On January 5, 1914, Henry Ford stunned his competitors in the burgeoning Detroit auto industry by doing the unexpected. He offered workers $5 a day for their labour — more than double the going rate.

His motivations were not entirely altruistic. As sales of his Model T boomed, Ford fretted that labour turnover and absenteeism would sap the efficiency of his assembly line production process. Paying higher wages was a way of attracting the kind of reliable workers who would keep Ford’s factories humming.

Still, Ford’s $5-a-day pay was a sign of an industrial world to come. In the half century or so that followed, big unions, big business and big government collaborated to create a labour aristocracy at leading manufacturers such as Ford whose members earned enough money to buy the cars that they made — to use the shorthand of what came to be known as the era of “Fordism”. The trend only reversed when economic shocks began to hit the US with increasing frequency towards the end of the last century.

Hopes for a Fordist revival in US business were stirred on Thursday by Walmart’s announcement that it was lifting its minimum wage to $9 an hour, or $1.75 more than the...
federal minimum. About half a million full-time and part-time workers — out of a total of 1.4m domestic Walmart employees — would benefit from the increase.

Walmart’s move certainly took a page out of the old Henry Ford playbook. The company’s management sought to deflect criticism that it was underpaying workers — and with some success. Among those expressing a degree of satisfaction after the company’s announcement was the Organization United for Respect at Walmart, or OUR Walmart, an advocacy group that campaigns for better conditions at the retailer and has been backed by the United Food and Commercial Workers union.

Emily Wells, a Walmart worker and OUR Walmart member, said in a statement: “The company is addressing the very issues that we have been raising about the low pay and erratic scheduling.” But she said that without guarantees of regular hours for Walmart employees “this announcement still falls short of what American workers need to support our families”.

Left unclear is how workers at Walmart will be able to secure such improvements. Over the years, the biggest US retailer has succeeded repeatedly in fending off attempts to unionise its employees, raising the question of whether Fordism and the Bentonville, Arkansas-based company will ever really be compatible.

“Fordism was never really applied to service workers,” said Ravi Palat, a professor of sociology at Binghamton University in New York. “Fordism was applied to the labour aristocracy, the industrial worker who had enormous pressure to stop production. If you are making gear boxes and you stop making them, the rest of production stops.”

Moreover, the level of Walmart wages probably falls short of the old Fordist goal of making it possible for workers to be able to afford a new Ford.

Pay of $9 an hour, for example, would translate into annual income of a little under $19,000 a year, based on a 40-hour work week. By comparison, the listed sale prices of 2015 cars and trucks at Landers McLarty Ford, located on South Walton Boulevard in Bentonville, ranged from just under $15,000 to nearly $65,000, according to the inventory listed on the dealer’s website.