THE NEW CURE FOR WHITE COLLAR UNREST

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[For full details on contents of this booklet, see outside rear cover]
INTRODUCTION

[¶1] Boost productivity of white collar workers.—

Squeezed between higher costs and the inability to get more for their products, employers today realize that increased productivity is a must. Our preliminary surveys show: Not enough importance is attached to the role of the white collar worker in maintaining high profits. Few realize to what extent sales and profits depend on the morale and attitude of this class of employees.¹

Over two-thirds of the employers we interviewed were overlooking the production potential of their white collar workers; were concentrating on boosting the output of their factory workers only.

Low white collar morale is not hard to detect. Washroom parades, inter-office chit-chat, rumor-spreading, clock watching, loafing, bickering, quick turnover, inaccurate work, day-dreaming, discourtesy to customers, prolonged lunch periods are all warning signals of poor morale and profit leaks.

The question employers asked us: How can I plug these leaks? The key to the answer:

White collar workers require specialized handling.

[¶2] What this report does.—

In this report Prentice-Hall has taken apart the 15 million white collar workers to find out: how they think; why and how they differ from production workers; the importance they attach to wages, training, promotion, supervision, security, surroundings; the kind of treatment they respond to; how they react to unions; what are their goals, their special problems.

To get this information, hundreds of unions and companies all over the country were quizzed, dozens of employee morale surveys were analyzed, innumerable off-the-record interviews with white collar workers were held, department heads and supervisors were questioned, and government and private research reports and statistics were screened.

WHAT MAKES WHITE COLLAR WORKERS TICK?

[¶3] Earmarks of the white collar worker.—

The white collar worker is like any other worker in that he works to satisfy basic human needs. Like any other worker, he wants high pay, fair treatment and decent working conditions.

[Footnote ¶1] (1) "Sales and profits depend * * * on the maintenance of favorable employee attitudes and high employee morale," James C. Worthy of Sears, Roebuck & Co. told the Fifth Annual Seminar of the Office Management Association of Chicago and Northwestern University, Feb. 4, 1947. A similar view is held by Claude V. McBroom, Director of Personnel & Methods, Meredith Publishing Co., Inc. Mr. McBroom told an American Management Association conference: "Productivity of a man is determined largely by the way he feels about his job and the attitude he has about his company." See "A Survey of Employee Attitudes," American Management Association Office Management Series No. 118, p. 3.
Despite this basic similarity, there is no doubt that there are differences between white collar and production workers in thinking, reactions, education, skill, personality, interests and goals.

If high pay, fair treatment and decent working conditions were all the white collar worker desired, why does a white collar girl — who is physically fit for either job — take a job as a clerk at $40 a week and turn up her nose at a job as a waitress in which, including tips, she might earn about $75 a week?

The differences between white collar and production workers often are in degree rather than kind. It's a generally accepted principle that all workers want to be treated as individuals and not automatons. But this sense of individuality is especially sharp in the white collar worker who hasn't been subjected to assembly line procedures.

Since the differences are in degree rather than kind, the production worker who is promoted into a white collar job usually falls into the white collar pattern. He tends to take on the color of his environment, to think and act like his associates.

The traits we list below form a composite picture of the white collar worker as drawn by himself, by the production worker, and by the experts who have studied them both.

[§4] He feels superior.

Some observers say the white collar worker's feeling of superiority really is false pride. They claim the white collar worker often is something of a snob, that he considers himself better than other workers.

Usually, however, he is better educated and his work requires more mental effort. He doesn't have to wear overalls at work. For years he has enjoyed privileges that other workers haven't had: paid holidays and vacations.

> OBSERVATION < Paid vacations were granted almost exclusively to salaried employees for many decades. The Westinghouse Electric Corp. put its paid vacation plan into effect in 1886. By 1948, a government survey of 446,779 office employees indicated that 97% were included under paid vacation plans.¹

It's a blow to a white collar worker's pride — and it's his main gripe — that workers he may consider beneath him make more money than he does. The 1947 Salary Survey of the National Office Management Association showed the average office worker in an average job earned $36.60 a week. In December 1947, wage earners in manufacturing industries earned an average of $52.69 for a week of 41.2 hours, according to the Bureau of Labor Statistics.²

Leo F. Bollens, President of the National Federation of Salaried Unions, says: "The wages paid unskilled, semi-skilled and skilled hourly-paid shop workers are, in many industries, equal to or in excess of the monthly wages paid professional or administrative employees." That he doesn't get a raise as often as the man in the factory — and that his raises aren't as big — is another white collar complaint.

According to statistics of the Federal Reserve Bank of New York, the index figure of the average weekly pay of wage earners in manufacturing in April 1947 was 199; in April 1948, 217 was the index figure set by preliminary estimates. For clerical and professional workers, the index figure was 153 in April 1947 and 162 in April 1948. In other words, pay for white collar workers rose a little over 5% in one year as compared with a 9% rise for wage earners.

In the 1947 Salary Survey by the National Office Management Association, 589 companies said there was no connection between the raises they gave their production workers and the raises they gave their office workers, as compared with 228 companies that said there was some connection.

He thinks and acts as a competitive individual.

The white collar worker doesn't identify himself with a group, with the labor movement, for example, as distinguished from the management class. He's not used to working on a team; his work usually is less closely dependent on another employee.

His main thought is advancement. He is constantly competing with his fellow workers for promotion. A salesman, for instance, will try to top another's sales, get higher commissions, and beat his rivals to the sales manager's job.

Observation: Since this trait is closely related to the characteristics described in the next paragraph, it is discussed in full there.

He is career-minded and ambitious.

The white collar worker is more concerned about his career than about the particular job he holds. He is ambitious and thinks that today's bookkeeper can become tomorrow's vice president.

Opportunity for advancement is the most important factor affecting the morale of white collar workers, according to a recent poll.

These are some of the gripes we heard from ambitious, career-minded white collar workers:


"When it comes to a promotion or a raise, the boss has his favorites. You don't stand a chance if he doesn't like you."

"Outsiders get the best jobs here." Lewis Merrill, former President of the United Office and Professional Workers of America, CIO, comments: "Management has always tended to resent the 'restless' or overambitious office and professional employee, preferring to keep the worker working at the job management has designed for him, regardless of his potential abilities. How many times a new employee is hired from outside to fill a vacant post before any investigation is made of the availability of present employees who might, with a little help, 'work into' the job".2

"The company doesn't give me a chance to show what I can do. I'm not using all my ability in this job." Here's what Mr. Merrill says about this: "The general frustration of white collar workers grows out of a general under-estimation of their worth and a lack of any real effort to evaluate and make full utilization of their skills."2

"My supervisor never tells me why I wasn't promoted or didn't get a raise."

"Our supervisors never say a word to us unless they're bawling us out. We never know where we stand." A recent survey shows that this is a universal gripe among white collar workers. Information about the worker's job status, telling him when he succeeds and when he fails, is the fifth most important factor affecting white collar morale, according to the National Industrial Conference Board.1

[117] He wants prestige and recognition.—

The white collar worker thinks, rightly or wrongly, that a job in an office and not a factory carries connotations of prestige. He is irritated when management doesn't recognize his importance.

Take the time clock, for example. Innumerable white collar employees told our staff that they didn't like punching time clocks "like factory workers."

A large, western manufacturing firm brewed itself a peck of trouble when its professional employees interpreted an order to punch time clocks as a blow at their prestige. Robert D. Loken says: "The order to punch time clocks was not well-received by the group because it offered a definite threat to their social status in the company. Much to everyone's surprise, the production and morale of the group affected dropped so low that the company lost money * * * Many of the group reacted almost as if they had been demoted * * * The privilege of not punching the time clock had carried with it large, non-financial rewards of a social nature."1

The Ford Motor Co. evidently understands the significance of the time clock as the symbol of production work. It abolished the time clock system for its white collar workers.

A bewildering array of company rules also irks the white collar worker because he thinks it’s an insult to his prestige to lay down the law to him as if he were an irresponsible child.

Mr. George W. Torrence, Labor Relations Manager of the Caterpillar Tractor Co., is one of the management men who are against long lists of rules. He wrote us: “From an industrial relations standpoint • • • a long list would have adverse repercussions. It would give employees the impression that they were working in sort of a prison, that their every move was being watched and that surely they couldn’t help but violate at least one of the many rules. A long list of rules generates fear rather than confidence.”

If the white collar worker’s craving for recognition as an individual isn’t satisfied, he’s apt to lose interest in his job and do just enough work “to get by”. But many white collar workers aren’t getting the kind of recognition they want from their companies. They told us:

“My company doesn’t appreciate me. No matter what kind of a job I do, I get the same thanks.”

“I don’t get any credit for the suggestions I make.”

“Our company wants suggestions for saving money, but when we have a gripe, it doesn’t want to hear about it.”

A high-sounding title or a special privilege that sets him apart from the other workers cuts more ice with the white collar worker than with the factory worker. For example, a girl who may be no more than a typist or stenographer in the eyes of her employer will tell her friends that she is a secretary. The title “secretary” has prestige.

He is closer to management.—

The white collar worker has the management outlook rather than the worker outlook. Frequently, he carries out management policies and works closely with management. He often is promoted into management ranks.

Ordway Tead thinks that this closeness to management is the reason management often has overlooked its white collar workers: “Office workers have always been tacitly regarded as ‘in the family.’ They have been thought to be ‘more like us.’ Managers have felt that the close personal contact which executives have with office staffs made it unnecessary for any sustained and functional attention to be paid to the special problems of relating office workers more effectively to the total company effort.”

He is better educated.—

Many white collar workers are college graduates or went beyond high school. Since intelligence is distinct from education, more schooling doesn’t mean that white collar workers are more intelligent than production workers.

But intelligent workers tend to move up from the ranks into better

The New Cure for

jobs. Studies of army occupational intelligence levels showed that unskilled workers were of definitely lower intelligence than skilled laborers, skilled workers were of lower grade than office workers, and management men were of the highest grade.¹

The white collar worker who has put time and money into his education wants a job where he can use his training and his intelligence to advance to more responsible and better-paid jobs [See ¶6]. He also wants a return on his investment — or our traditional respect for learning seems mere lip service. He doesn’t consider the why’s and wherefore’s, all he knows is: “I’m a college graduate, and I make less money than factory workers with no more than a grade school education.”

¶10 A woman’s world.—

About 7¾ million women are holding down white collar jobs.¹ That means that over half the 15 million white collar workers in this country look at their jobs from a woman’s angle.

Many women are in the job market temporarily; they expect to marry and run a home rather than an adding machine. Others are working only to supplement the family income. It isn’t surprising, therefore, that many women don’t consider their jobs part of their permanent scheme of living, and that women frequently have no definite vocational objectives.

Women employees, according to Hepner, get discouraged easily. If a job is unpleasant or difficult, they may walk out on it.²

As every employer knows, women are absent more often than men. Aside from personal illness, women stay away from work to shop, to do their household chores, to look after children, and to care for sick members of their families.

Psychological research shows that women measure their like or dislike for a job by their reactions to the people around them.² If a woman doesn’t like her boss, she usually doesn’t like her job.

Women are more sensitive than men to the working environment. Clean, attractive offices, lunch rooms and rest rooms influence their opinion of a job [See ¶42].

WHY WHITE COLLAR WORKERS KICK

¶11 More white collar woes.—

Many of the gripes our staff collected from white collar workers have been discussed in the preceding paragraphs. That’s only the beginning.


(2) Psychology Applied to Life and Work, p. 594.
White Collar Unrest

Other white collar woes are not the personal property of white collar workers. Some complaints that we describe in this section will have a familiar ring — you have heard them from your production workers too.

But don't underestimate their importance. They spell poor morale and slow leaks from the profit pipeline.

The economic pinch.—

Time was when a white collar had a halo effect; it enhanced a worker's prestige. Now, with white collar salaries lagging behind production pay [See §4], some workers feel that their white collars are slowly strangling them. With the growth of huge industries and mammoth corporations, unions and management gave production workers such a rush that white collar workers feel like wallflowers.

Although pay isn't the only important factor affecting white collar morale, it is a powerful persuader. Many a white collar worker might consider exchanging his white collar for overalls after learning that: “In making an analysis we find • • • a difference of $150 per month on average take-home pay between the office and production worker.”

That's Leland Beard, Int'l First Vice President of the CIO's Glass, Ceramic and Silica Sand Workers, speaking.¹ He continues: “We came across the Registered Nurse who supervises the first aid for a factory employing over 1200 people and a potential of 2000. We found that her wage was $1.06 per hour. • • • on the very day that the Registered Nurse was receiving the $1.06 per hour the production girls' hourly earnings were $1.58.”

Our staff frequently was told: “I'm not paid what I'm worth.” “I've been with this company over 20 years, but men who just came in get more than I do for the same job.”

However, job evaluation for white collar workers is beginning to catch on. Around 25% of the companies covered in a recent survey by the Dartnell Corporation were using job evaluation for office workers.²

Women often told our staff: “I'm getting less pay than a man who does the same work.” Statistics show the women have something there. For example, among office workers in the machinery industry, men general clerks averaged $1.03 an hour compared to 80¢ for women.³ The Women's Bureau of the U.S. Dept. of Labor says: “Examination of selected occupations • • • shows the familiar story that men are earning more than women. These differences in earnings do not in themselves indicate that the principle of equal pay is not applied, but they do indicate either that men are assigned to more skilled and higher paying jobs • • • or that men do get higher pay than women for jobs that are alike.”³

There's a growing vogue toward equal pay. According to Dartnell Report No. 542, only 26 of 222 companies surveyed had differentials in wages for clerical employees. Starting salaries are about the same, but higher maximum limits are set for men. At one company, for example, $45 a week was the maximum for women clerks, $58 was the top for men.2

Overtime.—

Workweeks have been getting shorter – 40 hours is generally accepted as the workweek standard, and many companies have even shorter workweeks for office employees.1

But many white collar workers have to put in long hours either as a regular occurrence or when the work load is especially heavy. Some aren’t covered by the Wage-Hour Act, some are exempt. Their employers have no legal obligation to pay them for overtime work.

That’s the rub. The white collar worker doesn’t care about legal obligations. All he knows is that the fellow at the next desk or the fellow in the factory gets time-and-a-half or double time for overtime – and he doesn’t. He feels that his employer is taking advantage of him, and his morale takes a nosedive.

How compliance with the legal obligations can create discontent within an office is described by Leo F. Bollens, President of the National Federation of Salaried Unions: “The most closely allied positions in any industrial white-collar structure are draftsmen and engineers. The draftsmen are classified as non-professional employees • • • the engineers in general are classified as professional employees, • • • and are excluded from coverage of the Act [Wage-Hour] because they are so classified and are paid a monthly wage of $200. The wages of draftsmen in most industrial concerns overlap the wages paid engineers, although their work is so closely associated with that of the engineers that one could say they fit like a hand in a glove. But this similarity of work does not produce a similarity in take-home pay because the draftsmen come under the coverage of the Act and receive overtime pay, whereas the engineers • • • are excluded from coverage • • • and, therefore, do not receive overtime pay.”2

Job security.—

Clerical workers ranked job security second on their list of the five most important factors affecting employee morale — they put job security ahead of pay.1

[Footnote 13] (1) See Working Conditions in 222 Offices, Dartnell Report No. 542, Dartnell Corp., Chicago. The American Management Association reports that only one out of five manufacturing companies has a standard office workweek of less than 40 hours, but that almost half of the offices of non-manufacturing companies have a base workweek of less than 40 hours.


The emphasis on security is reflected in this white collar gripe: “The company can fire me or transfer me any time it wants to. The years I put in here don’t mean a thing. I can’t be sure of my job.”

Pay during an absence due to sickness or an accident that isn’t work-incurred (and not compensable under workmen’s compensation) is another major worry of white collar employees.

At many companies, pay during these absences is entirely within the discretion of the employer. The employee has no assurance that he’ll continue to receive his salary when he needs it to cover medical expenses as well as the cost of daily living.

Statistics show a comparatively low incidence of formal sick leave plans. A government survey indicated that 8% of the manufacturing establishments covered had formal sick leave plans for office workers as compared with 8% for plant workers.

Supervision.—

Our staff reports that many white collar gripes are directed against the supervisory staff. Here are some white collar complaints, in the workers’ language:

“I know more than my supervisor does. In fact, I had to teach him his job.”

“Our supervisors don’t take any interest in us.”

“Our supervisor never goes to bat for us.”

“My supervisor gets away with murder: He comes in late, takes a long lunch hour, leaves early whenever he wants to — but just let me try it!”

“My supervisor is unreasonable — he expects the impossible, doesn’t explain work clearly, and is always changing his mind. And when he’s unfair or too hard on me, there’s nothing I can do about it.”

Company policies.—

Some white collar workers told us that they don’t think their companies have any policies on salaries, promotions, or anything else. They complained: “Everything depends on what the boss happens to think at the time.”

From other white collar workers we heard: “Our company never tells us what’s up. It keeps us in the dark on how much money it’s making, what happens to the money, and whether our future looks good or bad.”

A growing number of management men are aware that employees want to know all they can about their companies and their jobs. Edward T. Cheyfitz of the Motion Picture Association of America comments: “Wages, opportunity, security — these are vital questions, and employees want to know all about them * * * A good many of our farsighted employers * * * are extending the area of employee information. They are issuing regular statements to their workers on the history and progress of the company, its competitive position, its future plans, and on the general
subject of the economics of competitive capitalism. Some are suggesting, although timidly, that their employees may 'look at their books'”.

W[17]  Working conditions.—

Hepner says that workers react to specific factors in the work situation. For example, when he made an attitude study of the office employees of one company, he found that the most important problem to many of the women was the rough corners on the office desks. The women were tearing their stockings on the desk splinters.

After they complained to their supervisors, the desks were sandpapered. But new splinters always appeared in a few weeks. Morale for the whole department was low partly because annoyance over this incidental factor spread to other aspects of the work situation. A few dollars' worth of rubber over the desk corners corrected the difficulty.

Here are a few complaints of this nature that were collected by our staff:

“Our office furniture and equipment is old and broken down. The chairs are uncomfortable.”

“Our office is dirty. The wash rooms are dirty too; there isn't enough soap, hot water or towels.” The women added: “Not enough mirrors, either.”

“The office is too hot (or too cold). Even though we complain, the company does nothing.”

HOW UNIONS SELL THEMSELVES TO WHITE COLLAR WORKERS

W[18]  Unions welcome white collar members.—

A whole array of unions—not just a few white collar unions—have the welcome mat out for white collar members. Some do more than leave the front door open; they go right out and bring the worker in.

These are some of the unions wooing white collar workers:

Office Employees' Int'l Union (AFL)
United Office & Professional Workers of America (CIO)
Int'l Federation of Technical Engineers, Architects & Draftsmen's Unions (AFL)
American Newspaper Guild (CIO)
Retail Clerks Int'l Ass'n (AFL)
United Retail, Wholesale & Department Store Union (CIO)
National Federation of Salaried Unions (IND)
Associated Unions of America (IND)


Production workers’ unions also are driving for white collar members. In fact, several recent conventions passed resolutions to do so. Among the production workers’ unions going after white collar members are:

- District 50, United Mine Workers of America (IND)
- Int’l Bro. of Teamsters, Chauffeurs, Warehousemen and Helpers of America (AFL)
- Int’l Bro. of Electrical Workers (AFL)
- United Electrical, Radio & Machine Workers of America (CIO)
- Int’l Ass’n of Machinists (IND)
- Int’l Chemical Workers Union (AFL)
- United Automobile, Aircraft & Agricultural Implement Workers of America (CIO)
- Utility Workers Union of America (CIO)

Extent of unionization.—

According to the American Management Association, less than 15% of all clerical, professional and administrative employees are unionized.1

The National Office Management Association survey of 1180 companies in the United States and Canada shows that 7.1% of the companies reporting have union representation among office workers.2 (Office workers as defined in this survey excluded administrative and professional personnel).

Of the companies in the United States with union representation for office workers, 31% recognized the union in 1945 and 1946, 32% in 1940 to 1945, and 29% before 1940 (8% didn’t answer).

NOMA reports that evidence of unionization is found in every section of the country except the West South Central States (Louisiana, Oklahoma, Texas). Unionization is highest in the Pacific (California, Oregon, Washington) and Middle Atlantic States (New Jersey, New York, Pennsylvania).

The industry reflecting the greatest degree of unionization is public utilities. Transportation and petroleum products manufacturing come next.

According to NOMA, unionization is highest in companies of 501 to 1000 employees, lowest in those over 5000 and under 26.

Areas of AFL and CIO activity.—

The AFL Office Employees’ Int’l Union, with an estimated 30,000 or 35,000 members, is active in public utilities and in retail and wholesale establishments. It has contracts with the New York Stock Exchange, the

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Cotton Exchange and the Curb Exchange and is campaigning among employees of Wall Street brokerage companies.¹

The United Office and Professional Workers (CIO) tells us that it has about 70,000 members. Other estimates run as high as 85,000.¹ Its membership is in insurance companies, publishing firms, radio broadcasting stations, social service organizations and in technical and scientific jobs.

In companies covered by the NOMA Survey, AFL unions taking in white collar members have their greatest strength, in relation to both independent and CIO unions, in advertising; printing and publishing; construction; food, tobacco and drug manufacturing; and transportation.²

The CIO unions are strongest in textile and leather manufacturing; service industries; and wholesale sales and distribution.

NOMA found that independent unions were strongest in banking, insurance and financial companies and public utilities.

**Observation**: Since production unions are now bidding for office members, it is interesting to note that NOMA found that correlation between AFL office and factory unions was fairly high, CIO correlation fairly low.³

[21] What the unions offer.—

The unions offer a program designed to reduce or wipe out various white collar complaints. They promise to obtain:

- Wage increases
- Severance pay¹
- Equal pay for women
- Job classification and evaluation
- Semi-annual merit or salary reviews
- Training for promotion
- Sick leave
- Better vacation benefits
- Shorter hours and overtime pay
- Insurance and hospitalization
- Grievance systems
- Seniority rights

The chart on pages 15-17 shows what the unions actually got under nine typical white collar contracts.

**Observation**: All provisions in a contract do not necessarily represent earthshaking gains that a union has wrested from an employer. Often a contract continues in effect the employer’s previous practices. Similarly, the absence of a provision such as sick leave from a contract does not mean the practice is not in effect at the company. The parties may not have bargained on the issue.

(3) Office Unions, p. 5.

[Footnote 21] (1) Over 90% of the 182 agreements negotiated by the American Newspaper Guild and surveyed by the U.S. Dept. of Labor provide severance pay. All the agreements contain graduated plans in which payment is based on earnings and length of service. Most of the agreements specify a maximum allowance ranging from 4 to 52 weeks’ pay.

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<tr>
<td><strong>Severance Pay</strong></td>
<td>No provision.</td>
<td>No provision.</td>
<td>No provision.</td>
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<tr>
<td><strong>Equal Pay for Women</strong></td>
<td>No provision.</td>
<td>No provision.</td>
<td>No provision.</td>
</tr>
<tr>
<td><strong>Merit or Salary Review</strong></td>
<td>Annual interview for evaluating worker.</td>
<td>Semi-annual salary review.</td>
<td>Union submits semi-annual list of workers it thinks entitled to raise and amount of raise. Co. must answer in 15 days.</td>
</tr>
<tr>
<td><strong>Promotion</strong></td>
<td>Based on length of service when ability, experience &amp; qualifications relatively equal.</td>
<td>Qualifications &amp; relative seniority considered.</td>
<td>Based on length of service if ability, skill, efficiency &amp; physical fitness relatively equal.</td>
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<tr>
<td><strong>Hours &amp; Overtime</strong></td>
<td>5-day, 40-hr. wk. 45-min. lunch period. Time-and-a-half for hrs. over 40 a wk.</td>
<td>8-hr. day, 40-hr. wk. Diff. hrs. if required locally. Non-exempt workers: time-and-a-half for hrs. over 8 a day or 40 a wk. &amp; for hol. Doubletime for Sun. if over 40 hrs.</td>
<td>5 shifts of 8 hrs. each. Time-and-a-half for 6th consec. day &amp; for hrs. over 8 a day. Doubletime for 7th consec. day &amp; for hrs. over 12 a day.</td>
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<tr>
<td><strong>Vacation Benefits</strong></td>
<td>3 mos.-1 yr.: 1 day for each mo. 1-15 yrs.: 2 wks. 15-20 yrs.: 2 wks. plus 1 extra wk. in any 2 yrs. between 15th and 20th yrs. 20 yrs. or more: 3 wks.</td>
<td>After 1 yrs. — 2 wks. After 20 yrs. — 3 wks.</td>
<td>No provision.</td>
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<tr>
<td><strong>Insurance Benefits</strong></td>
<td>No provision.</td>
<td>No provision.</td>
<td>No provision.</td>
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<td><strong>Paid Sick Leave</strong></td>
<td>No provision.</td>
<td>No provision.</td>
<td>No provision.</td>
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<tr>
<td><strong>Seniority Rights</strong></td>
<td>Provision made.</td>
<td>Provision made.</td>
<td>Provision made.</td>
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<tr>
<td>Provision</td>
<td>Toledo Edison Co. &amp; Local 19, Office Employees' Int'l Union, AFL. Eff. 8-2-47</td>
<td>Otis Elevator Co. &amp; Metro. Fed. of Architects, Engineers, Chemists &amp; Technicians, Local 231, United Office &amp; Professional Workers, CIO. Eff. 7-3-47</td>
<td>Liggett Drug Co. &amp; Registered Pharmacists' Union Local 1479, Retail Clerks' Int'l Ass'n, AFL. Eff. 8-18-47</td>
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</tr>
<tr>
<td>Severance pay</td>
<td>No provision.</td>
<td>No provision.</td>
<td>No provision.</td>
</tr>
<tr>
<td>Merit or salary review</td>
<td>No provision.</td>
<td>Review every 6 mos. for merit raise &amp; promotion.</td>
<td>Performance review in May &amp; Nov.</td>
</tr>
<tr>
<td>Promotion</td>
<td>Based on length of service if worker has qualifications.</td>
<td>See above.</td>
<td>Based on seniority when qualifications are equal.</td>
</tr>
<tr>
<td>Hours &amp; overtime</td>
<td>8-hr. day, 40-hr. wk., Sat. work when office must be open for public.</td>
<td>7½ hr.-day, 5-day wk.</td>
<td>48-hr. wk. Employer may schedule 1 long wk. (not over 56 hrs.) &amp; 1 short wk., making total of 96 hrs. in 2 wks.</td>
</tr>
<tr>
<td></td>
<td>Equivalent time off.</td>
<td>Time-and-a-half for hrs. over 8 a day or 40 a wk. if salary is $450 or less a mo.</td>
<td>Time-and-a-half for hrs. over 96 in 2-wk. period.</td>
</tr>
<tr>
<td></td>
<td>Time-and-a-half for hrs. over 8 a day, 40 a wk.</td>
<td>Doubletime for Sun. &amp; hol. work.</td>
<td>Straight time for 2nd hol. if 2 consec. hol. worked.</td>
</tr>
<tr>
<td></td>
<td>Doubletime for Sun. and hol. work.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacation benefits</td>
<td>After 1 or more yrs. — 2 wks.</td>
<td>Up to 6 mos. — 1 day for each full mo.</td>
<td>Full-time workers:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 mos. — 1 yr. — 1 wk. plus 1 day for each mo. over 6.</td>
<td>Employed from previous Jan. 1 — 2 wks.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1-20 yrs. — 2 wks.</td>
<td>Employed from previous June — 1 wk.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20 or more yrs. — 3 wks.</td>
<td>Part-time workers:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Employed from previous Jan. — 1 wk.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Employed from previous June — ½ wk.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid sick leave</td>
<td>No provision.</td>
<td>Up to 12 days in calendar yr. May be increased at Co.'s discretion after yr.'s service.</td>
<td>After 1 yr.: 6 days at full pay; 6 more days at half pay. Doctor's certificate needed.</td>
</tr>
<tr>
<td>Insurance benefits</td>
<td>No provision.</td>
<td>No provision.</td>
<td>No provision.</td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Severance pay</td>
<td>No provision.</td>
<td>No provision.</td>
<td>Lay-off pay: 1/2 mo. for under 5 yrs. service to 3 mos. plus additional sum in discretion of co. after 20 yrs. Sev. pay after 10 yrs. service if dismissed for physical or mental disability or at age 65.</td>
</tr>
<tr>
<td>Equal pay for women</td>
<td>No provision.</td>
<td>Provision made.</td>
<td>No provision.</td>
</tr>
<tr>
<td>Merit or salary review</td>
<td>No provision.</td>
<td>Provision made.</td>
<td>Semi-Annual.</td>
</tr>
<tr>
<td>Promotion</td>
<td>Based on seniority (1) in classification and (2) in department, if training, experience, ability, skill and efficiency are equal.</td>
<td>Based on seniority, if ability, experience and other qualifications are equal.</td>
<td>No provision.</td>
</tr>
<tr>
<td>Hours &amp; overtime</td>
<td>8 hrs. for 1st and 2nd shifts; 6 1/2 for 3rd. Time-and-a-half for hrs. over 8 a day, 40 a wk., &amp; Sat. (unless shift begins Fri.). Doubletime for Sun. &amp; hol. work.</td>
<td>8-hr. day, 40-hr. wk., Mon. to Fri. Time-and-a-half for hrs. over 8 a day or 40 a wk. &amp; Sat. Doubletime for Sun. &amp; hol. work.</td>
<td>Five 8-hr. days, Mon. to Fri. Time-and-a-half for hrs. over 8 a day or 40 a wk. Meal allowance for 2 hrs. work over regular day.</td>
</tr>
<tr>
<td>Vacation benefits</td>
<td>After 6 mos. - 40 hrs. After 1 yr. - 80 hrs. 6 mos. to 1 yr. - 1/12 of 80 hrs. for each mo. of service.</td>
<td>Based on date of hiring preceding qualifying date. Ranges from 3 days for 5 mos. to 2 wks. after 1 yr.</td>
<td>After April 1 of each yr. 1 wk. for service from or before 1st working day of calendar yr.; 2 wks. for service from July 1 of previous yr.</td>
</tr>
<tr>
<td>Insurance benefits</td>
<td>No provision.</td>
<td>No provision.</td>
<td>No provision.</td>
</tr>
<tr>
<td>Paid sick leave</td>
<td>Based on service: 6 mos to 1 yr. - 2 days 1 to 2 yrs. - 3 days 2 to 3 yrs. - 5 days 3 or more yrs. - 7 days (not cumulative)</td>
<td>No provision.</td>
<td>At Co.'s discretion, depending on length of service, amount of paid illness, nature of illness, &amp; job preference.</td>
</tr>
</tbody>
</table>
The New Cure for

[§22] The union approach — Straight unionism.—

Unions have been trying to gather in white collar members via several approaches.1 One is the traditional approach — straight unionism: Join our union and we’ll get you higher pay, shorter hours, better working conditions, and protect your right to your job.

This is the traditional approach that brought over-all union membership in the United States to a wartime peak of 14 million. But it isn’t an outstanding success with white collar workers. The AFL Office Union, which uses this approach, favors it on the grounds that the lines between white collar workers and production workers are vanishing.

[§23] The big brother.—

This approach is a natural where the union has already organized the company’s production workers. The white collar workers compare their paychecks with the production workers’ — and begin to feel sorry for themselves [See ¶4]. The union approaches them and says: Join us if you want your pay to match the factory workers’. We know this company; we understand your problems; we’re already bargaining successfully for the production workers. Why not let us represent you?

This is the line the United Automobile Workers (CIO) are using in their drive to sign up white collar members. The UAW already has a separate white collar workers’ department, and it aims at signing up half a million new white collar members.

[SUGGESTION→ Keep your eye on this approach. One expert observer of the labor scene tells us it’s likely to prove the most effective appeal to white collar workers.

[§24] Glamour and improvement.—

The unions using this approach sponsor courses and provide help for career-minded workers eager for advancement. The United Office & Professional Workers (CIO), for example, set up a workshop for actors and writers when it was trying to organize a broadcasting company.1

The Book and Magazine Guild of the UOPWA sponsors a school. Courses in preparation of manuscripts, book production, proofreading and in publishing children’s books are open to members and non-members. The folder announcing the courses says: “A love of good books is undoubtedly helpful if you intend to make a career of publishing, but in publishing, as in any other business, knowledge and skill are the chief aids to advancement and increased pay.”

Sometimes the courses given by the UOPWA cater to the workers’ desire for relaxation. The union has given courses in ballet dancing to keep its members and would-be members happy.

[Footnote §22] (1) See Burns, Robert K., “Unionization of the White Collar Worker,” American Management Association Personnel Series No. 110, pp. 3-16.

Some unions appeal to the workers' social side by throwing parties for them. Celebrities are invited to address meetings, to endorse the union's aims, and to shed an air of glamour and prestige over union activities.

This approach doesn't work equally well with every white collar employee. It's an all-embracing program that covers a worker's job and social desires, and it appeals primarily to the "intellectual". Many white collar employees have no intellectual leanings. Many more don't want a union, any more than a company, to absorb their whole lives.

[§25] Why they don't join the union—

With so many white collar workers harboring such an assortment of gripes, and with the unions all set to sign them up, the question is why more of them don't storm the union portals. The answer: The traits that distinguish the white collar employee from the production worker [See §3-10] often prove stumbling blocks to unionization.

1. The white collar worker is afraid that if he shows an interest in unionization or takes an active part in attempting to organize his company, he will be fired. Or, if the company doesn't fire him, it will "have it in for him". He will not be promoted and he will be overlooked when the raises are handed out.

2. He is suspicious of union leaders who have been linked with left-wing movements. He doesn't want to join a union that promotes political views contrary to his own.

3. He is proud and thinks that unions are for the man in overalls only. He doesn't want to be pulled down to the level of the production worker. He doesn't want to mingle with production workers in a union any more than he wants to play bridge with the office porter. He doesn't want to join any group if he thinks it will lower his position in the community or among his friends.

4. The white collar worker isn't sold on group action. He thinks in terms of "what's in it for me". He's not class conscious; he doesn't want to be lumped with other workers in a "movement". The unions say it's hard to get him out on strike or on a picket line.

5. He frequently is more interested in beating his fellow worker to a better job than he is in cooperating with him to improve their working conditions. He doesn't want to do anything that will hurt his chances for advancement.

6. He isn't impressed by union attempts to rouse him to a war on management. Many of his friends are in the ranks of management — and he has hopes of getting there himself.

7. He won't swallow a union line any more than he'll swallow a company line. He's apt to be argumentative, critical and skeptical.

[Footnote §25] (1) Failure of United Office and Professional Workers (CIO) to sign non-Communist affidavits required by Taft-Hartley Act is blocking its progress among white collar workers. On the other hand, the right-wing United Automobile Workers is all set to welcome white collar members to its ranks. [See §23].
Other obstacles to unionization.—

Besides the white collar worker himself, the union has other obstacles to overcome. For one thing, management is becoming more experienced. It is determined to keep its white collar workers satisfied. Many companies have reduced or wiped out white collar gripes by putting into effect practices the union promises to obtain [See "What Employers Can Do for White Collar Workers," beginning at ¶26]. Therefore, many white collar workers reap the benefits of unionization without joining a union and paying dues.

White collar workers often form comparatively small groups for organization purposes, so it's expensive to unionize them. Even when they're organized, white collar workers provide more than their share of headaches for the union. It's more difficult to administer their contracts. Their wage rates are more complex; merit plays an important part in promotions and raises, their jobs hard to classify, grievances more difficult to adjust.

But unions are used to uphill sledding. A number of observers say the signs all point to a steady increase in white collar unionization.

WHAT EMPLOYERS CAN DO FOR WHITE COLLAR WORKERS

Importance of high white collar morale.—

White collar workers aren't satisfied with horse-and-buggy methods when factory workers have been getting the benefit of modern, streamlined industrial relations. Nor is a program of benevolent paternalism a substitute for intelligent, constructive management.

Many far-sighted employers have launched programs to eliminate white collar gripes, boost efficiency and morale and build an effective organization. The kind of organization they want is concisely described by James C. Worthy of Sears, Roebuck & Co.: "I mean an organization which has a dynamic quality, an organization composed of men and women who not only know their jobs but who are anxious to do them well, men and women who work together, and with management as a team, who have confidence and respect for the company because they know the company has confidence and respect for them." 1

Does it pay?—

No company is in business for its health. Keeping white collar employees happy isn't the primary aim of a business organization. But every


(2) See Business Week, Feb. 7, 1948, p. 92.

personnel policy and practice we describe in this section has met the profit test.

Hard-headed businessmen agree: These are the practices and policies that appeal to white collar workers; this is the way to improve their morale, boost their efficiency, and stop the drain on profits.

This section discussing some of the policies and practices of leading companies is by no means all-inclusive. Its purpose is to give you a birds-eye view of practical, workable methods that have been tested and proved in day-to-day dealings with white collar workers.

[ ][29] Merit rating.—

The oft-heard white collar gripes that a worker never knows where he stands or why he didn't get a raise or promotion [][6] can be silenced by periodic merit ratings.

Of course the idea of rating a man isn't new. Supervisors are doing it all the time, but in a haphazard, uncertain and inaccurate manner. Periodic merit rating according to a standard system takes a good deal of the guesswork out of promotions, demotions, transfers and raises, gives you solid grounds for effective discussion of personnel actions with employees.

[ ][30] What merit rating can accomplish.—

Here's what you can expect merit rating to do:

☆ 1. Make it easy for your executives to analyze their workers objectively at regular intervals. This helps to eliminate snap judgments based on isolated instances of behavior.

  Example: One day Joe Brown refuses to carry out his supervisor's orders and is reprimanded by the department head. When Brown is up for promotion, the department head remembers only that Brown was insubordinate. He fails to take into account the years that Brown carried out orders well.

☆ 2. Help you discover employees who are capable of advancement. You can appeal to their desire for prestige and recognition [][7] and their ambition for advancement [][6] by training them for better jobs, giving them raises, adding to their responsibilities.

☆ 3. Check up on your previous analyses and actions.

  Example: You promoted Mary Smith six months ago on the strength of her merit rating. Now her rating is sliding down. Was your judgment inaccurate? Was Mary properly trained for her new job? Does she get along with her new supervisor? What other factors are affecting her job performance now?

☆ 4. Tell your employees what's wrong with them and what qualities they should develop. Your ambitious, career-minded white collar workers [See ][6] want specific advice directly related to their jobs. You can give them this advice when you discuss their ratings with them. General pep talks or inspirational lectures frequently go in one ear and out the other.

Example: John Black is deaf to a vice president’s talk on increasing efficiency. John Black is impressed by a supervisor who says: “You’ll be considered for promotion when you learn to plan your work better. Right now your difficulty is that you don’t assemble all the facts before you begin to work.”

5. Give your company a personality that appeals to your employees. Your company can never have a soul but it can have a personality. Your workers will have a warmer feeling for your company if they know the company is interested in them, wants to see them succeed, and gives them the individual recognition that white collar workers crave.

[§31] Merit rating scales. — 1

The simplest kind of merit rating scale merely requires the rater to answer yes or no to questions such as: Is the employee a hard worker? No man is either a hard worker or not a hard worker. Hepner says this type of scale is a poor one; a man shouldn’t be judged by the presence or absence of a generalized trait, but by degrees of possession of a trait.

Graphic scales are frequently used. They require the rater to check the adjective that best describes the employee [See Figure 1 for an excerpt from a graphic rating scale]. If you use this type of scale, remember that an employee’s qualities are not as general as the scale implies. For example, an employee may show initiative under some circumstances but not under others.

Specific behavior scales have been designed to rate employees according to definite characteristics. This type of scale lists concrete situations or various forms of behavior that an employee should or should not have. Its chief value is that the rating can be made on the basis of specific characteristics rather than general qualities. It is especially helpful in judging white collar workers since their job performance cannot be rated by production standards of the type generally set for factory workers. A portion of a specific behavior scale is reproduced in Figure 2.

[§32] Administering a merit rating program.—

Employers who have had experience with merit rating say that a program is worthless unless you use the ratings constructively. No employee wants to be analyzed and then filed and forgotten. But if you use the ratings to tell an employee where he stands and how he can improve, you give him the feeling that his company is interested in him and wants to see him succeed — very important to the white collar worker.

Use the ratings when you assemble them. Have a friendly discussion with each employee. (Your department heads and supervisors will do this in a large company.) First, point out the employee’s strong points. Overlook negative traits unless they have a direct bearing on the worker’s future with your company. End up cheerfully and constructively. Plan a program for making full use of the employee’s good qualities.

# Personnel Rating for Secretaries, Staff Workers, and Others Charged with Supervision

<table>
<thead>
<tr>
<th>Name of executive rater</th>
<th>Name of employee rated</th>
<th>Position</th>
<th>Section and Unit</th>
<th>Length of service</th>
<th>On this job since</th>
</tr>
</thead>
</table>

## Consider Qualities:

1. **Worker's knowledge of his job** refers to: familiarity with various procedures of the work.

2. **Worker's work experience** refers to: skill and practical wisdom gained by personal knowledge.

3. **Worker's educational background** refers to: amount of formal academic training related to job.

4. **Worker's knowledge of functions related to his job** refers to: well-defined understanding of his authority and scope of his job.

<table>
<thead>
<tr>
<th>(Exceptionally high)</th>
<th>(Excellent) REPORT</th>
<th>(Good)</th>
<th>(Fair)</th>
<th>(Poor)</th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Exceptional mastery</td>
<td>Thorough.</td>
<td>Adequate.</td>
<td>Insufficient knowledge of some phases of job.</td>
<td>Inadequate comprehension.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10</th>
<th>8</th>
<th>6</th>
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<tr>
<th>10</th>
<th>8</th>
<th>6</th>
<th>4</th>
<th>2</th>
</tr>
</thead>
</table>
Try to think of the outstanding characteristics of the person whose name is given above.

Check or underline the points which you believe to apply to him. You can check as many or as few items under any heading as you wish. If you want to make any additional comments on some items, write them in the margin.

* * * * *

POSITIVE OR COMMENDABLE TRAITS

NEGATIVE OR IMPROVABLE TRAITS

MENTAL EFFICIENCY

Attacks work systematically.  Should

Good memory for names of people.  Work more systematically.

Good memory for company facts.  Pay more attention to details.

Always seeking new ideas.  Determine to remember names.

Get more general knowledge.

Remember facts about work.

Learn more about certain subjects such as

Fig. 2—Specific behavior rating scale. From *Psychology Applied to Life and Work*, by H. W. Hepner, New York, Prentice-Hall, 1941, pp. 324-325.

[§33] Checklist for a rating plan.—¹

Listed below are a dozen ways to insure the successful operation of a merit rating plan. If you have a rating plan, or if you're starting one, use this list as your guide. Put a check in the box after any practice you think will give you a more effective and more valuable merit rating system.

1. Be sure your employees know that merit rating is for their benefit, that it's constructive, that you're not spying on them and using the ratings against them

2. Select objective qualities as a basis for ratings

3. Teach the raters how to rate

4. Base ratings on what the employee actually has done rather than on what he may do in the future

5. See that employees are rated by people who work with them—their immediate supervisors, for example

6. If possible, have employees rated by at least three people who work with them

7. Base your actions (promotions, raises, transfers) and your discussion with the employee on items checked by at least two raters. Consider the circumstances under which the rater judged the employee and how well the rater knew him

8. Try to avoid the "halo" effect. This is the tendency to rate an employee either high or low in many qualities because the rater knows

or thinks the employee is high or low in some specific quality. Example: Jane Green's supervisor knows that she is cooperative and has a pleasant personality. Therefore, he rates her high also in such traits as interest in work and adaptability.

9. Be cautious in comparing ratings of employees in different jobs. For example, a secretary should attain a higher over-all rating than a file clerk. The fact that a file clerk gets a lower rating doesn't mean she isn't a satisfactory file clerk.

10. Interpret ratings in terms of what the job requires. A receptionist who rates low in ability to assume responsibility may be a perfectly satisfactory receptionist. But an executive secretary obviously must be able to assume responsibility in order to do a satisfactory job.

11. Don't tell employees their numerical ratings. Tiffin points out: Early in life we learn that 400 is higher than 399. The employee who gets a rating of 399 may be unhappy if he finds out that the fellow at the next desk got 400, even though this slight numerical difference doesn't represent any real difference between the two employees. Instead, divide ranges of ratings into four or five categories and tell the worker into which category he falls.

12. Don't consider merit ratings infallible; use supplementary information such as records of absenteeism, tardiness, and quality of work as other bases of judgment.

[§34] Opportunity for advancement.—

Opportunity for advancement consistently tops the list of what white collar workers want from their companies [See §§5 and §§6].

"What the average employee wants to know is: (a) whether he can point toward some particular job in a line of promotion that is fairly well ordered and recognized, and (b) whether, if he does good work in his current job, he can expect a shot at the next job ahead."

A clear-cut promotion system is a sure way of appealing to white collar workers and getting them to identify themselves with the company and its interests. Hepner states: "Even though an employee may not be interested in becoming anything other than what he is, yet a concern which has a promotion system rates higher in the estimation of the employees than the firm where promotions are mysterious things that seem to be acquired by the 'lucky fellows with a pull'."

You need not chart a rigid pattern for promotions. You can expect the small number of employees capable of advancement to be fitted equally well for promotion into several jobs or departments rather than just certain jobs in one department.

Merit ratings [See ¶28-32] will help you determine which employees can be promoted. Have a department head or personnel man interview these workers and plan what they should do in order to reach their goals. If employees need special courses of study to prepare for better jobs, you may want to pay all or part of their tuition. Many companies do.

Our research staff found that white collar workers respond to policies like this. They make the worker feel the company is as interested in him as in its profits, that it recognizes his ability and is helping him make full use of his skill and knowledge.

Companies tell us that policies like this pay off. First, turnover is reduced. Second, employees take more interest in their jobs and are more efficient. Third, the company is assured of a steady supply of loyal, experienced workers who can step into responsible jobs without much additional, expensive training.

[¶35] Suggestion systems.—

Suggestion systems satisfy your white collar employees' need for recognition [¶7], give them credit and cash for good ideas, stimulate interest in their jobs — and help the company cut costs, improve methods, and boost output.

However, a suggestion system will not work if it is no more than a well-designed suggestion blank and a flock of suggestion boxes. It requires constant attention from someone definitely assigned to the job. Whether he gives all or part of his time depends on the size of your company. He must have the sincere backing of top management and be able to enlist the cooperation of your supervisory staff.  

[Observation] Some companies report that a committee composed of management and employee representatives gets the best results. Employees say they can be sure of a square deal if they are represented on the committee.

[¶36] Checklist for a successful suggestion system.—

Employers whose suggestion systems are producing results have given us some pointers on how to make a suggestion system click. Look over their recommendations and check the ones you think would give your system a needed shot in the arm.

1. Tell your workers what kind of suggestions you want; specify the type of improvement you are looking for .............................................

2. Appraise suggestions promptly. Delays discourage your workers. Some suggestions, of course, require time for careful appraisal. But acknowledge receipt of a suggestion promptly, and tell the employee his idea is under consideration .............................................


3. Date each suggestion in the order of its receipt. This prevents arguments as to who submitted an idea first. The dating system you use depends on the frequency of collections from your suggestion boxes. You also must decide how long a suggestion will be good: One year? Two years? 

4. Pay an award commensurate with the value of the suggestion. Three-fifths of the companies covered in a recent study paid 10% of the savings resulting from the idea during the first year. Westinghouse pays 10% of the net savings or 5% of the gross savings, whichever is larger. Reason: The cost of putting some ideas into operation runs high the first year.

Experienced managers of suggestion systems warn: Don't insist on too exact a dollar-and-cents value for every idea. Some ideas have intangible values. Suggestions by white collar workers often cannot be measured in cash, since they do not result in immediate savings. Work out some equitable plan of payment for these suggestions. Be on the generous side.

5. Handle rejected suggestions with care. If you have to say no, always tell the employee why. The success or failure of your system largely depends on whether your employees think you sincerely welcome their ideas. A curt, unexplained rejection discourages the suggester and other employees as well.

Some authorities recommend that you pay the employee a personal visit to tell him why his idea was turned down. Charles R. Riker of the Westinghouse Electric Corp. says: "The personal visit is especially important when a man's first suggestion is turned down. Proper handling at this time may mean the difference between a future successful idea man and a disgruntled sorehead."

6. Present awards publicly, with some sort of ceremony. Everyone likes to bask in the warm light of approval, and you can satisfy the employee's craving for prestige and recognition by giving him his award with a little ceremony. It need not be elaborate; a gathering of the people in his unit or department or a luncheon in the company cafeteria will do. Be sure the award is mentioned in your house organ and on your bulletin boards.

7. Stimulate continued interest in your suggestion system. Give the system a shot in the arm by running a contest or campaign periodically. Get your supervisors interested. Pit one department against another. Give the supervisors prizes based on the number of awards won by the employees under them. Keep an attractive poster next to or above the suggestion box. Change it frequently.

(3) Riker, p. 47.
The New Cure for

Treating employees as individuals.—

Your white collar workers want to be treated like the individuals they are. No employee takes an interest in his company or job unless his company takes an interest in him as a human being, not as a robot in the production system.

This basic truth is aptly expressed by Edward T. Cheyfitz of the Motion Picture Association of America: “Management must frankly ask itself why an employee should be interested in the success of the company if the company is not genuinely interested in him. Does the company think that it kids the worker when it talks of making him a better employee and means only that it is interested in getting more out of him? Management should be interested in the worker, not only as a more effective producer but as a more effective individual. And there is a real distinction here. How many companies when speaking of employee morale are not thinking in terms of better and happier people, but merely in terms of more production and more efficiency? How many companies are interested in broadening the worker’s outlook, in making him a better person so that he can be a happier individual?”

Our staff reports that the practices described in this section are convincing employees that management is working for them too.

Checklist — The personal touch in employee relations.—

These are some of the means employers are using to give the personal touch to their employee relations. Check off the practices you can adopt in your company to make your white collar workers feel that management is sincerely interested in them as individuals.

1. An employee who does an outstanding job or accomplishes a special achievement gets a personal note of commendation from a company officer. The note isn’t a general one; it describes the specific achievement and shows that the officer has been following the employee’s work.

2. Employees who have been with the company for a given time—5 or 10 years, for example—get a gift. Sometimes the reward for length of service is a higher bonus or a longer vacation.

3. The company keeps track of birthdays and wedding anniversaries and sends cards to the employees.

4. A gift or check is given employees who get married, the amount depending on the employee’s length of service.

5. Every time the stork visits an employee’s home, the company sends the new arrival a check or a savings bond.

6. Employees who are ill for any length of time get flowers and a card from the company.

White Collar Unrest

7. Flowers are sent as an expression of sympathy if there is a death in the employee's family ..........................................................
8. Employees get a day or half a day off to do Christmas shopping ........................
9. The company arranges for employees to get theater and concert tickets at reduced prices ..........................................................
10. The company arranges for employees to buy various types of merchandise at a discount ..........................................................
11. The company prepares a list of resorts to help employees with vacation problems, and arranges for employees to get special rates at these resorts ..........................................................
12. The company has a lending library containing a selection of popular fiction and non-fiction as well as books relating to the company's business ..........................................................
13. The company provides information on courses that will interest employees or help them with their work ..........................................................
14. The company has a scholarship aid fund and pays part or all the tuition for employees who take courses that have some bearing on their work ..........................................................
15. The company makes loans to employees, without interest, to help them buy homes or furniture and to pay medical expenses ..........................................................

The little-things-that-count policy pays.—

The U.O. Colson Co. in Paris, Ill., furnishes its employees with personal services and benefits that go several steps further than the usual company program. Does it pay? Well, J. P. Gramling, assistant sales manager of the company, told us: "We think that these little extra services, gifts, etc. have gone a long way toward molding a genuine friendship between employer and employee. Fortunately we are just one big happy group, all working toward the same end at all times. Servel, International Business Machines and numerous other large industrialists have sent personnel men through our plants to see just what makes our program click. We have had many of them tell us there is nothing in the world like it. Our production is tops in our opinion. As an example of this, we are in a highly competitive business, and we feel that our profits are as large as our competitors', even though our price range is somewhat lower. The difference comes about with the increased production we get as a result of our industrial relations program. We are confident that our production has been increased considerably—a high percentage of extra productivity." [italics supplied]

In addition to wedding gifts, savings bonds for babies, and flowers for ill employees, Colson offers these benefits:

Home loans: The company will advance one-half the down payment on a home that an employee wants to buy or build. The company lends money to employees, without interest, for the purchase of furniture or other household equipment.

Resort facilities: Employees can enjoy a free vacation at company-
maintained, lake-resort cottages. Free boats and fishing excursions are thrown in.

Parking space: The company parking area contains a reserved space for every employee who drives to work. These individual spaces are marked with the employee’s name.

Clean windshields: One of the regular duties of the supply-room crew is to remove all accumulated ice, sleet and snow from the windshields of workers’ cars. They do this just before quitting time so that the cars will be ready to roll.

The Colson Company is well aware that these alone will not be effective builders of employee good will. The company also provides pension, profit-sharing and group insurance plans. Incidentally, Colson always refers to its employees as “co-workers.”

Listening to their troubles.—

“Many workers react more intensively in terms of things that annoy them than in terms of what management does for them. Workers express their grievances freely, frequently, and with intensity if they feel that they are free to do so.”

There never was a company that pleased all its employees. You’re going to get complaints—and they shouldn’t disturb you. Start to worry when you don’t hear any squawks.

That’s why realistic employers make it easy for their employees to blow off steam. After all, you can’t remedy a situation you don’t hear about. But if your workers feel free to tell their woes to a sympathetic, impartial listener—a supervisor, a personnel counsellor, or a senior officer—you have a direct line of communication with your employees.

Here’s how the Vick Chemical Co. describes its grievance system to its employees:

“If you have any problem, either personal or involving your work or working conditions, it is our sincere desire that it be ironed out quickly and fairly. You should discuss the matter promptly and frankly with your immediate superior. It is part of his job to give you every possible assistance.

“If the two of you cannot remedy the difficulty—or if the matter is one which you prefer not to discuss with your superior—please feel perfectly free to take it up with a member of our Personnel or Placement Departments. He or she will make every effort to help you and will, if necessary, arrange for you to discuss the question with your Division Manager, and as a final authority, the President of the Company.”

The office they work in.—

White collar workers rank a clean, attractive environment high on their list of what every job should have. And they expect other working

[Footnote 40] (1) Hepner, Psychology Applied to Life and Work, p. 587.
(2) Your Job at Vicks, published by the Vick Chemical Co., p. 11.
conditions such as lunch and rest periods to be satisfactory. Check over this list and mark your answers in the box after each question. Every "No" means you’re overlooking some way in which you can make your office a more pleasant working place.

1. Is the temperature in the office comfortable (warm enough in the winter, as cool as you can make it in the summer)?
2. Is the lighting satisfactory? Have you had it checked scientifically?
3. Are chairs and desks comfortable?
4. Do you replace old, obsolete furniture and equipment whenever necessary?
5. Is the color scheme satisfactory? (Cheerful colors make a difference; eyestrain can be reduced by using the proper colors.)
6. Is the office kept clean?
7. Is the office quiet? Have you had it soundproofed? Using noiseless equipment?
8. Do you have enough typewriters, files, telephones, dictating and transcribing equipment?
9. Are clean and comfortable wash rooms provided? Plenty of soap, towels, hot water, mirrors?
10. Is the lunch period long enough so that employees don't have to rush? (Remember, there may be long waiting lines and poor service during lunch hours in business districts.)
11. Is there some place where employees can eat the lunches they bring from home? Buy milk or coffee?
12. Have you considered broadcasting music to lighten the monotony of routine white collar tasks?

Company rules.—

White collar workers agree that their employers have the right to tell them how to conduct themselves at work. But a long list of rules makes the average worker feel that he’s in a prison, not an office.

George W. Torrence, Labor Relations Manager of the Caterpillar Tractor Co. told us that it is “most unwise to attempt a complete listing of rules intended to cover every possible contingency * * * Employees already know that certain standards of conduct must be met. Many of these standards are the same that apply to society as a whole. For example, we have laws against murder and arson. And yet it is not necessary that these laws be prominently posted or periodically published. Employees know that they are not to strike their supervisor, set the plant on fire or spend their eight hours loafing * * * To have rules covering such offenses is not only unnecessary but approaches the ridiculous * * * it would insult the intelligence of those who were forced to read them.”

The Campbell Soup Co. approaches rules in the same spirit. Their handbook for office employees tells them: “We are not including a long list of rules and regulations in this booklet because we feel they are unnecessary.
We are sure you will want to work here under the same standards that you have set for yourself in your private life."\footnote{142}{Your Career at Campbell's, p. 18.}

The Armstrong Cork Co. says: "We believe that all employees will, as a matter of course, conduct themselves in the office and in the community in a manner which will reflect credit upon themselves and the Company."\footnote{144}{Office Manual, p. 3, published by Holland Furnace Co., Holland, Mich.}

Employees get their backs up when the do's and don't's appear to have been set arbitrarily and without reason. Don't adopt a rule just because some other company has the same one. Every rule you set should serve some useful purpose in your company.

Don't make up a rule every time you discover one employee doing something he shouldn't— or you'll soon have far too many rules.

\[\text{How to draw up rules.—}\]

Mr. Torrence believes there should be as few rules as possible, and they should cover the types of offense that are not readily apparent to the employee. His company, for example, informs new employees that intentionally punching the time clock card of another employee is a serious offense because it amounts to fraud.

To Mr. Torrence's suggestions, other experts add these:

\* 1. Keep the rules simple and direct.
\* 2. Use a friendly, conversational approach.
\* 3. Explain the reason for the rule if the purpose isn't obvious. (A no-smoking rule in a powder magazine needs no explanation.)
\* 4. Dramatize your rules with illustrations.
\* 5. Draft rules so as to give yourself leeway to be more lenient when the circumstances require it.

Most important of all— keep one eye on the rule and the other on its possible effect on employee morale.

\[\text{Presenting the rules to your employees.—}\]

After you have drawn up your company rules, you must present them to your employees in such a way as not to arouse antagonism. This is how the Holland Furnace Company introduces its Office Manual: "You have often heard that old saying about 'When in Rome, do as the Romans do,' and there is no doubt that you practice it in all of your social, church, civic, family and other affiliations. In other words, in order to feel at home with a group, you fit yourself into it by accepting their rules and customs.

"It's that way with the office personnel of the Holland Furnace Company, too. And so we give you in this manual, the customs and policies by which we get along together without discord or misunderstandings. If you will study it carefully and apply the suggestions it contains, you will find that your daily work will be more pleasant and that your relations with both your employers and fellow employees will give you greater satisfaction."
Earmarks of a successful supervisor.—

As all enlightened employers know, the morale of their employees is a good barometer of the supervisory atmosphere. “Ability to produce well is no guarantee whatever of ability to supervise.” Industry, today, therefore, is training its supervisors to deal with the intangibles of human nature and to handle people as well as production records.

We asked employers and workers what makes a successful supervisor, and their observations are set forth below. Look over these standards and measure your individual supervisors against them. You'll undoubtedly find many instances where additional training and guidance are needed to give you a top-notch supervisory staff.

1. He treats his workers as individuals, studies them, tries to understand them, takes a friendly interest in them. He suggests training for better jobs, talks over their ambitions with them, and encourages them to work for promotion.

2. He backs up his workers; they know he has confidence in them.

3. He praises in public and criticizes in private. He knows that praise develops good workers.

4. He never generalizes; he is specific, gives instructions clearly and fully.

5. He is positive and enthusiastic.

6. He is considerate; he realizes that employees have interests and obligations outside of the company.

7. He treats employees courteously and with respect. He doesn’t order them around like inferior beings or expect them to do menial tasks for him just because he’s boss.

8. He tries to get employees to want to follow his instructions and to do their work; he doesn’t issue orders like a top sergeant.

Companies can develop effective supervisors. The company can provide training courses and can encourage the supervisory staff to continue their training outside the company. It’s a good idea, employers say, for supervisors to belong to professional societies and to exchange ideas with other management men. They also can read publications that deal with their problems.

Paying what the job is worth.—

Small companies as well as large ones have been turning to job evaluation to solve the problem of establishing a sound salary system. One out of four companies covered in a recent survey sets the salaries for its white collar workers through job evaluation—finding out the relative value and appropriate pay for each job in their companies.


Employers report that the right job evaluation plan wipes out complaints that a worker isn’t paid what he’s worth or that there is discrimination in pay [See ¶4]. Job evaluation also makes it possible for a company to raise or lower the entire salary structure without disturbing the relationship between jobs. And the employees know that the company has a definite salary system, that their pay isn’t fixed merely by the whim of the moment [See ¶16].

How job evaluation works.—

Job evaluation begins with an analysis of each job in the company, describing in detail its duties and responsibilities, the amount of time spent on each, the degree of supervision or initiative involved, and the technical skill or knowledge required.

After each job is analyzed, the factors that go to make it up are appraised and given a value. Generally, this value is expressed in points. In a given job, for example, experience may be worth 30 points, sales technique 50 points, contact with others 45 points, and so on.

The job then is priced. The point values are converted into money values, and the salary for the job is set.

Observation—Job evaluation is too technical and complicated a subject to be discussed in full here. For a thorough explanation, see Job Evaluation, by Jay L. Otis and Richard H. Leukart, New York City, Prentice-Hall, 1948.

What to do about out-of-line jobs.—

After job evaluation is completed, employers usually find that some jobs are out of line. The jobs that had too low a salary obviously are no problem. But overpaid jobs have to be fitted into the new salary structure.

Employers can’t cut the salaries for overpaid jobs without dealing a blow to morale. But they can:

1. Upgrade employees in overpaid jobs to other jobs that give them the same salary but require them to earn it.

2. Hire new workers for the jobs at the salaries set by the job evaluation, when the present job holders have to be replaced.

Gradually, with upgrading and turnover, the salaries actually paid for the jobs will be brought into line with the rates set by job evaluation.

How about small companies?—

Small companies generally cannot spare individuals to conduct a job evaluation program nor do they usually have personnel qualified to set up such a program. Is job evaluation feasible for them? The Policyholders
Service Bureau of the Metropolitan Life Insurance Co., which has made a study of job evaluation, thinks it is.

However, the Bureau points out: "The small organization is faced with the problem of relieving a sufficient number of the more responsible personnel for committee work and of securing the additional staff assistance that is especially needed during the preliminary stages of the work. On the other hand, the job structure in small organizations is usually simpler than in large companies, so that the problem is inherently less difficult. ** Small organizations that plan to conduct job evaluation without experienced assistance will find it desirable to limit the evaluation activities to the simpler processes."1

[\[50\]] A permanent job evaluation committee.—

Most companies set up a permanent job evaluation committee of representatives from personnel and industrial relations and from all operating units. The number of committee members depends on the size of the company.

The committee (1) establishes the original plan, (2) decides how to get cooperation from all supervisors and employees, and (3) provides for periodic re-evaluation of jobs and for evaluation of new jobs.

[\[51\]] Selling job evaluation to your employees.—

No matter how good your job evaluation plan is, it won’t work if your employees are suspicious and think you’re out to cut their salaries. Your first step is to convince them that job evaluation benefits them.

Begin the selling program through your supervisors. Give them thorough instruction in the purpose of the plan, how it works, and what it is expected to accomplish in a reasonable length of time (you can’t expect immediate results.) Be certain that your supervisory staff can answer questions intelligently and promote enthusiasm among your employees. Conferences, discussion groups, charts and booklets—all can be used to indoctrinate the supervisory staff.

Use every means at your disposal to sell job evaluation to your white collar employees; don’t wait until the program is well under way before you let them in on it. Explain why you’re evaluating jobs, how employees will benefit from a unified wage structure, how each will be paid what he’s actually worth without favoritism or discrimination. Break down the plan into simple steps and show how it works, step by step. Assure your employees that their pay will not be decreased.

Send letters to your employees, supply them with booklets, plaster posters on your bulletin boards, keep a series of articles running in your house organ.

The Metropolitan Life Insurance Co. suggests: “One of the ways of securing acceptance [of job evaluation] is through employee participation. This usually is accomplished through having employees fill out questionnaires, having them work with job analysts, or asking them to check the accuracy of the facts given in job descriptions. * * * Probably the best way * * * is to have employees work with the analyst or supervisor in preparing questionnaires, or having employees review the completed job descriptions.”

Keeping tabs on the cost of living.—

A sore point with all white collar workers: The company seldom or never passes on to them the raises it gives production workers [§4]. White collar workers feel the pinch of the high cost of living as keenly as do production workers — and have a set standard of living to maintain.

The solution is obvious. For example, the Commerce & Industry Association in New York reports that most companies in that area have incorporated cost-of-living adjustments directly into their salary structure. A few companies, however, prefer to meet rising costs of living by paying a bonus. In this way, they don’t change their basic salary structure, but help their employees out of a tight spot. Frequently the bonus is a percentage of the employees’ salaries, and the employer uses the Consumer’s Price Index prepared by the Bureau of Labor Statistics as his guide.¹

Example: Your company is in Chicago, and you decide to pay a bonus of 5% of your employees’ monthly salaries if the index figure for Chicago goes up at least 5% over the previous figure. In March 1948 the index for Chicago is 158.3; in September it is 169.3, a rise of approximately 6% [((168.3 - 158.3 = 10 points) (10 points ÷ 158.3 = 6%)]. According to your plan, therefore, you start to pay your employees a 5% bonus in September. If you wish, you may continue to use the Consumer’s Price Index as a guide and increase the bonus if the index goes up. You can also use the index as a guide and discontinue the bonus as the cost of living drops.

Beating the overtime bugaboo.—

The simplest way to squelch white collar complaints about overtime [See §18] is to pay for work beyond the regular work day or work week, or over 8 hours a day or 40 a week. Many companies do.

Some companies pay straight time, others time-and-a-half for overtime. Double time often is paid for work on Sundays and holidays.

In addition to paying for overtime, you may want to adopt the practice of companies that give dinner allowances ranging from 75¢ to $2.00 to employees who work beyond a stated number of hours.

SUGGESTION→ The cost of eating out has been going up. Remember to revise your dinner allowances and pay what it actually costs an employee to eat out. Your white collar workers will appreciate this sign of consideration.

[Footnote 152] (1) The Consumer’s Price Index appears regularly in the Prentice-Hall Union Contracts Service.
Pension plans.—

Fear of being cut adrift in his old age without an adequate income worries many a white collar employee and keeps him from working at top efficiency. Surveys show that clerical workers consider job security the second most important factor affecting their morale; they say that security in a job is even more important than pay. In their search for security, white collar workers are constantly leaving one job for another that promises a more secure future.

Yet employers cannot afford to hold on to aged workers whose efficiency and output no longer measure up to the salaries they are paid. And if older workers are not replaced by promoting younger workers from the ranks, the younger workers are likely to lose their incentive to work for advancement.

Some employers have solved the problem of replacing superannuated employees through pension plans, either in addition to or supplementing Social Security benefits. Most large companies have had retirement plans for years—the American Telephone & Telegraph Co. adopted a pension plan in 1913. About 7,500 pension plans covering 4 million workers now are in effect.

Employers find that a tax-exempt pension plan is more than a benevolent gesture to their employees. Experience proves that when pension plans are installed, worker efficiency goes up, turnover goes down, and higher morale is evident.

The Federal income tax law has liberal provisions for pension plans that qualify under the Internal Revenue Code. An employer is allowed immediate income tax deductions for payments to a qualified pension plan. Under present tax rates, the net costs to a corporation may be as little as 62% of its contribution; to a sole proprietor or member of a partnership, as low as 13.55%.

SUGGESTION—For a complete explanation of pension plans and how they work, see the Prentice-Hall Pension and Profit-Sharing Service.

Getting information to your employees.—

White collar employees are no exception to the surveys that show workers are eager for information. There isn’t any limit to their curiosity. They want to know everything, according to Edward T. Cheyfitz, of the Motion Picture Association of America. He says that, in his experience, the average employee is more anxious to know than the average employer is willing to tell.

If management won’t supply the answers, who will? J. J. Evans, Jr., of the Armstrong Cork Co. told a personnel conference that if a company’s


[Footnote 55] (1) Cheyfitz, Edward T. “What an Employee Wants to Know,” American Management Association Personnel Series No. 100, p. 3.
employees "could not recite facts to refute misstatements, or could not detect fallacy in erroneous inferences, or through lack of understanding could not enthusiastically support management's programs, whose fault was it?" 2

Many employers are convinced that employees should be kept informed, and that it's as important to sell the company to the workers as the product to the customers. But some employers are muffing their chances by not making effective use of the means at their disposal. 3

[§56] How to spread the news.—
All sorts of ways are open to employers who want to spread the news:

Supervisors who come in daily contact with workers
Lectures, forums, group meetings
Bulletin boards
Periodic reports
Public address systems
Manuals and handbooks

Inserts in pay envelopes
Company newspapers and magazines
Motion pictures
Special booklets
Advertisements in newspapers and magazines

[§57] What to talk about.—
We said your white collar employees want to know everything [§57]. Specifically, this is what they want to hear about:

Is the company making money?
How much? How much of the profits went into our pockets? Into the stockholders'? Back into the company? Why?
How does our future look?
Will our jobs be here next year? Or will they disappear because business is poor? Will there be more opportunities for promotion next year? Raises?

What's the company doing?
Developing new methods or procedures? Planning new products or services? Opening more offices? Where?
Who runs the company?
Who are our officers? What's their background? What do they contribute to the success of the company?
How will outside events affect us?
Will a depression knock the props out from under us? Are we prepared for economic ups and downs? How? How will new laws affect our operations?

What's the company doing for us now?
How does our pension plan work? Group insurance and hospitalization? Anything new on sick leave, vacations, hours, overtime, holidays, merit rating, promotions, safety, company rules? How about training courses? Any new social activities?

White Collar Unrest

What's happening to the guy at the next desk?
Who's been promoted? Who's winning suggestion awards? Who's been transferred? Who's new?

Your white collar workers want you to talk over production and personnel problems with them. Discussing problems with them and asking them for suggestions gives them a sense of participation in the company—and good ideas sometimes come from the ranks.

When you're starting a new policy or procedure, tell them about it first; a worker who knows the why's and wherefore's is more cooperative than one who is kept in the dark.

Some employers provide special information for their employees. They distribute pamphlets on health and safety; before March 15 they tell them how to prepare their tax returns.

Don't overlook the worker's family. Beam some of your information their way. Some employers see that the company publications contain recipes and patterns for the women and comic strips for the children at home.

Suggestions for company publications.—

Some employers think that a company publication is doing a good job so long as it contains gossip and personal items about the employees. The danger in this attitude is that the employee may not get "any feeling that the plant is located in a social and economic world, or that the future and well-being of the rank and file are in any way connected with the future and well-being of the company."

Robert Newcomb says: "It is true that the employee likes to see his own name or his baby's picture in print. But he and particularly his family are much more concerned with the security of his job and the factors about the company that help make his job secure. He finds precious little information in his house organ to insure his peace of mind; . . . ." 1

Two observers—and critics—of company newspapers make these suggestions for house organs:

1. Explain changes in the company such as programs of training, new marketing methods and the like. This gives the individual employees a sense of identity with the company.

2. Don't ignore the union, if you have one. It's close to the employees. Report some of the grievances that have been settled or some that will be settled. Mention a new contract when you sign it.

OBSERVATION—The Aldenite, house organ of Aldens, Inc., in Chicago, regularly carries a column of union news. Management avoids reviewing or censoring it.

3. Get the interest of the employee's family. Consider having a


women's page and comic strips. (You might also consider mailing the newspaper or magazine to your employees’ homes.)

4. Devote some editorial space to management views or analyses of important problems such as absenteeism or distribution.

5. Promote employee interest by running contests, inviting letters to the editor.8

OBSERVATION These same suggestions, of course, can be carried over into any other method of communication that you use. Experienced employers also recommend that whatever you say, present it attractively; use simple, direct language (no talking-down); and express a friendly, sincere interest in your employees.

Keep the reporters pitching.—

Every house organ needs a steady flow of live news. The efforts of your reporters can spell either success or failure for your publication. The American-Maize Products Co. follows a regular system for alerting the reporters on its monthly publication, the Amaizo Corn Ear.

Each issue of the Corn Ear notifies reporters of the next month's deadline and stimulates their thinking on the sort of items wanted for the paper [See Figure 4].

The Amaizo Corn Ear

Deadline for February Issue February 1.

I keep six honest serving men;
They taught me all I know;
Their names are what and why and when
And how and where and who.

— Kipling

Who are the new people in your department? Are they new in the company, or have they transferred? Anybody have a baby? Going to be married? Return after an illness? Planning a vacation already? Planning a vegetable garden at the plant? Got a new car? A new house? A new hat? Had a party? An anniversary? Celebrate anything special?

Several days before the deadline, the switchboard operator calls each reporter who has not turned in his copy. (On other successful house organs, the editor’s office makes these calls.)

A Corn Ear reporter is let down easily if his material can’t be used or must be held for a later issue—the reasons why are explained to him personally.

Three more incentives that keep Corn Ear reporters in there pitching:
1. By-lines for reporters.
3. Annual parties for reporters.

Financial reports for employees.—
To overcome their white collar worker’s belief that the company is “making too much money,” many business men have been following in the footsteps of corporations that send their employees the same financial statement that goes to stockholders. The new trend, however, is to get up a special report for employees that they can understand without being accountants.

Employees want more than a mere balance sheet. The reports most widely read by employees tell them where the money goes that the company collects from its customers; how much profit the company makes; how the profits are divided; why the company needs a surplus.

How other companies explain finances.—
The Great Northern Railway corrects false impressions about profits by making up a chart showing as a percentage of capital investment:
1. What employees believe the company makes.
2. What the employees say the company should make.
3. What the company actually makes.

If the company doesn’t know what employees think it makes, it can ask them. Normally the third item will be much smaller than either of the first two.

The Fruehauf Trailer Co. corrects false impressions by showing (1) what the public thinks large business should keep as a fair profit and (2) the company’s actual profit. A survey by Dr. Henry C. Link of The Psychological Barometer provided the public’s idea on profits.

The Allegheny Ludlum Steel Corp. explains profits in payroll terms. It reduces large totals to a unit familiar to employees: a weekly average per employee. With this average figure, the employee can measure all items against a unit he uses in measuring his personal income and expenses.

Johns-Manville shows how the employees’ share of company income compares with stockholders’. The payroll is excluded from expenses. The expenses are then deducted from the total income. The result is the amount to be divided among the employees, the stockholders and the company’s surplus. The J-M report reduces the statements to a cents basis too [See Figure 4].

Two-way communication.—
Progressive employers are paying more attention to the job of telling their employees the facts of business life [See ¶55-61]. And most employers
realize that "there is an absolute necessity to provide channels for a full and free flow of ideas and reaction from the bottom of an organization to the top" [italics supplied].

The company that knows what its employees think, what they want, what they like or dislike, is the company that will get the most value out of every dollar in its personnel budget.

Discover what your employees want before you go overboard in establishing an elaborate morale program. Some white collar workers, for example, might prefer a good cafeteria to a program of group activities. Don't force benefits on your workers and then sit back and expect them to be grateful. Consult them — then go to work.

Morale surveys.—

An attitude or morale survey is an excellent means of finding out employee opinion. Richard H. Leukart, Director of Industrial Relations, the National Screw & Mfg. Co., told us that it is almost impossible to obtain reliable information about employee opinion in any other way.

Some employers think the only time to conduct a morale survey is when morale is low. However, W. P. Reymond, Jr., Employee Relations


(2) This sounds fantastic, but it actually happened: An employer decided that his dock workers on the night shift needed a hot cup of tea with sugar. Some of the men didn't like tea; some didn't like sugar in their tea. So he fired them. If he had consulted his workers, his morale-boosting measure might not have boomeranged.

[Footnote 163] (1) Mr. Leukart also is co-author, with Jay L. Otis, of Job Evaluation, New York City, Prentice-Hall, 1948.
Manager of the Standard Oil Co. of New Jersey, urges management to make periodic check-ups of employee opinion on the theory that "people should not wait to get sick before going to see the doctor."\(^2\)

The LeTourneau Co. of Georgia, which has been conducting attitude surveys since 1940, agrees. Tom N. Boggs and Louis L. Maness of the Personnel Department claim: "Periodic determination of what employees are thinking is good insurance.* * * It is as effective as annual physical check-ups and seeing a dentist twice a year."\(^3\)

[§64] How to poll employee opinion.—

Employees can be polled by questionnaires or by personal interviews. The Western Electric Company's systematic plan of interviewing employees, which began in 1928, has served as the model for many an interview. Western Electric uses the non-directive interview—no direct questions are asked, the interviewer tries to create an atmosphere in which the employee feels at ease and will talk.\(^1\)

The LeTourneau Co. is sold on the questionnaire method. Prince L. Royal, Industrial Relations Manager, wrote us that a Questionnaire Committee composed of management, supervisors and foremen appoints another committee to draft a questionnaire [See Figure 5 for excerpts from the January 1948 questionnaire]. The questionnaire and a covering letter prepared by the plant manager [See Figure 6] are mailed by the personnel department to the employees' homes.

LeTourneau finds that mailing the questionnaire to the employees' homes is more effective than distributing them at the plant. The company thinks "the quiet and privacy of the home are more conducive to real and worth-while suggestions. * * * the individual has a better opportunity to study the questions and decide on his answers. Better still, the answers that he puts down reflect the attitude of the worker's family toward the company, as well as his own."\(^2\)

Employees return the questionnaires to the plant manager. The results are compiled and arranged by the personnel department. A committee elected of representatives of management, office and plant workers reviews the results and make recommendations for improvement.

[§65] Interview or questionnaire?—

Interviews are slow, cost more than questionnaires and require a trained staff, says James C. Worthy of Sears, Roebuck & Co. But they yield information that can be accurately interpreted and form the basis for effective remedial action. Questionnaires, on the other hand, have the ad-

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\(^1\) Hepner, Psychology Applied to Life and Work, p. 580 et seq.


SUPPOSE THAT YOU ARE THE FOREMAN OF YOUR DEPARTMENT
How would you handle problems of Supervision concerning:

C. ENFORCEMENT OF PLANT RULES?

D. TRAINING WITHIN THE DEPARTMENT?

E. PROMOTIONS?

F. TRANSFERS?

G. SAFETY?

NOW—LET'S SUPPOSE YOU ARE THE GENERAL MANAGER!

A. WOULD YOU LEAVE COMPANY POLICIES AS THEY ARE?—OR
WOULD YOU RECOMMEND CHANGES IN:

- Vacations?
- Holidays?
- Seniority?
- Plant Rules?
- Leave of Absence?
- Raise Policy?

B. WOULD YOU BE SATISFIED WITH OUR PRESENT SYSTEM OF COMPANY
SERVICES?—OR WOULD YOU CHANGE THE OPERATION OF:

- Coca Cola Machines?
- Cafeteria?
- Resale Room?

Fig. 5 — Information Please questionnaire. Courtesy of the LeTourneau Co. of Georgia.

The advantages of speed, economy and anonymity. However, Mr. Worthy says they are difficult to interpret except on a superficial level and yield fewer clues for remedial action.¹

His company uses both interviews and questionnaires. The questionnaire is made up of broad general questions related to key aspects of the working environment and determines the feeling or tone of the employees in a particular department or establishment. If all seems well, no further action is taken. If not, an interviewing team moves in to find out why.²

January 16, 1948

TO ALL EMPLOYEES:

Enclosed is another INFORMATION PLEASE questionnaire. This is mailed because we want you to continue to have a voice in our efforts to make this a better place to work.

It is not compulsory that you answer but the Management feels that this Information Please questionnaire method is one more way to help us all solve our mutual problems. Even though your returning this is not compulsory, we would appreciate your cooperation by giving us your thoughts and suggestions. As before, you may either sign or not sign, just as you wish, but please feel free to write fully about any subject that you think is of interest to all of us. How you honestly feel is what we want to know so that we can help each other. You may feel confident that your answers will be considered and used as confidential information and for constructive purposes only.

Several lines have been placed under each question for your answers in your own words as you see fit. Also, page four has been provided as an open page for your criticisms and suggestions not covered by the questions in this Information Please.

You may return your questionnaire in the enclosed stamped envelope or drop it personally in the "INFORMATION PLEASE" box at the entrance gate, not later than January 23, 1948.

Sincerely,

LeTOURNEAU CO. OF GEORGIA

Warren J. Wemple
General Manager

Fig. 6 — Information Please questionnaire — letter to employees. Courtesy of the LeTourneau Co. of Georgia.

[166] How to conduct a morale survey.

A morale survey can be planned, conducted and evaluated by the company, by a commercial consulting firm, or by both. B. F. McClancy, Manager of Human Relations, ATF, Inc., suggests that an employer get in touch with the department of psychology of a neighboring university. He finds that most universities are interested in mass opinions as expressed through polls and can give the employer valuable guidance in preparing the questionnaire and in conducting the poll.¹

The Meredith Publishing Co., for example, had its employees return their questionnaires to Dr. William R. Spriegal of Northwestern University. Graduate students edited them and the results were tabulated by a statistical company. The conclusions were sent to the company, and the questionnaires were destroyed [See Figure 7 for excerpts from the questionnaire].

Claude V. McBroom, Director of Personnel & Methods at Meredith's makes these suggestions for conducting a morale survey by questionnaire:

Do you think the general attitude of our company towards you as a member of the organization is:
- Better than Most Places
- Ordinary
- Not so good

Do you think our company’s management, in general, in comparison with others, is:
- Above average
- Average
- Below Average

Do you hope to stay with Meredith’s after the war?
- Yes
- No

Has your job at Meredith’s unduly cramped your individuality?
- Yes
- No

If “yes,” would you explain how and why?

Do you think the prospects for our company’s future are:
- Good
- Fair
- Poor
- Don’t Know

Do you think your own future opportunities with Meredith’s are:
- Good
- Fair
- Poor
- Don’t Know

LET’S TALK ABOUT YOUR OWN JOB
Do you feel your present job is
- Fine
- Don’t Like It
- Okay

Any remarks:

Have you ever worked any place besides Meredith’s?
- Yes
- No

If “yes,” do you think your opportunities at Meredith’s are better than at your last job?
- Opportunities Better
- About the Same
- Not As Good

If “not as good,” please explain:

As compared with what you might earn elsewhere at the same type of work, do you think your earnings are:
- Above average
- About Average
- Below Average

Are you satisfied with Meredith’s payroll method?
- Yes
- No

If “no,” why not?

Fig. 7 — Morale survey questionnaire. Courtesy of the Meredith Publishing Co., Des Moines, Iowa.

1. Assure employees that their answers will be held in the strictest confidence.
2. Consider the workers’ educational backgrounds in wording the questions. Two questionnaires may be needed if educational levels differ widely.
3. Use open-end questions frequently. Example: What suggestions do you have for improving working conditions?
4. Select questions that will evoke important, relevant answers. (A research department or specialist may be needed.)
5. Design the questionnaire so that it is adaptable to the particular machine tabulation that is to be used.
6. Take every step to insure maximum returns of questionnaires.2

Mr. McClancy suggests that a pilot or departmental poll be taken before the questionnaire is sent out on a company-wide basis. He thinks that quizzing 30 or 40 representative employees gives the company a chance to study the type of answers it is getting and to see if questions need rewording.\(^5\)

**[\[67\]** Using the results of a survey.—

Conducting a survey and tabulating the results are only half the job. "A survey is not complete until positive steps have been taken to correct the problems uncovered," states Mr. Worthy.\(^1\) Mr. McClancy adds: "Anyone who takes an employee poll without having first made up his mind to abide by the results is wasting his time. Employees resent answering a lot of questions in a sincere desire to help management and then having things continue on in the same old way."\(^2\)

Authorities agree that the results of the survey should be made known to the employees. Mr. McBroom says that his company publishes most of the pertinent questions and answers serially in the house organ.\(^3\)

**[\[68\]** Is a survey worth the cost?—

Surveys cost money; estimates range from $1.25 to $5.00 per employee. But companies that have polled their employees agree that surveys are worth the cost. Mr. McBroom told a conference of management men: "You are probably wondering what concrete gains we have to show in return for the cash expended on the program. We cannot say definitely, but we do know that since the inception of the first improvement we have had a reduction in turnover, a greater number of job applicants referred to us by Meredith employees, and an increase in suggestions, voluntary remarks and commendations."\(^1\)

Mr. Bogg and Mr. Maness of LeTourneau say: "In some cases, work attitudes can be greatly improved without cost to the company and without any basic changes in operation, methods or working conditions. For the most part, however, it has been found that correction of the condition brought to light cost money—lots of money * * * LeTourneau management believes that such expenditures will return more in savings than most investments that could be made."\(^2\)

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