The New Deal for management and organizational studies
Lessons, insights, and reflections

Albert J. Mills, Terrance G. Weatherbee, Jason Foster, and Jean Helms Mills

Introduction

Recreating an accurate and objective picture of the New Deal may be more important today than at any other time in the last eight decades. To study the period is to be struck by the parallels between the economic and political conditions of the 1930s and those of the opening years of this century. (Hiltzik, 2011: 426)

The New Deal refers to a set of sweeping legislative reforms that characterized much of the early stages of President Franklin Delano Roosevelt’s administration, from 1933 to 1945. In particular it refers to a series of progressive enactments that saw millions of unemployed workers engaged in public works to improve the infrastructure and cultural life of the United States; the institution of trade union rights to organize; and the institution of social welfare (Genoe McLaren, 2011).

This chapter builds on earlier work (Foster, Mills, and Weatherbee, 2014) that examines the implications of our neglect of the New Deal era in Management and Organization Studies (MOS). In that work we argued that the sheer magnitude of the Roosevelt administration’s ‘New Deal’ activities make it hard to imagine how and why it was subsequently ignored by the emergent field of MOS. Drawing upon various sources that explain the development of the field in the Cold War context (Cooke, 1999; Tadajewski, 2006; Kelley, Mills, and Cooke, 2006; Landau, 2006) as a time in which MOS emerged as an ‘historical’ field of study (George, 1972; Wren, 1972), we agreed with Burrell and Morgan’s (1979) characterization of the field as having become ahistorical, managerial, and overly focused on private sector organizations.

Drawing on these two foci – the socio-political context of the Cold War and the role of history in field definition – we go on to argue that the exclusion of the New Deal from MOS study was part of a paradigmatic process (Burrell & Morgan, 1979) that was bounded by networked politics (Latour, 2005) and a particular formative context (Unger, 2004). It was a process that saw certain actors, theories, studies, and areas of interest included within the MOS domain while others were excluded.
We argued that as MOS developed as a field of enquiry in the United States it was heavily influenced by the context of the Cold War and related activities, such as the rise of McCarthyism (Foster, Mills, and Weatherbee, 2014), an era that encouraged the intellectual avoidance of issues and topics that may be viewed as challenging the social, political, and economic status quo (Kelley, Mills, and Cooke, 2006; Schrecker, 1986; Robin, 2001). Over time, as the field was entering a more mature stage of paradigm development (Kuhn, 1962), creating boundaries of inclusion and exclusion (Khurana, 2007), it went through a period of narrowing focus, in part through the development of retrospective histories (George, 1968, 1972; Wren, 1972, 1979), that helped to shape who was and who was not considered a significant contributor to the emerging field of MOS.

For example, Fredrick Taylor and Max Weber were deemed the fathers of Scientific Management and Organization Theory respectively (Mills, Weatherbee, and Durepos, 2014). It would not be until decades later before any ‘mothers’ would be added to the histories of the field, in particular Mary Parker Follett (Graham, 1996; Schilling, 2000; Phipps, 2011; Tancred-Sheriff and Campbell, 1992). Individuals who were considered ‘radicals’ or ‘liberals’ were left out of historical accounts while those considered pro-business theorists were privileged in their inclusion (Cooke, 1999). Frank Gilbreth found his place as an extender and contributor to scientific management while the ‘leftist’ Mary van Kleeck was all but exercised out of any account (Nyland and Heenan, 2005). As Scientific Management was designated as the founding school of MOS with Frederick Taylor as its founder, other pioneers, including Harrington Emerson, all but disappear behind Taylor’s historical shadow (Urwick, 1956; Urwick and Brech, 1957). Histories of the emergent Human Relations School, seen as spanning the late 1920s to the early post-war years (Koontz, 1962; Wren, 1972), refer, for the most part, solely to the Hawthorne Studies and Lewin, Lippitt, and White’s (1939) leadership studies. The New Deal simply happened elsewhere, i.e. outside of the realm of management studies. At the same time that Elton Mayo (1933), Fritz Roethlisberger and William Dickson (1939) are credited as leading members of the new Human Relations School, Whiting Williams “was all but forgotten” (Muldoon, 2012: 107) as were others. The names of the men and women at the forefront of the progressive philosophy of the New Deal were, with few exceptions, completely ignored. This notable group includes Frances Perkins, Harry Hopkins, Harold Ickes, Henry Wallace, David Lilienthal, Adolf Berle, and several others.

In this chapter, we first set out to recover the New Deal and some of its leading figures and bring them into MOS. We do not simply seek to add them into the existing histories of MOS but rather to show how MOS histories have served to not only define the field but also to constrain what is considered a valid area of study. Second, we argue MOS as a discipline is too narrow and needs, going forward, to be more imaginative in its choice of stories and exemplars when dealing with the broad range of economic, behavioural, social and political factors that confront humankind’s ability to organize and manage its affairs.

While we share Hiltzik’s (2011) contention about the need to study the New Deal for lessons relevant for today, it is not our intention to create a more ‘objective’ or more ‘accurate’ historical picture of the New Deal. Our purpose is to explore several aspects of the New Deal with the aim of developing insights for management theory, practice, and history. We remain aware of the criticisms levelled at the New Deal, including issues such as segregated work practices and the failure to adequately deal with questions of fair or equal treatment of employment opportunities regardless of race and gender (Taylor, 2008; Katznelson, 2013; Rowbotham, 1999; Josephson, 1967). We certainly agree with most, if not all of these criticisms, but we would also argue they cannot be levelled at the New Deal alone. Scientific Management, Human Relations, and MOS in general have all been subject to these same criticisms (Acker and van Houten, 1974; Nyland and Heenan, 2005; Hearn and Parkin, 1983). Valid criticisms are not a reason to exclude the New...
The New Deal for management and organization studies

The New Deal from consideration in MOS, but rather a tempering factor to be taken into account when evaluating its contributions.

Before beginning our analysis of the New Deal and its adherents, it is important to clarify our approach to history in order to avoid the impression that we view the task as one of revealing the facts of the case and of adding to existing histories. As has been contended elsewhere, ‘history’ and ‘the past’ need to be viewed as outcomes of a series of socio-political activities rather than an act of the uncovering of facts (Durepos and Mills, 2012b). We are arguing for a new way of conceptualizing history and the importance of allowing our imagination to be open to new and different social constructions of the boundaries of MOS. We employ ANTi-History (Durepos and Mills, 2012a, 2012b; Foster, Mills, and Weatherbee, 2014), an approach which sets out to deconstruct the notion of history as a meta-discourse (Jenkins, 1995) while simultaneously celebrating the importance of storytelling about the past to social life. This approach leads us to view history as the outcome of socio-political relations rather than factual accounts of the past (White, 1973; Jenkins, 1991).

Methodological approach

In this section, we outline our approach to the study of history and the past that draws upon poststructuralist historiography (Jenkins, 1991; Munslow, 2010), cultural theory (Green and Troup, 1999), Actor-Network Theory (Latour, 2005), and the sociology of knowledge (Mannheim, 1985) to constitute what Durepos and Mills (2012b) call ANTi-History. In brief, it is an approach that views history as a social construction of the past; one that is rooted in the knowledge-producing activities of actor-networks (Latour, 2005). The approach has been outlined (Durepos and Mills, 2012a, 2012b; Weatherbee et al., 2012) and applied (Myrick, Helms Mills, and Mills, 2013; Durepos, Helms Mills, and Mills, 2008) in depth elsewhere. Here we will make five key arguments of particular relevance for understanding our focus upon the New Deal and its importance for MOS.

History as narrative (White, 1965): According to White, facts do not simply ‘speak for themselves’ but are selected and produced through narratives. A plausible history is a result of the historian’s ability to select and assemble ‘facts’ (persons, events, places, and times) into a particular narrative form, rather than being a reflection of the past based on ‘facts’. In histories of MOS, therefore, it can be argued that the people (e.g. Weber) and events (e.g. the Hawthorne Studies) which characterize the origins of the field are the outcome of selective choices made by various actors in MOS such as historians (e.g. George, 1968; Wren, 1972), well-known textbook authors (e.g. Robbins, 1989) and other researchers, theorists, and educators. Further, the process of selection is also a process of non-selection. The exclusion of certain events, we contend, is a function of narratives that are grounded in and built out of the extant philosophies of managerialism and the capitalist enterprise. Heeding Witzel’s (2012: 103) call for “more managerial biodiversity [through] the circulation of as many management models and paradigms as possible”, we hope to offer MOS an alternative narrative to the dominant viewpoint through our focus on the New Deal.

The “past-as-history” (Munslow, 2010 – see also Chapter 10 this volume): So far we have talked as if narratives build on the facts of the past and somewhere in those narratives (or histories) can be found elements or factual traces of the past that are somehow selected over others. However, Munslow (2010) argues the past and history is largely conflated in studies of history, where what happened before now (namely the past) becomes represented as history (i.e., seemingly more or less accurate accounts of the past). In the process, history is seen as a legitimate account of the past and the past becomes viewed as history ready for the telling. However, as Munslow (2010) further contends, the past and history are arguably “ontologically dissonant”; the past is ontologically unavailable to the historian. Applying this logic to
the New Deal, we contend the people and events associated with MOS through its various histories (Wren, 1972; George, 1968), and other accounts (Robbins, 1988) are the results of specifically selected actors that serve a particular paradigmatic worldview. In the process the New Deal and its architects have been excluded from MOS past-as-history. Through our own selection and social construction of an historical narrative we set out to challenge the narrow paradigmatic character of MOS and to open debate about the multitude of organization and management stakeholders whose voices, as of yet, have been marginalized by the field’s restrictive for-profit focus.

**History as meta-discourse** (Durepos and Mills, 2012b; Jenkins, 1995): In terms of power/knowledge (Foucault, 1980) it can be argued that the conflation of history with the past reinforces the idea of history as knowledge of the past (i.e. reproduction of the past is underwritten by the understanding that the past has a real character whose truth can ultimately be revealed). This understanding of history is produced through the practices of History (particularly at the disciplinary level but also through public and popular histories – Kalela, 2012), which have a powerful impact on what people accept as truth.

**History and the socio-politics of relations** (Durepos and Mills, 2012a; Durepos, Helms Mills, and Mills, 2008; Law, 1994; Latour, 2005): To understand the relationship between knowledge and the past we turn to Actor-Network Theory (ANT). Here we seek to understand how particular forms of knowledge arise out of the interactions of a series of human and non-human actors working in concert. This exploration raises questions of how history is made and how its influence is felt. As Witzel (2012: 5) expresses it, “the study of management history is important [because of] the light it can shed on why some ideas and concepts in management survive and are widely adopted, while others disappear”. Witzel suggests the answer lies in the socio-economic contexts in which ideas arise, technological advancement, and the simplicity and practicality of the ideas presented. We largely agree but would also add there is a need to study the role of networks of actors (human and non-human) in the spread or failure of ideas (Latour, 1988). Recent accounts by Shenhav and Weitz (2000) and Bruce and Nyland (2011) have usefully attempted to reveal the effect of actor networks on the respective development of Scientific Management and the Human Relations School. While these accounts sometimes reinforce and sometimes contradict the broader links to technology and socio-economic context in mainstream historical accounts, they don’t fully explain how the New Deal and its architects came to be almost wholly ignored by MOS (Foster, Mills, and Weatherbee, 2014).

**History as a non-corporeal actant** (Weatherbee et al., 2012; Mills and Durepos, 2010; Durepos and Mills, 2012a; Hartt, 2013): Here we ask how does history as knowledge come to be developed? The process is iterative and double-looped in that not only must we seek to ‘follow the actors’ in the development of knowledge but we must also simultaneously seek to understand history as an actor in the process. Hartt (2013) refers to history in this sense as a “non-corporeal actant” – something that profoundly influences the pursuit and understanding of knowledge that is itself embedded in flows of ideas. As a consequence, in attempting to recover a sense of the New Deal we need to be mindful that our sense is highly filtered through various extant histories, histories which are themselves outcomes of the socio-politics of relations (Durepos, Helms Mills, and Mills, 2008). This reminder alerts us to the fact we are not setting out to replace one truth (e.g. dominant notions of the development of management theory) with another (i.e. a New Deal focus). Rather we are encouraging a greater multiplicity of thought within MOS.

In the following section of the chapter we make a case for the importance of New Deal studies based on the sheer magnitude of the New Deal undertaking and relevance for MOS. To do this we explore selected theorists, philosophies, and action before examining some of the key themes and issues raised by the New Deal undertaking as a whole.
The magnitude

In contemporaneous accounts and histories of MOS (George, 1968; Rose, 1978; Wren and Bedeian, 2009), two companies stand out in the strength of their associations with the theoretical contributions of management theorists – Bethlehem Steel and Taylor (e.g. 1911), and Western Electric’s Hawthorne Works and the works of Mayo (1933) and Roethlisberger and Dickson (1939). There can be no doubt these two companies occupied an important role in the US economy of the day and employed large numbers of workers. Bethlehem Steel at its peak was the second largest steel producer in the United States and Western Electric played a pivotal role in the telephone equipment industry as the supplier of almost “90 percent of all the telephone equipment used in the United States.” Arguably then, the sheer size and importance of these organizations in economic and social terms were factors in the legitimation of management theorizing by Taylor, Mayo, Roethlisberger and Dickson. While a focus on these companies and associated management research is understandable, less understandable is the neglect by MOS researchers of the agencies of the New Deal, whose magnitude dwarfs that of Bethlehem Steel and Western Electric combined.

Even at the time the initial concept of the ‘New Deal’ was being developed it was, for the most part, ill-defined (Taylor, 2008; Morgan, 2003; Schlesinger, 1959; Kennedy, 2005). Nonetheless, it became most closely associated with a number of agencies and laws (see Table 19.1) that were far-reaching in their impact upon the socio-economic and cultural lives of the people of the United States through much of the 1930s and 1940s and beyond.

In terms of work and employment alone, New Deal agencies collectively, at one time or another, employed almost 10 million people. For example, the Civil Works Administration (CWA) was employing around 4.25 million people by the start of 1934. By late 1935 the Civilian Conservation Corps (CCC) was employing 500,000 young men, with more than 2.5 million moving through its ranks over its brief tenure. By its peak in late 1938 the Works Projects Administration (WPA) alone was employing 3.3 million workers (Taylor, 2008; Schlesinger, 1959; Hiltzik, 2011). Over its duration, Roosevelt’s New Deal agencies built 85 per cent of all airports in the United States; 650,000 miles of roads; 125,000 civilian and military buildings, and 78,000 bridges (Taylor, 2008).

The impact was not just economic but was also profoundly social. For example, the WPA is credited with serving “900 million hot lunches to schoolchildren”; operating 1,500 nursery schools; presenting 225,000 concerts to audiences and performing “plays, vaudeville acts, puppet shows, and circuses before 30 million people”; and producing around 475,000 works of art, 276 full-length books and 701 pamphlets (Taylor, 2008: 523–24). Finally, the welfare philosophy behind the WPA’s approach to work relief programs would also “dictate welfare policy, for better or worse, for the next sixty years” (Taylor, 2008: 111). As Hiltzik (2011: 421) contends, “the New Deal physically reshaped the country. To this day, Americans still rely on its works for transportation, electricity, flood control, housing, and community amenities.”

In developing and operating these various agencies, those involved were forced to confront a range of organizational, management, social, and political problems in a very short space of time. While managerial and organizational decisions sometimes came from progressive impulses, at times they were conservative ones, and in others even reactionary (Josephson, 1967). More often than not they arose out of necessity and were pragmatic, political, and the outcome of negotiated compromise. New Deal activities were not unified nor homogeneous, and have been described as “the product of varying circumstances, impulses, beliefs that often stood in flagrant contradictions with one another” (Robert Moley, quoted in Hiltzik, 2011: 427). In other words, the New Deal should not be seen or characterized as either a progressive or a conservative panacea for
organizational and management issues but rather a complex phenomenon that challenges our understanding of what should appropriately compose the field of MOS.

A brief examination of some of the major issues to confront ‘New Dealers’ yields a sense of the types of concerns and problems relevant to MOS today – specifically the interrelations of capitalism, government, and business, and the place of social responsibility, social and industrial welfare, and the role of labour unions.

**Capitalism and the role of government**

Perhaps the most critical issue that New Dealers faced was the role of government and its relationship to capitalism. That Roosevelt’s administrations (1933–45) were often torn between progressive and conservative forces is beyond the scope of this chapter (Leuchtenburg, 2009; Schlesinger, 1959; Taylor, 2008). What is of interest, however, is that the associated debates and
policy decisions raised widespread questions about private ownership and its relationship to social welfare. To some extent these debates had been taking place for some time among scientific management adherents and the members of the Taylor Society (Nyland and Heenan, 2005) but the New Deal provided a greater, more widespread, platform for dissemination, awareness, and discussion of these issues.

When Roosevelt was elected in 1932 it was the tail end of the so-called New Era in which successive administrations, including that of Coolidge and Hoover, had been notably friendly to business interests.\(^8\) The era can be characterized by “weak central government” (Witzel, 2012: 104) that “was dictated by a revered American political philosophy that denied central government a role in addressing social problems” (Taylor, 2008: 8). Much of this philosophy can be found embedded in the business textbooks of the time. The textbooks either expressed opposition to government intervention in the affairs of business (Koontz, 1941) or were absent of any discussion of the role of government in business (e.g. Barnes, 1940). With the onset of the Second World War much of this debate subsided and did not resurface during the Cold War era (Kelley, Mills, and Cooke, 2006), an absence which defaulted to a pro-business worldview (Burrell and Morgan, 1979).

In the face of mass unemployment and rising social unrest Roosevelt had little time to find a way forward and, if nothing else, was open to new ideas and experimentation. Although initially drawing on both conservative and progressive forces, Roosevelt found himself increasingly drawn to the latter in his first term of office (Schlesinger, 1959). These included persons such as Adolf Berle, Rex Tugwell, Henry Wallace, Robert Wagner, David Lilienthal, Frances Perkins, Harold Ickes, and Harry Hopkins.

Berle, a noted liberal economist, argued against the concentration of corporate power (Berle and Means, 1932), contending that “the domination of the US economy by a shrinking cadre of industrial barons had stifled opportunity for the average American” (Hiltzik, 2011: 9), and at one point argued for the nationalization of “great blocks of industry” (Leuchtenburg, 2009: 265) to deal with the economic crisis. According to Schlesinger (1959: 183), “Berle’s deeper interest was in developing a new moral climate. Business could no longer be primarily an affair of making profits, its object must now be to provide goods and services to allow people to live full lives.” Rex Tugwell came to the New Deal with a distrust of business (Leuchtenburg, 2009: 35) and an interest in economic planning (Tugwell, 1933) that would see industries coordinated through an Industrial Integration Board and then each board’s planning would be reconciled “with the basic plan laid down by the government” (Schlesinger, 1959: 93). As Assistant Secretary of Agriculture, Tugwell sought “national regulation of production through democratic planning” (Schlesinger, 1959: 183), and argued for a widespread commitment to public works, large-scale expenditures on relief and curbs on profiteers (Leuchtenburg, 2009: 84). What Berle and Tugwell urged for industry, Henry Wallace, the Secretary of Agriculture, planned for farming.

Meanwhile, New York Senator Robert Wagner constantly raised the issue of labour rights, contending that “labor must have a guarantee of collective bargaining” (Leuchtenburg, 2009: 57). Wagner’s efforts led, in 1935, to the National Labor Relations Act (NRLA — or Wagner Act) and the establishment of the National Labor Relations Board (NLRB). The Wagner Act was far-reaching in giving employees the right to collective bargaining and in compelling employers to allow unionization of their workplaces when a majority of workers were in favour of so doing (Foner, 2012). David Lilienthal brought forth calls for “grass roots democracy” and the “decentralized administration of centralized authority” (Schlesinger, 1959: 332) into the debates about the future of work and large-scale organizations. These principles were then applied to the Tennessee Valley Authority (TVA) that Lilienthal himself helped to conceive and lead.
While some were questioning managerial rights in industry, others, including Perkins, Ickes, and Hopkins, were more concerned with social welfare and citizens’ rights. Between them they managed to oversee the employment of tens of millions of people through the WPA, the CCC, and the Public Works Administration (PWA) and the advent of the Social Security Act. All of which had a tremendous impact on work, organization, and employment in the United States.

Theorists, philosophies and action

As a movement human relations was diffuse, and Mayo never led it except in a symbolic sense – and largely from the grave. 

(Rose, 1978: 113)

In his account of the first 100 days of the Roosevelt administration Cohen (2009) singles out five of Roosevelt’s advisers – Lewis Douglas, Raymond Moley, Henry Wallace, Harry Hopkins, and Frances Perkins – as having the greatest impact. For reasons of space we focus on the three advisers who had the longest impact on New Deal workplace programmes. Douglas and Moley became disillusioned and left the administration and Wallace had a huge impact on agriculture. Ickes’ influence is underplayed during the first 100 days but in any event had probably the longest lasting influence as public works began to materialize. Indeed, according to the columnist Walter Lippmann, “Ickes (along with Perkins) were the ‘advanced guard’ of the struggle to constrain predatory wealth and to oppose social control and social standards upon corporate property” (quoted in Hiltzik, 2011: 37).

Harold Ickes and the new democracy

It is the old struggle between the power of money and the power of the democratic instinct. In the last few months this irreconcilable conflict … has come into the open as never before, has taken on a form and an intensity which makes it clear that it must be fought through to a finish – until plutocracy or democracy – until America’s sixty families or America’s 120,000,000 people – win … The fight in this country today is one between the great mass of the people and wealth. 


Harold Ickes wrote several books, including The New Democracy (1934) and Back to Work: The Story of the PWA (1935), which along with his Secret Diaries published posthumously in 1953 and 1954 (see Ickes, 1953, 1954), provide considerable insights into his philosophy of management.

Ickes was a progressive Republican, appointed as Roosevelt’s Secretary of the Interior in 1933. Along with Frances Perkins, he was the only cabinet member to serve the entire twelve years of the Roosevelt administrations (Hiltzik, 2011). Following passage of the National Industrial Recovery Act (NIRA), with an appropriation of $33 billion, Ickes found himself in charge of the Public Works Administration (Foner, 2012). The PWA was established to develop a series of public works that would pump funds into the ailing economy. Yet, despite the urgency, Ickes moved cautiously (Kennedy, 2005: 176); his approach dubbed “obsessively prudent management”, he only managed to spend $110 million in 1933 (Kennedy, 2005: 178). Ickes’ main concern was to avoid corruption, fraud, and the misuse of public monies through haste (Kennedy, 2005; Hiltzik, 2011).

Nonetheless, despite his caution, Ickes oversaw the building of roads, schools, courthouses, hospitals, and infrastructure that included the Triborough Bridge, the Lincoln Tunnel, La Guardia
Table 19.2 Timelines of the New Deal, selected MOS events, socio-political and cultural contexts

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment No. (% workforce)</th>
<th>New Deal administrations</th>
<th>Selected MOS Events</th>
<th>Popular culture</th>
</tr>
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<tbody>
<tr>
<td>1924</td>
<td>2.4 million (5.5%)&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Calvin Coolidge elected President&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Hawthorne Studies – 1st phase (Human factor industrial psychology)&lt;sup&gt;c&lt;/sup&gt;</td>
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<tr>
<td>1928</td>
<td>2 million (4.4%)</td>
<td>Herbert Hoover elected President</td>
<td>Hawthorne Studies – 2nd phase (Clinical)</td>
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<td>1929</td>
<td>1.5 million (3.2%)</td>
<td></td>
<td>Wall Street Crash</td>
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<td>1930</td>
<td>4.3 million (8.9%)</td>
<td></td>
<td>Translation of Max Weber by Talcott Parsons&lt;sup&gt;d&lt;/sup&gt;</td>
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<tr>
<td>1931</td>
<td>8 million (15.9%)</td>
<td>FDR&lt;sup&gt;e&lt;/sup&gt; as NY Governor establishes the Temporary Emergency Relief Administration – headed by Harry Hopkins</td>
<td>Hawthorne Studies – 3rd phase (Anthropological)</td>
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<td>1932</td>
<td>12 million (23.6%)</td>
<td>FDR elected President</td>
<td>Hawthorne Studies terminated during slump</td>
<td>Movie American Madness&lt;sup&gt;f&lt;/sup&gt;</td>
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<td></td>
<td>FDR Inaugurated (March 4)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1933</td>
<td>12.8 million (24.75%)</td>
<td>National Recovery Administration (NRA) (Glass-Steagall Banking Act Civil Conservation Corps (CCC) Public Works Administration (PWA) Agricultural Adjustment Act (AAA) Tennessee Valley Authority (TVA) National Industrial Recovery Act (NIRA) Civil Works Administration (CWA) – 2.6 million employed</td>
<td>Mayo’s The Human Problems of an Industrial Civilization published Mary Parker Follett dies Mary van Kleeck joins the Federal Advisory Council but resigns in protest at New Deal failure to workers</td>
<td>Movie A Farewell to Arms Sinclair Lewis’ Ann Vickers published</td>
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<tr>
<td>Year</td>
<td>Unemployment No. (% workforce)</td>
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<tr>
<td>1934</td>
<td>11.3 million (21.7%)</td>
<td>Ickes’ <em>New Democracy</em> published</td>
<td>Business corporation leaders (including Alfred P. Sloan) set up American Liberty League to oppose New Deal</td>
<td>Movie <em>It Happened One Night</em></td>
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</tbody>
</table>
|      |                               | CWA employs 4.3 million  | FDR invites W. B. Donham, Dean of Harvard Business School to White House. Finds Donham has “no concrete answers”  
Josephson’s *Robber Barons* published |
| 1935 | 10.6 million (20.1%)          | Works Progress Administration (WPA)  
Social Security Act  
(Wagner) National Labor Relations Act  
NRA and AAA struck down by Supreme Court  
Federal Program Number One  
CCC employing ½ million | Ickes’ *Back to Work: The Story of the PWA* published | Movie *Les Miserables*  
Sinclair Lewis’ *It Can’t Happen Here* published |
| 1936 | 9 million (17%)               | FDR Re-elected (second administration)  
WPA employing 2.8 million | Hawthorne Studies – 4th Phase (Counselling)  
Initial Academy of Management meeting  
Van Kleeck’s *Creative America* published  
Hopkins’ *Spending to Save* published | Movie *Mr. Deeds Goes to Town*  
Publication of *Dos Pasos’ Big Money*  
(Negro Theatre’s) *Macbeth* opens in Harlem  
Sinclair Lewis’ play *It Can’t Happen Here* opens in 16 cities |
<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment Rate</th>
<th>Major Events</th>
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<tbody>
<tr>
<td>1937</td>
<td>7.7 million (14.3%)</td>
<td>2nd AoM meeting held, <em>The Cradle Will Rock</em> opens, Movie <em>The Good Earth</em></td>
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<td>1938</td>
<td>10.4 million (19%)</td>
<td>3rd AoM meeting held, Second Agricultural Adjustment Act, HUAC investigates Federal One, WPA employs 3.3 million, Hopkins becomes Secretary of Commerce</td>
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<td>1939</td>
<td>9.4 million (17.2%)</td>
<td>Barnard’s <em>The Functions of the Executive</em> published, Roethlisberger &amp; Dickson’s <em>Management and the Worker</em> published, Drucker’s <em>The End of Economic Man</em> published</td>
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<tr>
<td>1940</td>
<td>8.1 million (14.6%)</td>
<td>FDR Re-elected (third administration), 5th AoM meeting – 1st formally constituted, Publication of Steinbeck’s <em>The Grapes of Wrath</em>, Movie <em>Mr. Smith Goes to Washington</em></td>
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<td>1941</td>
<td>5.5 million (9.9%)</td>
<td>Japanese Attack on Pearl Harbor, US Enters Second World War, Movie <em>Meet John Doe</em></td>
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<td>1944</td>
<td>0.67 million (1.2%)</td>
<td>FDR Re-elected, Movie <em>The Grapes of Wrath</em></td>
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<td>1945</td>
<td>1 million (1.9%)</td>
<td>Death of FDR</td>
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\(a\) Estimates vary widely. These figures are illustrative of the magnitude of the problem of unemployment if nothing else—see Lebergott (1957).

\(b\) Coolidge and Hoover are both noted for their pro-business sentiments, stating, respectively, “The business of Government is business” and “The sole function of Government is to bring about a condition of affairs favorable to the beneficial development of private enterprise.”

\(c\) Based on Rose (1978).

\(d\) Weber’s work would not make any impact on MOS for two more decades—Mills, Weatherbee, and Durepos (2014).

\(e\) FDR refers to Franklin Delano Roosevelt.

\(f\) The selected movies are by Oscar winning directors and have New Deal (and other progressive) themes.

\(g\) Quoted in Schlesinger (1959).

\(h\) It is debatable whether the meeting constituted the first meeting of what is today’s Academy of Management (AoM). For analysis of the problems of constructing a history of the Academy of Management see Myrick, Helms Mills, and Mills (2013) and Grant and Mills (2006).
Airport, and numerous projects that are still at the heart of US infrastructure to this day (Kennedy, 2005: 252). Along the way, Ickes, a former President of the Chicago Chapter of the National Association for the Advancement of Colored People (NAACP), did what he could to reverse discriminatory practices (Katznelson, 2013: 176), and spoke out against “segregation, disenfranchisement, and lynching” (Foner, 2012: 825). He also established quotas for African-Americans on PWA projects (http://www.spartacus.schoolnet.co.uk/USARickes.htm). For his various ‘progressive’ stands, he was accused (along with Perkins and Hopkins) of being a communist sympathizer by Martin Dies, Chairman of the House Committee on Un-American Activities (Caute, 1979; Goldstein, 1978 – see Table 19.2).

**Organizations, work, and the new democracy**

Ickes suggests the “determination of problems” in regard to management and the organization of work need to take into account the “particular political and social background” in which they are being posed (1934: vii). The particular problem, as he saw it, was that big business and the capitalist system of production had been responsible for ushering in an “era of overproduction, underconsumption, and high structural unemployment” (Golay, 2013: 15). Along the way, an “industrial and commercial empire” had been built out of the “exploitation … of native Indians” and the institution of slavery (Ickes, 1934: 17). Business had thrived on the “unchecked and ruthless exploitation” not only of blacks and indigenous peoples but also women and children of all races (Ickes, 1934: 19). Ickes found fault with current practices of “inadequate pay”, inequitable pay, “long hours”, technological developments designed to benefit the few at the expense of the many, and little regard for the “impairment and destruction” of society’s aesthetic and spiritual treasures (Ickes, 1934: 18, 21, 26, 38).

Ickes’ viewpoint is a philosophy that sees business organizations and their management as part of an organic whole of various social, economic, and political influences. It is a philosophy of management arguing for the treatment of people at work in a manner that values the human mind over physical tools and plant (Ickes, 1934: 68); ensures that work is “ennobling” rather than disheartening; “guarantees self-respect”; provides a right to “adequate” and equitable wages; equal opportunities, regardless of race and gender; and keeps to the fore the principle of “the greatest good for the greatest number” (Ickes, 1934: 70, 64, 65, 72, 32).

At the very least, Ickes’ philosophy prefaces the later post-war developments in Human Relations thinking in terms of theory ‘Y’ types of management – less the more overt managerial aspects of McGregor (1957) but more towards the wide-reaching socio-political context that Maslow (1954) attempted to incorporate in theories of motivation. But it goes much further. It sees senior management, rather than employees, as the problem of business. Thus, Ickes goes far beyond theory ‘X’ in his characterization of the inefficient management style. He cites the extant philosophy of “rugged individualism” that served as a clarion call to those who saw anything less as an attack on Americanism and all it stood for (Ickes, 1934: 31). For Ickes, there is a clear distinction between individualism and rugged individualism:

> [There is that individualism] that is the natural result of the self-sufficiency and forthrightness which have been distinguishing traits of the average American, the insistence upon the right to live and let live, and the acquisitive, exploiting, lawless qualities of a ruthless minority who would achieve wealth and power regardless of the rights of others. The latter qualities are characteristic of rugged individualism.

*(Ickes, 1934: 31)*
Here we can see a view of management and the workplace that is placed clearly in the arena of political philosophy. Ickes contends those business leaders who evoke “rugged individualism” to argue against the intrusion of politics and government in business are not slow in attempting to influence and control government for their own ends (Ickes, 1934: 22). Nor are they slow to come running to government when they are financially in trouble (Ickes, 1934: 23). It was perhaps Ickes’ deep-rooted suspicion of business leadership that encouraged him to be extra cautious when spending PWA monies.

Ickes’ argument makes a case for the political character of the management process and the need for government planning and intervention in the realm of business (Ickes, 1934: 76–96) to ensure that the vast majority benefits. And those gains are not only in terms of wages and working conditions but also the possibility of human development (Ickes, 1934: 97). His vision of the ‘new democracy’ was not a Marxist vision of a workers’ state or one dominated by the large corporations, rather it was one where ‘the people’ as a whole have a democratic say over business affairs that affected them through strong government: “at last the Government is doing its job in the spirit of Jefferson and Lincoln. And the job in question is the management of the affairs of the United States for the greatest good for the greatest number of its people” (Ickes, 1934: 156).

Harry Hopkins – social evangelist

We are beginning to wonder if it is not presumptuous to take for granted that some people should have much, and some people should have nothing; that some people are less important than others and should die earlier; that the children of the comfortable should be taller and fatter, as a matter of right, than the children of the poor.

(Hopkins, 1936: 184)

At the end of May 1932, Roosevelt hired Harry Hopkins to head up the newly established Federal Emergency Relief Administration (FERA). In a sharp contrast to Ickes, Hopkins moved into action straight away, authorizing $5 million in relief in his first two hours on the job (Golay, 2013: 33). In June he hired a journalist, Lorena Hickok, to travel the length and breadth of the country and take stock of the experiences of the people. He told Hickok, “to look things over. I don’t want statistics from you. I don’t want the social worker angle. I just want your reaction, as an ordinary citizen” (quoted in Golay, 2013: 39). Hickok’s role was to send Hopkins regular reports so that he could keep on top of the experiences of the American people. Many of her reports were shared with FDR. Although formerly a social worker himself, Hopkins did not share the then dominant idea held by the profession that people should be treated either as victims (given charity) or as mistrusted shirkers (have their finances controlled). Hopkins felt those on relief should be provided with jobs to earn money and given their wages in cash rather than the more restrictive vouchers.

By November Hopkins was heading up the newly established Civil Works Administration (CWA) and then, in 1935 he took over the Works Progress Administration (WPA). In the first year of the CWA, Hopkins placed 2.6 million people in CWA jobs, and the number rose to 4.3 million the following year. Over an eight-year period, Hopkins oversaw the placement of 8.5 million people in 1.4 million projects at a cost of $11 billion (Taylor, 2008). The majority of the work involved a series of construction projects, but in a dramatic and controversial move in 1935 Hopkins introduced Federal Project Number One (or Federal One) that saw the employment of over 40,000 artists, writers, actors, and musicians. For Hopkins, people’s unique skills and talents should not go to waste but should be preserved, but artists also had to eat. Federal One
saw payments to artists of all kinds to support them and enable them to pursue their art. This, arguably, benefited not only the artists themselves but also the American people as a whole. It created a society of citizens who were increasingly exposed to affordable and accessible artistic performances and works of art.

Thus, for Hopkins, the federal work programmes were not only about material but also about social and spiritual benefit. Federal One in particular not only led to creative developments in the arts (e.g. the work of Jackson Pollock) and theatre (e.g. the Black Theatre’s version of *Macbeth*) but also came to imprint itself upon American history (e.g. state guidebooks and the establishment of Oral History archives on slavery).

While Ickes focused on the structuring of work in line with a new form of economic democracy, Hopkins focused on the social outcomes of work in terms of spirit, morale, creativity, and the development of a new society based on community values; issues rarely studied in management and organizational thinking.

**Frances Perkins: the state and social welfare**

I first saw Franklin Roosevelt in 1910 at a tea dance … I was studying for a Master’s degree and working in a settlement house on a survey of the social conditions in the neighborhood … I already had a conviction, a ‘concern,’ … about social justice; and it was clear in my own mind that the promotion of social justice could be made to work practically. As a student and professional social worker, I was taking an active part in proposals to use the legislative authority of the state to correct social abuses – long hours, low wages, bad housing, child labor, and unsanitary conditions.

*(Perkins, 1947: 9–10)*

In March 1933 Frances Perkins was appointed Secretary of Labor in Roosevelt’s administration – the first female cabinet member in US history. Before accepting the appointment “she laid before Roosevelt an extensive agenda, including unemployment and old-age insurance, minimum wages and maximum hours; and he told her to go ahead” (Schlesinger, 1959: 300). According to one commentator, Perkins’ conditions “became the most lasting contributions of the New Deal … [and much] of the modern-day American social welfare system” (Alter, 2007: 166). Under Perkins’ leadership and commitment the Social Security Act was passed into law on 15 August 1935. For many commentators this was the start and the hallmark of the Second New Deal (Alter, 2007; Kennedy, 2005).

Perkins’ attitude towards social welfare was decidedly different from that of Hopkins. She viewed social welfare as a middle-class calling, something that one does for labour, and she was less interested in “enabling labor to do things for itself” (Kennedy, 2005: 146). It has been claimed “she was more interested in improvement of standards than on development of labor self-organization” (Kennedy, 2005: 146). Distrustful of corporate as well as union leaders, Perkins felt, like Ickes and Hopkins, that the state needed to take a hand in regulating business and looking after the social welfare of the great majority of people. By all accounts, Perkins had the greatest influence on the development of social welfare and public works programs (Cohen, 2009).

It is interesting to note that, alongside Mary Parker Follet and Mary van Kleeck, several of the leading New Dealers shared a background in social welfare and social reform. Perkins and Hopkins (along with Berle) had come out of the social reform movement, which in turn was influenced by the Social Gospel tradition (Kennedy, 2005; Hiltzik, 2011; Leuchtenburg, 2009). Many involved in social welfare reform were also involved in the industrial welfare movement.
through the early part of the twentieth century (Adler, 2003). This is an area of influence that has also been neglected by MOS.

The critics of the pro-business approach were not all avowed anti-capitalists. A few were socialists. Even fewer were communists. Most were liberal reformers (Hiltzik, 2011; Taylor, 2008; Morgan, 2003) seeking to temper the excesses of capitalism through various mechanisms of control (e.g. the Securities and Exchange Commission), standards (e.g. the NRA), and social welfare legislation (e.g. the Social Security Act). This latter group included a number of people, whose interest in politics and change developed out of experiences in a variety of social welfare agencies.

**Discussion and conclusion**

In arguing for introducing New Deal studies in MOS our aim has been twofold and paradoxical. On the one hand, we have attempted to surface the problematics of management and organizational history through (a) the neglect of the New Deal, and (b) the way that histories develop in the service of selected networks of actors. On the other hand, following Witzel’s (2012: 103) call for “the circulation of as many management models and paradigms as possible,” we have also tried to show the value of New Deal stories for MOS.

As to the first major point, we have argued that much of what counts as modern management thought was developed during the Cold War era, a context that shaped what was written, selected, or ignored. Subsequent histories served to further define and refine the boundaries of the emerging, but narrow, paradigm that would become MOS. As Morgan (2003) has contended, much of the struggles in the early post-Second World War/Cold War era were a continuation of ‘battles’ around New Deal legacies (see also Katzenelson, 2013; Josephson, 1967), particularly those that favoured the bargaining rights of union leaders over those of ownership or management. Pre-war anti-communist attacks on the New Deal came from two powerful forces that were strengthened in the Cold War era – the House Un-American Activities Committee and the growing influence of the corporate business communities.  

Ickes, Hopkins, and Perkins, among others, were accused during their time in office of being communists and, in the post-war era, rumours circulated about Hopkins being a Soviet spy (Andrew and Mitrokhin, 1999). Senator Joseph McCarthy went one further in a 1954 speech in Charleston, West Virginia when, referring to the Democratic Party, he spoke of “[t]wenty years of treason” and their “historic betrayal” (McCarthy, 1954). Little wonder the New Deal became neglected in emerging MOS thought, theory, and history.

Beyond the political dimensions we can also perceive various other reasons why the emergent field neglected the New Deal. One of the primary reasons, we would suggest, may lie in the fact that MOS tended, at first, to hone in on organizations as closed systems. But as the field progressed beyond this focus, even ‘open systems’ thinking had little or nothing to say about the socio-political environment in which work, management, and organizations existed. The New Deal, on the other hand, was based upon and offered philosophies and practices that focused on the interrelationships between business and the socio-political environment. It might also be argued the focus of New Deal policies was more about government than organizations; work rather than organization; politics rather than management; and philosophy rather than research.

Thus, it could be argued, New Deal studies are more appropriately assigned, respectively, to the disciplines of public administration, sociology of work, political science, and philosophy. While we understand these concerns we would argue this compounds the problem of disciplinary boundaries by referring the limits of MOS to the limits of other disciplines. Assigning New Deal studies to a specific discipline thus is arbitrary and the result of socio-political and historical contingency rather than anything inherent in management, organization, or research studies.
Current boundaries do not deal with the growing case for understanding business in context. Nor are the philosophizing aspects of New Deal practices grounds for disqualifying them. They are no less ‘philosophical’ than the works of Peter Drucker, Mary Parker Follett, Elton Mayo, the founding members of the Academy of Management, or Roethlisberger and Dickson (Rose, 1978; Grant and Mills, 2006; Graham, 1996) – all of whom are held up as key management thinkers.

With regard to our second major point, New Deal accounts raise numerous issues that challenge the dominant foci in MOS. Specifically these accounts raise issues about government owned, not-for-profit, and other, alternative, forms of organization; social welfarism and the notion of work as part of an organic concern with social as well as economic outcomes; and the idea of the atomized worker (Hoover’s ‘rugged individual’) versus the ‘social man’ theories that surface in some aspects of MOS. It also raises issues of experimentation versus planning in management and organization; the role of government in business (e.g. the United States versus Canada); the continuing neglect of race, gender, and issues of power in MOS; the challenges of the divorce of culture and aesthetics from MOS; and finally, the lessons from the New Dealers’ deliberations on the role of labour unions and relations with owners and managers in MOS. It strikes us that stories and tales of the New Deal offer new imaginings and new frontiers for MOS study into the twenty-first century, particularly in light of the ongoing period of worldwide economic downturn.

Finally, we would reiterate that we accept that New Deal programmes were not one-sidedly progressive nor without their faults in terms of the fate of working people, trade unions, people of colour, and women or support for some of the more ‘seamier’ sides of capitalism (Zinn, 1999; Katznelson, 2013), but to exclude New Deal studies on those grounds would also exclude study of much of what has been taken as management theory both in that era and beyond (Rose, 1978; Acker and van Houten, 1974; Benschop and Doorewaard, 1998; Nkomo, 1992). Before we can develop critiques of New Deal thinking we first need to open up historical dialogues around it and the implications it has for MOS today.

Combining poststructural notions of the differences between history and the past reveals how history is constructed by groups of actors who, through the selection and narration of facts, construct the domain boundaries of a field – in this case MOS. We also hope we have shown how the socio-political processes of knowledge production of actors and networks in MOS have served to deem certain facts as domain relevant (i.e. the delimiting effects of MOS histories as represented by our canonical understanding) through the exclusion of other facts considered domain irrelevant (i.e. the writing-out of the New Deal amongst others). Given that all of these facts are drawn from the very same socio-political context within which MOS activities, and its histories, developed, understanding the relationship of history and the past and the processes of history-making in MOS may help us bypass the constricting, artificial, and arbitrary nature of what we take as our domain of research and objects of study.

Notes

1 In making this assertion we distinguish between research into management, which clearly predates the Second World War, and the origins of the ‘modern’ form of Management and Organizational Studies as currently found in North American academia.
2 Lilienthal’s (1944) study of the Tennessee Valley Authority is the one exception.
3 Both, however, fall into the trap of accepting the broader historical narrative of a field of study that began with scientific management, specifically the work of Taylor, and progressed through the Hawthorne Studies and the development of the Human Relations School. Nonetheless, each account offers useful insights into how knowledge is shaped through networks of human and non-human actors.
The New Deal for management and organization studies

4 An interesting exception can be found in Urwick and Brech (1957) who discuss President Franklin Roosevelt’s Committee on Administrative Management as proof of the extent of scientific management’s impact on society. In a rare mention of the New Deal Ellen O’Connor’s (1999) wonderful piece on the development of the Human Relations School, focuses on “the period between World War I and the New Deal”, with no discussion of the latter.

5 A review of 26 management textbooks published between 1933 and 1949 were analysed for their treatment of the New Deal. Of the 26 textbooks only one, Koontz (1941), has anything to say about the New Deal and its relationship to management and organization. Fourteen make no reference to the New Deal and its agencies, while 10 others reference the NLR (or Wagner) Act but primarily to communicate new employer responsibilities under these regulatory regimes. The NLRB system is framed as being a problem and a complication for management. The final book focuses on leadership (Tead, 1935) and uses Roosevelt as an example of strong leadership, but contains no substantial discussion of the content of New Deal policies or of their impact on management or organization. The texts are part of the Sobey Management Textbook Collection of over 500 management textbooks, published between 1926 and 2013.


7 Katznelson (2013) argues that the influence of New Deal thinking can be traced through to the onset of the 1960s.

8 For Coolidge “the chief business of the American people is business”, and for Hoover “the sole function of government is to bring about a condition of affairs to the beneficial development of private enterprise” (Taylor, 2008).

9 Hopkins was no stranger to Roosevelt. Eighteen months earlier, as Governor of New York, Roosevelt had hired Hopkins to head up the State’s Temporary Emergency Relief Administration.

10 Federal One – especially the Federal Theatre Program – became an early target of the House Un-American Activities Committee, under the leadership of Martin Dies, formerly established in 1938 (Flanagan 1965; Taylor, 2008).

11 Mary Parker Follett died in the United Kingdom in 1933 during the first year of the Roosevelt administration. Mary van Kleeck was offered a position on the Federal Advisory Council of the US Employment Service. She promptly resigned the position, protesting the NRA’s “insufficient support for collective bargaining and the labor movement” (Alchon, 1992). She apparently feared that the New Deal proffered a new form of corporatism that was a harbinger of fascism rather than democracy (Nyland and Heenan, 2005).

12 The Social Gospel movement was influenced by the writings of New York Baptist minister Walter Rauschenbusch and emerged in the United States towards the end of the nineteenth century. Its basic tenets included the idea that unbridled competition was against the Christian faith and that “freedom and spiritual self-development required an equalization of wealth and power” (Foner, 2012). The various activities of Social Gospel adherents included the establishment of welfare missions and relief programmes and working with labour unions on issues of health and safety.

13 Established by Congress in 1938 to fight Nazism in the United States, the House Un-American Activities Committee (led by Texas Democrat Martin Dies) quickly turned on progressive forces (Taylor, 2008). One important corporate body at this time was the American Liberty League that included Alfred P. Sloan and other corporate leaders.

14 See also <http://www.frontpagemag.com/2013/john-earl-haynes-and-harvey-klehr/was-harry-hopkins-a-soviet-spy/>.

15 See, for example, the respective accounts by Schrecker (1986) and Summers (2011) on the influence of McCarthyism and the Federal Bureau of Investigations (FBI) on US campuses during the Cold War.

References


