Walter Licht, *Work Sights: Industrial Philadelphia, 1890–1950* (Philadelphia, Temple University Press, 1986).

⁴ William H. Harris, *The Harder We Run: Black Workers Since the Civil War* (New York, Oxford University Press, 1982).

⁵ Historical treatments of the American workplace in the 20th century include Richard Edwards, *Contested Terrain: The Transformation of the Workplace in the Twentieth Century* (New York, Basic Books, 1979); Andrew Zimbalist, ed., *Case Studies in the Labor Process* (New York, Monthly Review Press, 1979); Michael Burawoy, *Manufacturing Consent: Changes in the Labor Process Under Monopoly Capitalism* (Chicago, University of Chicago Press, 1979);

David Gordon, Richard Edwards, and Michael Reich, *Segmented Work, Divided Workers: The Historical Transformation of Labor in the United States* (New York, Cambridge University Press, 1982); and Sanford Jacoby, *Employing Bureaucracy: Managers, Unions, and the Transformation of Work in American Industry, 1900–1945* (New York, Columbia University Press, 1985).

⁶ Special Task Force to the Secretary of Health, Education, and Welfare, *Work in America* (Cambridge, MA, MIT Press, 1973).

⁷ David Hounshell, *From American System to Mass Production, 1800–1932: The Development of Manufacturing Technology in the United States* (Baltimore, Johns Hopkins University Press, 1984).

⁸ Susan Strasser, *Never Done: A History of American Housework* (New York, Pantheon, 1982).

⁹ Henry Guzda, "The U.S. Employment Service at 50: it too had to wait its turn," *Monthly Labor Review*, June 1983, pp. 12–19.

¹⁰ Ewan Clague and Leo Kramer, *Manpower Policies and Programs: A Review, 1935–75* (Kalamazoo, MI, W. E. Upjohn Institute For Employment Research, 1976).

¹¹ Joseph Hamilton Ball, "The Implementation of Federal Manpower Policy, 1961–1971: A Study in Bureaucratic Competition and Intergovernmental Relations" (Ph. D dissertation, Columbia University, 1972).

¹² Charles Noble, *Liberation at Work: The Rise and Fall of OSHA* (Philadelphia, Temple University Press, 1986).

The day the Department was born

The law creating a U.S. Department of Labor, signed by President William H. Taft on March 4, 1913, was virtually overlooked among the historic events of that day. The city of Washington was bursting with goings on of all kinds. It was Inauguration Day for Woodrow Wilson and there was the usual social whirl that accompanies such an event. In addition, the 62d Congress was still in session on Inauguration morning. The retiring President had a pile of bills upon which to act, one of them being the Sulzer Bill to create a Department of Labor headed by a Cabinet officer.

Taft had mixed feelings about the bill and faced a difficult choice: he could sign it into law, even though he was not pleased with it; he could veto it outright, even though his objections to the bill might be misinterpreted; or, by taking no action, he could let the bill die when his term of office ran out—the so-called "pocket veto." That morning the *New York Times* reported that the outgoing President might veto the bill, send his reasons to Congress, and give the advocates of the measure a chance to override his veto, if they could.

After an early breakfast, with only a few hours before Woodrow Wilson took office, President Taft went to the executive office in the Senate. The Department of Labor bill was still unsigned. Following tradition, the President-elect arrived at the office before being received in the Senate. He could see the rotund figure of Taft at work in the next room signing bills. During these closing hours of his administration, President Taft signed into law the act giving birth to the Department of Labor.

—JONATHAN GROSSMAN,
"The origin of the U.S. Department of Labor,"
Monthly Labor Review, March 1973, p. 3.