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From the Editor: *Words have different meanings when considered in different contexts. Swanson, Horton and Kelly examine the meaning of exploitation with specific reference to industry and business. The authors contend that the concept of exploitation, "the unjust or improper use of another person for one's own profit or advantage," should be studied to better understand the dynamics of the workplace. Exploitation is not solely a management/worker issue, nor is it one-dimensional. All parties in working relationships may attempt to exploit others. The complexity of modern industry and business and the multiplicity of interrelationships when considering the concept of exploitation as it relates to the workplace are examined in a comprehensive model.*

Exploitation: One View of Industry and Business

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Words constitute the major element of language, a basic communication medium. Words in themselves, however, do not have meanings; people give meanings to words. Some words probably carry as many meanings as there are people who use them, while other words have more universal meanings. For example, the word *book* may mean one thing to a librarian, another to a teenager, another to a travel agent, and still another to a gambler. Definitions also vary when the fundamental meaning remains constant, but the contextual meaning shifts from person to person or from usage to reality.

This investigation of meaning started from what appeared to be a discrepancy between the universal usage of the word *exploitation* and the contextual realities of exploitation. The word exploitation almost universal-

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ly evokes images of the boss exploiting the worker or the adult exploiting the child.

This universal meaning appears to be directly linked to perceptions of industry and business, with management and technology being the “bad guys.” But isn’t it possible that workers exploit their bosses? Certainly it is, and this is not uncommon. What, then, is the full meaning of exploitation and does the present contextual definition contradict or support the reality of exploitation?

These questions will be answered first by comparing dictionary definitions of exploitation to determine meaning and key concepts. Second, the historical view of exploitation will be explored to better understand the universal meaning. Third, a comprehensive model of exploitation—one grounded in today’s literature and today’s meaning—will be presented.

Definition of Exploitation

Dictionaries provide generally accepted definitions for words. The definitions of *exploitation* as recorded in a variety of dictionaries during several decades offer a useful comparison.

Exploitation: An unjust or improper use of another person for one’s own profit or advantage (Webster, 1983).

An unjust or improper use of another person for one’s own profit or advantage; utilization of the labor power of another person without giving a just or equivalent return (Webster, 1971).

The action of exploiting or turning to account, productive working or profitable management; the action of turning to account for selfish purposes, using for one’s own profit (Oxford, 1971).

An exploiting or being exploited; especially unethical utilization for selfish purposes (Webster, 1959).

The act of utilizing or turning to one’s own use (Webster, 1953).

The act of exploiting; the act of utilizing or turning to one’s own use (Webster, 1938).

A number of key concepts seem to dominate these definitions, providing further insight into the meaning.

The first key concept is that of being *unjust*. Being unjust suggests failure to (a) conform to a standard of correctness, (b) be morally upright, or (c) be legally correct. Closely related is the concept of being *improper*. The distinction between unjust and improper is that unjust relates to a higher order value structure while improper relates to circumstances.

Unequivalence is another concept that emerges from these definitions, with a focus on unequal force or value and might or authority. In these dic-

tionary definitions, exploitation is always one-sided and unequal.

Profit and *advantage* are the two remaining meanings in the dictionary definitions of exploitation. They expand on the concept of unequivalence. Profit is compensation for entrepreneurial business risks. The advantage in this setting is in maintaining a position or condition of superiority over another.

The authors had anticipated that dictionary definitions would expand over time to embrace contextual realities of exploitation in society, that the change in definition would move from the idea of powerful people being unjust and selfish to the idea of mutual exploitation, and that definitions of exploitation would begin to include organizations and groups. It appears, however, that the popular uses of the word exploitation and its dictionary definitions have been congruent and stable, and so it is reasonably portrayed in the 1983 *Webster's New Collegiate Dictionary*:

Exploitation: An unjust or improper use of another person for one's own profit or advantage.

History of Exploitation

Exploitation is not the sole province of industry and business. It is not a condition common only to industrial nations, nor does it appear as a spectre to an occasional generation. Exploitation is as pervasive in the history of humankind as war, economic development, or educational and scientific endeavor. Predating the age of industry, exploitation is not a by-product of mechanization or technology. The agrarian societies practiced exploitation. History records many examples of slavery-driven economies. Undoubtedly, a more tolerable concept of exploitation existed among nations in earlier times also.

Industry and business, however, are contemporary arenas for witnessing the phenomenon of society, whether agrarian or industrial. Drucker (1950) points out the two most powerful agents of social change: (a) the desire for a higher standard of living and (b) the need for defense and security. Any potential for excesses of exploitation might easily be related to the drives represented by the most basic elements in Maslow's hierarchy of human needs.

When history is reviewed with a focus on industry and business, one inevitably is drawn to a study of the Industrial Revolution, a period in which technological advances spurred changes in the nature of work, in the relationships of worker and employer, and among workers. One of the best resources for study is Paul Mantoux (1961), who wrote about the Industrial Revolution shortly after the twentieth century began. His work was translated into English in 1928. The Industrial Revolution, in probably the purest sense, is documented in the history of England from the mid-18th to the mid-19th

century. In looking for the essence of the Industrial Revolution in the United States, one is more apt to study the period from 1830 to 1900 or later. A case could be made that 20th century people experienced a technological revolution which continues to exert pressures of adjustment on everyone. The pressures have accelerated since the stifling of smokestacks by silicon chips.

The hallmark of the Industrial Revolution was mechanization. And this new technology came to be seen as the villain, causing many undesirable aspects of the Industrial Revolution. The history from the mid-18th century to the present can be studied by analyzing the impacts people and their organizations have had upon one another through developing and using various technologies. Burke (1966) describes three points of view that can serve as frameworks to analyze the effects of technology on human values.

The first view is that the application of science is essentially beneficial, raising humankind from the depths of frustration and despair born of ignorance and superstition. Any ill effects of technology are relatively temporary. The second view is that science is a curse. Those who embrace technological and scientific developments tread in areas not meant for humankind. Such people rejected religious values and sold themselves to the devil. A third view accepts the advances of science and technology, but only with adequate controls and plans to preserve human values.

Events that shake the economic or political stability of a nation—be they depression, recession, war, uncontrolled inflation, or sudden demographic shifts—have a way of triggering society's reaction to technology. One historian has observed that, at any point in history, it can be shown that "a period of unemployment gives rise to lamentations about machines replacing workers . . ." (Culbertson, 1966, p. 165). For example, in a recent period when the United States was worried about communism, the second highest concern was technological unemployment. The new bogey words were "automation" and "cybernation" (Peterson, 1966). Even so, many who study U.S. economic history refute the idea that technology exploits people and wipes out jobs, contending that technology creates labor and allows expansion.

If exploitation is a force exerted by people upon people, what are the counter forces? Specifically, what are the adjusting forces that impede or neutralize exploitation and what forms do they take? Industrial workers have been incorporated into our evolving industrial democracy in two patterns or strategies that can be recognized in some form today: paternalism or fraternalism (Peterson, 1973).

Paternalism was practiced by the industrialists who saw themselves as fathers to their workers, probably best exemplified by the "company town." The manufacturer or mine operator set up business in the countryside and provided homes, schools, stores, churches, law enforcement, utilities, and other services. This pattern was typical of the machine-tending technologies such as the textile industries (Peterson, 1983). Paternalism was fertile territory

for exploitation. Increasing profits through the rents and the sale of goods and services was possible in a non-competitive market.

Fraternalism was evidenced by a much different relationship between management and labor. The worker had social independence and exchanged only labor for wages. With fraternalism one begins to see a counter-balancing effect on exploitation. The industrialist had no responsibility or claim on workers outside the in-plant hours. A wide range of responses to exploitation, either real or perceived, evolved over several generations. These responses took the forms of labor unions, political clubs, credit unions, and recreational clubs. This pattern of social integration in response to the impact of technology was more predominant in the craft and trade aspects of construction and manufacturing than it was in the machine-tending vocations.

Working classes in American society slowly organized to cope with the pressures of an economy based on manufacture for profit. Their reactions took on a collective twist that carried its own potential of exploitation. Management, on one hand, recognized that to speed up the worker you increase the speed of the conveyor; labor, on the other hand, responded with collective slow-downs.

In one sense, it might be said that the worker became a servant of the machine. Brody (1980)—in describing the differences among the craft worker, farmer, and the factory worker—recognized the endlessly repetitive tasks that make the factory worker inseparable from the machine. The quality of work life in the factories of three generations ago was little better than that in the very early factories. True, the hours were shorter, the child-laborers had left, the women were fewer in number; but, for the new 20th century factory workers, the power to exploit had been effectively passed to their supervisors, who controlled the rate of production.

Two world wars influenced the migration of southern workers to northern industry, reflecting the existence of opportunities in a free economy. People now had a say in how they would adapt to society. Centralized management, with few modern day exceptions, now placed a premium on increasing production and decreasing costs. In generations past, there was little managerial concern about supervisory methods. Recently, however, there has been a shift in managerial attention to quality of product, service and work life. Emerging values that balance with competitive and profitable business practices have resulted.

Business and industry have not eradicated exploitation, but have come a long way in neutralizing its extremes in American society. Destruction of machinery, as by the Luddites at the dawn of the 19th century, and violence of unionized workers, as in the recent past, are becoming rarities if not relics. Mumford (1934) cautioned in his classic work, *Technics and Civilization*, that “our capacity to go beyond the machine rests upon our power to assimilate the machine. Until we have absorbed the lessons of objectivity, impersonali-

ty, neutrality, the lessons of the mechanical realm, we cannot go further in our development toward the more richly organic, the more profoundly human" (p. 363). Slowly, the quality of work life and the dignity of all people have provided a better perspective on how to live with industry, business, and technology rather than to deplore them or blame them as sources of exploitation. In September 1981, Pope John Paul II issued an encyclical, *Laborem Exercens*, which focused on the dignity of humanity and the relationship to work and technology. Pope John Paul views technology as a set of instruments which humans use as an ally to facilitate, perfect, accelerate, and augment work. However, he cautions that the proper perspective of work continues to be the dignity of people. Machinery, the fruit of the work of the human intellect, is confirmation of people's dominion over nature. Technology remains the slave, a role never again to be assumed by the people.

The Industrial Revolution served as a prelude to technological advances throughout the world (Tierney, 1968). Its effects on society fit along a continuum from undesirable to beneficial. The foregoing account of the Industrial Revolution illustrates the complexity of the concept of exploitation.

Model of Exploitation

The concept of exploitation is firmly entrenched in today's thinking about industry and business. And, as mentioned at the outset, the picture that the word conjures up in most minds is the sweatshop: harsh working conditions, long hours, low pay and few benefits. This picture, even in a historical perspective, is an over simplification. Yet it lingers, with some justification, in contemporary literature. Recently the charge of exploitation surfaced in connection with the cottage industry fostered by microcomputers which have facilitated working in the home away from easy regulation.

Blue Cross/Blue Shield of South Carolina is a classic electronic sweatshop employer whose tactics exemplify the kind of horror story that scares labor most. According to several published reports, the company pays clerical home workers piece rates, offers no paid vacations or benefits and charges \$2,400 a year in equipment rental charges. Their 'cottage keyers,' as the workers are called, process more than 200 medical claims a day but net only about \$100 a week.

(*In These Times*, 1984)

The inadequacy of a traditional understanding of exploitation can be demonstrated through a brief analysis of this case. In this instance, which appears to be a clear cut example of exploitation, dimensions not addressed by the traditional view can be uncovered. For example, while some may hold that the employer is exploiting the cottage worker, others may feel that the cottage worker is exploiting other employees by filling jobs formerly done

on site for a pay and benefits package. It may also be true that some cottage workers do not find their employment exploitative at all, since they are using flexible working conditions to hold a second job. Another example is that of a paraplegic able to work at home and earn \$1100/month, rather than not working and collecting inadequate welfare payments. For this worker the relationship with the employer is one of mutuality; both the worker and the employer gain advantages. Equal advantage may accrue to a parent with young children in the home. The situation in these cases is not one of exploitation, but of opportunity.

The complexity of the issues surrounding the cottage industry spawned by microcomputers is summarized in an article by Sally Jacobs, "Working at Home Electronically" (1984). Jacobs states that there are advantages to both the employer and the employee: for the former, lower cost and greater productivity; for the latter, more flexibility and opportunity. There are also problems. Other employees suffer displacement and dissatisfaction with the limitations of their own employment. Moreover, unions, the representatives of labor, fear exploitation by employers; and employers fear loss of control over workers, i.e., exploitation on the part of employees. Thus, this one work scenario contains several possible exploitative relationships: employer/employee, employee/employee, employee/employer. However, when both employer and employee receive equal advantages, exploitation does not occur.

Clearly the traditional view of exploitation, the greedy employer taking advantage of the defenseless employee, is of limited value for understanding the complexities in the modern business and industry environment. Employees can exploit employers. According to an article in *The Wall Street Journal*, January 2, 1985, the average office worker abuses or wastes 4½ hours of paid time every week. The *Journal* also published a survey reporting that 74% of business executives and 40% of the general public admitted that they took home office supplies. Fourteen percent of business executives and 31% of the public reported that they called in sick when they were not and 78% of business executives and 15% of the general public admitted to using the company phone for personal long distance calls (1983, p. 12).

Employees can also exploit consumers, for example, by producing shoddy goods. Likewise, poor quality workmanship on the part of workers exploits business owners by diminishing profits and dividends to shareholders, especially in industries that have to pay for warranted repairs.

Management can also exploit ownership. The cover story, "The Raiders," *Business Week*, March 4, 1985, raises the point that managers may limit earnings of stockholders by managing to assure their own security and by resisting takeovers which would increase profitability. It was suggested that some "raiders" in effect work as champions of the small shareholder. This theme is echoed by a recent news item, "Anti-takeover Law Favors Managers Over Shareholders" (Jacobs, 1985). Executives of publicly held companies appear

to say "after the sale, shareholders should not be heard from again; that corporate management has an absolute right of self perpetuation, and the corporate management is not answerable to its shareholders." Clearly, this is exploitation. Furthermore, government often gets involved. For example, a bill to limit takeovers is before the Minnesota legislature. Government, if the bill is passed, would then be a party to exploitation.

Of course, the reverse may also be true: shareholders in their short-sighted demand for earnings can exploit management and workers.

Moreover, exploitative relationships are not limited to those of owner/management/worker. General Dynamics, a defense contractor, (*Business Week*, 1985), appears to have exploited the government and the taxpayer through illegitimate and excessive charges on defense contracts. Amitai Etzioni (1984), "Do Defense Contractors Map Our Military Strategy?" suggests that procurement drives defense policy. Thus, defense policy can be manipulated to the benefit of interested business and industry parties. In fairness, Etzioni also points to the reverse side of the relationship, in which politicians, to benefit themselves and their constituents, push appropriations through Congress for superfluous military hardware.

Consumers can exercise exploitative pressures upon industry and business. Consider, for example, the deregulation of the airlines and the dismemberment of AT&T. Everyday returns of used or owner-damaged goods is another example.

Exploitative relationships abound. In spite of the persistence of the sweatshop view of exploitation, the authors contend that the concept of exploitation, "the unjust or improper use of another person for one's own profit or advantage," can and should be expanded to better describe the dynamics of the workplace. Exploitation is not solely a management/worker issue, nor is it one-dimensional. All parties in working relationships can attempt to exploit others. The lack of exploitation may, in fact, be a state of tension, an uneasy equilibrium between various inputs that could push or pull the balance one way or the other.

The complexity of modern industry and business and the multiplicity of interrelationships require a new model to describe and explain the concept of exploitation as it relates to the workplace. The model must delineate relationships where the possibility of exploitation exists and must illustrate what constitutes the absence or neutralization of exploitation. The following two-axis matrix meets these requirements (Figure 1).

In this matrix the environment of industry and business is broken down into groups of interested parties: owners, employees, and society at large. In the broadest terms, owners provide capital and entrepreneurship for industry and business and seek gain in the form of profit. Employees provide labor, knowledge and skill in exchange for compensation and benefits. Persons in the larger society interact with industry and business in a variety

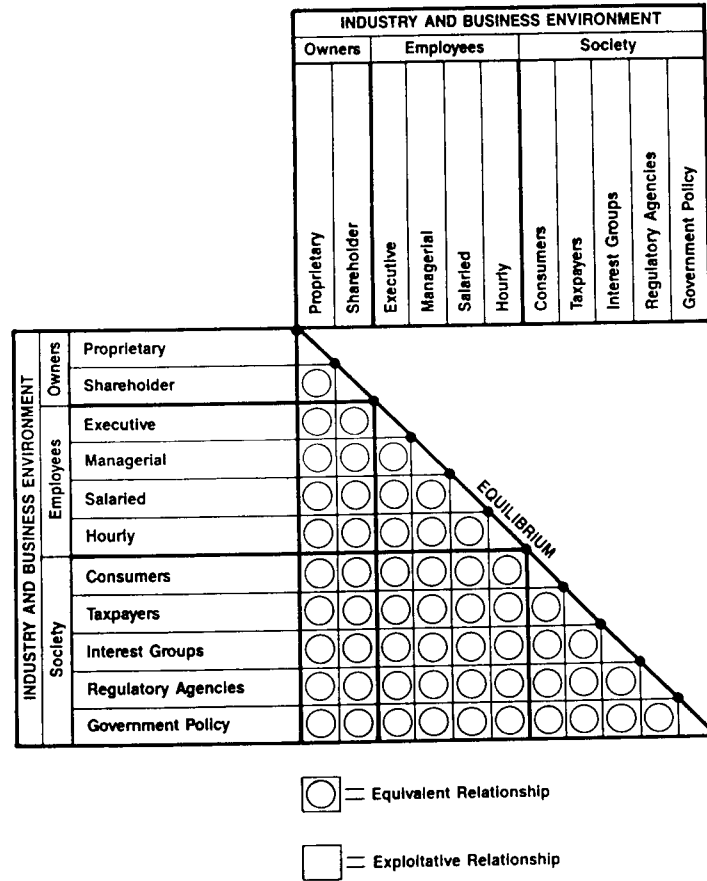


Figure 1. Equilibrium Among Potential Exploitative Relationships in Industry and Business

of ways for their advantage or loss—as taxpayers or consumers who speak for them, or through agents such as labor unions and other interest groups, elected representatives who formulate policy, or regulatory agencies who interpret and carry out policy.

These groups exist in a state of tension because each seeks its own advantage. To maximize their earnings owners may seek higher prices for goods or services, which affects consumers, or higher productivity and/or lower wages, which affects employees. Employees may seek higher wages and benefits at the expense of owners and of consumers, who must then pay higher

prices. Through regulation or policy, other groups within society may adversely affect profits, wages or prices.

No group or organization, however, is monolithic; and tension exists within the group. The owners may be shareholders or they may be proprietary owners, relating to one another and to other internal and external groups differently. A similar condition holds for employees. Executives, managers, salaried and hourly workers may each be seeking advantage at the expense of others. In today's complicated society the same people play many roles. As a taxpayer one may find a government-subsidized loan to Chrysler Corporation to be exploitative. As a consumer, one may bring pressure to bear on government to exercise regulatory power over Chrysler Corporation to insure that its products are safe. Again, as a consumer, one may push for the lowest possible price for an automobile. Or, as a member of the United Auto Workers, one may be willing to drive up the price of automobiles, hoping to gain increased wages.

This matrix of possible exploitative relationships illustrates many ways individuals or groups can seek advantage at the expense of the others. On the matrix the line of equilibrium, the points at which the gains of both parties in each cell relationship are equivalent, has been drawn. Thus, the matrix is useful for expanding this view of exploitation to include relationships other than simply that of employer/employee. Furthermore, it includes the concept of neutralized exploitation that results in an equilibrium in each cell relationship.

When equivalence in profit or advantage is not obtained in any one of the cells, the equilibrium is lost. Imagine cell relationships that are unequivalent and how this void distorts the line of equilibrium. Figure 2 illustrates the distorted line of equilibrium resulting from an unequivalence in the shareholder-executive cell that has executives benefiting through financially excessive separation plans at the expense of the shareholders. A pattern of empty and equivalent cells, when collapsed, would likely produce an even more distorted line profiling exploitation far beyond the single cell example in Figure 2. It is the authors' contention that the matrix of exploitative relationships is a more accurate descriptor of the reality of exploitation in industry and business environment than are the definitions in dictionaries. Furthermore, the matrix is a useful tool for analyzing any complex situation from the view of exploitation.

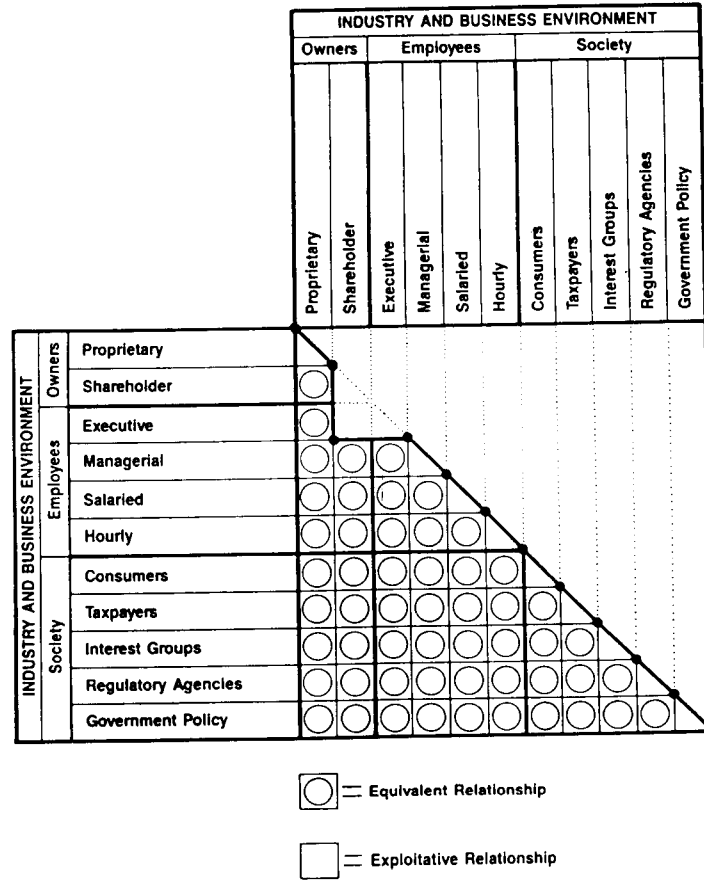


Figure 2. Exploitative Relationship in Industry and Business

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