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Readings in Personnel Administration

READINGS IN PERSONNEL ADMINISTRATION

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READINGS IN PERSONNEL ADMINISTRATION

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PREFACE

Much of the best writing by practitioners in personnel administration and by social scientists is scattered among professional journals, minutes of conference proceedings, and publications in the various social sciences. Yet students, newcomers, and old-timers in personnel work need a collection of readings to supplement the usual textbooks. For these reasons, we feel that a book of selected readings in personnel administration will be welcomed by teachers and by personnel administrators.

In spite of the difficulties of making such a selection, we have enjoyed doing it as an acknowledgment of our debt to other writers in the field. Our choice was naturally influenced by the point of view and approach developed in our own textbook, *Personnel Administration*. We have avoided including readings which deal solely with techniques of personnel administration. These are constantly being developed, and a book devoted to them would rapidly become out of date. Instead, we have emphasized the philosophy of personnel administration, its basic problems and limitations, as well as criticisms and doubts raised by union leaders. These are aspects that one is likely to forget or overlook in concentrating on techniques and current problems.

The collection as a whole covers what we believe to be the principal ideas and key areas in personnel administration. In capsule form, the line of thinking developed in the six sections of the book may be outlined as follows:

1. Personnel administration *is* management because it is getting results through and with people. It is neither a solo job nor purely technical. It is a partnership between representatives of line and staff officials, working with union leaders, to stimulate and develop employees in pursuit of organizational goals.

2. In order to do this effectively, leaders at all organizational levels need to understand how organizational parts and wholes are related. Such understanding can be shared by effective communica-

tion and by expert listening. Each communication can be interpreted as a symptom of organizational morale. Thus each contact can be used as a fresh opportunity to improve the quality of human relations.

3. In personnel administration, the foreman is a key man. He has vital responsibilities for human relations. In order to meet these, he needs certain innate qualities as a leader. He also needs preparation, continuing development, sound organizational policies to guide his decisions, and strong support from higher management.

4. Relationships within each small group (in management, the union, and among the rank and file) should be characterized by team spirit. When this quality exists, teamwork can gradually be developed. Each phase in the employment process and the contribution of every management representative (both line and staff) as well as of union leaders can contribute to this aim.

5. One way in which management can encourage team spirit is to develop a sound wage and salary structure. This can give tangible evidence that the company itself has a high standing in the community. It can also show how each job "rates" in relation to all other kinds of jobs within the company itself. In determining wages and in setting work assignments, management can benefit by the thinking and experience of union leaders. Without such cooperation, sound decisions and effective two-way communication throughout the company cannot be achieved.

6. Nowhere is the personnel point of view more needed than in integrating two matters that are commonly treated as separate or even conflicting goals; meeting the human problems of employees and the production problems of management. Both are matters of common concern to workers and managers alike. This is because all these people are members of one working community, which was built for a common set of purposes. Effective personnel administration *releases* energy, stimulates development, encourages teamwork, and helps with human problems. Under these conditions, employees are more willing and better able to make their maximum contribution toward the technical aims of lower costs and increased production. Such aims are then seen not as management demands, but as goals for all organizational members.

The selections in each of the six major areas are preceded by an introduction. We have indicated the high spots of each area, and

how the selections present an integrated picture of the major issues or approaches in each. In making the selections included in this book, we have been guided by the suggestions of our colleagues in the Industrial Relations Section at Massachusetts Institute of Technology and by friends at other universities. Our greatest debt, of course, is to the authors and publishers of the articles and selections used, and specific acknowledgment is made in each case. We are also grateful to Ann Harrison and Dorothy Hewitt for typing the manuscript, reading proof, and preparing the index.

PAUL PIGORS
CHARLES A. MYERS

CAMBRIDGE, MASS.
November, 1951

CONTENTS

Preface v

PART I. THE NATURE AND SCOPE OF PERSONNEL ADMINISTRATION

Introduction 1

A. What Is Personnel Administration?

The Function and Scope of Personnel Administration 3
TWENTY PERSONNEL EXECUTIVES

Leadership and Human Relations at the Places Where People Work . . . 7
THOMAS G. SPATES

A Trade Unionist Appraises Management Personnel Philosophy 15
SOLOMON BARKIN

Effective Unions and Sound Management 25
E. WIGHT BAKKE

Management's Approach to Employee Relations 40
CLARK KERR AND ROGER RANDALL

B. The Staff Function of Personnel Administration

The Operating Executive and the Personnel Department 51
GLENN GARDINER

The Personnel Manager Is a "Staff" Officer 61
L. URWICK

The Staff Function in Human Relations 67
DOUGLAS MC GREGOR

C. Developing Personnel Policies and Procedures

Essentials of a Management Personnel Policy 85
LAWRENCE A. APPLEY

Who Should Make Personnel Policies? 92
PAUL AND FAITH PIGORS

PART II. ANALYZING AND HANDLING PERSONNEL PROBLEMS

Introduction 111

A. Work Relationships and Organizational Structure

The Human Equation in Employee Productivity 114
F. J. ROETHLISBERGER

The Factory as a Social System 121
BURLEIGH B. GARDNER

Employee Benefits and Morale 453
JAMES C. WORTHY

C. Employee Interest in Production Problems

Suggestion Plans—The Value to the Personnel Relations Program . . . 457
HERMAN W. SEINWERTH

A Case History of Union-Management Cooperation 461
RUSSELL W. DAVENPORT

Author Index 479

Subject Index 481

Part One: THE NATURE AND SCOPE OF PERSONNEL ADMINISTRATION

Introduction

In America today, personnel administration is increasingly recognized as an integral function of management. Other countries are beginning to move in the same direction. This view of personnel administration has developed from a recognition of the true nature of management. In any organization management's task is to develop and coordinate the willing efforts of employees in accomplishing organizational aims. This is just as true in government agencies and nonprofit organizations as it is in private enterprises. Even trade-union leaders have this "management" responsibility in relation to their national, regional, and local office personnel. Broadly conceived, therefore, personnel administration is simply an essential ingredient of good management. In the words of Lawrence A. Appley, "Management *is* personnel administration."

This concept of personnel administration, as it applies to business enterprises, is found in the statement prepared by the special conference of twenty personnel executives. It is developed more fully by Thomas G. Spates, who outlines some basic ingredients of "sound personnel administration." Spates, however, presents personnel administration as an alternative to unionism; while the twenty personnel executives assert that the objectives of personnel administration are not in opposition to union aims. Solomon Barkin presents a union view of conflicts between management and union "logics." He insists that "management must accept the logics of the trade union as a permanent factor which must be accommodated."

Wight Bakke develops this analysis further, stressing the points at which managements and unions must accommodate to each other for "mutual survival." It is clear that personnel administration, as a basic management function, has to be geared to the existence of unionism. It is also true that good personnel administration can improve the quality of union-management relations. One example

of this is found in the analysis by Clark Kerr and Roger Randall of Crown Zellerbach's personnel policies.

Personnel administration is a line responsibility. But it is also a staff function. Are these statements contradictory? In practice, the distinction is often blurred, and many difficulties have resulted when personnel administrators have attempted to usurp line authority. Glenn Gardiner outlines some of these difficulties. He suggests a clear distinction between the function of line and staff in personnel administration. L. Urwick carries this analysis further. Douglas McGregor shows how the staff function is most effectively performed if the staff man is perceived by line officials as a source of help on their problems rather than as a threat. There is need for a staff man who can introduce into the organization skills in human relations.

Effective personnel administration requires the development of practical and consistent personnel policies that are understood by all concerned. Lawrence A. Appley outlines the essentials of a management personnel policy, including personnel procedures, and he reemphasizes the line responsibility for personnel administration. The Pigors paper stresses the point that the development of personnel policies should be the concern of all groups in the organization. In unionized firms the union should be consulted, and some personnel policies are, in effect, negotiated through the labor agreement.

A. WHAT IS PERSONNEL ADMINISTRATION?

The Function and Scope of Personnel Administration[1]

Twenty Personnel Executives

The Purpose of Business Enterprise

In our economy, the primary purpose of business enterprise is the profitable production and distribution of goods and services. The fulfillment of this primary purpose is contingent upon:

1. The economic need for or usefulness of such goods or services.
2. Conditions of employment for all members of the organization which provide for satisfaction in relation to their needs, so that they will desire to work for the enterprise.
3. The effective utilization of men and materials.
4. The continuity of the enterprise.

All these essential elements may be combined in a statement of purpose as follows: "The purpose of business enterprise is the profitable production of goods and services to fill economic needs in such a way as to provide satisfactory returns to both economic and social suppliers, owners, and members of the organization, under conditions which provide for the maximum conservation of human and material resources over a continuing period."

The methods adopted by business organizations in fulfilling this primary purpose must, of course, be consistent with the ethical and social values of our society and with the policies and regulations established by legislative action.

[1] "This statement was prepared at a special personnel conference held at Armstrong Manor, Lancaster, Pa., by a group of some twenty personnel executives who have a mutual interest in establishing more specific standards for attaining the objectives of personnel administration." Reprinted from *Personnel*, Vol. 24, No. 1 (July, 1947), pp. 5–8, by permission of the publisher.

Objectives of Personnel Administration

The achievement of the purpose of the enterprise involves the coordination of a number of basic functions such as sales, production, procurement, finance, etc. All these functions are carried out by people. There is a function which is an integral part of all other functions, therefore, which is known as "Personnel Administration."

The objectives of Personnel Administration are:

1. Effective utilization of human resources.
2. Desirable working relationships among all members of the organization.
3. Maximum individual development.

Requirements for Achievement of Objectives

To achieve these objectives, the following three requirements must be fulfilled:

1. Obtain Capable People. To obtain capable people, it is necessary first to know what they will be required to do. There should be a plan for the division of the organization's tasks into functions and positions. There should be a definition of the responsibilities and duties of each position established by that plan and of its relationships with other positions. There should be a determination of the qualifications necessary for the effective performance of each position. After the organization plan has been determined, it is necessary to recruit and select people possessing the desired qualifications (or the potentialities for developing them) and to secure acceptance of the terms of employment by the selected candidates.

2. Utilize Their Efforts Effectively. In order that the organization's purposes may be achieved, each person must know what is expected of him. He should understand the scope of his responsibilities and the policies within the limits of which he must work in fulfilling these responsibilities. He should possess, or be given the opportunity to acquire, the knowledge, skills, authority, "tools," and help necessary for effective performance in his position. His performance should be appraised and he should be informed periodically of the extent to which he is measuring up to the expected standards. Effective performance should be rewarded and improvement encouraged. Provision should be made for transfers and retraining where needed to make the most effective use of the individual's capabilities and to facilitate the prompt replacement of the incompetent. To insure the continuity of an effective organization, this whole process must be dynamic rather than static, providing for the planned develop-

ment of all people within the organization so that their potentialities may be utilized to the fullest extent and so that openings will be adequately filled as they occur.

3. Maintain Willingness to Work to Achieve the Organization's Purposes. This willingness depends upon each individual's expectation that he can satisfy his needs through his work. He must therefore be fairly compensated for his efforts and protected as far as possible against insecurity from illness, accident, old age, unemployment, and against arbitrary actions by his superiors. He must obtain social satisfaction from his associations on the job. His work must afford opportunity to participate in plans and decisions affecting his job or his welfare.

Personnel Administration and Organized Labor

These basic objectives of personnel administration, and the requirements for attaining them, remain the same whether or not certain groups among the members of the organization belong to labor unions. Some of the specific procedures for reaching the objectives may, of course, be determined by collective bargaining. This does not alter either the objectives or management's obligation to strive to reach them.

The objectives of personnel administration are not in opposition to those objectives of organized labor which are consistent with the private enterprise system. Management can demonstrate the correctness of that fact by its policies and its actions. Actually, the above statement of the objectives of personnel administration is in the best interests of all those to whom management is responsible: owners of the enterprise, the community, consumers of its goods or services, and members of the organization itself—including groups who may belong to unions.

Responsibility of Top Management

Because all the functions of management are accomplished through people, the principal responsibility for achieving the objectives of personnel administration is vested in the chief executive. This necessitates the establishment of controlling policy for the organization as a whole and, particularly, attention on his part to the promotion of harmonious day-to-day relationships among his immediate subordinates. Accordingly it is required that every other member of the management group exercise like responsibility with respect to his own subordinates within the scope of company policy.

Responsibilities of the Specialist

The size or complexity of an enterprise may require the use of a staff executive specializing in Personnel Administration, in addition to other executive officers. The functions of this personnel executive are:

1. To aid management in the preparation, adoption, and continuing evaluation of a program of personnel administration expressed in terms of definite written company policy.
2. Personnel research that will keep management continually informed so that better decisions and plans can be made by management on matters affecting resources.
3. To develop an effective appraisal system which will be used by management to provide a current inventory of human resources in the organization.
4. To maintain a program of education and training which will provide members of the entire organization with information required to do their own jobs, with the skills to do these jobs and develop their effectiveness.
5. To aid management in assuring effective communication throughout the organization.
6. To aid management in establishing a relationship among all members of the organization, and between the organization and the community, which is characterized by mutual confidence and respect.
7. The establishment and administration of personnel services that are normally delegated to a personnel department. These include: maintenance of a stable working force, a program of salary and wage administration, employee benefits and activities, etc. The many activities involved in carrying out this function are described in the American Management Association's Research Report No. 4, "How to Establish and Maintain a Personnel Department."
8. The development, as required, of a competent and efficient staff to implement the program.

In carrying out these functions, he has no authority of command, except within his own department. In this respect, his authority is parallel to that of any other department or division head in an organization, such as Vice President in Charge of Sales.

Responsibility of Line Organization

The responsibility for carrying out a company's program of personnel administration in any of its organization units must rest with the officer

or executive in charge of the unit. In addition to fulfilling the administrative duties which the program prescribes, he should demonstrate its spirit by his example. He should be the official representative of the company in its relations with his subordinates, as members of the organization.

Each manager must concern himself with the interest and ability in personnel administration of each of his subordinate managers. He should stimulate this interest and help each to develop this ability. Though he may receive counsel and aid from personnel specialists in such endeavors, he cannot avoid ultimate responsibility for the personnel function.

All executives should continually concern themselves with the success of their subordinate managers in carrying out the company's personnel program, should note failures in executing any of the program's features, and should assist each subordinate executive in correcting such failures.

Leadership and Human Relations at the Places Where People Work[1]

Thomas G. Spates

This paper is about people at the places where they work. It has to do with all the people on the payroll, from the chairman to the charwoman. It has to do with the ways all of these people are organized and treated by their bosses at all levels. It has to do with the big-little things that shape attitudes for better or for worse regardless of the amount of pay or importance of position.

This paper is about leadership. It has to do with the sort of leadership that the board of directors gives the chief executive officer, the sort of leadership the president gives the vice presidents, the sort of leadership the vice president gives the junior officers and managers, that the manager gives the accountants, statisticians and clerks, that the superintendent gives the mechanics and the porters. It has to do with the sort of leadership that *can* come from the bottom to the top levels of organization when the channels of communication are really free.

[1] Reprinted from *Advanced Management*, the monthly journal of the Society for Advancement of Management, 84 William St., New York, Vol. 13, No. 3 (September, 1948), pp. 98–102, with permission of the publishers. At that time, Mr. Spates was vice-president for personnel administration of the General Foods Corporation, New York. Later, he became professor of personnel administration at Yale University.

This paper is about the sort of leadership and the sort of experiences people have while at work, that make them want to keep or reject the American system of government.

Do those opening paragraphs sound a bit elementary? The effort to make them so has been deliberate. In fact, I'd like to be able to make this whole paper as simple and dramatic and even as entertaining as the stories of Robinson Crusoe and Little Black Sambo. About every other form of expression has been tried. There are libraries of books, editorials, reports and countless records of human tragedy. Their influence in arousing enlightened convictions and constructive action in the places where they count most—in the minds and hearts of the chief executive officers and directors of our industrial and commercial enterprises—has most always seemed to be too little and too late.

In just the past six months contacts and correspondence with leaders of government, education and business indicate that too many of them still have only the vaguest idea of the full meaning of "personnel administration," which is the more formal term for the subject of this paper. They either maintain a cold indifference to the problems of people or they persist in thinking of this vital function of executive leadership and general management, primarily, if not exclusively, in the exceedingly limited terms of labor legislation, collective bargaining, maintaining a working force at subordinate levels and keeping employment records. Well, if that isn't it, what then is the full meaning and scope of sound personnel administration?

In the first place, personnel is a synonym for people. It is all-inclusive. It doesn't mean the common people as distinguished from the aristocracy. It doesn't mean the rank and file of employees as distinguished from the brass hats. It doesn't mean people working in industry as distinguished from people working in commerce or government; it literally means everyone on the payroll of any organization with a common purpose.

In the second place, administration is the highest form of organization leadership, as distinguished from managing and executing. The administrator not only gets things done in the best known ways, but the people through whom he works to achieve results are made to feel they are on the team and not just with it.

So we combine the words personnel and administration to designate the philosophy, the motives and the methods of organizing and treating people at all levels at the places where they work so that they will achieve and give the best that is in them, while getting the highest possible degree of individual satisfaction.

If that is the *meaning* of personnel administration, then what is the *scope* of this function of executive leadership that has almost infinite

possibilities for constructive accomplishment because it is concerned with the spirit of people as well as their hands and heads?

To convey, in a few pages, the scope of a full-fledged profession that has been evolving over a period of thirty-five years and comprises a literature that fills specialized libraries in some of our institutions of higher learning is quite an order. However, within the limits of our space we can distill out of volumes of literature and years of accumulated experience twelve essential ingredients of sound personnel administration. Each of these ingredients supplies a basic need in the minds and hearts of people at all levels of organization. Their validity should be tested by your own individual experiences.

The first ingredient is *the character and moral code of the business.* This ingredient leads the list because it is the foremost requisite of sound personnel administration. It sets the spiritual tone of the entire enterprise, and you may rest assured that no less than ninety-five percent of all the people on the payroll prefer to be on a team that is sparked and motivated by high ideals. They respond with unbelievable enthusiasm and loyalty to daily manifestations of intellectual honesty and fair dealing throughout the organization. They like to work for a company which employs lawyers to see to it that the business is conducted within the law rather than to help circumvent the law. They like to work for a company whose advertising rings true without the compulsion of statutory regulations. They do not like to be asked or required to do things in the work experience that would compromise their conscience. This ingredient helps everyone on the payroll keep his chin up even when the going gets tough.

The second ingredient is *good leadership committed in writing to high principles of administration and organization, rather than motivated by expediency and exploitation.* There are countless testimonies and some degree of scientific data to support the conclusion that the greatest single factor in the productivity of the individual is his mental attitude toward his boss. That conclusion seems to apply to all levels of organization. It puts emphasis upon the importance of good leadership on the part of those who direct the work of others, but that in itself is not enough for the attainment of maximum results. Employees are entitled to know, in writing, what standards of conduct top management sets for itself and requires of bosses at all levels and they are equally entitled to know, in writing, what rights they have and what is expected of them. Among the companies in the United States that have the best reputations in the field of human relations, the minimum of difficulty in recruiting and retaining high-quality personnel, and the longest and best records of industrial peace are those who have *published* personnel policies. On the other hand, to the absence of published personnel policies there may be attributed

some of the labor troubles experienced in recent years by some quite well known companies.

The third ingredient is *the practice of consultation and explanation, both up and down, through all echelons of organization.* If one were forced, under pain of severe punishment, to express the essence of sound personnel administration in just two words, those words would be "consultation" and "explanation." The acts implied by those two words influence greatly the attitudes of people and their response to the decisions that have to be made in the conduct of business. Even though decisions are, of necessity, sometimes unpopular, the negative consequences can be lessened by answers to the question "Why?" Many an industrial conflict has been precipitated by the bulletin board notice, with inadequate explanation, announcing changes affecting the lives of people regarding which there was no advance consultation. The importance of consultation on the morale and spirit of people is well illustrated by the following quotation: "Of all the dull, dead weights men ever bore, none wears the soul with discontent like consciousness of power unused." There is a terrific psychological impact upon people at all levels, in the practice of consultation and explanation. In many instances it can make the difference between individual creativeness and sabotage.

The fourth ingredient is *the practice of keeping people informed.* Leaders of business express amazement and impatience upon learning that the workers of the United States believe profits to be many times greater than the facts reveal. It is not the fault of the workers. They are just not being informed regarding the economics of the business by those to whom they would naturally look for such information. They are, however, getting plenty of distorted facts from sources interested in sowing seeds of dissatisfaction with the American economic system.

The fifth ingredient is *freedom for expression of points of view and attitudes without fear of reprisals.* At all levels of organization, barriers arise that prevent people from giving voice to their genuine feelings. These barriers are like plugging the safety valve of a boiler and adding more fuel to the fire. An effective grievance procedure is one of the remedies. Firing of bosses who are in the wrong (when all other measures have failed) will help to convince employees that they can speak their piece without jeopardizing their job security.

The sixth ingredient is *a total work environment that appeals to the self-respect and dignity of the individual.* This ingredient has to do primarily with every aspect of physical environment. There are ample illustrations, some of which are almost spectacular in their effect upon the work habits of people, to justify the expenditures necessary in meeting this fundamental need.

The seventh ingredient is *sympathetic consideration of people's trials*

and tribulations. In the efforts made to improve personnel administration, emphasis has been placed over the years upon training supervisors to handle the problems of people working under their direction, but little or no effort has been made to provide for the sympathetic consideration of the problems of those in the various levels of supervision. The classic example of both the emphasis and the failure is in the field of industrial foremanship. For twenty-five years industrial executives have been spending a lot of time and money trying to sell foremen the idea that they are management's first-line representatives and the key men of industry. This theme is not only a denial of the fact that the only real key man of industry is the chief executive officer, but the actual experience of foremen has been a contradiction of the proclaimed management status. Foremen have been taught so much more good than they are permitted to put into effect by their bosses that many of them have given expression to their resentment and frustration by joining unions. Dramatic confirmation of these observations is contained in the following statement recently made by Henry Ford II: ". . . but I find it difficult to criticize our foremen for joining the union because, frankly, I doubt whether in the past very many of them were actually considered or treated as part of management." The experience of industry should provide the leaders of other businesses with all the lesson that is necessary in connection with this ingredient.

The eighth ingredient is *steadiness and certainty of employment.* It is the psychological rather than the financial aspect of this ingredient that justified its inclusion here.

The ninth ingredient is *a plan of promotional opportunity.* This ingredient is not fulfilled merely by the statement of a policy of promotion from within. People like to have the answer to the questions "Where do I go from here?" and "By what route?" The necessary requirement for the fulfillment of this ingredient is sound organization planning and structure.

The tenth ingredient is *equitable wage and salary structures that recognize differences in job and position requirements, as measured by such factors as knowledge, skill, difficulty and responsibility.* A great deal has been done in applying the techniques of job description and rating to the lower echelons of organization. Relatively little has been done in the higher echelons of organization, where it is quite likely the greatest inequities exist and where the morale effect of these inequities is of costly importance in terms of managerial dissatisfaction. This ingredient satisfies the need for internal justice in salary administration.

The eleventh ingredient is *a training program designed to help everyone perform, in the best known ways, the tasks that are assigned for the attainment of stated objectives.* When things go wrong in any one or all of the many functions of general management, investigation has shown that over eighty percent of the errors and failures are due to people who

either *don't know, can't do, or don't care.* Training is the only known method that will fill the gaps in knowledge, skill and attitudes that cause things to go wrong at all levels of organization. There is a lot of training going on in business at the lower echelons, but very little that is aimed at the target of improving the competence, in human relations, of those in the higher echelons.

The twelfth ingredient is *recognition—in many ways—including some of the foregoing ingredients, but particularly through individual evaluation so that it may be said to each person on the payroll that he is prepared with what to go where.* This twelfth and last ingredient is designed to answer the question, "How am I doing?" From time to time everyone on the payroll, regardless of position, wants to know how he is getting along in the judgment of the boss, whose attitude has such an important bearing upon his destiny. Most everyone can judge for himself how he is getting along with respect to the execution of an assigned task, but the more important interest is in the area of relationships with other people. There are all too many instances in the experience of people at work when, at middle age, and after long years of service, they are shocked by the news of their inadequacy and termination, without having ever experienced a periodic and systematic review of performance and a statement of "how he was doing." These are inexcusable instances of individual human tragedy which have reflected discredit upon the executive leadership of entirely too many companies.

Are you aware that in those twelve essential ingredients of sound personnel administration there is no reference at all to either absolute wages or benefit plans? The reason is this. Not only does the source of sound personnel administration reside in the conscience of leaders, but it is concerned primarily with the spirit and the hearts of people. Those are qualitative factors. History offers no evidence that quantitative methods and rewards have ever provided the solution to qualitative problems. As the scientist would say, the law of diminishing returns applies to quantitative methods but not so to the qualitative.

There, if you will, is a capsule version of the meaning and scope of personnel administration. At this point I wish very much that I could rest my case. But I know from experience that some of you may still not be convinced of the vital need of using your talents and your influence to improve human relations at the places where people work. We personnel specialists can advise and prophesy, but we lack the opportunity for decisive action.

On October 27, 1946, an article in *The New York Times* contained this statement: "Although there exists considerable resistance to current efforts to organize the financial community, most leaders in Wall Street accept

the trend as inevitable." What an inspiring manifestation of leadership in human relations that statement represents!

No, there never has been anything inevitable about the trend away from business leadership during the past fifteen years. Quite the contrary, there is overwhelming evidence to support the conclusion that Americans prefer sound personnel administration to unionism. However, don't take my word for that statement. Listen to some irrefutable evidence from three independent and authoritative sources:

1. In their book entitled *The Dynamics of Industrial Democracy,* which was published early in 1942 after they had negotiated contracts with 828 firms involving 660,000 members in the steel industry, Clinton Golden and Harold Ruttenberg said: "One of the compelling motives for union membership is the desire of workers to give their personalities dignity and their lives a meaning. They join unions to become something more than a check number that is ordered around as a piece of material is forged. They crave to be recognized as human beings, to be treated with respect, to be given the opportunity to find satisfaction in their daily work through the free play of their inherent creativeness, and to win the praise of their fellow workers and secure personal recognition and advancement of their ideas and their ability to think. The dynamic quality, the militancy and the crusading spirit of the labor movement, especially of C.I.O. in the last decade, were nurtured by the failure of management to satisfy the non-economic needs of the workers."

2. In the summer and autumn of 1943 some 8,000 workers wrote to *The Reader's Digest* on the subject, "What Is Wrong with Management?" The answers they gave to that question had a dominant theme that ran something like this: "I am a human being—not a machine. I am a partner in America's war production. Why can't management treat me as such? We are supposed to be shoulder-to-shoulder in a democracy, but management does not act that way. Management does not realize we are human."

3. In the *New York World-Telegram,* April 11, 1947, George Gallup, director of the American Institute of Public Opinion, reported: "The *general public* thinks there are about as many things wrong with employers as there are with unions. The chief complaint against employers was not what you might expect—low wages. More people named a broader, more inclusive fault. It is summed up in one reply which was typical of thousands in the survey: 'Management hasn't got enough understanding of working people and their problems. Businessmen keep thinking of labor as a commodity instead of as human beings. The reason people join unions is because they feel that the boss won't pay any real attention to the welfare of the workers if left to himself. He's got to be forced to do things.' "

It is a sad commentary on business leadership that in the 1940's Ameri-

cans are still asking that they be treated as human beings in the places where they work.

But there is more even than individual human interest to motivate business leaders in accelerating the progress of personnel administration. There is the economic motive for which there are countless illustrations in terms of measured increases in output and reductions in operating costs. One company alone, of which I have knowledge, saved over half-a-million dollars in the cost of accidents during the past two years through improved personnel administration.

However, embracing all motives and transcending in importance any one of them is the motive for national survival within the framework of our Declaration of Independence and the Bill of Rights. Prior to the depression of the 1930's, so many leaders of business neglected the principles of sound personnel administration that the people encouraged their political leaders to make profound changes, not only in our doctrine and system of government, but also in our philosophy regarding class distinctions and the dignity of work.

When the next depression comes, are the workers and voters of the United States going to be led down the road to serfdom by a Messiah who promises a more abundant life through more taxes, more spending, more controls, and less liberty? *Or*, are the leaders of American business going to establish and maintain high standards of personnel administration, with sufficient sincerity and zeal to persuade the voters and workers in this next crisis to put their faith in the principles that have made this country great and to convince them that free enterprise is worth fighting for even if they are required to tighten their belts in riding out the storm?

But, mark you well, the next depression is not the only threat to our national security, against which the most enduring bulwark of defense is sound personnel administration. In our enforced competition with the philosophy of totalitarian Communism, we haven't been doing so well lately in spite of our running start, the fine heritage upon which we had to build, our miracle of production and the relatively enlightened leadership in many areas of our national life. Because of neglect of the philosophy and techniques of human relations at the work place by too many leaders of government, business and education, Communist penetration into virtually every field of industry is growing. On no less authority than the director of the F.B.I., the percentage of Communists is higher in this country today than it was in Russia in 1917.

In an authoritative and objective book on *World Communism Today* reviewed in *The New York Times* on February 1, 1948, we read that "Communism spreads, not because of the wickedness of radical agitators, but because of defects in society which estrange larger masses of people

from the existing order. . . . Guns and money are not enough; western civilization can answer Communism only by positive and constructive actions."

Is it any wonder that fifteen million American workers have sought leadership outside of the normal channels of organization in order to attain recognition as human beings, that some of their leaders have grown powerful and arrogant, that the Communists are steadily gaining ground, when you face the fact that there is only one important association of employers in the United States devoted exclusively and effectively to raising the standards of personnel administration of its members?

In these times of impending disaster to so many people, is it too much to ask and to expect that the officers and directors of American business will be not only willing, but determined, from here on out, in their own and the national interest, to champion the cause of sound personnel administration?

Do I claim too much for personnel administration? Recalling the definition and scope, here is my answer: For the attainment of those goals for which people everywhere have been striving since the early dawn, there is no substitute for sound personnel administration. The stand it takes is a powerful one, for the code it represents is universal and creative and fulfills the needs of human beings. Sound personnel administration stands for *principles* that mankind has evoked out of hope and love for centuries, for the lack of which we might this very day be coolies of a master race, and by the *neglect* of which we may yet be servants of a totalitarian state.

A Trade Unionist Appraises Management Personnel Philosophy [1]

Solomon Barkin

The growth of trade unionism has forced American industrial management to modify its methods of dealing with employees. But management's adjustments have often been grudgingly made, sometimes taking place only after serious economic conflict; and they are by no means universal

[1] Reprinted from *Harvard Business Review*, Vol. 38, No. 5 (September, 1950), pp. 59–64, with permission of the publishers. Mr. Barkin is director of research for the Textile Workers Union of America (CIO) and a frequent contributor to management and labor publications.

today, as shown by individual current battles being waged with old-time ferocity.

Furthermore, the change in management has been one of tactics rather than of basic philosophy. Employers' support of the Taft-Hartley Act reveals their hope of returning to individual bargaining rather than collective bargaining. From a trade unionist's point of view, there is little evidence that employers are prepared to accept trade unionism as a proper and permanent feature of industrial relations, and to adjust their policies accordingly.

This is particularly apparent in the field of personnel management. Here the fundamental approach is unchanged. Only the techniques have been altered slightly, here and there, as workers have insisted upon representation through their chosen bargaining agency.

In the hope of promoting a more fundamental change in this field, I am presenting a trade unionist's views of the points of conflict and of the directions in which both the attitude and the techniques of management must be recast.

Management's "Humanistic" Approach

Traditionally, a personnel program is simply one of management's tools for the control and direction of the enterprise. Like the others, it seeks greater efficiency and higher profits. Personal values do affect the application of this guide, but the ultimate ends are the same. As a result, plant efficiency is the basic unit for testing conduct.

The personnel program pursues these ends by seeking to induce the worker to accept or adapt himself fully to management's code of values and management's goals. If the worker cannot be molded into a model of the "economic man," he can perhaps be persuaded to acknowledge the propriety of management's efforts to make him one.

Ideally (under such a program) the worker is expected to accept the logic of efficiency and management's right to apply it, unilaterally and without review or approval by the workers. Such autocracy is most efficient since it is certain and undeviating and is in the best interests of the enterprise.

Under the influence of recent writings of men at the Harvard Business School, some managements have modified their quest for this "ideal," on the practical grounds that "it won't work." The Harvard writers point out that workers' behavior and beliefs spring from sources other than the employers' business code, namely, their own experience and needs, their dependence on maintaining a position in their own group, and their

recognition of the value of preserving their own group and aiding its members for the sake of their own personal protection. Thus there is a distinct gulf between the values and desires of workers and management.

In these circumstances, as Elton Mayo observed, "collaboration [could] not be left to chance." A personnel program must seek to bridge the gulf by identifying the workers with the enterprise. To this end the program must appeal directly to the individual worker; craft or class groups must be by-passed or even discouraged.

Personnel men have used four main avenues in approaching this assignment, each comprising a number of related psychological techniques:

1. *Procedures designed to select, assign, promote, and discharge workers.* The purpose is to get the most efficient and desirable help. Included are physical examinations, occupational aptitude tests, and individual rating of employees.

2. *Employee counselling services and personal interviews.* The former seek to alleviate individual problems which interfere (or threaten to interfere) with the worker's efficiency; the latter try to discover sources of dissatisfaction within the plant, so trouble spots can be corrected before trouble actually occurs. Management counsellors also aid the production men to plan changes so that they will cause a minimum of conflict and tension.

3. *What is generally called "communication with employees."* The goal is to convince workers of their common cause with management and by implication (or sometimes by more direct statement) to imbue them with the idea that they do not need any other protection.

4. *All activities which promote new groups among the workers.* Such new groups may be social, athletic, or based upon some intraplant circumstance like seniority. Their objective is to provide the individual worker with a feeling of membership, of status, which stems from the enterprise alone, and they are intended to prevent, supersede, or outrank groups at the job level, specifically unions.

It will be noted that the four approaches summarized above represent a departure from the earlier "welfare" technique, which stressed welfare services and employee representation plans. The new view is broader, seeking to avoid paternalism while giving careful attention to the individual worker's on-the-job and off-the-job problems. Coupled with adequate financial incentives and special benefits, this "humanistic" approach encourages loyalty to the enterprise and weaves the worker into the employer's social and economic fabric.

Psychological Causes of Trade Unionism

This "humanistic" or "human relations" approach has no appeal for the trade unionist. He starts with the proposition, formulated by Emile Durkheim and popularized by the Harvard group of industrial researchers, that our society does create "a disordered dust of individuals." He goes on to seek a remedy, however, not from the open or disguised bounty of the employers, but through the formation of trade unions.

The trade unionist knows that the individual worker is helpless in the face of the economic and social power of the employer. He knows that the individual worker can gain individual status only by graduating out of his own class. And he knows that the majority who will fail to do so must find some alternative.

The alternative is to seek advancement, not as an individual, but as part of a concerted drive by all who are similarly situated. The group to which the worker turns is predetermined by modern society—by the vast number of ties which each worker has with others. All have felt the inequality of their bargaining power; all have felt the gap between their income and their desires; all have suffered the frustration, insecurity, and fear of an industrial wage earner. Social, political, educational, and economic barriers set them apart from other groups. As a result, distinctive patterns of behavior and beliefs have grown up among workers.

The formation of job groups is a natural development because so many of a worker's dissatisfactions stem from his job, and his job is the most important point in his daily life at which he can exercise some degree of direct control. For the same reason, management is an obvious target. Moreover, the organization of groups at the job level has become an established practice, sanctioned by law and generally accepted by our society.

The early efforts of job groups tend to be defensive. They try to keep conditions from getting worse, to protect members of the group, and to prevent the destruction of the group itself. Many such groups disintegrate from management pressure, workers' fears, or the sniping of personnel programs aimed at individual members of the group.

However, informal groups are often converted into trade unions. This is likely to happen when dissatisfactions of one kind or another become so great that workers are willing to defy the employer and risk his retaliation. Also, the group itself must have come to expect loyalty from its members, and it must have developed one or more leaders. It is through unions thus evolved that workers seek to overcome their individual helplessness in modern society.

Logics of Trade Unionism

With the appearance of trade unions, workers' aspirations and beliefs become formalized. A new set of objectives, quite different from management's code, must be taken into account in operating the business enterprise. These fall into three general categories:

1. *Minimum human cost exacted by the process of production.* This objective has been popularized by the Harvard group in discussing the conflict between the logics of efficiency and sentiment. The Harvard researchers have advised management to consider the potential disorganizing effect of a job change and have urged that changes be made so as to avoid or reduce the strains between management and workers. Before the advent of strong unions this concept was acknowledged but generally ignored. In highly unionized plants or industries the unions have compelled its recognition either through protective clauses in contracts or through pressing specific complaints.

2. *Maximum human advancement.* This second objective itself divides into three parts: (*a*) economic gains, (*b*) security, and (*c*) industrial citizenship. *Economic gains* obviously embrace higher wages, standardized rates and job conditions, shorter hours, guaranteed earnings, and vacation and holiday pay. *Security* includes seniority, regulations covering changes in work assignment or wage rates, hiring halls, separation pay, social insurance, and pensions. And most important, it means insistence on an economy of full employment. The demand for *industrial citizenship* covers a sound grievance procedure and adequate arbitration provisions, as well as a broader area of collective bargaining. In some industries, unions seek to prevent industrial practices which bear down heavily on the worker.

3. *The strengthening of the union.* This provides a means for the better achievement of the first two objectives. Like the enterprise itself, the union makes demands designed to increase its own efficiency and effectiveness. It seeks full recognition as the workers' exclusive agent and freedom from attack by employers or competitive organizations. It attempts to secure its position by means of contract clauses relating to union security, dues collection, and the handling of grievances. (Contrary to the contentions of those who support the Taft-Hartley Act, this program has the full backing of the membership.)

Union members created their union through great personal exertion and frequently at considerable sacrifice. It fulfills their aspirations and reflects their needs. It provides satisfactions far beyond the gains scored in collective bargaining. The union is a source of new opportunities for

leadership and a sense of belonging. Thus, as time goes on, loyalty to the organization grows stronger, and workers identify themselves with the union to an increasing extent.

The result is a growing demand among the workers for the union to widen the scope of collective bargaining. Union goals are not static, as everyone has learned by now. Union objectives spring from the dynamic and expansive nature of American industry; nurtured by a faith in progress, they are constantly evolving. Inevitably the union's activities in the workers' behalf are aimed in part at restricting the employer's personnel activities.

Management versus Trade Union Logics

As we have seen, management's personnel logics are wholly designed to promote the efficiency of a specific business enterprise. The appeals and incentives offered to individuals are for this end alone. The management ideal is freedom to make unilateral decisions which will automatically be accepted by workers who have been inculcated with the business code.

Trade union logics, on the other hand, are not concerned with benefits to the owners of the enterprise but rather with the effects of management policies on the workers, the union, and the general economy. The union seeks to advance a worker as a member of a group rather than as an individual competing with others. It establishes rules of conduct and conditions of employment for all, instead of special terms for individuals; and it establishes these rules, in so far as they relate to the company, by agreement between management and labor, not unilaterally.

Moreover, the association of one local union with other locals in national unions and in federations of unions has a further broadening effect. Rules and conditions are sought for all workers, not merely for those in a specific plant. Just as the exceptional improvement of a specific individual is secondary to the general advance of the group, so is the advancement of a specific group secondary to the interests of the greater group.

The longer unions operate, the more thoroughly they realize that they cannot achieve the workers' desires through collective bargaining at the single-plant level. Thus, they try to extend the area of bargaining to all the plants of a company, to a geographical area, to a division of an industry, and to an entire industry.

Nor are trade unions inhibited against going beyond the scope of collective bargaining. When they feel it necessary, they move to enlist the aid of the government or the community in satisfying the workers' needs.

In some cases the unions themselves may provide needed social services for their members. Indeed, the involvement of trade unions in political and community activities has the special advantage of broadening the opportunities for participation by the members in union work, thereby increasing their loyalty and improving their morale.

Union Impact on Personnel Administration

The increasing influence of trade unions has sharply reduced management's chances of molding workers into the "ideal" form once sought. The use of psychological personnel techniques, and the techniques themselves, must be modified or in some cases abandoned to be in harmony with an era of collective bargaining. Indeed, the changes in labor-management relations which have already taken place—and the end is not in sight—have been so profound as to require a new philosophy of personnel administration.

The Gap between Management and Worker. The opportunities for individual, personal handling of workers have been narrowed by many factors besides the growth of unions. These include the increasing amount of large-scale industrial organization, centralization of management, formalization of employment relations, and the concomitant widening of the gap between workers and responsible management. Furthermore, the enactment of labor-management legislation necessitated the formulation and observance of company regulations applying equally to all employees; any other course is an invitation to prosecution under the National Labor Relations Act.

To express the same thought in a somewhat different way, as individual enterprises grew in size, they centralized and formalized their handling of workers as a matter of convenience. All hirings, placements, discharges, applications of discipline, and similar functions have been transferred to the front office. At about the same time the National Labor Relations Act made this approach virtually a legal necessity. And, finally, the war brought a wholesale conversion of individual wage structures to job-rate structures.

One effect of all this was to strip foremen of much of their significance in industrial relations. Management as a whole awoke to this fact when foremen began to organize into unions of their own. Efforts were then made to reverse the trend, but centralization had obtained too tight a grip. The best that management has been able to do is to improve the foremen's economic position without restoring their status. Although decentralization of personnel handling is still fondly discussed, its achievement is a mirage which grows ever fainter.

Gaining Satisfaction from the Union. To return to the direct impact of unions on personnel administration, one of the first casualties was the system of employee evaluation. Labor's deep dislike and fear of physical examinations, aptitude tests, and individual rating techniques—based upon bitter experience—has forced their curtailment. Seniority is far more important than psychological findings in the average industrial plant today.

Indeed, the rise of unions has actually changed the psychological characteristics of the organized worker. He is no longer the helpless and unoriented person depicted by the Harvard researchers. The union has given him certainty as to his rights and confidence in his ability to fulfill them. He is likely to have faith in the future, to expect a constant improvement in his lot. Not only does the union put his desires within reach, but it raises his sights toward still greater goals. Inevitably, these changes not only affect the worker as an economic organism but as a person as well. His release from many tensions, his assurance of status, his new confidence—all tend to make him better adjusted to the world about him.

This is understandable if the day-to-day workings of a trade union are considered. The union's primary objective is to dispel the dissatisfaction of workers. Grievance machinery offers a formal and secure method of presenting complaints which, if necessary, will be reformulated for greater effectiveness by more articulate union members. A well-run grievance system uncovers undesirable conditions in the plant and assures genuine solutions. The very opportunity to air a complaint may relieve tension in some cases. Thus the union achieves the goals sought by management's former counselling and interviewing services; and often, in fact, strengthens the effectiveness of this substitution by establishing its own counselling services to improve workers' use of community facilities and the union's own mechanism.

Broadening the Scope of Collective Bargaining. The success of unions within their original field, coupled with the changes they have wrought in workers, has led to a constant broadening of the scope of collective bargaining. Thus, the opportunities for unilateral decisions by management constantly shrink. More and more, the autocratic approach is giving way to the collective bargaining approach, and decisions must be accommodated not only to the logics of business but to those of trade unions as well.

The rise of unions has multiplied the efforts of personnel managers to establish alternative groupings which will compete successfully for the workers' loyalty. But unions cannot be circumvented. Management-sponsored groups cannot develop plant loyalty when the respective obli-

gations of both workers and management are defined by contract. The degree to which management uses its own groupings to circumvent the union is a measure of the hostility, suspicion, and increased tension they will engender—conditions which a sound personnel administration seeks to reduce.

Realization of this fact has induced—or forced—employers to use the union as a means of reaching the workers on a number of fronts. The union grievance machinery has come to be the sole source, or at least the primary one, of information on dissatisfactions within the plant. Job changes are habitually processed after consultation with the union. And the union has become a supplementary channel for communication and personnel counselling.

As has been seen, the growth of trade unions has made impossible the attempt of personnel administration to limit employer-employee relationships to a particular plant. The union functions, wholly independently of the employer, in the community, the state, and the nation. It evolves policies at each level, and at each level it meets the employer as either an ally or an enemy. Thus, if an employer is leading a National Association of Manufacturers drive for antilabor legislation, the union in his plant is likely to regard him less sympathetically than if he were publicly endorsing a higher federal minimum wage—and he will not be able to change matters much by playing shortstop on the company baseball team.

Primary Loyalty to the Union. Most fundamentally, unions have challenged management's concept that a worker can find a satisfactory way of life by accepting the employer's logics, identifying himself with the company, and in general permitting himself to be absorbed into the business ethic. Union leaders simply do not believe this is either desirable or possible. The profitability and efficiency of the enterprise cannot be the workers' primary concern; what is "good for the boss" is not necessarily the best for them. By overlooking this fundamental point, management is making a wasteful and perhaps dangerous mistake. A personnel policy built on the same error cannot long endure in an economy in which trade unionism is constantly growing in scope, strength, and maturity.

Unions are also challenging the belief that personal identification with a particular plant or company is essential in building cooperation and a "will to work." Some management spokesmen, perhaps with excellent intentions, have argued that loyalty to the company and to the union can be maintained concurrently, without contradiction. Unfortunately, this well-meant concept does not stand up under even a cursory examination. The worker's attitude toward the enterprise is conditioned by a

vast complex of personal and social factors, as well as by prevailing attitudes among workers as a whole—quite independent of the needs, opinions, objectives, or activities of the specific management. The union cannot and will not become the handmaiden of employer policy.

In sum, the growth of unions has wholly invalidated the assumption that an enterprise can be operated solely on the basis of management's logics and management's ideal of appropriate worker behavior. Similarly, personnel administration, which was based on this assumption, has been set adrift; it must anchor in a new sea or sink from sight.

Conclusion

In view of the foregoing, it is clear that personnel administration as a discipline cannot rest solely, as now, upon the assumption that the fulfillment of management's logics is the total objective of the enterprise. This is the source of the inconsistency which pervades current discussions of personnel administration.

While on the one hand management is relinquishing more and more personnel matters to the union, on the other hand it is attempting to fight a rear-guard action against the union through its personnel program. A more realistic philosophy is essential. Management must develop a new approach, based upon the enduring presence of a worker agency, the trade union. And it must accept the logics of the trade union as a permanent factor which must be accommodated.

This will involve a new basic premise—that the enterprise must seek to achieve the goals of both management and the trade union. As long as we have a private-enterprise economy, these ends must be satisfied through the same mechanism. And if our economic system is to survive in an era of strong trade unions, neither union nor management can operate exclusively of the other.

Legislation and other government aid may be necessary to facilitate such a relationship, and unions will be likely to seek such assistance as the circumstances warrant. But, in any event, future industrial progress demands a fuller assignment of responsibilities to the trade unions for representing and aiding the workers to solve their own problems; which means the acceptance of stronger unions and thus of the principle that, in seeking efficiency and profit, the enterprise must also minimize the human cost, maximize the human advancement resulting from its operations, and strengthen the union.

Some progress has been made. Many firms are deliberately planning industrial changes in a way which will reduce human costs. Many advances are being made. Unions are becoming more secure, particularly

where they have been long established. But a single system of business and social accounting, which would govern business administrators, is not yet in the offing. Such a system is the best hope of linking the logics of business and of trade unions.

In other democratic countries, such integration has been attempted in periods of economic crises through national planning and consultation. Stark necessity made it necessary to define the place of individual enterprises in the national economy, as well as the probable benefits to be enjoyed by various economic groups. In this country, however, economic strife is still the major influence in fixing the scope of collective bargaining and the respective benefits of the parties.

Management has not yet formulated—nor shown particular receptivity to—a program of personnel management adapted to a system of collective bargaining. The ways in which this could be approached are suggested by proposals for national conferences of economic interests and for national collective bargaining; and, in a more modest way, by the recent General Motors agreement.

It is surely an unhappy commentary on the state of management thinking that it seems appropriate to note that the problems raised by collective bargaining cannot be met by hoping that unions will somehow go away or otherwise lose their forceful character.

Effective Unions and Sound Management[1]

E. Wight Bakke

During the last ten years millions of workers joined unions for the first time, thousands of them were elected to offices for which they had little training, and thousands of employers had to readjust their operations to make a place for unions. Even employers and labor leaders who were old hands at collective bargaining had never operated on such a broad front. Making collective bargaining work was a task of staggering proportions. It was not only that people had to learn how to negotiate. The difficulty went deeper than that. The negotiators didn't really understand

[1] Reprinted from *Mutual Survival: The Goal of Union and Management,* Chap. I, Labor and Management Center, Yale University, New Haven, Conn., 1946, with permission of the publishers. Professor Bakke is director of the Labor and Management Center at Yale.

why the other party was compelled to act as he did. Labor leaders didn't always understand the job of management, and management didn't always understand the job of labor leaders. Even when they did, the people down the line in the organization had little conception of the practical problems, the responsibilities, the traditional codes and practices, the convictions which had been developed by each group in the school of hard knocks in which they had taken their training.

Both knew that they had to learn to live and work together. They realized that the industrial warfare which preceded widespread collective bargaining had left a lot of bitterness and distrust on both sides. But they hoped that such feelings would be reduced when they got better acquainted and went to work on common problems. The difficulties that have arisen, however, are making many of them wonder whether they were not over-optimistic. The problems seem to be on the increase, not on the wane.

Last fall I went to nine major industrial centers and interviewed about sixty leaders in management and sixty leaders in the unions. I asked each of them what their chief difficulties were in dealing with the other. I tried to see through their answers and learn how each thought of his job. What were management's convictions about workable industrial relations? What were the union leaders' convictions about the basic nature of unionism? Why were these convictions what they were? How were they rooted in the job each had to do in order to survive?

I could not avoid a major conclusion. At the basis of most specific difficulties reported was the fact that both management and union leaders were expecting the other to behave in a way which each believed was impossible if they were to survive. Each was expecting peace on terms consistent with his own sovereignty. Let me be more specific. Management anticipated peace when the unions became the kind of organizations which fitted in with management's conception of the principles of workable industrial relations. Union leaders expected peace when management accepted and bargained in good faith with unions as they were in their essential characteristics. Both were willing that their tactics and strategies should change, but not the principles of sound management on the one hand or the principles of effective unionism on the other. That was a natural reaction because those principles on both sides had grown out of experience. They were the end products of trial and error. Men knew their jobs, their responsibilities, and the rewards they could expect if they operated that way. It was a stubborn reaction because men identified the survival of their organizations with the maintenance of those principles.

The plain fact is that management's convictions about sound manage-

ment and the union leaders' convictions about effective unionism don't fit together at important points. Someone is going to have to modify his convictions enough to make workable mutual relations possible unless we want to face a struggle for dominance. It is not my purpose to suggest whether one or the other or both must give way. My simple objective is to lay those two sets of convictions side by side, to demonstrate the basic nature of the conflict between them, and to indicate the prospects for the reduction of that conflict.

Management Guideposts

What is management's idea of workable industrial relations? Briefly summarized, the points that stand out, almost without exception, in management's discussion of its problems are these:

1. Industrial relations are primarily and basically a matter of relations between management and employees, its own employees.
2. The first objective of industrial relations, like that of every function of management, is the economic welfare of the particular company.
3. Industrial relations arrangements must leave unimpaired management's prerogatives and freedom essential to the meeting of management's responsibilities.
4. All parties to industrial relations should be business-like and responsible.

These are the guideposts by which management determines whether it is on the road of sound industrial relations. They believe that if the unions will stay on that road, collective bargaining can be made to work. Now if the convictions of labor leaders about the essential nature of unionism turned out to be an accurate reflection of what unions have to be in order to survive, could they follow that road? That is the question I want to raise.

Labor Is "Our Men"

Look at management guidepost number one: Industrial relations are relations between a particular management and its own employees. Labor is "our men," not workers in general, not members of the union, not "organized labor." The union has a legitimate function on the basis of this principle only as the representative of, or spokesman for, "our men" and as a medium of communication with them.

Two features of unionism are incompatible with this management position. The first is that the union normally represents members in many companies throughout the industry or occupation. Every expansion of the union into new territory increases its task of representing, and

maintaining group solidarity among, all workers in its jurisdiction. More and more, unions will be guided by that fact and not merely by their responsibility as spokesmen for the employees of a particular company.

In the process of doing this the second characteristic of unions becomes clear. They develop an institutional life of their own beyond the lives of individual members. A basic objective of that development is strength and power and prestige of the union as such. Internal conflicts must be ironed out. The membership must be bound together by a common philosophy and achievement. Power of many sorts has to be acquired. Protection against competing unions must be sought. A strong internal government and leadership must be developed. Faced with such problems, the union officers cannot come to the bargaining table merely as spokesmen for the employees of a single company. Every demand, every counterproposal, every compromise, must be measured against the need for survival and growth of the union itself. Even the degree to which the clearly expressed wishes of the employees themselves can be followed by union leadership must face that test.

Unions will never fit completely into this first principle of management's conception of industrial relations. With unions in the picture, the issues in industrial relations will never be reducible solely to matters affecting the welfare of "our men." Management would abdicate from a major role if it did not continuously insist on referring adjustments to that standard. Moreover, the unions cannot afford to forget their own primary interest in representing the interests of employees of particular firms; for the satisfaction of those interests is the foundation upon which their reputation for service must be built. But union leaders are convinced that even service to local groups is not a product merely of presenting persuasively to local management the expressed wishes of local groups. It is a product of the ability to back their arguments with a power broadly and firmly rooted in a supporting membership throughout the industry of occupation, and in the organizational strength of the union itself.

Objective: A Profitable and Efficient Enterprise

The second management guidepost points to the objective of industrial relations. The objective, like that of every function of management, is the profitable operation of the particular company. The management of industrial relations, no less than the management of financing, production, or marketing, must add up to an efficient and profitable enterprise.

Any manager, whatever his philosophy or degree of benevolence, will "get tough" when the productiveness and profitability of his own firm

starts going down. The job for which he is immediately rewarded or punished is promoting the welfare, not of the world, not of the national economy, not of the industry, but of his own company. This does not mean that he is unconcerned about these larger matters. It simply means, since industrial relations are one of the several problems of the enterprise for which he is responsible, that his dominant interest is in their impact upon his own enterprise.

Now a union in representing a broad membership and in maintaining its own existence necessarily raises issues which extend far beyond the particular problems of the particular company. The welfare of the entire membership and the strength of the union as such are seldom dependent solely upon what happens to any particular firm.

When the union demands a guarantee of exclusive or even continuing membership, or the check-off, in order to strengthen itself, many employers have said, "If you can sell yourself to our men, you can become strong. But that is your problem, not ours."

The union frequently argues wage possibilities in terms of rates of other firms and industries and localities whose internal problems are considerably different from those of the particular company involved. Sometimes they demand industry-wide terms. They raise the issues of aggregate purchasing power, full employment, human rights, the American standard of living. The management which is preoccupied with the internal problems and structure of its own company is likely to say, "What does that have to do with my problem?"

The conflict between management's idea that industrial relations are primarily a part of the operations of an individual company, and the tendency on the part of unions to introduce considerations which are beyond the effective control of a particular management, is not an insurmountable barrier to effective collective bargaining. Unions can expect few improvements in the material welfare for the employees of inefficient or unprofitable firms. Water isn't pumped from a dry well. Moreover, prominent management leaders are constantly urging employers to expand their interest in and concern for many of the problems which the union injects into the bargaining. To the extent that the economy and society become more complex, the welfare of the whole and that of the individual firm are bound more closely together.

Misunderstanding between the leaders of labor and management can, however, be reduced if labor leaders are aware of the fact that management has to put the effectiveness of its own operations first, and in some cases to reject as irrelevant the union's standards of comparison and its own needs for survival; and if leaders of management recognize the compulsion upon unions to chart their course by reference to such considera-

tions. For while they may appear irrelevant from the point of view of a particular management, they are often exceedingly relevant from the point of view of the strength and power of the union and the interests of the workers whom the union represents.

Management Freedom

The principle written on the third management guidepost is carved deeply. It is this. Arrangements in the field of industrial relations must leave unimpaired management's prerogatives and freedoms essential to the meeting of management's responsibilities.

It is natural, and indeed necessary, for management to make this point clear. It is their claim of the right to survive. "Freedom," says management, "must be equal to responsibility." That is particularly understandable in view of the traditional freedom possessed by management to follow its own inclinations and wisdom with respect to obtaining, organizing, and directing a working force. As long as management practice and policy made it possible within the law to obtain and hold a working force with which it could produce and market a profitable product, little restriction was placed upon managerial discretion. Law, the decisions of customers, and pressure from fellow managers were the chief external restrictions. Collective bargaining, however, introduced a host of additional impediments to free action. Almost all functions of management, even those which are not concerned with the direction of workers, have become the subject of trade agreements or have been affected in important ways by such agreements.

A large part of management irritation with this development arises from specific restrictions on such items as discipline, hiring, transfers, work assignments, promotions and demotions, layoffs, the establishment and administration of work schedules and production quotas, organizational and technological innovations, the setting up and administration of wage systems, and like matters. Particularly irritating to many managements is the denial of their freedom to reward or punish individual workers in accordance with management's estimate of their individual merit and promise. Even in cases in which satisfactory working agreements have been made on such issues, management is disturbed by delays and restrictions upon quick decisions considered essential in the operations of the company. Beyond the specific restrictions involved, however, is the anxiety felt by many managers about the future; uncertainty as to where this process will end; a fear that it will eventually culminate in such stringent impairment of management's freedom that it will not be able to do its job satisfactorily.

Union Regulation. I have found no indication among labor leaders that they want to run the business or that they have a conscious plan to share with management the control of all features of the enterprise. But there are two features of unionism which promote tendencies which might seem to move step by step in this direction.

A union is an employer-regulating device. It seeks to regulate the discretion of employers, as one union leader said, "at every point where his action affects the welfare of the men." Now those points cover a broad area. In one sense there is not a single managerial function which does not fall within that area. Where will the process stop? Where can it stop if the union is to fulfill its basic objective of regulating collectively all those industrial policies and practices which affect the welfare of the men? Certainly, union leaders have no clear cut definition of the boundaries of this area. I doubt, on the basis of responses from management to my questions, whether any representative group of managers could agree upon precise boundaries.

The second feature of unionism which inevitably restricts managerial freedom is this. The union is a device to reduce or eliminate competition among workers by establishing uniform rules and standards and compelling individual workers to conform to them. Putting it differently, the union purpose and policy is to eliminate individual bargaining. Union leaders believe this is an essential principle of unionism and collective bargaining. Unless a union can persuade or compel men to say, "On these terms and no others will we accept employment," it has left the door open to just that competition among workers which it was set up to eliminate. The bargaining power of the group as a whole is destroyed. The essence of union strength is a solid front on the conditions and terms of employment.

Freedom and Regulation. How far will this limitation of management freedom go? Is it an inevitable trend which will not be brought to a halt, short of placing management in a straight-jacket bound by which it cannot discharge its responsibilities, let alone make progress? It is hard for many employers to be optimistic about the outlook. Let me summarize several suggestions made by a number of labor and management leaders who have devised workable arrangements in this matter.

The end of this conflict between management freedom and union regulation is not in sight. But one thing is clear. Management and union leaders who have made some progress toward a solution haven't done so by arguing in terms of management "prerogatives," union "rights" and workers' "interests." They worked on a less abstract level. They dealt with specific and practical definitions of the points at which management had to retain absolute control and the points at which it could share

control. They focused their attention on the practical job to be done. Was joint operation or a division of labor the best way to do it? And they were each willing to resolve any conflict by an arrangement which would meet the practical, if not the abstract, needs of the other.

The leaders of the labor movement in America, with the exception of communists, are not guided by a definite philosophy on this point. They are opportunistic and pragmatic in their policy and practice. How far they go is guided by practical needs, not by any revolutionary philosophy.

One labor leader put into words an impression I got from many others. He told me that he could see this increasing restriction on management operations in almost any series of annually negotiated local contracts. Whenever he saw an added restriction, however, he said to himself, "Oh, oh, the boys had trouble or sensed trouble on that point last year." He went on, "You see, after the basic terms of employment are brought under collective control and mutual confidence is established, control at other points usually is a response to some actual or anticipated abuse of managerial discretion. If they use it to undermine the union, or pit man against man, or if the men get het up about some way they operate, why then we have to climb in and put on the screws at that point. We don't want to run the business. We want to remain free to kick and to put pressure on management."

Employers who think they see light on this problem tell me this; if they give continuous attention to the impact of their action upon the stability of the union, upon the willingness of the workers to abide by common standards, upon the satisfaction of employees with their working conditions, they will be able to judge more accurately whether any policy or practice is likely to stimulate further demands for union participation in these matters.

I am not indicating that all stimulus for such participation arises from acts of management. I am merely pointing out that the basic drive of unions is to bring an increasing area of the operations of the enterprise under the control of collective bargaining and that the drive is frequently increased by what management does.

Mutual Interests. Union leaders are acting in accordance with the basic principles of unionism in seeking to impose rules on management and to reduce competition among workers. The process itself and not its end result absorbs many of them at the moment. That is natural, particularly in the early stages of organization. But thoughtful labor leaders tell me that the time has arrived for a serious estimate of the effects of that end result upon management's ability to do its job. It is only common sense, say these leaders, if the unions expect management to be interested in the effect of its action on building effective unions, unions in turn should

demonstrate an intelligent interest in the survival requirements of efficient management.

This conflict promises to be one of the most troublesome in the whole field of labor and management relations. It is particularly so because fundamental principles and survival needs are involved on both sides. Industrial peace and workable collective bargaining will depend greatly upon whether both parties can reconcile their principles on this score. Can they look upon their convictions not as absolute and eternal but as modifiable in the interests of workable arrangements, permitting each to survive and get on with his work? Management and labor leaders alike will have to test their actions by this question, "If I do this or insist on this arrangement, will it be possible for the other fellow to do his job well?" How well each can do his own job depends on how well the other fellow can do his.

Business-like Responsibility

The final point in management's conviction about the essentials of industrial relations is that all parties should be business-like and responsible. Much of what management says about union responsibility is another way of expressing their conviction that unions, in their dealings with management, should be business-like. This, they insist, is a reasonable expectancy. But its realization is not as simple as it sounds. I think it is well to recognize that management's definition of "business-like" and "responsibility" grows out of its own experience in doing business; that what is meant is "following the rules of business." This is no place for an extended dissertation on these rules but certain of the more important of them should be recalled. What are they?

First of all, parties to a business arrangement should be free to accept or reject any offer or proposal on the basis of their interpretation of the benefit of such action to them. There should be no compulsion upon them to do otherwise. There is no place, at least in the theory of free business competition, for duress exerted by one party upon another. In the second place, all affairs should be conducted upon the basis of reasonable and orderly procedures which are understood and accepted by both parties. In the third place, the bargains made through these processes should be reducible to definite contracts equally binding upon both parties. In the fourth place, those who make the contracts should have the ability to deliver and to hold any parties for whom they are agents to the arrangements made. In the fifth place, if they are not able to deliver, redress should be available through agreed upon penalties voluntarily accepted, and if not, enforced by the courts.

Source of Business Code. Where did these rules come from? Their source is in business experience. They are the rules which embody the wisdom of that experience in dealings between business men. What I would like to suggest is that the business man's definition of business-like conduct and responsible conduct is that which he has found satisfactory in governing the relations between manufacturing concerns, banks, insurance companies, dealers, brokers and the like. People who manage such institutions are motivated and guided by primarily business considerations, those of economic gain or loss. Their code of conduct is a response to that fact, although it may also be an excellent code of conduct from a moral and from a practical point of view.

Moreover, because business is so important a part of our common life, such rules are pretty generally applied to all human relations. In a business civilization the code of business dealing tends to be imposed on every one. I am not suggesting that it should be otherwise, particularly when people are making business deals. Persons who are not primarily business men, however, and institutions which are not solely business organizations, have non-business problems. Sometimes what they have to do can't be done by following the rules of business. They develop a code of their own which doesn't always jibe with the business man's code. If the business man has to do business with such people or institutions, he is naturally exasperated. But a practical solution is more nearly possible if he understands why the other behaves as he does.

Are Unions Business Concerns? Now, suppose a union turned out to be not primarily or exclusively a business concern—what then? Would its leaders feel as thoroughly committed to the rules of business?

Let me say immediately that there is a large element in the function of the union which is definable as business operations. A union is in part a business institution, but it has other features which keep it from being purely a business organization. Let me cite a few of these characteristics which are prominent in union leaders' conceptions of unionism, and which, when added together, raise a serious question as to whether unions will ever be guided solely by the code of business operations.

A union is a part of a working class *movement.* A movement is not a business. To the degree that workers are thoroughly integrated with it, they are bound by psychological ties of loyalty, not only to a particular union but to the movement with its traditions, folklore, and symbols. There is nothing in the world of business which compares exactly to the song books, the banners, the pilgrimages, the traditions of struggle against exploitation, the folklore of martyrdom, the poetry and literature which mirror in their various phases the psychological sentiments which hold a movement together and motivate much of the conduct of participants.

A movement is not a business, although it may have business functions to perform. Loyalty to this movement on the part of a significant nucleus of union men will very frequently cause them to set aside purely business considerations and to adopt tactics which are anything but business-like.

Again a union is a pressure organization originating in the desire on the part of a group of people with relatively little power to influence the action of a group with relatively more power. The words "struggle" and "fight" and "battle" and "crusade" are not merely a part of the vocabulary of union organizers. They are symbols of the conception which these men hold of their own task, symbols made vivid by their life experience. The tactics and policies of today are molded by the experiences of yesterday.

Furthermore a union is a device for continuously changing the balance of fundamental economic rights and rewards in favor of workers. A business is a device for obtaining economic advantages within the framework of established rights. But it is one of the major functions of unions to alter the balance of these rights and rewards as between employers and workers. The changing of fundamental rights, at best, is more of a political than a business procedure. In many cases, its tactics point more in the direction of warfare than in the direction of trade.

Finally a union is a political institution in its internal structure and procedures. The solidarity of its participants is affected, not by the business-like procedures of hiring and firing, the giving and withholding of economic rewards, but by the techniques well known to political leaders. A moment's reflection upon the methods of political machines and the conditions of their survival will amply demonstrate the difficulties in the way of unions ever becoming pure business organizations. Or consider an analogy from business itself. Suppose management had to get the consent of stockholders to practically every decision made. Suppose that their operations involved the constant and detailed activity of stockholders. Suppose that a stockholder, dissatisfied by this day to day activity, could object, not by selling his stock to someone else but by actually withdrawing capital from the business. Management would then be compelled to develop in relation to their stockholders the same kind of political strategies which union leaders must develop in relation to their members. The ability on the part of management to make binding decisions which they have the power to carry through in their dealings with others would be immensely complicated if they had to depend on detailed support and cooperation from stockholders in order to implement their decisions. Management-stockholder relations would become political, not solely business relations.

If it is understood that unions are, internally, political organizations, then much that is referred to as unbusiness-like or irresponsible conduct

may be set down as the behaviour of a political institution which has not yet solidified and regularized its own structure or become adapted to the task at hand. I can imagine, for instance, that if a large city were to be run by the methods of town meeting democracy, the confusion and ineptness and inadequacy of the actions taken might conceivably be labelled as irresponsible by those accustomed to a city-manager form of government. There is no *democratic* short cut to the development of well integrated and disciplined political institutions.

Basis of Workable Arrangements. These features of unionism retard, if they do not make impossible, the development of unions completely responsive to the principle of business-like dealings and responsibility so important in management's conception of industrial relations. They are not cited in order to demonstrate an ultimate incompatibility between unions and this conception, but to indicate the character of the problem faced.

It is a difficult problem, but I have met men in unions and in management who think it is not insurmountable. They are living with it and making some progress. What are the points on which they are agreed; how have they approached the problem?

Collective Bargaining a Business Process. They agree that, whatever the nature and backgrounds of management and unions, collective bargaining is largely a business process, particularly after the union is genuinely accepted as a participant in the enterprise. Hence it is not unreasonable to expect both parties to be business-like and to act responsibly in observing business contracts. If the contract proves unsatisfactory to either party, the thing to do is to correct the situation when a new contract is made, not to "chisel" on or tear up the present one. That attitude is basic.

Codes Develop Slowly. The second point is equally important. It takes time for men and institutions to adapt their code of behaviour to the realities of their relationships. The code of business dealings was not produced in a day. And it was not immediately embraced by all business men. Even today the observance isn't 100%. Historically, business enterprise, itself, replaced forms of the struggle for self-maintenance which were more warlike and predatory. Many generations were to pass before the modern code of business was produced and won general acceptance. Business men have at least a hundred years' start on union leaders in the traditions of contract making and contract keeping.

Acceptable Codes Are Rewarding. In the third place they approach the problem realizing that men tend to accept that code which rewards them. Business men accept this code because in the kind of a world we live in they are rewarded in the achievement of their basic objectives by observing it. If the unions accept it, it will be for the same reason. It is possible

that the objectives of some unions are such that they cannot be reached by the utilization of purely business methods, which is another way of saying that business-like methods and codes alone may not be able to reward them. But as the major features of exploitation and inequalities are reduced in importance on the American industrial scene, as the memories of past struggles become less vivid, and as unions are accepted as legitimate participants in business enterprise, it should not be beyond the realm of reasonable hope to anticipate that responsible, business-like action would prove more rewarding to unions than its opposite.

Unions have to deal with business men. Much of their activity is a business operation. The business code is a hard fact to which they must adapt themselves. But any code which is mutually acceptable has to be mutually workable, that is, it has to be mutually advantageous and rewarding.

Codes Change. Another point of agreement between men who appear to be making some progress on this matter is the recognition that the code itself is not an eternal law. It is still changing. Since it has to be satisfactory to both parties to the relationship which it governs, the interests, the problems, the necessary behaviour of any new party have to be considered. When they are, the code undergoes change, possibly for the better. It is no criticism of the business code to say that it grew up to govern relations between men who were producing or exchanging property and commodities with economic gain in mind. Even the labor contract was supposed to be one for a sale of and payment for a commodity, namely, labor skill. The worker was a business man marketing what he had to sell. Well, he was marketing himself, a human being, not a bar of steel or a package of corn flakes. Unions are not solely responsible for putting that idea across, but their influence in changing the code on the point can't be ignored.

Unions have also had their own codes modified by experience in business dealings. Said one labor leader, "I was trained as a fighter for human rights. I'm not forgetting that. But there's more ways than one to fight. It comes down to a question of method. If you can win your point by negotiation and making better contracts every year, why trot out the artillery? But there's rules to follow if the method of negotiations and contracts is to work. The employers I deal with have had a lot of experience in developing rules that fit that method. I've profited by their experience. The rules don't always fit the human relations involved, though. But if I want the method to work, it's my job to make the rules fit, not to throw them completely out the window and grab the employer by the throat."

The point is that the code of business is an evolving code. It can be

made a better one if it fits the realistic nature of the human relations which it governs. Collective bargaining has provided for some employers and labor leaders the chance to get acquainted with those realities and to make the code better and more workable.

Organizational Responsibility. Another point made by these men who think they are making progress is this: the observance of contracts, much more than their negotiation, depends not so much on the character of officers as upon the organizations they lead. The charges fly from both sides, "The fellow at the top means well, but the men down the line have different ideas. Then what happens to the contract you've made?"

Those charges underscore the point. Both management and unions can be really responsible only to the extent that the whole organization is back of and acts in line with the decisions of its leaders. Both have a job to do on this score. Management has some advantage in the fact that its structure of organization is better established and that "the fellow at the top" can replace the "men down the line" if they resist persuasion. Union leaders have greater difficulty in firing those who upset the apple cart. The organizational structure of a political institution like a union is more easily upset than that of a business, unless the union officers want to throw democracy overboard. Such points reveal the problem of but do not excuse the lack of organizational discipline. One of the biggest problems on the minds of the union leaders I have met is the development of internal political structure, techniques, codes, and discipline. By this they mean techniques for exploring the needs and wants of members, the establishment of recognized patterns of leadership and authority, the development of a disciplined citizenship within the union committed to action in accordance with the decisions of their representatives.

The final point made by these men is that in this period of learning to live and work together, a good many rough spots can be made smooth, inevitably inadequate machinery can function better, and conflicting codes cause less damage to good relations, if labor leaders and management can associate and get to know each other in other ways than as bargainers or grievance settlers.

The Issue: Mutual Survival

In conclusion I would like to make two points clear. I have made no judgment about what is right and what is wrong, either in management's convictions about the essentials of industrial relations or in the convictions held by union leaders about the essentials of unionism. I don't know what is right or wrong. But I am sure of one thing, nothing is right

which won't work; and arrangements that work are going to have to be reconciled with these convictions and survival needs on both sides. Unless methods are adapted to such realities, we shall presently find ourselves repeating the words of the March Hare in *Alice in Wonderland.* You recall he had tried to fix the Mad Hatter's watch with butter. When his method did not work, he could only express his bewilderment in these words, "And it was the *best* butter too, the *best* butter."

In the second place I have offered no solution for reconciling those convictions. That solution will have to be hammered out by practical men in the light of the whole set of problems they face. I don't know all those problems. I have never met a payroll for more than 16 people and I have never organized a union. Every suggestion I have made has been relayed from practical men of experience on whose shoulders rests the responsibility for practical action.

Both management and labor leaders will be better equipped for such practical action, however, if they know thoroughly the kind of a job and responsibilities faced by the other, and his convictions about what is required if he and his organization are to survive. Men will fight when they believe their survival is threatened. The first task of life is to live. I am convinced that the great majority of employers and labor leaders alike are not out to "bust" or "hamstring" or take over the other. But they can do that without intending to do so by fighting for their own survival in ways which endanger the survival of the other. The end result will be the overwhelming of both free management and free unions. The chain of events is too clear to miss. If either union leaders or management expect, or try to force, the other to be what they honestly believe they cannot be and survive, they will arouse the fighting opposition of the other, bring out the very belligerent and stubborn characteristics which make peace impossible. If two such giants as organized labor and organized management engage in a struggle for dominance within the highly delicate mechanism of the American economy, neither can win and Democracy is bound to lose. They will all go down together in the resulting chaos or in the regimentation which will arise from public demand to avoid chaos. Free unions, free management, free enterprise, and a free society will survive or go under together.

Mutual survival, not separate survival! That is our common aim. If we keep it steadily before us we can avoid a fanatical struggle for dominance which can never be won within a Democracy.

Management's Approach to Employee Relations[1]

Clark Kerr and Roger Randall

The special importance which Crown Zellerbach Corporation has attached to effective personnel administration is indicated by Alexander R. Heron, Vice President in charge of Industrial and Public Relations for the company: [2]

> A bad program of personnel administration will make collective bargaining difficult. The best collective bargaining in the world, the best union contract ever written, is no substitute for a sound and intelligent program of personnel administration. The time has come when we should direct our major attention to the personnel administration program, and free ourselves from the exaggerated concern we have been giving to the single phase of employee relations called collective bargaining.

President Zellerbach feels that, "No one aspect of modern industry is more directly important to the executive head of a company than labor relations." [3]

If employees dislike management some of their antagonism is channelled through the unions. If employees consider the company a good one to work for, some of the good will may be evidenced in the approach of the unions. Workers in plants where unionization is wide-spread are both union members and employees of the company. How they act in the former role depends in part on how they feel they are treated in the latter.

R. B. Wolf underscores this point of view: "It has been my experience that management will have the kind of labor leader it deserves. When management deals with men fairly and understandingly, I know from per

[1] Reprinted from *Crown Zellerbach and the Pacific Coast Pulp and Paper Industry*, Chap. 3, Case Study No. 1, National Planning Association, Washington, 1948, with permission of the publishers. Professor Kerr is director of the Institute of Industrial Relations at the University of California (Berkeley), and Mr. Randall was on the staff of the Institute.

[2] Alexander R. Heron, "Collective Bargaining Is Not Enough," *Public Relations Journal*, November, 1947.

[3] J. D. Zellerbach, "What Does Labor Really Want?" *American Magazine*, May, 1947.

sonal experience that the destructive type of leader cannot remain in the picture." [4]

The fact that industrial relations have progressed so smoothly in the pulp and paper industry is an indication that the basic employer-employee relations have been satisfactory. Good personnel policies have been a contributing factor to peaceful collective bargaining in this industry—unlike personnel programs in some others which, rather than setting the stage for collective bargaining, have been developed to discourage union membership.

How these agreeable employer-employee relations have developed will be shown by an outline of some of the personnel policies and practices of the Crown Zellerbach Corporation. These have not differed greatly from policies of the other firms in the industry due to the existence of region-wide bargaining. This program was not introduced all at once but was evolved over a considerable period of time.

The Selection of Employees

The company has paid special attention to proper selection of employees. It has tested the physical and mental capacity of applicants. More unusual, it has been concerned with the ability of the individual to fit into the human relations system of the plant. Capacity for social adjustment and adaptability to the group situation are highly valued.

In general, when an employee is hired he goes in as common labor. This has made the selection process more difficult, because work histories disclose relatively little about common labor. Further, the individual, under a system which has relied predominantly on seniority as the basis for promotion, must be visualized as he will progress through the job structure of the mill. This has required looking a long way ahead.

At the other end of the process, the division manager has held exit interviews with every employee with over five years of seniority, to determine the reasons for his leaving.

Management by Consultation

Constant consultation has been an essential aspect of the company's personnel policy. Foremen in each mill have been brought into formal meetings at least once a week to help solve problems, such as those relating to quantity and quality of output. In addition, they have been called upon frequently in an informal way. Recently the foremen in the several

[4] R. B. Wolf, "Practical Management-Labor Cooperation," *Industrial Relations in a Defense Economy*, American Management Association, Personnel Series No. 48, 1941.

mills have been trying to devise a workable merit rating plan. They have been given an opportunity to formulate policies.

The employees have been consulted through their union representatives on a wide range of problems. Periodic joint meetings are scheduled between shop stewards and foremen to discuss problems of mutual interest, such as safety problems, seniority status of returning veterans, first-aid classes, and open-house programs.

As a concrete example of consultation on a local level, the union committee was called in at one mill to talk over an inspection problem. In the paper-bag department, the final inspection of the bags had become very slipshod during the war when anything resembling a bag could be sold. After the war, however, customer complaints began to pour in. On investigation it was revealed that the inspectors, who were members of the local union, were reluctant to report careless workmanship by individual employees since they did not wish to put fellow unionists in line for disciplinary action. The union committee fully realized the seriousness of the situation and the need for protecting the quality of the product if the bag plant was to remain in operation. The union agreed to relinquish jurisdiction over the bag inspectors and the company put them on a salaried basis with direct managerial responsibility for quality of product in the department. The customer complaints ceased. The union, when consulted and made fully aware of the difficulty, acted in a responsible manner by voluntarily relinquishing jurisdiction.

On one of our visits to a mill, we saw another example. The industrial relations manager of the plant was home in bed with a cold when a plant superintendent called to tell him that one crew would need to work six days that week. He got out of bed and telephoned the union committee to meet him in the basement of the plant so he would not have to go to his office and get bogged down with paper work. When the group assembled, the manager told the union representative of management's plan for the extra day and why the additional production was needed. They talked it over so that the union committee realized that there was no way to get the job done except by working the extra day. They then discussed which parts of the plant would need to keep running, and how to handle any special problems created for individual workers. For example, some vacations were due to start at the end of the day's work on Friday and travel reservations had been made. The special problems were all worked out in an amicable manner, and the meeting broke up with good-natured joking back and forth.

Subjects have been discussed, on occasion, with union representatives which bear little or no relation to the collective agreement. Alexander Heron refers to this as a step toward "collective planning" for the in-

dustry as contrasted with collective bargaining based on an assumption of conflict.[5]

Giving and Getting Information

Great reliance is placed, Mr. Heron says, on "a more free exchange of knowledge by and between management and men." [6] The Company wishes to get information "to the man who works." Standard procedures, such as the distribution of the annual report to the employees and the provision of an employee handbook, *Partners in Industry,* have been followed. Primary attention, however, has been directed toward less conventional channels. The general theory has been that the employees will not be interested in the enterprise unless they know something about it. No information in which the workers indicate an interest must be concealed from them. There should be an "aggressive willingness to share." [7] Data should be made available on such subjects as finances, profits, expansion plans, the outlook for the industry, the production processes, and the products and their uses. The security, income, and community status of the employee is partly dependent upon the actions of the company, and the employee has an understandable desire to be taken into the confidence of management.

Crown Zellerbach has given the worker the opportunity to ask questions and discuss situations, as well as receive facts. It has found the foremen and the union representatives to be the least artificial and most informal and personal channels of communications. Information is normally given first to the foremen and then to the union representatives, but sometimes simultaneously to both.

Of the foremen as a channel of communications, Mr. Heron says: [8]

> We go at this job of seeing to it that the information which the directors have, which the controller has, which the general manager has, finds its way down through this line organization; not through specialists, not through industrial relations experts or public relations experts; but down through the line organization to the superintendent, to the foreman, to the man who works, so that these men may know these things.

The foreman has constant contact with employees, who know and normally respect him. The very fact that he has been well informed about

[5] Alexander R. Heron, Address before the Stanford Industrial Relations Conference, March, 1939.

[6] Alexander R. Heron, Address before the American Mining Congress, Colorado Springs, Colorado, Sept. 19, 1940.

[7] Alexander R. Heron, *Sharing Information with Employees,* p. 30, Stanford University Press, 1942.

[8] Heron, Address before the American Mining Congress.

the enterprise has increased their confidence in him. A *Management Digest* provides him with a constant stream of specific information, and he is also kept informed through frequent conferences.

The second important communications channel is the union. Union representatives are likely to know what the employees want to know better than does management. Also the workers tend to believe what they hear from their elected delegates and place great reliance on it. The status of union leaders is heightened by giving them the prestige and responsibility of relaying information to the employees. Mr. Heron clearly recognizes the union's function as a channel for upward as well as downward communication:

> This channel of communication and understanding, which employees themselves have created, furnishes the modern substitute for the individual contact between the employer and the worker which disappeared in the growth of modern industry. Some of us are ready to move, in that belief, into a relationship with our employees, through their own chosen representatives, which will take for granted the two-way process of collective bargaining, and build on that premise the constructive and democratic program which we call collective planning.[9]
>
> Without safety valves or channels of free discussion, dissatisfactions which are outside the scope of the agreement can undermine the whole collective relationship. The union must be encouraged to bring to the attention of management, in various ways, every question or suggestion relating to the "good of the order." In some cases, this is done through a union "advisory committee" which meets regularly with management; in others, through informal and irregular meetings between management and union officers; in still others, through union committees dealing with special subjects such as safety, group insurance, hospital contracts or community problems. Two things are essential: such committees or groups must be separate from the union grievance committees; and they must not deal with subjects which belong in the jurisdiction of the grievance committees.[10]

The local group under the working foreman and the shop group under the shop steward have been called the "understanding unit." [11] Full understanding and discussion of the enterprise at these levels can offset the complexity which comes with the enlargement of the business enterprise in modern society. The foreman and shop steward are the essential links in the chain of communications up and down.

It is by use of such channels of communications that certain *non-*

[9] Alexander R. Heron, "After Collective Bargaining—What?" Address before the Stanford Business Conference, July, 1939.

[10] Alexander R. Heron, "Collective Bargaining in Action," *Collective Bargaining Negotiations and Contracts,* Bureau of National Affairs, Vol. 10, p. 101.

[11] Heron, *Sharing Information with Employees,* p. 197.

financial incentives have been brought into play. Interest is aroused in the product and its uses, in the attainment of production records, in the success of safety efforts, and by emphasizing the importance of the individual job.[12] As a further incentive, a suggestion system has been put into effect. At the largest mill, 60 to 100 suggestions have been received per month, about 40 percent of which have been used.

The Place of the Foreman

The foreman's importance is stressed by Vice President Heron, who says: [13]

> The relationship between the man who works for our corporation and the corporation is not between him and the stockholders, or between him and the Board of Directors, or between him and the director of industrial relations, or between him and the president. That relationship is between him and the foreman or the straw boss. . . .

The first step in making constructive use of the foreman has been a high ratio of foremen to workers. At Crown Zellerbach there is currently a working foreman or leadman for an average of seven employees, and a non-working foreman or supervisor for every fifteen to twenty. This high ratio permits constant personal contact between the workers and the first layer of management. The company has concluded that adequate supervision cannot be given with a lower ratio of supervisors. Aside from any other advantages which subsequently have been discovered, this ratio originally was required by the technical conditions of the industry which break operations into rather small units.

The foremen are given considerable responsibility. While applicants are pre-tested and screened by others, the ultimate decision to hire is made by the foreman of a work group. He also has the power to settle grievances, except where a matter of policy is involved. The general policy of the Crown Zellerbach company has been to delegate responsibility as completely as possible to the local plant manager, from there to the individual foreman, and ultimately to the worker, particularly in the more skilled classifications. The foremen are consulted on almost every con-

[12] Robert B. Wolf believes that, "The basis of all 'non-financial incentives' is interest in work." He pioneered in keeping the employee informed about the operations of the company and of the plant, in furnishing progress records on production, and in consulting with employees. (*Non-financial Incentives*, paper presented at the Annual Meeting, American Society of Mechanical Engineers, New York, 1918. See also, among other articles, "Securing the Initiative of the Workman," *American Economic Review—Supplement*, March, 1919.)

[13] Heron, Address before the American Mining Congress.

ceivable operational problem. Their status and role in management have been preserved.

Other ways in which the foremen have been identified with management include: (*a*) Weekly meetings of foremen in each division to discuss operating, maintenance, and cost problems; (*b*) monthly dinner meetings of each division manager with his foremen; (*c*) an annual management conference attended by a limited number of senior foremen and department heads; and (*d*) conferences called by mill managers with all their foremen, after each contract renewal, to discuss changes in the collective agreement.

The basic work week for foremen has been five days, although because of emergencies and other situations they normally work somewhat longer. Foremen have been paid approximately 20 percent more per hour than the highest skilled worker under them, except in the most skilled departments where they have received a figure closer to 10 percent. These policies, among others, have resulted in the continued recognition of the foreman group as part of management at Crown Zellerbach.

An effort also has been made to give the foremen an appreciation of the part to be played by the unions, since they tend often to resent the intrusion of the unions into their domain: [14] "We have had to show them that the collective bargaining agreement and the grievance committee and the shop stewards were not obstacles but aids to them in their work."

Union representatives are often consulted on the selection of foremen; and the unions permit foremen to return to their old jobs without loss of seniority. The company has recognized that good relations with foremen tomorrow start with good relations with union members today: [15]

> . . . ten years from now the majority of our supervisory jobs are going to be manned by men who have graduated from the union ranks. . . . We certainly should not fail to grasp the opportunity of building in the minds of today's employees the necessity and obligation and feasibility of living together decently under the collective agreement.

Personnel and Labor Relations: A Line Job

Personnel and industrial relations problems have been handled solely by the line organization, with staff specialists on personnel and industrial relations serving in an advisory capacity only. While certain tests have been recommended, for example, the local mill managers do not have to use them. Foremen and other line supervisors, however, have been trained

[14] Heron, "Collective Bargaining in Action," *Collective Bargaining Negotiations and Contracts,* Bureau of National Affairs, Vol. 10, p. 101.

[15] *Ibid.*

to understand some of the more technical subjects, like job evaluation and time and methods study, so that they may work more closely and cooperatively with industrial engineers and other experts. Rather than issuing directions, the staff experts have trained, advised, and consulted. Staff personnel also has stayed out of specific conflicts in administering the agreement; for instance, the personnel man is not ordinarily an active participant in the grievance adjustment machinery.

The general policy has been to place the responsibility for leadership on the "next man above," where it can be exercised in the most personal manner, the whole way up the line organization.

Providing Security

The employees are assured: "Every effort is made to insure steady employment for those who go to work for Crown Zellerbach." Provision for a permanent source of pulpwood, through large timber reserves on a sustained yield basis, and advance planning to even out production throughout the year help assure a steady flow of job opportunities.

The collective agreement between Crown Zellerbach and the unions has provided for promotions on the basis of seniority, if other things are equal. In fact, over 95 percent of the promotions have been made in accordance with seniority. Careful selection and training have contributed to this high percentage. Promotions on the basis of seniority in an expanding industry have provided a secure future for the large majority of the employees.

The company has had a voluntary retirement plan, in addition to federal social security provisions, for all employees with five years or more of service. Both the company and the employees have contributed to the plan. The company has contributed rather more than half, and also has paid the costs of administration. An employee may retire and receive benefits at age 65, or at age 55 if he has had twenty years of service. Over 98 percent of the eligible employees have become participants.

The sense of security of the employee can be threatened by actual or proposed changes. The introduction of a new machine, for example, may cause him to fear a layoff, or discontinuance of the use of his skill, or even the loss of his job. These anxieties lower morale and productive efficiency and may result in conscious or unconscious sabotage of the new process or equipment.

Crown Zellerbach has followed a policy of careful advance preparation for changes. When after the war, an expansion program was decided upon which would have varying impacts on the mills, top management representatives—including the president of the company—visited each mill to

explain it to the mill managers and supervisors. The same process of advance preparation has been undertaken with individual workers. For example, the company decided recently to make some changes at its West Linn mill in order to meet a new demand for high-quality gloss magazine paper. Some old machines would have to be moved and new ones, demanding different skills, be installed. The process of change-over would take quite a substantial period of time.

As soon as the decision was made by top management, and six months before the change-over would start, the company began talking with the union about it. The nature of the change and the need for it were fully discussed. The parties then began working out the details to minimize any unfavorable effects on the employees involved. Arrangements were made to place all workers whose jobs were eliminated by the withdrawal of the old machines either at other positions with comparable rates of pay or to train them to operate the new equipment. Vacations and training times were scheduled to coincide with the period when the old machines were being replaced. As a result, no one was fired or laid off. A major technological change was achieved with a minimum of friction and the maximum possible regard for the sensibilities and security of the employees. The cooperative approach, in what might have been construed as an area of management prerogatives, secured complete worker acceptance where otherwise antagonisms might have been created. The joint process strengthened the bond of employer-union-worker understanding and mutual confidence.

The art of introducing a change into a work group without arousing unfavorable repercussions calls for delicate skill. The company recognizes that it involves advance discussion and tactful explanation, careful timing, and full consideration of how to offset damaging effects on individuals. It requires getting the employees to think in constructive rather than negative terms, and to experience a sense of participation. The company has evidenced keen knowledge of this art. It has not taken the employees by surprise.

Rejection of Paternalism

Crown Zellerbach has carefully avoided paternalistic practices and has kept its hands off the personal affairs of its employees. This has not been due to a lack of concern for worker welfare, but rather to a belief that the employees desired the maximum freedom of self-determination. For example, the company has never used personnel counselors. It has, however, assisted the employees in developing their own programs, such as group life, hospital and medical plans; credit unions in the mills; and

athletic teams. The latter have not been "company teams," however, and Crown Zellerbach has no athletic program of its own. J. D. Zellerbach expressed his feelings in these words: [16] "No, labor doesn't want paternalism. Grown men and women don't want to be babied by philanthropists. . . . In their private lives they want the free right of self-expression."

Two other significant aspects of the company's personnel policy were observed. (1) An important *test of mill managers,* particularly in the larger mills, has been their ability to get along with the men under them. Outside experts can be hired to solve engineering or chemical or accounting problems, but it is far more difficult to find a man capable of solving touchy human relations problems once the good will of the employees is lost. Mill managers have been selected in part for their capacity to handle personal relations with the employees. An important test of mill managers has been their grievance record during their terms of service. (2) A second important aspect is the policy of having *no rigid policy.* Although practices are formalized, the approach of the company has been more a state of mind, a point of view. A conscious opposition to the development of categorical answers has existed. The attitude has been one of open-minded experimentation and the avoidance of dogma. Mr. Heron has expressed this general view as follows: [17]

> Allied to this attitude is another which we express by the phrase "that is a principle with us." We have used that phrase in our negotiations, but I suggest that it be eliminated from our vocabularies now and hereafter. I think that honesty will compel us to admit that in every case we refused to depart from a "principle," we actually meant just this: "We don't want to do it." That type of argument is bad industrial relations procedure. Moreover, there are a number of things that we are doing today, although they are contrary to the matters of principle we stressed only a few years ago. It is a rather humiliating experience to cling to a principle as long as possible, and then to have to concede the point.

In Summary

Crown Zellerbach has used personnel techniques conducive to good industrial relations:

1. Employees have been carefully selected, with special attention given to their ability to enter cooperatively into the group life of the plant.
2. The company has consulted foremen and union representatives on a wide range of problems. It has taken fullest advantage of the constructive

[16] J. D. Zellerbach, "What Does Labor Really Want?" *American Magazine,* May, 1947.

[17] Alexander R. Heron, "Experiences in Collective Bargaining," Address before the University of Michigan Conference on Industrial Relations, April, 1940.

potential of unionism by inviting union participation on a consultative basis.

3. The line organization and the union hierarchy have been effectively used as channels of upward and downward communication. The foremen and the shop stewards have been considered particularly vital links.

4. Managerial responsibility has been projected downward and widely diffused. The ratio of foremen to workers has been high, and they have been fairly treated and given considerable authority.

5. The sense of security of the individual workers has been strengthened by promotions largely in line with seniority, by a liberal retirement system, and by the socially engineered introduction of change.

6. Paternalism has been avoided.

7. An important test of managers has been their ability to get along with the men they supervise.

8. Pat formulas and rigid rules have been avoided.

Good personnel policies have limited basic antagonisms between management and men. When the employees are not fighting the company, it is less likely that the unions will fight it.

B. THE STAFF FUNCTION OF PERSONNEL ADMINISTRATION

The Operating Executive and the Personnel Department[1]

Glenn Gardiner

It is my purpose to state and discuss three questions: (1) Have personnel departments improved or damaged employer-employee relations? (2) What have personnel departments done to the status of our foremen? (3) How can personnel departments best serve production? I do not expect that all personnel people will be in agreement with my views on these questions, but I shall keep my approach as constructive as I can.

Personnel Departments and Employer-Employee Relations

In answer to the first question, I should say that personnel people have not improved employer-employee relations nearly so much as they think they have. As a matter of fact, I think that in some ways personnel departments have damaged the basic human relations in industry. I am going to point out some of the ways in which I think personnel departments and personnel people have done harm to these relations.

To begin with, the setting up of personnel departments too often has had the effect of dividing the responsibility for human relations. You have George wondering whether Paul is going to do it and Paul wondering whether George is going to do it. This creates plenty of opportunity for ducking disagreeable situations, and it is inevitable under such circumstances that there will be some deterioration in the over-all human rela-

[1] Reprinted from *Personnel Functions and the Line Organization*, American Management Association, Personnel Series No. 121, 1948, with permission of the publishers. Mr. Gardiner is vice-president of the Forstmann Woolen Company, Passaic, N.J., and is the author of several books on industrial relations and management problems.

tions of an organization. In this division of responsibility, as between the staff departments, so called, and the production department, I believe the ball has often been fumbled because nobody knew whose signal was being called.

I think that some of this damage to human relations has been done by the very centralization of the human relations function—because it presupposes that this sort of function can be centralized. That, I believe, has been a fundamental error. By centralizing the personnel function in a personnel department, too many people have assumed that you can centralize human relations. That was perhaps the error in the thinking of the production people and general managers who felt that it would be very helpful if we could just put all our personnel headaches into one hat and let somebody else worry about them for all of us.

And it did bring some measure of relief to many production people. But I am not sure that the process helped human relations. The personnel function is by no means a one-man function or a one-department function. Human nature being what it is, it seems to me inconsistent with all we know to suppose that you can centralize and functionalize human relations. That concept, however, captures the imagination of many, with damaging consequences to the over-all pattern of human relations.

Another reason why I think personnel departments and personnel people have damaged human relations in industry lies in the fact that too many personnel people became jealous of their new prerogatives. Perhaps being "in charge of" personnel relations gave a lot of personnel men the idea that they should try to monopolize personnel relationships. Some of them even become jealous of the attempts of those in the production line to take care of the human relations problems arising on the job. Very often, because these problems were not handled too well by foremen and production executives, the personnel department felt that nothing should have been done about them by anyone but a member of Personnel—apparently on the theory that if the fire department puts out fires, all fires should burn until it gets there.

Worker Loyalties Misdirected. Good personnel men have often won loyalties which should be accorded the worker's own boss. I don't know how many grandfathers there are like me, but a lot of the fun of being a grandfather for me is to spoil my grandson and then leave the problem with his father and mother to handle. It is fine for the grandfather, but hard on the young fellow's parents. The same thing is true in personnel relations. It is one thing to be a good fellow from the vantage point of the personnel department—to straighten out and help the working man with his problems, thus winning his everlasting gratitude and loyalty. But then he goes around wondering why his boss isn't more like that. That is not

the kind of loyalty that does any good. Insofar as personnel departments and personnel people divert employee loyalty to themselves, or subtract in any way from the employee's loyalty to those immediately in charge, I think they are damaging human relations.

"Well," you may say, "you cannot help that. If the man's boss is that kind of a guy, what then?" But that is where the personnel job begins, in my judgment—with the supervisor who is lacking in qualifications as a boss. So, we have to include among the counts against personnel people the fact that some of our best personnel people have been most effective in winning the loyalty of the workers at the expense of the line supervisors.

Who Does Our Personnel Work? The wrong kind of people are often chosen for personnel work. Now, we cannot blame personnel people for that. It is an indictment, perhaps, of all of us. Everybody thinks that he would work out pretty well as a personnel man. Most of us seem to think that we have a particularly effective formula, born out of our own experience, for "handling" people. Often the very person who thinks that he is the best is the worst.

Every man coming out of the Army in the recent war who got as high as sergeant figured he had had a lot of personnel experience and went out for a personnel job. There seems to be a universal instinct for personnel work—and an almost equally prevalent ineptitude in its practical application. The wrong kind of person has been picked for personnel work in too many instances. And don't ask me how you pick the right kind of person. That is the toughest task in the world. I am only finding fault at this point, not prescribing remedies.

Understanding of Production Problems Essential. Speaking from the point of view of the production man, more attention should be given in my opinion to the choice of personnel people who have had practical experience pretty closely related to production. This does not mean that every personnel man must have worked up through the production line, but he should have some practical experience that would give him an appreciation of production problems. Some of the best personnel people I know are people who were human-relations-minded engineers who, after dealing with material problems for a long time, could not resist their interest in dealing with people and got into personnel work. These men have established a background and a record in the solution of practical problems.

Purely academic experience is not the most ideal background for personnel work, although I don't say that there are not good personnel men who have had that kind of background. Generally speaking, however, we need people in personnel work who have just as good a concept of the

responsibilities on the production and sales side of the business as they have of the personnel side of the business.

Importance of Management Backing. Let me ease the pain a bit at this point by saying that I don't think all the damage done to human relations is entirely chargeable to personnel people. Too often personnel people have not been given a status in the organization sufficiently high to command the prestige necessary for a first-rate job. You cannot blame that on Personnel. Any damage caused results from an improper conception at the very top levels of the company's management of how important the personnel function is and how important it can be. Certainly you cannot set a boy at a man's work and expect a man's results. Nor can you expect a personnel manager reporting way down the line in the organization to be very influential in affecting the thinking on personnel problems of high-ranking production people.

Personnel people, don't forget, are not the only ones who think that they are experts at dealing with people; so do production people. Every one of them has his own theories about what to do at the drop of a hat which will handle the human situation. And hats drop all over the place. So we have to be sure that the person responsible for personnel leadership in the organization is a person of as high rank as any other chief in the organization outside of the general manager. His function should certainly be as high on the chart as that of manager of sales or manager of production, and if the latter are vice presidents, he should be a vice president, too. Anything which detracts from the prestige of his status is certain to detract from the kind of job that can be expected.

"Welfare" Concept of Personnel Work. Right from the beginning we got off to a wrong start through our concept of the personnel function. We started with a lot of welfare people in the personnel field. We began with the concept that personnel work is something to keep people happy, so we organized a lot of recreational activities to keep their minds off their problems. We got playground directors and YMCA secretaries and a lot of other people with similar experience into personnel work because of that concept.

I have nothing against playground directors or YMCA secretaries. But the fact that they were hired as personnel people indicates how the personnel function rated in the minds of top management—not as a fundamental part of production, but separate from production. That is a concept which I think we would all agree today is incorrect. Your production and your personnel problems are one and the same problem. You cannot solve one without the other.

The Status of Foremen

Now let us turn to our second question: What have personnel departments done to the status of our foremen? I can make the general statement that personnel departments have taken away many of the foreman's old prerogatives. In that respect they have created some serious industry-wide problems—problems which were not solved by the Taft-Hartley Act, as too many in top management seem to think today. Let us examine some of the ways in which personnel departments have tended by and large to break down the status of the foreman, to lower his prestige, and to decrease his respect for himself and his job.

One of the first things we did in setting up Personnel as a department was to take away from the foreman the hiring of people, which had been an old prerogative. You might think the foreman ought to be thankful that all he has to do is have his new workers handed to him. But there is more to it than that. The worker respects the man who has the last word on whether he gets the job or not. If a foreman is going to have somebody working for him, he wants that person to have a feeling of loyalty and responsibility to him.

Is there anything more flattering to a person than to be selected by someone for a job? Is there any greater evidence needed to get off to the right start than that the foreman should put his finger on the applicant and say, "Okay, you look good to me." Taking that prerogative away from the foreman has not only cut down his stature, but has damaged the results he is able to get from his workers.

Many personnel departments have extensive and elaborate plans of induction. In such cases the foreman and the production supervisor may have had to forfeit an old, important role. Somebody has to induct these employees and that is why personnel people say, "The foreman never gets around to doing it just right. We will do it in a standard, proper way." In my opinion, however, we ought to be putting the emphasis on induction *through the foreman,* rather than around and over him.

Then there is the question of promotions. We introduced new-fangled devices like merit rating. By some such device we decide nowadays when an employee should be promoted. I am not saying that this was not necessary. I am only saying that it has had its effects upon the status of the foreman. Some of the things foremen used to be able to do to reward the man of merit are now being handled in an institutional sort of way through the personnel department.

Personnel Counseling and Grievances. Then we invented a function in the personnel department known as "personnel counseling." It was one

of the most damaging blows to hit the foreman during the war period. The idea was that some do-gooder or other could come in and solve the human problems bothering Lil or Bill and then everything would be fine for production. It had its points, but it didn't add anything to the stature of the foreman. Very often, in fact, the foreman was part of the worker's problem. Frequently he suffered loss of prestige in the counseling process and in the circumnavigations that went on about him.

Personnel counseling is a departmental device which has not caught on too extensively, I am glad to note, and I hope it will die out completely as a separate function in the personnel field. Again, I am not unmindful of the justification that appears for it—I am not saying that in some instances it did not do some good. But these instances, I think, were few compared with the instances in which it played down the foreman and lowered him in the estimation of his workers.

Let us consider what our grievance procedures have done to the foreman. Too often personnel people pick up grievances and carry them through the grievance sessions with shop stewards, while the foreman is left out of proceedings only to find out what has happened by the grapevine or from the shop steward. That sort of thing has dangerously diminished the stature of the foreman. I am not blaming this situation entirely on Personnel, but the very existence of the personnel department and its methods of operation have at too many points left the foreman on the sidelines and glorified the shop steward or someone else involved in the grievance procedure.

Other Responsibilities Transferred. We have also cut down the foreman's status by centralizing the functions of discharge and discipline—two functions he invariably performed. This cannot be considered the doing of Personnel, either. If you have a union contract under which you must operate, your foremen cannot go around firing high, wide and handsome. Admittedly, then, there has been an increasing need to circumscribe some of the foreman's traditional freedom with certain regulations for the sake of consistency throughout the organization.

Take the question of safety. Again it is false to think that you can centralize in one person or department the responsibility for an undertaking such as accident prevention. Too often the foreman has been willing to say, "Okay, let the safety director prevent them." The responsibility weighs less heavily on him now. You can tell him that safety is his job, but if there is a safety director buzzing around getting in his hair, he is likely to get into the habit of giving him lip-service rather than real effort.

Now, the question of the suggestion system. Personnel departments operate these suggestion systems. Suggestion systems can be productive,

helpful, and worthwhile. But where does it leave the foreman if the suggestions by-pass him? Often he is not involved at all. Unless we are very careful to keep him in the picture, however, the effect of the suggestion system will be bad.

We have to give thought to these matters. I recognize that the transfer of every one of these activities has been based upon excellent justification, but the manner in which we have been solving these problems has not on the whole been good. It has not given sufficient consideration to the status of the man supervising production and production workers, the man who is responsible for getting production results.

What the personnel department has done is to make the foreman feel less like a part of management instead of more like a part of management. That is a serious indictment where it applies, for unless we can make the foreman more a part of management, we can expect poorer results in production and we can expect poorer results in human relations. We must never forget that in production we are holding our foremen, our superintendents and our line people generally responsible for results, but where their prestige has been damaged with the people from whom they have to get these results, they cannot deliver. We need a re-deal, it seems to me, in this relationship between personnel as a centralized, functionalized staff duty and production.

I am conscious of the fact that it has been very easy to make these mistakes in our personnel departments because about eight out of 10 foremen were perfectly willing to pass the buck, to get out from under and let somebody else handle the tough situations. They were really committing a sort of suicide and then later complaining, "Look what's happened to our status!" Nevertheless, personnel people should not yield to the temptation to take over the responsibilities they may be able to handle more adeptly than the average foreman. Our hope for the future depends upon how well we get him to handle them adeptly, on the job, with his own people.

Relationship between Personnel and Production

My final question was: How can the personnel department better serve the production department? If Personnel is going to serve the production department better, it must first get the proper concept of the personnel function. I think that this concept can be stated in relatively simple terms. First of all, the personnel function is a service function, not a doing function. It is a service to those who get the work out. Personnel must do nothing that it can get done through the line organization.

The reason why personnel departments came into existence was to

lighten the load of those responsible for the intricacies of production and operations. But we are finding out that you cannot take away from the operating man certain of his prestige-building functions without detracting from his ability to get the results for which he is working. So let us think of the personnel department as a service department whose function is to make the production department run smoothly under its own power.

The second principle is that no better personnel job can be done in any organization than is done through the foremen and supervisors in the operating end of the business, through the people who boss the people who do the work.

Let us establish these two principles as a firm basis for a constructive personnel job: First, we are there to be of service, to make production run smoothly; second, the better the personnel work we are able to get our line men to do, the better the personnel job our company will do. Primarily, that is the personnel function.

New Personnel Responsibilities. Today the personnel department is more important than ever before in the industrial organization, despite any criticism I may have made. The personnel department has a very important job to do because we are developing in the field of labor relations a body of labor law and regulations that requires specialized study and understanding if we are to keep out of trouble. Somebody has to do that job, and it is a job for a good personnel department.

Personnel work should be kept in the organization, it should not be dependent upon lawyers telling us what to do about every labor relations question. That is one of the biggest mistakes, in my opinion, that a company can commit. I am not decrying legal counsel as a valuable tool, but success in labor relations, I think, can be defined as just about in inverse proportion to the amount of legal counsel a company seems to think it requires. More common sense and less legal counsel might make better industrial relations all the way around.

At any rate, somebody on the job has to be mighty competent to know what is going on and to keep up to date with what is going on in labor relations today. This is just one phase of today's problems which make the personnel department so important. Then, too, somebody must know what other successful companies are doing. There are all kinds of information to be had. Somebody has to find out what others are doing and thinking about industrial relations problems.

Unionization also imposes a huge burden of continuous in-plant research on industry. Internal research of all kinds is required for the administration of the collective-bargaining function. This is the sort of thing production men are mighty glad to have somebody else doing, for

they cannot do this and do their production work at the same time. Personnel research should develop ammunition to be used as much as possible by the people in the line and as little as possible by the personnel department.

Again, the personnel department gives line supervisors and executives ready access to the specialists and other people who are particularly informed on the whole industrial relations function in modern management. The line needs sound advice and guidance on many of these matters. Many units of production can be saved which might otherwise be lost if the personnel problems arising in the course of production were to be handled without full and accurate information.

There are other functions which have become more important with the growth of the personnel department. The whole relationship of the company to the community is now recognized as an important matter. You may want to call it public relations, but in my opinion the best community relations are built right inside the plant, because every employee is a potential community relations factor. This concept is growing in influence and personnel departments have an important function to perform here.

I think production people want to be relieved and must be relieved of the job of recruiting employees. So the personnel department has a necessary function in the recruitment and screening of employees, although foremen should have a part in the final selection, if it is only a matter of looking over the prospective employee and saying, "You look okay to me."

Communications and Coordination. One of the really vital functions of the personnel department is to develop and maintain the lines of communication throughout the organization. It is important that people be informed, that our production supervisors get news in advance of the grapevine, that they know what the company's plans are, in advance of the people they supervise. We have not always consolidated our lines of communication in the personnel department so that our foremen will get information direct, as a part of the management team, instead of hearing it from the shop steward. Here is a way in which Personnel can serve to maintain unity in management and extend communications through all levels of management.

Another important function of Personnel is predigesting and disseminating essential information to the operating supervisors and executives. This means more than just handing the line men a lot of stuff in print. It means the digesting, the preparation and cross indexing of all past grievances and all manner of other information, in such form that it can be of ready service to the production man. The more of this sort of thing

we do for the line man, the more he can function as a personnel man with his own people, and that is the ideal toward which we must work.

Personnel departments have a fundamental responsibility for building the kind of program in the organization that will stimulate full management participation—participation on the part of everyone whom we think of as part of management. That is a matter that has been much neglected in industry as a whole. On a matter like safety, for example, this would mean coordinating the basic program and seeing that it operates through the people responsible for conditions in the plant, rather than attempting to do a job which personnel people are not competent to do because they are not actually close enough to the point where accidents happen.

The personnel department is responsible for steering such programs as job rating, merit rating and wage administration. These programs will become even more important as time goes on.

Personnel should also undertake the coordination necessary if the company as a whole is to present a consistent front in the process of collective bargaining. A lot of people in production get out of line on matters affected by the company's collective bargaining obligations. They do the most foolish things, which at times run squarely in the face of existing labor agreements, precedents and policy. It is vital to maintain consistency throughout the organization with reference to our collective bargaining activities. Unless somebody is given the job of coordinating these matters, they will cause many interruptions to production.

Another important function of the personnel department is the constant auditing of policies which affect personnel relations. Many companies take great pride in the fact that they have put all their policies in writing. That was fine—for the afternoon on which they blotted the last page of the policy manual, but the next day it was out of date. Who audits policies and keeps them up to date? That is a personnel function of first importance.

A human organization is ever changing and the policies which hold it together must be constantly adjusted. It is not necessarily a determining of what the policies will be, but an auditing function—to bring to light inconsistencies in existing policies or policies which are out of date, then get together the executives who will decide what is to be done about it.

Conclusion

To restate the basic personnel job, it cannot be overemphasized that the personnel department must assume responsibility for constant promotion of effective employee relations, but through the operating supervisors. The achievement of this goal entails what someone has called a

passion for anonymity. A passion for anonymity is one of the elementary virtues to be cultivated by personnel people, particularly where somebody is going to get the credit for a good personnel job from some employee who will be favorably affected by it. Get the job done, but get it done through the man's boss.

If a supervisor is the kind of fellow who gums things up, that is where the personnel job is. Sometimes it seems like a hopeless task. The passing of the years and retirement may seem the only medicine that will cure some people in the line organization—some old dogs just cannot be taught new tricks. But that is the job of a personnel person. He may get a temporary solution by rushing in and doing the job himself, but the basic malady will persist. Sound long-term results can only be achieved through the foreman and that calls for considerable willingness to let the credit fall somewhere along the line, even though Personnel may have originated the idea for handling the situation.

In summary, I have pointed out those areas in which personnel departments may inadvertently have done as much harm as good to the human relations in industry. My second point was that the centralization of the personnel function has tended to lower the status and prestige of the foreman—a situation we must correct. Third, the personnel function is more important and essential a function today than it has ever been in the history of industry, but personnel departments must learn to function through—not over or around—the production supervisors. We must paste in our hats this fundamental concept that personnel is a service function, not an executive function. Finally, if a personnel man is to succeed, he must achieve a passion for anonymity and get his results through others.

The Personnel Manager Is a "Staff" Officer[1]

L. Urwick

It is the responsibility of the personnel manager to help the chief executive to formulate it (policy) by assisting in the requisite preliminary

[1] Reprinted from *Personnel Management in Relation to Factory Organization*, pp. 16–20, 23–27, Institute of Labour Management (now Institute of Personnel Management), London, 1943, with permission of the publishers. Colonel Urwick, a British authority on management and organization, was formerly director of the International Management Institute at Geneva, Switzerland.

research, by drawing up plans, by collating experience. He may have duties, and very important duties, in connection with its administration. It is not, however, his direct responsibility in the same sense as the supervision of specialized sections concerned with personnel activities is his direct responsibility. His relation to these activities and to the chief executive in respect of these activities is different. In these matters he is essentially a "staff" officer concerned with certain personnel questions, not a manager.

This staff relationship is at present very imperfectly understood and applied in civil life. It has been suggested, for instance, that a "staff" officer's position should be "purely advisory." This suggestion is an escape. The fact that industry has been primarily individual and competitive and has lacked the tradition of organized discipline found in the fighting services, has prevented a clear understanding of a relationship in which the individual represents an authority which is not his own, and by virtue of his office, issues instructions to those who are his superiors in status. For the same reasons it has been difficult to find and train individuals who could understand that the right to issue such instructions and to enjoy intimate contact with their chief were neither marks of status nor opportunities which could safely be turned to their personal advantage. Obviously a "staff" officer can only prove acceptable to his chief's subordinates who carry major executive responsibilities if he is tactful and it is crystal clear that the privileges and opportunities offered by his special position are not being used to "play politics." The phrase "purely advisory" is usually an attempt to avoid personal misunderstandings and clashes of authority due to inability on both sides to form a clear picture of the correct position. But it is equally obvious that a subordinate who merely adds to the number of advisers cannot do much to relieve a chief of an increasing burden and complexity of command, and particularly of the work of coordination. Indeed in so far as he represents another opinion which has to be taken into account he adds to the intellectual task. He can only prove effective in reducing the volume of the chief's efforts if he actually does some of the work of commanding. That is to say in addition to advising his chief on certain subjects, preparing plans and so on, he must shoulder some of the burden of seeing that those plans are executed. He has functions of publication, of reconciliation where executive functions are imperfectly adjusted in detail, and of inspection, as well as his advisory function. And to do this he should have the necessary authority. But since the work he is doing is by definition commanding, that authority must be his chief's and not his own.

These aspects of personnel management must be a central function. The maintenance of good "relations" with its personnel is, as already

pointed out, a central function in any organization. It is a matter of general policy which should be determined by the highest authority for the undertaking as a whole. To secure execution of this policy throughout the enterprise is inevitably a responsibility of the chief executive, a responsibility which, because the function is central, he cannot wholly delegate. If production, or purchasing, or sales are unsatisfactory it is reasonable for a board of directors or other governing authority to hold the manager responsible for that function as accountable in some large measure for the failure, though this does not exonerate the chief executive for allowing such a situation to arise. But where relations with personnel are concerned it is impossible to isolate the function in this way. If a personnel manager is blamed, it is always open to him to retort that the attitude of the chief executive makes good relations impossible, so closely is the whole problem bound up with the example set by the chief.

Again, as already emphasized, the final result of any personnel policy must depend on the attitude of supervisors of all grades throughout the undertaking and particularly of those in direct contact with the rank and file. And here again, if their attitude is uninstructed or if discipline is inadequate to secure the execution of policy, there is very little that the personnel manager can do about it beyond representing the situation. These supervisors are not his subordinates. They owe loyalty and obedience to the heads of other functions and, through them, to the chief executive. If the latter is unwilling or unable to insist through those directly responsible to him on the action and attitude necessary to foster good relations, the personnel manager cannot do so for him.

For these reasons, the group of functions usually assigned to a personnel manager which are concerned with "industrial relations" within or with organized bodies outside the organization, are functions which he can only exercise in a very special sense "on behalf of" the chief executive. He cannot be given or exercise any direct and personal authority apart from the general policy of the undertaking. He can only "represent" a policy which is that of the governing authority and of the chief executive.

The relative status of the personnel manager is a secondary issue. Failure to appreciate this limitation, which is inherent in the situation and cannot be evaded by any device of titles or phraseology, has caused much heartburning and confusion, particularly in introducing the personnel function into an organization where it had not previously been specialized. The claim is made constantly that the personnel manager should be "one of the most important managers in the undertaking, equal in status to any other manager" and so on. Instinctive, but perhaps somewhat tenta-

tive efforts on the part of chief executives to damp down such competitive assertions of competence are met by eloquent if not always disinterested emphasis on the importance of the function.

Of course the function is important—so integrated with the leadership of any form of social grouping that the governing authority and the chief executive cannot wholly divest themselves of direct responsibility for it. But just because this is so, the formal status of the specialized official or department concerned is a secondary matter. If the chief executive does not display a constant and lively interest in the whole question, no amount of formal authority delegated to a personnel manager will overcome the absence of example. If the chief executive does take such an interest, the status of the function is assured irrespective of the rank of the personnel manager. It is, however, important that whatever his relative rank, the personnel manager should have direct access to the chief executive and be responsible to him. To attempt to combine this function with others delegated to an executive of second rank is to lose sight of its central character and does reduce the status of the function.

"Staff" and "Line" Relations in Personnel Management

So far it has been shown that a personnel manager has two kinds of relationships with the chief executive and with his colleagues. In respect of industrial relations policy, trade union negotiations and the development and promotion of higher executive personnel, he should be essentially a "staff" officer. He cannot, in the nature of these subjects, exercise a direct, exclusive and personal responsibility: he can only act "for and on behalf of" the chief executive, representing and expounding his policy and that of the administrative authority, endeavouring by persuasion, example, inspection and discussion to see that it is carried out. On the other hand *vis-à-vis* the wide range of activities bearing on personnel which are made the subject of specialized sections—an employment department, welfare activities and the like, he has a "line" relationship. He is a manager in the full sense, responsible to the chief executive personally and directly for the supervision of such sections and for seeing that they carry out effectively the tasks assigned to them.

Failure to accept "specialization," lack of definition or of loyalty, are the real causes of trouble. It is not "functional" arrangements which cause difficulty, but the failure to recognize, because it is a new departure, that there is a case for specializing a particular activity. Where, as with medical work, the need for specialized knowledge and training have long been popularly recognized and accepted, difficulty in reconciling the authority and responsibility of the specialist with those of his colleagues in a "line"

or in other specialized capacities, only arises where there is an absence of clear-cut organization or lack of discipline. Appreciation of this point, that it is the specialization rather than the functional organization to which exception is being taken, is likely to establish the persuasion and training of executives for the new relationships along the right lines. Much confusion and controversy are caused throughout industry by the tendency to attribute to forms of organization which appear novel, frictions which are in fact due to refusal to accept, or to failure to understand, the concepts of which the form is merely an expression. And even where there is unity as to the objective, failure to define duties and relationships clearly, or absence of enthusiastic loyalty in their discharge, are often the real root of troubles which take shape in criticism of structure or of persons.

An example may be found in the arrangements whereby the personnel manager and the specialized units under his direct control are represented in large production departments or branches by "personnel assistants" owing a "functional" allegiance to the personnel manager, but acting under the direct orders of the manager concerned. These arrangements have been tried out with success in a number of large modern undertakings. Certainly, there were difficulties at first: every new piece of machinery has to be "run in." But with care devoted to exact analysis of the various responsibilities, reasonable attention to the proper circulation of instructions, goodwill on both sides and tactful handling by the chief executive when minor rubs occur, they can be overcome quite quickly. Within a year or so, all concerned wonder how they managed to carry on so long under the old arrangements.

These principles are valid for undertakings of all sizes. It may be argued that the kind of organization which has been discussed is applicable only to large-scale undertakings. This is true only in so far as an undertaking may be too small to justify an officer working solely on personnel management. But even for undertakings of this size, the difference is merely one of scale and not of principle. The advantage of specializing some one executive on personnel questions, even if he or she has to combine these duties with some other function, remains. Difference in size merely dictates a difference in the amount of expenditure which can be made available for any particular function and hence in the salary cost and time which can be devoted to it. It in no way modifies the relative importance of the different functions. And the chief executive who attempts to handle his personnel work himself or with the aid of some assistant too subordinate to carry any effective responsibility, or who delegates it to some other officer already deeply preoccupied with another major function, is likely to find, sooner rather than later, either that it is taking

more of his time, and therefore of his salary cost to the undertaking, than it should or that it is not effectively represented in the councils of the undertaking. His distribution of functions is out of balance.

Nor does size make any difference to the principles and relationships which govern the correct distribution of personnel work and responsibility which have been discussed in this broadsheet. It should only affect the methods adopted in giving effect to them. A large undertaking, for instance, may have one or more full-time medical officers and a clinic with attendant nurses. A somewhat smaller concern will rely on a trained nurse and part-time attendance from a medical officer with an outside practice. A yet smaller undertaking may satisfy its requirements with occasional attendance by such a medical officer and an employee trained in first aid. But provision for dealing with health and accidents on an appropriate scale should be a feature of every organized undertaking. And responsibility for supervising these arrangements should rest with the officer responsible for personnel management.

Summary

These principles may be summarized briefly as follows:

1. Personnel management can never be completely isolated as a function. It is concerned with good industrial relations in the broadest sense. Consequently its results accrue in every contact between representatives of the management and their colleagues and subordinates. It cannot therefore be entirely "specialized." It should permeate every corner of the undertaking and every managerial action. On the other hand, there must be some specialization if the undertaking is to remain up to date.

2. The determination of personnel policy must therefore be a central function, the responsibility of the administrative authority (the board) which looks to the chief executive to see that it is carried out.

3. The execution of that policy must also be a central function, since it penetrates every other function of the organization. That is to say, if a specialized personnel manager is appointed he should be responsible directly either to the administrative authority (the board) or to the chief executive.

4. This does not imply that he need be equal in status to any other executive of second rank in the undertaking. The function is one with which the chief executive must concern himself personally to an exceptional degree (v. 6 below). If it is clear that the personnel manager speaks with his authority the question of relative status is unimportant.

5. The personnel manager should be in direct ("line") control of all

units in the organization specializing in various aspects of personnel work—employment, medical, welfare, etc.

6. There are, however, three aspects of personnel work—general relations between the undertaking and its employees, trade union negotiation and the development and promotion of higher executives—which are of such a character that they can only be handled effectively in the last resort by the chief executive directly. Where a personnel manager assists a chief executive in the preliminary stages of such matters he should act in a "staff" capacity.

7. In order to secure uniformity of policy and integration of action in personnel questions as between large production departments, branches, etc. and the personnel manager and specialized personnel units, specialized personnel assistants should be appointed in such departments or branches. Such personnel assistants should be directly responsible to the manager concerned (a "line" relationship), but should be responsible to the personnel manager for training, methods, etc. (a "functional" relationship).

The Staff Function in Human Relations[1]

Douglas McGregor

It is common practice today for organizational management to use the services of staff experts in dealing with problems of human relations. Departments of personnel administration are created, or outside consultants are hired, not only by industrial and business concerns, but by governmental agencies, philanthropic and educational institutions, and even to a limited extent by religious organizations and community groups. Many managements have not been entirely successful, however, in attempting to make effective use of these services. In some instances the staff expert has created more problems for the organization than he has solved. Relatively few managements have clearly determined what function they want the staff man to perform. Haphazard trial and error has frequently directed developments. The results have not always been happy.

[1] Reprinted from *Journal of Social Issues*, Vol. IV, No. 3 (summer, 1948), pp. 6–23, with permission of the publishers. Dr. McGregor is president of Antioch College and was formerly executive director of the Industrial Relations Section, Massachusetts Institute of Technology.

There are as yet no final answers to the questions thus raised. Nevertheless, we are beginning to acquire some understanding of the nature of the effective staff role. It is my objective in this discussion to present, in a tentative fashion, certain conclusions reached by a group of staff men who have worked in a variety of situations and observed many others, and who have been discussing critically among themselves and with other people over a period of several years the significance of their experiences. The emphasis in this discussion will be on the staff role in industrial organizations because that is where our experience has been widest. We believe, however, that our conclusions have implications for other kinds of human organizations.

Textbook discussions of the staff role are today usually expressed in about these terms: Line management has the full and final responsibility for directing the activities of the people who comprise the organization because line management is directly responsible to the founders or owners for achieving results through those people. Consequently, line management must retain the full authority to carry out the function for which it is held responsible. This authority cannot be successfully delegated except within the line management organization. The staff role, on the other hand, is one of counsel, service and advice. The staff expert should have no authority over any part of the line organization, nor should he take any action which will interfere with line management's performances of its role.[2]

These conceptions are accepted as sound theory by a fair proportion of managements, but practice and theory do not always coincide. The head of the engineering department in one company—a man who had under him not only engineering and drafting, but large construction and maintenance units—recently expressed considerable dissatisfaction with the department of personnel administration in his company. He stated his position somewhat as follows:

I wish we could hire someone to take these personnel problems off my hands and solve them. I know that good human relations are important. However, my subordinates and I have so much to do that we can't afford the time we are spending on grievances, personnel policies, negotiations, promotions, and individual wage adjustments. What's more, I'm sick of those interminable management meetings where we discuss petty questions like wash-up time, holiday shutdowns, disciplinary warnings and so on. Why don't we get a competent man, give him freedom to hire whatever staff he needs, and then let him handle all these

[2] See Pigors and Myers, *Personnel Administration,* especially Chap. 2 (McGraw-Hill Book Company, Inc., New York, 1951), for a clear statement of this distinction between line and staff. See also "Function and Scope of Personnel Administration," *Personnel,* July, 1917.

matters? An expert could do a far better job than we are doing, and leave us free to get on with our work.

The point of view expressed by this man is widely held, even by members of line management who would subscribe to the textbook statement above. They tend to separate the management function into two distinct categories. On the one hand are the planning, the making of decisions, the giving of orders, the assigning of responsibilities and the supervision necessary to get the job done. Oddly, they do not seem to regard these as matters involving human relations. They are "management"; they are "getting out the production." In the other category are the problems that arise (such as complaints and grievances, worker objections to supervisors' actions, the negotiation of labor agreements) and the work necessary to prevent such problems from arising (such as planning and formulating policies, training supervisors, establishing shop rules, promoting employee cooperation). These things to them are human relations, and not management. They would gladly delegate the responsibility for the second category to "experts" who presumably have the skill and knowledge to handle them.

This functional division is psychologically absurd and in practice unworkable. An industrial organization is an efficient way of producing goods because it takes advantage of the possibilities of specialization of mechanical and human effort. However, as soon as specialization occurs there arises the necessity for integrating and directing the activities of people toward the ultimate objective of the whole organization; namely, the production and sale of goods at a profit. That integration and direction of specialized human activities is the function of line management.

It is in practice impossible to separate the function of assigning work to people from the function of settling the problems which arise in getting them to perform that work. If a worker objects to his work assignment, or to the working conditions or the shop rules, shall we ask a personnel "expert" to hear and settle the grievance? If we do, we are giving authority to someone who is not the worker's boss to tell him what he may or may not do. How long will the foreman retain control of his men if this authority is given to someone else? The foreman is responsible for the performance of his workers; the personnel man is not. Obviously, the difficulties which will arise if we attempt this splitting of unitary functions will ultimately destroy the very integration of activities which it is line management's job to maintain.

The whole idea is about as sensible as if a symphony orchestra conductor placed two podiums on the platform, hired a second conductor, and said: "You conduct the men in the orchestra who don't like my interpretation of the music; I'll conduct the others."

Line managers have a tendency to become unduly frustrated by the fact that human beings are somewhat less docile than materials and machines. The plea of the engineering department head which was outlined above is an unrealistic attempt to escape that frustration. It is, nevertheless, the expression of an attitude which is widespread among line managers. Moreover, many companies attempt to operate along lines similar to those proposed by that engineer. The results are seldom happy.

Frequently this idea is expressed more subtly. The manager, for example, may try to get the personnel man to make a decision for which the manager himself should take the responsibility. Perhaps he will consult the staff man on a disciplinary matter, or a new shop rule, and then ask the staff man to take the action decided upon—to impose the penalty on the erring worker, or to sign and post the rule. The staff expert who expresses unwillingness to accept such responsibilities may find himself charged with failure to fulfill the requirements of his job. The logic of textbook statements is of little help at times like this. It serves merely to arouse resistance and antagonism from the line manager. On the other hand, the staff expert who accepts such line responsibilities is likely soon to find himself in an impossible position.

There are, of course, certain things which a competent staff department can and should do for line management. These "services," however, are distinctly limited to ones which do not infringe on line authority. They must be carefully scrutinized to make sure they are not in one way or another usurping responsibilities which can only be successfully assumed by line management.

For example, staff departments may successfully handle the preliminary screening of applicants for employment who meet qualifications determined by line management; they cannot successfully assume responsibility for hiring. Staff departments may successfully help line managers to plan training programs and teach them how to teach; however, except in a very limited sense the staff departments cannot successfully undertake to train line people in the performance of their jobs. The staff man can gather facts for and interpret policy to the line managers who hear and settle grievances; he cannot "handle" grievances without undermining line management. Staff men can aid in developing methods and procedures for wage and salary determination which will be administered by line management; they cannot successfully administer wages and salaries themselves.

A second conflict between practice and theory stems from the attitudes of staff men themselves. Some personnel administrators have (and insist that they must have) authority over the line organization. Subject to the approval of the president, or of an operating vice-president, they make

decisions on grievances that have been heard by lower levels of management, negotiate labor agreements, formulate, install, and police the administration of personnel policies and practices, retain final approval of wage and salary increases, promotions, transfers, disciplinary penalties, discharges and layoffs. The degree of authority exercised by such staff men runs a wide gamut. It may often be camouflaged. For example, it is relatively common practice to give line management final authority in adopting or rejecting policies formulated by the staff, but in the same breath to give the staff responsibility for obtaining line conformity with those policies, once adopted. The term usually employed is "to coordinate" the administration of policies. "Coordination" very often in practice becomes "policing."

Even in organizations where the staff role is explicitly stated to be purely advisory, the staff man sometimes exercises considerable authority over the line organization in round-about ways. For example, it is generally accepted that the personnel administrator can be little more than a clerk unless he is given the prestige of a position in top management. Accordingly, he may report directly to the president or to an executive vice-president. From this "staff" position it is possible for him to exercise indirectly a remarkable degree of authority over the line. Suppose he is unsuccessful in getting members of middle or lower management to follow his advice. If he discusses his difficulty with the line officer to whom he reports, the result may be an order from the line officer to his subordinates which accomplishes the purpose desired by the staff man. Personnel administrators presumably possessing no authority have often been directly responsible for the demotion or even removal of intractible members of line management, or for the adoption of policies or procedures which they have previously been unsuccessful in "selling" to lower levels of management. Under such conditions it is not unusual for the staff department to be regarded by lower and middle line management as a powerful Gestapo.

There are large differences in this respect from organization to organization. Almost regardless of position in the organization, or of defined responsibilities, some staff men exercise authority over the line organization. When this happens the net effect, from the line manager's point of view, is like that of the worker whose foreman said to him: "I want your whole-hearted cooperation; you cooperate with me, or else. . . ." The line manager feels as though the staff man had said: "I am here solely to advise and counsel with you; you take my advice, or else. . . ." From the line manager's point of view the staff man is exercising authority whether he admits it or not.

On the other hand—again almost regardless of position or defined responsibilities—some staff men are genuinely believed by line manage-

ment to exercise no authority over them whatever. They are regarded as advisors, and the line manager expects to be able to take the advice or reject it without pressure from his own line superiors.

* * * * *

The objective which management has in mind in establishing a personnel department or hiring a personnel consultant is in general much more clearly understood than are the methods by which to achieve it. The objective is to create and maintain healthy human relations in the organization. In the light of the discussion above, it is apparent that the achievement of this objective requires more than the establishment of a personnel department.

Fundamentally, the creation and maintenance of healthy human relations require certain kinds of behavior on the part of line management. The philosophy, attitudes and skills of all members of line management, as these are reflected in their every-day behavior, are the ultimate determinants of the quality of the human relations in the organization. Stated in the terms used above, the quality of the human relations will be directly determined by the way in which line management goes about integrating and directing the behavior of the people who comprise the organization.

The function of the staff expert in human relations is necessarily indirect. Nevertheless, if the staff expert's aid is to be effective, it must in many cases result in changes in line management's behavior. The common "tools" of the staff expert—the techniques of personnel administration such as systems for wage and salary administration, employee benefit programs, suggestion plans, employee publications and the like—are only for the purpose of implementing a sound line management philosophy and a high order of line management skill in directing the activities of people. These techniques cannot create or maintain that philosophy or those attitudes and skills. They cannot in themselves create healthy human relations.

The staff man, then, faces a dilemma. His task is to get line management to adopt the philosophy, develop the attitudes and acquire the skills which will create and maintain healthy human relations. However, in doing so he must not seek or accept authority over line managers, nor in any way relieve them of their primary responsibility for directing the behavior of people comprising the organization.

In the light of these considerations, just what is the staff role? How can "advice and counsel" bring about the necessary changes in the behavior of line management? How can the staff man stay out of the trap of accepting responsibility for line functions without being justly accused

of shirking his own responsibilities to the organization? How can he accomplish what he is supposed to accomplish without exercising authority over line management in some fashion?

These are difficult questions. There are no simple rule-of-thumb answers. Perhaps we can obtain a somewhat better understanding of the nature of the effective staff role by turning our attention for a moment to a few basic conceptions about human behavior which have direct relevance to the problem.

* * * * *

1. All human behavior is directed toward the satisfaction of needs.[3] From birth to death the individual is engaged in a constant attempt to satisfy his varied, complex, and sometimes conflicting needs. Any given behavior is a resolution of forces arising in part within him and in part in the environmental situation.

2. It follows from the first assumption that the individual will change his established ways of behaving for one of two reasons: to gain increased need satisfaction or to avoid decreased need satisfaction. Changes in his behavior for either of these reasons are inevitably a consequence of the way he perceives the situation. The expected increase or decrease in need satisfaction may be illusory (from the observer's point of view). The individual may rationalize, delude himself, ignore or misinterpret facts. Nevertheless, he behaves always in accordance with his perception of his own needs and of the possibilities for satisfying them in the environmental situation.

3. Therefore, if an individual, *A*, wishes to bring about a change in the behavior of another individual (or group), *B*, he can do so by effecting an "augmentation" in the possibilities of need satisfaction *as B sees them*, or alternatively by effecting a "reduction" in the possibilities of need satisfaction *as B sees them*.[4] The many variants of method for inducing a

[3] We believe the assumptions stated in this and the following paragraphs are virtually self-evident. They are stated somewhat dogmatically in order to avoid too much verbiage. Moreover, certain qualifications of the statements are ignored in the interests of brevity and simplicity. These qualifications are not important for our present purposes.

The point of view expressed here stems from current "dynamic" psychology, from modern psychoanalytic theory, and from our own efforts to develop a workable, integrated theory of human behavior in organizations. We have been materially influenced by such people as Kurt Lewin, H. A. Murray, Thomas French, Franz Alexander (and their many associates and students), Margaret Mead, Gardner Murphy, Edward Bibring, Walter Langer, John Dollard, Carl Rogers.

[4] This symbolic notation is adopted to prevent later confusion. *A* always refers to the individual (or group) who is attempting to induce a behavior change, and *B* always refers to the individual (or group) whose behavior is affected.

behavior change—suggestion, threat, promise, physical force, reward, punishment, propaganda, education, etc.—resolve themselves ultimately into these two.

4. *A* can utilize augmentation or reduction to induce a behavior change only if *from B's point of view* he possesses or controls means which *B* can use for his own need satisfaction. There are many such means, of course. Among the more common ones are money and other material possessions, knowledge, skill or specialized abilities, prestige, approval, love. A pay check, a promotion, a threat of disciplinary action, praise, criticism, an order, a request—all such things are possible ways of influencing *B's* behavior provided *A*, who uses them, controls means which *B* regards as important for satisfying his own needs. The pay check (or money) is a direct means for *B's* need satisfaction. *A* can provide or withhold it. The threat of disciplinary action depends for its effectiveness upon *A's* control of other means which *B* desires—for example, the job and its attendant rewards.

5. In every-day usage "authority" is equated with the reductive control of means. Thus to exercise authority is to attempt to induce a behavior change by the threat (implied or stated) to withhold, or by the actual withholding of means for *B's* need satisfaction. Whether it is the policeman, the priest, the boss or the parent who exercises authority, he does so by reduction, insofar as our common-sense notions of authority are concerned. The inference which *B* draws is that he must obey, or else suffer a reduction in need satisfaction.

It makes little difference how we define authority so long as we understand our use of the term. I shall use the phrase "reductive authority," first to remind the reader of the common usage, and second to distinguish this method of influencing behavior from methods involving augmentation. In most situations, *A* can utilize his control of means either augmentively or reductively. Actually he usually does both, but the emphasis is such that *B* perceives the one and ignores the other.

6. One final point requires elaboration before we return to our examination of the staff role. There is plenty of evidence (both experimental and common-sense) that emphasis upon reduction frequently does not induce the behavior desired by *A*. If one is riding a horse, it is wise to use the whip only if one holds the reins. Otherwise the horse may run, but not necessarily in the desired direction. When *A* utilizes reduction, he must remember that all behavior is directed toward need satisfaction. Unless *A* controls every alternative form of behavior available to *B*, the resulting behavior may satisfy *B* but not *A!* A threat often serves to eliminate a particular kind of undesirable behavior, but another equally undesirable behavior (from *A's* point of view) may be substituted for it.

Moreover, reduction tends to be frustrating, and frustration typically creates aggression. *B* gets angry at *A*, which does not help the relationship, or increase *B's* docility.

Many industrial managements have emphasized reductive methods, deliberately or unwittingly, in attempting to modify workers' behavior, only to discover (1) that the desired behavior does not occur but undesired alternative behaviors do, and (2) that unexpected aggressive reactions occur. A good example is the emphasis on a purely reductive approach to discipline, or to the problem of obtaining conformity to standards of performance. Many so-called "protective clauses" in labor agreements are illustrative of the consequences.

There is today a growing recognition that success in inducing behavior change requires marked emphasis on augmentation. This is particularly true if *A* wants to continue the relationship with *B*. While it is impossible to eliminate the potentiality of reduction from any relationship in which *B* is at all dependent, it is almost always possible to throw the emphasis upon augmentation.

Reduction is an easy and natural method which is particularly likely to be over-emphasized when *A* possesses much power in the relationship (*i.e.*, when *A* controls important means which *B* requires for need satisfaction. The boss, for example, usually can replace a given worker with less reduction in his own need satisfaction than the worker will suffer if he "replaces" his boss). Excessive reliance upon reduction, however, is likely to be disappointing to *A*. The desired behavior too often does not occur, or the consequences in terms of aggression are unfortunate, and *A* discovers he has defeated his own purposes.

On the other hand, it must be admitted that the successful use of augmentation is neither simple nor easy. It requires considerable ingenuity. For example, the direct provision of means for *B* (high wages and other material benefits) such as is typical of paternalistic managements is far less effective than the provision of opportunities by means of which *B* can *through his own efforts* achieve greater need satisfaction.

* * * * *

We may return now to our original problem.

The objective of the staff expert is to help line management to create and maintain healthy human relations in the organization. He seeks to increase his own need satisfaction by achieving this objective. In order to achieve it, he usually faces the problem of getting line managers at various levels of the organization to change their behavior. For our purposes, this "behavior" includes such things as the following: their

philosophy, attitudes, decisions, methods of analyzing problems, use or acceptance of personnel techniques, ways of dealing with superiors, associates or subordinates.

It is now perhaps clear that the use of authority in the usual, reductive sense by the staff expert is an ineffective way of inducing behavior changes directed toward healthier human relations. This is perhaps the major reason for denying the staff expert "authority" over the line organization. He must limit himself to the use of augmentation just as completely as possible because only thus can he hope to achieve the objective for which he is hired. Any staff man who has used reductive methods has had the experience of watching the line manager comply with the letter of the law while violating its spirit. The line administration of personnel policies is a complex task in which the "how" is far more important than the "what." The correct "how," depending as it does upon a sound philosophy and upon the attitudes-behind-the-act, is rarely if ever induced by threats or punishment.

The use of augmentation by the staff expert is difficult in the extreme. The attitudes and habits of line management are the complex result of long experience with and adjustment to people. They are deep-rooted, heavily charged with emotion, frequently influenced by unconscious factors of considerable significance. If, under such circumstances, they must be changed, a high degree of professional skill is required of the staff man.

To begin with, *B* must have or acquire sufficient motivation to want to change his behavior.[5] Fortunately for *A*, line managers almost invariably are faced with problems in human relations which they have not solved to their own complete satisfaction. This gives *A* his opening. If he can get *B* to perceive him as a possible source of help in finding more effective solutions for *B's* human relations problems, *A* will be in a position to use augmentation to modify *B's* behavior.

Obviously the staff man who has demanded or accepted reductive authority over the line organization will not be perceived as a potential source of help. Quite the contrary! Nor will *A* be perceived as a source of help if he approaches *B* in terms of what he thinks *B should* be worrying about. He must be prepared to help *B* solve *B's* problems as *B* perceives them.

This is a particularly difficult point to get across to the personnel man who is excited over the potential value to the organization of his own pet project—say a training program, a suggestion plan, or a job evaluation

[5] It will be helpful to utilize our symbolic device in the discussion which follows. *A* refers always to the staff man who is attempting to induce certain desired behavior (attitudes, skills, etc.) on the part of *B*, the line individual or group.

program. That this important and valuable tool which he is prepared to offer to management, and which management obviously needs, should be put aside while he helps a superintendent or a vice-president with some trivial problem, arouses in him only impatience. If his manner reflects his impatience, he will very probably forfeit a real opportunity to begin to build an effective staff relation with the manager in question.

In the second place, *A* can rarely provide help to *B* simply by analyzing the problem for *B* and offering a solution. Sometimes, of course, this is desirable. However, if the problem really involves human relations, it is more than likely that *B's* perception of it reflects his own life-long history of dealing with people. His culturally determined political and economic attitudes, his emotional convictions and prejudices, his fundamental habits of adjustment in his line role (many of which have been unconsciously acquired) will all affect his perception of the problem. In fact, they may be the very factors which have until now prevented a successful solution of his problem.

Under such circumstances, an analysis and solution offered by *A*, however correct it may be objectively, may meet with immediate resistance. *B* feels he is being asked to abandon the only approach which in his eyes can yield need satisfaction: *i.e.*, the one resulting from his perception of the situation. From *B's* point of view *A's* analysis will threaten reduction, not offer augmentation of need satisfaction.

Objective facts and logical conclusions drawn from them are important tools of the staff man *in their proper place.* The determining facts in most human relations problems, however, are the subjective fact of *B's* perceptual field and of *B's* needs as they relate to the problem. *A's* objective facts, introduced improperly or at the wrong time, will have a reductive rather than an augmentive impact on *B*. Knowledge and skill in analysis are important means controlled by *A*. He must be exceedingly careful how he uses them.

The personnel department in a large manufacturing company developed an on-the-job training course for workers which appeared to be highly efficient. A pilot experiment with the method was conducted. It yielded facts which showed quite conclusively that savings of $20,000 per year could be effected by adopting this training program for all new workers in certain departments. The facts were presented to management along with a recommendation that the program be adopted. It was turned down with some rather lame excuses, and the training department, for no apparent reason, found itself "in management's doghouse." The staff group did not discover why their facts had proved to be reductive to management. They lost an opportunity to provide real staff aid by fail-

ing to explore *B's* perceptual field before introducing their own factual analysis.

Experiences like this are more common than might be supposed. Usually the staff department's factual analysis is less "convincing" than in the case just mentioned, and therefore line management is in a position to rationalize a negative answer with little difficulty. Sometimes the staff expert, particularly if he is an outside consultant, never knows why his recommendations were not accepted. From his point of view they were obviously worth while. He is likely to rationalize his failure by concluding that management was just stupid.

Fundamentally the staff man—if he is to use augmentive methods to influence line management behavior—must create a situation in which members of management can learn rather than one in which they are taught. *B* must acquire his own insights, discover for himself (with *A's* sympathetic aid) why his behavior has been inadequate to the problem at hand, discover his own best answer, and ultimately accept full responsibility himself for making his solution work.

In this connection, *A* faces yet another trap. Awareness of the problem of *B's* perceptual field has led some staff experts to resort to a method of dubious value: If *A* has his own solution for a problem faced by *B*, he attempts to lead *B* to "discover" that solution as *B's* own. To be sure, masterminding of this kind works in many instances. However, it is potentially a dangerous boomerang. If *B* ever discovers or even suspects what is going on, the relationship may be seriously impaired. When *B* perceives *A's* actions as masterminding, *A* is promptly seen as a source of potential reduction. Protective behavior ("keep your neck in") and aggression will surely follow. Moreover, *A* is no longer trusted. *B* feels he has been tricked by dishonest tactics.

All in all, if the staff man is in a position where it is necessary that his solution be adopted by *B*, it is far safer to present his analysis openly, and face *B's* resistance, than to attempt the technique of masterminding. Unless the staff man has allowed himself to be put in an untenable role by the way his responsibilities have been defined, he will rarely find himself in a situation where *B* must be forced to accept his (*A's*) solution.

In certain respects the methods of the staff expert resemble those of the psychological therapist.[6] This is not surprising since the objectives of both are similar. The therapist attempts to aid individuals or groups to achieve healthy personal relations, and the staff expert attempts to aid individuals or groups to achieve healthy intraorganizational relations. Both are con-

[6] Carl R. Rogers, "Significant Aspects of Client Centered Therapy," *American Psychologist*, Vol. I, No. 10 (1946), pp. 415–422. Franz Alexander, Thomas French, *et al.*, *Psychoanalytic Therapy*, The Ronald Press Company, New York, 1946.

cerned not with imposing particular attitudes or particular kinds of behavior upon *B*, but with helping *B* to eliminate difficulties so that he can achieve health through his own efforts and in his own way.

In spite of these similarities in objectives, the role of the staff expert in an organizational setting should not be identified too closely with the role of the psychotherapist. The former confines his efforts to a very limited area—human relations within the organization—and even within that area he is primarily concerned with the problems involved in integrating and directing the activities of people. His emphasis is upon the more superficial aspects of human relations and not upon the deeper aspects of personal adjustment.

Sometimes, of course, deep-seated problems of personal adjustment may prevent *B* from coping successfully with his problems of organizational relations. This may present critical difficulties if *B* happens to be in a key position in management. In such cases, the staff expert is wise to limit himself to the task of getting *B* to seek competent psychiatric help outside the organization. Even if the staff man is himself a skilled clinical psychologist or psychiatrist, the situation is best handled in the way in which industrial medical departments handle cases requiring extended treatment: by reference to outside experts or agencies.

By and large, our experience indicates that the staff role in human relations is more happily identified with that of the educator than with that of the therapist. *A's* objective is to utilize his skill to create a situation in which *B* can learn, and to make his knowledge available so that *B* may utilize it to augment his own need satisfaction in ways consistent with the achievement of organizational objectives.

A way of thinking about the staff role, as conceived here, which some of us have found helpful is in terms of a succession of goals toward which the staff man works in any relationship with line management. These goals may be thought of narrowly, in terms of a specific problem of a single line manager, or broadly, in terms of a long-range program involving a whole management organization. They are stated as goals rather than "principles," first because the methods of reaching them will necessarily vary with the circumstances, and second because, although they may be approached, they are seldom reached in practice. It is one thing to state these complex and difficult objectives; it is another thing—at least as far as our experience goes—to possess the skill to achieve them in practice.

1. The staff expert, *A*, will seek first to establish with line management, *B*, individually and collectively, a relationship in which he is perceived as a source of possible help in solving problems of human relations. Whether he can establish such a relationship will depend partly upon

his actions, partly upon the way he is fitted into the organizational structure, and finally upon the way in which his responsibilities are defined. Any hint of reductive authority attributed to him will make the achievement of this goal infinitely more difficult.

In establishing this relationship, *A* will be prepared to help *B* solve whatever problems *B* is concerned about. *A's* own notions of what *B should* be concerned about will be kept strictly in the background, at least until the relationship has progressed to the point where *A* can bring them up without becoming a potential threat to *B*. Outside consultants sometimes make a mistake in this respect when they utilize the device of the "survey" as a way of initiating the staff relationship.

2. When *B* desires his help, *A* will attempt to explore thoroughly with *B* the latter's "perceptual field." What is the problem *as B sees it?* What needs of *B* are involved? What does *B* see to be the difficulties, the obstacles, the possibilities in the situation? What are *B's* fears, hopes, uncertainties with respect to a solution?

At the same time, *A* will attempt to make clear to *B* his own perceptual field. What are *A's* objectives in his staff job? In what ways does *A* propose to be of help to *B?* What are *A's* relevant needs?

A will avoid making his own analysis of the problem, and developing his own solution. He will not attempt to "mastermind" *B*, but genuinely to offer his knowledge and skill to *B* in a mutual exploration of the problem. Even if *A* thinks he knows an answer, he will reserve judgment because of a sincere belief that *B's* own intimate knowledge of the situation is the most likely basis on which the best answer can be developed. Genuine humility in the face of the inevitable complexity of problems of human relations is one of *A's* most valuable attributes. Too few staff experts recognize this important fact.

3. Together *A* and *B* will examine possible alternative approaches to the solution of the problem, seeking that solution which provides the best *common* means for *mutual* need satisfaction (*i.e.*, that action by *B* which simultaneously offers the greatest potential need satisfaction for *B* and best achieves *A's* objective of creating and maintaining healthy human relations).

During this process *A* may be able to introduce his own ideas, gather needed factual data, provide useful "tools" (*e.g.*, relevant personnel techniques). He must be careful, however, to do so in a manner which *B* will perceive as augmentive. Any attempt on *A's* part to impose his ideas as the necessary answer, or to force *B* to accept his facts as correct, will certainly defeat *A's* purpose.

Compromises with theoretical perfection are inevitable in approaching this goal. A solution which is objectively best may in fact be poor if in

B's eyes it offers too little need satisfaction. Industrial engineers, for example, often defeat their own purposes by insisting on the most "efficient" solution regardless of *B's* motivation.[7]

As a matter of fact, our experience has taught us that *B* will surprisingly often develop a better solution than *A* could have produced. *A's* most valuable function is to create a "permissive atmosphere" in which *B* can explore freely all possible alternatives and exercise his own ingenuity without fear of exposing his weakness. *A* seeks to help *B* to think out loud, guiding him where necessary with his own knowledge of the field.

In group situations especially, we have found that role playing can be a powerful diagnostic tool at this stage.[8] With it, *B* is able to see far more clearly than otherwise the advantages and disadvantages of alternative approaches to a solution, *including his own previous ones.*

4. Having explored together the alternative approaches to a solution and settled upon the "best" one, *A* will strive to give *B* whatever support he needs while *B* determines for himself in practice whether the agreed-upon solution is adequate. Often the solution calls for a pattern of behavior different from *B's* accustomed ones. In such cases *B* may have some anxiety. He may lack self-confidence, fear the possibility of loss of face. He may not possess the necessary degree of some essential skill. *A* can aid him in planning his actions by coaching him, evaluating the results of his efforts, and otherwise providing support before, during and after the action.

At this stage also, role playing may be an effective tool, but in a different way.[9] It affords the opportunity for pre-testing a proposed solution in a safe situation, "before the chips are down." It is a means by which *B* can acquire some degree of skill without exposing himself unduly. It may help *B* to acquire the necessary self-confidence to enable him to do something which he would otherwise be unwilling to attempt.

5. Finally, *A* will seek to help *B* gradually to assume full responsibility himself for the success of the agreed-upon plan. *A's* goal at this stage is *B's* independence, *B's* confident skill in handling this and other related problems himself.

It is dangerous for *A*, in providing help, to foster *B's* dependence. To the extent that *B* becomes or remains unduly dependent on *A*, *A's* power

[7] Peter F. Drucker, "The Way to Industrial Peace," *Harper's Magazine*, November and December, 1946, and January, 1947.

[8] Alex Bavelas, "Role Playing and Management Training," *Sociatry*, Vol. 2 (1947), pp. 183–191; and Leland Bradford and Ronald Lippitt, "Role Playing in Supervisory Training," *Personnel*, Vol. 22, No. 6 (1946), pp. 3–14.

[9] Bavelas, *op. cit.*

in the relationship is increased disproportionately. *B* soon arrives at a point where he makes quite unrealistic demands upon *A* for help. Then, no matter how unreasonable *B's* demands, any failure by *A* to provide the expected help will be seen by *B* as reduction.

Dependence, in some degree, of *B* upon *A* is inevitable if *A's* attempts to help are at all successful. The problem is to prevent that dependence from becoming too great or from lasting too long. *A's* goal is not to make himself indispensable, but to improve *B's* managerial competence toward the end of healthier human relationships in the organization.

In the light of the above it is perhaps clear that the staff expert's own emotional adjustment will be a critical factor in the successful performance of his role. If his own need for power is too strong, he will not be able to create or maintain an effective relationship with *B*. If he is overanxious for recognition, he is likely to prevent *B* from achieving independence, or to destroy the results of his work with *B* by seeking credit for *B's* accomplishments. The sentimental "do-gooder" who is a familiar applicant for personnel jobs is obviously miscast for the role outlined here. So is the "expert" who is over-confident of his own knowledge and skill.

* * * * *

The fundamental purpose underlying all these sub-goals is to create, by the method of augmentation, opportunities for *B* to change his behavior (his attitudes, his philosophy, his skills) in a direction consistent with the creation and maintenance of healthy human relations throughout the whole organization. Unless *A* himself has some ideas about what *are* healthy human relations, what philosophy of line management is essential to their development, what attitudes are desirable, what skills are necessary—he can hardly hope to accomplish this objective. Effective performance in the staff role requires some systematic theory of human relations in organizations. Without it, *A's* guidance of *B* will be blind indeed.

At the same time, *A* cannot impose his theories on *B*. If *A's* ideas are sound, *B* will adopt them because experience demonstrates that they provide better means for his own need satisfaction. If they are incorrect, or incomplete (as they must be at this stage of the development of the field of human relations), *B* can improve on them, and *A* can utilize his own experiences in the staff role as a basis for learning. This is perhaps the greatest challenge in the methods outlined above: they offer to *A* and *B* alike a valuable opportunity to learn.

When the answers are known, when human relations has become a science rather than an art, methods such as those here suggested will

perhaps no longer be necessary or desirable. Today, however, the staff expert may forfeit his own opportunities to acquire greater competence if he assumes that only *B* can learn from the relationship.

* * * * *

In summary, the objective of the staff expert is healthy human relations in the organization. The staff man cannot achieve this objective himself; it can only be achieved by line management, whose function it is to integrate and direct the activities of all the people comprising the organization. The quality of human relations is directly determined by the way in which line management performs its function—by the philosophy and attitudes of line management, and the reflection of that philosophy and those attitudes in policies, procedures and above all in line managers' day-to-day behavior. Every phase of line management's job is accomplished through people; consequently, every act of management influences the quality of human relations in the organization.

Effective performance of the staff role involves getting line management to adopt a philosophy, attitudes and ways of behaving which will create and maintain healthy human relations. For reasons we have discussed, the staff expert must, if he is to be successful, confine himself to the method of augmentation and avoid reductive authority entirely. He possesses means (skills and knowledge) which the members of line management may use for the greater satisfaction of their needs and the simultaneous improvement of human relations. In order to make it possible for line managers individually or collectively to use these means augmentively, the staff expert strives in succession:

1. To be perceived as a source of help.
2. To work within the frame of reference of the line manager's perceptual field.
3. To make it possible for the line manager to select, after joint exploration of alternatives, that course of action which offers him the greatest need satisfaction consistent with the objective of healthy human relations.
4. To provide support in necessary ways while the line manager tests the selected method and acquires the necessary skill and confidence to use it.
5. To guide the line manager toward the point where, having acquired competence and self-confidence, he will assume voluntarily the full responsibility himself for performing his line function in a way which will maintain healthy human relations.

The implication of these considerations for other relationships—for

example, that of the line manager to his own subordinates, or that of the teacher to the student—are of more than minor significance. They cannot, however, be explored in the present context without taking us too far afield. A brief comment on one point, however, is perhaps pertinent.

If the fundamental assumptions outlined earlier in this discussion are sound, it can be argued with some force that effective line management requires the utilization of methods very similar to those which have been suggested as necessary for the effective performance of the staff role. Both the staff man and the line man are attempting to influence human behavior and human attitudes. The line manager, be he foreman or president, who carries the implications inherent in these conceptions of the nature of authority over to his own job, may gain new insight into his problems of integrating and directing the activities of people.[10]

The idea that successful performance of the line function requires heavy emphasis on reductive authority while successful performance of the staff function precludes it, demands careful and critical analysis. On the basis of our explorations of this problem we suggest that the only significant distinction between effective performance of the two functions is in terms of the means which *A* controls and which *B* desires for satisfying his needs, and not in terms of the way in which *A* exercises control.

The competent staff man controls knowledge and skills; the competent line man also controls knowledge and skills, and in addition material means (wages and other "benefits," opportunities for promotion, etc.). The successful performance of either the line or the staff function appears to require the creation of a relationship within which *B* can simultaneously increase his own need satisfaction and contribute more effectively to the achievement of organizational objectives. Emphasis upon augmentation rather than reduction is one important condition for the establishment of such a relationship. The genuine motivation of subordinates to cooperate with their superiors toward the achievement of organizational objectives will not occur so long as the line of function is tacitly assumed to rest solely upon the line manager's exercise of reductive authority.

Thus the staff expert is challenged not merely to acquire skill himself in the performance of the staff role, but to use his skill in such a manner that line managers will seek voluntarily to adapt his methods to their own line function.

[10] The beginnings of such a trend in management philosophy are today apparent among the more progressive companies. *Cf.*, for example, the "coordination committee" of the Standard Oil Company of New Jersey, and the practice of "consultative supervision" emphasized by General Foods Corporation.

C. DEVELOPING PERSONNEL POLICIES AND PROCEDURES

Essentials of a Management Personnel Policy[1]

Lawrence A. Appley

Before discussing the essentials of a personnel policy, it is necessary to have a clear concept of what a policy is and what constitutes a well-constructed policy. The dictionary tells us that a policy is a plan of action and that a plan is a policy. Policy-making and planning are therefore synonymous. A policy and a plan of action are the same.

A specific and clean-cut plan of action is basic to the accomplishment of a given task and to the attainment of any objective. Planning is a major function of management. Since management is the achievement of results through the efforts of other people, the most important activity of management is the direction of human effort. Human effort can be directed most effectively through the guiding influence of a plan of action known to all concerned.

Definiteness of policy reveals the caliber of an executive. It is an indication of the moral fiber of which he is made. It reflects his clarity of thinking, depth of conviction, and willingness to commit himself to a course of action guided by basic principle. Readiness to commit oneself to a written policy indicates bigness. Readiness to alter with changing conditions in favor of a wiser course of action is indicative of greatness.

Essential Parts of Policy

A policy, or a plan of action, which is to be made effective by others is of little use unless it is in writing. When put in writing, it should contain three basic parts: (*a*) the objectives; (*b*) the procedure for the attain-

[1] Reprinted from *Personnel*, Vol. 23, No. 5 (May, 1947), pp. 430–436, with permission of the publishers. Mr. Appley was vice-president and director of Montgomery Ward and Company and is now president of the American Management Association.

ment of the objectives; and (*c*) definite assignment of various parts of the procedure to individuals as specific responsibility.

Despite the vividness with which you may visualize a house you would like to build, despite your enthusiasm and determination to erect that house, you will never accomplish your aim without an architect's drawing of the finished house (the objective); a blueprint (procedure) showing exactly what has to be done to build a house resembling the drawing; and without indicating the various parts of the blueprint which are the responsibility of different workers, such as the carpenter, electrician, plumber, mason, painter (assignment of responsibility).

Joint participation in its development is another essential of sound policy. Many minds are better than one. If individuals who are to work on a given project have a voice in the determination of the policies to be followed, the policies will be more complete, practical, and applicable. Many a policy has ended on the rocks because of flaws which could have been detected immediately had it been exposed before adoption to those who had to put the policy into effect and follow it.

Personnel Objectives—General

In applying this general thinking concerning policy to the essentials of a management personnel policy, let us first consider the question of objectives. A management personnel policy should have two types of objectives: general and specific.

The statement of general objectives should express top management's basic philosophy toward human resources and reflect its deep and underlying conviction as to the importance of people in an organization and of that management activity which deals with people—personnel administration.

Top management has too long been silent as to its views on labor. It has too long allowed outside interests to misrepresent, misinterpret, smear, and condemn its attitudes and to attribute to it views which, in many cases, have been non-existent. The time has arrived for top management to formulate and adopt a basic creed and to make that creed known to employees and public. Such a creed would contain a clear-cut statement of the company's general objective with respect to personnel management's major responsibility.

If the people of this country actually knew what most industrial and business managements stand for, and what constructive steps they are taking with respect to the human element, the economic and political thinking and action of this nation would be profoundly altered.

Personnel Objectives—Specific

The statement of specific objectives should refer to the various activities of personnel administration. In most instances, management has the following specific objectives in relation to human resources:

1. Finding and selecting the right caliber and number of people required to perform the operations of the organization involved;
2. Proper orientation and introduction of new employees to the company and to the job;
3. Fair, sound, and effective salary and wage administration;
4. Establishment of incentives which will result in the highest possible productivity of workers;
5. Establishment and maintenance of personnel inventories based on periodic appraisals of the productivity, methods, qualifications, and potential of employees in all categories;
6. Well-organized and specific training for better job performance and for other jobs;
7. Continuing personal research which keeps management supplied with facts and with the knowledge of trends essential to the making of sound management personnel decisions;
8. The kind of first-line supervision that improves knowledge, increases skill, and develops a high degree of willingness to work on the part of those supervised;
9. Employee benefits which create the kind of an organization and work situation in which people want to work (these include safety and health programs, medical benefits, group insurance, pensions, vacation plans, leaves of absence, and other such benefits, the objective of which is to hold competent and qualified people in the organization);
10. Full and fair consideration of an employee at time of separation from the payroll;
11. Relations with organized labor based on mutual confidence and respect.

Personnel Procedure

Top management personnel policy must provide for the development of specific procedures and programs for the accomplishment of the objectives just outlined. Some of these are as follows:

1. The policies and basic principles guiding top management thinking must be fully understood by the entire executive and supervisory force. This can only be accomplished by a well-planned and well-organized system of *executive and supervisory education and training.* Such a system

would cover not only employees already in managerial positions but also those who are potential supervisors. No individual should be permitted to take on supervisory responsibility for the first time without thorough and formal training in the basic principles and techniques of management as well as in the policies of management. Such a program should be worked out in detail and identified as an executive and supervisory training program.

It is essential that individuals in managerial positions realize clearly that their major responsibility is the personnel under their direction and that they exert the strongest influence upon the character and caliber of that personnel. The basic concept that must be instilled in the minds of supervisory people is the idea that their job is: to develop those under their supervision; to increase their skills; to improve their knowledge; to change their habits and attitudes; and continually to raise their individual productivity.

2. *Placement* procedures would incorporate programs for recruiting, the use of various advertising media, interviewing, employee records, personnel testing, standards for employment office layout and procedure, etc.

3. If it is the objective of the management that a new employee shall be properly oriented and introduced to the company and to a new job, that objective will be attained only through the establishment of a specifically prepared program of *orientation training.*

4. Fair and sound *wage and salary administration* requires the setting up of procedures for job evaluation and for the making of wage and salary surveys. It also requires the establishment of proper procedures for the administration of wage and salary adjustments.

5. Incentives should be simply worked out and easily understandable. The suggestion system is one commonly accepted form of incentive. Bonuses, merit rating, and piecework are all well-known procedures with numerous advantages to specific situations. They are inherent in the private enterprise system but are attacked and opposed because of the way in which they have been complicated and loaded with technicalities.

6. If management is to be provided with comprehensive *personnel* inventories, a procedure must be developed and put into effect which calls for a careful appraisal of each individual on the payroll. Various tools and machinery are well known and essential to its success. There are many techniques, such as the use of "multiple evaluation" and "open appraisals," which have been successful enough to justify much broader application.

7. The old idea of master-learner methods for training is fairly well outmoded. There are those who were not convinced of this before the war. There are many thousands of executives in this country who became converted during the war. *Training* does not result from the statement of an objective or from wishful thinking. It results only from well-established procedure and program. The simplest of training devices quickly justify themselves because of the immediate and noticeable improvement in the productiveness of those who are the recipients.

8. *Personnel research* exists in name only when it is irregular, scattered, and incidental. This activity must be integrated under a single leadership. Research projects must be specifically outlined and listed in order of priority. There are single studies needed from time to time and continuing studies required at all times. As a part of personnel research, a clearly identified procedure must be established for the maintenance of measurements of the effectiveness of the activities of personnel administration. Just as much needs to be known, and should be known, about the human resources under our direction as is known about the physical resources with which we deal.

9. *Vacation plans, medical and health insurance, leaves of absence, profit-sharing systems, pensions, safety and health programs* are all specific procedures which are a part of top management's personnel policies. They must be clearly related to each other, must supplement each other, and no one of them can be expected to accomplish more than a part of the over-all objective in relation to human resources.

10. Fair and adequate handling of *separations* from the payroll requires procedures for warning interviews, exit interviews, and assistance in finding jobs elsewhere or in adjusting to a life of retirement.

11. *Labor relations* represent a highly developed field of activity. There is still great variance in practice. The procedures to be followed by management in its relationship with organized labor must be carefully worked out and well applied if the objective is to be realized. The result otherwise is misunderstanding and chaos.

Clarifying procedure, of course, requires the making of many basic decisions. Frequently these are decisions which management has avoided and with which, in many cases, it has compromised. Illustrations of some of the decisions essential to the establishment of a labor relations policy follow:

What is top management's attitude toward labor organizations? What about the closed shop, the check-off, seniority, and compulsory arbitration: These are not questions of expediency; they are questions of basic

principle. They involve issues that can be settled only by top management. The sooner they are faced squarely, the better will be the management-labor relationship that exists. Groveling in the dust and hiding under the table on these issues gains no one's respect and contributes little, if anything, to industrial peace.

Responsibility for Personnel

The third section of a policy calls for clarification of responsibility in relation to the policy. This is particularly essential in a management personnel policy. Without going into detail about each of the various personnel activities, we might start with some general responsibility designations.

First, let us differentiate between the character of line and staff management. Line management consists of those executives and supervisors responsible for attaining the objectives of the organization. The staff executives are those who provide the guidance, assistance, and tools required by the line in the performance of its tasks. Line and staff are equally essential to the success of any organization. There is a distinct difference, however, in the nature of their relationships, and this must be clarified.

The responsibility for personnel administration rests squarely upon the shoulders of line management. Nothing must ever be said or done to dilute this concept, or to permit that responsibility to be taken away from the line, or to permit the line to sidestep that responsibility. The quality of the people on the job, the way in which they perform on the job, as well as all related activities in connection with them, are the full responsibility of their immediate supervisors.

The responsibility of the personnel executive, wherever he may be located in the organization, is to help the line executive and supervisor to do the personnel task. He works toward the adoption and clarification of policies; he develops the tools and the machinery; he guides, directs, and evaluates the effectiveness of the use of the tools in the application of policy.

There are instances where the personnel executive actually performs certain line personnel functions. When he does so, it must be remembered that the responsibility is delegated to him by the line and that the only justification for this is that such functions can be more effectively and economically administered on a centralized basis than decentralized among the line supervisors. Illustrations are provided by employment offices, medical departments, orientation training courses, etc.

The Ideal Personnel Man

The ideal personnel manager is always endeavoring to work himself out of a job. That means he is continually influencing and training the line supervisors and executives to do a better personnel job. Human inadequacy and executive and supervisory turnover leave such a man with no fear of being out of work but with his objective unchanged. Frequently, a personnel executive falls for the temptation to gather unto himself greater and greater authority and responsibility for human relations. The more he does so, the closer and closer he gets to the end of the limb.

The very core of all personnel administration is the kind of relationship which exists between the workman and his immediate supervisor. All sound personnel administration is directed toward the strengthening of that relationship. The personnel officer who permits any weakening of that relationship, or any wedge to form between the worker and his boss, is doing a great disservice to the organization of which he is a part.

There are practical executives who readily agree that the responsibility for personnel administration rests with line management but who, at the same time, are too quick to carry the concept to extremes. Such executives would say, "Well, if personnel is the responsibility of the line, let's make the line executive do the personnel job. When you do that, there is no need for a personnel executive or a personnel staff." If that is sound logic, then it goes for the comptroller, the treasurer, the general counsel, the sales promotion manager, the engineer, the advertising executive, and all the other staff activities which are set up for the purpose of assisting the line executive in doing his job. Misconceptions of this sort are usually due to a lack of the kind of responsibility clarification which is proposed here.

Carpenters need tools to do their job. They do not know how to manufacture the tools, and most of them would use the same tools generation after generation if there were not specialists who manufactured better tools for them and trained them in their use. The carpenter hasn't the time or the special technical knowledge required to manufacture or perfect these tools, but he can supply the manufacturer with plenty of practical suggestions.

The effectiveness of personnel administration in any organization is basically dependent upon the clarity of policy formation—the development of plans of action in relation to personnel activities. The effectiveness of personnel administration in any organization may be quickly evaluated by the importance top management attaches to it. This is

reflected in the time, effort, and consideration that same top management gives to human resources. This, in turn, is reflected in soundness and clarity of policy.

. . . . . .

The essentials of a management or government personnel policy are the same as those of any policy: (*a*) a clear statement of over-all objectives: (*b*) a detailed statement of specific objectives; (*c*) the preparation of workable programs and plans for the attainment of the objectives; (*d*) clear differentiation of responsibility in relation to the application of the policy. Meeting these essentials takes time, effort, and thought. There is no one top management personnel policy that will apply to all organizations. Each must work out its own. The more clearly we think, the more specifically we express ourselves, the more effective will be our efforts in the field of personnel administration.

Who Should Make Personnel Policies?[1]

Paul and Faith Pigors

Who should make personnel policies? This question might be, and has been, given many different answers. The differences result in part from varying interpretations of the words. If by "make" we mean "officially determine," then there can only be one appropriate answer. *Only top management*[2] *can officially issue or change any statement of company policy.* Unless we concede the right and the duty of top management to do this, we deny its right and its duty to manage. On the other hand, if we include under the word "make" all the thinking that goes into formulating a policy, then it is unrealistic to consider that this should be confined to the top level. It has been well said that "it is the people who make a policy work." Therefore, it makes sense to get every organizational member to think on the policy level just as soon and as long as he is interested and able to do so.

Concern with such a vital question as personnel policies is not neces-

[1] Reprinted from *Personnel*, Vol. 27, No. 3 (November, 1950), pp. 176–189, with permission of the publishers.

[2] This term refers to the company president or to the board of directors of which he is a member.

sarily linked to status. A citizen of a democracy does not park his personality with his hat. Whatever his organizational position, an alert and democratically minded employee continues to believe that he ought to hear, and be heard on, all matters of vital concern to him as a person. If any personnel policy is not of vital concern to all organizational members, then there is something wrong with the policy. Often there is. And when there is, the commonest errors are two: omissions in essential policy steps and too strict limitation as to what groups are invited to contribute their ideas.

What Is a Policy?

Before going any further, it will be useful to say what we mean by the word "policy." [3] Many people who talk about policies identify them, explicitly or by inference, with other kinds of management decisions, such as plans, practices, orders and rules. This seems to us confusing. When we refer to a policy we mean a guide in making decisions. Primarily, of course, a policy is a guide for management decisions, but ultimately a statement of long-term company purpose should be useful as a guide to the thinking of all employees. It can help them to understand, accept, and anticipate specific management decisions.

In order to be adequate as such a guide, a personnel policy statement should include the following features:

1. It affirms, for the company as a whole, a long-range purpose for personnel relations. At best, such purposes are derived from well-thought-out principles of psychology, sociology, and ethics. Thus they reflect, but do not specifically state, mature social principles (or ideals) in human relations.

2. It commits management representatives at all levels to reaffirm and to re-enforce this purpose in their daily decisions and behavior.

3. It indicates the scope left for discretion when the long-term purpose is interpreted in a variety of specific situations and over a period of time.

Using "policy" in this sense, it is obvious that the whole job of making a policy cannot adequately be done alone by any chief executive sitting at his desk, or even by a board of directors around a table. Nowadays, many top executives recognize this. They want all levels of management to have some share in thinking about policies. This makes sense in more ways than one. And it makes the best sense when participation begins *before* policies are officially adopted by top management.

[3] In an earlier article, "Let's Talk Policy" (*Personnel*, July, 1950), we have discussed what we mean by policy at some length.

Advantages of Broadening the Base of Policy Thinking

The following are a few of the most obvious advantages of broadening the base of policy thinking:

1. It is made clear that everyone who is called a member of management is actually regarded in this light. Such recognition does wonders for the morale of lower management and builds a sense of membership that can be gained in no other way.

2. The policies thus formulated are likely to work better for two reasons: because (*a*) being based on first-hand information all the way up from the supervisory level, they can be more realistic, and (*b*) those who have had a share in developing them will take more interest in making them work.

3. Two other important gains for top management are: (*a*) a challenge to think and speak clearly about the central long-term purposes that are supposed to be implemented by all management decisions and employee activity, and (*b*) an opportunity to detect and develop capacity for this kind of thinking wherever it exists in the management team.

All these advantages are now recognized, at least in theory, though some executives freely admit that in practice they have as yet "only scratched the surface," and the real spade-work remains to be done.[4]

Whenever practicable, participation in policy making should be extended even below the level of management. General participation in policy making is more greatly needed and its advantages are more evident in regard to policies for personnel than in relation to any technical policy. In developing, using and evaluating personnel policies, we suggest that three common misconceptions should be scrapped. These are:

1. That there is any basis in fact for the usual distinction made in words between "major" and "minor" policies,

2. That any personnel policy can be of concern only to one department (or affiliated company) and not to all departments (or other companies and the parent corporation), and

[4] A report from the Industrial Tape Corporation of New Jersey summarizes an experiment with an auxiliary board of directors. This board is formed of members of middle management. It initiates, investigates and formulates "policies" which are then passed on to the senior board. The auxiliary board was set up to discover, develop and use executive talent among members of middle management. It seems to have been most successful as a means of solving technical problems, raising morale, developing team spirit and broadening the vision of middle management. However, judging from the six "projects" reported, not all the matters discussed actually are policies. One of the six may have been, and very likely others, not reported, were. Certainly the experiment seems well worth careful study and extended use.

3. That there is any sound reason for barring from policy discussions any organizational member who is interested and able to participate. These propositions are all interrelated and should, therefore, be examined together.

All Personnel Policies Are of Vital Importance

It seems to be widely accepted that the earmarks of a major policy are (*a*) that a large sum of money might be involved, (*b*) that a large number of people are concerned, and (*c*) that an unsound decision might endanger the company's bargaining position.

All these points are at stake in regard to every personnel policy. Since the purposes announced for personnel inevitably concern every member of the company in the long run, the phrase "minor personnel policy" is a contradiction in terms. But the conclusion to be drawn from this premise is not that all policy thinking should, therefore, be centralized. Just because every personnel policy is of vital concern to every organizational member, it is essential that representatives of every group be invited to make suggestions about such policies, at appropriate stages. This need in no way threaten the right and the duty of top management to make official decision on all matters of policy. There should be no misunderstanding on this point by any organizational member at any time. We repeat, an authoritative statement of top management purpose can be issued only by top management. We shall return to this point at the appropriate stage of our discussion of policy process.

Personnel policies, if they are acted on, necessarily affect everyone in the company. Therefore, they may involve large sums of money and the company's bargaining position. But is this any reason for limiting policy discussions? In our opinion the argument works exactly the other way. In such important matters, how can top management afford to overlook any means of finding out in advance all the ideas that will determine the success or failure of a personnel policy after it is launched? And after it has been launched and used, is it not essential for policy makers to learn all that they can about what policies in action mean?

One question to be answered in our time is: Will the capitalistic system survive? It is up against some pretty tough competition, much of it spearheaded by ingenious propaganda. If individual leadership in business and industry is to survive at all, it can only be because individual leaders prove their worth. Genuine leadership, that develops strength with people, is the only sure defense against the demand for mass ownership that always results in domination over people. And the only weapon that can ever defeat mass propaganda is widespread education. How can

executives better prove their worth, or more effectively disseminate their ideas, than by full and free discussion of their policies?

Steps in the Policy Process

The foregoing proposition does not have to be left as a question. It can be proved to the hilt as we analyze the process through which policies are made, used, and evaluated. In doing so, it should become clear not only what has to be done but also who has the requirements for taking part at which stages.

1. Initiating a Policy. Someone says, "We ought to know what top management wants to have done in a case like this." When this is said, it should mean that a need exists for a clear statement about long-range company purpose in the matter, a general commitment for practice, and an indication of how administrative discretion is to be used. Such appreciation of the need for a policy recognizes the obligation of top management to guide its representatives in making decisions. It should not mean that anyone thinks that top management should make all specific decisions for its representatives.

This first step in making a policy may be taken by an executive even before employees are hired.[5] On the other hand, if an appropriate policy has not been established in relation to some company activity, after the organization is in being, the recognition that it is needed may be voiced by a staff expert, a first-line supervisor, a union leader or a rank-and-file employee.

Often a foreman is more clearly aware than anyone else that his specific decisions are not always consistent, either with other decisions of his own, or with those made in other sections of the company. If it were always considered appropriate for him to discuss this kind of difficulty with his superior, administrative decisions might more often be well related to top management purposes, and policies might be more realistic than they are.

The insight needed to take this step in making a policy has no necessary relation to organizational status, though management should recognize it as a possible indication of executive calibre. The only authority that needs to be represented at this stage is the authority of experience.

Whoever first feels the need of a new personnel policy, the personnel

[5] Unquestionably, policies are most effective when formulated before specific problems come up. Therefore, ideally, top management should have finished the first four stages in the policy process before an organization is formed. However, this is usually not done. In any case, the process of reformulating an existing policy has the same steps. It is necessarily done after an organization is set up and should be carried out with participation from as many organizational groups as possible.

administrator should hear of it, and start thinking about it, at this first stage. If no one in the personnel department is consulted at this point, this in itself constitutes a serious criticism of the personnel department. Specialists in human relations should be identified in everyone's mind with a broad interest in organizational activity on the policy level. This department is not doing the most important part of its job if personnel men are thought of primarily as clerks fussing with figures and records and gathering data on procedures and rules.

Sometimes the initiation for company policy may come from the union. When it does, there is no need to identify this first step with the entire process of making company policy. From much that is said on this subject there appears to be some confusion here. When a union makes a demand where there should be a company policy, this needs to be considered by top management. But if top management merely grants the union's demand as though such an agreement fulfilled the same function as a company policy, it has surrendered part of its duty to manage. What the union is usually shooting for is a protective contract clause. What union representatives are shooting at are often what seem to them arbitrary decisions and discriminatory practices on the part of management. But a mutually agreed-upon rule such as a contract clause is not an adequate substitute for a company policy.

Top management should lead the way for unions along this line of thinking. It is up to the company executives to show the need and function of positive policies, as a form of long-term thinking in a broad system of relationships. Contracts, on the other hand, are short-term agreements, and often represent an unrelated collection of piecemeal adjustments. When each clause has been worked out separately, the effect of the contract as a whole, and its relation to other management decisions, may be contrary to the long-run aims of both sides.

This point is stressed by Sumner H. Slichter. "In actual bargaining, the working rules of trade unions are built up gradually one or two at a time. This leads to an atomistic consideration of their effects, which may cause their effects as a whole to be overlooked. For example, in order to prevent the employer from discrimination among union members, his discretion at every point (awarding overtime, promotions, making layoffs) may be so limited that he no longer has proper instruments for encouraging efficiency. Each of the individual rules may seem quite fair and defensible, and yet as a body they may produce an effect which no one intended and which is inimical to the interests of the workers themselves." [6]

[6] Sumner H. Slichter, *Union Policies and Industrial Management*, p. 578, The Brookings Institution, Washington, D.C., 1941.

If management is to do the whole job of managing, it must formulate labor relations policies that fit in with personnel policies. And it must make sure that both kinds of policy are determined by management, in stage 6, no matter who contributes ideas at other stages.

2. *Fact-Finding.* When policies are formulated by a chief executive or a board of directors before there is any organization, the fact-finding process must be either a sole job or be relegated to a hired consultant. But when a personnel policy is being considered after an organization is in being, fact-finding should be carried out by some member of the personnel department.[7]

The skills required in this connection are typically those of a specialist in human relations, and the facts to be considered are in his field. There is need for interviews and conferences both inside and outside the company. The person in charge of fact-finding should read everything that he can lay his hands on from companies in similar situations. Then he must be sure that the facts he quotes actually are facts and not merely matters of inference. Also, he must consider whether the situations outside the company are sufficiently similar to serve as a sound basis for comparison. Has a wide range of potentially useful policies been considered? Are all these statements policies, in fact as well as in name? Or are some of them rules, procedures, or specific agreements, such as should go in a union contract? What human interests are at stake that need to be integrated in the proposed policy? Has everyone in the company and in the union who can offer any sound ideas been given a chance to be heard at this point?

When this fact-finding is properly carried out, the advantages that accrue are not only in the range and dependability of the facts collected. Perhaps even more important in the long run are the diversity, the quality and the by-products of the discussions that are set in motion. Even at this point, discussion on the policy level is beneficial to everyone who engages in it. There are at least three reasons for this.

First, it offers practice in the kind of thinking that everybody needs and few of us normally feel that we have enough time for. Two key questions that need to be asked are: Underlying all the rules, orders, practices, procedures and plans, what are the long-range purposes for people? Are

[7] Garret L. Bergen, divisional vice-president and personnel manager, Marshall Field & Company, stresses the point that the personnel administrator should also make known the point of view of personnel management *before* a business policy or course of action is adopted. (AMA Personnel Series No. 132.) But in relation to technical policies such as those for sales, advertising, etc. participation by the personnel administrator is more appropriate at stage 3 or 5 of the policy process.

these sufficiently idealistic, realistic and timely to serve as a basis for coordination of action in a working community?

Second, the people who show capacity and interest in this kind of thinking give unmistakable evidence of executive calibre. Not all of them will qualify as executives, but no one of them should be overlooked as a potential candidate. If they lack other essential abilities, some way should be found of insuring that the rare capacity to think on the policy level is not wasted. Perhaps they can serve as committee members in future policy discussions.

Third, conferences and interviews at this level offer a peerless opportunity for men to get to know each other. Generally such opportunities are all too limited. Even members of the so-called management team, who work in the same building, often get stuck at the stage of mere acquaintance and never get together in a meeting of minds. Policy discussions, beginning at this stage, enable people to get together in a way that is not usually encouraged by technical talk. Sometimes agreement on policy needs can bridge a gap between department heads, or company managers, that would otherwise remain a pitfall to mutual understanding.

The stage of investigating cannot be hurried. When it is finished top management needs to feel sure that the ground has been thoroughly covered, and that everyone who had anything important to say got a chance to say it. This point cannot be overemphasized. It is unlikely that the ideas of company members in any group will prove to be totally irrelevant. But even if this should be true, it would be all the more important to have full and free discussion of these ideas before a policy is cast into decisive form. Otherwise, active cooperation in the policy from such a group would be extremely difficult to obtain.

3. Recommending a Policy to Top Management. Whether or not the personnel administrator has taken the lead in previous stages of the policy process, he is the logical person to carry the ball now. There are at least three reasons for this: (1) The chief executive should want to hear his views on all matters of policy, especially those dealing with personnel. In a large corporation this should apply to the personnel managers of all affiliated companies, who would naturally already have been consulted in stage 2. (2) The personnel administrator should know everyone's views, both line and staff, and be skillful in integrating and communicating them. (3) As a specialist in human relations he should be able not only to discuss but also to practice the art of promoting understanding between people. If he has any skill in these directions, now is the time to put it to work.

Convincing an executive of the need for a new policy or of reformulating an existing one often proves a tough assignment. Top executives are busy people. They are also decisive people or they probably would never have risen to their present positions. Getting them to listen to what cannot be a brief summary of finished conclusions, and winning their acceptance for a new departure in personnel relations, is not always easy. Of course, the policy under consideration may have been the president's idea in the first place. If not, he should come to feel during this interview that it is pure accident that the idea was first mentioned by somebody else. An executive who is worth his salt can always find time to listen to an interesting and practical idea. The question for the personnel man to answer before the interview begins, therefore, is: What makes an idea seem interesting and practical to this executive?

Even the slightest acquaintance with practical psychology suggests the general answer to the first part of this question. Interest is likely to beget interest, in two ways. If the personnel administrator is himself deeply interested in the proposed policy, he has one great advantage in trying to arouse enthusiasm in the boss. But an even more important kind of interest is concentration on the boss himself, and on the way in which he visualizes the responsibilities of a company president. In order to be fully effective now, this interest should have been at work long before the policy interview begins. If it has been, and the personnel administrator is up to his job, he should by this time have a good knowledge of *who* the boss is. What kind of ideas interest him? What problems worry him? What solutions have appealed to him before? What kind has he himself initiated? If the tentative policy can be tied in with these ideas, it is likely to gain the attention of the boss.

Good timing is another aspect of insight into human relations that needs to be applied now. Has the personnel administrator planned a favorable time for the interview, in relation to the time of day, week and stage of development in company affairs? Are the circumstances favorable for leisurely consideration now? If not, success is unlikely in this decisive phase of thinking about a policy. It may be necessary to risk failure because the need for the policy is too urgent to permit postponement of the interview. Otherwise, it is expedient to wait.

Timing within the interview is also important. A personnel administrator shows his amateur status if he starts giving the answers before the boss is ready for them. But after the policy need has been convincingly presented (especially if the personnel administrator has previously shown that his opinion is worth having), the boss is likely to ask: Well, what do you suggest? This is the cue for the recommendation. To present it before this is premature.

The recommendation will need to be realistic, from the executive point of view, in order to win approval from the boss. This sometimes means that the personnel administrator cannot by any means say all that is in his mind. For instance, if there has previously been no official policy system in the company, it is likely to prove fatal to present the whole idea at once. Here, if anywhere, half a loaf or even one slice, is far better than none. If the president can be won over to accept even one sound policy, the stage is set for further progress in the right direction. But if the whole idea is turned down, it will be far more difficult to make any headway later.

A fourth need, at this stage, is to show that the suggested policy is consistent with existing policies, practices and master plans. Advance thought on these points by the personnel administrator pays off during the interview, and also saves time for the boss.

Finally, the tone of the interview is all-important. The personnel man should not permit himself to get so carried away by his idea that he forgets either the nature of his official relationship with the boss, or the function that comes naturally to one accustomed to take the lead. Unless the executive is an exceptional person, a tone of authority from a subordinate is likely to create antagonism. The personnel man should stick to his role as a student of human relations and not attempt to lay down the law. Executives usually prefer telling others rather than having others tell them. As an advanced student in human relations, the personnel administrator should show skill in getting the boss to tell *him* what needs to be said. If the tentative policy is approved, it will be because it has become the executive's own idea. The sooner, and more clearly this appears, the better. A personnel man has done the best kind of job when he gets no credit for a policy at all, except for having put into words an idea that is central to the president's interest.

After the executive has approved the policy ideas, the next step is to clothe them in suitable words.

4. Putting a Policy in Writing. The kind of expertness needed here is the ability to state general ideas and related facts in words that are clear and likely to win assent.[8] Of course, these aims can never be fully accomplished in a written document that is read by a great variety of people. We have all known people who are extraordinarily talented in finding

[8] Such skill in communication depends not only on the ability to think clearly about the subject but also on a sound understanding of the people by whom the policy statement may be read. Policy statements can be amplified and illustrated when they are explained, but this step will be easier if the policies are written in words that are neither vague, unnecessarily academic, nor in any way offensive to those who will read the statements either before, or after, these are explained.

loopholes for misunderstanding and for taking "unreasonable" offense. But some degree of success comes with practice, especially to those who start with an interest in what words can do and with a willingness to work. Words, sentences and paragraphs should be short. Statements should be complete yet precise. Emotional phrases should be avoided. If these aims are met, and the results are evaluated each time a new policy is discussed, serious grounds for misunderstanding between reasonable people can be avoided.

Even at best, written communication is open to more misunderstanding than is oral communication. Why then should a policy be put in writing? There are at least two reasons for writing policies, either of which would be conclusive.

First, policy ideas are of necessity general. This means that they often remain too vague to be useful as guides. But until someone tries to write them down, this vagueness may not be recognized.[9]

Second, unless policies are written, they cannot be regarded as firm (though flexible) commitments. When they are written it should be apparent to management representatives, employees and union officials that top management means what it says.

5. *Explaining and Discussing a Proposed Policy.* It might be said that the greater the attendant difficulties at this stage, the more important it is to tackle the job. In many large corporations, for instance, it is apparently accepted practice to skip oral explanations and merely mail policy memos to the managers of affiliated companies. But such a practice inevitably leads to misunderstanding and inconsistency in practical application. If a policy is to serve as a guide for decisions, all its three features (discussed earlier in this article) must be thoroughly understood by everyone who uses it. Precise understanding even if a simple written rule is less common than people ordinarily suppose. With anything as subtle and abstract as a personnel policy, one cannot hope for understanding without careful explanation and free discussion. Everyone who administers a policy should be ready to explain it and to answer questions about it whenever it is interpreted. This kind of understanding requires much more than mere dictionary knowledge of the words. It depends upon thorough comprehension of the principles involved. Those who are to

[9] This point is stressed by Carl Heyel. "Someone has said that an idea does not exist unless it can be put in writing. Similarly and very importantly, a policy as here conceived—as a management tool—does not exist unless it is in writing." *Reading Course in Executive Technique,* Section 1, Book 1, p. 25, "How to Think about Management Problems: Solution of Specific Problems and Development of Long-Term Policies," Funk & Wagnalls Company, New York, 1948.

administer policies must have an opportunity to *ask questions* about them before they can attempt to answer the questions of others.[10]

Of course, this phase will be easier if it is not the first step at which those concerned with policies begin to think about them. But whether or not people have thought about the policy before, it is essential that all organizational members and union officials have a chance to begin thinking about a proposed personnel policy now. This is the last point at which their ideas can be incorporated before the policy is officially adopted. Therefore, explanation and discussion at this stage are comparable to the procedure of a legislative hearing. Such an arrangement has three great advantages.

1. It gives each interested member a chance to state his views constructively. When no advance discussion is arranged, members can speak up afterward only in destructive criticism. This involuntary timing of their remarks classes them automatically in the role of "troublemakers." [11]

2. When a proposed policy has been clearly formulated, it may interest many members who were not yet ready to take a share in stage 2. This means that the personnel department and top management can now have the benefit of a broader base of experience than was available before. Neither those who propose nor those who determine policies are in any way obligated to accept the ideas advanced by lower management representatives, workers, or union officials. But they are obligated to listen and try to understand all that is said.

3. The third advantage derives from the fact that in one respect personnel policies resemble laws. They prove most effective when there is a high degree of voluntary acceptance by those who are expected to abide by them. As guides for administrative decision, they are given the best chance of success when workers and union officials agree in advance that, as general propositions, the policies are reasonable and fair.

When the discussions appropriate to this stage are arranged and carried out in good faith, management stands to gain in several ways. Before it is too late to make a change, the following questions can be answered.

[10] An important part of the training provided for district superintendents by the American Telephone and Telegraph Company consists of conferences. At these meetings supervisors discuss questions that have been asked by employees, especially on occasions when they were stumped for an answer.

[11] Experience in all kinds of organizations shows that such a miscasting of roles is common. In industry, workers with initiative and a sense of social responsibility are often recognized as potentially useful to unions. But their potential contribution to management is often wasted. Much avoidable ill-will is generated when autocratic management representatives slap them down and label them as "troublemakers," "radicals" or "reds."

a. Is the proposed policy clear (as to long-range purpose, general commitment for action, and scope for discretion)?

b. Is it acceptable? Does it secure agreement from a majority of members in all groups as a guide to management decision that will re-enforce shared purposes?

c. Is it consistent with customary practices, procedures, rules, other policies and key situational factors?

During this phase some changes in the proposed policy may be made. To make the step fully effective, the authority of group sanction must be applied. When everyone has been given a chance to speak, it should be fair to assume that those who have not testified against a policy will do their best to make it work. It is a democratic premise that when the majority agrees, the minority will cooperate—at least until by discussion it can bring about a change in the majority view, at a point when group opinion may again appropriately be expressed. But whoever is in charge of policy proceedings at this stage may be able to do more than is required by the majority premise. Does the unconvinced minority have in mind questions that management has not considered? Experience shows that often the minority feels more strongly, sees more clearly, and speaks up more bravely than the docile majority. It sometimes appears afterwards that the few were ahead of the many.[12] If there is any indication of this before the policy is made official, management may want to follow the minority lead while there is still time to avoid creating unnecessary problems.

6. Adopting and Launching a Policy. The authority required to take this step resides at the top level. Top management alone can properly say whether or not a policy adequately represents corporate purpose as seen from the top management scope of view. The chief executive is, therefore, responsible for launching the new policy, and for supporting those who administer it according to their best judgment.

7. Releasing a Policy throughout the Company and to the Union. Some executives are reluctant to take this step. One of them frankly said, "Gosh, we don't want to release that stuff. Why, the boys might hold me to it!" Only at that point did it become clear that this executive did not mean what he had said about personnel policies. Many executives realize that public release of a written policy puts executive thinking to a severe test. "You have to say what you mean and mean what you say," one of them

[12] For example, in the preliminary panel hearings before the War Labor Board, the regional and central Board members frequently were guided by a well-reasoned minority opinion and reversed the majority decision.

is reported as remarking.[13] But, of course, unless both these requirements are met, there is no use in pretending that a policy can be of much service either as information or as a commitment. Personnel policies should be given out to every group in the company including union representatives. Only in that way can they fulfill their important task of keeping long-range corporate purposes before everyone concerned.[14] And why should management object to taking this step? Does any executive suppose that organizational members and union leaders will refrain from judging his motives and purposes merely because he declines to release them in words? On the contrary, everyone who depends on his authority is certain to have some opinion on these points. The only question is: Shall it be formed from information obtained via the grapevine, or straight from the horse's mouth?

Surely by the time a policy has been put into writing, it states what top management means. And certainly no executive would want to be accused of not meaning what he says. Why, then, should he not welcome such a chance to prove the validity of his ideas and the integrity of his purposes?

The form in which written policies are released for management representatives should suggest a firm general commitment with some provision for anticipated changes in statement. For this purpose policies should be printed on loose-leaf paper. Personnel policies are part of management's tool kit. Therefore, they should be kept handy for use. Moreover, they are subject to periodic revision and eventual change. Therefore, they should not be released in a more permanent book form that might be suitable, say, for a company history. Several years ago the First National Bank of Boston printed a stimulating booklet, *Supervision Our Way*. But experience showed that the supervisors treasured rather than used their copies. The guiding policies were then discussed with supervisors and subsequently reissued in the form of a loose-leaf manual. Such a realistic revision of practice is worth a trunkful of policy speeches.

Another point may be noted in passing—namely, that it is unwise to issue policies in the same manual with procedures, practices and rules. There are both psychological and technical reasons for issuing policy statements in a separate manual.

[13] Geneva Seybold, *Written Statements of Personnel Policy*, pp. 3–5, Studies in Personnel Policy No. 79, National Industrial Conference Board, Inc., New York, April, 1950.

[14] Executives sometimes forget that organized workers consult their own shop stewards rather than the foreman. Unless shop stewards are fully informed by management about company policy, it is unreasonable to expect that these union officials can correctly interpret management purpose, even when they want to do so.

First, when making decisions many management representatives tend to skip the policy statements. They fall back on procedures and rules. These can be applied without the use of judgment. Also, procedural statements are necessarily more detailed than policy statements. When they are in the same manual, this fact tends to make them seem more important.

Second, a manual containing both kinds of statement easily becomes too bulky for convenient use.

8. Administering a Policy. A policy is what it does. Its meaning both for those who use it and for those who are expected to abide by its interpretation comes out when it is used—for instance, at the supervisory level. This works in two ways. First, there is the meaning of the specific decision. This is not always what the worker wants to hear at that moment. Whether it is or not, does the supervisor know how to relate the specific answer to the long-term positive purpose from which it is derived? If he can, he illustrates a way of thinking that can be accepted by a reasonable person even when its immediate answer, for all practical purposes, is no. In the long run the positive purpose in a sound personnel policy says yes, and no supervisor has done his job in administering a policy until he has shown the yes behind the no.[15] Similarly, even when the immediate answer in a policy decision is yes, the supervisor has not fully used this guide for thinking when he says yes merely as a personal favor. It is often a temptation to do so, but it works better for personnel relations in the long run if requests for personal favors are both granted and refused on the policy level. Thus the supervisor's reasoning will, in effect, say "We do it for you because it is sound policy for all employees, and we cannot do it for you unless it is sound policy; the answer is yes because in your case the positive purpose applies as it was meant to do, or yours is a special case covered by another policy."

The second way in which a policy has meaning in action is in what it shows about the person who administers it. An official who effectively administers a genuine personnel policy shows both inner and outer authority. When he faces up to the responsibility of saying no without passing the buck, and of saying yes without granting personal favors, he shows his willingness and ability to be a leader. Moreover, the fact that he is empowered to make policy decisions, and not merely to enforce rules, clearly shows that he is a representative of management, and not just a policeman or a service representative. On this last point there is often room for misunderstanding.

[15] Incidentally, this is the best answer we know to a practical problem that perpetually plagues foremen: How can we get a worker to accept it when we have to say no?

For example, the preliminary draft of a Branch Manager's Manual was being discussed at a conference. One procedure was stated as follows:

> We will service without charge, whether customer owned or company owned, the complete refrigeration circuit in such equipment as: ice cream cabinets, soda fountains, bobtails and salad units, including expansion valves, regulating valves, float valves, etc.
>
> *This does not include boilers, refrigeration coils, motors operating blower coils in fountains or salad units.*

After discussion, the branch managers recommended that the following phrase be inserted at the beginning of the paragraph: "If recommended by the branch manager . . ."

In the course of discussion it had become clear that the reasons behind this recommendation were:

1. As a mechanism to promote customer good will the procedure as stated is not effective. The facts cited were that certain store owners practice what is called "splitting an account." They buy from this company what they consider the necessary minimum of ice cream to obtain free refrigeration service. They then buy the balance of their requirements (sometimes the major part) from a cheaper source, or make it themselves. This shows that the "free service" does not necessarily buy good will for our company. Branch managers have up-to-date knowledge of the facts in every store. Free service should be given only when justified.
2. Financially, the procedure as stated is unfair to branch managers. They are held responsible for pushing the sales of ice cream, but are denied the right to use their knowledge and authority to determine whether the giving of free service is justified.
3. Not only does the procedure as worded deny branch managers authority commensurate with their responsibility, it also fails to recognize their status. In carrying out this procedure, they would appear *not* as management representatives, with delegated authority to make decisions, but only as service men.

It was evident that without the qualifying clause the procedure might be ineffectual in promoting good customer relations. It would also have an adverse effect on personnel relations between central office and local management.

9. Follow-up. The voice of authority that needs to be heard at the follow-up stage is primarily that of the administrators and first-line supervisors who have been applying the policy and of organizational members to whom the policy has been applied. They have first-hand information as to how a policy is working out. Is it helpful as a guide for thinking in specific cases? How many exceptions are there and of what kind? Exceptions prove the rule in the sense that they test it. This is no less true of policies than of rules. If a large proportion of cases seem to be exceptions,

there must be something wrong, either with the policy or with the way in which it is being administered. What kind of members do not seem to fit the policy, or feel that the policy does not seem to fit them? Complaints from marginal workers and chronic "gripers" are not a sound criticism of policies. But if many of the best workers and constructive members find that decisions made under the policy are unacceptable, then this fact should be reported up the line to the policy makers at the top.[16]

It takes time and consistent administration to test a personnel policy. In due course it proves its usefulness or deficiencies. Does it contribute to efficiency by helping to coordinate management decisions while leaving room for the use of judgment in the development of initiative by all who need them? Does it gradually build a stronger sense of membership between those who use it and those who are affected by it? Does it tie in with other policies, practices, procedures and rules to clarify central purposes and help in developing satisfying human relations?

10. Evaluating an Existing Policy. When top management reviews a policy after members at lower levels have had time to answer such questions, the authority of group experience should make itself heard at the top level. Here, again, a policy in process depends upon effective communication up the line. If policies are to be kept alive and useful, top management needs full information (1) on the experience of those who are guided and those who are affected by policies as well as (2) about situational changes if any. Only on the basis of both kinds of information can top executives know whether there is any need to restate or to reformulate a policy. If there is not, the existing policy can be reaffirmed. If there has been any difficulty with previous policies, perhaps the existing policy can now be re-examined to see what has made it more effective than its predecessors.

In evaluating existing policies, regular conferences, in which leisurely and free discussion is encouraged, are essential to understanding. We know from experience that it is difficult to keep on administering a policy as a policy, and not to let it degenerate into a hard and fast rule. When different members of the organization discuss their successes and failures in administering policies as such, the benefit of their experience is made available to other members at their own level as well as to policy makers.

11. Restating or Reformulating a Policy. In the course of time, however, a live personnel policy needs to be restated and even reformulated. If a policy does not seem to require this, it is probably because it has been

[16] General Foods periodically employs impartial outside organizations to audit its labor practices and to report to top management whether or not their policies are being followed through. John Cameron Aspley and Eugene Whitmore, *The Handbook of Industrial Relations*, 3d ed., p. 145, The Dartnell Corporation, Chicago, 1948.

stated as an inflexible rule, or as something so vague that it never had much meaning in actual situations. If management never has to do anything about changing a policy, it is probably because the policy is not doing what it should as a guide for management representatives.

The need for restatement may come before any necessity for change in the general ideas incorporated in a policy. Follow-up may show that policies, as originally worded, either have been unclear to some in the organization or have seemed incompatible with some other policy procedure or practice.

Sooner or later, even more radical changes in policy statements will be needed to correspond with altered circumstances, changes in personnel, or reformulations of management purpose itself. One of the most obvious of these is a change in top management. A new president should always overhaul company policies to make sure that they correspond with his formulation of company purpose. Alteration in policy may also be called for by changes in the character of administrative management or in the type of employees. For example, when women or part-time workers are first employed, some personnel policies may need to be altered and others added.[17]

When there is need to reformulate company policy because of changes in work relationships rather than in executive personnel, management leadership is put to the test. Will top management follow where facts lead? Or does it prefer to stand pat on former pronouncements for fear of seeming inconsistent and fallible? It was to such a dread of apparent inconsistency that Emerson referred when he said, "Consistency is the hobgoblin of little minds." [18] Genuine consistency in human relationships can never be attained merely by standing still. Similarly, policies can remain organically related to situational needs only insofar as these guides for thinking are adapted to meet situational changes. When policies have been explained and released as working hypotheses subject to change, periodic revision to keep them realistic can be interpreted as a sign of strength.

[17] Certain rules, practices, and procedures will probably then also need to be readjusted in order to keep the whole system of administrative decision consistent within itself.

[18] Emerson, *Essay on Self-Reliance.*

Part Two: ANALYZING AND HANDLING PERSONNEL PROBLEMS

Introduction

An important feature of the art of management is being able to think in relationships. Every manager needs to understand the integral relation between organizational *parts* (each of which is a whole context in itself) and the *whole organization* (which is itself part of a larger context). Managers limit their effectiveness whenever they make decisions about employees, functions, or other organizational "factors" as if any of them were only a part or even a separate piece of a whole that equaled merely the sum of its parts.

F. J. Roethlisberger shows the weakness of such a "mechanical" view of work, or of any factor in the work situation, such as productive efficiency. Efficiency is a symptom. If work relations are sound, productive efficiency is almost certain to grow (unless management is technically inefficient in planning or administration). But, however technically efficient management is, workers cannot make a maximum contribution unless they have such work satisfactions as: (1) a friendly relation with their immediate supervisor, (2) opportunity to participate in making decisions that vitally affect them, (3) congenial relations with other workers, and (4) opportunity for development on the job. In other words, to get maximum results, managers must think of more than results. They must understand the needs of the people on whom they depend for results.

Burleigh Gardner develops a similar view. Every organization is a miniature society. Thus it reflects within itself the same kinds of conflict that exist in the larger society of which it is a part. Chief among the conflicts felt within an organization are those that arise because formal and informal patterns of relationships impose contradictory standards on employees. In such a situation, a worker is likely to feel that "you gotta decide whether to go along with the group or to stand in with the boss." Unfortunately, the trend of

modern scientific management has been to develop large organizations with a complex structure and so much specialization of function that most employees can never get to know each other or understand the whole of which they are a subordinate part.

James C. Worthy presents his conclusions on the advantages of working in small units in a large firm with a flat organizational structure. One of these is "friendlier, easier relations" between employees and management, so that even "the 'big boss' is an actual flesh and blood individual to be liked or disliked on a basis of personal acquaintance." A second advantage is the less minute subdivision of labor. This permits the worker to see how his job is related to other functions and to the organization as a whole. In small, simple systems everyone can know everyone else, can understand the relation between parts and whole, and can clear up misunderstandings by face to face contacts.

The importance of regular, personal contacts is also stressed by Alexander R. Heron. Effective communication takes place only when there is an atmosphere of mutual respect between individuals who know and trust each other. In large organizations, such communication can be developed within "understanding units"; that is, in small groups of people who work together regularly. These subunits can gradually be linked until a chain of understanding finally unifies the whole organization.

The necessity for personal contacts in effective communication arises from the nature of meaning itself. Executives and technicians are apt to behave as though understanding were merely a matter of "conveying" and "grasping" facts. Yet each of us knows from his own experience that factual statements are only one element in meaning. As soon as we get a communication we necessarily begin to *do something* to it. In short, communication is both a *process* and a joint experiment in which we try to share and interpret facts, feelings, and purposes. Pigors analyzes these three interrelated elements in meaning, showing how each can most nearly be shared.

Often management representatives are not trying to share understanding. But the art of interviewing is consciously directed to that end. It is the more depressing, therefore, that so many interviews fail as a joint experience in human relations. One reason for such failures is the attempt by an interviewer to do something *to* or *for* an interviewee instead of *with* him. Leonard E. Himler outlines the advan-

tages of nondirective interviewing. Success in every interview depends in large part on the skill, self-control, detachment, and good will of the interviewer. Can he listen, refrain from arguing, not convey a sense of disapproval, and give a sense of confidence that the interviewee can solve his own problems?

L. J. Henderson further describes the qualities needed by an interviewer as a good listener. He should not be overdependent on theory. The most difficult element with which he is dealing is sentiment, and this is to some extent unique in every individual. He should also be wary of inappropriate sentiments that crop up in himself. Finally, since he must talk as well as listen, he should remember that what he says may later "be scrutinized for nonexistent meaning."

Does interviewing as carried out by the personnel department always contribute to central management aims? David Mack analyzes interviewing from this point of view. Three preconditions for success are: (1) the staff interviewer should always remember that his job is to serve line management, (2) he should make interviews a means to strengthen line relations, and (3) he should work in each interview toward helping employees to solve their own problems.

Nowhere are inappropriate feelings and unshared purposes likely to interfere more seriously with effective communication than in the procedures for handling complaints and grievances. Benjamin M. Selekman shows why the legalistic (or purely technical) approach to complaints is inadequate. The process in which complaints are expressed and dealt with is "the heart of shop relations." As such, it should take place ideally in the shop itself, between the worker who feels dissatisfied, the foreman (as management's first line representative), and the shop steward.

A busy foreman may be tempted to brush off a complaint as silly and meaningless. But to make this judgment is to confess failure in understanding. Every complaint expresses, however ineptly, "a discontent that must be dealt with if its potential for shop unrest is to be nipped in the bud." Thus a foreman should learn to take the "clinical approach" to complaints. When so viewed, the causes and effects of dissatisfaction can be integrated and made part of a continuing and constructive purpose. Then "grievances can be instruments for promoting sound relations; while sound relations certainly are the best tool for dealing adequately with grievances."

A. WORK RELATIONSHIPS AND ORGANIZATIONAL STRUCTURE

The Human Equation in Employee Productivity[1]

F. J. Roethlisberger

Introduction

Most of us would agree that employee productivity cannot be conceived apart from employee satisfaction, needs, and attitudes. But just how these human factors are related to production, is not so clear. Some of us are too prone to believe that the human factor is just one more of the many factors—such as light, heat, ventilation, pay, etc.—which need to be taken into account when thinking about employee productivity. Frankly, I do not find this way of thinking useful or fruitful. It oversimplifies and ultimately distorts the complex, concrete situations with which, as administrators, we have to deal. What is needed in these situations is a new way of thinking about the behavior of individuals at work. In this new framework the problem of employee productivity takes on a new dimension. It becomes no longer the sole problem of major concern to management; it becomes only one of the many interrelated problems of administering people at work.

Two Different Conceptions of Work

Let me begin by contrasting two radically different ways of conceiving the nature of work and the worker. There is one class of ideas about work which runs something like this: Work is conceived as something requiring physical and mental effort basically unpleasant. It is thought of as some-

[1] Reprinted from *Industrielle Organisation*, Zurich, Switzerland, Vol. 19, No. 4 (1950), pp. 123–125, with permission of the publishers. Dr. Roethlisberger is professor of human relations at the Graduate School of Business Administration, Harvard University.

thing that is "taken out of" the worker, as something that is primarily done in order to earn a living and as something that can be done either "efficiently or inefficiently." These constitute one family of related ideas about work.

In contrast to these conceptions we have those ideas which view work as an activity satisfying the needs of people and as a way of life. These ideas derive from quite a different frame of reference regarding the worker. They view the worker as a social being primarily striving to satisfy his many needs through his association with people at work. His motivations, like the motivations of any human being, are thought of as complex.

I should like to discuss these two radically different views of men at work with two questions in mind: one, which one of them does least violence in representing the reality of work from the point of view of the worker? And, two, which one of them is it more useful and convenient for the supervisor of human beings at work to entertain? In short, which one gets the better over-all results?

Work and Effort

The conception of work as something basically unpleasant, I imagine, is as "old as the hills." Some people in all generations and in all cultures have entertained this idea at some time. But I doubt if it gained such widespread acceptance before the industrial revolution in our western civilization. In our present industrial civilization, it has become almost a self-evident proposition. It underlies the behavior and policies of both management and union leaders, and much business practice bases itself on this simple assumption, which economic theory also seems to justify. Work is basically unpleasant and, therefore, the hours of work should be as short as possible and the pay as high as possible. Only by such means can workers be attracted to this basically unpleasant activity. Closely associated with this belief is also the notion that work "takes something out of the worker." Hence, wages are paid the worker as a compensation for this vaguely conceived loss, sometimes referred to as "fatigue."

At this point, I can imagine some readers' objections. Wages, they will say, are not paid for what is "taken out of the worker" but for what the worker "puts out" on the job, for his productivity. This is what businessmen are interested in; this is what they pay for; this is what they want to increase. The question they want answered is how can human relations, the new touchstone in our industrial scene, help to increase employee productivity?

This way of viewing work exclusively in terms of productivity and rate of performance, it should be noted, is more important to management than to the worker. Under this conception, work is being evaluated in

terms external to the worker. He does not view his work primarily in terms of his rate of output. It is the way other people appraise what he is doing. This is perhaps an obvious point but, nevertheless, from the point of view of human relations, a very important one, and I shall have more to say about it later.

It is not difficult to understand how this evaluation of work solely in terms of productivity has become increasingly important with the rise of mass production and how, coupled with the idea of work as something basically unpleasant, it has formed our modern concept of "efficiency." Of course, there are many people who still think of efficiency merely in terms of rate of performance. Such people assume that if the rate of output goes up, efficiency also increases. The engineers tell us, however, that this confusion between the rate of output and efficiency is serious. They point to the steam engine. The efficiency of a steam engine, they say, is not determined by output alone. Its efficiency is the ratio of output to input. To determine the efficiency of a machine it is necessary to know the proportion of the energy input of the machine that is recovered in useful work. A similar ratio, therefore, they feel, should be applied to the human organism.

From this point of view, the efficiency of the individual worker is to be viewed as a ratio of his output to the cost of this work to him in terms of energy and effort expended, fatigue suffered, and dissatisfactions incurred. In these terms, obviously, if the rate of output goes up, efficiency may go up or down or remain constant, depending upon the changes in the cost of work. For example, to determine the relative efficiency of two different methods of performing a task, it is not enough to know merely the differences in the rates of performance between these two tasks; it is also necessary to know whether under the new method the worker has had to exert himself more, whether he is more fatigued or "jittery" at the end of the day, whether it has impaired his appetite, his capacity to sleep, to enjoy leisure, and to get along with his wife and children, etc. Increases in these factors will lower the efficiency of the worker, make supervision more difficult, increase rates of turnover and absenteeism, and generally affect the overhead of the operation.

Obviously, these factors regarding the cost of work to the individual cannot be ignored and, as a result, a great deal of time has been given to them. These factors, however, are much more difficult to measure than the rate of performance of the worker. It is much easier to measure output than to measure the jitters, nervous exhaustion, and boredom. As a result, this measurement of efficiency of the human organism at work represents an ideal which is never quite reached in practice.

In practice, much cruder ideas or ideals prevail. In most cases, an in-

crease in the rate of production is assumed to indicate an increase in over-all efficiency. Nevertheless, under this steam engine conception of work and the worker, the structure of modern business has been greatly altered. With these changes most of you are acquainted, and I shall speak of them only briefly. This development in the direction of improving productivity has generally taken one of three different forms.

One approach has been to try to improve the conditions surrounding work, to make them more pleasant and less distracting. Although it has been difficult to determine the effect upon efficiency or productivity of such specific factors as noise, light, temperature, ventilation, rest periods, etc., apart from the attitudes of workers toward them, nevertheless technicians have done much to improve these factors surrounding the work itself with the hope that such improvements in and by themselves would create a physical environment favorable to increased productivity apart from the workers' "will to work."

Another very important approach has been in the direction of improved work methods. This approach tries to find the best way of doing a task, to find those methods which will involve the least effort in doing a job so that production can be increased at no additional cost to the worker. There is little question that the aim of these methods engineers is to improve efficiency as well as productivity and much fruitful work has been done in this direction.

A third approach is directed more to the workers themselves. This approach tries to stimulate directly by incentives the level of effort that workers themselves put into the job. In this approach, however, more than in the other two, the steam engine analogy tends to break down because the complex problem of human motivation, with which one does not need to be concerned when considering steam engines, now rears its ugly head in a most unfortunate way. In order to make the analogy hold even slightly and in a somewhat attenuated form, one has to conceive of the worker's motivation as being exceedingly simple. The worker has to be viewed as being primarily interested in the pursuit of pleasure and economic gain and as pursuing these ends in an essentially logical manner. In short, he has to be conceived as either a pleasure machine, an egotist, or an economic man or all of them together. In spite of the fact that many simple observations about the behavior of workers give little support to this notion, it nevertheless remains deeply rooted in the minds of men.

I shall not labor any further this steam engine concept of work and the worker. Personally, I feel the idea is bankrupt. It has guided us some distance in the direction of understanding some of our problems in business and industry. Much useful work has been done in the past under this

conceptual framework, but as the principal guiding hypothesis for the future, it seems to me no longer useful. We have explored the permutations and combinations of this old idea *ad nauseam*. The time has come for a Copernican revolution in the field of industrial relations, a new way of thinking about our problems.

Work as Satisfaction of Needs

Let me try to illustrate what I mean by taking the steam engine conception of work and the worker. This notion is not entirely "wrong"; work can be usefully conceived of in this way for certain purposes. But its uses for supervision are limited because it fails to include one very important observation about employee behavior, very important to supervisors when seeking the cooperation of their people. In the thousands of interviews my colleagues and I have had with workers, we have never heard one single statement suggesting that the worker conceived of himself or his work as a steam engine. Nor can I find any other investigator having recorded such an observation. If there is one common reaction, heard over and over again from workers and stated in no uncertain terms, it is to the effect that they do not like or want to be treated as machines.

This is a most interesting state of affairs, and from it I can draw only one conclusion, namely, our steam engine analogy of work does not represent the reality of work as the worker himself views that reality. In fact, it seems to be a way of thinking which does violence to everything he considers holy and important to him about it.

If we listen to workers talk about themselves and their work and the satisfactions and dissatisfactions they obtain from it, the picture we get is something quite different. From such evidence we find that people at work are not so different from people in any other aspects of life. They are not entirely creatures of logic; they, too, have feelings. They like to feel important and to have their work recognized as important. Although they are interested in the size of their pay envelopes, this is not the only matter of their concern. Sometimes they are more interested in having their pay reflect accurately the relative social importance to them of the different jobs they do. Sometimes even still more important to them than the maintenance of socially accepted wage differentials is the way their immediate superiors treat them. They like to feel secure in their relations with their superiors. They like to work in an "atmosphere of approval." They like to be praised rather than blamed. They do not like to have to admit their mistakes—at least, not publicly. They like to know what is expected of them and where they stand in relation to their bosses' expectations. They like to have some warning of the changes that may affect

them. They also like to feel independent in their relations to their superiors. They like to be able to express their feelings to them without being misunderstood. They like to be listened to and have their feelings and points of view taken into account. They like to be consulted about and participate in the actions that will personally affect them. In short, employees, like most people, want to be treated as belonging to and being an integral part of some group.

From the point of view of the workers themselves, then, the picture we get of them and their jobs is quite different from that of the steam engine. From them we see the worker as a social creature, who has personal and social as well as economic needs, whose willingness to cooperate is dependent upon the satisfaction of his social as well as his economic needs, who does not want to be paid merely for doing what he is told, but who also wants to satisfy through his work his needs for security, independence, participation, and growth. We see that work provides him with a way of life as well as a means of livelihood.

Employee Productivity: A Problem of Human Administration

This, then, is the meaning of work to workers, which anyone who takes time to listen to them can obtain. Not only does this conception represent better the reality of work to employees but, curiously enough, it also provides a much more useful and fruitful view for management. It provides management with a much more comprehensive picture of the job situation. It allows supervision to do a better job. It is particularly useful to management and supervision in their face-to-face dealings with people when trying to secure their understanding of and cooperation toward the goals of the organization. It provides management with a more useful way of thinking about employee productivity. Let me amplify these points very briefly.

This view of work as a social activity satisfying the needs of people forces management to look at the employee and his job not only in terms of the specific factors affecting his productivity but also in terms of the kinds of relationships which the employee has or can develop with his bosses, his co-workers, as well as with other people and groups in the organization. It forces management to look at the opportunity for social development and for the satisfaction of needs these relationships afford. And particularly it forces management to look at the behavior and attitudes of the employee's immediate superior as one of the primary determinants of job satisfaction.

According to this conception, employee productivity is merely one of the many facets of employee behavior and cannot be treated as an entity

separable from the intricate web of human relationships of which it is a part. All the evidence we have from recent studies would seem to indicate that supervisors who administer their people in terms of their total social and economic needs get better results than those supervisors who supervise their people exclusively in terms of their productivity. And they get better results not only in terms of better morale and employee satisfaction but, curiously enough, in terms of employee productivity, too.

This state of affairs is not so curious as it may appear. It merely means that, in the last analysis, business is an organization of people. In order to secure their cooperation, one has to see and understand what is important to them from their point of view. People are curious in that they do not like to be treated as means to someone else's ends; they like to be treated as ends in themselves. To be exclusively concerned with their productivity is to treat them as means to management's ends. All the tools which management uses to cut costs and improve efficiency—job evaluation, time and motion study, work simplifications, monetary incentives, employee testing, etc.—can have this meaning to employees if improperly used. These tools in and by themselves can never supplant sound human relations. Without the cooperative attitudes of employees these tools become worthless. They merely provoke feelings of being misunderstood, of being pushed around, and workers resist them. Only as they are administered with some understanding of the needs of people can they be made to work. And these needs are primarily satisfied through their relationships with other individuals and groups of individuals at work.

In these terms, the problem of employee productivity is not solely a matter of technical contrivance; it becomes primarily a problem of management leadership. It becomes a problem of balanced operation, of maintaining in an organization both efficient operation and sound human relations. This conflict between efficient operation and the cooperative attitudes of employees is inevitable, if we persist in thinking about work and the worker in our old ways. Only under a new conception can we gain insights and find new methods of dealing with our problems. In this new conception, employee productivity cannot be the sole end in terms of which management administers its human organization. It becomes only one of the many values of which account has to be taken by management when administering its complex human institutions.

The Factory as a Social System[1]

Burleigh B. Gardner

When we examine any factory or business enterprise, we see a social organization in miniature, a small segment of the total society, operating within the environment of the society, and often reflecting within itself the stresses and conflicts that exist in that larger world. As industrial and technological development progresses, we see frequent evidence of conflict and maladjustment within these social systems, often appearing in new and disturbing forms. For example, in the last few years we have seen the rising power of industrial unions, accompanied by bitter conflicts. At the same time we see groups that have been traditionally management-oriented turning to unionism. One of the most striking of these developments has been the growth of foremen's unions, which means that a group long accepted as part of management is saying, "We are not really part of management and must defend ourselves against it."

Now in order to understand these developments, it is necessary to understand the nature of the human organization and the stresses it imposes upon its members. In other words, let us examine the social structure the way an engineer would examine the structure of a machine in order to determine how it works and how the stresses affect the various parts.

In the first place, we see that in any concern there is an intricate pattern of relationships among people that links them all together. Each has his place and function in this pattern and is so tied up with the whole that changes in any part of the organization may affect him and his job in often unexpected ways.

Within the whole there are certain patterns of relationships, certain types of structure, that are typical of industrial organizations. In examination of almost any organization there can be seen what we call the formal organization. This is what appears on any organization chart, and it is generally shown as a series of positions forming a fan-shaped pattern

[1] Reprinted from William F. Whyte, editor, *Industry and Society*, Chap. 2, pp. 4–20, McGraw-Hill Book Company, Inc., New York, 1946, with permission of the publishers. When this was written, Dr. Gardner was assistant professor of industrial relations at the School of Business and executive secretary of the Committee on Human Relations in Industry of the University of Chicago. He is now executive director of Social Research, Inc.

extending from the president or plant manager at the top to the workers at the bottom.

Here we find each position in the organization indicated, the functional division of duties, and who reports to whom. This is the pattern set by management; it is imposed from the top in accordance with the way management thinks the organization will function best. Much of this formal pattern follows lines of functional divisions in activities, and we see the separation of activities such as production, engineering, sales, accounting, etc.

This formal organization as shown on the charts is a system of positions that are occupied by people. The position defines the duties and functions of the individual in it; it places him in relation to others; it indicates whom he reports to and who reports to him. Along with the organization chart we sometimes find job descriptions that attempt to present a detailed statement of the duties, responsibilities, and authority of each position. And this further defines the place and activities of the person filling that position.

In addition, we find other patterns of relationships that do not appear on organization charts. We see little cliques of people who gather together for lunch or a game of cards at noon, or who meet together after work. We see friendships and antagonisms, people who identify with each other on one ground or another, groups who hold aloof from others, and a wide variety of activities that constitute what we call the "informal organization."

The informal patterns of relationships are extremely diversified and vary greatly in degree of stability. Sometimes a clique will maintain its identity and its interaction over a long period of time; in other cases groups will be in a constant state of flux. In many cases the informal organization develops out of interaction imposed by the work organization and by the formal organization. Friendships develop between people working side by side, cliques develop within work groups, or among people brought together through work contacts. Foremen or executives may form luncheon groups, or may golf or play cards together, or join the same social clubs. This also means that changes in formal structure usually result in changes in the informal organization; the promotion of an individual may throw him into new groups, or a general change in structure may set up new functional patterns of interaction and new patterns of informal relationships.

While formal organization and the contacts and interactions imposed by the work influence the informal organization, they do not determine it. In fact, it is a spontaneous development, which usually arises without the conscious or deliberate intent of those involved. Thus, as contrasted

to the formal structure which can be imposed from above by decision of management and which can be readily presented in the form of a chart, informal organization develops from below and is often vague and difficult to see.

Now these informal relations are not merely a matter of friendly association and conversation unrelated to work behavior. Numerous studies have shown that they play a major role in determining the attitudes and behavior of workers with respect to their work, their superiors, and the company. In fact, the most powerful controls over the individual lie in the hands of the group itself and are expressed through the informal structure. Thus we see the work group deciding upon the proper standards of output and taking pains to see that the newcomer understands and conforms to these unofficial standards, which usually means restriction of output to the level the group finds satisfactory. Or we see the individual forced to choose between his superiors or the group. As one worker said, "You gotta decide whether to go along with the group or to stand in with the boss. And if you don't go along, the gang can make it mighty unpleasant."

Furthermore we frequently find that the standards set by the group are not in accord with those set by management. All too often the informal organization at the work level sets itself in opposition to the demands coming from above and works counter to the objectives set by management. As a result management feels that the informal organization is something that (1) it did not design and cannot control and (2) that is constantly interfering with the operation of the organization and standing in the way of management's plans. As a result one of the first questions executives usually raise when discussing informal organization is "How can it be done away with?" Unfortunately it is just one of the characteristics of human organizations: a characteristic that may be understood and modified but never done away with.

Another important characteristic of the factory organization is the presence of complicated sets of status systems. If we take the ordinary organization chart we see that the various positions are fitted into a series of ranks in which the president is superior to the vice-president, the plant manager is superior to the foreman, and the foreman is superior to the worker. Thus we have a series of status levels ranging from the large mass of workers at the bottom to the single individual at the top.

In this system each person at one level outranks those in the levels below. He is somehow superior, his ideas carry more weight, and he is deferred to by those below. Each in turn gives deference to those above so that throughout the system we see people acting toward others in ways expressive of their relative positions. The extreme development of

this can be seen in military organizations, where rank determines who salutes whom, who gives orders and who takes them, or who eats and associates with whom.

But this formal status system is only one of many that operate in the factory. We see also a sharp status distinction based on type of work, one of the most striking of which is the separation between office, or "white-collar," and shop jobs. Somehow the man who works with pencil and paper, who sits at a desk, is felt to be superior to the one who works with his hands at workbench or machine. And the importance of this distinction must not be underestimated. Again and again we see expressions of the feeling of the superiority of the office workers; we hear that shop workers are "dumb" and "uneducated," or that they are "loud and coarse." We see office workers avoiding contact with the shop, objecting to sharing locker and washrooms with shop workers, and rebelling against transfer to shop jobs. And we see shop workers criticizing the office workers for their attitudes yet at the same time preparing themselves or their children for office jobs.

In addition there is a sharp status difference between men and women in our society. The woman may be respected as the wife and mother in the home, but when she ventures into the man's world of industry she must take a back seat. In general, we find the women fitting into jobs which are labeled as "women's jobs," which are simpler, lighter, and lower paid than the "men's jobs." (Of course, the wartime labor shortages have broken down many such restrictions.) And always the men look down on both the women and the women's jobs; they feel themselves superior and it is a severe loss of status to be placed in a woman's job or to have a woman placed in theirs.

There are also status differences connected with pay. To a great extent money is felt to be a measure of worth and the more the individual earns the greater his prestige. Thus the man who is paid $1 an hour is somehow more important than the one who gets only 75 cents an hour. Furthermore, we see distinctions based on the way one is paid, the shop worker is on the "hourly pay roll," the office worker on the "weekly pay roll," and the executive on the "monthly pay roll." Thus, we find a very complex status system based on how much a man is paid and how he is paid; and we see Joe demanding a nickel raise so that he will be just as good as Jim, or Jack bursting with pride because he is now on the monthly pay roll instead of the weekly.

In addition there are the status differences on the kind of work. The skilled worker outranks the unskilled, the grade A mechanic outranks the grade B mechanic, the machinist outranks his helper, and the helper outranks the janitor, and so on. Here we see innumerable shadings of

rank, some very clear and some very subtle, but all of significance to the people in the situation.

Finally we see the prestige that accompanies age. The old-timer either in years or service with the company stands superior to the newcomer, to the young "punk" who doesn't know what the score is.

It is evident that the individual has a number of different status positions; he may be an old-timer in a low-status job, or a woman secretary may earn more than male clerks. Thus it is rare to find an organization that has complete uniformity in status positions, i.e., where type of job, rate of pay, length of service, etc., all are closely correlated so that the oldest male employee has the top position, highest pay, etc. However, there is considerable feeling that there should be some such uniformity; there is a feeling that old-timers should earn more than newcomers or should have the higher jobs, that women should be paid less than men, that a rise in job status or in the supervisory hierarchy should be accompanied by an increase in pay.

In this social system of the factory we find a great deal of interest in knowing just where people fit, especially with regard to status. Those of higher rank wish to be distinguished from those below, and in this effort we see the development of status symbols of various sorts. We see status significance attached to furniture, "the larger the desk the bigger the shot"; a large office indicates more status than a small one, and a carpet outranks linoleum. In fact, almost anything can take on status meaning. As a result anyone in an organization can readily tell where others fit in relation to himself. He can spot those whom he outranks. And any change that upsets these status symbols is apt to create serious problems of morale. To move a man to a smaller desk, to put the machinist on a helper's job, to fail to give the proper status symbols to the newly promoted, all give rise to serious disturbances.

Returning to our formal organization we see that one of the most important elements in the structure is the relation between each individual and his boss. These man-boss linkages form chains extending from the man at the top to each individual at the bottom and are the lines of authority along which the "big boss" exercises his control. It is down these lines that orders, directives and questions, and other communications from the top generally move, and back up these lines come information and answers.

Now this man-boss relationship has certain characteristics that are of great significance. In the first place, the subordinate looks to his superior for the direction of his activities, for authority to act, and for approval or disapproval. He expects his boss to tell him what his job is, to tell him what is expected in the way of performance, and to judge his performance.

It is rarely possible for the subordinate to decide what his job is and to go ahead and do it without feeling the need for his superior to know what he is doing and to sanction it. Furthermore, the opportunities for advancement largely depend upon the relationship with the boss; he is the one who rewards and punishes; he determines who will get a chance at a better job, or a raise in pay, or other recognition.

As a result we find considerable anxiety concerning the relationship with the boss, to a surprising extent people at every level have their attention focused on their superior. They are constantly concerned with the questions of "How does he judge me? How am I doing? What does he want?" They are alert to anticipate his wishes, to avoid his censure, and to gain his praise. They are often sensitive to his every mood and constantly seek for the inner meaning of every word and gesture. If he is glum and unresponsive, does it mean he is annoyed? If he questions an action, does it mean he disapproves?

This concern over the boss gives the effect of everyone's looking upward along the line of authority. Attention is directed toward those above rather than toward those below. Each is more alert to the actions, attitudes, and expectations of his superior than to those of his subordinates. Each lies awake worrying over how his superiors judge him but gives only passing thought to how his subordinates feel about him, and, therefore, each is apt to feel cut off from his superiors and to feel that the boss has little time or interest for him.

Furthermore, for those in supervisory and executive positions there is the problem of getting their organization, i.e., their subordinates, to do a good job. Thus they feel that their own success is at the mercy of those below and that all too often they are being blamed for the failure of their subordinates. As a result they tend to be constantly critical, always finding fault with the ability and performance of their subordinates. The department head feels that he could really be a fine foreman and wishes his foreman would do the kind of job he wants done, and the superintendent feels the same way about the department head, and so on up the line.

Now this complex organism we call a "factory" requires a high degree of coordination between its various parts if it is to operate smoothly and effectively. And to a large extent proper coordination depends upon communication between individuals, between all levels, and between different segments. It is the rare department that can function effectively if it is isolated and out of touch with the rest of the organization.

Of extreme importance are the processes of communication vertically in the structure. To a large extent top management is the center of control and direction and it is constantly communicating downward through the

structure. At the same time there is a constant flow of information upward to it. Now the line of authority provides one of the most important channels for this flow; down it step by step are transmitted orders, often of a very general nature, which are assimilated at each level and translated into more specific orders to be applied to each organization. Thus what starts out at the top as a general directive ends up as a very specific order for individuals at the bottom. In the same way information, starting as a mass of specific details at the bottom, is condensed and organized at each level until it reaches the top as a simple set of figures or a report on the desk of the top executive.

Because of the nature of the man-boss relationships this movement up and down the line presents certain problems. In many cases concern over what the boss wants leads to over-reaction to his commands, or to misinterpretations of unimportant comments or requests. The big boss inquires about maintenance costs. The subordinate wonders if he thinks they are too high and the shop finds there is a sudden clamping down on all maintenance work.

This same concern also affects upward communication. The subordinate is always trying to anticipate what the boss wants to know. He is reluctant to pass up unpleasant news and quick to pass up good news. He is prone to gloss over and put a favorable slant on bad news or to find an alibi for what may look like his failures. He is constantly alert to his superior's moods, watching for the favorable time to present some request or to put forward some new idea.

Thus in the line we find a channel of communication that works by fits and starts, which is apt to modify or distort what passes through, and which may constitute a complete blockage. And as a result we find that the man at the top is apt to be quite well insulated from the bottom so that he has only a partial and highly interpreted picture of what goes on. And at the same time the ones below are aware of this insulation and feel helpless to break through.

This picture of the factory system is complicated enough even when viewed in static terms, but American industry does not stand still. There are always forces for change operating both outside and inside the factory system.

For one thing we see the gradual changes due to changes in personnel. New people come into the system, others leave it, all grow older and acquire new knowledge or skill, and informal relations gradually change. All this tends to promote gradual changes in the entire system. At the same time the external environment is changing. Technological advances make available new materials, processes, and products. Over-all changes in the economic system take place. There are new legal developments,

and the adaptation of the system to meet these external forces results in internal changes.

There is the struggle of individuals and of organizations for recognition and development. We see the engineer seeking increased authority and freedom of action in his dealings with the shop foreman. We see the operating department resisting the attempts of personnel to take over the hiring of people. We see superintendents working to increase the size and importance of their organizations. We see the general tendency of any segment to expand. At the top we find management struggling to keep all these forces under control so that a proper balance is maintained.

These forces for change do not hold sway unopposed. Every change tends to be blocked or retarded by resistances it meets within the factory system. Anyone familiar with organization is aware of a characteristic that can best be described as a state of equilibrium. There is a tendency to resist change, to go on doing things the way they have always been done. In this the factory is like a living organism that seeks to maintain a state of equilibrium and rallies its forces to restore the original state when any disturbance arises. The organization reacts much like the human body in healing wounds and fighting infection. Thus we see individuals or groups acting to protect themselves from changes, to slow down the rate of change, or reduce its effects to a minimum. This characteristic may express itself in the reluctance of an individual to transfer to another department, in criticisms of a new machine, or in delays in trying new methods. In the status systems we see also a tendency toward an equilibrium in which each individual finds his place relative to the others and any disturbance of this relative position gives rise to disturbances.

Now there are certain types of change that always seem to meet resistance, and they can be roughly classified into three interdependent groups. First, we have those changes that threaten to lower the status or prestige of the group and of the individual. Thus we see concerted resistance to an attempt to move office workers to a low-status shop location. Such a move threatens their desire to be recognized as a superior group. They fear they will become identified with the lowly factory workers. Or we see resistance to the bringing of women or Negroes into skilled work; to be forced to accept these inferior beings as competent mechanics degrades the job.

Then we see the changes that reduce the authority and scope of action and decision. Thus giving the personnel department control over hiring and firing takes away some of the authority of the foreman and makes him feel reduced in importance. Or we see management rebelling against

the organization of its workers lest the union interfere with its "right to run the business."

Finally, we see those changes that disrupt the habitual routines. A change in accounting procedures may meet with severe criticisms primarily because it is a change, and the group reacts negatively to it, seeing all its faults and distrusting its virtues. Thus we often find the attitude of "it's always been done this way," a clinging to the familiar and accustomed methods, and a reluctance to try the new.

As we watch these systems operate we see certain tendencies that are of special significance, and one of these is the tendency toward segmentation. With increasing size we find increasing specialization not only of individuals but also of organizations. There develop separate segments concerned with production, sales, engineering, accounting, personnel administration, or other activities, each having its own hierarchy and its own lines of authority. At the same time this splits the total structure into vertical segments that must all be integrated into a cooperative whole.

In order to perform their function many of these specialists must originate ideas or initiate actions that affect other segments. The engineer is expected to develop improved methods for the shop to use. The personnel department tries to introduce better methods of supervision or employment. The sales department is trying to get the type of product it can sell, and so on. Yet at the same time each organization tries to protect itself against the demands of the others. There is a tendency for each group to be self-centered and to struggle for its own ends.

In many cases this cleavage and conflict is so widespread that every organization seems pitted against all others. And the fight may be only organization against organization, or it may follow horizontal lines of cleavage until each level is defending itself against the others—workers against management, foremen against their superiors, white-collar workers against shop workers. Often in such concerns there is a feeling that the worst enemy is within the walls and the major effort is expended in the internal conflicts.

Of great importance also is the tendency toward authoritarianism. In the first place there are hierarchical systems in which the major seat of direction and authority is at the top. And we see the one at the top, the big boss, trying to shape and direct the organization to build the kind of organization he desires and to select the kind of people to be fitted into the organization. While there may be checks and limitations of various sorts, nevertheless he is the one who can most effectively impose his will upon the organization. And along with this we see strong feelings of

identification. He feels possessive and thinks in terms of "my" company; its success is his success, and its failure is his failure.

As we go down the line we see minor seats of authority with each executive and supervisor imposing his judgment and his will upon the organization below him. We see each level confident of its ability to make better decisions than those below and often afraid to rely upon the judgment of subordinates.

In extreme cases we see this leading to the development of very autocratic organizations with each level exercising almost dictatorial powers over the ones below. In these organizations we often hear the idea that the good employee should be a "good soldier," and that whether he be an executive, foreman, or worker he should accept the decisions and commands of his superiors and carry them out without question or hesitation. And such a concept implies the infallibility of judgment of the superiors. It suggests that the big boss has completely adequate knowledge and can be trusted completely to do the right thing.

Of course, no organization is completely like this. Few subordinates have such blind confidence in their superiors, and few superiors have such supreme confidence in themselves. But the tendency toward this autocratic organization does exist and the more dictatorial the organization the more autocratic are its minor powers.

Now these systems have one general effect on their members. They force the individual to fit himself to the system and allow little room for adapting the system to the individual. And the more autocratic the system the more rigid the framework to which the member must adjust. Thus the systems operate to kill initiative, the rewards are apt to go to the one who "gives the boss what he wants," to the one who plays it safe and never sticks his neck out. In the more rigid systems the only use of initiative is to put subordinates in their place. The "guy" who gets pushed around from above becomes adept at pushing around those below.

Yet at the same time we hear continual complaints at all levels about the lack of initiative in those below. The president, who is noted for his autocratic use of his powers, the one whose subordinates dare not question his decisions and judgment, states to the papers that he cannot retire because he can find no one competent to fill his shoes, and he bemoans the lack of aggressiveness and initiative in the younger generation. Or the foreman who is constantly critical of everything his skilled workers may do complains that they will take no responsibility but turn to him on every minor detail. While they bemoan the decline of initiative, we see them creating the kind of social environment in which initiative withers and dies.

As these organizations grow larger and more complex, we find there is

increasing pressure on the lower levels, greater and greater restriction upon their freedom of action and decision, and in many cases an accelerated rate of change. This has the effect of disturbing the equilibrium of relationships that existed when the systems were simpler and there was less distance between top and bottom. Out of this condition has developed increasing anxiety and tension, and a rapid growth of industrial unions has accompanied it.

Applying the concept of equilibrium we can say that as certain developments disturbed the former equilibrium of relationships, new types of structures and activities developed until a new equilibrium was attained. Thus, as the workers felt more and more at the mercy of a large and impersonal system, or of an increasingly autocratic and restrictive management, they coalesced to form a new group, the union. Through this they were able to initiate action back upon supervisors and management, to protect themselves against the tendency toward autocratic control at the top, or even to defend themselves against too rapid a rate of change.

Another good example of the development of new mechanisms to restore equilibrium is seen in the rise of unions among foremen. Here is a group long identified with management. Not only has top management thought of these first level supervisors as being representatives of management, the noncommissioned officers of industry, but also the foremen themselves tended to feel a part of management and to feel set apart from the workers.

In small organizations the foreman developed an equilibrium in his relationships both with workers and with management. He had freedom of interaction with top management and in many plants his superiors were men like himself who had worked their way up from the bottom.

With the increasing size of organizations, however, he has become more and more cut off from the top and in many firms his superiors are now engineers and technicians, often brought in from outside the organization. He often feels that the former channels for advancement are now blocked. Thus he feels more and more that he is only a small cog in a big machine and that he is not really a part of management but only a tool to be used as management sees fit.

Now he might have adjusted to this except for two things. One is the rate of change that constantly gives rise to new demands on him. The various specialists are constantly introducing new methods, setting new standards of performance, and limiting his freedom of action and decision. Thus he can never get things in a groove so that he won't have to worry. He can never adjust to the situation and endure it in peace, but must always be making new efforts.

Finally he faces the growing strength of the unions. As they grow in

power they in turn limit his freedom of action. He can no longer go his accustomed way, but must be cautious lest he offend his subordinates. And what is often the bitterest pill is the fact that through the union the workers can get a hearing when he who is part of management is ignored. Thus he is caught between the pressures from above and below.

As a result of all these factors the foreman's position becomes unbearable. He sees no way out except to organize in his own defense. Thus we see another structure developing that serves to relieve the pressures upon the supervisory group and enables it to act upon the rest of the system. Thus the system moves toward a new state of equilibrium and after a period of vibration a balance among the various forces may finally be attained.

As we apply this system of analysis to various work situations, we find that it is a powerful tool for the understanding of conflicts and a guide to corrective measures. If any case of friction or lack of cooperation, or any instance of successful operation, is looked on as an expression of individual personalities, it is impossible to predict behavior or to anticipate trouble except on the basis of detailed knowledge of every individual involved. However, by analyzing such phenomena in terms of the structure of relationships involved, it is possible to see conditions that will give rise to disturbances and even to predict the particular groups or even individuals who will be affected. Through following such an approach, it is possible to build a science of human relations.

Organizational Structure and Employee Morale[1]

James C. Worthy

Introduction

This discussion will review some of the findings of the research conducted by Sears, Roebuck and Co. in the field of employee attitudes and morale. This research is an integral part of our company's personnel program; its primary purpose is to assist executives in their efforts to maintain sound and mutually satisfactory employee relationships. Such relationships are

[1] Reprinted from *American Sociological Review*, Vol. 15, No. 2 (April, 1950), pp. 169–179, with permission of the publishers. Mr. Worthy is a member of the central personnel staff of Sears, Roebuck and Co.

conceived by our management not only as a positive good in themselves but as an essential condition for the continued economic success of the enterprise.

We have had 12 years of experience in the formal study of employee morale. During that period our surveys have covered over 100,000 employees, working in several hundred different company units both in Sears, Roebuck proper and in a number of other organizations as well. Types of employees covered include sales and clerical personnel, manual and professional workers, supervisory employees, and executives. The size of units surveyed has ranged from fewer than 25 employees to more than 10,000. Many different types of units have been surveyed, including retail stores, mail order plants, factories, warehouses, and offices. The geographical distribution of employees covered would correspond rather well with the geographical distribution of the U.S. population. By the same token, the communities in which units surveyed have been located cover practically the full range of sociological and cultural categories to be found in this country, except the small town and the rural.

Methods of Study

Time does not permit any detailed account of our survey methods; however, some brief explanation is necessary if only to indicate the extent to which confidence can be reposed in our findings.

Our original surveys were based solely on questionnaires, which were answered anonymously by employees. The questions covered a great variety of subjects—practically every subject, in fact, which we thought likely to have any influence on employee attitudes. In other words, the questionnaires had the simple, straightforward purpose of finding out how well employees liked their jobs, what their attitudes were toward supervision and management, and what factors in their employment situation might be contributing to dissatisfaction or poor working relationships. We assumed that when we had learned these things we would be able to take specific action to correct specific problems and thus restore peace and harmony where any lack thereof was found to exist.

We did find certain things that were susceptible of direct management action, but we also found many things that were difficult to take hold of. It soon became apparent that we were dealing with an infinitely complex system of influences and relationships, and not with a simple system of logical cause and effect. We began to question the adequacy of questionnaires and found, as we analyzed thousands of employee responses, that we could not even be sure we were asking the right questions or asking them in the right way.

Finally, there were real difficulties in attempting to analyze the significance of questionnaire responses. What was a "good" score on a certain point? Was a 65% "favorable" response to a question about wage rates? Beyond certain relatively superficial points, there was often great uncertainty as to just what the tabulation of responses meant and what, if anything, could or should be done about it.

We have handled this problem by developing quite a different type of questionnaire and by supplementing it with other techniques (notably interviewing). Instead of covering a great many specific points, the questionnaire we now use seeks only to determine the general "feeling tone" of employees with respect to six key aspects of their working environment: (1) the company in general, (2) the local organization, (3) the local management, (4) immediate supervision, (5) fellow employees, and (6) job and working conditions. Ten items are included under each of these headings on which employees can express varying degrees of satisfaction or dissatisfaction. In scoring, we are not concerned with responses to each particular item in the questionnaire, but rather with the *general tendency* of responses in each of the six areas. In this respect, the questionnaire is patterned after the familiar "interest" or "personality" schedules used in psychological testing. As with such schedules, our questionnaire results can be expressed in "profiles." Furthermore, we have enough "cases" (i.e., units surveyed) to be able to translate raw scores into percentiles, thus greatly facilitating the process of interpretation and comparative analysis. As our survey people gain more experience in relating different types of profiles to concrete situations, they are developing real skill in using questionnaire results as a diagnostic tool.

The function of the questionnaire is not, however, to secure detailed information, but rather to "take the temperature" of an organization and its various subdivisions, to determine whether the general level of morale is high or low, and to point out areas of stress and strain which may be tending to undermine cooperative working relationships. In other words, by means of the questionnaire, we are able to locate problem departments and to identify the general nature of employee dissatisfactions. Only within broad limits, however, does the questionnaire tell *why* morale may be low. The real task of determining the "why" falls to a team of carefully trained interviewers. Because the questionnaire has already indicated the general nature and location of problems, the interviewing team is able to concentrate its time and energies on those departments and employee groups most requiring attention.

Surveys are conducted by members of the company's regional personnel staffs, with technical direction and coordination from the national personnel office in Chicago. (Administrative control of survey activities is

strictly a regional responsibility.) People conducting the surveys receive special training in non-directive interviewing and in certain aspects of sociological and anthropological theory which we have found to contribute meaningfully to understanding the problems of organizations. In large part, they are trained by the case method, not only through studying reports dealing with "classic" situations (of which by this time we have a fair variety) but also through participating directly in survey work under the tutelage of experienced survey personnel.

In this connection, it should be noted that the entire survey program makes extensive use of clinical methods, not only for training younger practitioners, but for analyzing the significance of survey results and for working out necessary corrective measures with the executives responsible for the operating units involved. The participation of line executives, with their intimate and long-standing knowledge of their own organizations, in these "clinical sessions" has contributed greatly to both the pragmatic value of the survey program and the growth of knowledge and understanding on the part of survey personnel. Valuable as our extensive statistical data has been and is, most of the insights and hypotheses which the program has produced have been an outgrowth of this clinical approach.

Thus, the scope of our survey program has broadened significantly since its inception 12 years ago. We have found that there is more to good morale than high wages and pleasant working conditions (although these are of unquestioned importance). We have learned that effective leadership involves more than "winning friends and influencing people" (although social skill is an essential ingredient of executive capacity). It has gradually become clear that to understand what might be taking place within any particular working group we must have some knowledge of a variety of factors both internal and external to the group itself, and that, above all, we must have some dynamic conception of the manner in which these factors relate themselves one to the other and to the total situation of which each is an influencing and influenced part.

The scope of the surveys has thus been broadened to include the functioning of the organization as a whole and the entire pattern of technical processes and formal and informal relationships which comprise it. To the extent permitted by practical operating considerations, community and regional factors are likewise taken into account. In recognition of this broader scope, our surveys are no longer known as "*morale* surveys" but as "*organization* surveys." Determining the level of morale has ceased to be an end in itself and is now useful chiefly as a means for diagnosing the problems of an organization. Above all, our survey teams seek to deal not merely with the superficial manifestations of problems but with the basic influences which have created the problems.

Surveys are concerned not merely with discovering the nature and origin of difficulties; their primary purpose is problem-solving. To this end, the survey team attempts to give the local manager a more complete picture of his organization and the way it is functioning, and to help him understand the various factors operative in his particular situation and their effects, not only on the attitudes and behavior of his people, but on the efficiency with which his organization is functioning. With this clearer picture of his organization, the manager is in a better position to take constructive action directed at the root of his problem rather than its superficial symptoms. However, the long-range objective of the survey program is not so much to correct immediate situations as to assist in developing the kind of organizations that can solve their own problems. A survey has failed in this essential purpose unless it leaves the particular store, plant, or department stronger and more self-reliant than it was before.

Our survey program is thus primarily an administrative device: its chief function is to assist local executives in doing a better job of handling the problems of their organizations. However, the surveys have also provided highly useful information about certain fundamental problems of human relations. One of the responsibilities of the research and planning staff of the national personnel office is the constant analysis and evaluation of survey data and the development of working hypotheses based on these data. Time will not permit any general review of our findings to date, but I would like to indicate some of the general directions of our current thinking.

A Problem of Integration

One line of thought on which we are working is the possibility of developing a typology of the malfunctioning of organization which can be useful in studying social groups as the typologies used by psychiatrists are useful in studying the malfunctioning of personality. This possibility was first suggested by the frequency with which the questionnaire "profiles" tended to form themselves into patterns with which we began to grow familiar. Our interviewing, likewise, attested that certain types of problems tended to occur in fairly well organized syndromes. For instance, we have found that certain kinds of difficulties typically follow changes in key management staff. We can usually predict not only what difficulties are likely to occur but the exact sequence in which they are likely to appear.

A typology of the malfunctioning of organization would be useful not only for scientific purposes but for administrative purposes as well, for

with it could be developed a symptomatology by which problem situations could be diagnosed and acted upon more rapidly and more accurately. As already pointed out, our survey program is primarily an administrative device. Useful as it has been for this purpose, it has certain unwieldy features because sometimes it has to go a rather long way around to reach a fairly simple conclusion. For administrative purposes, we would be far better off if we had a group of people (preferably our administrators themselves) skilled at recognizing and diagnosing symptoms and dealing with the problem thus defined according to whatever therapy had been found useful for that particular type of difficulty.

It would be even more useful to be able to predict with reasonable accuracy the probable consequences of a given event or a given set of circumstances and to set in motion early a series of moves designed to minimize any adverse possibilities. We are able to do precisely this on a number of counts (for instance, cases of key executive changes) and our success here encourages us in our efforts to broaden the area in which we can predict with confidence.

As to our survey program as a whole, we are, as things stand now, somewhat in the position the medical profession would be in if the physician had to give a basic metabolism to determine whether a patient had a cold in the head. To continue the analogy, if we had a workable symptomatology (no matter how tentative), we could recognize the head cold and treat it accordingly. On the other hand, if the symptoms in the case indicated a more dangerous or more complicated disability, we could always apply our equivalent of the basic metabolism or such other procedure as the circumstances might require.

Any typology of malfunctioning must relate, of course, to the underlying dynamic system and not merely to the symptoms. All of our research testifies to the frequency with which the identical symptom can arise from entirely different factors. In one context, complaints over wages can be a danger signal; in another, merely an indication of the normal desire of everyone to be making a little bit more than he is. Sometimes, complaints over wages can really be complaints over wages; at other times, they can be merely a convenient target against which to direct verbalizations of resentment that arise out of situations that have little to do with wages. Because of the unreliability of symptoms taken in isolation we have found it more and more useful to think in terms of syndromes. The fact that our questionnaire is so constructed as to yield results in the form of profiles has greatly aided this purpose.

The psychiatrists have found the concept of *integration* a useful one around which to organize their ideas about personality and its disorders. We think a similar concept, related to group phenomena, could form the

basis of a useful typology of the malfunctioning of organization. Certainly, the degree of integration (internal and external) of any organization relates very directly to the underlying dynamic factors in operation. One type of failure of integration leads to one type of difficulty which is different from that likely to arise from another type of failure of integration. Moreover, the methods for dealing with the two sets of circumstances are likely to differ, although often many of the superficial symptoms may be identical.

The scope of this paper does not permit a systematic exposition of the concept of integration. One of its aspects, however, is suggested by consideration of the problem of size of the organizational unit. Our researches demonstrate that mere size is unquestionably one of the most important factors in determining the quality of employee relationships: the smaller the unit the higher the morale, and vice versa. It is clear that the closer contact between executives and rank and file prevailing in smaller organizations tends to result in friendlier, easier relationships. To employees in such units the "big boss" is not some remote, little-known, semi-mythical personage but an actual, flesh and blood individual to be liked or disliked on a basis of personal acquaintance.

In broader terms, the smaller organization represents a simpler social system than does the larger unit. There are fewer people, fewer levels in the organizational hierarchy, and a less minute subdivision of labor. It is easier for the employee to adapt himself to such a simpler system and to win a place in it. His work becomes more meaningful, both to him and to his associates, because he and they can readily see its relation and importance to other functions and to the organization as a whole. The organization operates primarily through the face-to-face relationships of its members and only secondarily through impersonal, institutionalized relationships. The closer relations between the individual employee and the top executive in such a situation are only one aspect—but an important one—of the relatively simple and better-integrated social system of the smaller organization.

The importance of both external and internal integration is emphasized by other findings of our surveys. One of the most suggestive of these is that morale tends to be substantially lower in the large, industrialized metropolitan centers and higher in the smaller and less complex communities. For closely related reasons, morale tends to be lower in the Eastern sections of the country and higher in the West and South. Likewise, the simpler the industrial base of the community and the more homogeneous its population, the higher the level of employee morale.

These factors obviously relate, by various means, to the social characteristics of employee groups, and these social characteristics have an im-

portant bearing on the problem of integration. In certain cities of the South, a high percentage of employees grew up in small towns or in the country. Often their first job, after migrating to the "big city," is with our company. A great many of these young people have had religious upbringing which, together with parental admonitions, emphasizes the rightness of hard work for its own sake and the moral obligation of the employee to give his employer a full day's work for a fair day's pay.

Employees of units in large metropolitan centers, particularly those located in the East, are likely to have somewhat different social characteristics. Instead of coming from smaller towns and rural communities, most of them are likely to have originated within the metropolitan area itself. Likewise, many of them are likely to be the children or grandchildren of foreign-born stock whose personalities have been strongly molded by the special circumstances and influences of growing up within ethnic communities. The marked tendency toward lower morale among employees drawn from such groups seems, in part at least, to reflect the high degree of social disorganization characteristic of the great metropolitan agglomerations.

An important element of this disorganization is the tendency for sharp cleavages to develop between different groups comprising the community, and one of the most significant of these cleavages is that between workers and management. Where the rank and file members of an organization have been drawn largely from working class homes in which factory employment has been the chief means of family support for two or three generations, their patterns of thinking and systems of value will be those of the urban working class. One characteristic of their way of life, growing out of their family and neighborhood experiences and traditions, is often a latent or overt distrust of the employer and a strong tendency to identify their security and well-being with their fellow-workers and not with the employer. The management of an organization employing large numbers of people with this type of background is thus likely to involve complications seldom encountered in what is sometimes described as the "less mature" regions of the country.

The problem, however, is by no means an insuperable one. No better testimony is needed than the survey showings of many of our own company units. Despite the fact that in some locations employees may be drawn from backgrounds representing all that is worst in social disorganization, morale in many such units is unusually high. A thoroughgoing urban working class background on the part of the rank and file is significant chiefly because it tends to create attitudes and values which do not correspond fully with those usually characteristic of management and executive groups, and because this difference in outlook frequently

leads to *mutual* misunderstanding and lack of confidence. Under these circumstances, not only are management's action and motives frequently misinterpreted by the rank and file, but management itself is often at a loss as to ways and means by which it can effectively mobilize the interest and cooperation of employees in achieving the aims of the enterprise.

This gap can be bridged—and our surveys provide striking proof of that fact—by *skillful and understanding leadership operating in an organizational structure which facilitates rather than inhibits effective integration.* Both leadership and structure are of crucial importance. The structural aspect, however, has received relatively less attention. Moreover, there are a number of curious and significant interrelations between type of structure and character of leadership that will bear close investigation.

Organizational Structure

The results of our research suggest that over-complexity of organizational structure is one of the most important and fundamental causes of poor management-employee relationships in our modern economic system, and that until this problem is faced and corrected no substantial improvement in those relationships is likely to be possible.

In viewing many business enterprises, one cannot but be impressed by the number of different departments and sub-departments into which they are divided, and the extent to which the activities of both individuals and groups have been highly specialized. In a very large number of cases, employees perform only elementary, routine functions because jobs have been broken down "scientifically" into their most elementary components. The resulting specialization undoubtedly has certain advantages, such as requiring less skilled people, shorter training time, etc. In many cases, however, the process has been carried to such extremes that jobs have little inherent interest or challenge; operations have been reduced to the simplest possible repetitive level and the worker makes nothing he can identify as a product of his own skill.

One has the feeling of division of labor having gone wild, far beyond any degree necessary for efficient production. Peter F. Drucker, in a penetrating analysis, has pointed out that over-specialization is not an inevitable consequence of mass production and that, "The traditional assembly line is simply a piece of poor engineering judged by the standards of human relations, as well as those of productive efficiency and output." [2]

The evidence of the studies conducted in our own company strongly supports this conclusion, for we have found that where jobs are broken

[2] Peter F. Drucker, "The Way to Industrial Peace" *Harper's Magazine,* November, 1946.

down too finely we are more likely to have both low output and low morale. Conversely, the most sustained efforts are exerted by those groups of employees who perform the more complete sets of tasks (e.g., salesmen, supervisors, master mechanics, etc.), and these likewise exhibit the highest levels of morale and esprit de corps.

The sharp trend toward over-specialization in our economy has not been limited, of course, to individual jobs. Just as particular activities have been broken down into their simplest possible components and each component assigned to a different person, so many *operations* (often after having been highly "simplified") have been separated out of the broader complex of activities of which they are a part and set up as specialized and semi-independent organizational entities. While over-specialization of individual jobs is serious enough, this over-specialization of the functions of entire departments and sub-departments has even more far-reaching consequences.

For one thing, it brings together in one place large numbers of employees on the same job level (and that level is likely to be fairly low where there has been any considerable over-specialization of individual jobs). This is another way of saying that the size of the administrative unit has been greatly expanded. Let us suppose an organization which performs three essential functions, A, B, and C. Let us suppose further that the volume of output requires three units of each function. Under these circumstances the organization could be set up in either of two ways:

1. It could be set up in three divisions, each function (A, B, and C) being represented in each division and each division, therefore, being a relatively independent administrative entity.

2. On the other hand, the organization could be set up in three *functional* divisions, one division having all three A units, another all three B units, and the third all three C units. In this case, none of the three divisions has any independence; each can operate only in closest coordination with the other two. Under the first alternative, there are really three administrative units; under the second only one, and that, by definition, three times as large.

This second type of arrangement is typical of much modern organization practice, both in industry and government. It is assumed that this separation and specialization of activities will permit better supervision, make possible smoother scheduling, and generally improve efficiency. There may be a certain spurious efficiency in this kind of organization but it is likely to have many off-setting liabilities.

One of the most serious of these liabilities is the fact that it so greatly expands the size of the administrative unit. Much of industry's present

vast scale of operation is required not so much by economic or technical factors as by an unhappy and unnecessary principle of organization. The experience of many companies, of which my own is one, demonstrates that it is entirely possible to have many of the economic and technical advantages of large size without sacrificing too many of the essential human advantages of small size.

A further liability of over-functionalization is the fact that, from the standpoint of the individual employee, it tends to destroy the meaning of the job. He and those around him are working at highly specialized tasks which have meaning to management because they are a necessary part of a total process. But the worker cannot see that total process; he sees only the small and uninteresting part to which he and his fellows are assigned. In a real sense, the job loses its meaning for the worker—the meaning, that is, in all terms except the pay envelope.

Thus a very large number of employees in American industry today have been deprived of the sense of performing interesting, significant work. In consequence, they have little feeling of responsibility for the tasks to which they are assigned. Management in its efforts to maintain production in face of the resulting apathy is likely to resort to increasing supervisory pressure, but this procedure only creates more resistance on the part of employees. Sometimes the resistance is only passive, in the sense that employees fail to respond to the pressure or find means of avoiding it. Under certain circumstances, however, it can take more active form and lead to the creation of resistance groups in which employees band together (commonly through union organization) to exert a corresponding pressure against supervision and management.

Over-functionalization thus requires close and constant supervision at the work level to maintain production. Furthermore, the supervisors themselves must be closely supervised and controlled to assure the necessary degree of coordination between the many different units into which the organization has been subdivided. In a simpler type of organization structure, coordination can usually be achieved on a fairly informal basis because there are fewer artificial barriers in the form of departmental separations and lines of authority.

Where the work of the organization is broken down into so many functional divisions, however, cooperation can no longer be achieved spontaneously. After all, each functional unit was set up as a distinct entity in order that it might achieve a more efficient system. Each unit, therefore, tends to operate primarily in terms of its own systems rather than in terms of the needs of the other departments with which it must cooperate. Each unit becomes jealous of its own prerogatives and finds ways to protect itself against the pressure or encroachments of others.

Conflict develops on the employee as well as the supervisory level, thus forcing an extra load on higher levels of management who must be constantly reconciling differences.

In order to achieve the necessary degree of coordination and cooperation between administratively separated functions, management is thus forced not only to build up an elaborate hierarchy of many supervisory levels, but to institute a wide variety of formal controls. Unfortunately, these controls are themselves often a source of conflict, because the individual supervisor or manager is under strong compulsion to operate in such manner as to make a good showing in terms of the particular set of controls to which he is subject, and often he can do so only at the expense of impairing the service he is expected to render to other departments. This conflict is particularly acute when two closely related functions report up two different administrative lines and operate under two different systems of standards and controls.

The management of organizations which have been over-functionalized to the extent characteristic of much of modern business imposes a severe burden on the top administrative staff. Functions and activities have been so subdivided and specialized that no individual unit can operate except in closest coordination with others, and the system is often so complex that this coordination cannot take place spontaneously. If it is to occur at all, it must occur on the basis of specific administrative action from the top, which requires the development of a specialized staff to assist the top administrator.

This growth of staff complicates the situation still further, because an inevitable consequence is the elaboration of formal controls of various kinds to permit the staff to perform the functions and exercise the responsibilities which have been delegated to it or which it gradually assumes in an effort to strengthen its own position or extend its own authority. The result is a gradual undermining of the line organization for the benefit of the staff, an impairment of flexibility and adaptability, and a weakening of the effectiveness of the entire organization.

An objective appraisal suggests that to too large an extent work processes have been analyzed from a strictly "rational" or mechanical point of view with too little attention to the human factors involved. As a result, functions have been separated out of their context and set up as semi-independent activities. Necessary collaboration and cooperation between the units thus artificially separated becomes possible only through an elaborate system of controls and a complicated administrative hierarchy. Under these circumstances, management necessarily becomes strongly centralized, despite the frequently expressed concern of business leaders over the need for greater delegation of authority and responsibil-

ity. Too often, this is simply impossible because the nature of the organization structure makes effective decentralization impossible. For much the same reason, such organizations often require from their top administrators a high degree of driving pressure to hold the system together and make it operate with a reasonable degree of efficiency.

Where this is the case, executives and supervisors down the line quite understandably tend to pattern their own methods after those of their superiors. In many cases the copying may be done unskillfully and in such a way as to exaggerate the worst features of the pressure methods. As a result, supervisory methods at the middle and lower levels of over-functionalized organizations are often crude and inept.

Furthermore, the degree of pressure often required from the top is likely to create an atmosphere of anxiety and apprehension within the executive and supervisory group. This atmosphere tends to amplify the severity of pressure as it moves downward in the organization, so that even a moderate amount of pressure at the top is often greatly magnified by the time it reaches the lower levels. Attitudes of mind characterized by fear and apprehension are not particularly conducive to real skill in managing and leading subordinates. Above all, poor supervisory techniques at the lower levels of an organization generally reflect the experience and type of supervision to which the supervisors themselves have been subjected over the years and which they have come to accept as normal and expected behavior.

The significant point in all this, however, is that the over-complex, over-functionalized organization structure is likely to require the driver type of leader; the over-use of pressure as a tool of supervision is thus related primarily to the character of the structure and only secondarily to the character of the individual at the head of it. (On the other hand, it is recognized that the personality of the top man may have a great deal to do with the kind of organization structure he sets up.) This entire problem of the reciprocal relationships between structure and personality should be studied carefully.

Systems Compared

The most striking feature of the over-elaborate type of organization structure is its lack of integration, a deficiency which can be only partially and very unsatisfactorily overcome by driving pressure from the top. Our studies suggest that this type of structure is not only bad human relations but equally unsound from a standpoint of productive efficiency. Our studies also suggest that alternative systems of organization are conceivable and eminently practical.

For one thing, we seriously question the necessity for much of our present high degree of over-specialization and over-functionalization. The so-called "scientific management movement" which has given such impetus in this direction is based to a considerable extent on an extremely inadequate conception of human motivation and social organization. It has tended to approach the problems of management from an almost purely mechanistic point of view and has tried to organize human efforts in much the same way an engineer might design a machine. Much of our present over-specialization is based on this type of thinking.

However, the experience of a number of companies indicates that individual jobs and departmental functions need not be broken down to this degree in order to achieve productive efficiency. Quite the contrary; their experience has been that both efficiency and morale are best served by keeping specialization to a minimum. The experience of these companies likewise indicates that organization structures and administrative hierarchies can be vastly simplified, thus making possible a far higher degree of decentralization of authority and responsibility.

In the course of our survey work we have had an opportunity to study a fairly wide variety of organization structures. We have been struck by the sharp contrasts between otherwise comparable units which differ mainly in the complexity of their organizational structure and in the degree to which authority and responsibility are effectively decentralized to those farther down the line. A review of some of these contrasts may be instructive.

In the more elaborate and complex organizations, the individual supervisor or executive is subject to constant control and direction and has little opportunity to develop the qualities of initiative and self-reliance. In systems characterized by extensive management decentralization, primary reliance is placed on the personal initiative and capacity of the people in the organization. There is usually a conspicuous lack of detailed supervision and of formal controls, and executives and supervisors (and to a large extent rank and file employees) enjoy considerable freedom in the way they accomplish their jobs.

They are judged primarily by their results, not on the details of the way they get those results. This concentration on end-results rather than on system and controls, together with management's alertness to recognize and reward good results, develops initiative and self-reliance and generates a far more powerful driving force than could ever be imposed from the top down. This pattern of administration not only gets today's job done better but permits the individual to grow and develop in a way that is impossible in more centralized systems. Furthermore, it contributes strongly to morale because employees work in an atmosphere of relative

freedom from oppressive supervision and have a sense of individual importance and personal responsibility which other types of arrangements often deny them.

A number of highly successful organizations have not only paid little heed but have gone directly counter to one of the favorite tenets of modern management theory, the so-called "span of control," which holds that the number of subordinate executives or supervisors reporting to a single individual should be severely limited to enable that individual to exercise the detailed direction and control which is generally considered necessary. On the contrary, these organizations often deliberately give each key executive so many subordinates that it is impossible for him to exercise too close supervision over their activities.

In this type of organization structure, the individual executive is thrown largely on his own to sink or swim on the basis of his own ability and capacity. He cannot rely to more than a limited extent on those above him, and these superiors, by the same token, cannot too severely restrict, through detailed supervision and control, their subordinates' growth and development.

Not all individuals can function effectively in this type of set-up. It requires a very large measure of self-confidence and personal capacity. The system tends to weed out those who lack these qualities in adequate degree. Those who are able to adapt to this type of organization, however, are likely to be not only better executives but also the type of people who can build and maintain teamwork and cooperation and a high level of employee morale, not so much because they consciously attempt to do so but because these results are a natural by-product of their ways of operating and a reflection of their own personalities.

On the other hand, in organizations characterized by many levels of supervision and elaborate systems of controls, the individual not only has little opportunity to develop the capacities of self-reliance and initiative but the system frequently weeds out those who do. Furthermore, those who survive in this type of organization are often likely, by virtue of the very qualities which enabled them to survive, to have personalities and ways of operating which do not make for greatest skill in building employee teamwork and cooperation.

An organization with few layers of supervision and a minimum of formal controls places a premium on ability to stimulate and lead. The driver type of executive, who functions through maintaining constant pressure and whose chief sanction is fear, cannot operate as effectively in such an organization. In the more simple types of organization structures, where management has been effectively decentralized, an executive accomplishes results and moves to higher levels of responsibility chiefly

to the extent that he is able to secure the willing, enthusiastic support of his colleagues and subordinates; he does not have the "tools" (with which a more centralized system would to some extent provide him) to accomplish the result in any other manner. The outcome is not only a higher level of accomplishment but, at the same time, a more satisfying type of supervision and a higher level of employee morale.

Conclusion

Our studies have shown that employee morale and operating efficiency are closely related to the degree the organization is integrated. Integration is not necessarily achieved, however, when the organization meets the requirements of machine-logic. As a matter of fact, what may appear to be logical from a purely technical standpoint may run directly counter to the personal and social demands of employees. We have seen a number of organizations which have a logical technology, division of labor, and hierarchy of control but which are badly disorganized from the standpoint of the actual working relationships of the people involved. Such organizations are well-integrated only on paper. In actual fact, they are irritating and frustrating from the standpoint of employees and inefficient, troublesome, and costly from the standpoint of management.

Our research indicates that two trends in particular are making effective integration difficult and contributing to the progressive deterioration of management-employee relations. One is the trend toward increasing size of the administrative unit; the other, the trend toward increasing complexity of organizational structure. Both trends appear logical in terms of widely held theories of business organization, but in both cases improvements in mechanical efficiency are at some point over-balanced by losses in the willingness and ability of employees to cooperate in the system. Moreover, the larger, more complex organizations are likely to become unadaptive and rigid, and to find it difficult to meet the requirements of economic and social change.

Intelligent planning on the part of management in setting up the formal structure of organizations can do much to improve the quality of human relations in industry. Flatter, less complex structures, with a maximum of administrative decentralization, tend to create a potential for improved attitudes, more effective supervision, and greater individual responsibility and initiative among employees. Moreover, arrangements of this type encourage the development of individual self-expression and creativity which are so necessary to the personal satisfaction of employees and which are an essential ingredient of the democratic way of life.

B. EMPLOYEE COMMUNICATION

The Understanding Unit[1]

Alexander R. Heron

The foundation for any program for understanding between us and our employees is a complete respect on our part for the personality and individuality of the employee. While there may be a hundred or a hundred thousand employees on our payroll, and while we may bargain collectively with them through their chosen representatives, our relations are not with a mass of men; our relations are with each one of a hundred or a hundred thousand individual persons. We cannot share information with an abstract, imaginary entity such as "the public," "labor," or "the union," or "the rank and file." We can share information with Al Adams and Bill Brown and Carl Casey and Dan Davis, who work with us and receive their incomes in wages which we deliver to them.

We need not go far back in our American industrial history to find the productive unit of organization in which knowledge and understanding were complete, and the personality of the worker significant. Let us turn our imaginations for a few minutes toward the place and time of that understanding in industry. Let us picture it so clearly that the image will remain with us throughout our troubled study of the misunderstanding in industry today.

It was a time and place in which the realism of the worker's mind was in contact with the realities of the industrial enterprise, in which his innocence of abstract economics did not involve a baffled attitude of misunderstanding. It was a time and place in which his instinctive individuality was not in conflict with the mass psychology of mass employment and mass production.

We might find our picture of the old understanding in a wagon shop,

[1] Reprinted from *Sharing Information with Employees*, pp. 18–21 and 199–202, Stanford University Press, Stanford University, Calif., 1942, with permission of the publishers. Mr. Heron is vice-president in charge of industrial and public relations and a director of Crown Zellerbach Corporation.

a grist mill, a cotton mill, a pottery or cutlery shop. Let us find it in a furniture shop. Perhaps eight men work there. One of them is the boss. He owns the shop, but he works there, visibly. The other seven receive wages. The work done by the boss is not all done with tools; sometimes he uses a pencil. He draws designs, writes occasional letters, puts down figures about wages, costs, and prices.

The other seven know, quite closely, how much money the boss had saved up from his earnings as a journeyman before he started in business for himself; in other words, how much "capital" he had and how long it took him to save it up.

The shop or factory is on the same lot as the house where the boss lives; he owns it. The other seven know how much his taxes are each year. They helped to build the ten-by-thirty addition to the shop last year, and they know how much that cost. They were all in on the discussion before the new lathe was bought, and they remember the price and the freight. They remember how the boss borrowed some of the money from his wife's sister.

They know that the dining-room "suit" on which they are working now is for Jane Winton, that used to be Jane Carey, the schoolteacher, before she married Bill Winton, the banker. They know it has to be as good as the furniture she saw in Buffalo, and that if it is good Bill's mother is going to give the boss an order for another lot which will keep them all busy through the winter.

They see the finished job emerging under their skilled hands, day by day. They know how difficult it was to get the seasoned walnut, and what it finally cost, what price is to be paid for the finished job, how much the boss will "make" on it, and how much of that will go to pay off the loan from the sister-in-law.

They know that the boss has gradually built a reputation for honest quality and skilled workmanship and that they are part of that reputation. They know why once in a while they have had to wait for a little for their wages—when the taxes had to be paid before the money came in for the new counter and fixtures at the drugstore.

Above all, they know the boss. Their attachment to him is basically not sentimental but practical. He is the salesman who gets the orders which bring work to them. He collects the money which pays for their wages. He manages to accumulate the working space and the equipment. They are realistic enough to know that they can get their full and fair share of the income of the business. They laugh at anyone who talks of the conflict between labor and capital, between them and the boss.

They know. Because they know, they understand. And in that full and simple understanding they "put themselves" into every job.

It is a picture which calls forth, from most of us, a sigh for the good old days—a picture which, in general, has gone forever. And yet the essential elements of it must be restored to American industry if the free-enterprise system, or even the American level of living, is to survive. And they must be restored before some very early tomorrow!

Some elements of that picture will not and need not return. We cannot maintain our level of living on the hand products or the simple machine products of eight-man factories. Corporate ownership need not give way to the old individual ownership. Indeed establishments of the size we need today can be created only out of the investments of hundreds or thousands of corporate stockholders. The responsibility of the management group to those investors is an added guaranty to wage earners—a guaranty of continuity based on good management, good planning for future supplies, sales, and good will.

No, the essential elements which must be recaptured are not those of the size of the enterprise or the form of ownership. They are the elements of personal significance and knowledge and understanding. As we consider the wisdom and necessity of rebuilding this understanding, the constant reminder of that old picture will keep us thinking clearly. Over and over it will reappear in our discussion of sharing information with employees. In one light it shows the perfect sharing of information—natural, frank, willing. In another light it shows the perfect channel of sharing information—the personal contact group, a few men and their leader. True, this group in modern industry will not be the whole establishment. But within every establishment, such a group relationship, multiplied or repeated many times, will be the channel of the needed knowledge, the area of the needed understanding.

When the task to be accomplished is understanding, the highest degree of individual thinking is required. The unit, therefore, must be relatively small. Thinking is not done in groups of any size. It can be done and can be stimulated and guided, in the minds of individuals in a small group. It cannot be generated as a rule in the individual minds, massed in a large group. The audience of five thousand listening to the political orator can be stimulated to action through their emotions but not through their minds.

The limit on the number which makes an "understanding unit" applies at all levels of the line of supervision. In an industrial organization whose working unit is eight men and a straw boss, we have the structure of an "understanding unit." If there are fifty such units and the fifty straw bosses all report directly to one superintendent or foreman, there is a hopeless break in the chain of understanding. It is just as necessary for the leaders of the basic units to be grouped into "understanding units"

themselves as it is for the men who work under their leadership. No superman or master mind can create understanding in a group of fifty foremen. He cannot come much closer to it than can the old-school employer who deludes himself in the belief that because he knows his thousand employees each by name they understand him and his policies and problems.

A prominent official in the organized labor movement once told me how this effective unit had been part and parcel of his twenty years of union leadership. Whether in a local union, in a large employee unit, or in a federation, he had made it a practice to organize what he called "a chain of fives." He first selected five associates with whom he maintained close personal contact. Each of these in turn was required to select five others, who became his personal responsibility for purposes of information, instruction, and leadership in action. If necessary the chain was further multiplied, always in links of five.

A leading manufacturer of one of our great modern products was having labor trouble. He was talking with a friend of mine, a man as successful as the manufacturer but much wiser in some ways. The troubled manufacturer was expressing his sorrow and surprise at the lack of understanding shown by his antagonistic employees. The other man tried, carefully and sympathetically, to point out one of the causes:

"Malcolm, I remember you told me you had six men working with you on the first really successful model you built. If you will think back, those men were really working with you. You were working with them. They knew how you had to risk and pledge and sacrifice to get their wages for them. They knew most of the physical and technical and cost problems. They knew what was to become of that model if it worked, and that its success meant an order for twenty-five more, a year of steady work for them and twenty other men. Above all, they knew you.

"You have done a magnificent job since then. The order came for the twenty-five, then for thousands of others. Your six men are now six thousand. But they don't know they are working with you; they think they are working for you. They know nothing of your technical or financial problems, nothing of your sales outlook or your sources of material or the research problem of keeping ahead of your competitors. Above all, they don't know you, except as a name over the plant and in the newspapers.

"With all the great growth you have made in volume and in product development through research, you have neglected one thing. The close relationship between you and the first six men has become a great gulf between you and the six thousand. They can never know you personally, as did the first six who worked with you. And you have neglected, among all the splendid things you have done, to create or foster any chain of

relationship between you and the six thousand as a substitute for the personal contact and understanding between you and the first six."

And the great manufacturer responded, in a flash of brilliant ignorance:

"I get the idea! I'll have a loud-speaker system installed tomorrow, so I can sit in my office and talk to all the boys in the plant at once!"

My friend claims that he restrained both his amusement and his irritation:

"No, Malcolm, they still would not know you. But they do know a hundred foremen and about four hundred lead men. Isn't it possible for the other thousands to get to know you, your plans and your problems, through these foremen and straw bosses? Especially the lead men; each of them is directly in contact with a dozen or fifteen workers."

"No," said the great industrialist, "I guess those fellows don't know me either."

That fact suggested the beginning of a sound program of building toward understanding, a real relationship between top management and the line supervisors, and the natural release of information and knowledge through the contacts which necessarily exist between the line supervisor and his small group of fellow workers.

But the building could not be done by trying to establish direct contacts, close enough and continuous enough, between the president and the five hundred line supervisors. What should have been built and maintained through twenty years could not now be quickly built.

But closest to the president was a group of plant executives who were already a scientifically correct unit by the theory of the "span of control." Nine functional executives were a group with whom the president could, and in fact did, maintain close and effective contact, on problems of design, production, cost, plant facilities, and marketing. With this same group he must now begin to exchange ideas on human relationships, and on the extension to others of their and his comprehensive view of the whole enterprise.

After the new attitude had become the common possession of this "understanding unit" in top management, to each member of the group fell the task of forging a next link in the chain. Each of them must establish the same unity of understanding in a natural working unit of line supervisors with whom he was directly in contact. This group might be five or six or ten or twelve general foremen who, in their line of supervision, were under the leadership of one of the nine top executives. Another group of "understanding units," nine of them, must be thus led in the job of thinking as they had already been led in the job of work supervision.

Another stage of slow but lasting progress must be the conversion of the next group of natural units into groups of understanding thinkers. Around each foreman were clustered, in the line of supervision, three or four or six direct work supervisors—shift foremen, lead men, straw bosses, shipping clerks. From each foreman to each of these work supervisors associated with him must reach the new bond of understanding.

Finally, and only as the culmination of all these steps, the structure of understanding will reach its climax in the ultimate working group. Living daily with each of these work supervisors is a group of ten to twenty men. They already look to this lead man for guidance in their work. assignment of tasks, instructions as to methods, and for criticism, discipline, or encouragement. To this relationship must now be added a relationship of frankness as regards the larger aspects of the company program and policy.

What Is Meaning and How Can We Share It?[1]

Paul Pigors

> When we say significantly: "They do not speak the same language" . . . we mean that two persons . . . have not found the way to reach each other's minds. Their failure to communicate is a matter not of vocabulary, but of emotion. Fear, suspicion, or jealousy nullifies the sense of the words they use.
>
> JACQUES BARZUN [2]

Have you ever had the impression that someone was determined to put the worst possible construction on everything you said? Or, have you ever been disinclined to give someone else the benefit of the doubt, when you were interpreting a remark whose meaning was unclear?

Has an order or instruction ever been given to you in such a manner as to seem offensive? Or, have you had the experience that an order given by you seemed to arouse resentment?

[1] Reprinted from *Effective Communication in Industry: What Is Its Basis?* National Association of Manufacturers, New York, 1949, with permission of the publishers. The monograph is the first Lt. Toland Memorial Fellowship Study to explore ways and means of improving employer-employee understanding and cooperation.

[2] *Saturday Review,* July 1, 1944, "Architects of Babel: Techniques in the Interchange of Ideas," review of John B. Opdycke's *Say What You Mean,* and Frederick Bodmer's *The Loom of Language.*

Have you ever felt unwilling to adopt some plan of action even though it was logical? Or, have you ever met with unreasoning opposition to an undeniably sensible plan of your own?

In such uncomfortable situations, one may have the impression of being confronted on every side by a blank wall. But the way out can often be found in an analysis of meaning.

Meaning is the heart of communication. In order to improve our techniques of transmitting and of understanding meaning, we need to study it in two ways: (1) meaning in *communication as a joint process* between people, and (2) meaning as composed of three elements, among which objective facts often are the least important.

(1) The Process of Transmitting and of Understanding Meaning

Persons in authority often seem to forget that communication is most successful when it takes place as a cooperative process. Much communication fails, unnecessarily, because a speaker or writer acts as though he were the only active agent. He behaves as if his audience were passive. He seems to imagine that "his" meaning can be poured into their minds like grain into a bin. But experience shows that this is far from being the case. Listening is more like eating. One man's meat is often another man's poison, and what is sauce for the goose is by no means always sauce for the gander. Individual differences, in temperament and experience, are vital factors in the process of assimilating meaning.

When a communication reaches another person at all, he always goes to work on it in some way. The question is: how? Is he doing his best to understand what is said? Or is he, so to speak, fighting off the communication? Is his thinking blunted by some strong and logically irrelevant feeling? Or is he even motivated by the will to misunderstand? As a participant in the social experience of communication, the listener's reaction is vital to success. And the nature of this reaction is determined not only by the words addressed to him, but also by what he brings to bear on them. What speaks in him besides the words that he now hears or reads? When we address ourselves to others, we are never soloists. Do their answering thoughts chime in with ours, or are they discordant? Do they set up so much interference of one sort or another that the communication lines might just as well be down?

Any powerful emotion tends to distract attention. It may so distort meaning that communication is useless; or worse. And we are apt to forget that past experience is a powerful factor in determining the attitude by which a person interprets what is currently said. In a human relationship at any given time, the meaning of a statement may be powerfully

affected by the character of the relationship. Where confidence exists, communication is relatively easy, and the words used are comparatively unimportant. But when there is distrust or dislike, the scales are heavily weighted toward failure, no matter how carefully we choose our words.

This is one reason why it is so important to get off on the right foot when a relationship is first being established. And for this purpose we convey meaning more effectively by action than by words. What *we do* can often convince a person quickly and beyond doubt that we respect him, want to be of service to him, and that our sincerity can be relied upon. Once these facts are established, minor misunderstandings of specific meanings can easily be cleared up. For a person's interpretation of our words depends in large part upon his judgment as to (1) our total meaning as an individual (what we represent), and (2) our specific meaning in relation to him (our current intentions toward him).

Meaning as it is achieved in a joint process between people is, therefore, to be established in two ways. The preconditions for it are constantly being made better or worse as a human relationship improves or deteriorates. And in this ever-lengthening chain of understanding or misunderstanding, each episodic communication (by word or act) is one link. This continuity of experience places a special responsibility upon persons in authority. Can they make each communication to subordinates a constructive experience, so that future communication between them will be easier and not harder?

One key to success in this job is available to us only in face-to-face association.[3] It is the ability to assess the listener's (or observer's) reaction and, if necessary, immediately help him to correct any misunderstanding. In written communication (unless subsequent oral explanation is possible) one of the severest handicaps is the impossibility of testing a reaction on the spot. This is one reason why we are so much more likely to succeed in transmitting intended meaning when we talk to people face to face. And this advantage is especially important in a new relationship, or in an old one that has been impaired by dislike or distrust.

If we detect any suggestion that our specific purpose seems unacceptable, for example, we can, in informal conversation, immediately try to clear the lines. Until this has been done, there is no use in sending out more words. In fact, such ill-timed noise-making is apt to do more harm

[3] *Cf.*, F. J. Roethlisberger, "A 'New Look' for Management," *Worker Morale and Productivity*, American Management Association, General Management Series No. 141, 1948. "It is through these face-to-face relationships that people at work learn what is expected of them and where they really stand. If in these daily face-to-face relationships people feel insecure, dependent, or frustrated, no organizational manual can tell them where they belong." (p. 21.)

than good. But when our relationship has been re-established on a sound basis, the specific meaning of what we want to say has a good chance to get across. And shared meaning establishes a bridge of understanding which facilitates future communication.

(2) Three Component Parts of Meaning [4]

Thus it is obvious that the logical content of a message is only part of its meaning. Even in the practical world of work we constantly, though not always consciously, deal with three component elements of meaning: *facts, feelings* and *purposes.*[5] If we were always aware of the function of each, while we speak, write and listen, there would be far fewer misunderstandings than there now are. What part does each play in meaning? And how can we handle them more efficiently?

A. Objective Facts. Objective facts, and the logical ideas that we have about them, are one element in meaning. These are expressed in statements for which we claim general validity. We can verify them by referring to tested precision standards and experiment. Offhand, one would say that factual statements should give rise to few misunderstandings. But this is not the case. Accidents often happen in each of the sub-phases in the communication process. Most of us are (1) slipshod in our use of words, (2) careless in watching for signs of possible misunderstanding in other people, and (3) often inattentive as listeners. Yet efficiency in these sub-phases of communication is important to success. Persons in authority are especially obligated to make clear-cut statements of fact. They should also be expected to look and listen for signs that they may have been misunderstood, or that something in their manner has blocked agreement and may, therefore, stall or deflect action.

In factual communication, the rules for efficiency are simple. Anyone who has the intelligence to be a leader can learn to follow them.

[4] The following analysis is closely patterned on that of I. A. Richards, one of the foremost authorities on meaning. In his book *Practical Criticism* (of poetry) he labels four elements: (1) *sense,* the element that directs attention to items for rational thinking, (2) *feeling,* for the items mentioned, (3) *tone,* attitude toward the person or group addressed, and (4) *intention,* or expressive purpose. The slightly different emphasis in the analysis here given is largely accounted for by the fact that two-way communication in industry differs, in some respects, from the relationship between writer and reader in pure poetry.

[5] Analysis is the more difficult because the elements are interdependent variables. Over a period of time, facts may change. Feelings may alter even more rapidly and unpredictably. Purposes shift according to changes of fact and feeling, and corresponding to stages of development in persons and situations. This is because time is a fourth important feature in communication.

Making sense about facts. Be precise. Lack of precision in statement is both a cause and an effect of fuzzy thinking. Many of us find ourselves in the predicament of the little girl who was admonished to think before she spoke. "But," she protested, "how can I tell what I think till I see what I say?" Words certainly help us to clarify our thoughts. But in a relationship of authority we should not indulge in the luxury of thinking out loud. Before giving orders, or making policy statements, a pencil and paper may be used to clear the head. Usually, however, the root of the trouble is not that we cannot speak clearly, but that we are too lazy or too unimaginative to try.

For instance, a certain management posted a notice communicating its intention to stop abuse of the smoking privilege. The following sentence contains the core of the message:

> "The smoking privilege is being abused and will be revoked unless there is immediate change in its usage."

How precise is the meaning of the word, "immediate"? In this case, management allowed four months to elapse before taking any further action in the matter. Is it surprising that the union insisted on arbitration when, after this prolonged silence, management suddenly took drastic action?

Be brief. Brevity is helpful in two ways. Unnecessary words create *extra* openings for misunderstanding. They also subject us to the risk of being boresome. Habitual wordiness conditions a listener to the expectation that many things not worth hearing will be said. It is but one step from here to the even more unfortunate expectation that nothing said will be worth hearing.

Choose words with care. In selecting the words to be used, it is worthwhile to take pains to find those that will easily be understood by the person or group addressed. At best, language is not a precision instrument. But its usefulness is increased if it is handled with care. Since the aim is to reach the *mind* of another person, it is essential to select words that fit well with his level of intelligence and background of experience. It is of little use, for instance, to lecture at workers, or even supervisors in language that, in the words of one foreman, "skids off my dome." And in each situation we should take care that everyone addressed understands any special meaning that has become attached to words.

For instance, it is irresponsible to order a novice to "crack a valve" without previously having made certain that he understands the trade use of this word.[6]

[6] In the chemical industry to "crack a valve" is to open it, just enough to permit a minimum flow.

Define key terms. In case of doubt (in a written statement for example) or if misunderstanding is apparent (in face-to-face contact) it is good practice to define key terms. In some situations the most useful method of definition is to give illustrative examples rather than logically to define words.

State facts objectively. When possible, state facts in terms of an objective standard. Instead of saying, "Boil each batch till it is good and thick," it is more efficient to state the order as, "Cook each batch for fifteen minutes after the whole surface is covered with large bubbles."

When possible, avoid abstractions. A concrete statement, such as: "This machine is acting up," is easier to prove than such general statements as: "All machinery is subject to breakdown." Even when general (or abstract) remarks refer to facts, they easily permit us to smuggle in value judgments of the kind that lead to endless arguments. The precise meaning of an abstraction is difficult to pin down. For instance, when we say: "Democracy is the best form of government," what do we mean by "democracy" and can we agree with other people as to the meaning and referent of the word "best"? The slippery character of abstract words tends to make our thinking skid off into areas of feeling and purpose. Especially in contract negotiations, or in any discussion where complete confidence between the parties is lacking, key words with multiple meanings are to be avoided. If they must be used, fall back on rule 4 and define them.

Such rules are useful in helping us to communicate objective facts. But even if our batting average is 1,000 in the comparatively straightforward business of dealing with verifiable facts, we may easily get struck out by one of the other elements of meaning. Feelings, especially, can give words a tricky twist.

B. Feelings. A feeling arises from, and refers to, subjective factors in experience that are never exactly the same for any two individuals. Thus we cannot measure and verify a sentiment as though it were an objective fact. Yet in dealing with people, we might as well recognize that feelings are a kind of fact, and have to be dealt with as such. Actually, we sometimes find that these subjective facts are more difficult to change than are external circumstances. An emotional obstacle can be harder to remove, or even to see over, than a stone wall.

The most compelling feelings for most of us are, of course, our own. These are the only ones that we can even approximately understand, and whose force we always appreciate. Sometimes, indeed, they are the only ones that we admit as real. Among these, the strongest of all may be the feelings that each of us has about himself.

The strictly I-view. Self-feelings can affect, or rather infect, all the other elements of meaning. In any new situation, it is natural to ask: "What does this mean for me?" From the moral or academic viewpoint, this preoccupation with self is deplorable; all the more so, because it is so often unconscious. But it is only realistic to admit that we often have to deal with it; both in others and in ourselves.

Self-feelings can loom so large in meaning as to obscure more appropriate kinds of feeling, and even to make external facts seem unreal or unimportant. This raises a major problem for communication. As long as a person is preoccupied with his feelings about himself, it is difficult to talk with him reasonably about anything else. For example, suppose a worker complains: "My pay is too low." This may not be an objective fact, as measured by accepted standards of wage administration. On the other hand, it may *feel* like a fact to the worker when measured by his emotional standards (1) as to his own absolute worth (as an individual) and (2) as to his relative value (as compared to some other individual or group of workers). Until the aggrieved person can examine his own situation as part of a whole that includes all relevant facts, rational discussion of the issue is impossible.

Self-feelings are often the most difficult to deal with. But feelings of any kind raise problems for communication, because of the subtle way in which they determine meaning.

All feelings color facts. Feelings of some kind usually affect the meaning even of what seem simple facts in the context of human experience. Appropriate feelings, held in common with other people, can be the strongest kind of bond, and can give to facts an appeal which they otherwise lack. But when feelings are not approximately shared between all concerned, they can prove a serious barrier.[7]

A communication difficulty that is familiar to all of us is the confusion between feeling and fact, in the minds of other people. But a problem whose cure lies closer at hand for each of us, is that of differentiating

[7] This emotional admixture is to be looked for in a work situation wherever some individuals feel dissatisfied, while others are content, in what is (objectively) the same situation. For example, in a textile mill, conversations with weavers on the subject of work strain failed to uncover the (objective) facts: "Their answers were clearly more influenced by their attitude than by fact. One could not even get agreement as to whether the new assignments were harder than before. The answer seemed to depend primarily upon whether the weaver liked the new way of work and trusted the management. Sometimes, in the same mill, some weavers would consider the new assignments and work arrangements easy and say they were growing fat under them while others would assert the workers were being worn out and cite cases to prove it." Elliot Smith, *Technology and Labor: A Study of the Human Problems of Labor-saving*, p. 28, Yale University Press, New Haven, 1939.

between fact and feeling in our own minds. Most of us find it almost impossible to take our facts straight; that is, neat. The word "our" facts suggests the root of the difficulty. It is hard to be an objective reporter of *the* facts. It is much more natural to be interpreters and selectors among facts. Thus we emerge with what have become *our* facts. "Our" facts usually prove our point. They show our opinions, judgments and purposes to be reasonable and right. Unfortunately, however, another person's alignment of significant facts about the same situation may march to an entirely different conclusion. When this happens, it is difficult even for a third, disinterested party to find an area of objective agreement that is wide enough to cover the whole story.

More often than we realize we "think" with our feelings. Frequently we make up what we are pleased to call our minds on the basis of impulse or whim. If pressed, an intelligent person can invent any number of reasons for his position. But, when the decision was determined by feelings, to demolish these reasons by logic does not bring agreement.

Feelings enter into attitudes.[8] Not only in relation to objective facts, but also in our attitudes toward people, feelings play the lead more often than we commonly recognize. For example, take the statement: [9] "Bill is twice the man that Tom is." Such assertions are actually offered as facts, in management-union discussions, and even as "reasons" why one man should be given job-preference over another. Interpreted as a factual reference, the statement is absurd. To be meaningful, it must obviously be taken as an expression of feeling; in this case, probably one of group loyalty. But often the feeling-element in an attitude reflects the I-view in two ways. It is based in part on "my" interpretation of a person's effect on "my" welfare, and in part on a recognition of his feelings toward "me." Other things being equal, we warm toward those who show their approval of us. A hardy objectivity is required to detect all flattery for what it is, and to estimate others truly, no matter what their feelings are toward us.

It is no part of my intention to maintain that a strictly I-view is either appropriate or universal. Emotionally mature persons are quite capable of objectivity in their appraisal of external facts, and in their attitudes toward other people. But the narrower view is common enough, and does enough harm, to receive serious attention; especially by each of us in ourselves.

[8] Instead of differentiating between attitudes and feelings, as is sometimes done, the word "attitude" is here used as meaning a composite of ideas and feelings.

[9] See the Renault Case, for an actual situation, of a not uncommon sort, where such a statement was made. Paul Pigors and Charles A. Myers, *Personnel Administration: A Point of View and a Method,* pp. 426–432, McGraw-Hill Book Company, Inc., New York, 1951.

Keeping feelings in their place. Self-feelings can get between us and understanding. Feelings of any kind get between people, and block communication, if they seem more important than objective facts or than principles. Only when they are appropriate to the total situation, and when kept in their place, can feelings be a constructive element in human relations. It is not difficult, as indicated in previous chapters, to recognize what feelings are appropriate. But it is far less easy to get inappropriate feelings to take the back seat where they belong. Like any other job to be done, however, a technique can be worked out. An effective and tested technique includes the following steps:

1. Realizing the comparative unimportance of our own feelings. This point need not be labored. It is easier said than done. But it is a vital first step in the process of developing a mature attitude toward life.

2. Appreciating the force of another person's feelings. This appreciation is often an excellent method for getting perspective on our own emotions. As we focus attention on the fact that another person's feelings are real and important to him, our own tend to move into the background of our attention.

It is a natural reaction to dismiss other people's feelings as unreal or silly. Such intolerance seems to be founded on the assumption that what is not vivid to us can have no meaning or importance for anyone. But before giving a person the brush-off, it is more intelligent to try and understand what he does feel, and why. Moreover, if the other person really is being unreasonable, it is probably because he is upset. How can you best help him to regain his emotional equilibrium? It cannot usually be done by telling him that he ought to be sensible. But it can be combined with step 3 for you.

3. Getting more facts: his side of the story. If his feelings are his current center of interest he will probably respond with eagerness to the suggestion: "I realize that this situation has been difficult for you. Won't you try to help me understand how you feel about it?" This stage in the "cooling off" process cannot be hurried. If his feelings are strong enough to have made trouble, it may take some time for him to blow off enough steam to reduce the pressure to a comfortable point.

4. Getting his attention for other feelings and other facts which are pertinent to the situation. When he has got his feelings off his chest, two things should have been accomplished. *You* should have more understanding of the situation, and of what has to be dealt with, in him. *He* should have reached the point where he can move on to what was stage 2 for you. By now, he can probably respond to the suggestion: "I begin to see what this means to you. But I wonder if you realize what it means to me, and to others?" If he can now attend to the recital of other feelings,

impartially stated, and to facts that he has not previously considered, he is ready to take the last step; *with you.*

5. Getting agreement on principles. After getting explicit agreement on key facts, and implicit agreement on appropriate feelings, it is often possible to agree on common purposes and on valid principles. In this stage, it always makes sense to allow the other person a share in pointing out, or formulating, such principles. And it is unwise to hurry this important step. Each person has to feel his own way, at his own pace. It is not necessary to reach all the right answers, logically, in one session. It is answer enough, for the time being, when everyone begins to ask the right kind of question. After this procedure has won allegiance, from all concerned, ideas can be pooled and progress can be made on the solid ground of principles.

C. The Element of Purpose (or Intention). Purpose is for everyone a vital element in meaning. In trying to understand what is communicated to us by others we are always searching for the underlying purpose; often with suspicion. "Now what did he do that for? What is he really trying to find out? Why should he say that?" Such remarks, and all attempts to "read between the lines," are evidence of the search for purpose. This, we know, gives meaning to the words and behavior of all rational people. Therefore, we even hunt for it by trying to evaluate what is *not* said, and what is left undone.

Fortunately, however, our reliance on purpose works both ways. When we have confidence in a person's intentions toward us, we are ready to give him the benefit of every doubt, even when the specific words he uses would seem unacceptable from someone else.

The importance of such confidence, as a basis for effective communication, is stressed by Keith Powlison, Vice President and Controller of Armstrong Cork Company.[10] He finds that many management communications to employees are unacceptable, unintelligible, or—oddly enough—both. But over and above the technical recommendations that he makes for remedying this state of affairs, he stresses the importance of clearing communication lines and keeping them clear, by establishing mutual confidence.[11] Management can do its share in this by maintaining:

[10] Keith Powlison, "Explaining the Facts to Employees," *Harvard Business Review,* Winter, 1917, pp. 145–157.

[11] A. R. Heron, in his book, *Sharing Information with Employees,* Stanford University Press, Stanford University, Calif., 1942, makes the useful warning that "the building of employee confidence . . . is a slow and gradual task." He also makes several helpful suggestions for its development: (1) Every level of management must have confidence in every other, before such acceptance can be expected to permeate the work force. (2) Sharing information should be carried on through "natural" or "customary" channels; such as an existing employee paper or a series of meetings that has already

1. free communication within the management structure,

2. demonstrable consistency between all management statements, and between action (such as buying new machinery) and statements (such as that wages cannot be raised) and,

3. a spirit of sincerity in sharing information with workers. Once this intention has been made clear, explanations can be simple and brief and it is not fatal if many technical facts remain unintelligible to the average employee.

When we have confidence in the avowed purpose of an individual or group, it usually means that (consciously or otherwise) we rely upon their intentions, in relation both to facts and to feelings. Misunderstandings between workers and management, between union officials and management, and even between workers and union officials, often have their origin in one or both of these meaning-relationships.

Sometimes there is doubt or disagreement as to the other person's ability to translate a sound purpose into facts. Workers often wonder whether supervisors, representatives of middle management and top executives are competent.[12]

Second, subordinates rapidly lose confidence in their leaders if there is any doubt as to the sincerity of expressed feelings and intentions. As already mentioned, personnel policies are useful when they make clear in words and in subsequent action, management's feelings of welcome to newcomers, of responsibility to all employees and of sympathy with serious individual problems.

A third source of possible conflict in relation to purposes consists in the fact that some are short, while others are long. Workers typically concentrate on short-term aims. This is natural to everyone who has not had special training and opportunity in the difficult task of planning and working for the distant future. Executives, on the other hand, as a result

been going on. (3) The program should be continuous; "a method of conduct rather than a campaign." (4) "It must be an expanding one, permitting the delivery of ever more information as employees ask for it." And (5) its contribution to the actual conduct of the enterprise should be stressed, rather than permitting it to seem like an end in itself, pp. 78–79.

[12] Doubts on this point easily arise in workers' minds if they see any real or apparent incompetence even in relation to some small part of a management responsibility; especially if the management representative concerned does not immediately acknowledge and correct it. A perennial source of misunderstanding is the apparent inconsistency between current pressure for production and the "fact" that afterwards these items "lie around for months" without being shipped or used. In most cases, this apparent waste and "mismanagement" can easily be explained. The foreman is well situated to offer such explanations when they are needed. This is one of many reasons why higher management so greatly depends on him as its representative in the gradual process of building confidence.

both of opportunity and of training, have become so accustomed to long-term planning that they tend to think and speak primarily in those terms.[13] If management and workers are to communicate effectively about purposes, each group needs to remember these tendencies of the other. Workers can benefit from practice in lengthening their mental time span. Management can profit from study of the strong appeal to workers of short term plans. Distant ends are important. But the means are important too, and they are all that workers have on which to build confidence here and now.

There will always be some conflicts of purpose between management and unions. But these can be resolved more often than they have been. Each side should be more ready and more skilled to eliminate demands that are neither rooted in deep and lasting feelings, nor relevant to key facts in a given situation. Withdrawal of peripheral demands and concentration on central purpose is often the answer, when there is any answer at all, to the problem of reaching agreement after a conflict of purpose has appeared.

But fewer of these conflicts would arise if all leaders, in both management and unions, always made sure that their purposes are valid before trying to sell them to, or impose them on, each other. In testing the validity of a purpose, before seeking agreement on it, what kind of question should be asked?

What makes a purpose valid? There are four valid grounds on which a purpose makes a bid for acceptance: because it is realistic, because it is idealistic, because it touches appropriate feelings, and because it is timely.

1. Does the plan make sense? If a purpose relates well to key facts in the situation as a whole, we must grant that it probably could be useful. And this is one element that we are entitled to look for in a purpose. But the mere fact that it is based on a logical plan is not necessarily enough to ensure its acceptance; especially if any considerable degree of effort is involved.

2. Has the purpose an ideal element? A purpose has a strong appeal when it is idealistic. If we agree that some plan *ought* to be carried out, we may be willing to lend a hand even when there are practical difficulties, or in spite of contrary feelings. In emergencies, for example, or to

[13] This conflict also appears between union officials and members of the rank and file. Union leaders have become more expert in recognizing and acting on long range implications of certain facts. Consequently, they are frequently more inclined than are the average union members to go along with management or to compromise. In such a situation, progressive union leaders risk being repudiated as management stooges by their constituents. *Cf.* Will Herberg, "Bureaucracy and Democracy in Labor Unions," *The Antioch Review*, Fall, 1943.

promote deeply held convictions, people do things that seem meaningless, or contrary to reason except in relation to ideals.

3. Does the purpose elicit satisfying feelings? When our ideals are brought into play, our deepest feelings come into action. But even short of this, feelings can help to enlist support for purposes. When we recognize that a plan is efficient and worthwhile, and that the role we are asked to play is appropriate, we feel glad to take part. And one of the strongest bonds in a human relationship is the community of feeling that develops between people who work together to promote a purpose that they believe to be worthwhile.

4. Is the purpose timely? But even when a purpose is realistic, idealistic and touches appropriate feelings, until convinced that it is also timely, a person can still sit back and say: "So what?" Practical timeliness is important. Since we can rarely support all the purposes to which we grant validity, it makes sense to select those that are likely to succeed, now. But a purpose may appeal as timely on grounds other than that of its immediate likelihood of success. For one thing, a certain line of activity may be greatly *needed,* now, even though the time is not yet fully ripe for success. Union organizers are familiar with such situations. And so is everyone who has ever worked for a cause before other people felt ready for it, or when practical difficulties had not yet been cleared away. Second, a person's stage of development and experience may be such that a given purpose feels timely *to him.* If he is reasonably sure of being able to make a useful contribution, he will the more readily put his shoulder to the wheel.

These features of ideal and subjective timeliness are often more meaningful to people than the ripeness of time in the outer world of fact. When all three are combined, in a purpose that is valid on other grounds, we have a strong conviction of its value and an excellent basis for winning others to its support.

Can Meaning Be Kept Alive in Industry?

What practical importance for communication in industry has such an analysis of meaning?

In industry, especially at the work level, long-term and worthwhile purposes easily get buried under the facts of daily work routine. It is difficult for anyone, anywhere, to keep vivid his feelings about the long range objectives that alone give satisfying meaning to the episodic facts of life. But the conditions are peculiarly adverse at the work level in mass production industries. Here it is difficult to avoid feeling that required

activity is meaningless drudgery; to be endured only for the sake of indirect rewards.

But work so performed can never reach peak efficiency, because it is done mechanically. Outstanding efficiency cannot be imposed upon anyone, and no amount of supervision can hold workers above the level of minimum standards. Peak efficiency is given, or withheld, by each individual. And it cannot be expected except from those who feel that they are valued members with a worthwhile stake in the enterprise as a whole.

In helping workers to keep daily facts in line with appropriate feelings and worthwhile purposes, management has three major responsibilities:

1. to make the facts of work and of daily work relationships such that they do not necessarily deaden appropriate feelings,

2. to communicate its own purposes about work, and its feelings about the employment relationship, in such a way that employees can understand and assent,

3. to develop the means of communication up the line, and across from the union, so that the suitable feelings and purposes of these people can be put to work to strengthen the bonds of group living.

To fulfill these responsibilities is not easy; especially in view of past differences of feeling and unforgotten disunities of purpose. But some managements have succeeded, and many others have made a good start. Two important pre-conditions for success are these. First, management should recognize its responsibility to take the lead in making a new beginning. Second, in the search for better mutual understanding, major decisions and daily action should be kept consistent with announced aims.

C. INTERVIEWING AS AN AID TO UNDERSTANDING

The Counseling Interview[1]

Leonard E. Himler, M.D.

One of the things that we are learning more and more in this industrial age is that we cannot separate the human being on the job from the human being at home. Try as he will, the individual himself cannot prevent his relationships on the job from influencing his home life, or vice versa. It would be most helpful if every employee could check his personal problems in the cloakroom and then devote himself fully to his job during the remainder of the day. We know that doesn't happen; if it did, we could probably dispense with many of our managers. In reality, whether they realize it or not, much of the time of managers is spent in getting people to work together efficiently in spite of the personal problems, attitudes, and motives which they bring with them.

It has been estimated that in the aggregate around 60 or 70 per cent of the time of a business executive is spent in direct consultation with other people. Many of these contacts are private and of the type that we call interviews. This word "interview" is in some ways inadequate for our discussion, since it is somewhat cold and doesn't hint at all of the rich meaning that I should like to give this subject. The term "inter-personal contact" sounds more technical but I think expresses more fully what we are trying to discuss. The word interview has been used so much in connection with employment techniques that many take it for granted that we are concerned almost entirely with such procedures. But it should be emphasized that there are many other types besides employment interviews. There are counseling interviews, interviews concerning salary increase, warning interviews, interviews in regard to referring an employee to another place or person, discharge interviews, job evaluation interviews,

[1] Reprinted from *Addresses on Industrial Relations*, Bulletin 16, 1945, by permission of University of Michigan Press. Dr. Himler is professor of mental health, University of Michigan, and consulting neuropsychiatrist.

exit interviews, and so on. As a matter of fact new uses for interviews in industry are constantly being developed. Employee opinion interviews can be mentioned as an example. Questionnaires without the aid of interviews always fall short of revealing the true picture in getting employee opinions. It is true, of course, that in the hands of some individuals interviews also fail in some respects to get at the most significant factors. But until something better comes along, interviews remain the best instrument for getting close to a human being to find out what he thinks and what he wishes, how he feels and what motivates him, and how you can influence him constructively for your benefit as well as for his own.

Another new use for the interview technique is in connection with employee appraisal studies. The older term "merit rating" is being discarded, since it has come to be associated with the unpleasant thought of passing sentences on employees. But, in the interest of productivity, we need to make periodic appraisals of employees. We can get rid of the idea of passing judgment on someone with the possibility that he might be treated unfairly, if we think of the appraisal interview as an instrument that attempts to evaluate his services and then helps him to help himself. In effect this is the goal of all counseling interviews. The appraisal interview offers a most effective channel through which an employee can be taught and motivated to so organize himself in relation to his job that everyone, including himself, will profit.

In order to do a proper "man analysis" of this sort it is of course necessary to have specific interviewing techniques which make it possible to get into effective personal contact with the man. The psychiatrist's approach is also based on a private face-to-face conversation, and in his analysis the evolution of a person's emotional life constitutes the core of the discussion. In business and industrial relationships when employer and employee try to solve their problems by similar personal contacts, the goal is to improve job efficiency, but emotional factors inevitably crop up and they must also be handled. Obviously the outcome of all inter-personal contacts, whether on the skilled professional level or whether on the business supervisory level, will depend on the interplay of many complex factors. Most important are the knowledge of people and the philosophy of human nature which the interviewer possesses, and secondly, the skill and effectiveness with which he puts into practice certain specific techniques used to study, appraise, influence, and motivate his fellow human beings.

Considering not only skill but also time limitations, there is always some question as to just how accurately the true facts of a given situation can be determined in the ordinary interview. Obviously when an inexperienced interviewer abruptly demands of an employee, "Now what's

on your mind?" there is not much likelihood of uncovering more than surface resentments. Even with experienced interviewers the possibility always exists of getting only symptoms and interesting sidelights on a problem rather than its basic underlying factors and causes. The challenging question before us is, how can we best employ the interview as an instrument to give us all that we're after, provided, of course, that we recognize the heart of a problem when it is disclosed. By and large, in the average interview, one can expect to get more in the nature of symptoms and complaints than causes. The skillful interviewer has learned how to distinguish smoke from fire, and above all, how to avoid being lost in the smoke screen which often conceals the true facts.

Five Main Steps in Interviewing

There are at least five main steps to be kept in mind in conducting interviews. First, of course—and I don't want to dwell on this because you all understand that there are many ways of doing it—it is important to put the person at ease. That in itself should certainly not be difficult. It is often said that one of the quickest ways to put a person at ease is to ask him to sit down. No one is comfortable for long while standing up, and anger and irritation are more quickly aroused in that position. You may have noticed that when anyone bristles with anger at a conference he rises from his chair almost automatically. When a person gets angry the nervous system mobilizes energy to support him in a fighting position. And of course, under such conditions he is in anything but the best position for constructive motivation by some other human being. Hence the necessity of putting the individual at ease, even if the subject is highly controversial.

The next step is to instill confidence in the person being interviewed, and for this psychiatrists and psychologists are accustomed to use the word "rapport," which refers to a mutual feeling of friendliness and sympathetic unity. That is, the aim is to have the interviewer and interviewee share a feeling that they are working together on a common problem involving both of them, even if some points are in definite disagreement at the outset. It is possible for a psychiatrist, for instance, to get "rapport" even with a wildly disturbed, insane person. Even under such extreme conditions he can still make that person feel that he has come to help, regardless of the patient's insistence that there is nothing wrong and that he is being detained against his will. It is often amazing how one who is experienced can establish rapport even with a person who is practically out of touch with reality, who is emotionally uncontrolled, or is hearing voices. If this is true of mental patients, it is certainly more true of the

contact between two normal human beings if the significance of it is but recognized.

Thirdly, in order to get information, it may be necessary also to give some information, but it should never be forgotten that effective interviews are mostly designed to draw out information and permit the other fellow to do the talking. How to minimize irrelevant conversation and how to get the basic and significant information is, of course, the great challenge, and doing this effectively requires knowledge of the various interviewing techniques.

Another step, stressed more in psychiatric work than in industry and business, has to do with giving insight, that is, making the person understand the problem a little differently and from other angles than he did before. This involves much more than just giving advice. It is more than just telling him what you think or what you would do if you were in his place. Giving insight means using the interview technique to stimulate him to see his problem a little differently, and as a result he comes to a new conclusion about the thing that's bothering him. That may be a request for promotion, transfer, increase in salary, or any of the multitude of daily problems which if not properly handled accumulate and undermine efficiency and cooperation.

The fifth step which is closely tied up with giving understanding or insight, involves motivating the individual to carry out a different or at least improved type of action than that which he might have originally performed. For instance, let us say that he asks for an increase in wages, and that under existing conditions the request cannot be granted. The interviewer's responsibility certainly should go beyond merely giving a curt refusal, since the object is to keep up the employee's interest and cooperation even if he does not get the increase. This cannot be achieved by merely "stalling," although there are still some men in business who think that interviewing under such circumstances is just a matter of putting the other fellow off with a wordy sermon or with vague and empty promises. On the contrary, if the interview is properly conducted, the individual goes away richer from the experience, and sometimes even more effectively motivated than if he is simply given the increase in a perfunctory way. Merely bestowing a raise or a promotion does not in itself assure a better performance.

As an instrument for human motivation, the interview has power that goes above monetary gain. Cash, to be sure, is a tangible measure of a man's value, but there is much more in the final satisfaction which he gets from his work than his pay check. It should be apparent that the interview relationship can create as well as destroy common bonds of loyalty and inspiration. Much more is involved in interviewing than

merely giving in to pressure on the one hand or showing the other fellow that you are not afraid of him (when you really are) on the other. The interview can establish influences and emotional bonds which are powerful factors in an industrial enterprise. Money alone cannot match that.

The Hawthorne Technique

Everyone in business should be familiar with the experiments carried out at the Hawthorne plant of the Western Electric Company, and with the book, "Management and the Worker" by F. J. Roethlisberger and W. J. Dickson, which describes the technique developed as a result of this work. It might be helpful at this point to review briefly some of the main points of the so-called Hawthorne technique of interviewing.

In that approach the interview is regarded as a social experience in itself, in the sense that has been mentioned above. It is an experience involving two people which has effects beyond just getting the immediate job done. It should have a quality all of its own, and the ability to give it this quality can be studied and learned. Some people, apparently without any special effort, seem to have a natural ability to make their contacts with others meaningful and effective. But on the basis of my own experience and of observations of students in training, I believe that anyone who has a genuine interest can, in the process of time, steadily improve in practicing this art. It is important not merely to copy the techniques of those who are successful in interviewing, as that would be stilted and artificial, but it is valuable to study both the spirit and the methods used, then put your own coloring on the process. There is of course no substitute for personal experience, and in interviewing one must also learn sometimes by one's mistakes. On the other hand if you are not conscious of the need constantly to improve, you will miss many opportunities to learn new techniques from others.

The chief responsibility of every executive is to influence more people to a greater extent than is possible if interviewing techniques are disregarded. Many men in business and industry are elevated to jobs involving administrative duties over other people, but often not because or account of possessing that ability. Men who are worthy of promotion because of skill and technical knowledge have not always picked up all the devices which would make them more effective in handling people. That technique is something that is not taught in school, and it must be acquired and absorbed as one goes along. It is distressing to see executives who have tremendous power over others administering it as they would the laws of physics instead of the laws of human nature. It is understandable, but it is not so readily overlooked or forgiven that some of these

men have been too busy with their engineering problems to bother about human psychology. But it should not be forgotten that an executive must be an engineer of human beings, and this requires some skill, at least some thought, which the textbooks on engineering simply don't give. Nor will job analysis, as such, give you all this. The science of man analysis should be increasingly helpful.

To go on with the Hawthorne technique: First, it is fundamentally a listening technique. You take a friendly, patient, receptive attitude toward another human being. You are not biased in any way. You're neutral, and yet you're more than neutral because you are friendly at the same time. You are intelligently critical, as it has been well expressed. That means you are objective. You have a scientifically detached, and yet at the same time a warm human attitude. That, in brief, is the listening method. It's not as easy as it sounds. The mere word listening does not encompass all of the technique. There is more to it than merely bending a sympathetic ear to all that is said. Interviewing involves also selection of what to pay attention to, discovering information which needs to be emphasized and amplified, and quite often redirecting the stream of conversation into significant channels. You have to select those topics which it is important to bring into the open, and you must be able to sidestep features that are not pertinent, but which, of course, may come along with the story as it unfolds under your sympathetic guidance. The art consists in doing that with an economy of time, and still not getting too far away from what you wish to accomplish in the end.

Along with this you must always be aware of a number of "don'ts." I should like to mention at least five of them, all involving the letter "a," which makes it easier to remember them. Don't argue; don't admonish; don't advise; don't display authority; and don't let the other person's feelings affect yours. You must remain calm, yet not so calm that you are sublimely unaffected or untouched by his feelings. You must be in communication with him, but without being infected with his anger, fear, or defensiveness. You must be careful not to get yourself maneuvered into a position where you're defending yourself. That is arguing, not interviewing. If an individual can't attack the capitalistic system which he vaguely feels is responsible for his frustration single-handed, he may feel justified in attacking the personal representative of the system, which in this case may be yourself, his employer. You for the moment are a much more tangible target for resentment and abuse. Now in such an event do you rise up in righteous indignation, justifying yourself with the thought, "He can't talk to me that way; who does he think he is; I'll put him in his place," etc.? If you do, that is the end of the Hawthorne technique right there for you, because you have slipped into

the natural instinctive response of raising your fists in response to his. You see that this is not the interviewing approach we are trying to describe here. Situations of this type serve to illustrate again that this nondirected technique which stresses listening as its main ingredient is not so easy as it sounds, and it often calls for reserve powers of control and good judgment.

Then besides listening, you have to talk at least to some extent. But you almost have to ration what you say. You ought to talk just as I'm talking into this microphone, aware that any slip will be on record for all time, and this realization naturally exerts a little restraint on anything I say. That is the way you should go into the interview, yet you must not freeze up with the disease known as "interview fright," which corresponds in some ways to "mike fright." The rule to remember is that you should talk in a well-conducted interview only to help the other fellow talk. That is the whole goal of your conversation—to help him talk about things that you want him to talk about or that he wants to say but may not be able to say unless you help. There are many problems that a person can't discuss unless he is in an atmosphere that encourages it.

Here is a simple example. A short time ago I had an opportunity to interview a young girl who had been happily married only a year when her husband was sent to the South Pacific, where he was killed in battle. The girl was an average, normal, healthy young adult, not in any sense a psychiatric case. She was working at her old job in an office when the sudden bad news came. She took it bravely and, after a few weeks' absence, returned to her work. Months went by, during which all she received to remind her of her broken dreams were her own letters returned one by one. Her friends respected her as the wife of a man who died in fulfilling his duty, but the loneliness of life without a strong emotional tie was beginning to weigh heavily upon her. Then one day, just after she had been sent the purple heart, she suddenly broke down at work, stated she was unhappy in her job, and without any other plan, insisted that she had better quit.

What should the employer do in such an instance? Take the distraught girl's word for it and release her? Offer her an opportunity to transfer to another department as a willingness to help? Refer her to a psychiatrist? Obviously none of these possibilities will entirely take care of the immediate situation that has flared up in an acute emotional episode. There is need for a genuine counseling contact here. The counselor must help this girl get rid of some of her excessive tension and help her to face her problem with more hope. Right here is where some men make an error in their technique. When a woman is sobbing, many men think, "I must

do everything possible to stop those tears." So these men attempt to handle the problem by saying, "Don't cry. Buck up. Everything will turn out all right," or words to that effect, which of course aim merely at getting rid of the problem, not solving it. For this girl everything obviously isn't turning out right, and such misdirected reassurance only adds to her sense of desolation and discouragement.

Employers should remember that at certain periods of the month some women are naturally more irritable and tend to cry over minor matters which they could ordinarily take in their stride. This happened also to be true in the case of the girl I am discussing. Rather than offer stereotyped reassurances, the technique of using a respectful period of silence—what I like to call an "expectant pause"—is often much more effective. When you sit by quietly and do little or no talking you have prepared the way for a talk in which the girl unburdens herself, at least of the most immediate worries. In this instance the girl responded by talking about her inner sense of loneliness, how she missed the love and attention which her husband had given her, and how she despaired of ever again being happy. She didn't want to be disloyal to the memory of her husband, but she is still quite young and her needs are for more than just grief over what is gone and past. As she talked it became more and more clear that she was not crying so much out of grief as she was because normal love and affection had been denied her.

You may say at this point that it certainly isn't the girl's employer's place to supply the missing emotional needs. That is of course true. But if he has merely listened to her this far, he has already helped her. By providing a sympathetic atmosphere in which she can say some of these things, matters that at first sound a little like disloyalty and selfishness, you have really done an expert bit of counseling. Your respect for her right to try to express what is troubling her removes the first obstacle in her path, a path which will eventually lead her to a reconstructed social and emotional life. She's entitled to that; no one would argue this, her dead husband least of all. By helping her to see all this you have given her an experience from which she can raise her head again and go on clear-eyed. The tears recede without any entreaty to stop them by effort of will. It is very satisfying a few weeks later to find such a case happily back on the job, grateful for your human interest, and hopeful again that somehow life can go on. The counselor helped to make that possible, even though he had no ready-made answers as to just how she must manage the rest of her life. It's good for her that he doesn't.

Men too can be troubled by worries and insecurities which do not cause an outburst of tears, but result in a show of anger and irritability over little trifles. A man may, for example, have a veritable tantrum

over a small bookkeeping error, but the real cause of all the emotion is not the mistake in the office, but the problems he brought with him from home. This sort of difficulty is not at all rare. When the counselor has the proper point of view toward personality flare-ups of this kind, his mind is open to indications which lead to the real trouble, and it is surprising how soon this comes out if he will but use the listening technique. But if you try to stop the tears or fight back before you hear the story out, you are violating the principle of the Hawthorne method.

And you don't have to give advice or lectures on the advantages of controlling one's temper. You just have to give the person concerned the right to say privately what's bothering him. Speech is used only to smooth the ground for inter-communication and occasionally to point out good points in the situation. It is not wise to dish out praise too freely or to praise the individual for every statement he makes, but it is helpful to praise accurate observations or statements that are undoubtedly true and valid. Praise often opens the way for further confidence, just as suspiciousness closes it. The counselor almost needs to bite his tongue to stop any tendency to lecture or moralize at length, for that is simply interrupting and interfering with the effective use of the listening technique.

The interviewer should always be prepared to listen first to what is uppermost in the individual's mind. It is seldom possible to make good progress unless this "head of steam" is permitted to escape at the beginning of the interview. The interviewee may in the process tend to wander off and talk about subjects that, as far as you can see at the moment, have no relationship to the important problem of being efficient on the job. On such occasions it is sometimes necessary to guide the conversation back into the main channel. On the other hand, every once in a while a little exploring of the by-ways is richly rewarded by revelations which come quite unexpectedly. It takes alert attention, skill and judgment to keep open the channels of communication when the information seems to be dammed up. There are a number of people like the girl mentioned, who simply cannot talk at once about the things that are bothering them, but who respond quite readily after a little encouragement. Like getting a small splinter out from under the skin, emotional troubles at first resist being explored, and it may even hurt a little when this has finally been accomplished. Then healing can take place from the bottom up, which is the kind of healing a physician always strives to bring about.

Some emotional experiences, such as those which soldiers have to go through, become more deeply buried, and this is why it is hard for some of these men to even talk about them. It is obvious that deep-seated, repressed experiences can become quite disturbing, and the treatment of

such problems may require the skill of a psychiatrist. The listening technique, rather than too much curiosity or too many questions, is to be preferred in dealing with returning veterans. It is natural to be curious about some of his war experiences, but the technique of being attentive to what he says and being willing to listen before becoming inquisitive or prying is always the best approach.

This then is the method which has been called the Hawthorne technique. It involves listening, it involves some don'ts and it involves a little, sometimes very little talking. One could give a number of scientific names for each of these steps, but in essence that's all there's to it. In practice, however, it's not so easy as it sounds.

Emotional Transference in Interviewing

One point worthy of special mention concerns the interviewer's own emotions. He should not be overly disturbed if he sometimes feels neutral or even a little reluctant to begin an interview. It is perfectly natural to feel some resistance to beginning interviews which have every indication of being difficult or even downright unpleasant, at least in part. We all have this kind of reluctance for instance when we are forced to take an arrogant employee to task. She has to be talked to about her manners, her telephone voice, her errors, her absences, or whatever it may be, and this is not an enviable assignment. Or suppose this same girl keeps coming in every two weeks with a request for an increase in salary. Since you do not enjoy the experience, you might be tempted to assume a brusque, dictatorial manner in the hope of getting rid of the problem by intimidation.

Inexperienced interviewers are sometimes distressed by the initial reluctance they feel in dealing with difficult personalities, and it is good to know that they need not feel ashamed or inferior because of this unpleasant reaction. It must be accepted as part of the experience. Often the more reluctance one feels at the beginning of an interview, the more of the opposite emotion there is potentially in the situation, after the process has been carried past that first hurdle. Shared emotional experiences go through many shifting changes of intensity, even to the point of reversing the original attitudes. This does not mean that the two people have to wind up falling in love with each other in order for the interview to be successful. We must not jump to that erroneous conclusion, as some do who have read a smattering of Freudian psychology. The word for this shared emotional experience is "transference." Whether it is fully understood or not, there is a transfer of emotions during the interview, and the important point is that both parties feel it.

This matter of mutual feeling during the interview is a delicate subject, and just to what degree you must feel certain emotions is difficult to describe, and certainly impossible to express in any mathematical terms. But sometimes I've felt that the amount of feeling you get out of it is in reverse proportion to the reluctance you have to start with. At any rate this should give encouragement to those who dread the first few minutes of an interview.

A well conducted interview is an emotional experience and that means that it is work. After a day of it you can be as tired as if you had dug a six-foot ditch, half a block long. In some ways it is even harder. This is true especially if you are dealing with persons who are hostile, irritable, annoyed, critical, or ready to bite your head off if you make a false move. It is understandable why some executives and supervisors tend to avoid such interviews, or try to carry them on in an entirely aloof, mechanical way, refusing to become enmeshed in any emotional entanglements, and remaining securely within their own shell. This may be self-protection, but it's not interviewing. Before you finish a good interview you have felt something, and the other fellow also undergoes a similar experience. This is a feature of interviewing which surpasses in importance the mechanical steps which were outlined in the previous section.

Psychological Blind Spots

One simply cannot talk about interviewing, whether it is for employment, for an appraisal, or for a salary increase, without mentioning certain limitations, certain obstacles that constantly present themselves. It is worthwhile to think of these in advance. In psychology some of these limitations to effective interviewing are called blind spots. You all know that the human eye is a well-nigh perfect instrument, but there is one small spot, just to the outer side of the direct line of vision where it is blind. This spot is so small that for all practical purposes it is negligible, but psychological blind spots—those things in life which you don't see or understand—can be much bigger. Some people have such strong opinions and prejudices that they never even see the person opposite them for what he is. They are blinded by their own preconceived notions about that person.

So often a supervisor has such a deep-seated conviction against an employee that even if the employee miraculously lost all his faults it would not even register with his supervisor. Too often we think our set opinions about people are unchangeable. This attitude becomes a great handicap in interviewing and counseling. People who try to simplify their relationships with others by such preconceived fixed notions almost defy you

to find any other interpretation of the other fellow's behavior. They never give another human being any credit for change, and, it follows of course, they often change very little themselves. They want to go through life without modifying any of their ideas. People with blind spots of that kind are the world's worst counselors.

All of us have some pet theories or ideas which in certain situations may amount to blind spots. A counselor should always try to understand his own and then try not to let them interfere with his efforts to help the other fellow. Take for instance your own ideas about drinking. Depending on your habits and your attitude toward alcohol, you are quite apt to immediately form an opinion or pass judgment on another if his practices differ from yours. Even though a man's drinking habits may need correction, that in itself is not a sound basis for judging his ability on a job. You must be careful not to carry over conclusions from one area into another whether they pertain to drinking or creed or race or some other matter. Those can become tremendous blind spots. Even one's opinion concerning another's political beliefs can become an influence which goes way beyond its actual importance.

Other Psychological Mechanisms Which Influence Interviews

In the field of applied psychology the term "mechanism" refers to more or less standardized or systematized units of behavior which a person uses to attain his ends. In business and industry the one mechanism which influences the behavior of many ambitious young men is "identification." If you grew up under an employer whom you respected, who had an efficient way of doing business, you naturally admired him and tended also to be like him and use his methods, even to the point of being unimpressed or impatient with any other ways of conducting business affairs and contacts.

Let us suppose however that you grew up under an industrialist who used the iron fist ruthlessly in his climb to the top and that you served this man twenty or thirty years ago. In those times human beings could be bought cheaply, there was always a big bullpen full of them asking for work, and none of them were veterans with employment rights. It wasn't necessary to have any special technique for dealing with employees —power and authority and money, combined with engineering skill, were all more important than interviewing skills. If you identified yourself with an executive of that era you might find it hard to accept any other formula for dealing with people. The techniques we have been discussing would seem "soft" and ineffectual. Even though the times have changed, you might find yourself clinging to the outworn techniques

with which you identified yourself. Your identifications then have become blind spots for you, and they are now handicaps in your interrelationships with people. This example may seem overdrawn, but it serves to illustrate how all of us have had experiences in our past life which continue to influence our present contacts and which are shaping our techniques, sometimes in a very subtle way.

If you regard an interview as a truly dynamic, new experience, you must be prepared to feel yourself changing in your attitude and opinions about a person. You must be prepared to modify, even reverse your first impressions, all of which are based on past experiences, but in the present situation they may be entirely misleading and erroneous. Far from going through the interview merely to prove that your preconceived notions are right, you should welcome a change in feeling regarding the other person when you have had an opportunity to hear what he says and judge him for what he really is. That is what I meant awhile back when I said you too are undergoing emotional experiences at the same time the person who is talking to you is releasing his.

Another important limitation in interviewing is of course its cost in time. Interviewing is a time consuming procedure, but if insufficient time is allowed for doing it right, the individual will come back with more problems later, and in the end the time loss may even be greater. Suppose that an office manager never really took the time to counsel a "problem-employee," and yet every day that employee's inefficiency cost him fifteen or twenty minutes, not only of her time, but probably also of that of others around her. Emotional difficulties cannot be sidestepped by saying there isn't time to work them through, since they only grow rather than disappear if they are not faced frankly and treated correctly.

One little disagreeable after-effect of interviewing is the possibility of being misquoted or misrepresented to someone else by the individual who was interviewed. I could give you some very rich examples from my own experience of the unconventional if not actually illegal advice I'm supposed to have given in interviews. The human tendency to misquote at the other fellow's expense will crop up in this work every now and then. You have to run that risk. It doesn't mean that counseling only makes a bad matter worse. It's natural and perhaps in some cases forgivable for human beings to turn things about and discredit the counselor a bit in order to save face. In psychology, this is the mechanism of projection.

Another limitation in interviewing is the temptation we all have to tell our own experiences. There are so many kind and well-meaning executives whose conception of a counseling interview consists of giving out a long story of their own rise to fame, then adding, sometimes even

audibly, "Take a look at me. See what I've done. Now you go and do the same thing." And they really believe that is counseling and that an employee gets inspiration by listening to them. It helps, but not in the way such a person thinks, because he's the one who has enjoyed the emotion of seeing his own reflection as he talks, after which he very probably has softened up to any proposal which the employee may have up his sleeve. The therapy here was for the person who did the interviewing rather than for the person who listened. Once in awhile an employee gets a little out of those long-winded stories, but it is only fair to warn you that this is a very weak way to counsel. It's almost as bad as giving too much advice.

Another pitfall in interviewing is to be maneuvered into a position where you make a promise you can't keep. Take the example of the foreman who steps into a beer garden and gets a little too friendly with people under him. In such a situation he could easily be maneuvered into a discussion in which statements are made that might weaken his relationships on the job. Obviously situations of this kind can more easily be prevented than corrected.

A professional psychiatrist can very comfortably establish a zone of neutrality in his office in which his patient can feel free to complain against anybody or anything—the more the merrier. In the employer's office this same individual cannot feel free. He cannot forget that you are his employer and that you have the hiring and firing authority over him. In other words, your authority stands in the way of his freedom to tell you fully what he thinks and how he feels. The Hawthorne technique is helpful, but it does not fully eliminate this obstacle. It was developed in a neutral atmosphere divorced from the Personnel Department, and the counselors using this technique stand aside pretty much like a physician who takes a kindly interest and respects your confidence without pretense of any authority over you.

But most employers, and especially those in a small organization, must do some counseling notwithstanding the fact that they have authority. They can't step out of their role as employer while trying to help individuals who come to them or are referred to them for interviews. Fortunately this dilemma is not always as disturbing as it sounds, but it does serve to point out the need for full awareness of authority as a limitation in interviewing and counseling.

An employer who freely displays his authority or uses it as a club would scarcely rate higher than thirty per cent so far as the effectiveness of his interviews is concerned. Such a man never realizes how poor he is. If he could hear himself described by those he thought he was helping, he might be made uncomfortably aware of his inadequacy. Some of these

men have no security unless they are expressing authority, and you can feel it the minute you enter their offices. Underneath, such men are really afraid. The more they wield the policeman's club the more they reveal it. It is sometimes helpful to keep this in mind when dealing with such men.

Another limitation in counseling has to do with the age factor. You will notice that good counseling techniques are usually illustrated with case histories of young people. It is true that it is easier to modify the attitudes of people before they have reached the age of thirty or thirty-five. People of forty, forty-five or fifty are less amenable to great change even with the best techniques. After a man has passed fifty he is pretty well hardened into a pattern which cannot be greatly modified. Counseling is a less effective agent with older persons.

The Salary Interview

Now let us take for an example a salary interview. This type of interview comes up again and again, and I believe provisions should be made to meet it before waiting for the inevitable recurrence of the request for a raise. My own feeling is that an employer ought to talk salary to every important employee at least once every six months.

One of the ways to discourage an employee, of course, is never to discuss salary. He either gets discouraged and quits, or keeps bringing the subject up, getting more frustrated and inefficient each time. Obviously not everyone can have a raise every time he asks for it. And the people who are most persistent in asking are often not the ones who ought to get the increases. It is unfortunate but true that many salary increases are given to those who raise a hue and cry; the increases are given to get relief from the clamor. Those persistent demands should be stopped by a good interview technique.

There are endless methods of getting rid of the person who asks for an increase when it cannot be granted. One is the "stalling technique" of at first acting receptive, then seizing the first opportunity to divert him from the subject, until pretty soon he finds himself out in the hall, but without what he wanted. You may say, "Well, I got rid of that one easily." But did you? The man was not even given the courtesy of a direct answer, and he is bound to resent being put off, no matter how adroitly it was managed. Remember too that this man has to face his wife and she is not going to appreciate the sleight-of-hand he was given. All this means that he will probably be discontented on the job, that he will do no more than is expected, and will in effect be on a sort of sit-down strike for a time until he cools off, gets another job, or can pull a "squeeze-play" to match your technique in getting what he wants. If his work

falls off and he is reprimanded for that, he becomes all the more convinced that he'll never get the rate, and so the downhill spiral goes on. This sort of thing happens to people who are potentially valuable employees. It isn't only the unworthy ones that get the treatment.

The most effective way to meet a salary request, whether it is granted or not, is to conduct a proper interview. The goal should be to send the individual out of your office, realistically facing his situation, satisfied that he has had a square deal, that his problem has been given fair consideration, and that there is something in the future to look forward to. This can be done even if he is not granted the increase.

In contrast to this is the method of getting rid of a wage demand by saying that due to war conditions the employee's wages are frozen, and so your hands are tied, etc. This stirs up as much resentment as the sarcastic remark, "Don't you know there's a war on?" It attempts to get rid of responsibility by taking refuge in authoritative rulings, and even if the answer is true, it must be covered with an interview technique which does justice to the employee's individuality.

In a properly conducted salary interview you should find out why the employee wants the raise, why he feels entitled to it, what problems he has that a raise, in his mind, will solve, and so on. As he does the talking, he will develop other aspects of his plans in your organization, his future, his home, and his activities outside the business. In the course of the conversation you lead him to weight the alternatives of an immediate raise against the possibilities of promotion in the long run. The degree of long-range planning that an employee does is an excellent gauge of his value, and a good salary interview will bring this out.

My argument is that whether a person deserves a raise or doesn't deserve it, whether he gets it or doesn't get it, he should walk away from the salary interview satisfied that he has had a hearing, that his complaints have been listened to, that the reasons he thought were adequate for the raise were carefully considered, even if they were not strong enough to be convincing. Instead of regarding such interviews as a necessary evil, the employer should approach them with an element of expectation. He might ask himself, "How well can I handle this difficult situation in which I'm going to frustrate this individual? He isn't going to get what he wants. Yet I'm going to make him walk away with a substitute that is equivalent or even better than just giving him a little raise. Perhaps I need to show him that he ought to prepare himself for life more realistically, more in terms of his own eventual good and that of the organization with which he is identified."

To be sure, the war has interfered with the real meaning of this argument to the effect that the best things in life come in the long pull and

not in a sudden gift without merit. This of course makes the interview today just that much harder—the fact that an employee can go somewhere else and get more wages because of the manpower shortage. But you've got to sell him on long-range values even in the face of a short gain that he can get without effort.

It should not be forgotten that even if they cannot phrase it in other ways, most people are working for something more than mere money. If you think that dollars and cents are all that your interview must be concerned with, you are missing much in your understanding of what motivates people. You do not come to grips with the real issues if you just talk money. What the employee is searching for is what he feels money can do for him, the love he can get with it, and the respect and prestige it will bring. The more basic needs of security, opportunity, and long-range gains can be woven into an interview without giving the employee a long lecture on how long it took you to get where you are, that he shouldn't live beyond his means, etc.

The returning veteran is interesting in this respect. With his recent experiences still fresh and his knowledge that life can be lost in a few seconds, he may be a little impatient with people who talk about long-range values, and may be more intensely interested in the immediate rewards and opportunities which in some respects are due him. With him, even to a greater extent than with other employees, we should avoid stalling techniques or other evasive methods. The need is for interviews which give definite, concrete answers and which motivate men the way military life did in building up a team spirit.

"R.S.V.P." IN COUNSELING

In summing up, we might express the four chief aims of an effective interview in the letters R.S.V.P., which stand for Reassurance, Suggestion, Ventilation, and Participation. These procedures are especially useful in dealing with individuals who have a need for counseling, who are nervous and high-strung, and who are not adjusting themselves satisfactorily.

In giving Reassurance, the counselor tries to give a person a feeling of security, even though the person is emotionally upset and feeling quite insecure. This is often achieved by the process of being allowed to speak about the problem and everything that is disturbing the individual. The physician can use reassurance on the basis of his examination and knowledge that there is no organic disease. Employees who are afraid that they will be fired, who don't know where they stand, who are fearful of making mistakes, and all those who are excessively insecure on the job, need and

profit most from reassurance, even if this can only be given provisionally.

Another approach is through the use of Suggestion. As was implied in the discussion of salary interviews, suggestion is used when ideas are mentioned that focus the individual's attention on other points besides those he considers of first importance. The employee may come into your office with just one thought: "I want that $5.00 raise." And what do you do? You throw out other possibilities: other aspects which he is not thinking of at the moment or may not even have thought of at all; questions relative to his future with the company; other ways of giving service which he has neglected; and other satisfactions which he is getting from his job besides his wages. Office work for instance is getting many little satisfactions which are not present in factory work, and even though the pay is less, the long-range security is better. Attention is drawn to these features with the implication that there are other advantages to the present work besides the salary.

You should be prepared to use suggestion just as the physician does in dealing with a nervous patient who is overconcerned about his heart palpitation. Energy which is being directed toward the function of one organ needs to be dispersed, and this is the way tension is alleviated, whether the organ in question is really diseased or not. By reminding a person of other features of his life which also are worthy of attention, we relieve him of worry over only one disturbance, and he is then free to get relief which comes through balanced activity. That in brief is the art of suggestion. The goal is to throw the attention away from things that bother a person excessively even if these things have a certain amount of basis in reality. Suggestion then is controlled attention, by means of which thought and energy is redirected into another more constructive channel.

This technique is useful every once in awhile when you must deal with an unhappy employee. Some individuals get disturbed over one aspect of their job and they may accumulate so much tension over it that their entire efficiency is undermined. As in renaming a "draft" a "circulation of air," you can bring attention to other aspects of the identical situation which is causing the trouble and change a person's attitude toward it. This is a useful technique, provided the original situation is an average one and the individual does not have too many other problems.

The "V" of these four initials refers to Ventilation. This is sometimes spoken of as "psychological drainage." It refers again to permitting the person to talk out his problem. If it happens to be worry over a draft, for instance, as he talks he may very likely develop the idea that drafts cause various diseases, and he may reveal that this fear of diseases was suggested to him by someone who was merely repeating hearsay. The inter-

view permits him to work out the conclusion that in a state of anxiety or apprehension he was too quick to seize upon a complaint which is only incidental to his working conditions, and not a cause of his trouble at all.

And finally, the most important thing to be accomplished in the interview is to enlist the individual's Participation in the solution to his problem. You do not order or command him to solve his own problem, but you indicate and suggest in various ways that he can and should take an active part himself in bringing about a better end-result. This should be a part of every interview, and can best be emphasized toward the concluding part, as the interview progresses and the employee is first shown that the end he desires involves a number of other aspects. He is then asked to focus on one particular aspect which seems most likely to be helpful in arriving at the desired end. For instance, an employee who needs to improve his skills before he is qualified for the pay increase he desires could improve himself by attending night school. One cannot order people to improve themselves in this way, but the suggestion can be made and then, when there is opportunity for another interview, it will be evident whether or not the employee was interested in helping himself by making special effort.

The person who participates in constructive suggestions of this type is usually the more valuable employee, and he should be rewarded accordingly. The diagnosis of the person who demands something that he makes no effort to earn soon becomes apparent if regular follow-up interviews are made available, whether these are concerned specifically with salary or any other topic. From then on it's much easier to handle the requests for salary increase. Persons who do not accept suggestions and opportunities for cooperative participation can be shown why their requests must be denied.

No interview is complete unless some effort is made in the direction of a follow-up, even if it involves only showing interest in subsequent outcomes or developments. Even if you cannot begin to solve all employees' problems through interviews, you should always strive to convey to them your continuing interest in their efforts to help themselves and in your willingness to assist them.

Creative Listening[1]

L. J. Henderson

In talking with the patient, the doctor must not only appear to be, but must be, really interested in what the patient says. He must not suggest or imply judgments of value or of morals concerning the patient's report to him or concerning the patient's behavior. (To this there is one exception: When the patient successfully presents a difficult objective report of his experiences, it is useful to praise him for doing well what it is necessary that he should do in order to help the physician to help him.) In all those matters that concern the psychological aspects of the patient's experience few questions should be asked and, above all, no leading questions. There should be no argument about the prejudices of the patient, for, at any stage, when you are endeavoring to evoke the subjective aspect of the patient's experience or to modify his sentiments, logic will not avail. In order to modify the sentiments of the patient, your logical analysis must somehow be transformed into the appropriate change of the patient's sentiments. But sentiments are resistant to change. For this reason, you must so far as possible utilize some part of the sentiments that the patient has in order to modify his subjective attitude.

When you talk with the patient, you should listen, first, for what he wants to tell, secondly, for what he does not want to tell, thirdly, for what he cannot tell. He does not want to tell things the telling of which is shameful or painful. He cannot tell you his implicit assumptions that are unknown to him, such as the assumption that all action not perfectly good is bad, such as the assumption that everything that is not perfectly successful is failure, such as the assumption that everything that is not perfectly safe is dangerous. We are all of us subject to errors of this kind, to the assumption that quantitative differences are qualitative. Perhaps the commonest false dichotomy of the hypochondriac is the last of those that I have just mentioned: the assumption that everything not perfectly safe is dangerous.

When you listen for what the patient does not want to tell and for

[1] Reprinted from "Physician and Patient as a Social System," *The New England Journal of Medicine*, Vol. 212, No. 18 (May 2, 1925), pp. 819–823, with permission of the publishers. Dr. Henderson, before his death, Feb. 10, 1942, was professor of biological chemistry at Harvard University.

what he cannot tell you must take especial note of his omissions, for it is the things that he fails to say that correspond to what he does not want to say plus what he cannot say. In listening for these omissions, which is a difficult task, you must make use of every aid that is available. Among the available aids are the results of psychoanalysis. Many of them are well established; but if you wish to preserve a scientific point of view, you must beware of psychoanalytical theories. Use these theories, if you must use them, with skepticism, but do not believe them, for they are themselves in no small measure rationalizations built up by an eager group of enthusiastic students who are unquestionably seeking new knowledge, but whose attitude is strangely modified by a quasi-religious enthusiasm, and by a devotion to the corresponding quasi-theological dogmas. As a useful corrective for undue confidence in the importance of such theories, it is well to recall Henri Poincaré's judicious and skeptical remark: "These two propositions, 'the external world exists,' or, 'it is more convenient to suppose that it exists,' have one and the same meaning." In truth, all theories, but above all others those that refer to the sentiments of men, must be used with care and skepticism.

Therefore, beware of your own arbitrary assumptions. Beware of the expression of your own feelings. In general, both are likely to be harmful, or at least irrelevant, except as they are used to encourage and to cheer the patient. Beware of the expression of moral judgments. Beware of bare statements of bare truth or bare logic. Remember especially that the principal effect of a sentence of confinement or of death is an emotional effect, and that the patient will eagerly scrutinize and rationalize what you say, that he will carry it away with him, that he will turn your phrases over and over in his mind, seeking persistently for shades of meaning that you never thought of. Try to remember how as a very young man you have similarly scrutinized for non-existent meaning the casual phrases of those whom you have admired, or respected, or loved.

Function of the Interview in Personnel Administration [1]

David Mack

What is the place of the interview today in our over-all personnel management structure? A great deal has been said, it seems to me, about the techniques, the art, the skill of interviewing. But what of the *function* of the interview in the economy of sound personnel administration? What is its role in our free enterprise system? What concept must the interviewer have of his function in our society in general, and in our personnel programs in particular, if the interview is to maintain its proper place in the entire scheme of things?

In seeking the answers to these questions, let us first consider the problem of terminology. For purposes of this discussion, let us take the view that when any personnel worker discusses a personnel problem or project with a rank-and-file employee or with a member of management, he is—for the moment, at least—an "interviewer." Let us also—perhaps erroneously—use interchangeably the terms "personnel," "industrial relations," and "employee relations." Since our field is still a relatively new one whose technical terminology has not yet "jelled," it is preferable, I think, to take such liberties than to run the risk of appearing pedantic.

To begin with, the interviewer plays a vital role in the personnel program; therefore he must have a clear concept of its purpose. He must know why his company's budget includes an appreciable sum for the particular management function of which he is part. Why has modern management come to recognize the personnel operation? What is the industrial relations program designed to accomplish, and why does the board of directors permit a budget for personnel interviewers?

We in the personnel field must never forget—though it is easy for us to do so—that basically the purpose of a personnel management program is that of helping the company to make money for its stockholders. The interviewer's salary is justified only if his day-to-day effort is effective toward this end. The interviewer is often confronted with engaging op-

[1] Reprinted from *The Management Review,* American Management Association, March, 1950, pp. 134–137, with permission of the publishers. Mr. Mack is director of personnel administration at Warner-Hudnut, Inc., New York.

portunities to do good for the sake of doing good. Hence frequently he will go adrift unless ever moored firmly to an awareness that the first interest of sound personnel management is to earn for the stockholders.

It is equally important that the personnel interviewer clearly understand the difference between staff operation and line operation, and exactly why it is essential to effective management that the personnel department operate in a staff rather than a line capacity. All too many interviewers either merely give lip service to this distinction or have never heard of it. In too many instances the personnel director does not make certain that the interviewers on his staff are completely "sold" on the importance to the entire business enterprise of the staff rather than the line position of his department. Does the employment interviewer know *why* he must only screen and recommend, and never select employment applicants? Does the employee relations counselor know *why,* in almost every case, the employee should take his problem to his immediate supervisor before bringing it to the personnel department? In interviews dealing with salary changes, transfers, and discharges, why is it of utmost importance to the employee to understand that it is his boss and not the personnel department who is taking the action, and that the interviewer is merely aiding or augmenting his boss? Has the interviewer been permitted to gain the erroneous impression that this is because he is not as "important" as the direct-line supervisor? Or has it been made clear that it is not a question of importance, but rather that the moment anyone in the personnel department assumes direct authority he thus immediately weakens the company's entire administrative structure? It is easy for the interviewer to assume authority, or to give the employee the impression that whatever credit and thanks are due for action resulting from the interview are due the interviewer. No matter how helpful he may have been—as a liaison, an intermediary—in implementing proper action, it is essential to management's greatest effectiveness that the employee realize it is the line supervisor, usually his direct superior, who has taken action and to whom credit and thanks are due. It is the personnel department's function, and the function of the interviewer, to strengthen the line supervision, and it must always have been—both actually and in the mind of the employee—the direct-line supervisor, not the interviewer who took the action.

It is only when the interviewer fully grasps these two fundamental principles—that his function as an interviewer is a staff rather than a line function, and that his primary purpose is to help the company make more money for the stockholders—that he can operate as an interviewer should.

Remembering that it is upon fundamental principles, rather than upon

techniques, that our interest is now centered, let us turn our attention to two themes which the interviewer should be careful to weave into virtually every employee interview.

At the heart of the totalitarian system of government is the concept that the state solves the individual's problems for him so long as he follows the formulae dictated by the state. Furthermore, in totalitarianism one of the working man's closest contacts with the state is his day-to-day job with the company by which he is employed, for that company is state owned and state operated. It is essential in that kind of economy that the employer solve many of the employee's problems for him, so long as he toes the mark. In a democracy, however, it is basic that the employee solve his own problem. It gives the interviewer a sense of power to try to solve the employee's problem for him; but his obligation to the employee and to the company is to use the interview as a means of strengthening the employee by showing him how to solve his own problem. Almost every interview calls for the application of this first principle.

Now the second. In virtually every kind of interview, the personnel interviewer is presented with a chance to strengthen the relationship between the employee and his boss—a relationship which means little in a society of slave labor, but which means much in a democracy of free wage earners. Often, however, the interviewer takes advantage of his contact with employees as a means of building up a kind of personal following among them. It is easy for the interviewer to make his relationship with the employees so flattering to himself as to wean them away, as it were, from their supervisors. His effort should be in exactly the opposite direction, i.e., in the direction of building up the bond between the employee and his supervisor. Each interview offers an opportunity for this.

In the employment interview, the applicant who has a vocational problem must resolve it himself. He alone must weigh this job against that, this opportunity against another, this company against some other. It is the interviewer's job to lend perspective, answer questions of fact, and clarify the alternatives. But the choice is the applicant's to make and to the extent to which the interviewer, who is in a most strategic spot, makes the decision for the applicant, just to that extent does he perform a disservice to both the company and the applicant. If the applicant is to make a good employee he must enter into the employment contract with the conviction which is possible only if he has made up his own mind. Once on the payroll, the new employee must know that his boss chose him from among the other applicants. He must have no feeling that he was selected by the interviewer and assigned to his boss. He must have been his boss's choice. It is the interviewer's responsibility to make the new

employee realize that he is the one for whom the boss has been looking. It is only in this way that the employee-employer relationship can commence on a firm footing.

Usually similar forces are at work in the case of the transfer interview, and here the interviewer's responsibilities are parallel.

Let us see how the two principles operate in a totally different kind of situation—the exit interview. If the employee is leaving after a long and congenial work experience, his relationship with his employer is likely to be good independently of any effort on the part of the exit interviewer. But in the case of a discharge, when the air is blue, personalities are clashing, and a good riddance is more expedient than taking the time necessary to make the experience a constructive one for all concerned—how can the interviewer help the employee solve his problem and build a favorable relationship between the employee and the supervisor who has just fired him? Every discharge can be accomplished either constructively or devastatingly and it is incumbent upon the personnel department, likely in the person of the exit interviewer, to make the experience as constructive as is humanly possible. This is important not alone from the human relations standpoint, but also from the stockholder's viewpoint, from the angle of public relations. In two cases recently called to my attention, employees subject to discharge for incompetence came to the conclusion, in the course of interviews which preceded their projected discharge, that they would do well to leave their jobs and look elsewhere for work more nearly in line with their capacities. This was constructive. I once had a boss who was fired. Immediately afterward he walked into my office, sat down, and said, "Dave, I've been fired. But I liked it." His discharge came as a terrific blow to him, but was handled in such a way that he came out of his boss's office with a clearer idea than he had ever had before of some of his strengths and weaknesses and of the kind of job for which he was best prepared.

Now let us consider the opportunity for building sound relationships offered the interviewer by another type of interview—that which takes place in conjunction with the job evaluation process. A part of the evaluation procedure is the study of each job to determine its requirements and just what it involves. At least some of this information is arrived at through discussion with the incumbent and with the person supervising the operation. Now this interview can be thorough or perfunctory, general or detailed, short or long, and still, as far as the job evaluation itself is concerned, accomplish with varying degrees of success its purpose. When this interview is looked upon solely from this viewpoint, however, management misses an unequaled opportunity to build employee morale and sound human relationships. When investigating the

content of a given job—just what its requirements are—why not take advantage of the chance to investigate at the same time just what problems the particular employee holding the job at the moment is having with it—even though this has no bearing upon the evaluation? Is this not an excellent opportunity to show him that the company is genuinely interested in his job problems and in helping him solve them?

Granting that the importance of all these functions of the personnel department has been impressed upon the minds of all concerned, how can management determine whether personnel is doing a good job? How can its effectiveness be appraised? My answer to that question is a simple one: "By the number of times supervision voluntarily crosses the threshold of the personnel department, either in person or by telephone." A company's personnel job should ideally be done by its line supervision. It is the foreman and superintendent whose job it is to establish and maintain sound human relations on all organization levels. It is only because they will not do this without assistance—and occasional prodding!—that there is any justification for a personnel department, and the most reliable measure of the extent to which supervision seeks that assistance. This, in turn, is largely dependent upon the way in which the personnel department offers to help. Without question, the most important interviews held in any personnel department are the interviews with supervision—the discussions geared to helping foremen and supervisors, department heads and managers to handle their own employee relations problems. This is the counseling that really counts—that really produces dividends. If these interviews are helpful to supervision—so effective that supervision seeks them—then the personnel interviewer is earning his salt. Otherwise he is *not,* and in my opinion it is just that simple.

What part does the interview play in public relations? To begin with, it would be well-nigh impossible for a company having poor employee relations to build a sound community relations program, for the simple reason that a company's employees are its community. The extent to which the same parallel exists with *public* relations depends, of course, upon many factors. But, it is incontrovertible that the influences in the community of a personnel department's interviews are tremendous. The impact on the home and neighborhood of a wage earner's promotion or discharge cannot be considered lightly from a public relations viewpoint. The degree of impact—and the precise nature of it—will be largely determined by the way in which the discharge or promotion was handled. And remember: It was handled in an interview or a series of interviews! Are your interviewers aware of their responsibilities to the community and to the company's public relations program?

In summary: (1) The interviewer must recognize himself as a part of a

staff organization charged with the responsibility of strengthening line supervision and of helping supervisors to translate top management's human relations policies into action. (2) The interviewer's primary obligation is to help increase profits for the stockholders, though this by no means precludes his being of immense help both to the employee and to the community. (3) The interview—be it formal or informal—is the chief channel of communication in both directions between employees and management. (4) The interviewer must recognize the value of weaving into each employee interview an element of helping the employee to solve his own problem, and of building a firm relationship between employee and supervision. These two elements are essential in the free enterprise system. (5) The most important interviews, formal or informal, are those which the personnel department staff have with supervision, and the extent to which supervisors seek these interviews is a reliable index to the effectiveness of the personnel management operation.

In a sound personnel management program we must never underestimate the power of an interview!

D. GRIEVANCE PROCEDURE AND EMPLOYEE MORALE

Handling Shop Grievances[1]

Benjamin M. Selekman

Only for purposes of analysis, of course, can we separate the conscious construction of joint relationships from the stream of daily activity in the shop under a union agreement. The representatives of union and management do not take time out, as it were, from the actual tasks of administering the new agreement to build the new structure of relationships that must replace the old order of working together. Even when they have become aware that relationships serve also as continuing tools of administration, as the primary means through which observance of the agreement is eventually to be secured, they realize also that the desired relationships emerge from concrete dealings and activities. The new element they add remains only continuous awareness that the mode and character of such dealings together shape the relationships that in turn affect the nature of future dealings.

In this, of course, shop experience represents nothing unique. The physician who instills relationships of confidence and warm affect in the patient to help treatment achieves those desired relations through the processes of actual treatment. Just so, the counselor, however conscious of the need to structure a relationship with the client that will serve the purposes of counseling, accomplishes that structuring in the course of the interviews through which insight into the individual's problems are sought. And so on in every activity in which individuals and groups must relate one to the other within a frame of activity in which they are jointly interested and involved.

Thus, if the representatives of union and management are to focus

[1] Reprinted from *Labor Relations and Human Relations*, Chap. 5, pp. 75–110, McGraw-Hill Book Company, Inc., New York, 1947, with permission of the publishers. Dr. Selekman is Kirstein Professor of Labor Relations, Graduate School of Business Administration, Harvard University.

upon constructing cooperative relationships, they will do so as they operate concretely from day to day under the joint agreement. Since the agreement has established a new shop law, its operation will bring union and management representatives together primarily when questions of infraction are raised. Shop law, like "law and order," generally evokes no concern when it is operating smoothly. Only when the parties whose interests it adjusts and regulates differ over interpretation or enforcement, does the system of control become a problem in administration. Quite justly, then, it has often been said that the heart of the union agreement lies in its grievance procedures.

That the complaint or grievance thus becomes the fulcrum of joint administration needs imply no alarming emphasis on differences and disputes. Actually, management and workers alike stand to gain from the operation of a "communications system" [2] that brings difficulties at the bench to the attention of the office. Everyone profits when sore spots are found before disaffection festers and spreads. Workers derive security from the knowledge that the agreement not only defines their civil rights in the plant but also provides the machinery for protecting them. Management similarly welcomes the assurance implicit in the existence of orderly means for composing differences that otherwise might interrupt production.

Grievance Procedures—the Heart of Shop Relationships

Even so, experience testifies abundantly that the best *formal* machinery of adjustment does not necessarily guarantee the achievement of these mutual objectives and the establishment of shop order. Here again, something beyond the agreement seems to play a determining role. Here again, that something proves the underlying structure of relationships. We must, indeed, conceive of adjustment procedures not only as the heart of the union agreement but as the very heart of shop relationships.

The distinction is crucial. Grievances are inextricably interwoven not only with objective shop conditions but with the whole texture of subjective shop relationships. The effectiveness of grievance machinery must be evaluated, therefore, not by reference to contractual clauses alone but in terms of all that preceded their introduction and of all that conditions their continuing application. The adjustment of disputes even under a model industry-wide agreement thereby becomes unique in quality and character within each particular plant of the industry concerned, just like

[2] Clinton S. Golden and Harold J. Ruttenberg, *The Dynamics of Industrial Democracy*, pp. 103–109, Harper & Brothers, New York, 1942.

everything else pertaining to the agreement's administration—and for precisely the same reasons. It will be unique because the factors determining relationships differ from plant to plant in the personalities of people and leaders, in the background of collective dealings, in the traditions of company and union, in community sentiments, and so on.

Shop Relationships Not Static but Dynamic. The grievance and its adjustment must be assimilated, then, into the basic concept that makes relationships the dynamics of shop administration. From the moment a union begins to organize, throughout the whole transition to collective dealings and into the period of continuing joint administration, the relationships existing between management, union, and men hold the key to collective problems and processes.

But—and this is the basic point to be remembered—however soundly grounded they may be, *relationships can never be conceived as a static creation.* They cannot be regarded at any time as something finished once and for all—complete, final, and unchanging in form. Instead, sheerly because they are relationships, they remain fluid, evolving, continuously affected by changes in any of the variable constituents that at any time determine their quality.

This fact was clearly demonstrated in one shop with a long record of good relationships when management and union were jolted by a series of ugly shop disputes, accompanied by insubordination and other symptoms of breakdown. Workers took things into their own hands without invoking the grievance machinery. A recent promotion had elevated to the position of foreman a worker unpopular with some of his fellows. Originally a member of a radical faction in the local union, he became as foreman something of a martinet. The sparks that flew at the benches reflected this new source of friction in relationships. Management had failed to appreciate the change in the relationship structure implied in this promotion. The new foreman had received no guidance in making his transition and establishing *his new relationship* with his fellow employees. Neither he nor his superiors realized that his supervisory leadership had to be accepted by those he would lead, all the more because in his former days he had articulated sentiments implicitly antagonistic to management.

Grievance Machinery as Gauge of Health of Relationships. Thus even in plants where mature relationships have long been established, the pressures of internal or external change may affect the going social structure. The possibility always exists that the most smoothly meshing relationships will grind now and then. What the administrator needs, therefore, is some means by which he can constantly gauge the smooth-

ness of shop relationships. And it is precisely from this need that the grievance takes on cardinal significance.

Each grievance and its adjustment offer such a gauge, such a continuing index of the effectiveness of going relations. In the sequence of complaints presented for adjustment, the administrator obtains a microcosm of the whole structure of relationships as they are functioning at the time, successive reproductions on a small scale of the interacting components that determine the quality of collective dealings. All factors that shape relationships come into play when grievances are brought for settlement. The personalities of the men involved in each given case and the sentiments they bring into conference, the leadership on both sides, the social context of administration in the shop, the organization of work—all are mirrored. If they are adequately understood and utilized, therefore, grievances suggest when and where special attention may be required to maintain the integrity of existing relationships.

Each complaint, in other words, should be regarded as a symptom revealing the state of health characterizing relationships. The actual, explicit claim advanced assumes its proper place in the behavior complex by which some individual or group, animated by a sense of injury, is expressing dissatisfaction. The content of the agreement remains important within a given shop situation, but it remains only one factor in the total behavior involved.

A Clinical Approach Recommended

What is being urged here, in other words, is a clinical approach to grievances and the grievance machinery—an approach that views complaints through the functioning processes of shop behavior by which men are working together to turn out goods and services.

In contrast, the present prevailing approach is legalistic. Dissatisfactions among the men at work are fixed within relatively static categories of causation, chiefly by reference to written clauses of a contract valid for a stated period of time. They are "reduced"—a revealing word—to writing; they are delimited by labels that record them as disputes over vacations, wage rates, overtime, working conditions, or whatever the specific claim may be. If the protest does not fall clearly within the purview of some defined, accepted job right or regulation, it is thrown out of court. If, on the other hand, it does relate to current shop law, it will be debated according to approved legalistic procedures under the established machinery of joint conference and appeal. Time and again, everything may be neat and orderly in the adjustment of a grievance—except the behavior of the aggrieved.

The legalistic approach does not eliminate the feelings and tensions with which complaints are surrounded; it simply pronounces them "irrelevant." We forget that a grievance is, to quote that unsentimental book, the dictionary, something causing *grief, uneasiness, anger, annoyance,* something that *burdens, oppresses,* or *injures,* and implies a *sense of wrong done.*

Why, then, have officials, on the union as well as the management side, focused so exclusively upon the legal validity of the grievance? Why have they so carefully tried to squeeze the emotional content out of the issues to be handled under the adjustment procedures? Perhaps it would be more accurate to say that they have looked the other way in uncomfortable disapproval of the emotionalism implicit in a "sense of wrong done." They know that men get "het up"—but men shouldn't, they think, and men's feelings do not belong among the "facts" upon which administrators act. Similarly, they rely upon adjustment procedures modeled chiefly on judicial or courtroom practice, with its rules of objective, logical evidence, to settle the most emotionally charged disputes.

The Strengths and Weaknesses of Legalism. To understand this concentration upon the legalistic properties of adjustment, we must see legalism itself as a pattern of behavior. Compelling motivations underlie its adoption and evoke characteristic modes of response both from officials and from workers.

Beyond any question, the clean-cut orderliness of the legalistic approach to shop frictions seems to promise the administrator precisely what he seeks in this highly surcharged area of human relations. Just because disputes are so often emotionally loaded, the representatives of both union and management seek above all, and quite understandably, uniform "businesslike" procedures for handling them. Their reference to the written agreement does appear to provide such familiar controls through a methodical, evenhanded system of law and order.

Time and again, moreover, many factors combine to wring from the legalistic approach these strengths that the administrator seeks from it. The context within which joint dealings are developing, for one thing, often counsels reliance upon the ordered restrictions of legalism. When the union has but recently secured entry into a shop, for instance, and relationships exhibit inevitably the ferment of transition, a strict construction of the written agreement affords to management particularly an instrument for imposing at least a standard of order. The standard evokes from the union the respect accorded to mutually accepted law; its breach places the new organization on the defensive. If the old restraints upon shop behavior have been weakened, and if the capacity for demanding has been temporarily inflated, the clear mandates incorpo-

rated into the agreement enable management to press upon the union administrators the bounds they must bring their members to observe.

The size of the newly organized plant, again, as well as the general scope of bargaining also helps determine the uses of strict legalism. Manifestly, in the large plants characteristic particularly of so many of our newly organized basic industries, as well as in the multiplying agreements in which are reflected the steady drift toward industry-wide bargaining, the sheer size of the framework within which collective dealings must develop makes the orderly processes of general law prerequisite, even to the eventual refinements of face-to-face human relationships within the constituent departments and work units where men will learn to live with the rules and regulations they have devised. Bigness inevitably creates a natural context for accepted law, and the legalistic approach in administering the agreement covering thousands of men in a large plant or over a wide area of enforcement indubitably meets an inherent need.

The very nature of the industrial relationship itself, particularly within such contexts of transition or bigness, contributes still greater strength to a legalistic administration of the joint agreement. The demands, or the underlying appetites, for improved conditions and advancing wages served by union organization are basically insatiable; sheer yielding to their immediate formulations or the mechanics of mere appeasement, does not win the administrator surcease from the continuing pressure for "more" expressed in grievances over contract interpretation, or, recurrently, over contract revision. Instead, insistence upon the limitations mutually accepted for the term of the agreement imposes the restraints essential to maintenance of shop order. The responsible representative of the union, as well as of management, needs this protection against the innately valid, typically American aspiration of union workers for "more and better—now." If, on the other hand, left-wing or party-line militants have risen to leadership in a union, management will find in an unbendingly rigorous but fair legalism the best available safeguard against conscious manipulations of these membership aspirations to activate the hostilities that lie always so close to the surface of shop relationships.

The swift growth of union power generally in the troubled years since 1933, moreover, increases further the uses of shop legalism as an instrument of ordered relationships. Whether the external curbs of legal regulation alone will ultimately furnish adequate answer to the growth of union power remains to be seen; but certainly part of the answer hinges upon the efficacy of the internal self-restraints developed under the law of the joint agreement. The time has passed in which the dominating power of the employer had to be balanced by fusing the group strength of the rank and file workers. Instead, two great aggregates of industrial

power now face one another; in such a situation mutuality, a balanced acceptance of joint responsibility for productive efficiency within the frame of jointly formulated shop law, seems the new requirement.

Unquestionably, then, the legalistic approach in administering joint agreements meets many innate needs in the typical situations of evolving industrial relations. Even so, at the level of the work bench, where men must achieve their actual adjustments to the new laws they have framed as they live from day to day with collective bargaining, legalism must be supplemented and extended if industrial relations are to become truly a form of human relations. If, for instance, the grievance or complaint is to serve as a useful gauge of the *quality* of shop relationships, the administrator must never be satisfied merely to dismiss it by the tests of legalism; he must, instead, probe it by some means as a clinical communication of something wrong somewhere.

Under the legalistic approach, grievance procedures become a kind of sieve for sifting disputes. From foremen and stewards to top officials on both sides, administrators seek to separate the valid complaint from the invalid, the legitimate grievance from the "gripe." Legitimacy, however, is simply equated with defensible status under a specific provision of the agreement. Foremen and stewards are charged with gathering all the facts regarding any complaint presented to them. But "facts" in this connection comprise only those objective, tangible, even measurable data that can demonstrate whether the specific provision of the contract has been breached as claimed or not. The complaint with merit thus emerges as the one for which some degree of such support can be secured. By the same token, the emotions impelling men to complain in the given situation, the drives for which they may actually be seeking satisfaction in dubious requests for wage revisions, "unreasonable" demands for changes in conditions, and so on, are never counted among the facts worthy of attention.

In recent years this rigorous legalism has occasionally been modified to encourage recognition of the importance of "imaginary" grievances as well as of "real" ones. But nothing could testify more eloquently to the strong dominion of the legalistic approach than the manner in which this apparently significant advance still retained the agreement as the touchstone of what is "real" in shop grievances. An imagined wrong, say some manuals,[3] can affect an employee's mental attitude toward his job and thus impede production quite as seriously as a bona fide complaint. The wise

[3] See, for example, Division of Labor Standards, United States Department of Labor, *Settling Plant Grievances*, pp. 1 and 9, Bulletin 60, 1943; *The Foreman's Guide to Labor Relations*, pp. 14–15, Bulletin 66; also William H. Davis, "Industrial Peace—a War 'Must,'" *Mill and Factory*, August, 1943; Solomon Barkin, "Unions and Grievances," *Personnel Journal*, June, 1943.

steward or foreman therefore talks the imaginary grievance out with the worker, giving him a chance to get it off his chest. Indeed, in talking it out he may even uncover some real source of dissatisfaction. For example, complicated rules and regulations that are not sufficiently explained may lead a worker to think he is being treated unfairly. Just so, the manuals declare, one of the important gains anticipated from the written records of formalized grievance procedure lies in the elimination of any grounds for suspicion, real or imaginary, that cases have not been decided fairly according to the prescribed rules.

Thus, all paths, even those that reflect recognition of the complexities of human relations, eventually lead back to the rules and regulations, the formal law of the shop. Nowhere is there any serious doubt that the tests of the printed word, the findings of the objective facts, will always establish the validity of the real grievance.

Grievances Disguised to Fit Legalistic Patterns. It is, however, nothing less than a typically human reaction that nullifies the "unfailing" aspect of this expectation. For, needless to say, workers hardly remain unaffected by the crucial development that establishes explicit tests by which grievances will be accepted as valid or rejected as imaginary. Instead, just as management and union forge the clauses of the agreement into a tool for sifting out legitimate from illegitimate complaints, the workers adopt these same clauses as sanctioned forms of expression for all manner of dissatisfactions. If only wage complaints, protests against transfers, shift assignments, changes in work loads, or some other "just" cause are accepted as legitimate, employees time and again will display a remarkable facility for fitting quite varied fears and resentments into the approved formats of complaining. They do not, of course, systematically think through this device for circumventing the rejections implicit in legalistic adjustment procedures. Their behavior is, rather, an unconscious response to the social situation created by the prevailing approach to grievances.

This is a response that has become very familiar to all who deal with human emotions and behavior, whether in the doctor's office, the child guidance clinic, the family case-work agency, the Army's neuropsychiatric service, or the industrial counselor's room. When strong emotions are denied an outlet for expression in their own terms, they find ways of utilizing some other outlet for expression in approved or disguised terms. That is why it is so important always to remain aware of the powerful negative emotions that are inescapably components of grievances—the sense of injury, of injustice, of wrong done that mobilizes and then is fed by hostilities, fears, and resentments. For these shop emotions, however "valid" or "invalid" their source, can never be finally denied expression. No complaint, to put it bluntly, will ever be completely or effectively shut

off or dismissed. It may be driven underground, in the temporarily silenced individual or the deceptively acquiescent shop, only to reappear sooner or later, recast in sanctioned demands if possible or, if not, in shop unrest, walkouts, slowdowns, turnover, absenteeism, lack of discipline, clique hostility, and so on.

Thus the clauses of the agreement come to define for the workers not only "valid" but also *sanctioned* complaints. They may use the established adjustment machinery precisely as it is intended to be used, to file a complaint against an objective condition that appears to be a violation of contractual rights. Or they may use it to generate unconscious disguises for latent discontent. The arguments they then adduce to prove the validity of their expressed protest represent rationalizations of their unexpressed and often very different dissatisfactions.

How workers fit unexpressed dissatisfactions into sanctioned, legal complaints may be illustrated by a relatively simple dispute. The growing wartime stringency of the labor market in 1941 compelled management in one plant to curtail the use of floor boys for carrying raw materials to, and finished work from, the benches of women employees. As the boys left the shop for military service or higher paying jobs, the superintendent assigned to the employees on relatively heavier work those who still remained. The other employees soon presented a demand for increases in wage rates, charging a change in work conditions. From the opening of the case, which was finally submitted to arbitration, the women showed considerable feeling. As piece workers, they argued, any time they lost in carrying materials and work affected their pay envelopes. Furthermore, the bundles were heavy, they said, and thus increased their work load. Management showed that the services of floor boys had never constituted an accepted feature of the job; the superintendent had hired them voluntarily in 1939, and he would continue employing them as long as they could be procured. To raise rates in so temporary a condition seemed highly unjustifiable. The women still seemed to find time, moreover, to break into working hours for their customary afternoon smoke.

Was this a real grievance or an imagined wrong? Investigation soon convinced the arbitrator that the "wrong" protested was not the one expressed. Considerable and varied resentments seemed to exist between the shop groups still enjoying transport service and those which did not. The boys inflamed this feeling by teasing the girls who carried their own bundles. Prestige values thus had become attached to the services rendered by the floor boys; the girls felt unfairly devalued in comparison with their fellows who still received transport aid. The case was settled by the decision that as long as the company employed any floor boys, their assignments should be determined by joint conference. Nothing further

was heard of the wage demands. But if those demands had been merely denied, there can be little doubt that dissatisfaction would have continued until it was shifted to some fresh "legal" demand.

The Strength of the Clinical Approach

What changes, then, should a clinical approach to the grievance suggest with regard to handling it? Perhaps it would be better first to ask just what such a revision of the prevailing legalistic approach will *not* do. The clinical approach will not alter the status of the agreement as an important instrument of shop control, even as the first recourse for treating grievances. It will not affect the basic aim of grievance procedure, which remains always, of course, the effective administration of the agreement. It will not even transform in any fundamental way the steps by which treatment is initiated. Instead, it will modify and expand prevailing procedures until orderly handling utilizes not only the law of the agreement but every instrument of control that psychological and social insights make available.

In short, the law, whatever its form and whatever the context of joint dealings, discharges universally in the shop, as in all communities, very real and vital functions. The agreement establishes a network of rights and responsibilities apart from, and above, the men who execute the law. Thus safeguards are erected against arbitrary power and untrammeled authority. Management is conducted by rule, with the introduction and recognition of civil rights, while the interpretation of these rules and practices through the grievance procedure builds up what has been well termed "a system of industrial jurisprudence." [4] Manifestly, the agreement thus constitutes an instrument of control in the shop, protecting both individual rights and established order—but it remains only one instrument.

Yet current practice unfortunately rules out all other social and psychological controls that may help individuals and groups conform to the standards of behavior conducive to harmonious relations and efficient production. It is precisely to advance these objectives motivating the legalistic approach itself that we must be ready to modify and go beyond it.

Place of Formal Grievance Machinery. Under a clinical, as under a legalistic, approach to grievances the adjustment machinery of the agreement remains the first recourse when complaints are presented. It does

[4] Sumner H. Slichter, *Union Policies and Industrial Management,* Chap. 1, Brookings Institution, Washington, D.C., 1941.

so, however, not as a sieve for separating the valid grievance from the invalid, but rather as an instrument for sifting out the mode of settlement that will best handle each given dispute. Administrative attention is thus focused upon quite different issues from those under the prevailing legalistic approach. The technicalities of legitimacy give way to the realities of dissatisfaction. Emphasis is placed upon the problems of *treating* grievances rather than upon the mechanics of accepting or dismissing grievances. The agreement is utilized not to determine what merit the grievance possesses or its right to consideration, but to facilitate discriminating consideration of all grievances. The administrator seeks the settlement in each case that will most effectively and expeditiously overcome whatever interference is threatened to relationships and production. If that interference can be removed by application of the agreement, well and good; the case is thereby concluded. But if not, the interference will obviously not be mitigated or eliminated until the dissatisfactions underlying the complaint are also mitigated or eliminated.

Thus, each precept for investigation, each rule for action, should be expanded until it covers not only the "legal issues" but also the human behavior that must be handled. Consider, for instance, the injunction with which the foreman or steward is invariably launched upon his duties under the grievance procedures: "Get the facts." He may still begin by interpreting this injunction to demand of him a thorough investigation into the objective justification for the claim advanced by the aggrieved employee. This phase of his job, moreover, may require an elaborate inquiry. For instance, "getting all the facts means more than hearing just the story of the worker who has the kick . . . it may involve consultation with a whole department, or even the investigation of conditions in another mill, through the machinery of the national union. In some cases, too, the company's side of the story is needed to complete the picture. . . ." [5]

"When Is a Grievance Not a Grievance?" So far, so good. But what about the next question which arises when the findings of investigation must be acted upon, and which has, as one manual puts it, "bothered shop stewards and union officials since the first contract was written. . . . When is a grievance not a grievance?" [6] Now, of course, the answer to that question is really quite unequivocal as soon as the legalistic approach is abandoned for the clinical one. It is, simply, "never." A grievance is never "not a grievance." Or to put it positively, a grievance, whatever its objective validity, is always a grievance in its more important connota-

[5] *So You're a Steward: A Handbook for TWUA Shop Stewards and Department Committees*, p. 19, Educational Department, Textile Workers Union of America, CIO, 1943.

[6] *Ibid.*, p. 13.

tions for smooth operation and efficient production. Invariably it expresses a discontent that must be dealt with if its potential for shop unrest is to be nipped.

Accordingly, instructions to foremen and stewards might be amplified at this point somewhat as follows:

After you have marshaled all the facts you can to test the objective merits of a claim, you will want next to determine just what kind of grievance you are facing. Quite naturally not all grievances will have the same basic nature. Some will seem to you clearly justified. Others again may appear completely unfounded—just another gripe, you may think. About still others you will not feel so sure, one way or the other. They may seem to have considerable merit, and yet they may also have aspects that raise questions in your mind.

Such uncertainties may simply point to the fact that interpretation of the agreement on the issues involved does need clarification. Or they may point to something else again.

But we all work toward one goal in these matters. The company wants its employees to be as satisfied in their jobs as it can make them. Therefore, we shall take some action on every grievance you receive. But to decide upon action, we need more facts than those that determine whether the agreement or some shop regulation has been violated. We want anything and everything you can discover that will help you, and if necessary the rest of us, to determine just what is making the aggrieved employees dissatisfied.

For example: If the complaint involves only the individual making it, has he been involved in complaints before? If so, what settlements were made in these cases? If the complaint involves a group, are they employees who seem to act together often? Is there some formal, organizational reason why they all should press the claim? Does any one of them seem particularly active in it? Does the aggrieved employee show feeling that seems to you excessive or unwarranted in terms of the situation? What kind of feeling? Can you spot particularly anything on the job that seems to be rousing fear or resentment in him? Do you know of any trouble the complainant is facing outside the shop? As you investigate the objective merits of each case, always keep your eyes and ears open for these kinds of facts, too!

The investigation of a complaint, then, should not be considered complete until these two highly important bodies of facts have been compiled: (1) the evidence by which the foreman or steward can decide whether the grievance submitted to him presents a valid case within the terms of agreement; and (2) such data as may at least indicate the degree

to which factors of personality, feelings, sentiments, group alignments, and so on, underlie its genesis or threaten to complicate its handling.

The social and psychological facts, let it be noted, are needed for the effective treatment of all types of grievances, irrespective of their objective validity or invalidity. For from the best grounded "real" complaint to the most unjustified "imaginary" one, every grievance reflects the various interacting components of shop relationships. Any particular one, therefore, may become the source of sharp and stubborn difficulty if the significance of factors in relationships relevant to its treatment is left out of the reckoning.

Three Case Examples

Just how gravely such disregard can complicate handling of the most unexceptionably "legitimate" complaint or cause failure to reach the core of real trouble in the more complex kind may be best indicated through actual cases.

An Inflated Grievance. Consider, first, a relatively simple grievance—a complaint against job rating that arose on one of the railway services. It posed a straightforward question for decision: Was the aggrieved employee doing work of skilled status, as he claimed, or the semiskilled work for which he was being paid? Yet before this dispute was settled in the complainant's favor, it threatened to develop into a problem for the whole system; a chain of influences including personality traits, work customs, and lack of continuing guidance by higher union officials precipitated parallel but unfounded claims along the route. The example is all the more striking because these complications arose in handling a grievance on the railroads, where collective bargaining has been long established and the most stable relationships exist.

The real trouble developed, not from the mere grievance about job rating, but from the fact that the complainant was required by the rules to put his claim in writing, which he steadfastly refused to do. He was a generally fearful, insecure person and seemed afraid, of course without reason, that writing down his grievance might somehow endanger his position with the company. But union lodge officials as steadfastly refused to act upon his case until he met this initial requirement. The chief reason for the refusal was the lodge president's almost fanatical adherence to the rituals of the union and the contract. He conducted lodge meetings with the utmost ceremonialism and always in his Sunday best. The very seriousness with which he took his duties regarding all union rules and rituals brought him such respect that none of the members would force his hand even in situations like this one, where many regarded his position as too unbending.

The very strength of this local union president, one of the most effective in the whole brotherhood, obviously constituted the source of difficulty by making him unable to meet flexibly the equally rigid, if exactly contrasting, personality trends of a fearful but loyal and conscientious worker with a grievance. Delays intensified the resentment and sense of injury of the complainant. The characteristic work customs of the service, which gather workers at station depots and yards along the route to lend one another a hand as they exchange union news, made the case a *cause célèbre,* stimulating widespread—and invalid—complaints of the same kind.

After eleven months of this impasse, the aggrieved worker finally transferred his membership to another lodge. Here the members voted the suspension of the rule requiring that complaints be filed in writing and the union officials were authorized to process the grievance.[7] After passing through the regular joint channels of adjudication, the claim was finally granted by the National Railway Adjustment Board.

All these complications were unnecessary. If the seasoned field director of union lodges in this region had maintained more constant contacts with them, he surely would have found ways to reckon with the personality traits that were blocking treatment of the case before needless delay and the particular work customs inflated it as they did.

A Disguised Dissatisfaction. If such factors snarl up the handling of eminently legitimate grievances, they may even generate the more questionable complaints that disguise dissatisfactions in sanctioned formats.

In a branch mill of a textile company, for instance, the steward of the slashing room submitted a demand for increased rates in the name of the men he represented. The demand was defended as compensation for an alleged increase in work load caused by new automatic humidity controls on the machines the men operated. The use of these controls had been spreading through the industry, and this company was introducing them experimentally in another branch mill in the same town when it signed its first agreement with the union. The wage rates, accordingly, had been based on work conditions that included the automatic controls. As the management extended the introduction of these controls, both of this steward's machines were fitted with them; other slashers operated two machines with controls on only one or with no controls at all.

In presenting the alleged group protest, the steward ignored the griev-

[7] Following the decision of the Supreme Court in *Elgin, J. and E. Ry. Co. v. Burley et al.* (65 Sup. Ct. 1282, June 11, 1945 and 66 Sup. Ct. 721 (1946)) requiring proof of agency to entitle a union representative to represent an aggrieved individual, this brotherhood tightened its administrative requirement that grievances be reduced to writing.

ance machinery and pressed the important wage negotiations on his own. On their failure he presented a strike ultimatum. It was management that then called in the union director. With his union relatively new, the director decided to proceed with the case, since feelings in the slashing room by now had become tense. There followed further joint conferences, three company time studies, arbitration through two hearings, visits by the arbitrator to the plant, a fourth study, and finally intervention by the Federal government.

During all these procedures the steward covertly and overtly prodded union and management, but always through entirely "proper" legalistic behavior. He compiled highly factual evidence to prove that the new control "was running us ragged," was "greatly increasing output" and thus was "increasing company profit." He constantly and aggressively interrupted union as well as management superiors, but only to "correct" them on the "facts." He maintained an eagle-eyed watch upon shop developments that interpreted the most everyday decision in terms of his suspicions of the new machines. He expressed concern over his inability to hold "those young fellows," for whom he spoke, "in check" unless they were granted the demanded wage-increase. Although "those young fellows," like all workers, would have welcomed an increase, none of them at any time showed the steward's intense convictions in the matter (and as a matter of fact, they subsequently broke with him). He even "proved" that the new machine gave "bad quality" work—quality far inferior to his own skilled manual performance. And so on.

At any rate, these protracted and rationally convincing proceedings failed to budge the steward one jot from his original position. Every argument, every favoring circumstance proved completely unavailing against the vivid, personally documented knowledge that "the new machines are running us ragged." And undoubtedly the machines were—but through the fatigue induced by his strong emotional resistance rather than through any physical increase in the work load about which the management and men so exhaustively and logically argued.

This employee, recognized not only as a highly skilled craftsman but also as a bench and mill-town community leader for years, was manifestly reacting to what he felt was a threat to his skill and status. Thus he was utilizing the powers of his new union role to protect his established prestige values. All his "facts" and arguments, his conference behavior, his attitudes toward both union and management superiors, disguised the complex fear and the aggressions it evoked in this man of leadership caliber.

It is at least possible to ask whether awareness of personality factors—this skilled slasher and leader was often a "difficult fellow"—did not call

for careful consideration and reassurance before controls were attached, in his case alone, to both the machines he ran. Indeed, when adjustment proceedings were under way, both the astute union director and the understanding representative of the company realized that something different from the conditions against which he was leading a group protest must have been bothering him.

Surely a clinical approach to the dispute seemed indicated, particularly since no members of this craft in other branch mills of the company were staging similar protest against the introduction of the automatic controls. As it was, the immediate settlement based exclusively on the objective facts produced a short stoppage—and for the next two years this steward recurrently challenged his superiors. Finally, after more than two decades of admittedly exceptional service and despite the stringencies of the war labor market, he had to be discharged for one challenge too many.

A Friction with Complex Genesis. Just where would one find the real complaint in the involved situation that underlay a demand for replacement of work pants in another plant—a plant of a company manufacturing electrical cable and wire for industrial power, communications, and lighting equipment? Again, the explicit grievance was relatively simple. The men in the rubber-compounding department, complaining that the liquid splashed from the centrifuges and spoiled their pants, demanded they be supplied with new work pants, presumably woolen, as often as necessary. The management furnished protective rubber aprons. The men protested that aprons would not do because the compound splashed mostly from the knees down. Puttees were then offered in addition to the aprons. The men still expressed dissatisfaction: aprons created a work hazard around their machines; they were only for women anyway. They wanted regular pants, or else they would walk out.

For management to limit the handling of this dispute to the explicit demand for work pants would be to miss completely the real and complex genesis of the friction of which it was part. The company had expanded its work force more than fourfold to fulfill its war contracts. Before the war the employees had been represented by an independent union; after two elections an AFL union was certified as the bargaining agency. But it was the newer, short-time employees who had thrown their support to the AFL. Accordingly, these newer employees held the union offices. The older employees had, until recently, kept aloof from union activities; the foremen also had not been easily reconciled to the new union. This problem number one, a split between the older and newer employees, had to be healed if proper morale was to be developed. It was at least suggestive that the rubber compounders most active in the dispute were long-service employees—old-timers.

Again, both the management and local union were new to the procedures of collective bargaining. Because of this, the request for work pants was originally submitted to a labor-management committee on war production; only after several months did it reach the regular grievance machinery.

Company officials emphasized, moreover, that the rubber compounders had worked at their jobs for years without demanding replacements of work clothes; that showers and dressing rooms had been provided so the employees could wash up and change at the end of the work day. But they saw these objective facts as evidence that the men were unreasonable rather than as clues that they might be pouring accumulated dissatisfactions into one more sanctioned complaint.

Accordingly the precedents the compounders cited to support their demand were explained away by management as due to differences in objective work conditions. Yet management admitted that its own position was motivated at least in part by emotional concern or suspicion. To grant the demand of the rubber compounders, company officials feared, would stimulate parallel demands for work clothes throughout the plant. They insisted that, while rubber coveralls had been provided for workers in another department, the work there was harder and dirtier than any place else in the plant; similarly, although coveralls also were granted millwrights, it was only for the specific times when they worked in carbon black. The officials thus missed what might also be an emotional clue in the compounders' declaration that they too would be willing to accept coveralls but not aprons.

As time passed and no decision on the complaint came from the labor-management committee, the compounders began to prod both management and their union officials. As their steward tossed the complaint about in the labor-management committee, the delay, as is usually the case, sharpened the discontent of the men. Then when the dispute was becoming dangerously heated, the union's business manager was called up for military service. The local union president took over with the feeling that he was left holding the bag. He called for help from the district vice president of the union, a seasoned full-time official, who promised a visit to the plant but under the pressure of wartime problems never came.

To complicate matters further, one employee who had been involved in a series of prior disputes was suspected of being the ringleader in this grievance. His behavior in one of these disputes had so violated the superintendent's codes of what constituted proper conduct in the shop that he never forgot it. Returning to work from a short but illegal walkout and feeling the better for a few drinks, this "agitator type" had asked

the vice president in charge of production whether he, too, didn't find that it improved matters to come in with a few beers under his belt. Although the superintendent did not know whether this fellow actually was the ringleader in the work-pants dispute, he blamed him because "in shop relations when a man didn't behave the way he should once, probably he wouldn't next time either."

Thus, mere disposition of the claim for protective clothing in this company would leave completely untouched the underlying disturbances in relationships that were generating complaints. Old-timers and new-timers had to be integrated into a working team; inexperienced union officials had to be guided in their new responsibilities; foremen and union members had to be brought together more closely; grievance machinery had to be distinguished from war-production committees; individual personality problems had to be dealt with; the succession of disputes had to be related concretely one to another for adequate appraisal; and so on.

An effort to isolate the issues involved in *any* given grievance simply wrenches the underlying discontent out of its whole context. A grievance constitutes one incident in a continuum, a dynamic context of shop relations. The continuum will contain the factors that may complicate handling, or if understood properly, the factors that should focus handling. These three case examples, like all others, represent episodes in a continuous context of relationships rather than detached incidents definable as grievances over anything as specific as wage rates or protective clothing.

Is the Clinical Approach Manageable?

At first encounter, the clinical approach may appear to project heavy burdens upon foremen and stewards and also upon higher company and union officials. Can we ask busy individuals to engage in exhaustive analysis of the context within which each grievance is generated?

Most of the administrators of a union agreement, it must be remembered, are already in contact with the people whose grievances they must handle and with the shop within which grievances find expression. The acceptance of the clinical approach sensitizes them to the aspects of relationships that will bear watching. They come to know the individuals and their personality trends, including the men who usually "gripe." They hear of worries outside the shop that may affect an employee's mental attitude toward his job. They spot bench groups and their leaders. They are ready for fearful reactions when changes in the methods or organization of work must be introduced. When drastic external stresses impinge upon the factory as a result of legislation, depression strains, or

war pressures, these men are not startled by their reflection in shop behavior.

It is always dangerous, amid the dynamic complexities of human relations, to proffer administrative "aids" that even savor of formulas for handling them. Yet the very concept of the grievance as a symptom, which underlies the clinical approach to their treatment, justifies analytic probing into the characteristic behavior of aggrieved individuals for clues that will enable the administrator to judge quickly the type of complaint confronting him in each given case.

Since all grievances embody a sense of injury or of wrong done, he will be prepared to encounter varying degrees of emotion in the aggrieved employee. But when the complaint is rooted in an objective condition or in a reality situation, that emotion should bear some proportionate measure to the cause evoking it. The employee's anger, resentment, or anxiety may be deeply felt; but it maintains demonstrable relationship to its objective cause and tends to disappear when the reality situation has been dealt with.

Complaints that furnish approved formats for latent discontents, on the other hand, often produce feeling and behavior that can fairly be described as "excessive" in terms of the explicit dissatisfactions articulated by the aggrieved employees. The employee may stew about his wrongs and dilate upon them to anybody who will listen. Or he may inflate his grievances, finding some fresh cause for dissatisfaction almost as the given cause has been considered. Nor do the feelings animating him in the given situation disappear when the generating situation itself has been cleared; instead, they linger, to simmer as the residual negative emotions that recurrently explode into shop disturbances and hostilities. As the administrator grows in sensitivity to excessive behavior and feeling in grievance situations, of course, he must also learn to make allowance for ethnic and even individual variations in emotionalism. Thus the arbitrator in an industry containing many different nationalities comes to discount the explosive manner of testifying, often characterizing Italian or other South or East European workers as compared with, let us say, their Anglo-American fellows. Yet when all the necessary qualifications have been made, behavior that is excessive in terms of the generating situation remains a useful clue in the clinical approach to the grievance.

Similarly, behavior that may be described as "repetitive" affords the administrator a valuable guidepost in treating grievances. He may find an individual repeatedly complaining—the familiar sorehead. Again, he may receive numerous complaints from one department; or he may discover a group of workers at the bench recurrently involved in disturbances or in the grievance procedures. In each instance the repetitiveness fur-

nishes a clue suggesting a deep-seated disturbance in relationships. The employee who seems grievance-prone probably cannot be adequately handled by considering his successive complaints objectively on their merits as he presents them one after the other. As long as he remains an employee, management and union both stand to gain by a sympathetic search for his underlying difficulty. Reference to shop or union counselors, or to medical services, if they exist, may meet the need; if not, a sympathetic superior may prevail upon the employee concerned to utilize recognized community agencies established to deal with such problems as seem at the root of his trouble.

When, on the other hand, an undue concentration of complaints occurs within a given department, examination of underlying relationships prevailing there would seem indispensable even as the explicit grievances are submitted to the contractual procedures of adjustment. An overzealous steward may account for the continuing disturbance they symptomize, or a hard-bitten foreman may be at fault. Some technical bottleneck also may be impeding the flow of work at the department, or still another difficulty among the many potential disturbances of shop relations may require attention. The important point remains always that repetitiveness in grievance behavior should stimulate scrutiny of the deeper lying, continuing factors in relationships.

In the same way, what we may characterize as "imperviousness" to treatment under the established procedures that most reasonable men would accept as fair may be read as a clue indicating a subjective, rather than an objective, grievance. Time and again, union representatives quite as much as management confidentially confess their perplexity at the pigheaded stubbornness with which an aggrieved individual or group resists every effort to dispose fairly of their complaint. In such cases it is generally safe to conclude that more is at work in engendering dissatisfaction than appears on the surface. It will often happen, moreover, that the administrator in continuing contact with his men at work will confront behavior among aggrieved employees that exhibits all three symptoms of deeper lying disturbance.

For instance, the reactions of the slasher tender in the mill introducing automatic moisture controls revealed excess, repetitiveness, and complete imperviousness to the fairest, most patient efforts to deal with his explicit complaint. Quietly factual though he remained as administrating steward and testifying witness, the intensity with which he pressed the complaint against the automatic moisture control, in a context within which other slasher tenders in sister mills, and indeed throughout the industry, revealed no comparable concern, at once suggested feeling excessive in terms of the reality situation that seemingly evoked it. In addition, he

remained completely impervious to every effort of management, union, and outside conciliators to prove his fears unfounded; instead, he challenged the fairness and reliability of successive time studies, until faced with results he could no longer assail technically in terms of work load and output. Whereupon he dismissed the whole process of measurement as unintelligible—"a Chinese laundry ticket to us ordinary workers." Similarly, he remained immovable before every attempt at adjustment offered by company, union, arbitrator, or government mediators when the adjustment fell short of the wage increase he demanded. Finally when a decision was rendered against his claim, he was involved recurrently in a series of disturbances that found him clashing with shop fellows or subtly insubordinate under management orders.

The excessiveness, repetitiveness, and imperviousness that characterized his shop complaining or grievance behavior certainly offered symptoms indicative of the need for something beyond the rules and procedures of legalism. Invariably, wherever encountered, these symptoms may be read precisely in this way—as clues for treatment techniques predicated upon the whole reality of dynamic shop behavior.

On the whole, foremen and stewards should be expected generally to meet only the simpler demands of such continuous alertness to the factors of human relations. On the other hand, personnel managers, higher ranking company executives, and also union officials may well be asked to shoulder the requirements of deeper insights. Through the clinical approach adjustment procedures themselves become part of the continuum of relationships rather than legalistic tools intermittently taken up and laid aside. The skills of the clinical approach, moreover, like any other skills, gain proficiency with use. With every grievance handled, the administrator finds himself more adept in looking beyond explicit issues, more sure-handed in uncovering "real"—in the clinical rather than legalistic sense of that word—sources of disturbance in shop relationships stirring beneath official grievances.

When adjustment procedures are thus assimilated into the context of relationships it becomes a mere convenience of speech to say that settlement of each successive grievance will still be initiated by the machinery established in the contract. So it will—but those who administer the machinery will not now isolate the issues of the case or the aggrieved employee presenting them, from the whole context; nor will they detach the moment of expressing a sense of wrong done from all that went before and all that may come after. The processing of the grievance will conform to the expectancies of those concerned in it; but every step taken will be directed by a clinical approach toward handling dissatisfaction—even when applying the agreement.

The administrator still acts upon the premise that judicial consideration by itself affords some relief for every dissatisfaction, whatever its source and whether or not it will prove finally amenable to legalistic settlement. But he knows also why consideration must be expeditious and sympathetic to achieve this result. The familiar warnings against delays in adjustment gain emphasis by insight into the emotional overtones in grievances. Precisely because grievances are expressions of a sense of wrong done, they are also ideal soil for "stewing," for distortion of the motives behind the alleged wrong, for exaggeration of its dimensions, for obsessional preoccupation with all the other wrongs a malign fate may be inflicting. In the same way, he knows that the newer emphasis upon sympathetic listening represents a promising advance in human relations; but he knows also that to realize its potential, vigilance is still required lest the technicalities of procedure shut off this safety valve.

Consider, for instance, the typical formulas according to which the grievance generally is reduced to writing. Many of the "facts," both general and specific, recommended for inclusion in the blank grievance forms are purely informative and so cannot affect adjustment adversely, *e.g.*, name of aggrieved employee, address, time clock or badge number, department, operation, shift, foreman, union ledger number, local union number, grievance case number, date, steward's name, and so on. But when a steward or foreman is instructed that the statement of the grievance should be clear, short, and to the point, does he not thereby himself receive encouragement, and transmit encouragement to the complainant, to fit the given dissatisfaction into some sanctioned format of complaining under the agreement? The sober fact is that feelings and sentiments, the motor power of grievances, cannot always be reduced to expression that is "clear, short, and to the point." Indeed, deeper understanding of human motivation increasingly counsels against any effort thus to compress them. The clear and short statement of a grievance upon a standardized written form can be useful only if it is formulated *after* the aggrieved worker has been heard sympathetically and at whatever length he may require to get his sense of wrong done off his chest. It would seem desirable generally to call for putting the grievance in writing only after a first step has provided opportunity for full informal conference between the employee and the steward and foreman.

Care must also be taken that contractual specifications regarding the first step in grievance procedure are not permitted through narrowly legalistic interpretation to become an impediment to the development of sound relations. A graphic illustration of the need of flexibility to meet actual situations was furnished during a conference of a union's field representative with the foremen in a recently organized mill. The agree-

ment provided that workers submit grievances first to their stewards. Discussion centered upon the problem presented by one of the foremen, who declared himself baffled by the increase in complaints that employees had been bringing directly to him. He listened carefully only to find that most of the grievances the men voiced possessed no valid basis. Yet they persisted in coming to him, and he was at a loss to know just how to handle the situation.

Both the foreman's supervisory colleagues and the union representative were entirely agreed upon the answer to his problem. They referred him to the agreement to prove that he must refuse to listen. Under the agreement, he was told, the stewards were designated precisely for this job of determining who among complainants had a legitimate kick and who were merely griping. They would then tell the gripers to stop talking nonsense.

What the conferees were overlooking was the fact that unionization often brings to the surface pent-up irritations. These workers naturally carried their complaints to the one official who always had been, and still was, willing to listen carefully, a foreman who seemed to enjoy an excellent relationship with them. Indeed, management and union should have utilized this foreman to integrate the stewards with the restive workers, by urging that foreman and employees alike talk complaints over with the steward. In other words, this particular foreman could be made the key to developing the relationships implied in the agreement. It would work irreparable harm to stifle him for the sake of a narrow legalistic interpretation of the agreement.

Some Concluding Observations

It is impossible, of course, to convey in any detail the manifold variety of shop experiences that emerges from applying the clinical approach to everyday grievances arising on the job. Illustrative cases might be multiplied ceaselessly, only to reveal that no one is ever exactly like any other. Yet this seeming diversity does possess its own internal order, the order characteristic of all living experience. Common elements do constitute the stuff of which every grievance is made. To reduce the grievance merely to these common elements, however, is to lose the organic wholeness that comes from their dynamic, interacting combination in endlessly particular contexts. Once more it is the plus quality in all human relationships that makes the grievance, too, something more than the sum of its constituent elements.

Nevertheless, the administrator must remain ever alert to these constituent elements. The better he knows workers, supervisors, and union

officials as individual people; the more he understands the informal bench groups, shop cliques, and union factions into which they associate themselves within the larger formal organization; the more clearly he realizes how changes within and without the shop community reflect themselves in the emotions and sentiments that motivate shop behavior, the more adequately he can handle grievances and thereby also guide shop relations to serve his administrative purposes.

And thus we return to the point with which this discussion started. If grievances are to be handled effectively, they must be approached primarily through the dynamic flow of shop relations rather than through the static clauses of the agreement. When they are thus approached, they become in turn a gauge of the state of health in relationships.

Indeed, once shop relationships are thus conceived as the continuing factor in all shop behavior—in presenting the grievances that suggest difference and contain potential conflict, in settling them by the mutual adjustment projectures that promote collaboration—we must also be prepared to modify strategically a long-established truism of collective dealings. No axiom of joint bargaining has attained a stronger hold than that which differentiates sharply the processes of adjusting grievances under a current agreement from those that revise the actual terms of agreement. Renegotiation and grievance settlement thus are rigorously separated from each other.

True, this differentiation will always retain a large measure of practical usefulness. Renegotiation constitutes in essence, for one thing, a renewal of the basic compact between management and union. In these terms, at the completion of the contract there might be conveyed an emotional impact or an expression of sentiment that would prove far more meaningful for all concerned than any single application or interpretation of current terms. Again, those involved in renegotiating the terms of an agreement, embodying as it does shop custom or law, can test their own practices by the stream of tendency in these collective standards developing within industry as a whole, just as they did during the negotiation of a first agreement. Finally, just because basic revisions are in question, the techniques of joint dealing differ. The same unions that hold tenaciously to their right to strike when joint conference fails to achieve agreement will, on renegotiating contract clauses, strive unremittingly to reduce "wildcat" stoppages that protest interpretations of current terms. Similarly, the firm rejection by both parties generally of compulsory arbitration as the final step in renegotiation is parallelled by union persistence and growing employer acquiescence in incorporating arbitration into the hierarchy of appeal under grievance procedures.

But when all this has been granted, to understand the dynamics of shop behavior under collective agreements is to recognize also how blurred these apparently sharp boundaries become in the realities of joint dealings. They are man-made boundaries, useful in their way, yet artificially distinct channels within the unbroken flow of relationships. No one who follows in detail the proceedings of typical renegotiation conferences can long fail to observe the manner in which they, too, emerge as a stage in grievance procedure. Time and again, the representatives from the shop who speak at these meetings show themselves eager to provide redress for grievances they feel have not received satisfactory adjustment under the expiring agreement. In one case, changes in rates without due notification may underlie the demand; in another, even unpopular appointments of foremen may motivate the quest for revisions. Skilled executives utilize the negotiating conferences to uncover and alleviate such discontents.

In the early stages of relationships, the negotiators may find themselves confronting more than sixty requests for very specific changes designed to meet continuing dissatisfactions, as did the negotiators at the Chrysler Corporation during the war. In the past it has been generally the union conferees who thus utilized the negotiation conference, just as they did the grievance procedures. More recently, management has been bringing its own complaints, originating under the administration of the past contract, to the conference table at which new terms are to be negotiated. This represents a healthy development. It would be just as desirable, as unions grow in strength, for management also to utilize the grievance procedures to protest violations of contract terms by union members. Be that as it may, however, there can be little question that renegotiation becomes, in the perspectives of the clinical approach, a current in handling dissatisfactions that must be channeled, just like the grievance procedures themselves, in the continuing evolving flow of shop relations.

Thus, from term to term, and within each period of its currency, the agreement remains significant in the hands of the administrator approaching shop dealings with the skills of the clinician.

In the hands of such a person, the agreement plays a better proportioned role in the total procedure of adjustment. It is indeed an important component in the structure of shop relationships, furnishing, as it were, their skeletal frame. But any agreement becomes a vital part of a living structure only as it acquires the power—the muscle tissue, so to speak—that men give it by conforming to its pattern of relationships; the flesh and blood of their daily application of its terms; the ideas, sentiments, and emotions they pour into it. And the true significance of the grievance emerges only when we recognize the expression of dissatisfac-

tion as a symptom of malfunction somewhere in this living structure of shop relations.

For relationships, let us recall once more, constitute the means by which the administrator pursues his objectives. Both observance of the agreement and efficient production rest ultimately upon the relationships of the men working together in the shop. Each grievance, even as it mirrors those relationships, must also be handled through them. In human relations the distinctions between cause and effect are seldom clean cut; the ties that link the sequence in which one experience proceeds from another are those of interacting influence. That is why grievances can be instruments for promoting sound relations; while sound relations certainly are the best means for dealing adequately with grievances.

Part Three: THE FOREMAN: HIS PLACE AND HIS PROBLEMS

Introduction

In many companies the foreman is on the spot. This problem cannot appropriately be ignored by higher management and by personnel administrators since it is usually a problem of their own making. Foremen have often been called the key men of industry. They well deserve this distinction. But interviews disclose that foremen are apt to feel more like scapegoats. And unfortunately, scientific management has made the foreman's job more difficult and less rewarding than it was before.

The foreman's main difficulties and the means of their solution are considered by F. J. Roethlisberger in an analysis that focuses attention on communication as a management technique. In communicating up the line, many a foreman is compelled to become "master of double talk." This is because of the "discrepancy between the way things are at the work level" and the way higher management thinks they are. Similarly, in communicating with his subordinates, double talk may seem necessary when a foreman must impose management decisions that he neither understands nor accepts. There is no escape from the foreman's dilemma until higher management accepts the obligation of developing foremen as administrators who feel "responsible for people, not merely for abstract categories."

Many foremen do not know exactly what to do, how to do it, or even the precise scope of their authority. One way of overcoming this difficulty in any company is to make a detailed job description of the duties, responsibilities, and limits of authority common to all foremen in the organization. Such a job description, as made in one firm with the help of the personnel administrator, is presented by Douglas McGregor. This analysis was used not as an *end* (a means of telling 'em) but as a *beginning;* "a dynamic and useful tool for group discussions."

Richardson and Walker describe practical steps taken in another

company, during a period of expansion, to enable foremen to do a better job. As a part of a job enlargement program, straw bosses were eliminated, the number of employees assigned to each foreman was sharply reduced, his scope of authority was enlarged, and each was given more clerical assistance to free him from paper work and thus allow him adequate time for personnel work, *which was considered his main job.*

The process of developing foremen to be effective management representatives has a beginning and subsequent stages, but no end. As in every form of leadership, the possibilities for improvement are infinite. They should, therefore, be continuously studied.

A sound beginning is preparation of foremen to carry out their management responsibilities as democratic leaders. Norman R. F. Maier describes a development program designed for this purpose. Foremen can adopt the attitudes and acquire the skills necessary to conduct conferences with subordinates. By effective use of the conference method, a supervisor can help employees to reach group decisions in matters that come within the scope of his authority and on which they have firsthand experience. When such decisions are unanimous, or even when made by a majority, they are far more acceptable to the group than when imposed by management. But are such decisions likely to be sufficiently sound to prove acceptable to management? Professor Maier presents data on an interesting experimental sequence that shows how a skillful leader can "actually raise the problem solving ability of the group" to assure a high quality of group decision. In a unionized firm, of course, group decisions must necessarily include the shop steward.

Role playing is an important aid in preparing a foreman to understand the leadership responsibilities of his job in human relations. Alex Bavelas states its aims, advantages, and limits. He also describes how an actual role-playing session should be conducted. Maximum success during a role-playing session depends on considerable skill by the leader. This can be attained by administrators and executives after coaching by staff experts such as the personnel administrator and the training director. And unless role-playing sessions are conducted by members of line management, the intellectual benefits are likely to be short-lived because new ideas cannot be put into practice.

Such a preparation of a foreman *for his job* is most effective when followed by sound development of a foreman as management repre-

sentative *on the job*. Two vital needs of every foreman in representing management are to *have confidence in himself* and to *have his authority recognized* both by superiors and by subordinates. A leader gains confidence in himself by a cumulative process of making, communicating, and administering decisions. The first line supervisor's immediate superior can greatly help (or hinder) in this process.

William F. Whyte describes and illustrates an effective approach. Each supervisor should be understood and dealt with "in terms of his position in the organizational structure." For example, he should find in his superior a ready listener for his problems and a sympathetic teacher, able to "balance criticism with praise." He should be permitted to learn by being given freedom to make minor mistakes. The gain in inner authority that comes from having decisions supported by superiors is buttressed when the foreman's authority is recognized by subordinates. One proof of this recognition is furnished when employees readily bring important questions to their foremen. In many companies they cease to do this because they find that the foreman knows little and cares less about many matters that are important to them.

An obvious improvement needed here is presented by Alexander R. Heron. Foremen should be invited to participate in conferences with higher management when decisions on policies and procedures *are in the making*. Such participation gives a foreman not only advance information, but also the kind of understanding and the sense of enlistment that he needs in order to make the most of his delegated authority.

This kind of preparation and development point the way out of the foreman's dilemma. When he is willing and able effectively to represent higher management, he need not take refuge in double talk either to his superiors or to subordinates. But clearly, a foreman cannot escape from his dilemma unaided. Members of higher management and staff people such as the personnal administrator, who created the problem, must work with the foreman to overcome it.

A. THE FOREMAN'S DILEMMA

The Foreman: Master and Victim of Double Talk[1]

F. J. Roethlisberger

The increasing dissatisfaction of foremen in mass production industries, as evidenced by the rise of foremen's unions, calls for more human understanding of the foreman's situation. This dissatisfaction of foremen is no new, nor static, problem. It arises from the dynamic interaction of many social forces and is part and parcel of the structure of modern industrial organization. In its present manifestation it is merely a new form and outbreak of an old disease, which management has repeatedly failed to recognize, let alone diagnose or treat correctly. Master and victim of double talk, the foreman is management's contribution to the social pathology of American culture.

Some of the reasons cited in the current situation for the increasing receptiveness of foremen to unionization in mass production industries are:

1. The weekly take-home of many foremen is less than that of the men working under them; this condition has been aggravated under war conditions in those factories where foremen do not receive extra compensation for working overtime.

2. The influx of inexperienced workers, under war demands, has made the foremen's jobs more difficult.

3. The rise of industrial unions has stripped the foremen of most of their authority.

4. Many union-minded workers have been upgraded to supervisory positions.

5. Many production workers promoted to the rank of foremen during the war expansion face the possibility of demotion after the war and the

[1] Reprinted from *Harvard Business Review*, Vol. 23, No. 3 (Spring, 1915), pp. 283–298, with permission of the publishers. Dr. Roethlisberger is professor of human relations at the Graduate School of Business Administration, Harvard University.

sacrifice of seniority credits in the unions from which they came for the period spent as foremen.[2]

It would be absurd to argue that these factors, particularly as they are aggravated by war conditions, have not contributed to the grievances which foremen hope to correct by unionization. In a number of companies it is only fair to say that management has recognized some of these grievances and, when possible, has taken corrective steps. But is the correction of these grievances alone enough? Unfortunately, the possibility still exists that too little attention will be given to the underlying situation. The symptom-by-symptom attack that management is prone to take in solving its human affairs will fail to go below the surface. Failing to recognize the hydraheaded character of the social situation with which it is faced, management will cut off one head, only to have two new heads appear.

The major thesis of this article therefore will be that once again "management's chickens have come home to roost." [3] And this question is raised: Can management afford not to take responsibility for its own social creations—one of which is the situation in which foremen find themselves?

The Position of the Foreman

Nowhere in the industrial structure more than at the foreman level is there so great a discrepancy between what a position ought to be and what a position is. This may account in part for the wide range of names which foremen have been called—shall we say "informally"?—and the equally great variety of definitions which have been applied to them in a more strictly formal and legal sense. Some managements have been eloquent in citing the foremen's importance with such phrases as: "arms of management," "grass-roots level of management," "key men in production," "front-line personnel men," and the like. Not so definite is the status of foremen under the National Labor Relations Act, since they can be included under the definitions given both for "employers" and "employees." To many foremen themselves they are merely the "go-betweeners," the "forgotten men," the "stepchildren" of industry. And what some employees call some foremen we shall leave to the reader's imagination.

But even without this diversity of names, it is clear that from the point of view of the individual foreman the discrepancy between what he

[2] See Herbert R. Northrup, "The Foreman's Association of America," *Harvard Business Review*, Vol. 23, No. 2 (Winter, 1945), p. 187.

[3] See Clinton S. Golden and Harold J. Ruttenberg, *The Dynamics of Industrial Democracy*, Harper & Brothers, New York, 1942.

should be and what he is cannot fail to be disconcerting. At times it is likely to influence adversely what he actually does or does not do, communicates or does not communicate to his superiors, his associates, and his subordinates. For this reason let us try to understand better the foreman's position in the modern industrial scene.

It is in his new streamlined social setting, far different from the "good old days," that we must learn to understand the modern foreman's anomalous position. The modern foreman has to get results—turn out production, maintain quality, hold costs down, keep his employees satisfied—under a set of technical conditions, social relations, and logical abstractions far different from those which existed 25 years ago.

More Knowledge Required

For one thing, he has to "know" more than his old-time counterpart. Any cursory examination of modern foreman training programs will reveal that the modern foreman has to know (and understand) not only (1) the company's policies, rules, and regulations and (2) the company's cost system, payment system, manufacturing methods, and inspection regulations, in particular, but also frequently (3) something about the theories of production control, cost control, quality control, and time and motion study, in general. He also has to know (4) the labor laws of the United States, (5) the labor laws of the state in which the company operates, and (6) the specific labor contract which exists between his company and the local union. He has to know (7) how to induct, instruct, and train new workers; (8) how to handle and, where possible, prevent grievances; (9) how to improve conditions of safety; (10) how to correct workers and maintain discipline; (11) how never to lose his temper and always to be "fair"; (12) how to get and obtain cooperation from the wide assortment of people with whom he has to deal; and, especially, (13) how to get along with the shop steward. And in some companies he is supposed to know (14) how to do the jobs he supervises better than the employees themselves. Indeed, as some foreman training programs seem to conceive the foreman's job, he has to be a manager, a cost accountant, an engineer, a lawyer, a teacher, a leader, an inspector, a disciplinarian, a counselor, a friend, and, above all, an "example."

One might expect that this superior knowledge would tend to make the modern foreman feel more secure as well as to be more effective. Unfortunately some things do not work out the way they are intended. Quite naturally the foreman is bewildered by the many different roles and functions he is supposed to fulfill. He is worried in particular by what the boss will think if he takes the time to do the many things his

many training courses tell him to do. And in 99 cases out of 100 what the boss thinks, or what the foreman thinks the boss thinks, will determine what the foreman does. As a result, the foreman gives lip service in his courses to things which in the concrete shop situation he feels it would be suicidal to practice. In the shop, for the most part, he does his best to perform by hook or by crook the one function clearly left him, the one function for which there is no definite staff counterpart, the one function for which the boss is sure to hold him responsible; namely, getting the workers to turn the work out on time. And about this function he feels his courses do not say enough—given the particular conditions, technical, human, and organizational, under which he has to operate.

Freedom of Action Restricted

Curiously enough, knowledge is not power for the modern foreman. Although he has to know a great deal about many things, he is no longer "the cock of the walk" he once was. Under modern conditions of operation, for example, there seems to be always somebody in the organization in a staff capacity who is supposed to know more than he does, and generally has more say, about almost every matter that comes up; somebody, in addition to his boss, with whom he is supposed to consult and sometimes to share responsibility; somebody by whom he is constantly advised and often even ordered.

To the foreman it seems as if he is being held responsible for functions over which he no longer has any real authority. For some time he has not been able to hire and fire and set production standards. And now he cannot even transfer employees, adjust the wage inequalities of his men, promote deserving men, develop better machines, methods, and processes, or plan the work of his department, with anything approaching complete freedom of action. All these matters for which he is completely or partially responsible have now become involved with other persons and groups, or they have become matters of company policy and union agreement. He is hedged in on all sides with cost standards, production standards, quality standards, standard methods and procedures, specifications, rules, regulations, policies, laws, contracts, and agreements; and most of them are formulated without his participation.

Far better than the old-timer of 25 years ago the modern foreman knows how much work should be done in what length of time; how much it is worth; what the best methods to be used are; what his material, labor, and burden costs should be; and what the tolerances are that his product should meet. But in the acquisition of all this untold wealth of knowledge, somehow something is missing. In some sense, not too clearly de-

fined, he feels he has become less rather than more effective, less rather than more secure, less rather than more important, and has received less rather than more recognition.

Interactions with Many People

Let us explore further this feeling of the modern foreman. Not only does he have to know more than his old-time counterpart about the "logics" of management, but also he has to relate himself to a wider range of people. In any mass production industry the foreman each day is likely to be interacting (1) with his boss, the man to whom he formally reports in the line organization; (2) with certain staff specialists, varying from one to a dozen people depending on the size and kind of organization—production control men, inspectors, standards men, efficiency engineers, safety engineers, maintenance and repair men, methods men, personnel men, counselors; (3) with the heads of other departments to which his department relates; (4) with his subordinates—subforemen, straw bosses, leadmen, group leaders, section chiefs; (5) with the workers directly, numbering anywhere from 10 to 300 people; and (6), in a union-organized plant, with the shop steward. Exploring the interdependence of each of these relationships as they impinge in toto upon the foreman makes it easier to understand how the modern foreman may feel in his everyday life. A diagram may help to make this clear (see Exhibit I).

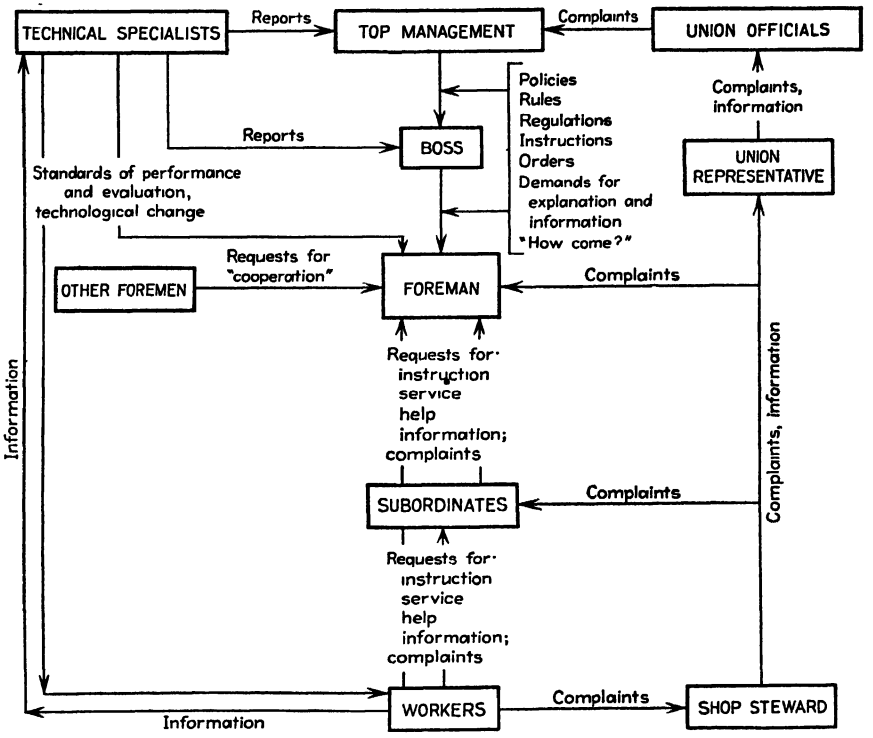
Foreman-Superior. In the modern business structure there is probably no relation more important than that of the subordinate to his immediate superior.[4] This statement applies straight up the line from worker to president. It is in the relation between a subordinate and his immediate superior that most breakdowns of coordination and communication between various parts of the industrial structure finally show up. It is here that distortions of personal attitude and emotional disturbances become more pronounced. Why this relation is so important could be indicated in any number of ways. But it is clear that any adequate analysis would go far beyond the confines of this article, since it would involve a critique of modern business organization and the individual's relation to authority and, in part, an examination of the ideologies held by the leaders and executives of business.[5] It is enough that the importance of this relation and its consequences in terms of behavior, particularly at the foreman level, are matters of common observation; and it

[4] See B. B. Gardner, *Human Relations in Industry,* Richard D. Irwin, Inc., Chicago, 1945.

[5] See Chester I. Barnard, *The Functions of the Executive,* pp. 161–184, Harvard University Press, Cambridge, Mass., 1938.

will be at this level of behavior and its associated *feelings* that we shall remain.

Personal dependence upon the judgments and decisions of his superiors, so characteristic of the subordinate-superior relation in modern



This diagram shows only those forces impinging upon the foreman through the actions of other people. It is not designed to show the reaction of the foreman to these actions, either in terms of feelings or overt behavior; or to show the reactions of the workers to management's actions, which in turn become one of the chief forces acting upon the foreman. These reactions will be considered in the text.

industry, makes the foreman's situation basically insecure.[6] He feels a constant need to adjust himself to the demands of his superior and to seek the approval of his superior. Everything that he does he tries to evaluate in terms of his superior's reaction. Everything that his superior does he tries to evaluate in terms of what it means or implies about his

[6] For an excellent statement on this point, see Douglas McGregor, *Conditions of Effective Leadership in the Industrial Organization*, Massachusetts Institute of Technology Publications in Social Science, Series 2, No. 16 (from the *Journal of Consulting Psychology*, Vol. 8, No. 2, 1944).

superior's relation to him. Everything that his subordinates and workers do he immediately tries to evaluate in terms of the criticism it may call forth from his superior. In some cases this preoccupation with what the boss thinks becomes so acute that it accounts for virtually everything the foreman says or does and all his thinking about what goes on around him. He will refrain from doing anything, even to the point of dodging responsibility, for fear of bringing disapproval from the boss. Hours at work and at home are spent in figuring and anticipating what explanations or reasons he will need to give the boss. And the boss's most innocent and unintentional acts—failure to say "good morning," for instance—are taken perhaps to imply disapproval.

It is hard to realize how much those who are interested in improving the efficiency of industry have neglected this area. If the man-hours spent by subordinates both on and off the job in preoccupation about what the boss thinks were added up, the total hours would be staggering—not to mention the results this phenomenon has produced in nervous breakdowns and other forms of mental anguish. Stranger still, it almost appears as if modern industrial organization, which prides itself so much on its efficiency, has aggravated rather than reduced the amount of this preoccupation, with disastrous consequences for health and thus for efficiency. All this applies to the foreman in particular.

The crux of the foreman's problem is that he is constantly faced with the dilemma of (1) having to keep his superior informed with what is happening at the work level (in many cases so that his superior may prepare in turn for the unfavorable reaction of his superior and so on up the line) and (2) needing to communicate this information in such a way that it does not bring unfavorable criticism on himself for not doing his job correctly or adequately. Discrepancies between the way things are at the work level and the way they are represented to be by management cannot be overlooked, and yet the foreman feels obliged to overlook them when talking to his boss. This makes the foreman's job particularly "tough" and encourages him to talk out of both sides of his mouth at the same time—to become a master of double talk.

Each foreman, of course, resolves the conflict in terms of his own personal history, personality, and temperament. Some foremen become voluble in the face of this situation; others are reduced to stony silence, feeling that anything they say will be held against them. Some keep out of the boss's way, while others devise all sorts of ways for approaching him and trying to direct attention to certain things they have accomplished. And extraordinary are the skills which some more verbally articulate foremen develop in translating *what is* into a semblance of

the way it ought to be in order to appease their superiors and keep them happy.

But, for the most part, the foreman, being loyal and above all wanting to be secure, resolves the conflict and maintains good relations with his superiors by acting strictly in accordance with his functional relations and the logics of management. In spite of what this may lead to in his relations to workers and other groups, his relations with his superiors at least are not jeopardized.

Thus the foreman, like each individual in the modern industrial structure, is in effect painfully tutored to focus his attention upward to his immediate superiors and the logics of evaluation they represent, rather than downward to his subordinates and the feelings they have. So rigid does the conditioning of supervisors and executives in the industrial structure become in this respect that it is almost impossible for them to pay attention to the concrete human situations below them, rich in sentiments and feelings. For them, this world of feeling does not exist; the territory is merely populated with the abstractions which they have been taught to see and the terms in which they communicate—"base rates," "man-hours," "budgets," "cost curves," "production schedules," and so on.

Foreman-Specialist. Also of extreme importance are the foreman's relations to the technical specialists who *originate* the standards of performance which he must *uphold* and to which his subordinates and workers must *conform.* This experimentally minded group of engineers, accountants, and technologists can become one of the chief sources of change, and rapid change, at the work level; through them changes can be introduced at the work level at a more rapid rate than they can be assimilated by customary shop codes and practices. Through them, also, "controls" can be exercised far more precisely than heretofore. It is one thing for a foreman to know what his cost performance has been; it is another matter to know what his actual costs should be in relation to a standard. What was heretofore a matter of experiential judgment after the fact becomes now a matter of projective evaluation and of constantly shooting at a target—a target whose outlines become increasingly more clear-cut and demanding, at least in one area of his job.

It is little wonder that this group can become (although it does not need to become, as we shall discuss later) a constant source of threat to the foreman's feelings of security. These men of course affect and often make more difficult his relations to workers. They also provide reports to management which can make his relations to his boss exceedingly uncomfortable. The result: more double talk.

It is well to note that these control groups can (as can the union) short-circuit foremen and levels of supervision lower in the line by pro-

viding information direct to higher levels of supervision.[7] Whatever the value of this information in evaluating the foreman's performance, it results in certain pressures upon him. Each superior can request explanations from, or give orders to, his foreman based on such information; yet the foreman cannot control it and indeed may be unaware of it until his superior initiates action. Information flowing through the line the foreman can censor before it reaches the boss; but this way the boss can get information at the same time he does, or even before, and the foreman is no longer able to foresee or to gauge the boss's reaction. The results of this in mental anguish, in preoccupations, in worries about what the boss may think or do, in preparation of explanations, "good reasons," and alibis, are tremendous. Because of the subjective nature of the data, the technologists of industry have not as yet decided to study this area or even to give it much attention. But the modern foreman, from the point of view of both his effectiveness and his satisfaction at work, finds the actual phenomena only too real.

Foreman-Foreman. By the very nature of the closely knit technological processes of a manufacturing organization, the foreman of one department often has to work very closely with a foreman of another department. These lateral relations are not formally defined, and their functioning depends largely upon the informal understandings which exist between foremen. Thus, the kind and amount of cooperation which one foreman is likely to obtain from another foreman is in good part determined by their interpersonal relations. Here again, the boss comes in, because the preoccupation with what the boss thinks may also affect the foreman's relation to his colleagues at the same level.

Although all foremen have equal formal status, they do not, as everyone in a shop situation knows, enjoy equal informal status. The individual foreman's relative status is determined by such factors as age, sex, service, earnings, and social symbols of one sort or another. But the chief determining factor is his direct relation to the boss, i.e., how close he is to the boss. Not only the foreman's need for security but also the closely allied strivings for status and recognition are therefore directed to his superior. He needs to feel "close" to him. Thus he may constantly be comparing his relation to the boss with that of his colleagues. If this comparison indicates his position to be weak, he may enter into competition with his colleagues for recognition from the boss. As can be imagined, such emotional disturbances in the work situation may impede rather than facilitate cooperation among foremen, and they constitute a peculiar kind of "headache" for the superior.

[7] Discussed more fully by Gardner, *op. cit.*

Foreman-Worker. It is in his relation to the workers, however, with the rise of "scientific" management and with the growth of industrial unions, that the modern foreman's position becomes especially difficult. Here "the straw that breaks the camel's back" is finally reached. Here the problem of getting smooth operation becomes acute because, as we have seen, the foreman according to the logic of industrial organization must (1) *uphold* at the work level the standards, policies, rules, and regulations which have been *originated* by other groups and see to it that the workers *conform* to them and, at the same time, (2) obtain if possible the workers' spontaneous *cooperation* to this way of doing business. As anyone who has been in such a position knows, this is not a very easy task. As a rule, people do not like to conform to matters when they have no say in them, when they do not participate or feel that their point of view is taken into account. This is not a popular way of evoking spontaneity of cooperation; it is not consistent with our basic social values. Yet over and over again both foremen and workers are told, merely told, to conform to conditions over which they have very little or no say—conditions, moreover, which shockingly fail at times to take into account what is of vital importance to them in their work situations.

This state of affairs affects the foreman's personal situation: his strivings to satisfy his needs for security, personal integrity, and recognition in the work situation. Further, it makes his job in relation to his workers very difficult. Again and again, he is put in a position either of getting the workers' cooperation and being "disloyal" to management or of being "loyal" to management and incurring the resentment and overt opposition of his subordinates.

For those who do not fully appreciate the conflicting position in which the foreman is placed, it may be desirable to show the nature of the two contrasting worlds in the middle of which the foreman stands and spends his workaday life. In business, as in any organized human activity, there are two sets of social processes going on:

1. There are those social processes which are directly related to the achievement of purpose and which result in "formal organization." In business, for example, formal organization leads to such things as practices established by legal enactment or policy, specifications, standard methods, standard procedures, standards of time, output, quality, cost, and so on. They are concerned with those means most appropriate to achieve certain ends. And as such they can be changed rapidly.

It should be noted that these manifestations of formal organization are essentially logical in character. Through formal organization man expresses his logical capacities; in fact, it is one of the chief outlets for the expression of man's logical capacities. It should also be noted that

in the past 25 years there has been a tremendous amount of attention given to this aspect of business organization. It is in part because of this that, as we tried to show, the modern foreman's environment is so radically different from the good old days. And yet the foreman, unlike some higher executives, cannot stay only in this logically sheltered atmosphere.

2. There are those spontaneous social processes going on in any organized human activity which have no specific, conscious common purpose and which result in "informal organization." Informal organization leads to such things as custom, mores, folkway, tradition, social norms, and ideals. In business, for example, it expresses itself at the work level in such things as what constitutes fair wages, decent conditions of work, fair treatment, a fair day's work, and traditions of the craft. It takes the form of different status systems: e.g., old-timers should get preferential treatment; supervisors should get more money than their subordinates; and office workers are superior to shop workers. These are attitudes and understandings based on feeling and sentiment. They are manifestations of "belonging," and they do not change rapidly.

It should be especially noted that these manifestations of informal organization are not logical in character. They are concerned with values, ways of life, and ends in themselves—those aspects of social life which people strive to protect and preserve and for which at times they are willing to fight and even die. It should also be noted that a cursory examination of the periodicals, books, formal statements, and speeches of business executives and business experts shows that little systematic attention has been given to this aspect of business organization. This is indeed a curious state of affairs since, as every foreman intuitively knows, it is only through informal organization and its manifestations that he can secure spontaneity of cooperation at the work level.

Informal organization in any organized human activity serves a very healthy function. It binds people together in routine activity. It gives people a social place and feeling of belonging. It provides the framework for the fulfillment of human satisfaction. It gives people a feeling of self-respect, of independent choice, of not being just cogs in a machine. Far from being a hindrance to greater effectiveness, informal organization provides the setting which makes men willing to contribute their services.

Yet what is management's attitude toward these informal groups which form at the work level? Curiously enough, their appearance makes management uneasy. And sometimes management willfully tries to break them up. Such ill-conceived attempts inevitably produce open hostility to the aims of management. For informal organization cannot be pre-

vented; it is a spontaneous phenomenon necessary wherever coordinated human activities exist.

More important still—for it is more often the case—these informal groups are ignored and not even recognized. Having no representation in the formal organization, which to many an executive is by definition the "reality," they just do not exist. As a result—not from malicious design but from sheer oversight born of overlogicized training—these informal groups at the work level become inadvertently the victims of change, disruption, and dislocation. Technical changes are introduced without any attention to what is happening to the members of these groups in terms of their group associations. New methods of work and new standards are initiated, newcomers are added, someone is transferred, upgraded, or promoted, and all as if this group life did not exist. What happens? There develops a feeling of being "pushed around"—a very uncomfortable feeling which most people dislike and which often provokes the reaction of trying to push the pusher with equal intensity in the opposite direction.

Because their way of life is constantly in jeopardy from technological changes, new methods, raised standards, and constant manipulation of one kind or another by logically minded individuals, these groups in industry take on a highly defensive and protective character. Their major function becomes, unfortunately, the resistance to change and innovation, and their codes and practices develop at variance with the economic purpose of the enterprise. Much pegging of output at a certain level by employees is an expression of this need to protect their ways of life, as well as their livelihood, from too rapid change.

As might be expected, these defensive and protective characteristics of many informal groups at the work level—and they exist full blown in many factories even before any formal union appears—have serious consequences for foremen (not to mention new workers and other individuals). Any supervisor or foreman in charge of such groups has two, if not three, strikes against him to begin with. Anything he does in relation to them is likely to be "wrong." To ignore them completely would be to invite overt hostility; to accept them completely would be to fail in fulfilling his responsibilities to management. Yet the foreman is the key man of management in administering technical changes. He often has the impossible task of taking plans made by the specialists without thought of the realities of human situations and relating them to just such situations.

Foreman-Union. Once these patterns of behavior become formalized in a union, the foreman's debacle becomes complete. Into this situation, now, is introduced a new set of logics, verbal definitions, rules, and regulations, by means of which he is supposed to set his conduct toward the

workers. The last vestiges of initiative, of judgment, and, what is perhaps more important, of personal relations with his subordinates are taken away from him. Literally the foreman is left "holding the bag"—a bag containing (1) the maximum of exquisitely logical rules, definitions, procedures, policies, standards that the human mind can devise, by means of which he is now supposed to do his job, and (2) the minimum of those relationships and their associated feelings through which he can obtain the wholehearted cooperation of people. Standing in the middle of a now formally bifurcated situation, where one-half is trying to introduce changes and improvements into the factory situation and the other half by habit and conditioning is trying to prevent or resist them, the modern foreman is expected to "cooperate."

The Foreman's Situation Summarized

The salient features of the foreman's situation should now be clear. In very broad outline—tentatively and approximately formulated—the failure on the part of top management, in mass production industries in particular, to understand the social implications of its way of doing "business" has resulted in the development of certain rigidities which do not make for cooperation in the industrial structure.

1. At the bottom of the organization there are people called *employees* who are in general merely supposed to *conform* to changes which they do not originate. Too often the attitude is that employees are merely supposed to do what they are told and get paid for it. Directing them there is—

2. A group of *supervisors* who again are merely supposed to *uphold*—"administer" is the popular word—the standards of performance and policies determined by other groups, one of which is—

3. A group of *technical specialists* who are supposed to *originate* better ways and better standards through which the economic purpose of the organization can be better secured and more effectively controlled by—

4. A group of *top management* men who in their *evaluation* of the workers' behavior assume that the major inducement they can offer to people to cooperate is financial (i.e., that they are merely providing a livelihood, rather than a way of life); that informal organization is either "bad" or not "present"; and that authority comes from the top, so that no attention has to be given to that authority which is a matter of individual decision and comes from the bottom. This group's whole explicit theory of human cooperation—but not necessarily the practice of it—dates back to the eighteenth century: (*a*) society is composed of a rabble of unorganized individuals; (*b*) these individuals are only interested in

the pursuit of profit and pleasure; and (*c*) in the pursuit of these ends the individual is essentially logical.[8]

These rigidities in operation make people in one group feel that they are excluded from the activities of other groups and prevent the wholehearted participation of all groups in the full attainment of the organization's objectives.

These rigidities in the industrial structure also have serious consequences for the satisfactions of individuals. Man's desire to belong, to be a part of a group, is constantly being frustrated. Things that are important to him seem to be disregarded. Opportunities for personal and social satisfaction seem to be denied. Yet, contrary to the assumptions made by management, all the evidence of modern investigation shows: (*a*) society is composed of people related to each other in terms of group associations; (*b*) the desire to belong, to be a part, the desire for continuous and intimate association at work with other human beings, remains a strong, possibly the strongest, desire of man, and (*c*) in the pursuit of these ends man is essentially nonlogical and at times irrational, i.e., willing to die or, as management should know only too well, to "cut off his nose to spite his face."

As a result of being constantly deprived of real social (not logical) interrelationship and of those basic human satisfactions which come from it, the worker becomes restless and dissatisfied, if not openly resentful and hostile. And like any human being he expresses his dissatisfaction in a number of ways: by being absent, by quitting, by pegging output, and by joining a union where he hopes to satisfy the needs for self-expression that his job no longer provides.

In this environment the foreman stands—victim, not monarch, of all he surveys. And what does he survey? On the one hand, a monument of technical achievement such as no civilization has seen before, and, on the other hand, what Elton Mayo likes to refer to as "the seamy side of progress," a bleak and arid human scene scorched dry by the babel of words and logics which have long ceased to have any power to motivate or fill with renewed hope and vigor the hearts of men. Separated from management and separated from his men, dependent and insecure in his relation to his superiors and uncertain in his relations to his men, asked to give cooperation but in turn receiving none, expected to be friendly but provided with tools which only allow him to be "fair"—in this situation of social deprivation our modern foreman is asked to deliver the goods.

[8] These assumptions are taken from Elton Mayo, *The Social Problems of an Industrial Civilization*, Chap. II, Graduate School of Business Administration, Harvard University, Boston, 1945.

One only needs to add to this picture the more recent complications of expanded war industries, the influx of new workers—some of them women, untutored and inexperienced in the ways of the factory; some of them Negroes, equally inexperienced and untutored but also apprehensive of their place in this "white man's heaven"—and we have the picture of the social environment of our modern foreman.

In this predicament, how does this foreman feel and behave? In one of three ways: (1) he "stews in his own juice" and, like Sir Hudibras's rusty sword, "he eats into himself for lack of something else to hew and hack," i.e., becomes obsessive; or (2) as current newspapers and periodicals have kept us informed, he joins a union, i.e., becomes aggressive; or (3) he too—who knows?—may go to Washington to be delivered from his social isolation and logocentric predicament, i.e., may seek a political solution for his social void. So at the foreman level do the "mills of God" grind out the three major ills of our industrial civilization.

The Administrative Process

The purpose of the article thus far has not been to prove a thesis; it has been to present and interpret as vividly as possible—*from the point of view of feelings and relationships*—the foreman's situation in mass production industry. No examples have been given, but countless could be cited by any person who has had intimate contact with a war plant during the past five years. The final evidence, however, it is well to remember, exists in the minds of foremen and in their behavior, not in this article; and for those who doubt, let them go out and look and listen for themselves.

But a "distortion" has crept into our discussion, and it needs to be clarified. In dealing with the nuances of social relationship existing in a factory situation, the author has perforce been generalizing at a level somewhat removed from but not unrelated to the concrete and the particular. And although concerned with "a moving equilibrium" and the social forces working both for and against it, nevertheless up to now he has paid almost exclusive attention to those social forces operating to upset stability—simply in order to bring out inescapably the fact that the forces making for unbalance do exist, in latent if not in active form, in *every* mass production industry. The picture presented thus far has been therefore a picture of the inexorable grinding out of the social forces and logics that modern technology has unleashed—in the raw, so to speak, and uncontrolled by the "administrative process." But we must not forget that there is, often equally present and equally strong, the compensatory function of the "administrator."

In the last analysis the forces acting upon the foreman, as upon any other individual in the industrial structure, are the actions of other people. It was for this reason that the actions of the principal people with whom the foreman has relations in his working environment were examined. It should be clear, however, that the actions of these different characters are not always the same. Bosses, technical specialists, foremen, workers, and shop stewards differ in their behavior, sometimes very radically. This fact cannot be ignored; indeed, its implications are tremendous. And if *management's* actions are different, foremen's reactions are likely to be different.

In business (and in unions too) there are not only "men of goodwill" but also men with extraordinary skill in the direction of securing cooperative effort. These men, at all levels, perform an "administrative" function the importance of which is too little recognized. Much of their time is spent in facilitating the process of communication and in gaining the wholehearted cooperation of men. Many of them are not too logically articulate, but they have appreciation for a point of view different from their own. Not only can they appreciate the fact that a person can be different from themselves, but more important still they can accept his right to be different. They always seem to have the time to listen to the problems and difficulties of others. They do not pose as "experts"; they know when to secure the appropriate aid from others.

Such "administrators," selfless and sometimes acting in a way which appears to be lacking in ambition, understand the importance of achieving group solidarity—the importance of "getting along," rather than of "getting ahead." They take personal responsibility for the mixed situations, both technical and human, that they administer. They see to it that the newcomer has an effective and happy relationship with his fellow workers, as well as gets the work out. Accomplishing their results through leisurely social interaction rather than vigorous formal action, more interested in getting their human relationships straight than in getting their words and logics straight, more interested in being "friendly" to their fellow men than in being abstractly "fair," and never allowing their "paper work" to interfere with this process of friendliness, they offer a healthy antidote to the formal logics of the modern factory organization previously described.

The importance of the "administrative" functions these men perform for the smooth running of any organization is incalculable, and fortunately industry has its fair share of such men. It is the author's impression that a greater proportion of them are found at the lower levels of management, because the logics of promotion in business organization seldom recognize their skills. Were it not for them, it is the author's opinion that

the unleashed forces of modern technology would spin themselves out to doom and destruction. Aware of the two-fold function of industrial leadership, i.e., the social organization of teamwork and the logical organization of operations, they maintain that healthy balance which makes for individual growth and development and, ultimately, for survival of the organization.

Yet, curiously enough, the theories of administration, as frequently expressed by business leaders, experts, and teachers, bear little resemblance to the functions these men actually perform and give little justification to their actions. As a result, they sometimes suffer from feelings of inferiority and lose confidence in themselves, an unfortunate consequence for them as individuals and also for the organization they serve. It is not comfortable to think that industry may depend for its stability on the personal and intuitive skills of a few such gifted people. Can the "administrative" skills they practice, the skills of getting action through social interaction, be made explicit and communicated?

What Is the Solution?

In the author's opinion, the foreman's dissatisfaction in large part results from actions of management. These actions of management are not the expression of maliciousness, bad faith, or lack of goodwill on the part of business executives. Far from it; they are merely the inexorable working out of the social forces which modern technology has produced and which we have not learned to recognize or control. They are the result of our ignorance and of our failure to pay as much explicit attention to the social organization of teamwork as to the logical organization of operations in our modern industrial enterprises.

The solution of the problem, therefore, seems to depend on a better realization of the "administrative process" as it operates to secure the cooperation of people in the furtherance of the economic objectives of business organizations. More than anything else, the modern world needs men who understand better the nature of, and give more explicit attention to, the social systems they administer. This is the challenge the modern world presents to business leadership; this is the great adventure for the coming generation. The business leaders of today and tomorrow, like the foremen, are facing a new "society," a streamlined "adaptive" society, a world which modern technology has produced and which is far different from the "established" society of their forefathers.[9] For their effectiveness, as well as for their survival, the coming "administrators" must be given new skills and new insights.

[9] For an elaboration of this distinction between an "established" and an "adaptive" society, see Mayo, *op. cit.*

Can this job be done? The signs of the times are promising. In all quarters of business there are resolute young men who "when hope is dead will hope by faith," who will build the new world. In this connection it is well to remember that man's enormous capacity for adaptation, readjustment, and growth is his most striking characteristic, and it is upon this strength that we can hopefully rely.[10] In business and educational institutions, a fresh breath of life is beginning to stir. The possibilities of new courses and new methods of teaching and training are being explored.

A New Concept of Administration. Can the outlines of this new "administration" be even dimly envisaged? What will these new "administrators" be like, and in what skills will they be trained? Here we can only guess and express some personal opinions and hopes:

1. The new "administrator" will need to know and understand better the nature of "organization"—its structure and dynamic interrelations. It is indeed a strange remark to make, in the year 1945, that an executive will have to know something about "organization," the very phenomenon with which he daily deals. But strange as the remark may seem, the average executive knows little or nothing, except for what is implicitly registered in his nervous system, about the "social organization" of his business. Most of his explicit concern, most of his logical thinking is only about "formal organization." About the other aspects of organization, he only stews, frets, and gets stomach ulcers.

2. "Administrators" of the future, to do their new jobs effectively, will have to develop a common language structure which represents accurately the interdependent realities of the phenomena with which they deal—technical, economic, organizational, social, and human. Too many different and often times conflicting "languages" riddle present business. No longer can the human beings who contribute their services to a business organization be regarded as "so many beads on a string." For the new world a new language has to be created which will keep together in words, rather than keep separate by words, those things that are together in the territory. This will be a language of mutually interdependent relations, of togetherness, of equilibrium, of adaptation, and of growth.[11]

3. The new "administrator" will have to understand better the problem of communication—and not only the aspect of communication which by persuasion attempts to sell one's own point of view, but that which tries to understand and has respect for another's point of view. In the systematic practice of taking into account another person's point of view

[10] On this point, see Carl R. Rogers, *Counseling and Psychotherapy,* Houghton Mifflin Company, Boston, 1942.

[11] For a good example of this, see the articles by Benjamin M. Selekman in this number [Vol. 23, No. 3] and the preceding number of the *Harvard Business Review.*

as the first step in obtaining that person's cooperation—a most difficult skill—he should have daily and continuous drill. He should be taught to listen, in addition to being logically lucid and clear. He should learn to practice the "democratic method" *at the level of daily interaction* in the work situation.

4. New methods and new skills will have to be developed whereby change can be introduced into the work situation without provoking resistance. About no urgent and pressing problem of modern industry is there so little systematic knowledge—so little understanding and so much misunderstanding. In no area has it been so convincingly demonstrated, again and again and again, that people refuse to cooperate in meeting a standard of performance when they have not been allowed to participate in setting it up or, many times, even to "understand" it. In no area are the ordinary methods of "salesmanship" so woefully lacking.

For this particular aspect of "administration," the introduction of changes into the shop, we shall need to exercise and practice new insights regarding human motivation. These insights will have to envisage how technological progress and improvement can go hand in hand with individual and social development. Technological change will have to be introduced at the work level so that the group affected will see it, in North Whitehead's phrase, as "an enlargement of its own way of life rather than as an interruption to it." And for the working out of these new methods and skills, more time and more effort will have to be given, more ingenuity and more understanding will have to be exercised.

5. The new "administrator" will have to understand better the dependent relation of the subordinate to the superior in business organizations and the feelings of insecurity this dependence arouses. He will have to learn new methods and techniques of assuring his subordinate of those minimum conditions of security, not merely financial, without which the subordinate's position becomes intolerable. For this he will have to learn something about the principles of individual growth and development through active participation and assumption of responsibility, and these principles he will have to learn to practice in relation to his subordinates in an atmosphere of approval. He will have to learn to be responsible for people, not merely responsible for abstract and logical categories.

We will not obtain this type of "administrator" merely through verbal definition, i.e., by defining what his formal responsibilities and duties are. He has to be fostered and made to feel secure, allowed to grow and, occasionally, to make mistakes and thereby learn. He has to be nurtured like a plant; and, like a plant, the environment in which he grows, the care and human understanding he gets, will determine whether he flourishes or withers, gets bugs, and so on. Unlike our present foremen,

who have suffered from too many logical definitions and too little human understanding, he must not be allowed to "wither" and be forced to join a union in order to recapture the zest of growth and life again.

6. The new "administrator" will have to learn to distinguish the world of feelings from the world of facts and logic. And for dealing effectively with this world of feelings, he will have to learn new techniques—which at first may seem strange, after having been ignored and misunderstood for so long. Particularly, of course, he will have to learn about "informal organization," that aspect of organization which is the manifestation of feeling and sentiment. Only by paying as much attention to informal organization as to formal organization will he become aware of what can and cannot be accomplished by policy formulation at the concrete level of behavior. He will have to learn new techniques of "control." He will see clearly that "feelings" cannot be verbally legislated out of existence; that, as a first step in their "control," they need to be expressed and recognized.

These and many other new methods and skills the new "administrator" will have to learn. He will have to learn to "control" the future by first learning to "control" the present. He will have to learn to formulate goals and ideals which make the present in which we live more, rather than less, meaningful. And to achieve these new levels of insight and practice, he will have to throw overboard completely, finally, and irrevocably—this will be difficult—the ideologies of the "established society" of the eighteenth and nineteenth centuries. This new representative of a new "adaptive society" at all cost must not be the representative of an "ism." For he does not represent any particular way of life: he is only the guarantor of the "ways of life"—plural—that are important to many different people. In this task he can only represent what Elton Mayo calls "polyphasic methods" of dealing with the complex human, social, economic, and organizational problems of our industrial civilization.

Can we develop a group of such "administrators"? This of course is a matter of opinion. To the author it seems that, if only ½ of 1% of the time, effort, and money that have been spent in the direction of technological improvement were to be devoted to seeking better and improved methods of securing cooperation, the accomplishment would be considerable—and that is an intentional understatement. It just does not seem sensible to suppose that man's ingenuity, if given free scope, would fail in this undertaking. The task is tremendous; the challenge is great; the stakes are high; but only by traveling some such arduous road, in the author's opinion, can business leadership face up to its real social responsibilities.

B. THE FOREMAN'S RESPONSIBILITIES

The Foreman's Responsibilities in the Industrial Organization: A Case Study[1]

Douglas McGregor

The current interest in the relationship of the foreman to the rest of the industrial organization has resulted in a considerable quantity of literature, much of it of the "how to do" variety. The present article offers no suggestion about how to train or deal with foremen. It is instead a factual exhibit of what has been done in one company.

The firm is a manufacturing concern employing about 1,000 people in all. It has a union shop contract covering all production and maintenance workers. It enjoys better-than-average relations with its employees, and is known in the community as a good place to work. For some time this company has tried one thing after another to improve the status of its foremen and their relationships both with workers and with the rest of management. A few months ago, in an attempt to meet some of the problems they were facing, the foremen and superintendents adopted the suggestion that an "Advisory Committee on Foremen's Problems" be established.

The committee was asked to analyze any problems which the foremen felt were troublesome, and to make constructive suggestions for their solution to the rest of management. After some preliminary discussion, the committee agreed unanimously that most of these problems could be solved only after the foremen were given a definite, formal understanding of their responsibilities and authority. Above all else, they wanted to know: "What is expected of us?" "How are we expected to accomplish the tasks assigned to us?" "When are we expected to act on our own initiative, and when are we required to obtain approval before acting?" Accordingly,

[1] Reprinted from *Personnel*, Vol. 22, No. 5 (1946), pp. 3–11, with permission of the publishers. Dr. McGregor, who edited this report, was executive director of the Industrial Relations Section, Massachusetts Institute of Technology. He is now president of Antioch College.

the committee undertook to write a detailed description of the foreman's job.

The completed job description which follows was discussed in detail by the whole factory management organization, and revised several times. Certain key problems, discussed briefly in the appendix, were referred to higher management for further action. Some of these problems have since been acted upon. For example, the plant smoking rules have been completely revised. Others are being studied further before final action is taken.

After the description was finally adopted, the foremen themselves expressed a desire to meet in small groups with the training consultant and examine carefully the "hows" and "whys" of their daily implementation of it. Even as detailed a description as this does not answer many practical problems with which the foremen must cope. These training sessions are serving not only to give the foremen a better understanding of their responsibilities, but to indicate the advisability of further revisions of the job description. It is hoped that we can keep it a dynamic and useful tool, and that we can prevent its becoming an obsolete and dusty document buried in the bottom drawer of managerial desks.

This was and continues to be a thoughtful, carefully done job. While it cannot be lifted from its setting and applied to another organization, it does indicate clearly the kinds of things that a foreman must know to do his job successfully. It is published here as a case study so that others may see how a typical, sincere group of management representatives can clarify a set of problems which are often given far too little attention. It has not solved this company's problems in relation to the foreman, but it does represent one fundamental step toward their solution.

* * * * *

The memorandum below was sent to all members of factory and engineering management (including foremen) with a first draft of the job description:

CONFIDENTIAL MEMORANDUM TO ALL MEMBERS OF FACTORY AND ENGINEERING MANAGEMENT

Accompanying this memorandum is the first task completed by the Advisory Committee on Foremen's Problems: A detailed definition of the foreman's job. It is submitted for your criticism. The Committee hopes that after revision it will be approved by management as a whole.

The Advisory Committee on Foremen's Problems was set up a few months ago. Its purpose will be indicated by the following statement of objectives, unanimously adopted by the Committee at its first meeting:

"To analyze all important problems of the foremen, to attempt to discover constructive solutions for these problems, and to advise the rest of management concerning the actions to be taken in dealing with them."

The Committee consists of four foremen (one from the Maintenance Department, and three from Production Departments), three superintendents, and an assistant chief engineer. They have been meeting together about once a week for the past four months.

At its first meeting, the Committee listed for consideration a number of problems which it was felt needed attention. After some discussion it was unanimously agreed that none of these problems could be adequately dealt with until we had a clear statement of the duties and responsibilities of the foreman. Accordingly we went to work on that task.

The accompanying definition is in four parts. The first part is a statement of certain general company policies which should be part and parcel of the foreman's dealings with his subordinates. The second is a statement of general objectives of the foreman's job. The third is a detailed list of his duties and responsibilities. The fourth part is an appendix explaining in greater detail certain duties and responsibilities, and elaborating on certain problems which arose in the Committee's attempt to define the foreman's job.

This is not a job description such as would be gathered for purposes of job evaluation. It is an attempt to state the duties which are common to all foremen, and to indicate as clearly as possible the responsibilities and authority which all foremen should have in carrying out these duties. The job which is thus defined is that of a competent, experienced foreman. It is understood that the relatively inexperienced foreman or the less competent one would not be expected to assume all the responsibilities outlined. The definition, however, does provide a standard of what the Committee feels the foreman's job should be.

As we see it, this definition (once it has been revised to meet your criticisms) will have several values. In the first place, it will enable the foreman to know what is expected of him. When you consider the complicated list of duties and responsibilities which we have found are included in the foreman's job, it is easy to see that he cannot know what is expected of him merely by intuition. Such a statement as this provides a consistent definition rather than individual opinions or vague statements about "being responsible for production" or "fostering good labor relations."

In the second place, this definition provides a standard for the superintendent against which he can measure the progress of an individual foreman over a period of time. Given explicit standards of the type we have outlined, it will not be necessary to rely on mere impressions of the foreman's competence. The evaluation of the foreman by the superintendent can, we hope, be much more objective with this definition as a guide. In the third place, it will be possible for this Committee to consider various foreman's problems in the light of facts rather than fancies about his responsibilities and duties. It will make it possible for us to offer more realistic and constructive solutions to those problems which we believe require action by higher management.

This definition of the foreman's job is the joint effort of the whole Committee. Every member has contributed materially to its content. In general, it has the complete agreement of the full Committee. There are occasional points which have been so difficult that we have not found it possible to agree entirely, but such differences as do exist within the Committee are not of fundamental importance.

Respectfully submitted,

THE ADVISORY COMMITTEE ON FOREMEN'S PROBLEMS

P. A. Hedtler	J. T. Munn
F. Hills	B. J. Rahilly
M. Mason	W. E. Robinson
D. J. McCarthy	L. E. Stowe

Meetings were held for the purpose of criticism and revision. After all the criticisms and suggestions had been discussed the committee prepared a revised description which was unanimously approved. That revised description is the one which is reproduced below:

THE FOREMAN'S JOB

This definition of the foreman's job includes certain policies and attitudes which the foreman is expected to adopt in his dealings with his subordinates. The foreman, in turn, may expect that similar policies will be followed by his superiors in their relationships with him. The following deserve special mention:

It is company policy:

1. To pay fair wages or salaries based on (1) community standards, (2) comparison with other jobs in the company, and (3) individual competence in the performance of duties.

2. To make promotions, when openings occur, from within the company, provided employees are available who have the experience, knowledge, and ability to assume the responsibilities involved.

3. To give members of the management organization an opportunity to participate in the formulation of policies which they will administer, and to keep all employees informed concerning plans and policies affecting them.

4. To give every employee an opportunity to know at all times "where he stands" in the judgment of his superiors.

5. To give every employee the privilege of appeal over the head of his immediate superior if he feels he is receiving unfair treatment. When an employee does appeal, it is understood that his superior may accompany him.

Objectives

The following objectives represent ideals which may never fully be realized by any foreman. Nevertheless, each decision he makes, each action he takes, may in a small or large way bring him closer to these objectives or take him farther away from them. The foreman is expected to perform his duties in a manner which will result in the greatest possible progress toward these objectives.

I. To develop through skillful leadership a cooperative departmental group of workers who will:
   (1) maintain a high level of performance on the job
   (2) maintain a high standard of housekeeping
   (3) maintain high safety standards
   (4) improve quality of products or work
   (5) improve work methods and reduce costs

II. To provide for each of his workers the greatest possible opportunity for growth and development and for obtaining satisfaction from his work.

III. To establish and maintain genuinely cooperative relationships with his associates and superiors in his own division, and with representatives of other divisions of the company whenever his work brings him into contact with them.

IV. To establish a deserved reputation for friendliness and complete fairness in his relations with his workers and their union representatives.

V. To acquire a thorough knowledge of all phases of his job so that he may become increasingly competent in the performance of his duties.

Duties and Responsibilities of the Foreman

The full responsibilities outlined on the following pages can be given only to the foreman who is competent, and who has had adequate training and experience. The foreman's superior will give him these responsibilities to the extent warranted by his competence, his experience, and his willingness to accept them.

I. *Personnel Administration*

1. To see that his workers are trained in the proper performance of their duties.[2,*] (See Appendix, Note 3.)

* Footnote references, which indicate limitations of authority and responsibility, will be found at the conclusion of the article.

2. To help new employees assigned to his department to adjust themselves to their work and their fellow employees.
3. To evaluate the performance of his workers.
   (*a*) Acceptance or rejection (after trial) of employees transferred or promoted into his department.[3]
   (*b*) Recommendations concerning transfers and promotions of his workers to other departments.[4]
   (*c*) Recommendations of discharge or demotion of employees who do not (after proper warning and trial) perform their duties in a satisfactory manner.[4]
4. To see that his workers know at all times his judgment of their work. (See Appendix, Note 6.)
5. To enforce company rules and maintain discipline. (See Appendix, Note 4.)
   (*a*) See that his workers understand all company rules.
   (*b*) Issue warning slips for infraction of rules by his workers, or for unsatisfactory performance of duties.[2]
   (*c*) When an infraction of a rule by a worker in another department is observed, he will investigate. If the infraction requires action to be taken, he will give the worker a warning slip and ask him to give it to his own foreman. (See Appendix, Note 7.)
   (*d*) Recommend penalties (demotion, layoff, discharge) for infraction of rules or unsatisfactory performance of duties.[4]
6. To deal with personnel problems within his department.
   (*a*) To aid in preventing grievances by endeavoring to foresee and eliminate causes of dissatisfaction whenever possible.[3]
   (*b*) To inform his superior of possible sources of trouble requiring action by higher management levels.
   (*c*) To handle individual problems covered by existing policies or involving minor adjustments of existing rules.[3]
   (*d*) To recommend action to his immediate superior on policy or personnel problems outside the foreman's jurisdiction.[4] (See Appendix, Note 8.)
   (*e*) To hear and attempt to settle grievances arising within his department.[3]
   (*f*) To participate in the subsequent hearings of grievances arising in his department, and to recommend action to the person hearing the grievance.[4]
7. To act as a channel of communication to his workers concerning plans, policies, or changes affecting them.
   (*a*) To keep his workers informed of plans and developments which

may interest them or affect them in any way. (See Appendix, Note 9.)

(*b*) When the foreman himself is contemplating a change, to consult with workers who will be affected before making the change, and to consider their ideas and suggestions in reaching his final decision.[3]

8. To take all actions within the letter and the spirit of company policies and agreements.

II. *Quality and Cost Control*

1. To inspect the work done by his employees.
   (*a*) Maintenance Departments
   The foreman will see that the completed work meets acceptable standards of quality.[2]
   (*b*) Production Departments
   (1) If he questions its quality, or if it is not within specification standards, he will report the results of his inspection to his immediate superior, and to the laboratory.[5]
   (2) He will recommend to his immediate superior the disposal of obsolete materials and rework.
2. To have himself, and to encourage in his workers, an active interest in improving quality and reducing costs.
   (*a*) See that his workers understand fully the precautions to be taken and the standards to be met in turning out products of acceptable quality.
   (*b*) Check his workers' performance to see that formulas are followed and standards met.
   (*c*) Give careful and friendly consideration to all suggestions for quality and cost control. The employee's folder in the Personnel Office should contain a record of workable suggestions made by him. When a suggestion is put into effect, the foreman should make sure the worker is thanked for it, preferably by the Assistant Superintendent as well as himself. The worker should understand why his unworkable suggestions have been rejected. (See Appendix, Note 2.)
   (*d*) Make, and report to his immediate superior, minor machine and method changes within the limits of formula specifications.[2]
   (*e*) Recommend to his immediate superior major machine and method changes, and process changes for improving quality or reducing costs. Maintenance foremen will recommend major overhaul or replacement of equipment which they discover is requiring excessive maintenance.

3. To keep (or supervise the keeping of) necessary records; to make reports as requested.

III. *Management of Housekeeping*

1. To teach his workers to regard good housekeeping as an essential part of their duties. In order to do this, it is necessary to make the worker's housekeeping performance important in evaluating his work.[6]
2. To request the necessary tools and supplies.[7]
3. In assigning workers to jobs, to make provisions for keeping the department ship-shape at all times.[6]
4. When his workers do work in another department, to see to it that they clean up before leaving the area.[6]
5. To recommend changes in facilities which would make better housekeeping possible.

IV. *Management of Production*

1. To consult with the scheduling clerk before production schedule is completed.
2. To plan the work of his department in order to meet the final production schedule.
   (*a*) Requisition from other departments necessary materials and supplies. Expedite if necessary.[8] (See Appendix, Note 1.)
   (*b*) Plan to have ready for use the necessary semi-finished materials made within his own department.[2]
   (*c*) Requisition necessary equipment repairs and maintenance. Expedite if necessary.[9]
   (*d*) Plan for use of equipment in his own department within the limits of the production schedule.[2]
   (*e*) If the use of equipment in another department is necessary, plan for its use with the foreman concerned.[9]
3. To supervise production.
   (*a*) Assign workers to jobs (including necessary overtime).[2]
   (*b*) Check their progress periodically.[2]
   (*c*) Give assistance to workers when needed to solve problems or meet emergencies.[2]
   (*d*) Revise plans when necessary (see step 2 above).
4. To keep (or supervise the keeping of) necessary records; to make reports as requested.

FOOTNOTE REFERENCES

[2] The foreman has full authority and is responsible for the results.

[3] The foreman has full authority within the limits of his jurisdiction. His actions, however, are subject to appeal by the union to his superior. The foreman is free to

consult with his superior before reaching a decision if he is in doubt concerning the proper action to take.

[4] The foreman's recommendations will be carefully considered by his superior. Whenever possible, the foreman will himself take the action which is approved. (See Appendix, Note 5.)

[5] The laboratory has final authority for decisions concerning product quality.

[6] The foreman has full authority and is responsible for the results, but only within the limits imposed by plant layout and storage facilities.

[7] The foreman makes out a requisition for materials and supplies which must be purchased outside. The requisition is sent to the foreman's immediate superior for approval. Supplies which are on hand are requisitioned by the foreman directly from inventory.

[8] The maintenance foreman has full authority in accomplishing this step and is responsible for the results. The factory foreman does not have authority in accomplishing this step because it involves departments other than his own. If he is unable to accomplish it, he will request assistance from his immediate superior.

[9] The foreman has no authority. If he is unable to accomplish this step, he will request assistance from his immediate superior. The foreman's responsibility for meeting production schedules is limited unless this step is accomplished.

Appendix—Explanatory Notes

Note 1: The foreman's responsibility does not end with the filling out of a requisition form. Although he has no authority over other departments, he is expected to follow up his requisitions whenever necessary, and to notify his superior if delays in delivery or service threaten interference with his production schedule. Expediting requisitions means obtaining friendly cooperation, not making demands.

Note 2: The fact that we have no formal suggestion system today does not mean that suggestions should be ignored. The worker who is interested enough in his job to make suggestions about better ways of doing it should be encouraged in every possible way. The foreman should carefully consider any suggestions made. He may wish to refer some of them to the Engineering Department or the laboratory for further investigation. He should be particularly careful in turning down an unworkable suggestion not to discourage the worker from making others. A careful explanation of the reasons why a suggestion is not workable should always be given.

The reason for keeping a record of suggestions is that they should count in the evaluation of the employee for promotion or transfer. Since he may be working for another foreman some day, the only way of being sure such things will be remembered and taken into account is to have a record of them.

Note 3: Under today's conditions particularly, the foreman does not have time to train each new worker. He must depend on his experienced older workers to give most of the training to new employees. The foreman should not, however, merely turn the new employee over to the man who is going to train him and then forget about the whole matter. He is responsible for checking carefully to see that the training is properly done, and for supplementing it with additional training himself whenever necessary.

Note 4: This is one of the most difficult problems the foreman has to meet. In the interests of fairness to the employee, it is desirable that the foreman have a good deal of freedom to handle each individual disciplinary problem on its own merits. There are many unintentional infractions of rules, and even when the infraction is intentional special circumstances may dictate special penalties. However, this kind of enforcement of discipline becomes less possible as the size of the working force increases. Foremen differ in the degree of strictness with which they tend to enforce discipline. When there are many foremen, these differences may be so great that consistent discipline cannot be maintained. As a result, employees easily get the impression that favoritism is being displayed, or that there is unfair discrimination in certain cases.

Under today's conditions, and with an organization as large as ours, it is necessary to have a number of definite company rules. Consequently, it is not possible for the foreman to exercise the same discretion that he could if the company were smaller and employee attitudes were different. For example, the smoking rule calls for a warning slip on the first offense. There will undoubtedly be occasions where the foreman feels that the circumstances are sufficiently unusual to make a warning slip unfair. Nevertheless, if he takes it upon himself to omit the warning slip, other workers who learn about it are going to resent it if they are later given warning slips for a first offense. It is therefore necessary to insist that every foreman comply strictly with the rule and give a warning slip for the first offense in every such case.

The warning slip should contain any notation concerning unusual circumstances. If the foreman feels that the infraction was unintentional, or that there were extenuating circumstances, he should note it on the slip at the time. This will soften the penalty in the eyes of the employee, and it makes it possible to know all the circumstances when the employee's record is being evaluated at some later date.

It is necessary to insist that discipline of this sort be uniform among all the foremen. If some foremen are more lenient than others, those who are conscientiously trying to enforce discipline will easily get a bad reputation among their workers as being unduly strict. If the enforcement is uniform, workers will not in general object.

Note 5: In the administration of some company policies and rules, it is necessary that the power to make decisions be left in the hands of relatively few individuals. Four or five people can be much more consistent in interpreting policies than 15 or 20 can be. As a result, decisions on a number of matters are made by the superintendents rather than the foremen.

Promotions and transfers, discharges and penalty layoffs, and other relatively important matters affecting workers must necessarily be handled with complete consistency. It is therefore necessary to restrict the foreman's authority in such matters. However, the foreman usually knows the facts of the case better than anyone else. He is therefore in a better position to recommend what action should be taken. It is important that the superintendents consider carefully the recommendations of the foremen on such matters, and that they overrule the foremen's judgments only when it is absolutely necessary to do so.

When the action to be taken affects an individual worker, or a group of workers within a single department, that action should be taken by the foreman even though the decision is made by his superior. If the superintendent deals directly with the worker more than very rarely, the worker will come to regard the superintendent as his boss rather than the foreman. It is therefore important, even when the superintendent makes the actual decision, to have the foreman take the action in question.

Note 6: Some foremen prefer to talk things over at definite intervals with their workers. At these meetings the worker is told in what respects he is doing well, where he is falling down on the job, and what he can do to improve himself. Other foremen prefer to handle the matter less formally on a day-to-day basis. They praise the worker for a good job, and point out things that are wrong the moment they occur.

It does not make so much difference *how* the foreman handles this matter. It is highly important that he do something about it. No matter what the foreman thinks, the worker's intuitions will not tell him "where he stands." The foreman must make sure that he knows.

Under today's conditions it may be impossible to impose definite penalties upon the worker who is not measuring up to standards unless the circumstances are extreme. Nevertheless, it is important that he understand that he is not measuring up. Otherwise, when the time comes when something can be done about it, he will have the perfectly legitimate excuse that no one ever told him he was not doing a satisfactory job. It may be difficult to tell a worker that he is not doing a good job and then not be able to do anything further about it. It will be much more difficult, however, to try to convince the worker that he is unsatisfactory some time in the future if he has never been told "where he stood."

Note 7: This problem must be handled carefully. Even when the foreman believes he has seen a clear-cut infraction of a rule, it is wise to question the worker before assuming that the observation was correct. (For example, permission is sometimes given a worker to take a smoking period outside the regular hours.) After satisfying himself that a reportable infraction has occurred, the foreman should tell the offending worker that the circumstances will be reported to his own foreman and that the latter will decide what action to take. Maintenance of good discipline is not something the foreman can accomplish alone. It requires the wholehearted cooperation of every member of management. If others in management ignore infractions of rules or wink at them, or establish unenforceable rules, the foremen cannot maintain discipline without being regarded as unfair and overly strict taskmasters.

Note 8: A foreman is often in a position to recommend changes in policies which are unsatisfactory or even unworkable. He may also have ideas concerning possible solutions to personnel problems which are not being satisfactorily handled or which are not recognized as problems. His recommendations on matters of this sort will be welcomed, and will be given earnest consideration.

Note 9: If the foreman is going to maintain good relations with his subordinates, it is important that they should learn about plans, changes in policy,

methods of work, etc., from him rather than from other sources. The foreman should be an important channel of communication between the rest of management and the workers.

If the foreman is to serve satisfactorily as a channel of communication, he himself must receive the necessary information about plans and contemplated changes.

Personnel Responsibilities of the Foreman[1]

F. L. W. Richardson, Jr., and Charles R. Walker

In 1940, most sections, e.g. work groups supervised by foremen, had "keymen," or straw bosses. By 1947, the keymen had been eliminated[2] and *the foreman by 1947 had become the sole supervisor in every section.* The testimony of a section foreman in Final Assembly throws light on this important change. In 1940, he was a worker in the same section, and recalled when interviewed, the greater number of "straw bosses" in his section in 1940. "There were one assistant foreman and six keymen." Today he states the "intermediate steps" (straw bosses and assistant foremen) have been removed, so that each foreman can "deal with his own men." He explained that in 1940 the foreman left a considerable number of his personnel contacts up to the keymen and the assistant foreman. "The men didn't have a close feeling with the foreman in those days. He was more the big boss, and the men would usually go to the keymen. But, the trouble was that a keyman or straw boss wouldn't give the answers since they didn't have the authority."

Every section studied furnished additional evidence on the changing status of keymen, and the effect of that change on foreman-worker relations. Typical are the following accounts.

In 1940, the Process Inspection Section was under one foreman who

[1] Reprinted from *Human Relations in an Expanding Company*, Chap. 2, "Foreman-Worker Relations," pp. 19–31, Labor and Management Center, Yale University, New Haven, Conn., 1918, with permission of the publishers. Richardson and Walker were on the staff of the Yale Labor and Management Center when this study was made of the manufacturing departments in the Endicott, N.Y., plant of the International Business Machines Corporation. These departments doubled in size, from 3,465 to 7,041 employees, between 1940 and 1947.

[2] Any supervisory or personnel functions they had once performed, passed on to the foreman, but certain of their other functions were taken over by nonsupervisory employees, set-up men, instructors, and dispatchers.

had four keymen. Each keyman was responsible for running one of the section's sub-groups, i.e., Bench Inspection, Parts Recovery Inspection, Light Process Inspection, and Heavy Machinery Inspection. A keyman—who has since become a section foreman—reports that as keyman he handled "many personnel problems." In 1940, keymen acted almost as assistant foremen.

A foreman in an Assembly section, who in 1940 was assistant foreman, said:

"The keyman was not a good assistant. He would boss the men around and have no authority to hire or fire. Now we instruct our set-up men, or instructors as we now call them, never to argue with the men. If there is any dispute, they are supposed to bring it straight to the foreman. We've also told the men that the instructor has no authority: he is just there to help and instruct them. This is all clearly stipulated and understood which was not true before. . . . As I said I was the Assistant Foreman (in 1940) and I really contacted the employees. I used to do it on about an average of at least once a day. . . ."

These quotations suggest both the rationale of dropping out this level and its practical effect on foreman-worker relations. Management theory was to make one man only the manager of a section. That his authority should be undivided, assistant foremen, straw bosses, or keymen were removed. In order to manage competently and alone, as we shall see, the number of men under him was sharply reduced.

Fewer Men per Foreman

We turn now to the second non-typical development. The number of workers per foreman, instead of remaining constant or increasing, fell during the years the Company doubled in size.

The average number of employees per foreman in 1940 was 48; in 1947, 36.[3] For the Machining and Assembly sections [4] the average number of employees per foreman in 1940 was 58. By 1947 it had been reduced to 44. For the principal staff departments, Tool Engineering, Inspection, Production Control, it had fallen from 40 in 1940 to 31 in 1947.

The effort to make managers' (foremen's) sections more *manageable,* clearly explains why, with the plant growing larger and larger, the sections within it have grown smaller and smaller. The President of the Company had, in fact, anticipated this logical step in his own thinking and

[3] Not counting Design, Production, and Customer Engineering; etc.

[4] In most of these comparisons of number of men per foreman, no adjustments have been made for sections transferred between 1940 and 1947 from one department or division to another.

in conversations with Plant Management as early as 1936 when piecework was abolished.

In order to have fewer men per foreman, sections were "split" into two or more parts and each part given to a single foreman. This splitting of sections would certainly have been necessary in the years following 1940 under the impact of sudden growth. *But splitting was resorted to not only to maintain the ratio of worker to foreman, but to reduce it.* The study of the first split in 1940 is revealing of Company thinking in this matter.

The Assembly Department Head in 1940 states: "In the initial stages of carrying out this policy and putting it into effect in the first section, the Manager (foreman) felt his job was being made less important. He asked whether another Manager had been appointed and was taking over a share of his department because he was doing an unsatisfactory job. The reasons for the split were thoroughly explained but in spite of that he remained skeptical. Several months later, however, the man returned and expressed his appreciation of the improved situation. Now, he told me, he had more time to take care of details, work with individuals in his section, and to help them on their daily work problems. I was pleased, because as I have said, when I first discussed the split with him, he was disturbed.

"Before this split occurred, 'X' had only been able to talk to the Order Department, take care of rush jobs, look at absences, and do a little clerical work, *but he never got to personnel work.*" (Italics are the authors'.)

The subdivision of this section started a move of splitting. "After splitting X's section, the Assembly costs started going down, and from then on we started accelerating the splitting process. We began first in the Assembly Department and soon splits spread to all other departments. About this time we got religion about these section splits. It was carried out as a Company policy but not so much from a direct cost standpoint *as a personnel policy.*"

An examination of specific sections will further illustrate the significance of reducing the number of men per foreman and its effect on human relations. In the Inspection Department, take for example the section engaged in Process Inspection, the ratio went from 60 workers per foreman to 23 workers per foreman. Here a splitting technique had been used to achieve this ratio. From two sections in 1940, Process Inspection had been divided into eight.

A bringing of the worker (who is in this case an inspector) into far closer touch with his foreman has apparently paid off particularly well in this department, for among other benefits, a worker was better able to talk to his foreman when he needed him. The head of Inspection for 1940 stated that in those days it was repeatedly brought to his attention that inspectors in the different machining departments had difficulty

locating their foremen when they needed them, e.g., when a machine operator and his foreman together disagreed with the inspector regarding the suitability of particular parts. "In those days the inspector had to fight it out for himself because he did not have a foreman handy. He had a keyman who acted like an assistant to the foreman, but in order to get something done, he had to look for his foreman. Now, I don't know what the figures are (Note: 1 to 32) but he has access to the backing of his foreman any time he needs it."

A striking instance of ratio reduction has occurred in Tool Engineering, where the supervisor was in charge of 65 workers. Today, with a two-fold expansion of Tool Engineering, the ratio of workers to foreman is 27–1. The effect of this change upon foreman-worker relationships was pointedly expressed by the various foremen interviewed.

One of them reported, "In 1940 even though Planning (the 1940 name for Tool Engineering) was smaller, there were a lot more people under one man. Much of the personal contact was lost. Now if the men have personal problems of a serious nature, they are closer to someone in authority." Another said: "The group was too unwieldy in those days and the keymen did not have the authority to do anything about the problems of those under them. Not only that, but when we, as keymen, saw mistakes in the group of some other keymen, we did not feel like criticizing the other fellow. Now as foremen, we often check with one another on mistakes others make. When we do this we know the thing will be corrected. We also feel free to go to the Department head if there is a special problem. As keymen we didn't carry too much weight."

"My men," said another foreman, "seem to feel free to bring any personal problems up to me. I let them take time off if there is trouble at home or if they don't feel well."

The evidence suggests, in short, that in 1940 the size of the sections had already become unwieldy. Foremen had too many men to supervise. As a result, foremen and workers did not have close or frequent enough contact, and workers were usually unable to contact the foreman when they needed him. After 1940, nearly all sections were reduced in size which made it possible for foremen to spend more time with individual workers and gave workers better opportunities to iron out their problems with their foremen as their problems arose. Thus, human maladjustments that inevitably accompany factory growth were greatly lessened.

Enlargement of Foreman's Job

Neither the fact of level elimination nor of ratio reduction in number of men per foreman can be considered apart from the radical change in

supervisory policy initiated by the Company in 1940 on the threshold of its period of greatest expansion. That policy already touched on meant an enlargement of the foreman's job both in content and authority and this change affected human relations both above and below him. It was announced in 1940 by top Management that henceforth the Manager, i.e., foreman was as far as possible to manage *all* the affairs of his own particular section. In other words, his job requirements, although to be reduced with respect to the number of men supervised, were to be enlarged with respect to the matters for which he was responsible. He was to be selected to begin with, not only for his technical and supervisory ability, but also for his qualifications as a human relations manager. The Personnel Department emphasized that this shift in Company policy began in or about 1941, but was not fully implemented till later. Formerly men used to be upgraded to foremen primarily on a basis of their technical ability. "Company policy now makes co-equal the ability to 'get along' with workers and the ability to handle the technical duties of their job." Here was a definite shift and broadening of job requirements for foremen.

Referring to earlier conditions, the then Superintendent stated: "The Manager (foreman) did all the desk work and the Assistant Manager contacted the men. Today a Manager's job is to supervise men and not to sit at a desk."

If the foreman was to be in fact a true manager, he would have to enjoy genuine and well-defined authority. This the Company gave him, by defining his powers—for employees directly reporting to him—*as employing, training, supervising, promoting, and discharging.*[5] This meant that such of these powers as had been exercised by a staff department, Personnel, were transferred to line supervisors, the foremen.

As it was expressed by two members of the Personnel Department's staff

[5] The official Company policy on the foreman's powers and duties is as follows:

"Every manager of any department or section of our business, whether it be in the factory, office, or field, should remember that his first duty is to help the men under his direction.

"I believe in getting behind the individual and backing him up, helping him to strengthen himself, making him feel that there is someone endeavoring to help him, trying to be an assistant to him, and bring out the best there is in him."

The above statements were made by our President, Mr. Watson, and in order to achieve this, he has pointed out five major responsibilities of a Manager.

1. Employing—Selecting the right quality or talent for the job.
2. Training—Personal interest in teaching each new employee.
3. Supervising—Close contact and personal supervision.
4. Promoting—Developing people to fill better jobs.
5. Discharging—Eliminating undesirable employees when justified, giving them the reason. (IBM Manager's Manual)

who were also present in 1940: "The primary purpose of Personnel was to relieve the foreman of the responsibility of being 'bothered' with personnel matters. He was primarily a production man. Beginning in 1941, Management launched on a long range program of choosing foremen on two equal grounds: (1) A man's ability to handle matters of production and (2) a man's ability to take care of personnel problems. The foreman was to be his own section's personnel man. In the matter of hiring he was given the final word. In transfers he could prevent any action if he wanted. Everything pertaining to the men working under him was placed on his shoulders. It was assumed that the Personnel Department would continue to function in an advisory capacity should the foreman request some help."

As a result, the foreman had to know his men well. He not only continued to direct them in their duties, but conversely now his men had to feel free to approach him whenever they had a problem. In order to be adept at handling the personal problems of his men, the foreman, like a personnel man, had to become a good listener.

Those interviewed in Personnel said that the Company's policy was reflected in the work of their department because, as time went on, "fewer and fewer rank and file workers were coming down asking for advice. Those that did were usually referred back to their foreman who was immediately advised of the situation."

As already explained regarding the handling of complaints, these may go to higher authorities, even up to the President of the Company if the worker desires. This is in line with Company policy that all members of the supervisory force from foreman to executive are trained and are expected to be competent in personnel problems. The evidence gathered in this study indicates, however, that the new status of foremen has had a tendency to reduce the number of complaints reaching upper levels, because satisfactorily handled at lower ones.

This shift in policy did not imply that before 1940 the foreman's desires had no weight in the hiring, the promoting, or the discharge of men in his section. The shift meant, however, that he now became—for his own section—the *principal* authority—for making decisions in these matters. As formerly, final approval of decisions was to be required of the Superintendent or plant head but in the first instance the responsibility and the power to make them had become the foreman's. In practice, only rarely have foremen's decisions been revised by a higher plant authority.

The enlarged character of the foreman's job is today emphasized and implemented by other Company practices. No new Manager, i.e., foreman, is installed without the Superintendent's personally introducing him to the men in his section, and explaining fully the reasons for his

promotion, or for his transfer to that section. Most changes in Company policy before their introduction are likewise discussed with all the factory's Managers.

It is worth observing that such a status and mandate as the foreman enjoys at IBM is by no means general in modern industry, especially in a large company. He combines the qualities of a supervisor with those generally associated with personnel managers. Not only is he expected actively to direct his men, but to have close and friendly contact with them, allowing them to approach him whenever they wish, and to listen sympathetically to all their problems. His job is reminiscent—as are certain other policies in IBM—of supervisory relationships in many small plants or businesses.

There were other necessary adjustments to be made if the new foreman policy was to become a workable one. To have time, for example, to be his "own personnel manager," the foreman had to be freed from desk or clerical duties. Formerly, the assistant foreman had sometimes shared them. Management's answer was to assign more clerks to the foremen. There are, proportionately to factory population, twice as many shop clerks today as in 1940.

All the changes we have noticed may be looked at from the standpoint of implementing or making more workable this new foreman policy, and summarized as follows:

1. A reduction section by section of the number of workers supervised by each foreman. (Job requirements change for foremen.)
2. Abolition of the rank of assistant foreman. (Status change.)
3. Elimination of keymen; allocation of their set-up, dispatching, and instruction functions to employees without supervisory authority. (Status and job requirements change.) Thus sub-groups within a section no longer existed.
4. Transfer of personnel responsibilities from staff to line. (Job requirements change for both staff and line.)
5. Increase in the number of section and departmental clerks. (Change affecting job requirement of foreman.)

All of the above changes taken together had the effect of bringing about closer worker-foreman relations.

C. FOREMAN DEVELOPMENT

Improving Supervision through Training[1]

Norman R. F. Maier

New Concepts in Supervision

For the past five years I have been working with four large industries in an attempt to improve supervision. The program centers on what has been called democratic leadership in management.[2] The basic feature of democratic leadership is to shift the responsibility for decisions from the leader to the group. In making this shift, one changes the leadership from the autocratic type to the democratic type.

This change in the placement of responsibility for solutions gives rise to some questions. If, for example, a group solves problems, how is one to decide which of the solutions suggested represents the group? One method is to use a majority vote. When this is done, the group is divided into a majority and a minority and as a consequence one may develop two or more opposed sub-groups. Another method [3] is to attempt to obtain a hundred per cent agreement in the group. In order to accomplish a full meeting of minds, free discussion is essential and the leader develops a new leadership role. His effectiveness becomes primarily one

[1] Reprinted with permission from *Psychology of Labor Management Relations*, pp. 27–42, edited by Arthur Kornhauser, Industrial Relations Research Association, Publication No. 3, 1949. Dr. Maier is professor of psychology at the University of Michigan.

[2] A. Bavelas, "Morale and the Training of Leaders," Chap. 8 in *Civilian Morale*, edited by G. Watson, Reynal and Hitchcock, New York, 1942. A. Bavelas, "An Analysis of a Work Situation Preliminary to Leadership Training," *Journal of Educational Sociology*, Vol. 17 (1944), pp. 426–430. L. P. Bradford and R. Lippitt, "Building a Democratic Work Group," *Personnel*, Vol. 22 (1945), pp. 2–13. N. R. F. Maier, "A Human Relations Program for Supervision," *Industrial and Labor Relations Review*, Vol. 1 (1946), pp. 443–464.

[3] K. Lewin, "The Dynamics of Group Action," *Educational Leadership*, Vol. 1 (1944), pp. 195–200. K. Lewin, *Resolving Social Conflicts*, Harper & Brothers, New York, 1948. K. Lewin, R. Lippitt, and R. K. White, "Patterns of Aggressive Behavior in Experimentally Created Social Climates," *Journal of Social Psychology*, Vol. 10 (1939), pp. 271–301.

of being able to conduct a problem-solving conference. It is this type of leadership that seems essential if the group is to remain unified and constructive. To achieve this effect, the leader must develop skills in sensitivity and permissiveness. At the same time, he must not permit himself to become a passive leader, but must be able to exert controls. Permissiveness and controls seem somewhat contradictory activities, and the interpretation of these becomes one of the important problems in training and an important area of investigation.

For the present, it seems clear that some of the controls are as follows:

1. Problems presented must fall within the leader's area of freedom. At each level of supervision there are problems that a supervisor may decide himself. It is these problems that he can share with the group that reports to him if the group members have interest. Thus, decisions cannot violate company practices or policies (unless the supervisor involved is at the policy-making level) nor can they violate working agreements since problems involving these factors do not ordinarily fall within the supervisor's area of freedom.[4] Frequently, the "how to do a job" rather than the "what job to do" is the problem that can be solved.

2. Presenting the subject for discussion in such a manner that it is a problem rather than a criticism of the group or an individual in the group. Whether or not a group becomes defensive or interested in solving a problem depends in considerable measure on the way it is presented. Just how important the manner of presentation is we do not know, but it is clear from case studies that the incidence of defensive reactions can be traced to the supervisor's statement of the problem. On one occasion the supervisor stated as his problem the fact that certain members of the group failed to close file drawers. Immediately the group requested new files which would operate more smoothly. Considering the condition of the files this appeared to be a defensive reaction.

3. Serving in the role of an expert. The supervisor frequently has much background and information which is of value in solving a problem. Instead of using this information as a way to discredit solutions and thereby gain an advantage over group members, he can give the group the benefit of his experience by presenting them with the information at his disposal.[5] For example, he can point out how much space the group will have in the new office location and ask them to help plan the office arrangement. If he withheld this information and the group planned an office arrangement which required too much space, he would be in the position of having to reject certain solutions. Soon his position would be one opposed to that of the group. If all relevant facts are given at the outset the problem becomes more interesting because it is more difficult.

[4] Maier, *loc. cit.* [5] *Ibid.*

4. Reducing hostility by permitting free expression. In permitting the expression of hostile reactions one reduces frustration and encourages motivated behavior. My own research in this field indicates that frustration and motivation are opposed processes.[6] By reducing frustration, one reinstates problem solving behavior. Rogers'[7] work also supports this contention.

5. Encouraging all members to participate in the discussion. This technique causes members of a group to interact. In interacting, the members learn their areas of disagreement, they learn about group fairness, and they learn that each cannot have things his particular way. It is in free discussion that social pressure can operate. Social pressure is always present in social behavior. The leader uses social pressure for constructive purposes by seeing to it that all feel free to participate. Certain dominant individuals must become aware of their role as listeners and certain reticent individuals must learn that they owe it to the group to speak their minds. The leader can play an important part in bringing about these awarenesses.

6. Protecting the minority. The leader can do much to relieve hostility and to bring deviants back into the group by showing special consideration to minority positions. Frequently, a few persons refuse to go along with the group because they feel excluded. If the leader gives this group of individuals special attention, demonstrating a desire to have them in the group and giving their opinions the most favorable interpretation possible, they can be made to feel that they have not been excluded from the group.

7. Making the group responsible for agreeing on a solution. A group may attempt to escape the responsibility of working as a group and continue to disagree. In practice this is much more rare than is usually anticipated. When it occurs, however, the supervisor can bring this responsibility to awareness. He can point out that a new problem has arisen, which is, "How can we get together on a solution?" Since the objective is to obtain a meeting of minds, the problem cannot be settled by taking a vote and following the majority. Thus, when full agreement is the objective, the leader becomes reluctant to split the group and holds out for keeping the group intact. This makes the leader and group members more permissive. It also forces each person to realize his responsibility as a group member. Social pressure operates in a constructive manner and

[6] N. R. F. Maier, *Frustration: The Study of Behavior without a Goal*, McGraw-Hill Book Company, Inc., New York, 1949.

[7] C. R. Rogers, *Counseling and Psychotherapy*, Houghton Mifflin Company, Boston, 1942.

one hears such remarks as, "Oh, Bill, why don't you give the idea a try?" "Come on, Jim, don't be so damn selfish." In such instances the group, not the supervisor, is applying pressure.

8. Keeping the discussion on the subject. Whether or not progress is experienced in group discussion depends, to some extent, on whether or not extraneous matters are discussed. The responsibility of keeping a discussion problem-centered belongs to the leader. However, this can easily lead to regimentation. Enough leeway should be permitted to avoid introducing into the discussion an atmosphere of pressure or strictness. Further, the supervisor must be careful not to judge whether something is irrelevant. He might ask the person whether his ideas are tied in with the problem; if the person feels they are not, he can ask whether the issue raised should be discussed at a future time. Thus again, a balance must be struck between a rigid and fully-controlled discussion and one that is loose and disorganized.

It is apparent that the types of control discussed above are different from those used by an autocratic leader, and yet it can be seen that they are techniques which are psychologically sound in their effectiveness.

The techniques of sensitivity and permissiveness likewise deviate from those ordinarily used by an autocratic supervisor. These may be listed as follows:

1. Sensitivity to feelings rather than to words or logic. The supervisor must be trained to realize that the reasons a man gives for being for or against something frequently are irrelevant rationalizations. A man doesn't like something and it is the dislike that is a fact that must be accepted with understanding. Often the objections to something are fears but the words expressed are criticisms. To require proof or evidence in such instances merely increases insecurity. The fact of fear must be accepted and respected. Fears can best be overcome by permitting them to be expressed and recognized for what they are.[8] Thus, the supervisor must react to the feeling tones and not to the words. This sensitivity to feelings must be developed through training.

2. Permissiveness must be developed. A permissive supervisor is not on the defensive; he has no "face-saving" reactions and he is primarily concerned with the way the group members feel. Basically he believes that the group members, through free discussion, can integrate their various interests better than he can. He believes that a group is more able to solve its problem than an outsider. As a consequence, the permissive supervisor becomes an active listener. The function of permissiveness in group discussions is fundamentally the same as in non-directive counseling.[9]

[8] *Ibid.* [9] *Ibid.*

3. Reflecting the feelings expressed. As in counseling,[10] the technique of reflecting feelings demonstrates permissiveness; it encourages discussion and it brings feelings out in the open where they can be freely examined and explored. It is an aid to insight in that only through the explorations of ideas and feelings can new relationships be discovered. It is desirable for the supervisor to use a blackboard for this purpose. By means of writing opinions on the board he shows acceptance and permits further exploration since he now can ask, "Are there other ideas on this matter?"

Further exploration is one of the best ways of having poor ideas rejected. The supervisor must learn not to discredit poor ideas. If he puts a poor idea on the board and then requests other ideas or reactions he can get poor ideas rejected without acting as a censor or critic.

4. The use of exploratory questions. Problem solving can be enhanced in a group by the use of analytical questions. Such questions as, "How could that be done?", "Would that plan be useful under emergency conditions?", help explore issues further and bring out additional details. Care must be exercised so that the questions asked do not discredit, degrade, or indicate an objection to the idea.

5. Summarizing ideas and solutions. The value of summaries from time to time is to see to it that all members are properly understanding the issues. Summarizing also serves as a means for holding interest in that it permits progress to be experienced.

The techniques of listening and reflecting are in direct contrast to the techniques of selling employees on a solution. Frequently supervisors confuse the idea of giving up autocratic techniques with the adopting of skill in selling ideas to employees. As a consequence they employ sales techniques and believe they are using the democratic technique. Such supervisors are more difficult to train than many autocratic supervisors because the latter are not confused in their distinctions.

Some Training Problems

It is apparent that the training problems involved in the institution of the type of program described are very large. The supervisor must undergo a great deal of change and, as we know, a *change* is frequently met with resistance. At the present time, we know that the democratic technique is one of the best change techniques we have. It is, therefore, desirable to use it as a means for obtaining acceptance of the democratic concepts themselves. In this respect I disagree with Lewin[11] who has

[10] *Ibid.*

[11] K. Lewin, *Resolving Social Conflicts*, Harper & Brothers, New York, 1948.

expressed the opinion that autocratic methods may be necessary to achieve democracy.

The change required, in this instance, is a fundamental one and actually amounts to a personality change. The supervisor must not only view employees differently, but he must also view himself and his position in a new light. The change in attitude toward employees is not as difficult to obtain as the change in attitude toward one's self or one's position. This is evidenced by the fact that one can obtain the ready acceptance of higher management for the program when they view it as a program for supervisors beneath themselves, but when the program is given for them to practice they seek ways to demonstrate that the program is not adapted to their positions. Likewise, lower levels of supervision react by wanting to know why their boss doesn't practice democratic leadership. Thus, generally, the program can be accepted as applying to others before one can see it as applying to himself. This observation leads to two basic requirements in training.

1. Higher management must practice the democratic method so that those below can experience it first hand and also to supply the motivation that higher management's support may give.

In one training unit, which included three levels of supervision, we had succeeded in motivating the first-line supervisors to try the group decision technique. These attempts were successful in that the men reacted favorably and the results were good. Some weeks later, however, interest declined and further illustrations of its use were not forthcoming. Personal interviews with first-line supervisors revealed that they, as a group, had rebelled because the men to whom they reported had failed to practice the group method with them.

2. Role-taking procedures [12] and discussions, using problems supplied by the group, must be used to create the experience that the method applies to the group members' problems. Such experiences can then be extended by having group decisions in which all agree to try the method the following week.

In the previous case, in which the first-line supervisors rebelled, this step was missing for the higher levels of supervision. The role-taking and group decision phases were applied to the first-line supervisors and higher levels merely gave their consent and support.

The value of role-taking and discussion as change agents for attitudes is most difficult for management to accept. Industry has been sold on visual aids and sees role-taking and discussion procedures as time con-

[12] Bavelas, "An Analysis of a Work Situation Preliminary to Leadership Training," *Journal of Educational Sociology*, Vol. 17 (1944), pp. 126–130. L. P. Bradford and R. Lippitt, "Building a Democratic Work Group," *Personnel*, Vol. 22 (1945), pp. 2–18.

sumers. Unless one experiences their value personally they are not convincing. Since higher management frequently judges the program on intellectual grounds, they are not easily convinced. Even when such individuals consent to observe these procedures, this observation is given limited time; usually just enough to arouse hostility because the observers experience a threat to their own attitudes. Hostility passes when roles are played a number of times and then one can be satisfied that a major step has been taken. However, this added time often cannot be obtained.

It has been my experience that attempts to cut the program invariably are in the reduction of role-taking and discussion time. In one industry, the abbreviation of the training time is now being corrected by a follow-up program consisting largely of role-taking and discussion procedures.

I have indicated that attitude change, which is akin to personality change, is a basic training problem. This does not mean that the usual training problems are not also present. Some of these may be evaluated in passing.

1. It is apparent that effective training must be preceded by a *need.* At the present time this is not a difficult problem. If supervisors are asked on what phase of the job they feel they most need help, there is almost complete agreement that help in the area of dealing with people is most needed.

2. Knowledge about psychology is important. Such subjects as individual differences, frustration, attitudes, motivation, fatigue, and counseling are of vital interest to supervisors and can, in part, be taught by the lecture method. For this type of training, time is readily made available. These subjects have a value in encouraging an analysis of human relations problems and permit the use of the discussion method.

3. Skills must supplement this knowledge. In order to develop skills, practice on the job, interviews with trainees, and role playing are needed. When the basic attitude change is accomplished, the opportunity for developing skills is no longer difficult to obtain.

4. Certain aptitudes must be present in the trainees. However, we have not found these requirements very great. Although persons with above average intelligence absorb the knowledge content more readily than others, their attitudes are not more easily changed. We have also seen very autocratic personalities change attitudes more readily than the friendly type of paternalist. It is desirable to investigate this problem in detail since it is quite possible that the traits which make for good supervision, when a company does not train its supervisors in democratic methods, may be quite different from the traits that are essential to good democratic supervision. It seems that some men are autocratic merely because they have not given attention to human relations, but when they

see these relationships as problems they develop a real interest. Thus, men with engineering training can become interested in psychological problems when scientific concepts are incorporated in the training.

The Risk Technique in Group Discussion

For some time now we have been using a technique which seems highly effective for reducing fears. It amounts to the non-directive counseling method applied to groups and is based on the assumption that our fears are not the opposite of our goals. Thus, the fear of a union shop does not necessarily reflect a desire for an open shop. Rather, the avoidance of the one alternative leaves the person in the open-shop camp. Sometimes it is only because the union wants the union shop that suspicion is aroused. Likewise, the union may fear to lose its gains, and management's opposition to the union shop arouses fear. Analysis of the fears reveals a different problem from that shown by an analysis of the motives.

Likewise, the fear of the group decision technique is not the same as a desire for autocratic methods. Thus, the problem in training is not a matter of demonstrating that the democratic method is superior to the autocratic, but rather the problem is one of removing the fear of a change. To reduce fears, one must release expression and this is the crux of the risk technique.

After a conference training group has been presented with a description of the difference between autocratic, laissez-faire, and democratic techniques by reporting the children experiments of Lewin, Lippitt, and White,[13] the group is asked, "What are some of the risks that management would take if supervisors practiced democratic leadership on the job?"

Each risk that is presented is recorded on the blackboard. Frequently, the risk is reworded by the discussion leader to point up the issue. This procedure is similar to the "reflecting feelings" technique in non-directive counseling. A little discussion follows to determine the amount of support and the degree of feeling that the statement written on the board represents a risk. The leader uses his office to support the reasonableness of the risk in case the rest of the group opposes it. By this method, the group soon feels free to express risks and the leader ceases to be an individual who is trying to sell them something. Group members also can recognize unreasonableness in each other.

A group of 18 to 28 usually finds 13 to 22 risks with a mean of 18. The risks include statements indicating that production will fall, quality

[13] Lewin, Lippitt, and White, "Patterns of Aggressive Behavior in Experimentally Created Social Climates," *Journal of Social Psychology*, Vol. 10 (1939), pp. 271–301.

will decline, the union will oppose the method, morale will drop, supervisors will lose prestige, the union will get control, the decisions will be selfish, planning will be inefficient, time will be wasted, etc.

At regular intervals in a 12-week program (one day per week), the list of risks is re-examined and, whenever there is unanimous agreement that a risk no longer applies, it is removed from the list. This procedure allows social pressure to operate. The group members interact with each other and the leader finds himself in the position of having to protect minority individuals who still have fears. Of importance is the fact that the risks gradually are removed. Even the discussion on individual differences, during which the democratic method is not mentioned, is followed by a reduction in the list of risks. The discussion on counseling, which occurs last, usually serves to have the last items removed. When all are not removed, it is because one or two persons still wish to retain one or two risks.

It is also of interest to observe that presenting the group with a knowledge of the controls (given at the outset) which logically overcome certain risks, has little effect on the fears. Even the report of cases which show that the method works on the job fails to influence the risks to an appreciable degree, but a personal success with the method causes that individual's risks to decrease.

The technique of removing risks causes the group values to come to the fore so that the trainer no longer is in a position of defending the program. Rather, the support for the program comes from the group membership who soon assume the responsibility for reducing the list of risks. Frequently, it is claimed that they initially did not understand what was meant by a risk. With changed attitudes, many of the risks begin to appear ridiculous. An analysis of the risks throws added light on the problem.

We have compared the risks submitted by 10 top and intermediate management groups with those submitted by 39 groups of college students taking similar training on the campus. It was assumed that management and student personnel differed primarily in business experience. If the risks submitted are judgments supported by experience, then the risks should be different in the two groups since management personnel have had much more experience in supervisory problems than students.

This analysis revealed that (1) the number of risks, (2) the type of risks, and (3) the order in which they occurred in the list, were surprisingly similar. Only one difference, which is not statistically significant, seems worthy of mention, namely that the student groups seem somewhat more distrustful of workmen.

We conclude, from this failure to obtain a difference, that the fears are not based on business experience but are emotional objections. These objections are then rationalized to point up some undesirable consequence. Both management and student personnel can use logic, so that the risks constitute deductions of all of the things that might be different if a change is introduced. Students, however, felt their risks were incomplete and that they would be able to think of more and better ones after they had business experience. Thus, experience tended to give confidence in opinions but it did not aid in furnishing opinions.

It was also found that if risks are requested after certain controls and industrial experiences with the method are presented to a group, the content of the list of risks is not altered. However, less support is given to those risks which are answered by the added content, but this is offset by the fact that more support is given to other risks.

The Quality of Group Decision

Although it may be conceded that objections to the democratic type of supervision are largely attitudes based upon fears, there is one type of objection that may have a factual basis. This is the doubt that may be raised as to the quality of group decisions. There is little question but that group decision makes for better acceptance than decisions imposed by the leader. However, high group acceptance of poor quality decisions may not always be as desirable as less acceptance and better quality.

The relative importance of acceptance and quality, of course, will vary with the type of problem. If the problem is merely one of determining who will work on Sunday, the actual solution is unimportant, but an acceptance by the group that the person chosen is a fair choice is of great importance.

On one occasion, two out of three girls were needed for Sunday work. All three had dates and none wished to work. Obviously, any solution that the supervisor would present would meet with objections. He put the problem to the girls. The discussion revealed that one girl had a date with girls and all agreed this was not a real date. She therefore agreed it was logical for her to work. Of the two remaining girls, one had a date with the man she was engaged to, while the other had a date with a new man. All of the girls agreed that an engaged girl could alter her date, so it was agreed that the girl with a new conquest had priority. She was excused from Sunday work despite the fact that she had least seniority and had worked less often on Sundays.

In other instances, the group may expect to improve the quality of decisions because they are near to the job. Thus, they know why men

violate safety practices, which individuals are spoiling a job, why they stop for coffee the first thing after leaving the company garage, etc. These sources of information can be tapped to improve solutions and at the same time supply acceptance and motivation.

On one occasion a supervisor of a repair crew had a group discussion and asked the crew for ideas on how the job could be improved. The discussion revealed that the crew thought that the company procedure on difficult repairs was all wrong. The plan used was that when a repair man failed to do a satisfactory repair job, a more skilled man was sent out on the job. The men said they had no way of learning about their mistakes by this method. The group's solution was that, in case of a customer's report of a failure on a repair, the foreman should accompany the man who first visited the job, and together they should locate the difficulty. This method, the men thought, would supply added work interest in that the men would be able to follow up on their work; it would give added training; and it would prevent the foreman from passing unfair judgments on their work.

The group's solution was put into practice and within six months the number of "repeat" repairs fell to one-fourth of the original figure. Thus, a nearness to the job supplied essential information for a good solution.

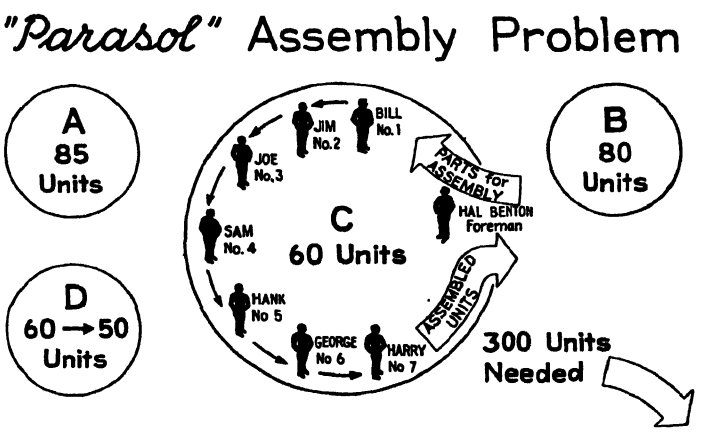
However, there still remain problems whose solutions have the quality of inventiveness or elegance. Suppose the supervisor or an expert knows a better way to do the job. Must he abandon a good idea if the group cannot discover this superior solution? Watson [14] and Shaw [15] found that group thinking is better than individual thinking, but this is true only when no outstanding creative individual is involved. What happens when the leader has an elegant solution that the group members cannot discover?

In order to test this possibility we selected an industrial problem, one solution of which had the quality of elegance.

The problem chosen was a sub-assembly job in which seven men worked on a production line. The separate operations were given as requiring like aptitudes. One man in the group, however, was a slow worker and was described as a bottleneck. Because of him, production was low. The question raised was how to increase the group's production. In the actual presentation all relevant details were supplied and the following Figure was used to describe the situation.

[14] G. R. Watson, "Do Groups Think More Efficiently Than Individuals?" *Journal of Abnormal and Social Psychology*, Vol. 23 (1928), pp. 328–336.

[15] M. E. Shaw, "A Comparison of Individuals and Small Groups in the National Solution of Complex Problems," *American Journal of Psychology*, Vol. 44 (1932), pp 491–504.



Each circle represents a group of men working on a sub-assembly job. Seven men work in a circle and assemble a piece of equipment. The production of each group is shown in the diagram.

The foreman in group C has a problem. Work piles up in Joe's position so that production is slowed down. The company needs more production and both groups C and D are falling behind. Each group has a foreman, but the foremen do not have the authority to exchange men. How can the foreman of group C best solve his problem? The foreman of group D attempted to solve his problem and as a result his production fell from sixty to fifty units.

The solution regarded as elegant was periodically to rotate the position of the men so that the work of the slow man would be spread to all positions. Logically, this solution should make the pace of the line equal to that of the average of the group's ability and motivation.

Twenty small groups (of five to seven) of college students, and 40 students working as individuals, all failed to present the elegant solution as the method to use. Almost all of the solutions were directed toward removing the bottleneck. This preliminary experiment demonstrated that the elegant solution was not obvious.

Further, it was found that when the instructor presented the groups with the elegant solution it was not accepted by more than half of the persons and very few of those accepting it regarded the solution as superior to others suggested.

The problem was now changed in two basic ways: (1) Roles were assigned so that each person in a discussion group could be given a position in the production line and a definite attitude to portray. (2) A person was put in charge of the group and was asked to play the part of the foreman and to reach a decision that all of the workers would agree to. This person was specifically trained or instructed. The following experimental conditions were then used.

Condition 1. A total of 31 individuals was asked to work on the problem as individuals and come up with a recommendation such as an expert might evolve.

Condition 2. A total of 42 individuals was given the roles and each was told that these roles would give him an idea of the kind of men he had to deal with. Each person was asked to recommend a solution as in Condition 1.

Condition 3. A total of 29 groups of persons was given the roles to play and a person untrained in guiding group thinking was asked to be the supervisor. He was asked to hold a discussion and obtain a unanimous group decision from his workers.

Condition 4. A total of 17 groups was given the roles as in Condition 3, but the leader was trained in democratic leadership as well as in how (a) to influence the direction of thinking, (b) to ask questions which lead out of blind alleys, and (c) to keep the group trying out new ideas. These added instructions were based upon the author's studies on how to improve reasoning performance. He also knew the elegant solution, but was instructed never to supply it or any part of it. He was merely to stimulate the group. The writer, as well as instructors, played these leadership roles.

The results obtained from these 4 conditions are shown in Table 1, which divides the solutions presented into 7 types.

TABLE 1. RELATIVE FREQUENCY OF EACH TYPE OF SOLUTION

Conditions for solving	Individual (without roles), per cent	Individual (with roles), per cent	Group (untrained leader), per cent	Group (trained leader), per cent
Number of cases	31	42	29	17
A. Elegant solution	0.0	2.3	3.4	73.5
B. Give less capable less to do	25.8	54.8	72.4	17.7
C. Change Joe's make-up	4.8	0.0	0.0	0.0
D. Promote Joe to foreman	4.8	4.7	1.7	0.0
E. Get rid of Joe	50.0	9.5	3.4	0.0
F. George mentioned in solution	0.0	17.5	3.4	0.0
G. Solutions violating stated conditions	14.5	10.7	15.5	8.8
Total	99.9	99.9	99.8	100.0

It will be seen that only in Condition 4 does the elegant solution occur with any degree of frequency (73.5 per cent). Thus far, we cannot say

to what extent the leader's knowledge of the solution contributed and to what extent his skill contributed to the results. The fact remains, however, that in the preliminary experiments the leader was unable to sell the solution to the groups.

It is also important to note that the next best solution, that of finding some way of giving the less capable workers less work to do, was progressively more often presented as we go from Condition 1 to Condition 2 to Condition 3, in which this solution was presented 25.8 per cent, 54.8 per cent and 72.4 per cent of the time, respectively. Thus, a knowledge of the roles was better than no knowledge of the roles. When actual people played these roles there was even more recognition of individual differences than when these roles were not played. The attack on Joe, the slow worker, was primarily confined to Condition 1. Joe was the bottleneck and the problem became one of removing the bottleneck. When real people were made a part of the situation by introducing roles, the inadequacy of this solution became apparent. The removal of Joe would create bad morale and become a threat to the next slowest worker.

The last two conditions in which groups were used may also be compared on the basis of the acceptance of the decision reached. Since unanimous decisions were desired we shall consider the frequency with which this condition was obtained. For this comparison we have divided the trained leaders into two groups, those led by the author, who it was supposed was most highly trained, and those led by instructors, who followed the author's instructions.

These results are shown in Table 2. This table shows that complete acceptance was obtained most frequently under the conditions which also led to the elegant solution. Thus, the quality of the group decision did not have to be sacrificed for the sake of acceptance. As a matter of fact, acceptance and decision quality went together as leadership skill was increased.

TABLE 2. ACCEPTANCE OF SOLUTION UNDER DIFFERENT LEADERS

Type of leader	Number of groups listed	Per cent unanimous agreement was obtained
Untrained	29	62.1
Instructed	11	72.7
Most highly trained	6	100.0

Discussions following the solution indicated that no one suspected that the leader had a solution in mind. All groups felt that the solution was supplied by the membership.

These experiments show that a leader who has creative ideas need not sacrifice them in order to obtain acceptance. Rather, he can use his leadership skill to lead a discussion which will result in a creative solution, one that groups as well as individuals fail to achieve without this leadership. If he lacks a creative idea himself, he can still achieve acceptance and have a solution that is at least as good as one he could obtain by working alone. Thus, if his own ideas are fair and have objective excellence, he can stimulate creative thought. If, however, he attempts to take advantage of a group or impose his ideas on them, then the group will throw obstacles in his path. Supervisors so inclined are not ready for democratic supervision.

Summary and Conclusions

In this paper, I have attempted to point out that the problems in human relations training are primarily problems in attitude change. Attitude changes which involve attitudes toward one's self and one's fellow man amount to altering personality. If training methods are to accomplish this type of change, they must approach the techniques of therapy rather than the techniques of disseminating information.

Primary concern was given the problem of training supervisory attitudes and skills for democratic leadership in management. By this technique, each supervisor, regardless of his level in the organization, would solve problems which involve group attitudes by a type of conference procedure. The main objective of the conference would be to resolve differences and reach a solution which represents a full meeting of minds. This type of leadership introduces new types of controls which are consistent with a permissive and open-minded type of social behavior. These new leadership controls are briefly described.

Special consideration was given to a "risk technique" which adapts non-directive counseling principles to conference procedures. Work along this line has revealed that fears are a major action-barrier to the democratic type of supervision.

One serious question concerning the use of the democratic technique was raised for detailed consideration. Assuming that it is an excellent technique for obtaining acceptance of the group which participates, what can be said about the quality of decisions obtained by the method? Experiments bearing on this question were reported briefly. The results clearly indicate that the skilled leader need not sacrifice the quality of solutions in order to obtain a solution that has acceptance. Rather, if he

has the proper skill, he can actually raise the problem-solving ability of the group to a creative level and have increased satisfaction. With lesser skill he can still obtain good solutions and a high degree of acceptance.

Role-playing and Management Training[1]

Alex Bavelas

I

Management consists of getting jobs done through people. The efficient manager has a double objective: (*a*) to fulfill the technical requirements of the job, and (*b*) to do so in such a way that the human resources he employs are maintained and developed. Management, on the whole, is impressively competent in the technical aspects of its job, but is only beginning to appreciate the responsibilities and possibilities of the human relations aspects. While many of the human problems in industry derive from the workings of social and economic forces "outside" a given industrial organization, it is clear that the larger part of a particular management's troubles can be traced to inept handling of human relations problems "inside" the industrial organization. These difficulties do not arise entirely out of incorrect philosophies of human relations. There are notable examples of failures of "theoretically" sound industrial relations programs, and of theoretically suicidal ones that have had a surprisingly long life. These cases are understandable, however, when one examines the quality of the "face-to-face" relationships which exist within the organization. All organizations reduce ultimately to such direct contacts, and these are critical links which determine to a large extent their success or failure.

Developing and maintaining optimal face-to-face relationships is, for many managers, a very difficult thing to do. And the prevailing notion that this phase of management is a matter of "personality" or "knowing human nature," etc., has obscured the problem and made it difficult for the manager to get the help he needs. Actually, both casual observation and research indicate that the quality of personal relationships depends upon specific social skills, and that like other skills they may be learned

[1] *The editors make special acknowledgment to Dr. J. L. Moreno, who has pioneered Role Playing, Sociodrama, and Psychodrama, and who first introduced these terms into the literature.*

by practice. They cannot be learned out of books to any greater extent than skill in playing tennis can be acquired by reading a book, and a traditional course in psychology is little more helpful than a course in physics would be to the tennis player.[2] What appears to be the most effective method for teaching these skills is a common sense one—watch others, let others watch you, discuss and evaluate differences, and try it again. Practical considerations usually make such a procedure extremely difficult if not impossible to follow in the actual work situation. Because of this, training ordinarily takes the form of meetings, in which the conference method has been generally conceded to be superior to "formal" instruction methods.

II

The conference or group discussion method, successful as it is in presenting points of view, genuinely involving the participants, and changing attitudes, suffers from one grave disadvantage in that its activities are confined to "talking about" rather than "doing." Group discussion may effect considerable changes in motivation, and may raise the group's level of understanding regarding the problems of face-to-face relationships, but it is not very effective in transmitting behavioral skills. It is this defect in the discussion method that has led individuals interested in the problem of training social skills to experiment with role-playing. The central idea of role-playing is the assigning of roles to various members of the training group and the acting out of problem situations. While role-playing as a method of training in industry is not widespread, it has been used enough to show that it is possible to proceed in a variety of ways. The problem situation and the roles to be played may be defined so strictly as to constitute, for all intents and purposes, a demonstration; or they may be set so loosely that the "play" is highly spontaneous and the outcome all but unpredictable. The play may deal with a single incident, or it may contain a series of incidents each growing out of the preceding one. Various individuals playing parts may be instructed as to how to react if certain events take place, or they may be told to react "naturally."

Whatever the form of role-playing used, if it is well planned and directed, the following advantages for teaching are usually gained:

1. Playing a role before an "audience" makes an individual self-conscious. Since the purpose of role-playing is not to present a finished

[2] This statement, of course, refers exclusively to "skills," and not to matters of philosophy and attitude.

Source: From *Sociatry* (now *Group Psychotherapy*), Vol. 1, No. 2 (June, 1947), pp. 183–191. Publishers, Beacon House, Inc. Dr. Bavelas is associate professor of psychology at Massachusetts Institute of Technology.

performance, this self-consciousness is desirable because it makes the individual aware of his actions in a new way. It is a common occurrence in role-playing that a person makes the same mistakes he has been observed to make unconsciously while on the job, and immediately after the play is over points out, himself, that he has made errors. He becomes, as it were, "sensitized" to himself.

2. Since the roles other than the one primarily under consideration are also played by members of the group, it is possible to get direct expression immediately after the play of the effects caused by the actions of the primary actor. For instance, the foreman who is playing the role of a *worker* can report how it made him feel when the *foreman* treated him the way he did. This helps the trainees to get a better insight into the effects of their actions on others. They become, in other words, sensitized to the effects of their actions on others.

3. Since everyone, sooner or later, takes a turn at playing a role, everyone in the "audience" has either taken his turn or is waiting to go on. This rotation of roles causes certain factors to operate:

a. The individuals waiting for their turn take full advantage of the chance to see what the fellow "at bat" will do, and thus eliminate errors from their own performance.

b. The individuals who have already been at bat, elated with their success or chagrined at their errors, are also only too ready to find and point out the good or bad points in the current play.

c. Very often an individual who has just played the role of *foreman* takes the role of *worker* in the very next play. For him this offers the stimulating experience of "feeling the difference" between the foreman's and the worker's position in a difficult situation.

4. Role-playing has the advantage of emphasizing *showing* how you would do something rather than *telling* how you would do it. Many individuals who "talk a good game" are woefully inadequate when it comes to performing the actions they describe so glibly.

5. And finally, role-playing has the sound virtue of getting people to learn by doing. The advantages of actual practice over pure discussion, in terms of effecting on-the-job behavior changes, are considerable.

III

The success of role-playing in effecting actual behavior changes depends, as do all methods of training in this field, upon the background situation in which the training is being done. The problems in this respect stand out more clearly if one thinks of a company in which foreman training is about to be initiated—especially if the training is to be

done by an outside expert. Two factors in such a situation can become either great assets or insurmountable obstacles: (*a*) the relevance of the course content to the problems of the foremen *as they see them,* and (*b*) the extent to which the foreman's work-situation will permit him to put what he learns into practice.

Let us consider these factors separately. It is not difficult to conduct a series of meetings which the foreman will find both entertaining and "educational," but it is quite another matter to conduct meetings which will in fact give the foreman the help he really needs. Of course, everyone in management can, and will, tell in some detail "what the foremen need." But the problem of course content cannot be solved by merely compiling a list, however correct, of areas in which the foremen are deficient. It is necessary to know what the foremen themselves feel they need. It is when the foremen perceive the material being taught as better means than they now have for the accomplishment of their purposes that sufficient motivation to learn will develop. Whether it takes a week or six months, an investigation into the "felt needs" of the group to be trained should precede the course itself. But this is only half of the problem. It is often the case that foremen, conscious as they are of certain of their problems, are quite unconscious of others. Problems in personal relationships, especially, which are too difficult for the individual to solve or too threatening in their implications often remain unperceived, or are conveniently explained away. In connection with this problem, role-playing can be of great value, aside from its usefulness in teaching. The shrewd observer can learn a great deal about the members of the group as he watches their actions and reactions in various situations, and the experience at playing certain roles can be, for the individual himself, a touchstone for uncovering hidden problems. (Actually, the whole idea of role-playing was pioneered by Moreno as a technique for psychological therapy.) [3] It becomes, therefore, the task of the trainer to increase the awareness of the individuals to these "blind" areas, and keep the content of the course aligned with the shifting and emerging needs of the group.

With respect to the second of the two factors mentioned above—the extent to which the foreman's work-situation will permit him to put what he learns into practice—it should be remembered that the final test of the effectiveness of a training course is not what happens in the training room, but what happens on the job when the foreman goes back to work. It is a psychological commonplace that an individual's behavior is greatly affected by his immediate environment. The social behavior of an individual is especially sensitive to factors in the social environment, such as

[3] J. L. Moreno, "Inter-personal Therapy and the Psychopathology of Inter-personal Relationships," *Sociometry,* Vol. 1, Nos. 1 and 2 (July and October, 1937), pp. 9–76.

disapproval, encouragement, aggressiveness, insecurity, etc. In training meetings the skillful course leader maintains an atmosphere of encouragement and approval. He is very careful to recognize and reward constructive actions. But what of the social atmosphere at the foreman's place of work? The nature of this atmosphere is largely determined by the foreman's immediate superior. Suppose it is essentially one of insecurity and disapproval. A foreman who works in such a setting and who wants to keep his job—to say nothing of being promoted—will be primarily motivated to increase his security and avoid disapproval. And this will mean acting in a way that he knows by experience will get him by with his boss. In other words, there will be strong inhibitory forces against trying the new things he learned in the training course. Obviously, there are great difficulties in the way of training foremen to be better foremen than their superintendents. One might well ask where training should begin. With the foremen? With superintendents? With the plant manager? It is clear that since management involves the coordinated functioning of a group, effective training at any level of management implies adjustments throughout the group. Otherwise, training directed at a specific group in a management can only be as effective as the adequacy of the entire management group permits it to be.

IV

Some of the possible variations of the role-playing method have been indicated above. Which particular method is best may depend upon the specific use to which the role-playing is to be put. A method which is effective for the purpose of exploring the ramifications of a problem may not be as effective in teaching a specific skill. Several years of trial and error in the use of role-playing in management training seems to indicate that an effective procedure for teaching specific social skills requires (1) the use of carefully planned "stereotype" situations as basic training material, and (2) rather close controls of all roles being played, with the exception of the role primarily under consideration—that one being left entirely free to be played as the individual sees fit.

The outline following is a general description of the succession of events in a typical role-playing session.

1. Begin with a short discussion of the general area in which the problems to be taken up lie. The group may be encouraged to tell about "cases" that illustrate the various aspects of the problem.

2. Select and send out of the meeting room two or three of the trainees. If this is the first time role-playing is to be attempted, try to select individuals whom you judge will have least trouble in entering into the spirit

of the thing, and spend a few minutes explaining what role-playing is all about.

3. Describe to the group the problem situation which will be played out. (This has been prepared by the trainer in advance of the meeting. It might be a situation in which a foreman has decided to have a talk with one of his men regarding excessive absenteeism.) Give enough background material so that the problem becomes alive. For instance, the details might be

(*a*) The man has been employed for a year and a half and is a better-than-average worker; (*b*) up to three months ago his attendance had been very good; (*c*) a month ago he received a routine warning slip on his absenteeism, but the absenteeism continued; (*d*) the foreman has decided to do something about it; (*e*) the man's absenteeism is due to some very personal difficulties, and he would rather lose his job than talk about them to the foreman.

4. Select a member of the group to play the role of the worker, or in initial sessions the trainer himself may play this role.

5. Ask the group if there are any questions—if the problem under consideration is clear. Suggest, or better, obtain from the group, possible lines of action that the foreman might take, and orient the group toward watching the ensuing play with the set "how could it be done better." For example, "What might the foreman do? Will he try to discover the cause of the man's absence? When he realizes that the man won't tell him why he is absent, what will he do? Will he threaten him? Will he say it doesn't matter? What *can* the foreman do in such a situation? Is he completely blocked?"

6. If the play is to take place in the foreman's office, set before the group a table and two chairs and furnish enough "props" to make the situation quite definite.

7. Call in one of the men waiting outside. Have him take his place at the desk and explain the problem to him. (It is usually interesting in a problem like this one to say nothing of the worker's resistance to revealing the reason for his absenteeism. Let the foreman discover it for himself, as he would in a real-life situation.) Make sure he understands the setting, and then start the action—"The problem is clear? Very well. You are in your office and you had asked Jack to come in. Here he is. He walks in and says, 'Did you want to see me, Mr. Frank?' "

8. This kind of situation may end by itself with the man going back to his place of work. Some situations, however, do not come to an end naturally if left alone. In such a case, the trainer must decide when the play has gone on long enough for the purposes he has in mind, and arbitrarily "end" it.

9. Have the primary player take his place with the group. Sum up the action that took place. Do not enter into a discussion at this point as to how it could have been done differently. Rather, prime the group to look for differences between what they have seen and the next play. It is helpful to outline the events of the first play briefly on a blackboard and cover it up before the next man comes in. If the first player has had difficulty because of factors in the problem of which he was not aware (the resistance of the worker against explaining the cause of his absenteeism), explain them to him so that he can watch the second player on a par with the rest of the group.

10. Call in the second player and repeat instructions. The man taking the role of worker essentially repeats his previous behavior.

11. When the second play has ended, and assuming you sent out only two people, sum up the action of the second play and review what happened in the first one. The review is important because the second player must be brought up to date. If you are using a blackboard, you will now have two outlines, side by side, each describing the action in one of the plays.

12. Before general discussion evaluating the two performances begins, it is usually best to ask all three of the actors for their reactions. This gives the players a chance to "save face" by pointing out themselves the errors that they may have made, and serves to give the group additional information. It is often helpful to prompt the man playing the role of worker by such questions as "Which foreman do you think you'd rather work for? Why?"

13. Open the meeting to general discussion. As a result of the discussion try to get a third column on the blackboard indicating what the group now feels would be the preferred foreman behavior.

14. Select a member of the group who has not yet played a role and have him act out the foreman's role along the lines indicated by the group. Instruct the group to watch carefully for flaws in what they have set up as "preferred" behavior.

V

Lectures, group discussion, and role-playing can be regarded as being on a continuum along which the skill of the training leader is increasingly important. Leading a good group discussion requires skills in addition to those required for delivering a good lecture. Conducting a role-playing session requires a high level of discussion leadership—and considerably more. It requires, obviously, that the leader be able to actually *do* as well as *tell* how to do. This is an innocent-sounding requirement, but many a seasoned talker has had cause to smart in retrospect at his first

attempt to act out the solution to an apparently simple problem. There is also the requirement of an adequate technique in directing role-playing (not the same problem as *method,* which was briefly discussed above). And there is always the task of constructing the situations which will be acted out. Almost always they must be planned anew for each group and organization, and it is not easy to find the problem situations which will yield the most fruitful material. It may appear on the surface that certain types of problems are common to all foremen—attendance, discipline, work delegation, employee training, etc. But in reality these are areas of responsibility, not problems. The problems that arise in these areas are due to factors specific to the organization itself—its type of management, its social atmosphere, its position in the labor market, its product, etc. The planning of situations for role-playing rests finally not upon generalizations from the picture of industrial management as a whole, but upon individual diagnosis of the organization in which the training is to be done.

The question often arises "Granted that role-playing is an efficient training method, can individuals be trained to use it?" The answer is a qualified "yes," based upon both failures and successes. Attempts to train individuals to direct role-playing yield very questionable results when reliance is placed upon lectures, demonstrations, and trainers' manuals. Experience indicates what should have been self-evident: that the directing of role-playing can best be taught by the use of role-playing itself. In one case, after spending twenty hours of meetings in demonstration and discussion without appreciable effect, a successful transmission of the skill was accomplished in three two-hour sessions in which the individuals took turns playing the role of trainer. In another case, several individuals of a group of plant managers who were using role-playing to solve some of their own problems spontaneously began using the technique with their own subordinates with excellent results.

The latter instance may be a good example of the soundest way to approach the problem of training within an organization. Experiences in many and varied situations in which training has been attempted lead the writer to the conviction that training is an integral part of the management function and cannot easily be delegated. The logical and psychological point at which training can best take place is between an individual and his immediate superior. Any other arrangement necessitates such a close and comprehensive liaison between trainer and line management as is seldom achieved. The proper duties of the training consultant or the staff man to whom the problem of training has been assigned are not the conducting of training courses. This may appear at first to be helpful; actually it is an inefficient procedure and is often deleterious to manage-

ment in the long run. The training consultant's objective should be to restore and to implement, not to perform the training function for management. He should work to create an awareness at all levels of management of the importance of training. He should make available to management resources for training in the form of materials and methods. He should assist in the diagnosis of training needs and in the development of training programs. He should stimulate and guide the evaluation of training programs, both completed and in process. He should, in short, help management to acquire the skills and understandings it needs to do the job for itself.

Managers, Supervisors, and Employees[1]

William F. Whyte

The manager's personnel problems are not solved when he has been able to establish good relations between himself and the employees. In fact, if he concentrates on this job, he is not fulfilling his primary personnel function. It is not enough to "make a good fellow out of himself" to the workers. The main job is to build up relations between himself and his supervisors so that they are able to do an effective personnel job.

The manager cannot and should not have such frequent contacts with workers as do their immediate supervisors. He must depend upon them to build harmonious human relations, and he should help them to reach this goal.

How can it be done? There are unfortunately too many executives who try to build up good human relations simply by telling their supervisors how to behave. With supervisors this approach is just as ineffective as it is with the workers.

In the first place, the manager must recognize that his supervisors are, like the workers, human beings with problems in human relations. This may seem too obvious to state, and yet we find throughout American industry that executives and personnel men have been for many years giving serious attention to problems of morale in the working force, while,

[1] Reprinted from *Human Relations in the Restaurant Industry*, Chap. 21, pp. 288–307, McGraw-Hill Book Company, Inc., New York, 1948, with permission of the publishers. When this was written, Professor Whyte was in the sociology department of the University of Chicago. He is now a professor at the New York State School of Industrial and Labor Relations, Cornell University.

until recently, very little attention was given to problems of morale among supervisors.

The human elements in supervision apply just as much to the manager's relations with his supervisors as they do to the supervisor's relations with the workers. The problem of building morale is the same in that respect.

The problem becomes somewhat different and a good deal more complex when we look at it in terms of the structure of human relations. If the manager is to handle himself skillfully in his dealings with employees and supervisors, he must deal with each one in terms of his position in the structure and also in terms of his relationship with other people in the structure. We can illustrate this by getting down to cases.

First we shall consider what happens when the manager or someone above the first-line supervisor originates action directly for the worker.

One first-line supervisor told this story:

"Mr. Lathrop (the manager) spends most of his time in the office, but the trouble is every now and then he comes out and mixes in with what we're doing. You know, there's a glass panel in the door to his office, and sometimes he stands behind there and watches the floor. Then if he sees something that he doesn't think is right, he'll come right out that door and give orders to the girl. You know, the workers resent that. They think it's spying to look through that panel.

"Mr. Lathrop says that he doesn't want everybody to snap to attention when he comes in sight. But that's what they do, and that's natural because they know that whenever he comes along, he's going to find something wrong, and he's going to step in and tell them what to do. We had a big rush the other day at noon, and Mr. Lathrop stepped right in and gave orders, but he didn't know just what was going on, so he got excited and contradicted himself. If the workers could only see the humor in that situation, it might be better, but it doesn't seem funny to them.

"Sometimes he steps in and just takes over my job. He was giving my orders for 20 minutes the other day, and what could I do? I just stepped back and waited until he left. That was all I could do.

"You know, there is one thing that he doesn't realize. He comes along and sees that something isn't just right. Maybe there's a very good reason for it, and we're trying to remedy it, but all he sees is what's wrong, and he tells the employees what they are supposed to do right away, and then he goes on and leaves it to me. He gets the workers all upset, and then he clears out. I have to step in then and try to smooth things over. Sometimes I can and sometimes I can't. It makes it awfully hard for the supervisors. He really puts us right in the middle."

Such managerial activity undermines the position of the supervisor and

confuses and upsets the workers. This can be very damaging to the organization.

For example, a busboy was handling his job according to instructions he had just received from his supervisor when the manager came along and told him to do his work in quite a different manner. The busboy threw his uniform on the floor and walked out. The supervisor told us that he had been a dependable and valuable worker.

Even when the manager issues orders that are in line with those of the supervisor, he is usurping the role of the supervisor. Workers can become adjusted to taking orders from one supervisor, but they cannot adjust to taking orders from several authorities.

Furthermore, failure to channel communication through the structure of the organization leads to such confusion that the workers become unable to understand what the organization is and how it operates. That problem was stated for us by a worker in a large organization with a number of levels of authority.

He said, "I want to ask you this question. Why is it that whenever I'm doing anything wrong and one of the big shots sees me he'll come right over and criticize me, but if I have a problem and I want to take it up to the top, they all tell me that I have to take it up with my immediate boss? Now, mind you, if I'm wrong, they can bawl me out, and I'll admit that I've got it coming to me, but if they've got a right to do that to me, it seems to me I've got just as much right to take my problem up and make them listen to me."

The worker was quite right. If the channels can be ignored in one direction, why must they be adhered to in the other direction? We know of no answer to this question that will satisfy the workers.

The problem must be solved in terms of the structure of the organization, as it was in the following case, which was given to us by a supervisor:

"For the longest time we just couldn't keep a soup girl. We'd have one woman after another, and just when we'd be about through teaching them, they'd quit. Well, Mrs. Young (manager) called us all together: Mrs. Arthur, food-production manager, myself, Jessie, the working supervisor in charge of the range, and the other working supervisors. We sat down to talk things over, and we tried to decide just what was wrong. Finally I said that I thought the trouble was that we had too many bosses trying to teach the woman how to do her job. She'd be under Jessie and Jessie would be trying to teach her, but I might come along, and Mrs. Arthur and Mrs. Young, and we'd find something to criticize, and that way she became all confused and disgusted and she'd just quit on us.

"We talked it over and decided that we should just change our policy, and that with the next person who came in Jessie would be in charge of

teaching her, and she'd be the only one to say anything to her. If any of the rest of us had any criticisms or suggestions, we'd make them to Jessie directly, and she would handle it. That seemed to work pretty well. The woman we have now has been with us for six weeks, and it looks as if she'll be permanent."

This is an interesting example of the use of conference methods in working out an organizational problem. The solution reached is the only one possible for such a problem.

When a manager happens to see something that needs correction, the natural tendency is to step in and take action. But there are some skillful managers who are able to resist such temptations. For example, Mr. Potter gave us this account:

"The other day I happened to be walking through the dining room when I ran into a waitress just as she was tossing off a glass of orange juice over in a corner. I couldn't help seeing it, and she knew I saw it, but I just stopped and chatted with her for a few moments on other things, and then I walked away. I looked up Miss Loring (head hostess) and mentioned the incident to her. I said that if the girls were coming on the floor hungry, we ought to work that problem out, but in any case we would have to check up on picking on the food. I left the problem in her hands. That's what I do when I happen to notice something wrong. Sometimes I tell the supervisor which employee it was, but other times I just tell what I saw without mentioning any names and let the supervisor speak to the group about it. That way I don't have to take on the job of reprimanding the workers. When I explain it, I suppose it sounds just like a way of making a good fellow out of myself to the workers, but that's the way I like to handle those situations."

Mr. Potter was being unduly modest in passing off his strategy as simply a way of making a good fellow out of himself. It is true that he was exceedingly popular with the employees, but he also had the respect and cooperation of his supervisors. Nor did his failure to jump on the infractions he observed mean that his supervision was lax. He was known as an exacting manager, one who asked a great deal but also got a great deal from his subordinates. Of all the supervisors we observed, there was no one who showed more skill in building up the morale of his organization.

Mr. Potter's strategy does tend to build up a manager's popularity but, beyond that, it is entirely sound, considering the interests of the entire organization. If the manager checks the workers on any infractions he observes, they will come to look upon him as a policeman and snap to attention whenever they see him coming. He will lose touch with his workers and will be unable to learn from observation how the organiza-

tion is really functioning. Besides, by stepping into the role of the first-line supervisor, he will upset that supervisor. If such action is taken frequently, there will be a tendency for the supervisors to band together with the workers to cover up any laxities and put on a show whenever the manager appears on the scene.

Of course, if the manager catches a worker in the act of starting a fight with a customer, he will intervene, but there are few cases so serious that failure to take direct action on the spot will result in damage to the organization. The manager should realize that it is not his function to correct individual infractions of workers. They are important to him only insofar as they point to certain failures in the functioning of his organization. When these are brought to the attention of supervisors, they are then able to act in the manner to which they become accustomed, and the manager's activity does not disturb their adjustment to the organization.

The manager's activity in criticizing his supervisors also has important effects upon their morale. Here the same principles apply as those we discussed in considering methods for criticizing workers, but there is an added element to consider—the relationship between the supervisor and his workers. One supervisor told this story:

"Miss Taunton is really very efficient in her job. I admire her for it. But she isn't skillful in handling people. She has one great fault. She tends to humiliate her supervisors in front of their subordinates.

"Well, here's what happened to me one time. We were serving a cooked vegetable salad. I had the salads fixed up with three sticks of asparagus on each one. When Miss Taunton came in and saw that, she was positively furious. She yelled at me, 'Don't you know that we're only supposed to have two sticks of asparagus on the salad?' I said, 'Now, Miss Taunton, that's not true. I'm going by the recipe. It calls for three sticks.' She said, 'Don't you tell me. We've been making that salad for seven years here, and this is the way we've always made it.' I said, 'All right, you can take off that piece if you want it that way, but come in to the office with me, and we'll look in the recipe book and I'll show you that I'm right.' She said that wasn't necessary.

"You see, I talk right back to her. I wasn't going to have her make a fool out of me in front of my subordinates.

"She's done the same thing to Alice Dexter. It was some silly little matter. I don't know just what it was. Something about recipes. Miss Taunton came up and stormed at her. She made her change the plate all around. Just as soon as Miss Taunton had gone into her office, Alice chased right in after and told her that when she did something like that she did more harm to herself before the employees than she did to Alice.

I think that's really right. The employees don't respect her for those things. Once I came in when Miss Taunton was storming to Alice about something. She went away before she talked to me. The girls asked me what Miss Taunton was upset about. I just shrugged my shoulders, and they laughed.

"Alice takes it harder than I do. That time after she had had the argument with Miss Taunton, I saw her at the door going out. She said she was going to shop for an hour or two. She said, 'I just can't do a thing now.' I saw there were tears in her eyes and she was very upset.

"It's really sad to see what this job has done to Alice. She never used to have that drawn and tense look. I'm afraid she'll have a nervous breakdown if she doesn't get away from here for a while."

From the standpoint of the organization, it is completely irrelevant to ask whether Miss Taunton or our informant was right on the recipe for the vegetable salad. When the manager feels called upon to correct a supervisor, this should be done in private. Otherwise the manager places supervisors and workers on the same level, undermines the authority of the supervisor, and makes her lose face before her employees. It is also upsetting to the morale of the employees to have frictions between the levels of authority aired in their presence. They cannot be expected to develop a firm loyalty to the organization when they see that the authorities themselves are divided and sometimes in conflict.

While such managerial behavior places the supervisor under a severe nervous strain, it is probably more damaging in general to the manager's standing with employees than it is to the loyalty of the workers to their supervisor. Unless they have been in sharp conflict with the supervisor, employees tend to side with her on such occasions and resent the manager's interference.

The issue here is the same one involved in the manager's criticisms of employees. If the supervisor is observed shouting at customers, then immediate, direct action is called for, but there are few cases so severe that failure to take action on the spot will result in more damage to the organization than would follow from a rebuke to the supervisor in the presence of workers. The manager must learn to see each immediate instance in the perspective of the necessity for maintaining the structure of the organization.

Even when orders are not given direct from manager to workers but proceed down the line of authority, the executive should guard against phrasing his orders in too great detail. As Chester Barnard points out in "The Functions of the Executive," general policies should be formulated at the top and converted into more and more detailed instructions as they proceed step by step down the line and are finally transmitted by

bottom-level supervisors to the workers. If it is management's practice to meet all problems with instructions given in full detail, then the supervisors become mere rubber stamps. Being unable to exercise any initiative or judgment in carrying out policies, they are not prepared to show those qualities on the frequent occasions when they face situations for which no detailed instructions have been given. Furthermore, the executive is not in a position to have a detailed knowledge of the work situation, so that, if he attempts to deal with that situation through detailed orders, he is certain from time to time to give orders which, if carried out, would result in damage to the organization.

Faced with an ill-conceived order, the supervisor is in a very unenviable position. She may carry it out to the letter and thus antagonize the workers against her and against management. She may ignore it and hope that she will not be found out. She may seek to give the appearance of carrying out the order while actually following a different course of action. All three practices are common in American industry, but it should be clear that none of them presents a solution to the problem.

The only way to avoid such situations is for management to give supervisors some leeway in applying orders to the situations that they know much better than management, and to encourage discussion of orders before they are put into effect so that they can be modified, when necessary.

So far we have been considering problems of communication from the top down. We encounter the same problems of structure when we look at communication from the bottom up.

The primary question is this: How can the manager maintain the authority of his supervisors without losing touch with the workers who want to bring their problems up to the top? Many organizations fail to cope with this question. Authority is maintained but upward communication is stifled, or communication is facilitated and authority is undermined.

One manager told us, "Oh, yes, I have some of the employees coming into my office. The first thing you want to know in a case like that is, is it something they should take up with their supervisor. If it is, I just shoot them back to their supervisor."

The employees who were "shot" back to their supervisor expressed strong resentment against the manager. They told us he was a man you could not talk to.

On the other hand, we observed a restaurant operated in a very personal way by its owners, who passed judgment on disputes between supervisors and employees without giving any consideration to the structure of the organization. The result was that the supervisors became only swing

workers who had little authority and were very reluctant to accept any responsibility.

This is not an easy problem to handle, but there are managers who have worked out solutions that seem to be effective. We asked Mr. Johnson how he handled the situation when a worker complained to him about one of his supervisors.

He said, "The best bet is to call the supervisor right in. You know, people have a natural tendency to exaggerate. When an employee comes in he wants to impress me that the supervisor has been unfair, so naturally he will make the story a little worse than it was. When you get the two of them together, there is a chance for them to check each other, and you will get a better picture of the whole situation.

"Now, I tell my supervisors beforehand that I am going to back them up in any of their decisions—unless it's something absolutely flagrant. You have to do that. Still, I call them in, and we talk things over. I give them a chance to change their minds with the employee there, if they feel that way about it. Yes, sometimes they do change their minds right there when we are talking it over, but if they stick to the decision they made, I'll back them up on it. However, after the employee has gone out, if I feel that supervisor has been in the wrong, I'll talk to her. I'll say, 'Now, I think you have made a mistake. I think you are going to have more trouble with that fellow. He's going to think he had a raw deal, and he's going to give you a lot of trouble from now on. I think the smart thing for you to do would be to go to that fellow and tell him, "I've been thinking it over, and I think that you have a good point there. Let's try it your way." ' Yes, a lot of them follow my advice on that.

"In my position, I have to back up my supervisor. If I overruled a supervisor right before the employee, why it would get around the store that they didn't have to pay any attention to that supervisor. If they had any problem, all they needed to do would be to go to Johnson, and he would straighten it out. Your supervisors would have no authority."

For Mr. Johnson, this approach was highly successful. The employees felt free to take their problems to him, and yet the supervisors also felt that they had his full support. However, we should guard against accepting this as a sure-fire formula. In order to understand Johnson's success, we need to consider certain points that were not included in his statement.

The reactions of supervisor and worker were determined only in part by what took place in the three-cornered meeting. Workers would not have felt free to come to his office if he had not stopped at their stations day after day to talk with them in a friendly manner. Nor would they have taken criticisms of supervisors to him if he had not listened to them with interest when they had other problems to bring up. For the super-

visors, it would not have been enough simply to have had the verbal assurance that he would back them up in the meeting. They needed to know, as they did know from constant experience, that he was concerned with their problems, that he recognized their positions, that he would not criticize them in front of the workers, and that he respected their judgments. With that assurance, they could enter such a meeting free from anxieties or aggressiveness.

Then too, Johnson's skill in conducting such a discussion was very important. He never got excited. He undertook, patiently and calmly, to get supervisor and worker to define the problem for him and to discuss the way it should be solved. He listened attentively while each of the two stated his case. Then he drew them out further to explore the possibilities of bringing them together. It was only after all this preliminary work that he gave his own judgment—if that was necessary.

Considering all these factors, it seems best to caution the average manager against calling in supervisor and worker for a three-cornered discussion. Unless he can build up the sort of human relations that Johnson enjoyed with both workers and supervisors, and unless he can then handle the meeting with the skill that seems required, he will find that he is playing with fire. Supervisor and worker may excite each other—and the manager too—and they may go out of the meeting full of resentments and anxieties.

There is, of course, no *one* right way of handling this problem, but every successful effort must be based upon an understanding of the structure of the organization. A more common procedure was described to us by another successful manager in this way:

"I listen to the workers first, but then right away I ask them whether they've taken the matter up with their supervisor. If they haven't, I suggest that they go back and talk to their supervisor, and I'll say that I'll check with the supervisor too. You have to do that or the supervisors have no authority.

"If they have already talked to the supervisor, I'll promise to take it up with the supervisor myself. I never promise what the outcome will be. And then, when I've talked with the supervisor, even if it is my idea, I let the supervisor take the action."

This procedure avoids certain common pitfalls. It is clearly unwise to make any commitments direct to the worker who has been in difficulties with the supervisor. In that way the manager not only prejudges the case but also usurps the supervisor's authority. The next point is less obvious but equally important: The supervisor should be the one to announce the decision to carry out the determined action. Particularly where this involves the satisfaction of a worker's complaint, the manager may be

tempted to take action direct and thus make a good fellow out of himself. That places the supervisor in a very awkward position. Especially when the decision involves reversing some action he has previously taken, the supervisor should be allowed to break it to the worker so that he can appear to be a good sport who is willing to change his mind. Finally, it should be noted that, whatever action is to follow, the manager first allows the worker to state his case and get the problem off his chest. This is important in maintaining good communication even when the case is one that obviously should have gone to the supervisor first.

The same structural problems appear in the relations between managers and supervisors at different levels of authority in the organization. This may be illustrated by the account of a first-line supervisor who had a problem in her relations with her immediate superior.

She said, "I went to talk with Mrs. Norton (manager) about that problem with Miss Lewis (immediate superior). Now you know some people in that position would just tell you that you would have to deal with your immediate supervisor and they didn't want to have anything to do with you, but Mrs. Norton listened to everything I had to say, and then she tried to explain things to me. She told me how Miss Lewis had handled the work in the past so as to explain the way she acted now. But then Mrs. Norton went on to tell me that Miss Lewis had done so much to build up the standard that has given us our present reputation. She tried to build Miss Lewis up to me.

"That's the nice thing about Mrs. Norton. She will explain to you the problem you have with another person and still she'll back up that person."

We asked this supervisor how she felt when she thought of having Mrs. Norton talk that way about her.

She said, "Well, first it used to worry me to think that she would be discussing me with others, but then I saw the way she did it with me—that she always supported her supervisors. She might point out your faults, but then she would always bring out your good points too. In all the time I've been here I've never had the feeling that I wasn't the person for that position in Mrs. Norton's mind. I've always felt that she was right behind me."

These stories indicate that the problems of keeping communication open while maintaining authority can be solved if the manager meets certain requirements. He should listen to what the worker has to say until he has said it fully and satisfyingly. He should listen similarly to the supervisor. He should not act directly upon the worker. He should back up his supervisor and let the supervisor carry out the action in the manner to which he has become accustomed. In that way the worker will at least feel

that he has had a hearing, and the supervisor will feel that his position and functions have been protected.

Some managers complain of having difficulty in getting supervisors to accept responsibility. It may be that the people simply do not have the stuff to make good supervisors, but in every case the supervisor's ability is greatly influenced by the behavior of the manager. A skillful manager can develop unsuspected talents in supervisors, whereas a bungling manager can break down the most talented supervisor. Before passing judgment, the manager would do well to consider the effect he has upon his supervisors.

Take the case of Mr. Roberts and his supervisors. He felt that they did not accept the responsibility and were not confident of their authority over their employees. He could not understand this because he had told them a number of times that if an employee ever disobeyed them, he would back up his supervisors in any discipline they inflicted.

The nature of the situation becomes clear when we get the supervisor's side of the story:

"We never go to Mr. Roberts for anything if we can help it. We know it wouldn't do any good. There was just one time that I went in to consult him. I had a problem with one of my workers, and I didn't know how to handle it. I just wasn't getting along with her, and I wasn't satisfied with the work she was doing.

"I asked Mr. Roberts how he thought I ought to handle her. He said, 'Why don't you use a little psychology. Instead of just criticizing her, give her some praise, too. You know, a pat on the back every now and then goes a long way. Yes, I think you should use a little psychology on her.'

"Well, that sounded all right, but after I went out of the office, I began to think about what he had said, and I realized that he never uses psychology like that when he talks with his supervisors. He never has anything good to say to us. It's always criticism. Whenever we see him coming, we know that he will always have some fault to find with what we're doing no matter how well things are going. That's just the way he is."

In addition to his failure to balance criticism with praise, Mr. Roberts frequently stepped in to originate action directly for the workers, and at times he criticized his supervisors in the presence of their subordinates.

Consequently the supervisors felt themselves under a constant nervous strain, with no support from the manager. It may be that they did not have the stuff to make first-class supervisors, but Mr. Roberts could never find out how effective they could be, for he never gave them a chance.

We see from this story that the authority of the supervisor cannot be built up simply by the assurance that his discipline will be supported

when workers disobey him. Such cases of open defiance would occur only rarely, and the supervisor must feel confident of his authority at all times if he is to be effective.

Authority is acquired from two sources: the individual's subordinates and his superiors. To feel secure in his authority, the supervisor must feel that he has the constant support of both workers and manager. The manager can destroy this security by stifling upward communication from the supervisor and by framing all his communication in terms of criticisms. Supervisors naturally try to escape responsibility whenever possible, if they are criticized frequently and severely without any compensating encouragement and support.

Mr. Roberts' case points out what not to do, but suppose we have a Mr. Roberts who comes to understand the effects of his behavior and wishes to change himself, or suppose we have a manager taking over in place of one who acted like Roberts. What procedure can be used in order to build up the authority and responsibility of supervisors? For that we can again call upon the testimony of Mr. Johnson.

"I've had a problem in building up my supervisors to take responsibility. Before I came here, there was only one person in the store who had any authority. He just gave all the orders, and they consulted him on every little thing. You really had no supervision except at the top.

"Take the case of Miss Temple. One trouble was that she'd never been backed up by her superiors before. Miss Caldwell is under her, but Miss Caldwell has been here for a long time and at one time she was even getting more money than the woman who supervised her. We've changed that around now.

"Apparently Miss Caldwell has been allowed to go her own way pretty much, and a number of times when she and Miss Temple disagreed, the manager backed up Miss Caldwell. Naturally, in that situation Miss Temple didn't have any confidence in herself. She just never knew where she stood.

"As soon as I came on the job, I began channeling my orders to Miss Caldwell through Miss Temple. Then I found that sometimes the things had been done and sometimes they hadn't. I checked with Miss Temple, and she told me she had talked to Miss Caldwell on it. Well, I would call them both in and say to Miss Caldwell, 'Now I understand that Miss Temple told you this. Is there some good reason why you didn't follow through on it?' Well, at first it seemed she was just trying to see whether I would back up Miss Temple. Now she has found that I will, so she follows through better. Of course, she doesn't like it. It is a great change for her. But it is better for the organization and for Miss Temple's position.

"At first Miss Temple would run to me on any little thing. She didn't seem to have courage to take any responsibility on herself. Well, I'll tell you how I handled it. Suppose she came to me and told me that one of the guests had complained about having a sandwich served on a saucer—just to give you a ridiculous example. Well, I'd say to her, 'What do you think, Miss Temple? Do you think it should be served on a saucer?' 'No,' she'd say, 'I don't think so. I think the saucer is too small, and it isn't shaped right either.' Then I'd say to her, 'Yes, I agree with you. Well, how do you think we should serve it?' Then she'd say, 'Well, I think we might serve it on a six-inch plate.' I'd say, 'All right, why don't you go ahead and do that.'

"Now, I haven't thought all this out, but I suppose when I'd question her that way, it would show her that I had some confidence in her judgment, and she'd get to have more confidence in herself. That's the way I tried to handle it every time. Of course, there were times when I thought she had made a mistake, and I told her about it, but I didn't jump down her throat the way it had sometimes happened to her in the past.

"I've never seen a woman change more in a year. A year ago she was running around like a scared rabbit. Now she has settled down, she has plenty of confidence in herself, and she's doing a swell job."

We can sum up Mr. Johnson's strategy in this way. He saw to it that Miss Temple was given proper support, in terms of her position in the organizational structure. Then, when she came to him with a question, he resisted the temptation to give the answer himself. Instead of that, he drew her out and showed his own confidence in her judgment. He did not withhold criticism when he felt that it was called for, but he framed it in such a way that he did not scare her out of making her own decisions. He encouraged her to find out what she could do, and he gave her credit for her successes. He gave her his support, and she told us that she had never worked under such a good boss as Johnson.

We see, therefore, that the assumption of responsibility can be encouraged or discouraged in a number of ways. There are certain major questions that only the manager can answer, but, if he is willing to answer any question put to him, he is likely to find himself in the position of being the only one in the organization who has any initiative and independent judgment.

There are always risks in taking responsibility. The decisions of even a skilled supervisor do not always turn out to be right. If the supervisor is rebuked for every mistake, he will find the risks of responsibility too great to assume. If the criticism is presented calmly, in the form of a discussion of a problem, the normal person will be able to take it and

even learn from it. And above all, day in and day out, the supervisor needs to know that he has not only the authority but the confidence of his superior behind him. He can only feel that if the manager shows it in his behavior. This does not mean that fulsome flattery is called for. Confidence can be shown by listening with interest to what the supervisor has to say, through encouraging him to take action on his own initiative, and finally through giving credit for a job well done.

Many, if not all, of the points in the discussion so far have appeared in textbooks that must be familiar to a large number of supervisors and managers. Nevertheless, mistakes are made by intelligent and well-read people. Why?

One of the major reasons is probably that supervisors and managers are not sufficiently aware of the effect of their behavior upon their associates. They react to problems as they come up, handling each problem as if it had no connection with other individuals. Actually, all the problems of an organization are related to each other, and so are all the individuals. The manager or supervisor cannot deal with any individual in isolation. When he deals with an individual, he is in reality dealing with the entire organization. He is dealing with a social system made up of parts so highly interdependent that a change introduced in one part has its repercussions throughout the system. He would prove this for himself, if he were able to observe the effects of his behavior as we have done, but generally, even when he is aware that he has made a mistake, it seems "just a little thing" and he does not realize that it may have upset the pattern of human relations for his entire organization.

To operate skillfully in a social system, a manager must understand the nature of that system. He must see it in terms of a structure of positions with an accompanying pattern of human relations.

The Line Supervisor[1]

Alexander R. Heron

When employees ask questions, who is going to answer them? When house organs, bulletin boards, speakers, annual reports, or personal let-

[1] Reprinted from *Sharing Information with Employees*, Chap. 23, pp. 186–194, Stanford University Press, Stanford University, Calif., 1942, with permission of the publishers. Mr. Heron is vice-president in charge of industrial and public relations and a director of Crown Zellerbach Corporation.

ters have aroused the interest of an employee in any subject of concern to him, where is he to go for more facts, more explanation?

First, where is he likely to go, in the absence of any implied direction? If the letter or bulletin or article does not say to ask the personnel officer, or write to the treasurer, or phone to the information service, who is the person most likely to be consulted by the average employee? In most cases it will be someone to whom the employee can talk—does talk—naturally and often, and who at the same time is, in the mind of the employee, part of the management. In most cases, he will reveal his interest and direct his questions to his immediate work supervisor.

From this supervisor he normally receives his first instructions as a new employee—instructions about company and departmental rules and about working hours, the time clock, and working locations, and instructions about the work, its important points requiring accuracy or quality, and its proper quantity per hour, per day, or per week. From this same supervisor he receives daily advice as to correction of errors, observance of safeguards against accident, complaints of customers or inspectors, chances for improvement and promotion, and the prospects of work ahead. With this same supervisor he takes up the infinite variety of day-to-day problems about the work, about his pay, about his grievances, his seniority, his days off. From this same supervisor he has gathered most of his impressions and opinions about company policies and attitudes, about the personalities, abilities, and characters of the "higher ups."

In a natural and inevitable way, this supervisor is the company to this average employee. And so, in an equally natural course, he will take his new questions about the business to this same supervisor. Any management which uses one of the conventional media for employee information, and thereby generates questions, must take positive steps if it wishes to guide those questions to any point or person other than the immediate foreman or supervisor.

This can be done as suggested above. The article about the research project can say, in effect, that questions will be answered and additional information supplied by Mr. Jones, the director of the laboratory. The annual report can similarly guide inquirers to the treasurer or the office manager or the personnel officer. This will in many cases divert the questions from the foreman or work supervisor.

This will in many cases do more. It will say, between the lines: "Your foreman or supervisor is all right in his job, but his job is to get the work done, not to explain or even understand complicated problems of management. You should depend on him for instructions about the daily work; but, if you are really interested in this thing the company is doing, go to somebody higher up, who really knows."

Another plan can be followed quite successfully. Making no effort to direct questions to anyone other than the foreman, the foreman himself can be coached to pass the question and the questioner on to someone specially designated. This respects to a somewhat greater extent the natural line of contact and supervision, but it also implies the inability of the supervisor to handle information of the kind involved. Some complex subjects, some unforeseen questions, must be shunted in this way. But no management can have the kind of line supervisors it needs if it says to them, in effect: "We don't believe you are equipped to answer these questions. We don't trust you to explain such things to your men. We don't want you to try. Send them to the office."

Where the question must be referred to someone else, higher in the line, or in a technical position, the manner of doing so can make all the difference in the world; and the manner will be a direct reflection of the attitude of top management toward its line supervisors.

For instance, a supervisor or foreman has been asked a question he cannot answer. He can shunt the question in this way: "How would I know that? If you want to know, go ask Jones in the laboratory. That's his job."

If he does this, has he built for understanding? Has he made himself a better representative of management? Hardly.

Or again, for instance, he can say: "Well, Bill, you've got me. I never thought about that, and I don't know, and I'd like to know. Let's you and I go over to the laboratory and ask Jones; he can tell us."

If he does this, has he humiliated himself? Has he lost any of the respect of his fellow worker? Or has he moved a little closer to this worker by demonstrating a share in the interest which prompted the employee's question? In my opinion, this type of reply to a few questions is even better than being invariably ready with an immediate answer. But if foremen and supervisors are to handle questions, there must be a reasonable majority of cases in which they are prepared to answer readily and correctly. And if they are the right men in their jobs, they can do just this.

One corporation executive in an intimate conference rejected the idea of encouraging, or even permitting, foremen to answer employee questions about such things as company finances, for instance. Did he not want employees to ask questions and obtain information of this kind? Of course he did. But he explained that his corporation's capital structure, for one thing, was too complicated for a foreman to understand or to explain correctly: "I welcome such questions from employees," he said, "but I want them to bring their questions to me, not to some foreman."

Another member of the group asked him, "Can you explain this complex capital structure so that the employee can understand it?"

"Yes, of course," he answered.

"Then why can't you explain it so that the foreman can understand it?"

The corporation executive started to answer, then laughed. Six months later he was committed to a program of sharing information with employees through the channel of the regular line organization—even the complicated financial information.

It is not difficult to foresee bad results from implying to employees that their line supervisors are not competent to discuss this information with them. But there is a less evident danger in the practice of supplying such information directly to the employee from a source higher than the foreman himself. This is the danger of developing in the mind of the employee the consciousness that he knows or understands more about the company business than the foreman knows, that he has been considered intelligent enough to understand some complicated or confidential information which the foreman was unable to explain to him. This might build toward understanding between the employee and the treasurer, but not between the employee and the foreman.

The willingness to permit and encourage questions to be directed to the foreman or immediate supervisor has a by-product value which is highly important in the movement toward understanding. This is the growth of the supervisor himself.

Those who have been dealing with problems of employer-employee relations for even a few years have seen a great development of what was called "foreman training." They have also seen an effort to eliminate the connotation of teacher and classroom by putting the emphasis on the "conference method." Most recently they have seen—and encouraged—the development of conferences and conference material by foremen themselves, through a country-wide federation of foremen's organizations.

The inference that a foreman who has worked his way up to that job, who has been "handling men" for years, can be taught something or needs to learn something about his own job, is a handicap to any such program. The same handicap meets the effort of a management to convey company information to foremen. They instinctively feel that what they need is, not information or propaganda or instruction in methods of foremanship, but recognition, authority, and backing.

But if employees consistently come to a foreman with questions the foreman cannot answer, a powerful incentive has been created for the foreman to seek out information in which he has not previously been much interested. He is likely to make an effort to prepare himself for questions which may come from a story in the house organ, an address reported in the local newspaper, or a bulletin on the bulletin board. His

self-respect is not affected by seeking information to give to his fellow workers; that is very different from being given information on the assumption that he needs it for himself.

This place of the line supervisor in the program of sharing information with employees compels consideration at an earlier stage in the program. The necessity of supporting the position of the foreman, as the effective link in the chain of work production, leads to realization that he must have an early and positive part in any conveying of information to employees.

If the house organ is to carry a story of the establishment of a South American branch, the foreman should know the substance of the story before the house-organ issue is in the hands of employees. If the bulletin board is about to carry a notice of two weeks' shutdown for general repairs, the foreman should be recognized by giving him advance information. If the general manager is planning a direct-mail letter to all employees, explaining the new working requirements resulting from the defense program, the foreman should know about it before some employee on the morning shift brings it to him with a question.

The foreman or immediate supervisor should know in advance, not only that certain information is about to be given to employees, not only the mere content of the letter or article or bulletin, but a substantial amount of explanatory and supplemental data to make him a respectable source of answers for questions employees may raise. A bulletin is necessarily brief, a direct-mail letter can be a little longer, a house-organ article considerably longer. But each of them leaves a larger or smaller body of related information which cannot be satisfactorily treated in print. It is this supplemental information, coupled with advance knowledge of the announcement, which will so greatly aid the foreman—aid him to grow in self-respect, confidence, and sense of responsibility.

But one more advantage is to be gained from full recognition of the place of the foreman in this picture. He should not only know in advance that a certain announcement is to be made and know its contents and all pertinent supplemental information; he should also be enlisted as an active factor in preparing, phrasing, and timing the announcement.

This suggestion may seem radical to many employers who have long followed a broad-gauge program of sharing information with employees. It is offered with full knowledge that even some of the most progressive employers have not used it, will not readily favor it.

In the natural course, the foreman, the line supervisor, knows very clearly the reaction of employees to the last information supplied them, and to the manner of its communication. He learns whether the house

organ or the recent direct-mail letter sent to the homes was resented when a bulletin-board notice would have been accepted.

He can advise not only as to the channel or medium to be used but as to the timing of the "release." If he knows there is some confusion following the first payday at the new rates, he may advise that time be allowed for clearing up all questions and misunderstandings on that before any new information is supplied.

In other circumstances he and his fellow supervisors may point out that a subject which really needs the full treatment possible in the house organ should not be delayed until the next issue. Rather, a brief immediate statement should be made on the bulletin board; the inferior medium for that particular item should be used because it is important that the information be given *now*.

Whether our business is building tractors or washing machines or children's toys, selling lumber or cloaks and suits or stationery, the immediate supervisor is the one who carries responsibility for direct leadership. Whether we call him foreman, lead man, straw boss, office manager, chief clerk, or section manager, his leadership is the deciding factor in the efficiency of our organization.

Because we rely so heavily upon him, no program for building understanding can succeed without him. No plan of sharing information with employees can flow past or around him without reducing his effectiveness as the driving gear in our business machine.

If the line supervisor cannot provide information when his fellow workers reflect the interest created through the comments of the dentist, and the wife who attended the club meeting, we have failed in our real purpose. We have been unprepared to share information with employees through the channel which normally brings them information about their work.

If the line supervisor is not prepared in his attitude and not prepared to welcome such questions and discussions, we have failed at a point farther back in our program.

And if we so fail, the penalty is not only the loss of an opportunity to bring knowledge and understanding to our employees. The real penalty is the humiliation of the supervisor, his moral demotion in the respect of his fellow workers, and his reduction in value and effectiveness as a work supervisor.

But the line does not end with the work supervisor or the straw boss. The line reaches to the last man who works. The leadership of the immediate supervisor is reflected in the knowledge, the understanding, the attitude of the men who work with him. These men, especially the older

workers, are a part or extension of the supervisor himself in his function of conveying information.

A group of line supervisors, in a serious conference, were discussing the understanding and application of company policies in employee relations. The immediate question was where to put the burden: Who is the person in the organization who can best explain and demonstrate company policies, particularly to the new employee? Due weight was given to the function of the employment or personnel man and the safety supervisor, and other such staff men, in the instruction of the new employee before he goes on the job. However, the overwhelming majority agreed that the immediate line supervisor or foreman must be relied upon to do the job. As the discussion went around the group, one old, practical, hard-boiled foreman announced his disagreement. He expressed a fundamental and important truth in these words:

"It's the guy he works with. The new fellow is going to learn more about what you call the policy of the company and all that stuff from the old-timer that he works alongside of for the first few days than he is from all the brass hats in the place. And what he learns that first few days, you ain't going to be able to unlearn him very easy."

No medium for carrying information can duplicate or displace the supervisor who lives with employees in their daily work. No program of using conventional media for conveying information to employees can be wisely planned without the benefit of his advice. No information can be completely and intelligently shared with employees without his effective supplementary and explanatory work. No question raised by an employee can safely be diverted around him without weakening him in his essential function.

In sharing information, in building understanding, as in managing the daily work, there is no substitute for the line supervisor.

Part Four: BUILDING AND MAINTAINING WORK TEAMS

Introduction

Everyone agrees that teamwork is desirable. The kind of questions that need to be asked, therefore, are: How soon, in what ways, and from how many employees can management get it?

Certainly it is never too soon to begin trying for it with each employee. With this in mind, current psychological tests as the sole criterion in selection are seen to have drawbacks. Three of these are analyzed by Mason Haire. One disadvantage consists in the natural suspicion that people feel when the reasons for *rejecting* an applicant are stated statistically instead of as simple operational facts. "It is one thing to say of a rejected applicant, 'Him? He couldn't even back up a truck!' " It is quite another thing to quote test scores, correlations, and probabilities. A second drawback concerns the quality of response from an applicant who is *hired* (as a result of a high test score). He "was not a partner to this decision." Tests were carried out *on* him, rather than *with* him. The decision was made about him, not jointly by him and his prospective employer. A third weakness is that we test specific abilities as though they existed in a vacuum. We need also to evaluate compensating factors and to see the man as a whole. Otherwise, how can we feel any assurance either that an employee cannot actually do better than tests indicate, or that he will do all he can do?

Interviewing, on the other hand, is a joint experience. When used in selection it is an attempt to get and to convey a picture of total personality. But the traditional criticism of this tool for understanding is based on the tendency of an interviewer to make overly subjective judgments. Robert N. McMurry presents a convincing case for the standardized interview as a fact-finding procedure, designed to measure the applicant's "chief character traits" *and* motivation.

However selection is carried out, ideally it culminates in a joint decision. We (the employee, the interviewer, and the foreman) think

that abilities and job opportunities seem likely (or unlikely) to match well in this case. But such a decision is necessarily tentative until confirmed or refuted by experience on the job.

Alexander R. Heron examines the relevant question: How can induction best contribute to the central aim of employment, namely, to develop human resources in pursuit of organizational goals? He shows why orientation is an essential part of this phase in the employment process. If the worker "is to become a permanent member of the team" he needs to get some understanding of the organization as a whole. Only in this way can he see how his job fits with others. Fully as important is follow-up of a new worker on the job. Does he fit in, as a person and as a teammate? Who helps him to do so and how? Invaluable assistance can be given here by regular employees, especially old-timers (as "elders" in the community). Encouraging such unofficial sponsorship evokes the kind of team spirit that is an essential precondition for teamwork. It enlists regular employees, in partnership with management and union officials, to help induct the newcomer.

If training is to reinforce the decision made in hiring and to increase the mutual understanding begun in induction, it must be specially planned, efficiently carried out, and carefully checked for results. Walter Dietz, from his extensive experience in the Training within Industry (T.W.I.) Branch of the War Manpower Commission during World War II, shows how the personnel department can cooperate with the foreman in these three stages of training to make it effective in building team relations.

As a form of employee development, training should never stop. Follow-up and appraisal of regular employees on the job should, therefore, be understood as an extension of the same kind of activity. Here, too, the function of the personnel department is in coaching the supervisor to do better and more completely what he does anyway; namely, to form opinions of his subordinates. Guy W. Wadsworth describes the Field Review Method as a means of helping a foreman to make the best use of his subordinates' abilities, to plan effective placements, and to look ahead in meeting changes with minimal disturbance of group stability and individual morale. A supervisor is favorably placed to observe. But he usually needs coaching in learning to make fine distinctions, to be objective, and to

envisage his situation dynamically; that is, to match latent capacities in his men with probable changes in the work situation.

The purpose of appraising workers on the job should be to help them to get work satisfaction and to develop their potentialities while furthering organizational aims. As in training, the personnel administrator and the foreman each has a vital contribution to offer here. They can make it most effectively by working *together*, by focusing attention on the central aim of appraisal, and by developing a method that enlists cooperation from the subject of appraisal, the employee himself.

When so designed, appraisal of personnel is neither primarily statistical nor static. It shows not only where an employee stands, but also how far he has come (in relation to his own record and to organizational standards) and where he seems likely to go. Arthur R. Laney, Jr., has worked out an effective method in the Washington Gas Light Company. This plan consists of periodic interviews between each employee and his immediate supervisor. It has proved effective for all kinds of jobs and at every organizational level in the company. Training, preparation, and follow-up are provided for every interviewer. Thus employee appraisal is integrated with a program for management development, in which supervisors at each level assume responsibility for developing their subordinates.

This emphasis on cooperation to promote growth makes appraisal a positive factor in both employee development and teamwork. A similar view of discipline shows that this part of the employee relationship can also be positive rather than negative. Such a concept of the "new discipline" (standards for performance and conduct imposed by groups on themselves) has been presented by Ordway Tead. Its modern emphasis is especially striking in view of the fact that it was published in 1933. Tead stresses the necessity for adopting new attitudes and special procedures in order to develop discipline that is "power with," not "power over." The most effective discipline is self-command in each worker, reinforced by group standards and geared in with management planning and constructive supervision.

There are common denominators in the writing of all authors cited in this section. Two of these are as follows: first, there is appreciation of the value of effective cooperation between line and staff in helping employees to develop and use latent capacities. Second,

there are special opportunities in each phase of the employment process for management representatives, primarily the foreman, to evoke a sense of personal responsibility from each employee, to recognize each worker as a total personality, to stimulate the desire for self-development, and to promote teamwork.

Every phase of the employment process has the same central aim: development and constructive use of human resources. Therefore, the whole process should be all of a piece. It loses in cumulative effect when carried out mechanically as a set of separate (or even conflicting) activities in each of which line and staff specialists are *doing different things.* Ideally, even though they serve in diverse ways, according to their various functions, at different organizational levels and in relation to different phases of the employment process, all management representatives should reinforce each other in doing *the same thing:* building and maintaining work teams.

A. SELECTION

Use of Tests in Employee Selection[1]

Mason Haire

Psychological testing programs for selection of employees have a subtly seductive way of engendering a kind of unthinking reliance on their output. We slip quite easily into accepting their "scientific" numerical answer as a substitute for human decisions about people.

This point can be illustrated dramatically by the well-known story of the two groups of air force cadets—1,000 selected by an elaborate battery of psychological tests for navigator school and 1,000 similarly selected for pilot training—who got switched through a clerical error and yet still had as good training records as other groups not so misclassified.

Whether this story is true or only a legend, it portrays a situation which could have happened. It is entirely possible that, rather than being sharply aware of the actual differences in talents between the men who were directed to the wrong camps and previous groups which had been properly placed, the service schools could have had so much confidence in the selection procedures that in the mixed groups the same proportion would pass or fail as in the other groups.

In other words, even if tests can perform an effective job of selecting men with the right talents for a given position, there is such a thing as relying on them too strongly and not trying to appraise them critically for the possible disadvantages and dangers they may present in actual practice.

One other aspect of selection testing makes it seem especially appropriate to investigate the possible drawbacks. Psychological tests lie on a sort of border line between techniques that are entirely in the province of the layman and those that are shrouded with all the mysterious per-

[1] Reprinted from *Harvard Business Review*, Vol. 28, No. 1 (January, 1950), pp. 42–51, with permission of the publishers. Dr. Haire is assistant professor of psychology and a member of the staff of the Institute of Industrial Relations at the University of California (Berkeley).

formances of the technical expert. Many a personnel man starts with the straightforward idea of picking better people for employment—a reasonable goal. He turns to tests for help and finds himself in a bewildering morass of correlation coefficients, validities, and restricted ranges—clearly the bailiwick of the technician. For this reason, it seems especially worth while to consider some of the implications that follow on the introduction of psychological tests.

It should be pointed out that in the subsequent discussion reference is made to formal psychological tests of the usual type designed to measure aptitudes, skills, interests, and characteristics of potential employees.

Relation to Total Problem

One of the first things to consider is the weight that can be given to any course of action—selection testing or anything else—in a general personnel policy. In other words, we cannot assume without first exploring the whole problem that selection testing is the program that should be followed. Let us take a particular hypothetical case to help formulate the problem.

For any given plant we can set down a list of the several things that make us think something needs improving, a list of symptoms from which we can work backwards toward the causes. Many things might go into this list: absenteeism, high turnover, low morale, grievances, low production, high costs (direct or indirect)—whatever things we see in the picture that make us think something is wrong.

Then alongside this list we can put down the group of things that may be possible causes of the difficulties, the places where we may profitably devote time and effort to improving the situation—selection, placement, promotion (transfer), training, supervision, engineering (including work layout, flow of materials, provision of tools), management (including setting of wages and working conditions), and the like.

Next we can try to assess the factors that are associated with the difficulties. Suppose direct production cost is singled out as apparently being too high. Part of the trouble may indeed be that we do not have the right kind of people hired for the job. Or is the way the job is supervised equally or more responsible? Perhaps some of the excessive cost comes from waiting for parts or from inefficiencies in the handling of materials; perhaps some of it is from the method of payment or the system of job assignment; if so, how much? Proceeding in this way we can evaluate for each factor in the difficulty list the relative importance of the various items in the list of causes.

Two more steps can be taken in this evaluation. (1) Because none of the items in the cause list can be brought to a level of perfection, we have to estimate how much improvement we can *reasonably* hope to make in each area. (2) We also need to estimate the cost, in money, time, effort, and personnel, of effecting a comparable amount of improvement in any one of the causes.

With these three factors—the weight of the cause in the total problem, the amount of improvement that can be reasonably expected, and the cost of producing this change—we can decide much more adequately to what point in the list we can most profitably direct our efforts. We can even set up a priority schedule in terms of a formula, if the problem is easier to handle that way: the cost of producing a change divided by the weight assigned to the cause as its contribution to the total problem, and then that figure divided by the amount of change we hope to effect.

On this basis we may come to decide on directing our efforts to selection testing. Or it may be that testing is shown to be less important than several other possibilities, like a new program for supervisors or a new merit-rating plan, and these are all that can be handled for the time being.

This kind of analysis seems particularly helpful in connection with testing. Because the technique of testing is relatively new, and because it seems to provide a substitute for a human decision that bothers many of us, it often looks more promising at the start than it actually turns out to be. Many times, the combination of relatively high-cost testing, relatively low contribution to the total problem, and relatively minor improvement over the present situation will combine to give testing a low priority among the things to be done.

It would be foolish at this point to say, "We should tackle all of the causes of our difficulties, not just one or two of them." In practice any company's resources of time and money are limited, and an attack on one problem is usually made at the expense of not attacking another. Concentrating on selection and placement may mean that the personnel department will be forced to put less weight on training and supervision than those activities should have. Consequently, it is only by an evaluation of the relative weight of factors that we can place them properly in an over-all personnel policy—selection testing included.

The Philosophy of Testing

Implicit in the procedure just described is the question of how to evaluate the actual effectiveness of psychological tests in improving the selection of employees. To do this properly, we must look at the bases on

which testing is grounded. The use of selection tests rests squarely on two assumptions:

1. It is assumed that any given human ability is distributed over a range, probably in some fashion resembling a normal distribution curve with a few people who are very high or very low in the particular ability and most of them distributed around the middle. The immediate implication of this is that if we can (*a*) identify the ability we need on a particular job, (*b*) identify the people who are in the high part of the distribution on that scale, and (*c*) select that segment of the population, then we will markedly improve our labor pool.

2. The other basic assumption concerns the identification of people who are high in the ability in question. It is assumed that it is possible to construct tests that are associated with the ability in question. The assumption is not necessarily made that the test measures the ability directly, or is a sample of the performance that the worker will produce on the job, but only that a high score on the test will be associated with the presence of a high level of the ability desired.

There are several things that follow these assumptions in practice. It would be difficult to quarrel with the rationale that human abilities are distributed along a range and that selection of the high portion improves our pool of abilities. To act on this point of view, however, means that we have already made several decisions. For one thing, when we frame our problem this way ("we need to raise the level of certain skills; therefore, we should select better people in hiring"), we imply that all the other factors that should be considered among the causes of difficulty have a lesser weight, and without facing the problem squarely we have decided that psychological selection is one of the important keys.

In adopting this point of view we have allowed one more requirement to slip in without our noticing it. In order for our selection to be valuable it is necessary not only that the ability we want be distributed in the population, but that it be distributed over a wide enough range to be useful. That is, there must be sufficient difference between the high and low ends of the scale to make a real difference on the job. This point is emphasized when we realize we cannot unerringly identify the highs and lows. Unless there is a large difference between them, we will have great difficulty in separating out a group that is predominantly high.

An example may make the operation of these two factors clearer. I once talked to representatives of a company that had just switched from bench-type inspection to an endless-belt production line system. The job was to grade the product, roughly by color and patterning of color, and to reject pieces that were faulty in these respects. The company wanted a set of tests of color vision which would let them select workers with the

greatest color sensitivity—a most reasonable request. Some such tests are available and others could be devised with very little difficulty.

But the range of human differences in color sensitivity is so small in comparison with the discriminations required by the inspection that it seemed unlikely that the root of the problem lay in color weaknesses that were a constitutional characteristic of the workers. Human differences in color vision are distributed over a relatively narrow range. Moreover, in this case the inspectors were women, so the possibility of color blindness was unlikely in the extreme. Color blindness in women is about as rare in the psychologist's experience as appearances of Halley's Comet.

A close inspection, with plant officials, of the experimental inspection line that had been set up led to the conclusion on the part of the company that the problem could be solved by (1) utilizing the suggestions of the girls who had been doing the job in its trial period, (2) making some changes in lighting and positioning of inspectors, and (3) introducing some training at the benches in the criteria for grading and rejecting. Initially, however, in the company's assessment of the problem the two implicit assumptions had slipped in: that selection was the key to the problem and that the ability they wanted was sufficiently widely distributed in the population.

Since selection testing rests on the basic plan of putting our energy into selecting a part of the range of human skills rather than into utilizing those we have to the fullest, we must ask searchingly whether the range to be selected from is great enough to produce the kind of change we want. If effort in improving utilization can be *added to* effort in selecting, the situation is ideal. In practice, however, we usually have a finite amount of effort to direct to the problem, and it seems to work out that the two programs compete with one another; selection is introduced *instead of* rather than *in addition to* maximizing the utilization of existing skills.

Demand on Labor Supply. Still another point comes up, as we get into the actual testing, which the industrial manager who is not familiar with the technical problems of selection is apt not to anticipate. As a direct consequence of our initial assumption about the distribution of human abilities, we may be led into a very real problem, namely, placing a tremendous demand on our labor supply.

Let us look at an example. Let us suppose that we have given an arithmetic test to 1,000 salespeople. An examination of the performance of these salespeople shows that the best 50% on our test make only one third of the errors in the store. With a two-to-one difference in errors between the upper and lower halves on the test, we might establish a cut-off score in the neighborhood of the score obtained by the highest 50%

of our sample. That is, to reduce errors, we should not hire anyone who scores below the score obtained by 50% of our salespeople.

The implication of this decision for our labor pool is clear: we shall have to test two applicants for every salesperson we can hire. (Actually the figure will be slightly more than two for one, since our hypothetical test was validated on employees, who are presumably a higher group than unselected candidates, but the point remains the same.) Notice that we have had to place demands on our labor pool that were determined by the requirements of the job rather than the characteristics of the labor supply. So far we are probably safe, but it may get out of hand.

Arithmetical ability may not be enough for our salespeople. We must test other factors. Suppose we add verbal ability. If verbal and arithmetical ability were perfectly correlated—that is, if the highest person on one were highest on the other and so on down—then eliminating the lower half on arithmetic would throw out the lower half on the verbal test. But, if they were perfectly correlated, the second test would be of no use. Consequently, if we add a new test to the battery, we shall try to get one with a low correlation with our first test so that it will add discriminating power rather than simply duplicating what we have. But this means that the two tests will not eliminate the same people; in other words, they will eliminate more people, and our cost in terms of applicants required becomes, at least to some extent, cumulative.

So far one might say, "Well, the job has high standards, and you have to look at a lot of people to find the right one. That has nothing to do with the test." But that is not quite the whole story. Tests are not perfect predictors. Some of the people the test said would not be successful would have made good records, and some of those the test said would be successful will eventually fail. Of course we can usually minimize the personnel "cost" involved in such failures by raising our cutoff score. It works like this: If we set our cutoff at that score obtained by only 20% of our original group, then, although we eliminate a few more who would have succeeded, we take only a very small number who will fail. But in moving our cutoff up to minimize our test's lack of predictive power, we have increased the number of people we must test in order to hire any given number of salespeople.

One seldom finds a job whose selection demands are filled by a single test. Consequently we run into the accumulation of eliminations as we add to the factors we are testing. When to this is added the fact that current testing does not usually yield more than medium predictive power and we are forced to raise cutoffs to compensate for that, it can be seen how real is this problem of requiring a larger group of applicants than the number we expect to hire.

It is difficult to state a precise mathematical formulation of the demand placed on the labor pool by using certain cutoffs for selection, but an example will illustrate the point. During the war the Army Air Forces operated one of the largest personnel selection systems ever employed. Before test screening was applied, it was found that to produce 100 pilots, 397 had to be put into training—requiring a "labor pool" approximately 4 times as large as the number of men "hired," or a ratio of 4 to 1. With tests and a cutoff in the medium range, only 202 cadets had to be put into training instead of 397; but to get the 202 to put into training, 553 had to be tested—a labor pool requirement of 5.5 to 1. As the cutoff was raised, only 156 had to be put into training instead of the original 397; but to get the right 156 to put into training, as many as 1,000 had to be tested—a labor-pool requirement of 10 to 1, compared with the original 4 to 1.

The obvious question is: Can we afford higher cutoff scores in terms of the applicants we have available? In answering this question we must not fail to include also the "silent selection factors" that may operate to reduce our potential labor force. Is the employment policy free from racial discrimination? Few are. This acts to reduce the number of employables in any group of applicants. Are older people rejected because of the potential expense under a pension plan? Are women candidates? Do customer contacts make it necessary to consider physical appearance? All these and a host of other factors consciously or unconsciously operate as informal selection tests, and they must be taken into consideration in calculating how many applicants have to appear at the employment office before the job is filled.

It is clear, too, that the significance of the effect of selection testing in labor-pool requirements is magnified in periods of relatively full employment. At the very time when applicants are less plentiful, their lower marginal quality and the fact that fewer have a previous work history to examine as part of the selection process make it desirable to raise the cutoff score and thus necessitate having a larger labor pool.

It should be pointed out here that we are much better off with regard to the demand that is placed on our labor pool if we are in a position to use our tests for classification rather than just for selection—that is, if we can use tests for placement as well as simply employment. In this way we can utilize many of the candidates who would otherwise have been eliminated by placing them in appropriate positions. On the other hand, although we reduce the cost in terms of employment interviewing, widespread classification testing will make a complicated and cumbersome system for employment.

Thus, to summarize, the first basic assumption—that human abilities

spread out in something approaching a normal distribution—has led us to several further points. It has become important to question whether our policy should be to try to select the skills of a segment of the population or to utilize as fully as possible the skills in our normal labor pool. We have had to consider whether or not the abilities in which we are interested are distributed in a wide enough range in the population to make a difference. Finally, we have had to raise the very serious issue of the increasing demands that a large-scale testing program places on our labor supply.

Relation of Tests to Individual Performance. The second basic assumption—that tests will yield scores associated with the ability in which we are interested—leads to its own special group of problems in practice. One of the first things that comes up is that an employer finds himself at a peculiar disadvantage because he no longer understands, in the same way as before, why he hires or rejects a given individual. There is no longer the same simple relationship between the requirements of the job and the reason for hiring or not hiring. It was pointed out above that it is not necessary to assume that tests will yield a direct measure of the ability in which we are interested. The assumption is only that they will "yield scores which are associated with the ability." To see this point a little more clearly, let us consider the way a test is made up.

It is not quite true to say that there are two philosophies of testing, but to look at the subject this way leads to a useful recognition of a tremendous difference of emphasis in the approach to the problem. On the one hand, testing is simply a refinement of informal hiring procedures. When we ask a candidate for a driver's job to park a truck to show his skill, for example, we are beginning a rough sort of testing procedure. At this extreme, we have many work-sample tests, merchandise-knowledge tests, and the like.

The other extreme is quite different. Ideally it proceeds in this fashion: For a given job we agree what the marks of a relatively successful and of a relatively unsuccessful worker are. We devise a very large test containing many, many items (which we may privately hope have some relation to the job) and test a large group of applicants.

Then, later, we identify those who have been successful and those who have been unsuccessful and go back to the original tests. We examine each item individually to see how our successful and our unsuccessful group did on it. If, for instance, 80% of the ultimately successful men answered it correctly and only 20% of the unsuccessful group did, we keep it because it discriminates as intended. On another item the percentages may be different. Let us say that 28% of the successful group got it right and 24% of the unsuccessful group. We throw the item out—

"does not discriminate." Our final product is an aggregate of those items that did work, and we use this (tentatively) on the next batch of applicants.

The difference between the two extremes in the approach to testing is between a set of measurements of a skill whose relation to performance we understand, on the one hand, and a set of measurements whose relation to success is based on a statistical and correlative relationship rather than a logical or necessary one, on the other hand.

Several problems arise from the statistical approach. It leads into a maze of complicated technical procedures and commits the company to a continuing responsibility and dependence it may not want to assume.

Moreover, a certain amount of uneasiness may well accompany hiring on the basis of correlation rather than understanding. We are leaving the place where we can understand, in a certain sense, why we hired or rejected a person. It is one thing to say of a rejected applicant, "Him? He couldn't even back up a truck!" and quite another to say, "He scored lower than 38% of the applicants on a battery of tests that has been shown to have a .45 correlation with success on the job, and such a score indicates a relatively high probability that his work would fall in the lower half of the work group."

There are several consequences: (1) Management may be understandably uneasy at having this mathematical bridge substituted for its immediate understanding of the reason for rejection. (2) The company commits itself to considerable upkeep on the mathematical bridge. (3) The company is in a very different position, from the standpoint of public relations, with the union, its employees, its labor supply, and the community.

The public relations factor is seldom overlooked, but it needs additional emphasis. It has several facets. For one thing, some unions are suspicious of testing; it has on occasion had the reputation of being a union-busting technique. It makes no difference whether that is true or not; if the suspicion is there, the damage is done. For another, the responsibility of the company for the employees' success may seem, to the worker, to shift subtly. If after an informal interview the company and the potential employee both decide that he might as well try the job, that is one thing. If the company conducts a series of scientific-seeming tests and decides he is fit for the job, however, the employee's feeling is a shade different—he was not a partner to this decision. Never mind the fact that the company has not formally underwritten the responsibility; the worker's feeling may be there.

Employment, promotion, and transfer are sometimes handled by interview, sometimes by testing the applicant, and sometimes of course by both.

For every case where I have heard a rejected applicant grousing that the interviewer did not find out the relevant facts for the decision, I have heard a dozen suggestions that the tests were foolish, that they did not really measure what he had, and that it was somehow their fault that he did not get the job. Again, let us not worry about whether the applicant is right; if the feeling is there, we have the potentiality of trouble.

This is one of the things that must be taken into account in assessing the cost of a selection program. If it threatens existing relationships, it can be potentially tremendously expensive and cause a radical readjustment of the estimate of its value to the plant.

The Total Personality. Another facet of the second basic assumption of selection testing is this: Human abilities distribute themselves over a range. Careful job specifications tell us what abilities we need to do the job. If we select people who are measurably high on these abilities, we will get the job done better, faster, and cheaper. On paper this rationale seems indisputable. If the job requires speed of reaction or hand-eye coordination, we should measure reaction time and coordination and take only those who are high on both. But reaction time and coordination do not exist in a vacuum. They are woven into the highly complex fabric that is a person, and that person may have high coordination and not produce on the job, or he may have learned ways to compensate for his low coordination so that he produces well on the job.

It is very difficult to specify job requirements exactly in terms of the sensory abilities required. Everyone is familiar with the blind person whose hearing and sense of touch have sharpened to take over some of the functions that are normally performed by the visual apparatus. I have a friend who was born with opaque lenses in his eyes; his lenses were removed in infancy, and to replace them he has a set of spectacles with different lenses for different distances. I go bird-shooting with him every year; I play squash with him; and I ride with him as he drives his car. Any job specifications for these three tasks would put visual acuity high on the list. Any measurement of his vision would rank him extremely low in visual abilities. Yet his performance in all three activities is consistently good.

Thus, we must take care not to exclude such men from our work force by the mechanical measurement of skills and abilities. To carry the thought further, we must give some consideration to the way in which these abilities may be integrated into the pattern of skills that is a person. This leads us to the knotty problem of measuring the personality rather than discrete skills. It also leads to another knotty problem of writing adequate job specifications from which to draw the dimensions for selection. The upshot of this consideration seems to be that the definition of

a necessary skill *in vacuo* and its mechanical measurement will not necessarily produce the optimum output on the job.

Job Analysis and Validation. Still another serious problem for the industrial organization arises directly from the second basic assumption in the philosophy of testing, and from the way in which tests are constructed. A test is built on a careful analysis of the skills and abilities that are required on a particular job. After this it must be checked (validated) against the performance of workers on the job. This measure of the workers' performance must be an unusually good evaluation in order to be useful for test construction purposes. Both of these steps—the job analysis to define the skills required and the manner-of-performance-ratings to serve as a criterion—will demand a good deal of time and effort from the industrial organization.

In the current state of selection testing, very few tests can be taken over directly and applied to new situations. They must be checked and rechecked and adapted to the particular plant. The process of checking a test means that a group (probably a group of present employees) must be tested and their test performance compared with job performance. The psychologist who handles the testing will—and rightly so—be very particular about the ratings that he will accept as a criterion against which to validate his test. Any company that has installed job specifications and a rating system for wage purposes and promotion knows the investment in time and effort required. Both of these tasks have even more exacting requirements for a good testing program.

The job is not finished when the test is installed. Just as a test for file clerks which has done successful selection for Company A must be revalidated in Company B's case before it can be used with safety, a test that works today has to be constantly rechecked and validated to adjust it to the changing situation. It may seem at the outset that the company is committed to a six months' period of analysis and preliminary testing, after which the test battery will be installed, a clerk taught to administer and score, and "that's that." However, some provision must be made for systematic re-evaluations of the testing procedure and for the careful collection of data both on the tests and on performance.

There are several things that may happen and that must therefore be guarded against. The company may find that, instead of a six months' commitment, it is committed to a relationship without end, as long as the testing continues. The personnel department has acquired a load of record-keeping as well as the testing itself, and real demands are being made on the line organization for periodic evaluations of the success of those who have been tested. Again, the company may find it is tied to a long-term and expensive consulting relationship with the expert who

installed the tests, and that relationship may prove cumbersome in its lack of integration into the personnel organization. Such factors as these bring unanticipated costs.

The second basic assumption in the philosophy of testing—that tests can be constructed which will yield scores associated with the appearance of abilities—has thus led us to face another series of problems in practice. For one thing, the construction of tests on the basis of statistical relationships leads the company to a position where it no longer understands, in a certain sense, why it hired or rejected an applicant. With this comes a group of public relations problems vis-à-vis the union, the work force, the labor supply, and the community. Again we have seen that the procedure involved in measuring aptitudes must be used very carefully lest we eliminate the man who has learned to live with and compensate for his lack of skill, or hire the man who approaches the job in such a way that his skill is of no use to us. Finally, it has been pointed out that the installation and maintenance of a battery of tests may prove much more expensive, in terms of time, effort, and personnel, than would seem to be the case at the outset.

Areas of Usefulness

In connection with the question raised earlier in this discussion, of evaluating the help that tests could give us, it was implied that some situations are much more amenable to improvement by scientific testing procedures than others. It might be well to go, in some detail, into the particularly likely areas for testing. Three categories of jobs seem to stand out: (1) jobs that are heavily loaded with easily identifiable skills and demand the relatively inflexible application of these skills in performance, (2) jobs requiring very special or unusual characteristics, and (3) jobs requiring a long, expensive training program before the applicant is useful.

The first classification will need more detailed treatment, but brief extreme examples can be given of the other two:

During the war several aircraft companies employed midgets to work inside the tail-sections of bombers on production. It would be patently foolish, with requirements as special as this, to hire from the normal run of job applicants and to hope by training or supervision to produce a man to fit the job. Job requirements approaching this extreme indicate one of the areas where it may be wise to consider selection procedures based on measured aptitudes and characteristics.

A similar extreme example of the need for selection is where training is long and expensive. During the war the Air Force spent a day and a half giving a battery of 20-odd psychological tests to each air crew applicant—a

tremendous expense. But here it was well justified, because there was an investment of nine months of training in each candidate before he became useful on the job. Keeping out one man who would have failed paid for the cost of many, many tests, to say nothing of the protection to both the candidate and his instructors in this special case. Thus, training programs approaching this extreme indicate another area where it may be wise to consider whether the cost of testing will not be easily amortized by the savings in training cost.

Specific Skills. Now to tackle the more subtle question of situations where testing is particularly useful because the job is heavily loaded with fairly specific skills. Several references have already been made to the conspicuous success of the Air Force in selecting air crew members. However, flying is a very unusual job. In very few cases does a job of major importance demand such a heavy concentration of inflexibly required mechanical skills. In most cases the situation seems to be, perversely, that the easier a particular skill is to measure, the less likely it is to be of primary importance in the job situation. We are much more likely to find that it is almost impossible to define the skills required on the job, and that the work situation is flexible enough to allow individuals to meet it in a variety of ways using whatever skills they have.

At the other extreme from the selection of pilots, thus, we find an almost equally conspicuous lack of success for selection tests. The problem, for instance, of identifying in advance good retail salespeople or good executives has never approached the kind of solution that has been possible for, say, typists. Everyone is familiar with cases of salespeople who are brusque and even rude with customers but who have a loyal and devoted clientele. The secret seems to be the way in which they do it—and so far we have been markedly unable to measure or predict this "way they do it."

As we get into the cases where jobs are less loaded with specific skills and more flexible in the requirements they put on a person, we begin to approach a new area of testing. Instead of tests of specific skills and abilities we begin to need more complex tests of personality. Such tests, fairly highly developed for clinical diagnosis, are just beginning to be adapted to the purposes of personnel selection. They seem to offer promise, but in most cases they are not yet sufficiently developed for selection purposes.

Under the general heading of "where to test" one point needs reemphasis. We have mentioned before the demands that testing makes on the labor supply. The point can be turned around. Wherever there are large numbers of applicants for every job or high turnover, tests will have the best chance. Testing is a percentage proposition. It aims to raise the probabilities of correct prediction. It may be wrong in any one case; its

success lies in the average. For this reason it leans heavily on large numbers to do its best work.

Intangible Influences

One final point should be made on the general subject of testing. This point has been implicit in many of the arguments presented above, but it deserves separate treatment. It deals chiefly with a set of intangibles and is often very hard to pin down. Hence the need to look at it clearly is all the more important. I think of it as the problem of "The Panacea Philosophy and the Dream of the Workerless Factory."

One of the drawbacks in considering a testing program is the unfortunate way it may come to seem to be a substitute for practically anything else in the business. All of us are subject to so many frustrations in deciding who will be best for the job, in training workers and foremen, in setting policies, and so forth, that a technique which runs itself routinely and generates a number-result that is either black or white with no shades of gray is a tempting escape. All too often it is cast in the role of the answer to all our problems, which it most definitely is not.

Are we having difficulties in training new workers so that they fit into the job? Maybe if we selected the right people, the situation would be better. Are the foremen falling down somewhat in their job? They suggest that, if we gave them the right kind of people, there would be no problem: maybe they are right. Are we caught between the millstones of a wage demand and high production costs? Maybe if we selected our workers better, costs would go down. It is not a question of *whether* this sort of influence will get into the company; it will. It seeps throughout the organization and turns up almost anywhere. The question that has to be answered is *how much* it will get around, and how much of it can be afforded.

This is what I call the panacea philosophy. It may appear either as, "This will be a big help in all of our problems," or as "We've always had trouble with x; now we've got y, it'll take a lot of pressure off x." Testing will not solve all the problems, and it probably will not take pressure off x. If anything is to be *added* to the present picture by introducing tests, just as much pressure will have to be put on foreman training as before. The gain will come from the *addition* of selection—not its substitute value. Unless this is clearly seen and anticipated, the idea of psychological testing can conceal a potentially dangerous escapism.

The symptom of this escapism appears most clearly when members of management read magazine articles about the factory where all the work is done automatically with endless belts and automatic cranes for trans-

port, with photoelectric cells and thermocouples for inspection and decision, and with the final product, finished and packaged, delivered at the end of the line. It is basically a dream of a day when the medium through which we can achieve production will be something which we can construct, understand, and control completely—when we no longer work through the intractable medium of human beings.

In many ways a machine is a wonderful thing. We know, roughly, how to lubricate and maintain it to produce maximum efficiency, what kind of energy input must be supplied, and within limits what its top productive capacity is. A group of machines never put any pressure on one another for exceeding any given rate of production; they do not inch wash-up time back little by little from quitting time. But to take advantage of the human's flexibility and adaptability, his resourcefulness and ability to make decisions based on a changing complex of factors, we must pay the price in other less useful variations in human skills, characteristics, and aptitudes.

Testing seems to be the expression of this dream in the area of personnel policies. In employment one of the stickiest of all parts of the job is the final decision when one wonders, "Will he do the job for us?" Here more than anywhere there is the temptation to turn to the security of a system of numbers. "I.Q., 97; manual dexterity, 103; clerical ability, 121; arithmetical reasoning, 81—he's in." It may be true that what we have done in testing the applicant is to simplify the employment decision by regularizing and standardizing the assessment of factors involved in success on the job. But it often smacks so of a convenient and approved way to avoid the decision that it seems worth while to ask ourselves to what extent we do have a solution and to what extent an escape.

Conclusion

There is no intention here of denying the merit and usefulness of psychological tests for selecting personnel. Their many and varied successes are so clear that they cannot be overlooked and do not need re-emphasis. The purpose of this discussion, however, is to focus a critical glance on the kinds of value that may be obtained from testing and the kinds of cost that may be exacted in return.

Buying and installing a test program is not like buying and installing an electric typewriter—a relatively discrete, independent, and useful unit. Instead it is more like installing a complex accounting machine whose work means changes throughout the organization. The implications of a testing program for employment will similarly spread throughout an industrial plant, and the effect of these implications needs to be carefully

evaluated. Thus, the cost of a testing program should be carefully weighed, with an analysis that goes well beyond the initial expense in dollars and cents.

The costs are many. A testing program changes management's relation to employees, and perhaps to the union. It changes the work of the personnel department, and perhaps its organization. It places many demands on the line organization for cooperation. Although psychological tests for selection may yield a real improvement, let us examine carefully how great an improvement we may expect and how expensive it is likely to be.

In order to avoid the subtle persuasion that there is in the idea of psychological measurement, it may be well to approach it this way: Begin on the theory that you do not need and do not want selection tests. Examine the possibilities carefully—their assets and their liabilities. Then if you decide that tests will help, you are on comparatively safe ground.[2]

The alternative to a reliance on psychological tests is not simply hiring every applicant. The growing role of a strict seniority system makes it more and more important to do the best job possible of employment screening. To this end, we must use whatever techniques are available—skilled interviewers, weighted application blanks, and perhaps even tests. But, by the same token, we must put an increasing emphasis on training, supervision, and job requirements, so that we will maximize the utilization of the people we do hire.

Validating the Patterned Interview[1]

Robert N. McMurry

During recent years several studies have been conducted on the value of the patterned interview as a selection instrument. It constitutes a relatively new technique and has not been so widely used as employment tests. Its approach to selection problems is primarily *clinical,* as contrasted to weighted application blanks and tests, which are psychometric pro-

[2] For those who are further interested in tests, an excellent summary is contained in Edwin Ghiselli, *The Validity of Commonly Employed Psychological Tests,* University of California Publications in Psychology, University of California Press, Berkeley, 1949.

[1] Reprinted from *Personnel,* Vol. 23, No. 4 (January, 1947), pp. 263–272, with permission of the publishers. Dr. McMurry is president of Robert N. McMurry & Co., Chicago, a firm of management consultants.

cedures. It is designed to measure the applicant's chief character traits (his stability, industry, ability to get along with others, loyalty, perseverance, self-reliance, and emotional maturity) and his motivation (his incentives to stay on the job and work). It bases its predictions relative to the applicant's suitability on a very simple premise: The best basis for judging what a person will do in the future is to know what he has done in the past.

The patterned interview reviews the applicant's work record; his service record; his schooling; his early environment; his present financial situation; his domestic situation; and his health. In short, the patterned interview is principally a fact-finding procedure, combining information obtained from the applicant with data received from schools and previous employers. Once all relevant facts about the interviewee have been assembled, the evaluation of his qualifications on purely common-sense grounds is usually not difficult. It is the purpose of this paper to consider the contribution which the patterned interview can make to selection work.

Unfortunately, it has been traditional to question the value of the interview as a device to predict job success. Until recently, many textbooks on industrial psychology have stated categorically that the interview is dangerously unreliable as a selection instrument. These statements were based on several "experiments" (the most recent of which was conducted a number of years ago) in which groups of interviewers, usually sales managers, were asked to evaluate the qualifications of applicants and rank them in the order of their desirability. After this, comparisons were made of the interviewers' ratings. Almost universally in these experiments, little agreement was found among the rankings.

Hollingworth's and Other Studies

Typical of such experiments was the study reported by H. L. Hollingworth [2] in which 57 applicants for sales positions were interviewed individually by 12 different sales managers. These interviewers were allowed to conduct the interviews in whatever fashion they wished, but at the conclusion were required to rate each applicant with respect to his "suitability for the position in question." These ratings were then cast into such form that it was possible to assign each interviewee a rank ranging from 1 to 57 for the job. The results showed marked disagreement among the interviewers. One applicant, for example, was placed first by one interviewer and fifty-third by another. Other applicants showed similar

[2] *Judging Human Character*, p. 268, D. Appleton & Co., New York, 1923.

discrepancies in rank. As the interviewers were sales managers of considerable experience, the extent of their disagreement was held to be rather disquieting.

In another study, reported by Walter Dill Scott,[3] six sales managers interviewed 36 applicants. When the results were summarized, it was found that in the case of 28 of the 36 applicants the managers disagreed as to whether the individual should be in the upper or the lower half of the group.

In the third study, conducted by A. J. Snow,[4] an advertisement for a truck salesman was inserted in a paper, and 12 applicants were selected on the basis of the letters received. They were interviewed individually by six sales managers and by a psychologist to determine their fitness for the position. While there was fair agreement among the interviewers as to the two best and the two worst candidates, in the other cases the agreement was slight indeed. The average deviation of the judges was somewhat over three places; and, inasmuch as there were only 12 possible places, this deviation was serious. When a comparison was made between the judgments of the sales managers and those of the psychologist, it was discovered that he did practically as well as any of the experienced sales executives.

Inadequacy of the Experiments

These and similar studies have long been cited as demonstrating that the interview is of little value as a selection device. Nevertheless, when the controls employed in these studies are carefully scrutinized, the "experiments" themselves become subject to question. To begin with, the only criterion used in choosing the interviewers was the fact that they were sales managers. It does not necessarily follow that a man automatically qualifies as an interviewer because he is a sales manager. He may be very successful in sales management, but not because of any particular skill in selecting his staff.

Second, in two of the three experiments summarized, no job specifications were established to serve as guides to the interviewers. In fact, there is no evidence that in these two cases the participating sales managers were even selecting men for the same kind of work.

Third, none of these men had an organized plan to follow in the course of his interview. Each was permitted to ask whatever came to mind, and

[3] "The Scientific Selection of Salesmen," *Advertising & Selling*, Vol. 25, Nos. 5–6 (1915), pp. 94–96.

[4] "An Experiment in the Validity of Judging Human Ability," *Journal of Applied Psychology*, Vol. 8 (1924), pp. 339–346.

it is probable that an individual interviewer's questions even varied somewhat from applicant to applicant.

Fourth, it is to be presumed that none of these interviewers had had any careful or organized training in the techniques of conducting an interview or a plan—i.e., a series of clinical concepts—as an aid in interpreting the findings.

Fifth, no attempt was made to insure that the intellectual capacity of the several interviewers was sufficient to enable them all successfully to comprehend the intangibles of human behavior.

Sixth, neither was any attempt made to check the tendency of raters to be seriously biased or to suffer from emotional maladjustments which might interfere with the objectivity of their judgments. It was naïvely assumed that since the men were sales managers, no other measure of their qualifications was required.

In view of the almost total absence of any control on the manner in which the interviews were conducted, or on the qualifications of the interviewers, it is not at all surprising that the resulting rankings of the applicants showed a high degree of unreliability. In short, these particular experiments, because they were poorly conceived and executed, prove nothing either way. Certainly they provide no conclusive evidence that the interview is without merit.

Limitations of Usual Interview Procedure

On the other hand, it is undeniable that the interview has one major weakness: Its value depends wholly on the competence and training of the person who conducts it. If he has no plan to follow, no standards for the job for which he is hiring, and has received no training in the techniques of conducting the interview and interpreting the information obtained, or if he is stupid, opinionated, or emotionally maladjusted, few valid judgments can be expected from him.

Fortunately, a large majority of those engaged in employment work have the necessary basic requisites, though many are forced to operate without job specifications, without an organized interview procedure, without training in interviewing techniques, and without a plan for the interpretation of the findings. As a result, their judgments do tend, in many cases, to lack both reliability and validity. Nevertheless, most of these conditions can be remedied.

One of the principal criticisms leveled at the interview has been that its findings are highly subjective, as contrasted to the presumed objectivity of psychological tests. While there is no denying that interviewers'

judgments must, of necessity, be subjective, it does not follow that they must lack reliability and validity *simply because they are subjective.* Subjective judgments are not necessarily wrong. The best analogy is provided by the diagnosis of the physician. It must also be largely subjective. Nevertheless, taking physicians' judgments as a whole, they are right much more frequently than they are wrong.

On the other hand, the much vaunted objectivity of the psychological test is itself highly questionable. It is undeniable that everyone answers identical questions, and the scoring is uniform. However, the tests' objectivity ceases at this point. First, there are often wide variations in the conditions under which the tests are administered. Second, in most cases the findings must be interpreted. Here the judgments are frequently as subjective as any encountered in the course of an interview.

Advantages of Patterned Interview

The *patterned* interview endeavors to overcome the weaknesses of the ordinary employment interview in several ways: First, the interviewer works from definite job specifications; he knows what qualities each job requires. Second, he has a plan; he knows what questions to ask. Third, he has been trained in the techniques of conducting an interview—i.e., he knows how to put the candidate at ease, how to make him talk, and how to extract pertinent information. Fourth, prior to the interview, he has checked with outside sources (previous employers, schools, etc.) and already knows a great deal about the applicant. Fifth, he has a series of clinical concepts—e.g., that of emotional immaturity—which provide him with a yardstick for interpreting and evaluating the information obtained from the candidate. Sixth, the interviewer himself has been carefully selected to assure that he has adequate intelligence and is emotionally well-adjusted.

Moreover, it is not necessary that the interviewer be a psychologist or psychiatrist to obtain good results. Actually, if he makes full use of all available techniques for assembling relevant facts about the applicant, in nearly every case the final decision concerning his qualifications can be made on strictly common-sense grounds. For example, if the candidate has consistently been unstable, lazy, and irresponsible, it requires no profound insight or technical knowledge to predict that he will probably continue to exhibit these same characteristics and not be a desirable employee, regardless of his skills and aptitudes. If, on the other hand, his past record throughout shows such desirable characteristics as stability, industry, ability to get along with others, loyalty, perseverance, self-reliance, and

emotional maturity, he is almost certain to be a promising candidate and will make full use of whatever skills and aptitudes (as indicated by tests) he may have.

How Studies Were Conducted

In assessing the worth of the patterned interview, it is axiomatic that the true proof of the pudding lies in the eating. The best evidence of its validity (and, indirectly, of its reliability) as a selection instrument is to be found in the results of carefully controlled studies which have been conducted to test the extent to which interviewers can predict the *ultimate job success* of candidates (not merely compare rankings). To insure that these studies had maximum objectivity, they were conducted on the following basis: The interviewer judged the candidate's qualifications at the time of employment, indicating by a rating the character of his prediction. In the cases reported here (with one exception), all candidates were rated either as "1" (an outstanding prospect); as "2" (a good one); as "3" (a fair or marginal one); or as "4" (an unsatisfactory one who would normally be rejected). In each study, moreover, *all* applicants were employed—the "4's" (those ordinarily rejected) as well as those rated "1," "2," or "3." In this manner, a completely representative cross-section of applicants was included. Furthermore, such a procedure permitted an evaluation of the worth of the interview as a means not only of predicting success but failure as well.

Link-Belt Company Study. The first study to be reported was made at the plant of the Link-Belt Company, in Chicago, beginning in February, 1943. All interviews were conducted by members of the company's employment staff, following training in the patterned interview procedure. For purposes of validation it was possible to use both length of service and foremen's ratings as measures of job success. These ratings were made by supervision as of the time the final validation study was made—i.e., one and a half years after the men and women had been initially employed. Supervisors were not shown the interviewers' evaluations at the time.

Two sets of correlations were run: first, between the length of service of those who had left the company and interviewers' initial ratings; and, second, between foremen's ratings on those still employed and the interviewers' initial ratings. The findings of the relationship between interviewers' ratings and length of service on 587 cases are shown in Table I.

The Pearson coefficient of correlation in Table I is $.43 \pm .02$.

Table II depicts the relationship between interviewers' initial ratings and those made by foremen one and one-half years later with 407 cases still on the job.

TABLE I. COMPARISON OF INTERVIEW RATINGS WITH LENGTH OF SERVICE

(Employees who left before May 1, 1944)

Length of service	Interviewers' ratings		
	1	2 or 3	4
1 year and over	33 (45.8%)	128 (28.9%)	3 (4.3%)
6 months to 1 year	20 (27.8%)	129 (29.0%)	4 (5.7%)
3 months to 6 months	8 (11.1%)	65 (14.6%)	7 (10.0%)
2 months to 3 months	6 (8.3%)	45 (10.1%)	7 (10.0%)
1 month to 2 months	4 (5.6%)	38 (8.5%)	7 (10.0%)
1 week to 1 month	1 (1.4%)	26 (5.7%)	14 (20.0%)
Less than one week	0 (0.0%)	14 (3.2%)	28 (40.0%)
Total	72 (100.0%)	445 (100.0%)	70 (100.0%)

Foremen's ratings were made on the following basis: The foremen were asked to divide the men into two equal groups: above-average and below-average, taking into consideration their productivity, their attitudes toward supervision, and their general over-all desirability as employees. They were next asked to indicate who in the above-average group were outstanding with respect to their characteristics, and similarly they were asked to indicate who in the below-average group were clearly unsatisfactory. This provided a fourfold grouping of the employees in terms of their over-all worth. When possible, two or more such ratings were attained independently, comparisons were then made between these ratings, and where disagreements existed the foremen were asked to discuss the individual cases and reach an agreement on the man's or woman's true worth. In this way, a forced distribution of the ratings and a reasonably reliable consensus were obtained.

In Table II, as may be seen, the relationship is unusually close. The Pearson coefficient of correlation is .68 $\pm$ .02.

White Motor—Aero-Mayflower Study. The second study was conducted for the White Motor Company in cooperation with the Aero-Mayflower Company in Indianapolis, from February to August, 1946. Here predic-

TABLE II. COMPARISON OF INITIAL INTERVIEW SCORE WITH SUCCESS RATING

(Men and women combined)

Foremen's success-on-the-job rating	Interviewers' ratings			
	1	2	3	4
Outstanding.....	6 (35.3%)	8 (47.1%)	3 (17.6%)	
Above average	2 (1.2%)	88 (53.0%)	75 (45.2%)	1 (.6%)
Below average.....	.....	13 (6.6%)	175 (88.8%)	8 (4.6%)
Very poor .	. .....	.. ..	4 (14.8%)	23 (85.2%)

tions were made relative to the probable success of men being considered for positions as truck drivers. A group of 108 men who met the company's preliminary standards for employment as truck-driver trainees was interviewed, and ratings were made of their qualifications. These interviews were conducted by a trained psychologist, independent of the company's employment department. The job success of these 108 men was then carefully followed over an 11-week period as the men passed through the training course and went out on the road as drivers. At the end of this time a study was made of the correlation between the interviewer's initial ratings and the men's subsequent success as indicated by their length of service. The findings are shown in Table III; here the biserial coefficient of correlation is $.61 \pm .11$.

TABLE III. COMPARISON OF DRIVER INTERVIEW RATINGS WITH "PASS-FAIL" CRITERION

	Interviewers' ratings			
	1	2	3	4
Still in service (successful) ...	6 (75.0%)	15 (38.5%)	12 (26.1%)	2 (13.3%)
Left service any reason (failures).	2 (25.0%)	24 (61.5%)	34 (73.9%)	13 (86.7%)
Total no. originally interviewed..	8 (100.0%)	39 (100.0%)	46 (100.0%)	15 (100.0%)

Specifically, it may be seen that those rated "1" by the interviewer had roughly seven and one-half chances in 10 of being successful, as indicated by still being on the job at the end of the study; of those rated "2," roughly four out of 10 were still on the job (an improvement over the average of the group as a whole); of those rated "3," only two and one-half out of 10 were still on the job (appreciably below average); and of those rated "4"—i.e., the ones who would ordinarily have been rejected—fewer than one and one-half out of 10 were on the job at the conclusion of the study. Put in other terms, those rated "4" had better than eight and one-half chances out of 10 of failing. Had the company hired only those rated "1," it would have more than halved its turnover; had it hired only the "1's" and "2's," it still would have reduced its turnover by 12 per cent.

York Knitting Mills, Ltd. The third study was conducted in a plant of the York Knitting Mills, Ltd., in Canada, in January, 1946, under the supervision of J. J. Carson and Dr. H. C. Grant, of the firm of J. D. Woods and Gordon, Ltd., of Toronto. Here the interviewing of 84 applicants was done by members of the company's regular employment department, using a patterned interview procedure, following careful training by Mr. Carson and Dr. Grant. Here the interviewers' judgments were correlated with supervisors' ratings. These findings are shown in Table IV; here the Pearson coefficient of correlation is .61 $\pm$ .05.

TABLE IV. SUCCESS OF PREDICTIVE RATINGS ON 84 APPLICANTS HIRED SINCE JANUARY 2, 1946

Supervisors' ratings	Interviewers' predictive ratings				
	1 Excellent	2 Above average	3 Average	4 Below average	5 Definitely unsuitable
1—Excellent	1				
2—Above average		6			1
3—Average		2	31	5	5
4—Below average			9	13	8
5—Definitely unsuitable					3

CONCLUSION

The foregoing findings indicate that the patterned interview, if carefully conducted, has value in predicting the subsequent job success and

stability of persons employed in two factory occupations and as truck drivers. While several of the validities are not exceptionally high, allowance must also be made for some unreliability in the criteria where they consist of supervisors' ratings. In every case, however, the validities are of sufficient magnitude to justify the assumption that the interview has definite merit as a selection instrument.

Earlier workers have maintained that the interview is notoriously unreliable. Findings reported here support the conviction that a properly conducted and evaluated *planned* interview is a statistically reliable selection instrument. The "true" reliability of a predictive variable is equal to or greater than its "true" validity—i.e., accuracy of prediction may approach, but cannot surpass, the accuracy of the instrument used in making the prediction. It follows from this statistical axiom that patterned interview validities of .43, .61, and .68, with probable errors as low as $\pm .02$, are evidence that the reliability of those interviews was at or above such limits. These studies demonstrate that the interview can be a reliable and valid selection instrument.

Furthermore, the over-all significance of these findings is far-reaching. It is evident that the basic clinical principles and methodology of the patterned interview have considerable value in predicting success and failure in widely varying occupations—e.g., with metal workers, with truck drivers, and in the knitting trades. While it is obviously unsafe to generalize from three studies, their findings are consistent and point clearly to the conclusion that the interview measures factors which are common to a number of quite different kinds of jobs. If this is the case, it ceases to be so necessary to validate the interview procedure separately for each individual class and type of job with which it is to be used. It may be assumed that its principles are sufficiently fundamental to apply to a wide range of activities. In short, it can be used with reasonable confidence even where it is not possible to validate it specifically. Because of the difficulties of validating weighted applications and tests, which by their very nature cannot have general application, for any but a very limited number of occupations, this capacity of the patterned interview to predict success, even where no possibility of conducting a validation study exists, makes its potential contribution to employment methodology very great.

In addition, in those instances where it is feasible to employ the weighted application and tests as well as the interview, the effectiveness of the former instruments will be greatly enhanced because it becomes possible to predict with greatly improved accuracy not only what the applicant *can* do, but what he *will* do in using the qualities which they measure. The contribution of these methods when used in conjunction is largely to eliminate the guesswork from employment.

B. INDUCTION AND TRAINING

Starting the New Employee[1]

Alexander R. Heron

The process of selecting the new employee . . . culminates in two decisions. The first is the decision by the representative of the employer that the person being interviewed is acceptable to the firm or establishment and acceptable for the particular job. The second is the decision of the candidate that the employer is acceptable to him as his employer.

If the selection process has been thoroughly carried out, the employer can be reasonably sure that the employee is satisfactory. The techniques have been so well developed that there is no need to rely on the trial and error methods of the past. There is no need to put the new employee to work and then watch him for two weeks to see whether the employer really wants him or not. There is no need to endanger the poise and efficiency of the new man by warning him that he is on trial and that the employer has some doubt of his desirability. There is also no need to put him to work on the assumption that he is considered completely satisfactory, and then to make an enemy of him by firing him at the end of the first pay period because he was found unfit or unsatisfactory.

The decision of the worker that the employer is satisfactory to him can seldom be made with equal finality. He still reserves the right to try out the job for a week or two. He may have a substantial fund of evidence that this is a good place to work, but he still needs to find out for himself. On the docket he may have the enthusiastic comments of his brother-in-law. But the brother-in-law has a sweet job as assistant shipping clerk, and the shipping clerk himself is a "right guy." The new employee may have an accumulation of favorable impressions from chance items in the newspaper over a period of a year or two, the good way in which the

[1] Reprinted from *Beyond Collective Bargaining*, Chap. 11, pp. 111–121, Stanford University Press, Stanford University, Calif., 1918, with permission of the publishers. Mr. Heron is vice-president in charge of industrial and public relations and a director of Crown Zellerbach Corporation.

union has been able to renew its contracts, the activities of the plant soft-ball and basket-ball teams, the public dinner at which the long-service emblems were presented, the story of the graduation exercises of the company school.

He also has all the stuff which the employment man gave him, the information about wage rates, promotions, the union relations, safety, lunchroom facilities. It all sounds good. He has seen the plant buildings, and has talked to the Old Man in the department where he is to work. Yes, it all sounds good, but a fellow can't be sure until he tries it out. Suppose he has to team up with an old so-and-so who expects the new man to do all the hard and dirty work? Suppose he lands in a crew where the old-timers gang up to make it tough for a new fellow? Suppose the straw boss turns out to be a heel, instead of a regular fellow like the foreman? Suppose some payroll clerk wants to argue about the rate which the employment man promised him? Suppose the shop steward has a knife out for him because he wanted his own nephew on the job? Suppose a lot of things out in the plant are just not the way this personnel man thinks they are?

By a careful investment in good methods of selection, the employer has greatly reduced the prospect of expensive turnover. He may have reduced, by 80 or 90 percent, the chance of having to let the new man go as unfit after a week or two. But he cannot assume that the larger prospect of turnover based on the dissatisfaction of the new employee has been measurably reduced. When he takes the job, the new employee has made only a tentative decision that the employer is satisfactory to him.

If jobs are scarce and he needs this one badly, he may keep it without showing any dissatisfaction. That can make him a "steady employee" without insuring that he will ever be a satisfied employee. And a dissatisfied employee, chained to his job by the need for the pay check, is a focus of trouble. The investment which the employer makes in the new man is not sound unless he gets one who is satisfactory by the employer's standards, and one who finds the employer and the job satisfactory to him.

The new employee has automatically met his future foreman or supervisor, in the selection process itself, if that process is a good one. He knows that he is not going to start with the handicap of being unwelcome because the employment office has handed him to the foreman against the latter's wishes. He knows, in fact, that the final decision that he is wanted and welcome was made by the foreman. As a start, this knowledge is indispensable.

Since he has been so carefully selected, a substantial further investment is justified. If he is expected to become a permanent member of the team, that result can be greatly advanced by giving him a visual understanding

of the enterprise as a whole. Although it is relatively new, the conducted plant tour for a new employee, before he goes to work, has already become a definite part of good induction procedures. It has opposition among some intelligent employers. For instance, they point out that the new man is usually hired for the least desirable job. They believe it will generate dissatisfaction to show him through the pleasant, comfortable departments and then put him to work in one which is hot, noisy, and smelly. Perhaps so. But perhaps it would be worse if he had to assume that the whole plant is hot, noisy, and smelly, and that there are no better jobs toward which a good man can look.

The conducted tour offers another chance to help make definite the decision of the new employee that he approves of the employer. This is the opportunity, almost the necessity, of explaining problems and even policies, in the process of identifying departments and their functions. This department handles all incoming materials; it has been able to reduce damage losses by nearly a hundred dollars a day, by the use of the new pallet boards. This department inspects all finished products; it has also saved a great deal of money by showing the manufacturing and finishing departments how to avoid certain faults; actually it saved one customer account which buys enough of our products to represent thirty-two jobs in the plant.

He can see the boiler room, and learn that it uses fuel oil costing seven hundred dollars a day, and that a man in the machine room turned in a suggestion for saving steam which actually did save ten barrels of oil per day; and incidentally, that this employee received over two hundred dollars as an award for that suggestion.

He can see the skilled and experienced operators on the machines, shake hands with two or three of them, especially Henry who has been here for thirty-two years. He is likely to absorb the impression that the company has a sincere respect for skill and experience and long service.

When he finally starts on the job of unloading ceramic clay from tank cars, and gets the fine dust in his nose, and must wear uncomfortable goggles to keep it out of his eyes, and gets the irritation of the gritty stuff on his hands, he knows how this task fits into the whole job of creating the beautiful china dinner sets which he saw in the salesroom. He has gained an acquaintance with the enterprise which should hasten his ability to feel at home. And he has gotten an intangible feel of the organization, from the easy conversation with the man who conducted him through the whole plant.

This conducted tour is orientation rather than induction. Its purpose is not the pointing out of locations of locker rooms, washrooms, lunchrooms and factory entrances, nor instruction for the particular job he is

to fill. For this reason, there is a wide range from which to choose the person who conducts the new worker on his tour. With almost equal logic, the conductor can be a person from the personnel office, or a safety supervisor, or a full-time guide, or an assistant supervisor in the department where the new man will go to work, or a fellow worker from that department. Whoever is chosen must be given a full understanding of the purpose of the trip, and must accept the responsibility of trying to reveal the company truthfully. If such a revelation is not helpful in clinching the decision of the new man to become a part of the outfit, there is usually a rich dividend to be collected in ideas for correcting the conditions which make a bad impression.

The technical details of inducting a new employee have been amply described in the literature dealing with personnel administration. They should be obvious without the literature. And yet they are sometimes overlooked. Employers have sometimes paid the penalty of lost working time and inefficient performance, and the less evident penalties for the worker's feeling of strangeness, uncertainty, and unimportance, merely because he was not properly informed about such simple things as how to punch the time clock and which washroom to use. It is important that he have all the information he needs before he goes to work. The best guaranty that he will have it is a check list instead of someone's memory. But how he gets the information is just as important. It may have even more effect on his decision as to whether this employer and this job are satisfactory to him.

On the job itself, most employers and supervisors have been inefficient in telling the new worker what to do and how to do it. This weakness was both exaggerated and emphasized in the war production program, when nearly thirty million people were "new workers" on their wartime jobs. This instruction is a highly important part of the process of starting the new employee but it is also an inseparable part of the whole training procedure.

In an earlier paragraph it was stated that an employer today need not go to the expense of trying out a new worker for a week or two, before he can decide that the worker will be the kind of man he wants. A much smaller investment in pre-employment tests will give a much better indication of his mental maturity, skills, interests, attitudes, and fitness for specific work assignments and conditions. But this does not reduce in any degree the need for careful and systematic follow-up of the induction of the new employee. The purpose of the follow-up is not to see whether he is proving himself a good worker. It is to see whether he is being fitted satisfactorily into the team of which he is a member. It is a check-up on

the employer himself, as to the quality of his supervision, instruction, and working conditions.

This follow-up usually consists of an interview, on company time, by the personnel man who did the hiring. The interview explores as many angles as possible of the way in which the employee has been absorbed into the organization. It uses indirect methods to some extent, but chiefly frank and direct questions. It deals with his own problems of housing, transportation, need for special clothing. It checks any information which he still needs, as well as information he wants as a matter of interest or curiosity rather than need. It "feels out" his attitude toward his particular job, and encourages thinking and suggestions as to work improvement.

This follow-up interview with the personnel man is good, if it is consistent with the actual experience of the man during the week or two he has been at work. If it is not consistent with that experience it is poisonous and dangerous. If the actual work associates, the foreman, straw boss, and fellow workers, have shown no interest in these same problems of the new worker, the interview in the personnel office becomes evidence of the insincerity or ineffectiveness of the company policies. This is not an imaginary situation. It is a real one, common enough to be an element of danger in the employee relations of all of us. It is regrettably easy to develop a splendid program of employee relations in the front office, and either try to administer it there, or else fail to enlist the line supervision. "Good employee relations" does not consist of a program or even a policy. It is a way of life.

As an element of this way of life, the real follow-up of the new employee, the assurance of his adjustment into the new surroundings, must be conducted on the job. The interview with the personnel man, after the first week, can be discarded in many instances if there has been the proper and constructive interest by the line supervisor and the fellow worker and the union steward. Such interest is not only an evidence of good employee relations, of a good way of life; it is a very important factor in creating and maintaining that way of life.

One of the standards for selection which is frequently overlooked was emphasized in discussing the selection of the new employee. That standard is his fitness and acceptability to be a member of the working group in which he is to live. Assuming that some attention has been given to this factor in his selection, the desired result is not guaranteed. The task of "fitting in" the new employee after he has been selected and hired is an obvious demand for a practical application of a good employee-relations program. It is an insistent opportunity to put the program to work.

If this task is viewed by the industrial psychologist or the sociologist, it is likely to be described as a problem in assimilation. If it is viewed

by the practical supervisor on the job, it may be described as a problem of teamwork. More crudely, the supervisor is likely to register his judgment that "the new guy fits" or that "the fellows just don't take to him." or that "he's either scared of the gang or trying to high-hat them."

Employers who have made real efforts to make new employees feel at home in the plant have sometimes done little about the contacts in which the "at home" result is actually determined. The new employee may have been loaded with literature, conducted through the whole plant, directed to the time clock, lunchroom and washroom, and carefully introduced to his foreman. From that point it is too easy to take it for granted that the foreman or supervisor will carry on, in the same spirit and with the same skill. The main factor in determining whether the new worker is going to "feel at home" is in the manner of his introduction to fellow workers, and the manner in which they accept him.

Instead of discussing the good and bad techniques for making this introduction, it may be profitable to look at this particular incident in the work experience from a viewpoint which provides perspective. We are discussing the subject of this chapter essentially with the thought of producing desirable results in the attitude of the new employee. That is important; this chapter is written to emphasize that importance, beyond our usual recognition of it. But the wider and longer view, the added perspective, enables us to see also the values to be gained through the effect on the older employee, the way in which good performance in this function contributes to the general objective of good employee relations.

There are many good reasons for removing staff, management, and supervision from the process of induction and orientation, at a much earlier stage than we have usually considered. One reason is that the effect on the new employee will be better. A bigger reason is the far-reaching effect on the older employee.

To illustrate, it is possible to list several steps in the process which can obviously be carried out by an operating employee, at least as well as by a man in a white-collar staff job. As a minimum, such a list would include making the new employee familiar with the employee entrance, location and use of time clocks, locker and washroom facilities, lunchrooms, first-aid equipment, smoking areas, and similar simple but important items, both physical and procedural. Granting that there are many other things which must be done by the personnel office, it is not difficult nor illogical to postpone any item in this particular list until after the new employee has been turned over to the foreman. It is not difficult to arrange that the foreman will limit his part of the induction procedure so as to leave most of this list to be the responsibility of an older employee with whom the new man is to be directly associated.

The chosen older employee (possibly chosen for that day only) might profitably be excused from his productive work for half an hour or an hour, to show the new man the ropes. He might take him immediately to see such locations as the locker, washroom, and supply room. He might be the one to introduce him to three or five or seven other men in the same group. He might exchange information with the new man on living accommodations and transportation problems or even invite him to "share a ride" with two or three others who live in the same general direction. He might even be the one to conduct him on the tour of the whole plant.

The older employee might volunteer to take the new man with him at noon, to the time clock and the lunchroom, and there introduce him to a few others. He might offer his services to help on any question that may come up during the morning. In total, the older employee might become an unofficial sponsor for the new man during his first days on the job.

The value of all this to the new employee is obvious, but still needs to be emphasized. Less obvious but much greater is the value of the effect on the older employee. He has been given recognition and responsibility. He has acquired immediate status in the mind of the new man. He has necessarily been invited ahead of time to do such a job, and coached to some extent on how to do it. He has not only been impressed with the sensible concern which management and supervision have for the proper induction of the new worker, but has been led to make that concern his own. Some very expensive efforts have been made to produce this effect in other ways. The enlistment of the older employee in the process of induction and orientation is probably the least expensive and most direct of all possible methods.

Of course, there is a danger. He may plant unfortunate ideas in the mind of the new man. He may warn him that the foreman is hell-on-wheels every Monday. He may advise him not to exert himself too much or he will kill the job for the rest of the gang. He may plant seeds of doubt as to the sincerity of the company attitude, or as to the ability and fairness of the shop steward. Even so, the odds are in favor of giving him the responsibility of helping to induct the new man, helping to hasten his assimilation. If these tendencies toward destructive criticism arise from actual plant conditions, the mind of the new worker will be promptly poisoned anyway; perhaps more effectively if he has been kept entirely in the hands of the employment man and the foreman, up to this point. If the tendency originates in the personality of the older employee, there is much more than an even chance that it will be curbed by the sense of the

responsibility and the opening for self-expression brought by the task of sponsoring and guiding the new employee.

The best possible collective bargaining relationship is no substitute for the work the employer must perform in the selection, orientation, and induction of new employees. But such a relationship can be of priceless help to the employer and the worker in this process.

The worst possible collective bargaining relationship does not prevent the employer from doing a good job in the selection and induction of new employees. It does make the good job difficult. But it also makes it infinitely more necessary.

The best possible job of selecting and inducting new workers is not a substitute for collective bargaining, nor a rival nor obstacle to a union. It can be and should be a most important influence toward creating the best possible collective bargaining relationship. It is beyond collective bargaining in the sense that it is outside the scope of practical contract provisions, and in the more important sense that it goes farther than collective bargaining can go, in the direction of co-operative employee relations.

Spotting Training Needs[1]

Walter Dietz

"Training needs" in the abstract have no inherent importance—it is only when training is needed to solve a particular problem that it becomes real to the manager.

Unfortunately, training itself is often given the status of an activity or employee policy. This occurs in industry—I suspect it also happens in Government. Generalized training programs of the good old leisurely days, which may have rounded out the individual, did little to solve specific organization problems, and they have come back to plague us in wartime. We have had to put up a stiff fight to convince management that "too busy to train" is exactly the time when training *is* needed.

[1] Reprinted from *Manpower Review* (now the *Employment Security Review*), Vol. 12, No. 7 (July, 1945), pp. 11–13, with permission of the publishers. Mr. Dietz was associate director of the Training within Industry Service of the War Manpower Commission during the Second World War. Before that he was personnel relations manager at Western Electric Company, New York.

Identifying the Problem

No outsider can tell an insider what training is needed. By outsiders we don't mean just the people outside of the War Manpower Commission or the United States Employment Service; that term also includes those at USES headquarters who may be considering the needs of a particular local office. The only person who can gauge what training is necessary to solve an individual local office problem is the individual on the spot. He identifies the problems of the office, analyzes their underlying causes in order to decide whether training would remedy them, and then plans the training needed.

This discussion is limited to offices where there are found such specific problems as filling only part of the employer needs for war workers, inability to satisfy the people who come in for placement, having a backlog of work, maintaining operations that take too much time, or showing costs which are out of line with average figures.

What Is "Production"? Identification of "production" is an essential first action. In a steel mill it is easy to say that production is steel. It is a little harder to define production in a service such as performed by a public employment office. But if we ask: "What is the end result of our efforts? What is the USES set up to accomplish?—we soon answer: "To match jobs and workers." That puts a tangible goal in front of us.

Getting at the Problem. A problem is anything that interferes with production. Some problems come right to us. Others are less obvious. There is a feeling that things aren't going quite as well as they should. Something is wrong, but what? In other words, it is necessary for someone to spot the production problem. This can best be done by an "insider," whom for convenience we shall call the "training director." He will follow a procedure which TWI has set up in industrial terms as follows:

Step 1. Spot a *Production* Problem

a. Get supervisors and workers to tell about their current problems.

b. Uncover problems by reviewing records—performance, cost, turnover, rejects, accidents.

c. Anticipate problems resulting from changes—organization, production, or policies;

d. Analyze this evidence.

e. Tackle one specific need at a time. Identify training needed.

Even if someone has brought the problem to his attention, the training director will obtain the supervisory and worker angle of the problem and

review the records before making recommendations. The training director has to get at underlying causes. If people will not take jobs he must know why they won't before he can do anything about it. It pays to get evidence that a problem exists in very specific terms. When the evidence has been collected, the training director is ready to analyze it. That means simply the scrutiny of each item of evidence to see whether, in the light of all the facts, an underlying cause might be overcome if someone knew or was able to do something better. Some of the evidence may indicate some action other than training is needed. The training director himself may not have authority to take the action but it is within his province to suggest or recommend steps other than training which will be helpful in solving the problem.

Spotting Training Needed. This close scrutiny of the evidence often reveals many kinds of training action—that is, there usually are choices. If one is undertaken and if it does work, the others may not be necessary, or one may have to be taken before it would be realistic to even consider another. Therefore, the training director tackles just *one specific need at a time.*

Developing a Training Plan

The specific need determined, the training director is now ready to develop a plan. First he will have to determine who is to be trained. While the program might be of interest and have over-all value for many people, we consider only the persons for whom the training is a "must."

Determining Training Content. Next the content of the training program has to be determined. The training director throughout is serving as a technician. He is using a skill of problem-solving but he is not going to be an expert in the actual performance of every single job in the organization. Therefore, he is going to need help in planning content of the training program. This he will get *by going to the person in the line organization who knows the job. The importance of this for both the quality of his plan and the support and use it will get cannot be over-emphasized.*

Method and Aids. After the content is determined, the method by which the training is to be carried out has to be planned. Merely jotting down "conference" does not give much help to the person who is doing the training. It is the technician's responsibility to spell out the recognized effective methods whether they be demonstration or practice, and to plan such aids as manuals and charts.

Who, When, and Where. The person who is *doing* the training is very important. A training director is not the same thing as an instructor. While the training director should know a lot about methods of instruc-

tion, he might have to spend a very long time learning the content so that he could put it across. Even if he learned it within reasonable time limits, he still would lack the ring of confidence in a strange field. Ordinarily, it is easier and more effective to help the man who knows the job to put it across than to take someone who knows how to put it across and give him something to say and do.

Next the training director considers when the training should be done. Are you planning something to meet an immediate problem or are you anticipating a problem within a few months? It is important to plan how long the training will take, for that is considered in relation to the size and seriousness of the problem. An appropriate place for the training in the light of available space must be planned. Finally, the relation of this particular plan to other current training must be considered. TWI has stated this step as follows:

Step 2. Develop a *Specific* Plan

Who will be trained?
What content? Who can help determine?
How can it be done best?
Who should do the training?
When should it be done—how long will it take?
Where should it be done?
Watch for relation of this plan to other current training plans and programs.

Training in Operation

Putting the training plan into action is the next important step. The training director has to sell his plan to top management—that is, to someone in an organization or establishment who has authority to say Yes or No. If he has done a good job in Step 1 and has collected specific evidence, he will have a powerful selling point and will be able to present expected results.

Some managers are chiefly concerned about the plan itself, its content, and the methods that will be used. Others do not care about detail but will want a timetable of the plan. How much time is it going to take? How many people will be withdrawn from their jobs at any one time? When will the training be concluded? When can results be expected?

When the plan gets to this stage, the training director will have to know exactly what help will be needed by those who are going to do the training and he will have to make his plans for training them.

Line Organization Support. A training plan gets off to a poor start unless it has the support of the line organization. If it is only tolerated,

if "permission to attend" is grudgingly given the value of the new program is automatically reduced. The trainer and the person who is going to be trained must accept the program with equal fervor if it is to accomplish anything. There has to be continuing attention so that people will use what they have learned and fix new patterns for doing work. All of this means that management must participate. This third step in the TWI method of solving production problems through training is stated:

Step 3. Get Plan into *Action*

Stress to management evidence of need—use facts and figures.
Present the expected results.
Discuss plan—content and methods.
Submit timetable for plan.
Train those who do the training.
Secure understanding and acceptance by those affected.
Fix responsibility for continuing use.
Be sure management participates.

Checking Results

A realistic approach to training demands that results be checked in order to see whether the production problem was licked. Results can be checked against the original evidence and against the results which were promised to management. Management must be informed of results and it will help if management takes the initiative and makes known its expectation of getting reports of results.

Checking the Plan Itself. The training director is also interested in knowing whether the training plan has been followed. If the plan was followed and there are no results, that indicates something has gone wrong in the first three steps. If the plan wasn't followed but results did occur, the training director wants to make sure that he doesn't claim any credit. If the plan was followed and there were some results, the training director will consider the changes necessary. He is interested in the management problem of getting out the work for which the organization exists so he has to have the plan evaluated against the over-all objective of production. This fourth step is outlined by TWI as follows:

Step 4. Check *Results*

How can results be checked? Against what evidence?
What results will be looked for?
Is management being informed—how?

Is the plan being followed?
How is it being kept in use?
Are any changes necessary?
Is the plan helping production?

Responsibility for Results

In all of this we see that the responsibility for training results has been divided. The line organization has the responsibility for making continuing use of the knowledge and skills acquired through training as a regular part of the operating job. The training director, who is a staff man, provides plans and technical "know how" and does some things *for*, but usually works *through*, the line organization. (In Step 1 he learns of problems through supervisors. In Step 2 he gets his help on content from the actual performers. In Step 3 he gets management to adopt and operate the plan, and in Step 4 it is management which is demanding results.)

C. APPRAISAL ON THE JOB

Fundamentals of a Sound Employee Evaluation and Internal Placement Program[1]

Guy W. Wadsworth, Jr.

If a personnel man fully accepts the responsibility which is his for developing and maintaining an effective working force in his company, his need for an adequate employee evaluation and internal placement program will be apparent to him. It is his business to know how well or how poorly the employees placed on jobs under the guidance of the Personnel Department are actually making out in their work. If he does not know the cases in which the company is getting its money's worth from given hirings, and the instances in which employee selections have missed fire, he does not know how good his hiring procedures really are, or if they are actually any good at all.

Likewise, unless the personnel man can prompt the exercise of good judgment in the routine of promotions, transfers and reassignments that follow initial employment, the care he uses in clearing new workers for jobs can come to nothing. It should be apparent that the act of hiring an employee merely starts him off in the direction of a job which he presumably can perform. If he is ultimately to land in the job in which he can serve the company to best advantage, adequate steps must be taken to follow his progress in his work, and to plan the moves necessary to get him there. Such a result can be accomplished only by continuous, joint planning by the operating supervisors and the Personnel Department, supported by competently developed employee evaluations.

Personnel Department Must Follow up Hirings

This, in brief, is the case for an adequate employee evaluation and internal placement program, and establishes the basis for the discussion

[1] Reprinted from "The Field Review Method of Employee Evaluation and Internal Placement," *Personnel Journal*, Vol. 27 (1948), Sec. I, pp. 1–8, with permission of the publishers. Mr. Wadsworth is vice-president and assistant general manager of Southern Counties Gas Company of California.

that follows. It is a departure from the tradition that, once an applicant has been cleared by the Personnel Department for employment, what happens to him from then on is strictly the business of the operating supervisors. Similarly, it presupposes a need within the Personnel Department for considerably more working knowledge of how employees are actually getting along on their jobs than is likely to be gained from perusing efficiency reports or ratings turned in by the supervisors at required intervals. In a word, the general proposition is that the personnel man must really follow up his own hiring activity. He must make sure that the methods used in his office result in successful initial placements, and the only way he can do this is to actually count the "hits" and "misses" reflected in fair and factual evaluation of each employee's work. He must also make sure that changes that affect employees throughout the course of their service with the company are based upon well-considered decisions, in which careful evaluation of their performance plays an adequate part. It is only as the steps necessary to accomplish these objectives are actively planned and carried out that the personnel man can fully accomplish the most ancient and honored of all personnel objectives—that of placing (and incidentally keeping) "square pegs in square holes, and round pegs in round holes."

The Field Review Method is a combination of employee evaluation and placement activity, in which expressions of employee value or of success on the job are developed not only for their usefulness in determining the predictive efficiency of hiring procedures used in the Personnel Department, but for immediate or eventual application in internal placement work. This provides a basis not only for checking employee selection methods, but a working basis for directly planning with the supervisors the personnel moves necessary to ensure proper assignment of workers at all stages of their service with the company.

Essentials for Employee Evaluation

The steps directed toward *employee evaluation,* as such, are based upon the following premises:

1. That most, if not all, employee evaluation rests primarily upon supervisory opinion, and that this holds even when tangible measures of production are available.

2. That the supervisor's opinion of his subordinates is no better than the factual observation behind it.

3. That supervisors develop the habit of systematically checking individual performance only as they are prompted to do so. As a corollary,

it takes considerable factual evidence to induce a supervisor to revise an opinion, once formed.

4. That the distinctions which the supervisor makes between one employee and another are neither fine cut, nor charged with profound meaning. Such distinctions do not lend themselves to numerical expression, nor necessarily to statistical distribution. They may be characterized in a general way by saying that most supervisors, even when capable of supporting their opinions with adequate facts, can point out little more than that, in their best judgment (*a*) certain employees are doing good work and should be slated to move up, (*b*) others are satisfactory where they are, and (*c*) still others are unsatisfactory and give no promise of really making good on the job. These distinctions, if they actually hold water, are both practical and sufficient for all really necessary employee evaluation and internal placement purposes.

5. That employee evaluations are essentially negatively diagnostic. Appraisals of ability *not* shown in a task often have more tangible support in fact and are more clearly significant than are distinctions between "average" and "superior" performance.

Requirements for Good Placement

The internal placement aspects of the Field Review Method are based upon the following assumptions:

1. That the supervisor, who is immediately responsible for output, can achieve good results only through effective use of the people who work for him, and that he is better situated than anyone else to gauge the capacities and possibilities of his employees through direct observation of their performance.

2. That if the best use of personnel is to be achieved, it will result primarily from adequate performance of the internal placement function at the working level by the supervisor in charge.

The fact that initial responsibility for good internal placement lies with the supervisor does not imply that we need only let him alone and a good internal placement job will result. This is contrary to experience, and as absurd as to assume that a production line will function if operating jobs are merely parcelled out to the supervisors, who are, in turn, permitted to go about their work in any manner that appeals to them. The supervisor is responsible for results principally in the sense of making a success of his immediate job, within the production requirements placed upon him, and with the employees and equipment placed at his disposal. It remains the responsibility of the personnel department to see to it that

the supervisor receives all necessary guidance in placing and using his workers to best advantage.

The essentials of a good employee evaluation and internal placement job, as performed by the supervisor, are:

Requirement 1. A well-considered current job assignment for each of his employees, established with due regard to the abilities of each worker, with appropriate attention to the training needed by the employee to make a success of the job.

Requirement 2. An accurate evaluation of the performance of each employee who reports to him, both as a measure of the worker's efficiency in his immediate job and as an indication of his ability to develop and make progress.

Requirement 3. A plan for anticipated changes in the jobs and in the personnel of the working unit. This means continuously scheduling in advance, so far as possible, all of the personnel moves which are in early prospect within the working unit, such as new assignments, promotions, reassignments, replacements and terminations.

Making Current Job Assignments (Requirement 1)

This is primarily the attention given to matching the worker to his immediate job. Initially it means determining whether the worker has the capacity either as the result of previous working experience or the training given him to perform the job after it has been lined out for him. The first test of a satisfactory current job assignment is whether the employee can do the work, or can be trained to do the work, that the job calls for. This is a proper initial concern, but the worker who meets this test is not necessarily well matched to his job.

Of equal importance over the long term is the degree to which the job itself, assuming that it is well performed, is the right job for the employee. This involves the question of his ability to develop and advance, and whether the job itself is located organizationally so as to provide a logical line of advancement for him. The employee who has what it takes to get ahead and to perform increasingly more responsible or difficult work is as misassigned in a job which has no apparent future as in a job for which he is inadequate. The same principle operates in reverse in relation to the employee who can turn out an acceptable day's work in his current job, but whose ability to get ahead is doubtful. If his job is so placed as to arouse expectations of a promotion for which he would not be seriously considered, the work which he is actually capable of performing will ultimately suffer.

Matching the worker to the job involves, in addition, the choices which

must be made between one worker and another in deciding job assignments. When two employees in the same payroll classification and of approximately equal qualifications are considered for a higher position, length of service should be an important factor in the choice. If the newer employee is clearly more qualified both in terms of immediate ability to produce on the higher job and in capacity for further advancement, he is the logical selection. In any case, consideration of current job assignments must include not only analysis of the qualifications of the employees as individuals, but comparison of one employee with another in the total working unit.

The worker is well matched to his immediate job (*a*) when he can adequately perform its duties, (*b*) when he is well placed in relation to his ability to get ahead, and (*c*) when he is assured of logical consideration in the group in which he works. None of these conditions is likely to exist unless considerable thought is given to the specific training needs of each employee in the working unit, reinforced by the training itself. The supervisor should not be required to labor indefinitely with workers who are not qualified, or who cannot be qualified through adequate training. However, he should be expected to think through this part of his placement job. The workers will not perform at capacity unless it is obvious that their assignments are based upon logical consideration of all of these factors.

Evaluating Employees' Performance (Requirement 2)

The supervisor must make a considered evaluation of each employee in the working unit at sufficiently frequent intervals to determine the adequacy of his performance on his current job and to appraise his possibilities in general.

At first glance, this requirement would appear to be satisfied by preparation of a periodic rating or efficiency report at annual or semiannual intervals. Actually, most ratings and formal reporting systems do not serve the purpose under discussion here. For one thing, periodic ratings often represent primarily a formal evaluation placed upon past services. Such evaluations, even when they are good, are not sufficient for detailed personnel planning.

In the planning job, the concern is not so much whether the performance of Henry Smith, junior mechanic, was excellent or very good in the abstract sense during a rating period which has elapsed. The point really at issue is whether or not Henry Smith is currently getting on well enough to be regarded as the next man in line for the job presently held by Frank Green, journeyman mechanic, if Frank should move up or leave

the working unit. Or, if Henry's performance is weak in some respect, the important thing is to find out how and why, and what the chances are that he will really improve. Such information must be directly related to the particular duties or operations in which Henry is falling down. The end objective, of course, is a plan of action rather than that of developing a record, as such.

The most important element of employee evaluation for placement purposes is that of making sure that each employee in the working group actually receives individual study and attention. Frequently the supervisor who is questioned out of hand regarding his reasons for moving up one employee rather than another has no facts drawn from systematic observation of both employees on the job with which to back up his choice. This accounts in large degree for the insistence by employee groups, particularly unions, upon hard and fast seniority rules in assigning jobs, especially when promotions are involved. If the difference between two candidates for a given promotion is not substantial enough to be stated in terms of specific work behavior and actual output, there is considerable justice in the position that the employee who has worked the longest for the next job up, and whose performance has been acceptable, should get it. This, of course, is the "straight seniority" argument.

Don't Be Deceived by First Impressions. Supervisors, in the interests of fair play as well as good placement, must guard against the common tendency of people in authority to form fixed opinions regarding subordinates which may or may not be consistent with their actual development. In some cases, casual impressions of a new employee formed in the early course of his employment, based upon the way that he appears to take hold of his job rather than upon an actual check of results, influence the supervisor without his being aware of it. As a result, certain workers are groomed for promotion, or earmarked as mediocre, when an actual count of operations successfully completed (or of spoiled work) might easily change the supervisor's estimate. Developing a really considered evaluation of employees is necessarily a painstaking activity, in which the supervisor who forms the habit of taking another look, particularly when he feels most sure of himself, will do the best job.

Essentially, any sound evaluation entails determination of what each employee does, or fails to do, in relation to some reasonably tangible standard of good performance. The measure in one case may be total output. In another, such as a service operation where the amount of work varies from day to day, good performance may require ability to change pace and may be related to finishing the day's work as much as to anything else. In a third job, the difference between success and failure may

be quality as measured by freedom from errors or spoiled work. Adherence to instructions or regulations may be another factor, etc. So far as possible, standards should be determined in a manner which permits comparison of the performance of one employee with that of another. Attitudes, personality, maturity, and other qualities which are individual to the worker should be considered only as they bear upon satisfactory performance of the work which the job calls for, or as they condition the employee's ability to move ahead.

The ultimate success of internal placement activity, so far as it depends upon employee evaluation, rests only in part upon the ability of the supervisor to name a candidate when a promotion is in the offing or to bring about occasional replacement of grossly incompetent employees. It rests to a much greater degree upon the supervisor's disposition to discover and to develop the abilities of the employees who work for him, for the good of the company as a whole. When he takes a second look at the case of each employee who at first appeals as the proper choice for promotion (from the viewpoint of other employees who would be ruled out by the decision) he may turn up additional deserving talent. When he makes an actual comparison of the mistakes of an employee who appears substandard with the mistakes of employees whom he considers satisfactory, he may avoid an unintentional unfairness. No test of leadership placed upon the supervisor requires more analytical ability than sound employee evaluation.

Anticipating Personnel Changes (Requirement 3)

Many supervisors face a changing situation with respect to jobs and to personnel. Some of these changes are unlooked for and unavoidable; some can be foreseen and forestalled by positive planning. Increases in the work load, changes in the character of the work, the development on the job of abilities for which the employee may be expected to seek an outlet, all present opportunities to plan personnel moves in such a way as to maintain so far as possible a stable, well-adjusted working force. The supervisor's placement job will succeed only as he weighs possible contingencies and develops a working plan in which all personnel moves reasonably in prospect are scheduled against the staffing requirements of the working unit, and as he keeps this plan continuously up to date.

Essentially, this amounts to lining up the job assignments in logical order, ranging from the simpler tasks ordinarily assigned to newcomers to those requiring more extended experience, with a clear indication of the normal lines of promotion and of the relationships which permit transfers from one job to another. A simple sketch will often serve this

purpose as well as an elaborate one, and will not only enable the supervisor to schedule necessary personnel moves well in advance, but will assist him in preparing the employees for such moves.

The requirements of good internal placement properly placed upon the supervisor may be summarized as follows:

First, he must carefully line out the job assignments within his working unit which are currently necessary to get the work done. Second, he must compare the possibilities and weaknesses of each employee in the working unit in relation to possible personnel changes, with special emphasis upon detailed checking of current performance against reasonable standards. Third, he should have a plan of action which anticipates, so far as possible, all personnel changes in prospect, whether additions, promotions, reassignments, replacements, or terminations.

Most Supervisors Need Help in Placing Workers

Although the basic placement responsibilities of the supervisor which have just been described meet ready acceptance in principle, the evidence is that the average supervisor needs to have them pointed out and clarified for him. Most of all he must be shown how to go to work on his placement job. Anyone who has had the experience of undertaking an initial cross table discussion with a supervisor concerning what he has in mind with regard to each of his workers will tell you that such discussion, employee by employee, through the whole of a working group, usually bears the indication of being the first time that the supervisor has really thought through his personnel set-up in its entirety. Foresighted personnel planning has to be encouraged, developed, and guided as does any other type of planning.

Theoretically the necessary guidance of placement activity at the working level is the responsibility of the top operating official in each department or section of the company. In practice, experience shows that he seldom takes hold of this job and pushes it to completion. It is much more typical to discover the top man charging off wastages of personnel to the inadequacies of subordinate supervisors, than to find him actively prompting the supervisors to perform a competent employee-evaluation and internal placement job. On this basis, placement activity is made effective at the working level largely through the attention it receives from representatives of the personnel office. This does not mean assumption by the personnel department of any decisional responsibility which logically rests with the line supervisors, but it does mean seeing to it that the employee evaluation and placement job, which must be carried on at the site of work, actually gets done.

D. CONSTRUCTIVE DISCIPLINE

The New Discipline[1]

Ordway Tead

Good discipline is essential for the orderly conduct of any organization where any considerable number of people are working together. No one who has ever had executive responsibility would deny this. The only questions which modern psychology raises are as to what "good" discipline is and how it can best be assured.

To answer these questions, one must first be clear as to what end result is sought. The objective, I take it, is general and willing adherence to a certain minimum of reasonable rules or regulations which are necessary to assure promptness and regularity in attendance, honesty in the use and disposition of company property and time, freedom from gross insubordination to the reasonable requests of designated leaders, elimination of fighting, drunkenness, and gross immorality among employees while on the premises, avoidance of conduct which involves hazard to life and limb of fellow employees as well as to the property of the company. Among normal people, these objectives are not usually thought of as unduly arbitrary or severe, and the necessity for ruling against offenders in these matters is, in fact, quite generally recognized. The problems that arise center around such points as just what matters are to be regulated, what cases fall under the rules, what extenuations are to be made in the individual case, and what penalties are to be imposed. For, despite the reasonableness of regulations, questions of individual adjustment do arise; and the more we know of the likelihood that individuals will depart from the normal the more we realize the likelihood of infringement and the necessity for special handling of individual aberrations. For example,

[1] Reprinted from *Human Nature and Management: The Application of Psychology to Executive Leadership,* Chap. 18, pp. 270-279, McGraw-Hill Book Company, Inc., New York, 1933, with permission of the publishers. Dr. Tead has written extensively on personnel administration and management. He is chairman of the Board of Higher Education of New York City and lecturer in personnel administration at Columbia University.

sometimes people have not been properly instructed as to the rules; or they may become careless, reckless, stubborn, angry, or tired. Or, they may develop fixations of inferiority, persecution, and the like, all of which points to the need of going at the disciplinary function in a careful and constructive way with attention paid both to the general policies to be pursued and to the handling of personal maladjustments.

The Old Discipline

Two widely different attitudes toward discipline are in action today—the autocratic and what I shall call, for want of a better word, the democratic. The autocratic is the policy with which most of us became familiar first in the schoolroom and have seen in later years in action in the shop, store, or office. It was the policy of commands superimposed on our wills from someone in superior position, a teacher or foreman. We were supposed "to do as we were told." "Theirs not to reason why, theirs but to do and die" was the note. Constant supervision by this superior was relied upon to maintain order and faithful application. Transgressions were guarded against by open or tacit threats of punishment in some form. The fear motive was the one principally appealed to, and submissiveness and docility were looked upon as cardinal virtues. Punishment when it came was swift, severe, firm, not to be appealed from.

The fact that this has been the kind of discipline historically sought in school and home, no less than in industry, has special significance. For it calls attention to the strong traditional and conventional hold which this conception has upon all of us, especially if our education took place largely in prewar days. And no attack on the problem is possible unless we see, first, what the shortcomings of this conception are; second, what the alternative to it is; and, third, the psychological methods necessary to get those who direct and those who are directed both to approach the problem of group control in the newer way.

The troubles with autocratic discipline are these: It does not take account of the desires of those commanded; it ignores the relation of willing, sustained action to knowledge and desire; it appeals solely to the fear motive and not at all to the great variety of other more positive and more creative motives; it requires constant supervision because it breeds an attitude which tries to "get away with" whatever it can when the commander is not present. In a word, the sources of power and influence over the group's behavior lie wholly *outside* the group and take account, little if at all, of the tremendous sources of power which lie *within* the group, once it becomes self-conscious, articulate, and possessed of a corporate sense.

The New Discipline

Over against this still widely current conception is that of a group discipline where *the group comes as rapidly as it will to a condition of awareness of itself as a working entity and imposes by itself on itself those standards of individual and group behavior which it finds it necessary to impose in the interests of group effectiveness in carrying on its work.*

The emphasis here is twofold—on the element of growth through leadership into a condition of group self-responsibility, and on the ultimate creation of a sense of what self-imposed group restrictions are necessary for efficiency in action.

No doubt one reason why this newer view of self-discipline gains in acceptance so slowly is that executive and workers alike have, because of their background and training, no confidence in a group's ability to control itself. The psychologist realizes that this new state of mind is a growth, that it does not come spontaneously, that the notion of being commanded to which people are habituated gives way to the newer notion of orderly conduct growing out of the requirements of the work situation and of participation in group activity *only slowly as a result of actual experience.* No executive will be discouraged with his efforts at developing this new discipline who will realize that *the thought patterns of subexecutives and workers alike have to be reeducated before self-command can truly replace external command.* The whole tradition is against this new outlook, which means that the unique values of it have to be fully understood if one is to make the struggle to secure them. For the values are unmistakably there; and the experience of recent years, both in the newer educational procedures and within industry itself, proves conclusively that they are worth the effort to secure. The values to be gained are the exact opposite of those features characteristic of autocratic discipline.

The new discipline does take account of the desires of those in the group—not by blindly trying to satisfy those of every member but by seeking, through a process of integration, to bring a real unity of desire into being. The new view also aims to help the integrative process by supplying knowledge—knowledge of the essential conditions of orderliness under each special set of circumstances, knowledge of special dangers, hazards, responsibilities, etc., which are different for every group, different in a factory manufacturing gun powder from what they are in a banking office, but important just the same. The new view aims to build largely on motives of group approval, individual creativeness, and desire for status and growth. It aims to capitalize on those inner forces of thought and emotion combined which spontaneously give rise to individual ap-

plication, group loyalty, and reasonable subordination of individual will to group achievement. It realizes that "power with" is more productive than "power over," because by evolving power in a group the creative interest of each member is evoked. Finally, it does *not* require the constant supervision of a taskmaster or driver. The evidence, for example, of all forms of group-incentive payment is conclusive that, given the mechanisms and arrangements for group cooperation, the group is its own best supervisor, the best judge of the amount of regulation which there has to be in order to keep all of its members contributing dutifully to the performance of the group task.

In short, the new discipline, by definition and by actual experience, provides a total working situation in which a variety of positive motives helps each individual in a group to apply himself, to subordinate himself in a reasonable way, and to contribute to the group effort as a natural result of his normal desire to express himself in action.

I repeat that this happy condition is not the result of a week's effort within a corporate or departmental group. It is a slow growth, built up only as *executives and workers go through the actual experience of vesting explicitly and acknowledgedly in the hands of the group one responsibility after another and then helping it to fulfill that responsibility by advice and suggestion.* Indeed, on the whole, this growth is conditional, in most organizations, as much *on the change in outlook of executives directly above the rank and file,* such as foremen, department heads, gang bosses, and the like, as it is on changes in the rank and file itself. For what the group usually needs is the chance to assume self-direction, whereas the minor executive has to be reeducated to conduct himself as a leader and not as a boss—a change which comes hard with seasoned managers and foremen. This need has been well characterized in sound psychological terms in the following analysis of the way in which childish emotional patterns are likely to linger on in the motivation of adults and complicate their behavior as executives:

> If immaturity in work-relationships were confined to underlings the problem would be much simplified, but for every childish attitude in the private there is likely to be another in the captain, and the child in one has an unholy way of calling out the child in the other. I am thinking not so much of the classic man-who-cannot-command-others-because-he-cannot-command-himself—the man in whom the voice of authority is perpetually changing for the good reason that he is still emotionally adolescent—as of the father-child relationship. Suppose I as boss am not sufficiently mature to be happy without the responses a child theoretically owes the father—unquestioning recognition of authority, and love (or "loyalty") in exchange for protection. Put me in charge of a force of workers, and I cannot be trusted not to demand these responses

from them. The experience of directing other people is strong drink; it warms the ego and puffs up one's sense of power. It is easy to slip into either of two alternatives: on the one hand, using that power as an end in itself, becoming a little Mussolini in whatever station God has called us to; or, on the other, using authority as a means of buying gratitude, becoming what we accurately call paternalistic, interfering with the lives of less important people "for their own good." [2]

The experience of the Baltimore and Ohio Railroad in its cooperative activities with its shop employees in recent years—a plan later adopted, also, by the Canadian National Railways—supplies an instructive illustration of the basic values in this newer view of the whole disciplinary problem. Under this plan, the company managers work in the closest relations with the employees and their labor union through a "cooperative committee" to improve production, review grievances, and adjust all difficulties. And in commenting on the results of the plan after 4 years of existence, Otto Beyer, the consulting engineer for the employees, has this to say:

I can testify from a wide range of experience as to the leadership which is released by such a change. I have seen foremen, superintendents, managers relieved of a vast and troublesome burden of grievances and the necessity of administering sullen discipline. And I have seen agitators, grievers, committeemen representing employees changed into useful, helpful, necessary members of the industrial administrative machine. I have seen workers in industry mobilize and bring to the attention of management thousands of constructive measures devised by these workers in their own environment all aimed at improving the conduct of the enterprise. I have observed how collectively they have stimulated management to improve its own conduct, how they introduced a positive stimulus for management to exert itself in behalf of still better performance. I have been struck by the readiness on the part of the workers to assume responsibilities for better individual as well as mass performance on their part. Where formerly foremen were needed to boss a gang and keep it properly disciplined, these individuals have tended to become the guides of their group. And what is perhaps most significant of all, the cooperative relationship has revealed all kinds of managerial talent, potential industrial leadership, all of which remains hidden most effectively under the usual scheme of things.[3]

Definition of Good Discipline

The question as to what is good discipline is, therefore, answered by saying that it is *that orderly conduct of affairs by the members of an*

[2] Geddes, Smith, "The Adult: His Work," *Survey* 1, Vol. 60 (Apr. 1, 1928), p. 34.

[3] From an unpublished address before the Bureau of Personnel Administration, New York, Mar. 1, 1928.

organization who adhere to its necessary regulations because they desire to cooperate harmoniously in forwarding the ends which the group has in view and willingly recognize that to do this their own wishes must be brought into reasonable unison with the requirements of the group in action.

If now, as I suggest, good discipline is achieved only by conscious educational effort, the next question is as to what provisions can be made which will cultivate in each individual the kind of responsible conduct required. Here, again, the experience of an increasing number of companies offers a clue as to the procedure to be supplied.

Arrangements to Support Good Discipline

Perhaps the first requirement is one which, in the first instance, falls largely on the management itself. There should be competent organization from the managerial end to control the flow of work in process. The entire procedure of systematization, sometimes referred to as "scientific management," means and entails planning, laying out, scheduling, and routing of work, its assignment to individuals, clear-cut standards of correct performance as to process and as to amount and quality of output. And without the precision in work control which all this brings about, there inevitably arise hitches, delays, and confusion about individual and group responsibilities which create problems of an essentially disciplinary character. Basic in the effort to have a well-disciplined organization is the task of providing a well-organized and clearly functionalized structure and procedure of organization into which each individual knows where and how he fits. Miss Follett [4] makes almost this same point when she insists that the function of order giving and, indeed, the orders themselves really grow out of the implications and necessities of each work situation, in any well-planned organization. In a sense, the situation produces its own orders and requirements, if it is well conceived in relation to the work of the rest of the supporting group. In short, the best way to be sure that disciplinary issues are not presented is to have every member of the organization know just what is expected of him and to have the members of his group and his supervisor no less than himself support him in seeing that it is done.

Second in importance is the provision that the whole disciplinary plan, including the statement of the necessary rules and the imposing of penalties, *should gradually be shared in by the employees in an organized way.* This requirement will not sound strange or extreme to executives who

[4] H. C. Metcalf and L. Urwick, editors, *Dynamic Administration: The Collected Papers of Mary Parker Follett*, "The Giving of Orders," pp. 50–70, 1942.

deal with labor unions and have arrangements with them under collective agreements for the handling of disciplinary problems; nor to those who have active plans of employee representation under which all such matters are normally brought up at joint conference meetings. Those with experience in either of these two forms of joint dealing know that disciplinary issues are settled more quickly, equitably, and agreeably thus, than under the old scheme of things where the individual foreman or superintendent retained in his own hands the sole right of discipline and of discharge as the ultimate penalty. Obviously, where there is no redress or appeal, to say nothing of there being no initial cooperation in the promulgation of rules, the reaction of the employee is not one of a developing self-responsibility for his own and his group's behavior. Actually, in those companies where problems of regular attendance, loss of materials and tools, individual slacking on the job, are put squarely up to the employee-representation plan, the results in practically all cases have been the same. These matters have been handled with a directness, sureness, and constructive benefit which has often left managers gasping with agreeable surprise.

The fact is that a number of corporations have gone farther than this and placed in an employee committee's hands the power of final review over discharge. Of course in such cases, this is the outcome of considerable employee education in group self-control; and it is of interest here not so much because it is a policy necessarily to be recommended for adoption by others, but because the experience is that the employees, once given this serious responsibility, tend to exercise it more severely than many executives would themselves think advisable.

The third requirement to support good discipline is care in assuring that all regulations adopted are (*a*) as explicit as possible; (*b*) as few and simple as possible; (*c*) as clear as possible as to penalties. And of course there should be the widest publicity of rules, through employee handbooks, bulletin boards, verbal explanations to new employees, and the like.

Consistency and fairness in the application of the rules to the individual case are necessary. This entails having an agreed procedure of appeal, chance for statement of all sides of a case, and a final decision by an agreed tribunal which is as impartial as possible.

The theory on which penalties should be devised and administered should be one of constructive correction and not of vindictiveness. Discharge is normally the most serious punishment which can be inflicted and its use must be reserved for the worst offenders and careful review of such cases should be allowed. In general, a plan of rewards for rules well complied with should be emphasized as contrasted with emphasis

on the penalty features. In fact, a scheme of incentives will usually act by itself as a stimulus to good discipline which is vastly more valuable than any penalty provisions.

Finally, as suggested above, the disciplinary plan should protect workers against a too drastic imposition of punishment by the employees' own group. Workers will rule against their fellows with a severity that most executives would not dare to show. And while this may have its good features, experience suggests that it can be overdone. The tempering of justice with mercy, patience, and understanding is required—especially in those difficult cases where individuals who have infringed the rules present some special problem of mental abnormality or personality maladjustment.

The new discipline depends, then, not alone upon a new attitude but upon specific procedures for adopting, interpreting, and applying rules and orders in a cooperative way. The machinery is as necessary as the spirit, and the fact that such machinery must be built experimentally in each instance only goes to emphasize the educational nature of the problem.

Finally, once the whole question of discipline has been attacked in the way suggested here, the head executives of a company will have much work to do in getting the right kind of cooperation from the minor officials who actually associate with the rank and file. For these men have to be brought to realize that they can get more satisfaction, more fun out of the job—and also be doing a better job—if they try to cultivate an autonomous, group self-discipline among their subordinates than if they remain high-handed and arbitrary bosses. They have to come to realize by experience that their hold over their staff is a stronger and longer one when it comes from leading and teaching than when it comes from bossing.

In short, this new discipline is something which can be appreciated, in which faith can be placed, from which results can be obtained, only when those in power themselves have faith enough in human nature to give it a chance to vindicate itself in the conduct of others in group relationships. The wisdom of cultivating this kind of method of control over and within a working group is thus something of which one becomes convinced in the doing. But there is, I have tried to show, enough successful prior experience with its use to give an executive confidence in making the trial for himself. He who would know must do!

Part Five: WAGES AND WORK ASSIGNMENTS

Introduction

An important task of the personnel administrator is to participate in the development of a good wage and salary structure, and in unionized firms this must be done, of course, in negotiations with union representatives. There are several tests of whether a wage and salary structure is "good" or not. Does it compare favorably enough with the structure in other firms to (1) attract capable new employees in the numbers required; (2) keep present employees satisfied with this aspect of their jobs so that they remain with the firm, and (3) provide promotional opportunities to these employees? If it meets these three tests, the wage and salary structure helps to encourage people to give their best efforts to the organization of which they are a part. In thus asserting the importance of wages and salaries as factors in job satisfaction, we need not, of course, fall into the error of assuming that they are the *only* important factors.

Job evaluation is increasingly used by management as a means of achieving a more satisfactory wage and salary structure. Its principal contribution, however, is to make the structure more consistent internally, rather than to determine the "proper" general level of wages and salaries. The literature on job evaluation is extensive, but the limitations of the technique are not often adequately recognized. Organized labor has at times been critical, as Edward N. Hay's summary and commentary on the American Federation of Labor attitude indicates. This article is of particular interest, for Hay is one of the pioneer proponents of job evaluation. He takes pains to say what job evaluation is and what it is not; where the union criticism is justified and how it may be met. Another pioneer in the field, Samuel L. H. Burk, outlines the essentials of a sound salary determination plan. He also stresses the policy aspects which should be of particular concern to the personnel administrator.

Both Hay and Burk emphasize the need to maintain a job-evalua-

tion plan by keeping job descriptions up to date and making changes in evaluations as job changes occur. This point is also stressed in the study by Helen Baker and John M. True. In addition, flexibility is necessary, particularly in recognizing factors other than job content in wage determination. The conflict between environmental pressures and the logical demands of a job-evaluation plan is analyzed further by Clark Kerr and Lloyd H. Fisher in their study of the experience of the Southern California aircraft industry. Every personnel administrator needs to consider carefully their "precepts and caveats."

Wage incentives are another management approach to encourage greater employee effort. As in the field of job evaluation, the technical literature on wage-incentive plans is extensive, but the limitations of these plans are not always adequately considered. Unions have provided a channel for focusing employee discontent over certain types of wage incentives. William Gomberg points out some of the union objections to various management practices in this area and suggests an approach which can help to resolve them.

Nonunion as well as unionized workers often resist the introduction of job evaluation, wage incentives, and other procedures initiated by management. Sometimes these changes are associated with changes in job or work assignments, and opposition is increased. How can this resistance be reduced or minimized? Here is certainly a central problem for personnel administration. Alvin Zander, drawing on the findings of social psychologists, analyzes the nature of this resistance and suggests way to reduce it.

Like changes in work assignments, changes in working hours also result in certain worker reactions. The selection from the study by the Bureau of Labor Statistics indicates the nature of changes in output which result in changes in working hours or work schedules. The study concludes that "there is no such thing as an optimum workweek," and that "the way in which a longer work schedule is achieved has a decided bearing on the results."

A. WAGE POLICIES AND WAGE ADMINISTRATION

The Attitude of the American Federation of Labor on Job Evaluation[1]

Edward N. Hay

Personnel and Industrial Relations people have shown a great deal of interest in a series of articles called, "Job Evaluation: What It Is and How It Works." This is the title of a series of three articles which appeared in the July, August and September (1947) issues of the *American Federationist*, the official publication of the American Federation of Labor. The authors are Boris Shishkin, Economist of the Federation, assisted by Peter Henle and Mrs. Martha G. Scoll of the A.F.L. staff. While there is no summarized statement of the attitude of the Federation the following seems to be representative:

1. Job evaluation, properly used, has a place in wage determination.
2. Job evaluation alone does not give a sufficient basis for setting relative job values.
3. Many managements use job evaluation in ways that interfere with fair collective bargaining.
4. Job evaluation is unsound because the *relative* values of jobs (not merely the actual wage rates) cannot be determined from the job duties alone.
5. Unions must be free to negotiate not only the job rates but also individual rates [editors' comment: a statement which cannot be reconciled with job evaluation].
6. Point rating plans frequently are objectionable because they attempt to eliminate the use of judgment.

[1] Reprinted from *Personnel Journal*, Vol. 26, No. 5 (November, 1947), pp. 168–169, with permission of the publishers. Mr. Hay is personnel officer of the Pennsylvania Company in Philadelphia and is also president of Edward N. Hay Associates, a consulting firm.

7. In spite of weaknesses in job evaluation and its frequent misuse by management it is advisable for unions to understand it so as to be able to bargain effectively with management.

There are many duplications throughout the articles and some inconsistencies. A representative series of points have therefore been quoted, followed by editorial comment. In a few places sarcasm and exaggeration have been used, such as,

> They [labor] resent the whole approach of couching their common, everyday work-experience into an alien, new-fangled terminology and interposing between the workers and the supervisors a cumbersome calculus in which nothing ever seems to add up.

Or this,

> But the management, in desperation, is likely to resort to makeshift, patchwork solutions.

But on the whole the subject has been handled with restraint and adequate understanding.

PART I—INTRODUCTION

What is job evaluation?

To a newly appointed plant superintendent, harassed with an inheritance of a haphazard wage policy and a discontented work force, it may seem like an answer to a prayer.

To a union, job evaluation, with its complicated system of "points," "factors" and "wage curves," may seem to be nothing but a smokescreen for the management's attempt to get around genuine collective bargaining and fair and realistic wage adjustments.

However one may regard it, job evaluation is with us. Its use greatly increased during the war and is continuing on the increase today.

Job evaluation is indeed with us and its use is on the increase. It is doubtful if management should consider it "an answer to a prayer." There is no doubt, however, that good job evaluation will eliminate much of the confusion which is often found in wage structures. Most managements cannot be accused of using job evaluation as a "smokescreen" for avoiding "collective bargaining and fair and realistic wage adjustments." While some managements have been guilty of such practices their behavior cannot be ascribed to all and, in any case, such statements are no argument against job evaluation.

Job evaluation attempts to answer the question, "What is each job worth in relation to other jobs in a plant or shop?" It deals with jobs, not with people doing these jobs.

To determine the worth of jobs in relation to each other, an arbitrary yardstick is first devised. This yardstick is then applied to each job, measuring the job for size, so to speak. Once this is done, all jobs can be ranked in their rising importance. And you can then say that each job is so many notches above or below another job. Or that two jobs come up to about the same notch. What you have is a uniform scale which is used to measure the worth of any job in the plant.

A very clear explanation to which no exception can be taken. It indicates a good understanding of what job evaluation does.

The purpose of job evaluation is to determine what the rate of pay for one job should be in proper relation to the rates of pay for other jobs in the same plant.

Job evaluation does no more than that. If the level of wages is too low or too high, that is a question of wage policy, which should be jointly decided by union representatives and management in negotiations. It is not the purpose of job evaluation to set the desirable level of wages in the light of such considerations as the prevailing economic conditions, cost of living, plant output, unit costs or the firm's ability to pay. It has nothing to do with the actual size of the paycheck. It is merely a method of aligning the rates of pay on different jobs in a plant or shop in a desired relationship to each other.

No more accurate and concise statement of the purpose of job evaluation has ever been made. It is safe to say that every management that has successfully used job evaluation is in full agreement with Mr. Shishkin.

PART II—DESCRIPTION

The most widely used method of job evaluation is called point rating. . . . To put it all in a nutshell, the point rating method . . . takes the job apart, then evaluates each part separately, assigning a number of points to each part, and, finally, puts all parts together again, with the total number of points determining the value of the job.

Clearly described.

The technicians have long claimed that this procedure is "scientific." There are many in the ranks of management who have been talked into believing that there is something scientific about "points" and that all you have to do is to apply point ratings to jobs in order to get fairness and equity. . . . Actually, there is nothing scientific about assigning 80 points to education and 50 points to experience in evaluating a job. All such values are arbitrary. They have been set up by a rule of thumb, and that's as much as anybody can claim for them.

These are sound criticisms; no plan of job evaluation can be called "scientific" and no responsible advocate of job evaluation makes the claim. The very best that can be said of any plan is that it provides for the use of judgment in an orderly and systematic way.

These judgments must be made and, to be valid judgments, they must fully reflect the views of the workers themselves. . . . The point system of job appraisal no less than any other must accept union participation throughout, in order to be realistic and equitable.

Most wise managements agree with this and there are countless successful plans in operation in which job values were determined by joint union-management action.

The fourth method of job evaluation is known as factor comparison. Here, once more, the job is broken down into separate parts or factors, such as skill, etc. . . . in factor comparison the job ranking and point rating methods are combined. Jobs are lined up by their factors . . . the final rank of the job is determined by its rank under each of the factors. . . . After the relative value of the jobs has been measured . . . the point values, or ranks, or steps are translated into wage rates.

This statement indicates a good understanding of the method and while not precise is adequate.

There are disputes about the discrepancies between the way a job description is written on paper and the actual work requirements and performance.

Under the best practice any such disputes are referred back to the chief job analyst who is asked to have the job description rewritten so that it agrees with the actual conditions.

The work in the plant begins to change. Older machines become worn and obsolete and are replaced by new ones. More and more workers get shifted to other work in response to changing conditions. Management is caught in a quandary whether to fit jobs to new production requirements—which would be just plain common sense—or to stick to the rigid pattern of job evaluation which cost so much time and money to work out.

This has indeed happened many times, and if management does not keep the job evaluation plan in harmony with actual conditions the plan will naturally be unworkable. Under the best practice management insists on a flexible plan where jobs are rewritten and re-evaluated to conform with changes in actual working conditions. It is stupid to expect the work to be done the way the descriptions were written; that is, to run the plant so as to conform to the job evaluation system.

After a while, the plan slowly begins to disintegrate under its own weight and under the pressure of changing conditions. That the effectiveness of job evaluation systems is likely to deteriorate in time and under the test of experience is brought out in a recent study of such plans made by the Princeton University Industrial Relations Section. The management of sixty-eight companies answered

inquiries about experience with job evaluation in each respective plant. Of these, twenty companies, or almost 30 per cent, stated that the operation of the plans was unsatisfactory. Significantly, dissatisfaction increased with time.

The difficulties involved in maintaining a plan of job evaluation are frequently underestimated. The problem is exactly the same as with incentive rates; when the job is changed the rate must be changed. For some reason many managements have not recognized this and as a result the whole evaluation plan has gradually disintegrated. In salaried groups it is typical for from ten to twenty-five percent of the jobs to require rewriting and re-evaluation each year. In wage groups the changes take place much more slowly; often imperceptibly. There are many installations of job evaluation that have not deteriorated in long periods. The Atlantic Refining Company, with over 12,000 employees, has had a successful plan in effect for eleven years. The failure of some managements to keep job evaluation up-to-date is no indictment of the system itself.

Part III—Criticism

Management's argument for job evaluation plans is often designed to appeal to the local union officials concerned with the accumulated inequities among wage rates in the plant. The proposed job evaluation system is presented to them as a magic formula. Apply the formula and all wage inequities automatically evaporate.

Any management which makes such a claim is, on the face of it, guilty of misrepresentation or of ignorance. It is to be doubted that many managements have made the claim.

Union representatives, shop stewards and business agents acquire a thorough working knowledge of the wage relationships of the jobs manned by people they represent. This knowledge, backed by experience of the men who actually do the work, makes especially clear to them the inadequacy of the judgments of outside technicians who can at best have only a very superficial understanding of what the job is about in operational practice.

Agreed; the better "outside technicians" understand this and so their procedure is to train members of the client organization in tested methods of job analysis and job evaluation, leaving it to those who know the jobs to decide on their worth. This is a valid criticism of the way job evaluation is sometimes used, but not of job evaluation itself.

Labor's most important general criticisms of job evaluation can be very simply stated: (1) Job content, on which job evaluation is based, is not a sufficient measure of what a job is worth: other factors may deserve equal or even greater consideration.

There is no disagreement on this, except that job evaluation is properly used only to determine the *relative* difference in jobs on the basis of *duties* performed. The other factors which affect wages, such as rates in the same area, present level of company rates and other factors, must indeed be taken into account—but *not in job evaluation.*

(2) Job evaluation attempts a mechanical substitute for human judgment. We should make judgment more systematic and more responsible, not more mechanical.

Quite right, it is granted that many job evaluation systems make no provision for the use of judgment, systematic or otherwise. But *effective* job evaluation is simply a process of making use of "systematic" judgment which the best systems are intentionally designed to do.

(3) Much of the complicated job evaluation technique is just hocus-pocus which prevents workers from understanding the pay system under which they work.

Some job evaluation methods are indeed "hocus pocus," but if this should be the case it is the duty of the union to say so and be able to justify the criticism. That requires study of job evaluation systems.

Even where the union is represented on the evaluation committee during the job evaluation and on the appeals committee after it had been installed, these committees prove to be merely advisory and without final authority.

Probably this has been true in some cases but most managements are sincere and many could be named that have accepted the result of evaluation performed by a joint union-management committee, thus recognizing the committee decisions as having final authority. Some A.F.L. unions that have had satisfactory experience in being given equal voice in job evaluation decisions are, a Chemical Workers Local in Washington, D.C., a Sugar Workers Local in Philadelphia, an Office Workers Local in Central New Jersey, a Teamsters Union group in Eastern Pennsylvania, and many more. It just isn't true that union-management evaluation committees never have final authority.

Job evaluation itself is only the first step in the "evaluated" system of job rate revision. The second step involves relating evaluated jobs to actual pay scales. In a union plant, this, of course, is subject to collective bargaining. But effective collective bargaining is never really possible where the key to the answer—the complicated estimate of both the immediate and the ultimate cost—is held by the management.

It is the union's fault if the "key to the answer" is held only by management. In a recent negotiation in Northern New Jersey the union-manage-

ment committee of eight reached final and harmonious agreement on job ranks by evaluation. In the bargaining process which followed the union was assisted by their own consultants and showed an equal grasp of the situation to that possessed by management.

This is also true of the third step—the assignment of workers to evaluated jobs. That is the point where theory ends and the system must come to grips with actual jobs and wages affected. When this point is reached, every supervisor wants to have his department placed in a favorable position in relation to other departments. There is a vigorous tug of war in management's ranks. After various superintendents have settled their own squabbles involving their respective prestige, after everyone on the management side is finally agreed about shifts of men to other jobs and about relative wages, management is loath to reopen these questions all over again with the union.

If job evaluation and rate bargaining are correctly and fairly done there is no possibility of any "tug of war." Any well-managed job evaluation plan must always be open to challenge by anyone at any time.

Once the union accepts a job evaluation plan, it is likely to find itself in the position of being able to negotiate only the level of all rates and not the rate changes for particular jobs.

Well, what else is job evaluation for but to find out what the proper relationships of job values should be? Applying the rates is a matter of collective bargaining.

A proper wage scale, based on an orderly job classification, has always been sought by unions through collective bargaining. When adjustments in individual wage rates are made currently, in the light of experience and changing conditions, there is no need for the arbitrary, cumbersome and expensive job evaluation plans.

It is hard to determine what this means. If it means that Mr. Shishkin rejects job evaluation and recommends that every single rate be bargained over then he is taking an out-of-date position that is not shared by many A.F.L. unions who have accepted job evaluation. A local of the Sugar Workers A.F.L. demanded and secured from the War Labor Board a plan of joint union-management evaluation over the protest of the company. If Mr. Shishkin means that the rates of individual employees should be subject to union-management agreement within the scope of the job evaluation plan then he is proposing something that most managements will not agree to. However, there are cases to the contrary; even some in which a plan of employee performance rating is jointly administered.

Part IV—Recommendation

Unions, in order to represent the interests of their members fully and effectively, must study the modern management techniques and keep careful records of job specifications and job descriptions of workers for whom they speak. . . . Such knowledge and records . . . enable the union to meet on equal footing management proposals for job evaluation and similar techniques.

Job studies in relation to the rates of pay should not be permitted to become an exclusive prerogative of management. They should be high on the agenda of every union.

This seems like a fair objective for any union.

The very best job evaluation can ever do is to iron out inequities accumulated within the same plant or the same shop. It cannot and should not determine what constitutes the proper level of wages in the plant.

The problem of inequities in wage rates assigned to individual jobs is extremely vital to labor. Job evaluation alone cannot solve it. To make collective bargaining an effective tool for dealing with this problem, the union must develop an effective policy of its own, related closely to the experience of the workers the union represents and to sound trade union objectives.

In forming such a policy, union representatives should bear this in mind:

1. Take the initiative.
2. Develop a clear policy.
3. Be fair and constructive.
4. Don't try to solve all problems at once.
5. Insist on sound administration.

These are admirable recommendations and will not trouble any sincere management.

When confronted with a management proposal to install job evaluation for the first time, keep these suggestions in mind:

1. Have an alternative plan ready.
2. Make sure that the members understand what is involved.
3. Acceptance of some plans may be justified.

No quarrel here.

If the union decides to accept a job evaluation plan, it should insist on these minimum requirements for its acceptance:

1. Simplicity.
2. No loss of pay.
3. Union participation from the start.
4. Sound administration.

Few managements will find these conditions difficult to accept.

For a union confronted with a job evaluation plan already in effect, this advice should be helpful:

1. Learn every detail of the plan.
2. Try to make it sound and workable.
3. Decide on policy in the light of experience.

This is constructive advice to which no exception can be taken. It is to be hoped that union locals will follow it and by this means contribute to harmonious union-management relations.

Bases for Sound Salary Determination[1]

Samuel L. H. Burk

The purpose of this paper is to outline briefly the principles underlying sound salary administration and to refer generally to other phases of management affected thereby.

The first step in any program is to define objectives. The objectives of salary determination may be considered from two points of view, that of control and that of employee relations. From the point of view of control, management must know whether the total salary expenditures are in line with most effective operation, by keeping each position rate and all individual salaries in line with their productive values.

From the point of view of employee relations, management must know how company salary scales compare with the competitive labor market. This objective may be called "achieving external consistency." Management must be able to answer this question in order to deal with employees on the subject of general salary scales, as well as to attract and hold salaried workers effectively. Furthermore, management must achieve "internal consistency" by knowing how the difficulty and importance of each job compare with all other jobs, and by ascertaining that evaluations of differences among individual performances on jobs of equal grade are secured in the most objective, valid and practical manner.

The principles to be applied in attaining these objectives can be grouped under the various steps in the procedure.

[1] Reprinted from *Social Bases for Salary Stabilization,* pp. 4–9, American Management Association, Office Management Series No. 92, 1940, with permission of the publishers. Mr. Burk is director of industrial relations for the Pittsburgh Plate Glass Company and was formerly chief job analyst in the Atlantic Refining Company.

Step 1: Policies

Policies to be defined in advance of initiation of the program should include decisions in connection with:

1. How far up the organization line the program is to be applied.
2. The methods and techniques to be used in analysis and comparison.
3. How the work is to be organized, including reporting relationships, job analysis personnel, and committee organization.
4. The extent and nature of supervisory and employee participation.
5. The selection of the manner in which the company's salary scale will be compared with the market.
6. Provision for continuing the administration of the plan, including committee membership, how new and revised jobs are to be studied and graded, and how old positions can be periodically reviewed for changes in content and grade.

A very important by-product which results from detailed consideration of these decisions is that such consideration forces top management to give concentrated attention to standardization and rationalization of basic salary administration policies usually considered only when isolated questions develop.

Step 2: Publicity

The basic principles involved in disseminating information in connection with the program tie in very closely with the attitudes of management, supervisors, and employees. Briefly, the attitude of these groups will be the result of what there was to start with and what the job analyst makes it. It is important that top management be thoroughly sold before the program is initiated at the lower levels of the organization. If management, however, is more interested in proving its past actions to have been correct than in determining the right steps to be taken in the future, if past experience contains sore spots, or if salary administration difficulties are chronic rather than acute, the task of selling the program will be appreciably more difficult.

Some antagonism on the part of department heads is to be expected. In most cases the installation of the program will apparently result in divesting department heads of certain autocratic salary-determination powers. This antagonism may best be overcome by demonstrating that the new method will relieve them of a number of details so that more of their time can be spent on their more specialized and difficult functions, while, on the other hand, the program will so broaden the scope of available comparative data that making decisions involved in reaching final agreement on remuneration problems will be greatly facilitated.

Supervisors usually follow the lead of their department heads, but they must be thoroughly acquainted with the policies as well as the methods and techniques in order to be able to explain the program to their subordinates and cooperate in its completion.

The attitude of the employees at the start will depend on management's reputation as to fairness in handling past salary problems. If the employees have learned to distrust management's decisions in connection with remuneration, they cannot be expected to receive with open arms any new salary programs initiated by that same management. The remedy for this is to extend employee participation in the program to the broadest practical limits. Generally speaking, the greatest obstacle to employee acceptance is the fact that salary maxima will be set for all jobs. Management must point out the counterbalancing fact that no jobs will be paid below certain minima. The employees must be reminded that every amount which is paid above the maximum value of any job leaves that much less of "the pie" for distribution among correctly paid or underpaid employees. In general, the word-of-mouth, round-table or meeting-room discussion is to be preferred to written pronouncements, although oral publicity can be supplemented by letters and posted notices.

Steps 3 and 4: Job Analyses and Specifications

The principles to be followed in getting the facts, or making the "job analyses," are:

1. Follow organization lines in starting the work.
2. Go to the best possible sources of information, that is, the employee and the immediate supervisor, interviewing the employee on the job at his workplace.
3. Questionnaires may be used if desired, but not as substitutes for the workplace interview.
4. In addition to securing facts in connection with duties, responsibilities, working hours, working conditions, etc., the interviewer should seek to draw out employees' and supervisors' opinions as to minimum qualifications for the job.
5. It must be made perfectly clear at all times that the analyst is interested only in the job and not the qualifications or effectiveness of the man on the job.

In recording the facts, that is, in completing the job descriptions or job specifications, bear in mind:

1. That some record must be made of the basis on which the grade or rate has been determined, and that this record should be in such form as to facilitate the grading process.

2. The jobs should be described as they are now actually being performed, not on the basis of what should be done, what used to be done, or what is expected to be done.

3. Qualified and understanding agreement about all the items entered on the job description or specification should be secured from the supervisors and department heads involved.

4. The employee should at least have the opportunity to agree or disagree with the description of job content and duties.

There are a number of by-products of the job analysis procedure and the resulting job descriptions, chief among which are:

1. Definition of authority and responsibility limits.
2. Determination of correct organization arrangements.
3. Establishment of a basis for detailed methods studies.
4. Aid to the Personnel Department in hiring, transfer and promotion activities.
5. Supervisors and department heads receive a liberal education in connection with the work done and the interrelationships of the jobs studied.

Step 5: Job Comparison

There are a number of principles which apply to arranging the jobs in the order of their relative difficulty and importance. Seven of these are extremely important, and are as follows:

1. Make use of the pooled judgment of the largest practical, qualified and interested group.
2. In making comparisons, use factors which in total include all the elements that make one job more or less difficult and important than another.
3. Various degrees of each factor must be defined as objectively as possible, especially by eliminating such indefinite adjectives and adverbs as rarely, normal, fair, good, frequent, often, etc.
4. The method used for comparison should insure (within the limits of human fallibility and judgment) that the same degree of the same factor is always given the same weight.
5. Factors used should be so designed and defined as to eliminate pyramiding or overlapping of credits.
6. The method should provide for some means of relating salaries paid for specialized jobs within the organization to rates paid for general jobs common to the organization and the outside competitive salaried-job market.
7. Provision should be made for valid checks of the results at various stages in the procedure, such checks to be so arranged as gradually to

include the judgment of larger groups and to extend the bases of comparison.

The chief by-product of arranging the jobs in the order of their difficulty and importance, in addition to those secured from the job analyses, are promotional charts, provision for upward progression of training assignments, and further education of executives and supervisors as to the importance and difficulty of work done in other organization units.

Step 6: Salary Grades

The five most important principles to be considered in setting up salaried job grades are:

1. The number of grades, the amount of spread or range from minimum to maximum, the rate of progression from grade to grade, and the amount of overlapping between grades are all mathematically interrelated factors.

2. A spread which is too narrow, and hence yields too many grades, tends to increase control but requires continued revision of job grades when very slight changes in job content take place.

3. Too wide a spread, which results in having too few grades, reduces the effectiveness of control and encourages inexact methods of comparison; generally speaking, and with certain exceptions, companies that have wider spreads (i.e., where maxima are 50 per cent or more greater than minima) have less exact methods of comparison, and therefore, must have a wide spread to take care of inaccuracies in grading as well as of unrecognized changes in job content.

4. In general, if the maxima of the grades are between 20 per cent and 35 per cent higher than their respective minima, a practical solution of the grade problem will be found.

5. Companies setting up salary ranges should avoid the all too transparent camouflage of two maxima for each grade, one maximum to represent the general rule and one to take care of "exceptional cases."

By-products of setting salary grades are: standardized salary amounts and rates; facilitation of job-to-job comparisons; facilitation of job classification and title standardization.

Step 7: Pricing the Scale

The activities involved in pricing the scale by means of the market survey are based on several well-known principles:

1. If we can determine competitive rates paid for jobs common to the organization and the competitive market on the outside, we shall be able

by means of job evaluation and grading to interpolate for specialized jobs within the company.

2. We must recognize that market surveys based only upon quotations of rates for jobs bearing similar titles are of little value, if not definitely misleading, as competitive rates should be determined by interviews with individuals supplying information needed to compare actual job content and requirements.

3. In determining the position of any company's wage scale in relation to the market, management may well attempt to set up the policy of paying at least at the average level of the outside market; otherwise, it may find itself losing good employees and unable to attract others.

Step 8: Merit Rating

Merit rating, a complementary phase of salary administration, appraises the value of different individuals within the limits of the salary range, as well as their potentialities for promotion. The principles involved in development and application of a merit-rating program constitute a separate subject in themselves. Briefly, however, it may be said that supervisory education, objectivity, adequate statistical analysis, constant search for improved methods, and use of the results as a guide to judgment rather than as an exact measurement, must all be taken into account in carrying out such a program.

Step 9: Administration

In organizing for administration of the plan, the principle of decentralized salary administration with centralized control should be applied. A salary committee or committees (depending upon the size of the organization) should be set up so that the members of the committees are drawn from the organization level closest to, but above, the highest job to be evaluated.

Keeping the job descriptions up to date is primarily the responsibility of supervision, to the extent that the supervisors should notify the centralized control unit when changes have taken place in job content. Unfortunately, however, such notification cannot always be depended upon, and periodic checks or reviews by the central control unit should be provided for.

Conclusion

In the preceding pages the basic requirements of a sound salary administration program have been very briefly sketched. If your present program

meets all these requirements, there is no need for further detailed effort. If it does not, someone should, by the initiation of a program of job analysis and evaluation, place your management in the position of knowing rather than guessing about a subject so vital to effective operation. We have not, however, emphasized the real motivating and continuing principle behind all others. There must be sincerity of purpose and consistency of action. Mediocre techniques and procedures, employed and administered honestly, sincerely and consistently, can succeed in accomplishing objectives, whereas the most scientific plan, carelessly applied or used as an excuse for attaining questionable ends, will fail.

Factors in the Successful Operation of Job Evaluation Programs[1]

Helen Baker and John M. True

One outstanding fact is clear in a study of the experience of 73 companies with job evaluation: that the most technically perfect plan cannot survive long unless as much attention is given to its maintenance as to its inauguration. The success of any plan seems to depend not only on sound administrative arrangements and competent personnel, but also on a recognition of the limitations of the plan as a management technique and the impact upon it of changing internal and external conditions. The conclusions of the findings of a study of administrative problems must, consequently, emphasize those aspects of administration which limit or increase the effectiveness of job evaluation in any given situation. To the extent to which the findings revealed some relationship between methods of inauguration and later administration, the procedures of installation must also be reviewed.

The Important Elements

Specifically the following conditions appear to be important elements in the satisfactory operation of job evaluation:

[1] Reprinted from *The Operation of Job Evaluation Plans: A Survey of Experience*, Chap. 8, "Conclusions," pp. 84–92, Industrial Relations Section, Princeton University, Princeton, N.J., 1947, with permission of the publishers. Miss Baker is associate director of the Industrial Relations Section at Princeton University and Mr. True was a research assistant in the section when this study was made.

1. A Carefully Established Plan. While no special study was made of the value of one type of plan as compared with another, certain diverse attitudes were apparent. The trend toward more complex plans in the late 30's seems to have been lessened or even reversed in recent years due to the impact of unionization. Whether this is a temporary tendency toward simpler and more flexible techniques which may change as local union leaders become better acquainted with job evaluation methods remains to be seen. In any case, so far as the satisfactory operation of a job evaluation system is concerned, evidence is strong that the purpose of a plan and the way it is installed are more important than the type of plan chosen.

The majority of companies covered in the survey were aware of the need for "selling" employees and all levels of supervision on the usefulness of a job evaluation program. Management's aims in seeking the establishment of such a means of wage determination must, it was felt, be clear and above suspicion. In order to help supervisors and employees to understand and accept the plan, both groups should participate in its development. Experience has shown that speed in installation is likely to prove a hindrance to effective operation. Even though employees and supervisors may have criticized the lack of systematic wage setting, the imposition of a logical plan requires rate changes and adjustments in procedures that will be readily accepted only if there is general recognition of the superiority of the new system. Most companies have found that gaining support for the new plan is an educational process that, with the most careful planning, takes time.

2. Full Approval of Top Management. The fact that the inauguration of a job evaluation plan is likely to affect the total wage budget is sufficient insurance that such a plan will not be started without the approval of the chief executive. There is, however, considerable risk of by-passing superintendents and department heads whose interest or lack of interest in the plan may be an important factor in its continued application.

Subjecting supervisors and executives to enthusiastic predictions concerning the results of a plan may, unless supplemented by participation in its development, result in "over-selling" and later disillusionment. Participation through membership in wage and salary committees is the best means of making all levels of management aware of both the strengths and limitations of job evaluation and of the continuing necessity of maintaining a balance between job content and external factors in a satisfactory wage structure. No method was suggested for maintaining even a well established plan when a new chief executive fails to take into account the recommendations of wage and salary committees or in other ways

shows lack of confidence in job evaluation as a basic part of the company's wage policy.

3. Union Acceptance. The attitude of the union or unions with which a company is bargaining has become one of the most important considerations in wage and salary administration. The time of the establishment of the plan in relation to time of unionization is, judging from the experience of many companies, a considerable factor in the union's acceptance or rejection of a plan. Systems installed on a unilateral basis just prior to unionization or with the participation of a union whose status was being threatened by another union or by the National Labor Relations Board have been particularly vulnerable.

Job evaluation in a unionized plant normally works to the greater satisfaction of both parties if the basic relationship of the evaluation plan to wage setting is made clear in the labor agreement. It is helpful to "spell out" the union's participation in the setting of rates for new jobs, or procedures in the case of challenge by the union of a unilaterally set rate. An advance understanding as to the conditions and time of rate review by the union or the management minimizes disputes on rate changes during the life of an agreement. The inclusion in the agreement of specific understandings concerning the operation of job evaluation system is an attainable goal if the union is not fundamentally opposed to any systematic alignment of rates. If it is, management faces the alternatives of dropping formal job evaluation or of attempting to apply it without union acceptance.

Established plans have often been continued with varying modifications after unionization and without the formal approval of the union. Likewise a number of companies reported instances of newly developed plans which the union had refused to accept as the principal basis of rate determination and which, nevertheless, had been used informally by management as a guide in setting rates for new jobs. Both such arrangements have been practical devices for giving a company some of the benefits of job evaluation. They are, however, likely to be uncertain and troublesome. Moreover, they are at best only a means of postponing the inevitable day when management and union must come to some workably satisfactory agreement as to the place of job evaluation in wage setting.

4. Adequate Administrative Controls. In addition to the favorable background conditions of a well established plan, continued top management approval, and union acceptance, the long-run effectiveness of a job evaluation plan requires certain definite arrangements for administration. These include both overall coordination of the program and allocation of responsibility for specific research and control functions. Of the functions discussed below, centralized coordination of the program, the systematic

evaluation of new and changed jobs, and control of individual rate changes in accord with the plan are the essential pillars to maintain any evaluation plan as a basis for wage setting. While there is less general agreement as to the indispensability of wage surveys and merit rating, the former is important in the adjustment of a plan to external economic conditions and the latter to the satisfactory integration of rate setting with opportunities for individual advancement within a company.

a. Centralized coordination of the program. The general coordination of a job evaluation program must be at least as broad as the area of the specific plan. The fact that the difficulties of administration increase with the area of the plan doubtless accounts in part for the hesitancy of multi-plant companies to establish company-wide programs. However, companies with a number of unrelated wage plans or different wage and salary plans pointed out difficulties resulting from the lack of coordination, and recommended the use of an inter-plant committee or clearance through a headquarters staff. The need for a unified approach to wage and salary problems was emphasized especially by companies whose salaried employees were beginning to organize.

The control aspects of coordination are, in general, more specifically outlined than the almost equally important functions of planning and maintenance of an understanding interest in the plan by everyone concerned with it. Two outstanding weaknesses of administration are the frequent lack of any arrangements for "looking ahead" on the basis of the current facts relevant to internal and external wages and salaries, and the even more frequent lack of specific assignment of responsibility for keeping the organization "sold" on the plan. The widespread weakness in these two respects seems to stem from the feeling that a job evaluation plan is self-perpetuating or from the assumption that a bookkeeping type of control is all that is necessary in the way of maintenance. Neither of these assumptions can survive long in the mind of an executive subjected to the problems involved in the continuing operation of a plan; but they do apparently account for the failure to include effective administrative arrangements in the initial consideration of many evaluation programs.

The experience of a number of the companies studied showed clearly the value of the close integration of planning and personnel relations with the more specific control functions of job evaluation. Problems have often mounted to the point of threatening any real usefulness of a plan when management has failed to foresee the impact of economic or personnel developments upon it or to act with full consideration of these developments when their impact was felt. The overall supervision of wage or salary administration which takes these various important functions into account is evidently a full-time job except in very small companies.

b. Evaluation of new and changed jobs. The importance of the educational and personnel aspects of wage administration is evident when resistance arises among employees and foremen to the re-evaluation of changing jobs. Newly created jobs fall more readily into the pattern of evaluation established with the inauguration of a plan. Re-evaluations often come into conflict with employee fear of lowered rates and a supervisory inclination to let matters drift rather than raise difficult problems. The proper setting of a rate for a new job can be amply assured through requiring the authorization of all new rates by the chief wage administrator. But even with an established system of rate review by the staff of the wage and salary division, the review depends for its effectiveness upon the cooperation of supervisors in reporting job changes. Moreover, such re-evaluation can create widespread resentment and dissatisfaction unless employees are convinced of the equitableness of the evaluation plan.

The maintenance of job rates in reasonable relationship to job content must be, it is clear, the joint responsibility of the wage administrator, the line executives, and the supervisor, with at least partial acceptance by the collective bargaining agency.

c. Control of individual rate changes. Sound administration of changes in the rates of individual employees involves not only the policing of rate changes to see that individual rates are kept in line with the job rate, but also the responsibility of management to provide opportunities for increased earnings in accord with individual ability. The latter function is less clearly implied in a flat-rate system than in case of rate ranges. Yet almost any seniority plan shows the employees' interest in the relationship between job rates and promotional opportunities, and, with flat rates or rate ranges, management faces the necessity either of accepting seniority as the sole criterion for advancement or of developing some supplementary system of personnel rating.

Apparently only a minority of companies (one-third of those surveyed) have attempted to integrate personnel rating with job evaluation, and considerably fewer have tied both plans closely together in explicit statements concerning promotional opportunities. Reports of the pressure of long-service employees and unions to raise the maximum rate for a job without a change in job content suggest how serious this problem is in terms of employee dissatisfaction. The questions raised concerning the value of merit rating show that a solution is not easy.

A few companies have developed what they believe to be satisfactory plans integrating job evaluation, merit rating, and promotion. Others have met the problem in part by gaining union acceptance of rate increases based for the first steps on length of service and subsequently on merit. These latter plans do not, however, help much with the problem

of the dissatisfied employee who has reached the top rate for the job. It would seem that if job evaluation is to attain its full usefulness in personnel administration and not remain merely a device for wage control it must become a more positive factor in the charting of the lines of employee advancement.

d. Wage surveys. The place of wage surveys in a job evaluation program deserves continuing study. A consideration of the kind of external rates to be secured—i.e., local or industry—and the extent to which they should influence internal rates necessarily precedes any decision as to methods of collecting the data or applying them to an established rate structure. The fact that 21 out of 60 companies expect rate relationships established by job content to be more controlling than market rates suggest that the importance of "going rates" varies greatly from company to company. This varying attitude toward the impact of external rates on a given rate schedule is further reflected in the different methods of collecting industry or community rates. While there are undoubtedly good reasons why a knowledge of outside rates is more important to one wage structure than to another, there are indications also that many companies have given little thought to the weaknesses of rates based in part on inaccurate market data.

Those companies that have consciously based their rates both on external rates and desired intra-plant rate relationships have made the greatest effort to make sure that comparative wage data are accurate. This effort usually requires the services of an individual or a staff trained in job analysis and wage survey techniques. Since a special staff of this sort may be an unreasonably heavy expense for a small concern, the cooperative wage survey groups functioning in several cities seem to be an eminently practical step toward a more widespread use of accurate market data in the determination of wage rates.

The actual value of market data to any one company may depend as much on arrangements for getting the information to the right people at the right time as on the company's competitive position in the labor market. The most satisfactory use of market data has been made by full-time wage and salary administrators who know the problems involved in collecting the data and use the data themselves in wage decisions or in making recommendations to an executive committee.

5. Recognition of the Importance of Other Factors than Job Content in Wage Determination. One outstanding characteristic of long-lived job evaluation plans is flexibility. This involves both an alertness to changing intra-company conditions which may affect the wage structure and recognition of factors other than job content in wage determination. The most common of these factors are: conditions of the labor market, historical

background of a given rate or rate structure, sex differentials, geographic differentials, and the status of collective bargaining. While most of these factors must have been taken into account in the initial establishment of an evaluation program, more often than not administrative arrangements have failed to insure their continued consideration in the maintenance of a plan.

Wise managements do not ignore "illogical" reactions of their employees in the company's effort to maintain a "logical" rate structure. Irrational considerations cannot be overlooked even when a company is in a position to determine rates on a unilateral basis. When job evaluation can be used effectively only with the approval of a union, such approval is apparently gained more readily if these illogical factors are acknowledged and are taken into account along with job content in determining the relative worth of jobs.

Fundamental Difficulties of Administration

The primary aim of job evaluation is to bring consistency and logic into the determination of rate relationships. But from the first steps toward a job evaluation program, the practical executive recognizes that judgment is involved in every definition and every weighting of factors for the measurement of the relative worth of a job. The conflict between desirable flexibility in adjustment to conditions other than specified factors and an equally desirable consistency of relationships according to job content is inherent in every type of plan. The conflict is also present in the operation of every plan.

The tendency of systems to become mechanistic and of central controls to be applied too rigidly is recognized by many wage and salary administrators. They stress the fact that the administrator must take into account the human and economic realities of a given situation and that he must depend to some extent on the opinion of line executives and supervisors who know conditions at first hand. At the same time the supervisors' "common-sense" recommendations must be subjected to the methods of systematic, impersonal, and factual appraisal of a job if a plan is not gradually to deteriorate into a hit-or-miss method.

Plans which have operated successfully for some years have developed a workable compromise between the consistent application of a logical system and adaptation to situations in which non-systematic factors were controlling. This successful compromise would seem to depend on an acceptance by all concerned with the plan of the essential contribution of job evaluation to rate determination and, at the same time, a recognition of the need for the use of judgment in any wage or salary question.

Difficulties of administration lie not only in the failure to recognize the conflict between the principles of job evaluation and the practical necessities of rate setting, but also in a lack of common agreement as to the value and methods of systematic determination of rate relationships. The lack of agreement exists most strikingly between unions and managements. However, management representatives are not all convinced of the worthwhileness of job evaluation as a tool in rate setting. Trade union officers are not all irreconcilably opposed but, in general, they distrust any system which attempts in advance to limit the factors which may be considered in rate setting.

The Continued Usefulness of Job Evaluation

In the opinion of many trade union officers, the lack of agreement even among management representatives as to the "best" method of job evaluation indicates that, in twenty years of experimentation, it has failed to prove itself. Most management representatives feel, on the contrary, that job evaluation has given a degree of order and a factual basis to wage setting processes, and that any system they have tried is better than no plan. Whether major or minor improvements were suggested, the majority of companies included in this survey believed that their programs were worthwhile. Specifically, they were of the opinion that their plans had been helpful in collective bargaining, had minimized wage grievances, and were the best method yet devised for developing and maintaining reasonable rate relationships. Their comments indicate that job evaluation has a firm "toehold" in American industry. They suggest, also, that much study is needed in determining the best type of plan for a given situation, in solving administrative problems, and in reconciling fundamentally different attitudes.

While differences of point of view in rate setting are inevitable in any bargaining situation, the differences can be magnified or lessened by the way job evaluation is applied. Both management and union representatives have suggested the advisability of looking upon evaluation as a practical guide and tool rather than as a rigid system. Approaching job evaluation in this way may bring about wider understanding of its worth and its requirements among executives, supervisors, employees, and shop stewards. A tool, it is generally recognized, should be designed with regard for the men and women using it. In some situations a simpler tool is of more value than a complex one, and the more complex the tool, the greater the training required for its use. Changing conditions may call for radical changes in design. In any case, a good tool needs continuing care to keep it useful and effective.

Effect of Environment and Administration on Job Evaluation[1]

Clark Kerr and Lloyd H. Fisher

Some Precepts and Caveats

The observations that follow have been framed as generalizations. Technically, no more can be claimed for them than that they held true at Boeing or in the Southern California aircraft industry or in both places, and that the relative success during the war of the job description and evaluation plan at Boeing and its relative failure in Southern California may be largely explained by reference to them. (At Boeing, the plan was put completely into operation by the end of the war; it was administered with integrity; and it was the source of little controversy and few grievances, except for the postwar disturbances when plant-wide seniority and the job structure proved incompatible. In Southern California, the plan never was fully effectuated; it was administered very loosely; and many grievances arose under it, and many conflicts occurred over it.)

These precepts and caveats are offered for general testing because the environment in which the SCAI plan operated was for the most part not unique, and aspects of it will be widely duplicated at different times and different places, as will the administrative problems. Although there are evident dangers in generalizing widely from two experiences, confined to the Pacific Coast, many of the problems encountered in the career of the SCAI plan are the common problems of job description and evaluation under collective bargaining.

1. The higher the wage level of the plant, both relative to the community and in absolute terms, the more successful will the plan be. If this appears to be an observation which is true of all systems of compensation and is by no means specific to job evaluation, then let it be taken as a general observation that job evaluation runs special risks from low wage levels because of the relative inflexibility of its response to market forces,

[1] Reprinted from *Harvard Business Review*, Vol. 28, No. 3 (May, 1950), pp. 91–96, with permission of the publishers. Professor Kerr is director of the Institute of Industrial Relations at the University of California (Berkeley), and Professor Fisher is on the staff of the Institute.

changes in the cost of living, prevailing wages, and the other equitable considerations of wage compensation. Furthermore, a plan is likely to work more readily in a stable wage market than in a rapidly rising one; and in a loose labor market than a tight one.

2. A job evaluation plan must be devised and administered with one eye always on the market. Here is a major dilemma faced by job evaluation. If the evaluated rate falls substantially below the prevailing rate for any job with a clear counterpart in the community, the rate will fail to command the necessary supply of labor in a tight market. The entire history and progress of unionism are intimately bound up with the standardization of rates of pay over wider and wider areas and for more and more occupations. As unionism progresses, the number of jobs which may have their rates set by evaluation formulas become fewer and fewer.

3. Pressures for uniformity of rates emanate from employers as well as unions. The employer lives in a business community. If a job evaluation plan yields rates which are significantly higher than those paid by other employers for the same kind of labor, many informal pressures will be brought to bear to bring the rates "into line," and this will mean "into line" with other enterprises and not with other jobs in the same enterprise.

4. The better established the relations of the parties and the more peaceful their dealings, the easier it is to introduce and administer a job description and evaluation plan.

5. In the administration of a job description and evaluation plan, the system of compensation cannot be separated from other provisions of the contract. The seniority provisions of the contract, the grievance procedure, and the plan of job evaluation need to be parts of a single apparatus, mutually consistent with one another as well as adequate in themselves.

6. A job description and evaluation plan is more likely to survive when confined to a single company than as an industry-wide undertaking. For industry-wide job description and evaluation to succeed, the degree of job standardization within the industry needs to be so great and the cohesiveness of the several firms so strong that the industry acts virtually as a single firm not only in its wage policies but in its job engineering as well. A company isolated from the rest of the industry is likely to have more freedom to work out its problems after its own fashion than is one surrounded by others who are simultaneously competitors in both labor and product markets.

7. If an industry-wide plan is undertaken, it is likely to be more successful with uniform job evaluation than with uniform job description.

8. A single industry union will prove more compatible with job description and evaluation than will several craft unions.

Any single craft union is likely to encompass too small a proportion of

the plant workers, and its responsibilities are therefore too limited to offer much hope of genuine endorsement of the objectives of job description and evaluation. For a craft union to accept job description and evaluation wholeheartedly would amount to a concession that the rates of its members might be established, in part, by noncraft workers or workers in other crafts who were not members of the union and might belong to no union at all.

Rival unionism, whether between craft and industrial unions or between unions of a single type, is likely to prove fatal to the orderly administration and even the survival of an evaluation plan.

9. If the employees of a plant are organized, it is highly desirable that any job description and evaluation plan adopted be agreed to and, if possible, jointly developed by the company and the union. In any establishment in which a strong union exists, one key to success or failure of a job description and evaluation plan lies with the attitude the union takes toward it. A desire on the part of the union to make it work will prove a good deal more important than the technical perfection of the plan.

10. The terms of a job description and evaluation plan will be better executed under conditions of universal, or nearly universal, union membership than will be true if substantial groups of employees do not belong to the union. The opportunities for manipulation of the plan by the union for the advantage of union members and by employers for the advantage of nonunion members will be many. Under these circumstances the plan may become primarily an instrument in the struggle over unionization, with consequent damage to the plan.

11. Less distortion of the plan is likely to occur when the union official charged with responsibility for its administration is free from the political pressures inevitable in an elective office. There may be valid objection to an appointed union official, only indirectly responsible to the membership, but there can be no question that he will be better able to resist pressures which make for distortion of the plan. Unions with stable leadership will better be able to cooperate in the administration of a plan than unions whose leadership is insecure.

12. On the management side, the plan is better administered by the industrial relations staff than by the wage or industrial engineers who may have designed it. The essence of successful administration is flexibility. This is better understood by those who practice the art of industrial relations than by those engaged in the science of industrial management.

13. It is of major importance that the number of job titles and classifications be held to a minimum. The results of excessive elaboration of

the job structure are many and unfortunate. They deprive management of flexibility of assignment, restrict the workers' training and competence to the narrowest of fields, make seniority systems burdensome and impractical, and turn each job into a narrow caste to which the worker clings because outside of it he is untrained and insecure. It is particularly important that this error be avoided at the outset; for, if it is not, efforts to correct the error are likely to meet strong resistance from the workers themselves, who will have come to prefer monotony and security to the anxieties of the learning process.

14. Anticipated re-engineering of jobs and work simplification should be undertaken, so far as possible, before a job description and evaluation plan is installed. A constantly changing job structure is an upsetting factor for a job description and evaluation system.

When work which formerly required a relatively high level of skill is re-engineered and is subsequently performed at a lower level of skill and, as frequently happens, a higher rate of output, a particularly searching light is thrown upon job evaluation as a method of wage determination.

Most job evaluation plans reward skill highly. Yet the relationship of level of skill to level of productivity is seldom very close. For the most part, the great increase in productivity in recent times has been associated with a transfer of skill from the worker to the machine. Work simplification, although reducing the qualifications of the worker and commonly reducing his compensation, nevertheless is likely to increase the efficiency of the process and presumably the company's profits. A wage cut under these circumstances, although consistent with the principles of job evaluation, is quite likely to appear to the worker as unjust.

15. Unless the defects of the plan make it virtually inoperable, modifications should be resisted until the plan has become established. It will be of prime importance to the future success of the plan that it become the customary mode of compensation. Once the plan becomes customary, desirable modifications can more easily be made than if it undergoes constant changes from the outset and never becomes authoritative enough to gain acceptance.

16. A plan which provides for single rates and for specific ratios of A, B, and C workers in job families is easier to administer than one which calls for rate ranges and sets no fixed ratios.

17. The purpose of job description is not so much to produce a perfect account in words of the duties of a particular job. The object of a job description is to differentiate the job from other jobs and to set its outer limits. A good deal of time and misunderstanding would be saved if job descriptions dwelt more on what was unique about the job and less on its central core.

18. It is sound practice for a limit to be set upon the total sum available for re-evaluations or other alterations in the plan. If this sum is set, both management and union know the outer limits of the adjustment and will make their specific positions correspond to it. In the absence of any limit on the magnitude of the total adjustment, the union is under no obligation to make any choices at all. Such a limit was set informally at Boeing, while there was none for Southern California companies.

19. In the administration of a job description and evaluation program it is difficult to avoid invidious comparisons between classifications of work and therefore between classifications of workers. Involved in these comparisons is not only the matter of compensation but also the important matter of status. A job description and evaluation structure is commonly graduated in detail. Often there are not only the variety of labor grades, but A, B, and C degrees for each classification. Job description and evaluation plans not only are compensation systems; they are social systems with each employee neatly ticketed as to his relative standing. The result is that status becomes exceptionally important. The sensitivity of the worker under a description and evaluation program is greatly aggravated by certain apparent contradictions. For purposes of morale and the general level of output, he is an essential cog in a great machine. For purposes of compensation, he is the lowest degree assembler in the next to bottom labor grade. Management operates under the mutually contradictory compulsion to inflate the importance of a job for the sake of the worker's productivity; and to deprecate its importance for purposes of his compensation.

20. Over a period of time it will prove difficult to retain the heavy weighting which is given to skill factors in the SCAI and many other job evaluation plans. There are influences operating which will require that greater weight go to the disutility factors such as hazards, physical effort, and job conditions.

It seems probable that skill has much greater weight at the commencement of job evaluation plans than can reasonably be expected of their later phases. During periods of expansion, the most urgent employer demand is for skill. Many of the present job evaluation plans had their birth in such a period with the consequence that skill factors commonly account for half or more of the total rating points in a plan. But when the plant is constructed, the machinery built, the process installed and rationalized, the demand for skilled workers met, and relative scarcity manifests itself in the semiskilled and unskilled classifications, tendencies toward the devaluation of skill will appear.

In the long run, the tendency may be even more pronounced. As the general educational level of the industrial worker rises and as the oppor-

tunities for skilled work decline relative to the semiskilled classifications (a clearly defined trend over several decades now), more weight will have to be given to the elements of disutility in a job rather than to those of skill.

21. The operation of a plan high-lights the impelling influence of power in the labor market. The jobs which tend to rate high as compared with the market are those of janitor, nurse, and typist; while craft jobs rate comparatively low. Weaker groups are better served by an evaluation plan than by the market; the former places the emphasis not on force but on equity. Ideally, for a system of factors to reflect accurately the market, it should give heavy weight to those considerations to which the market most responds: skill, job conditions, and bargaining power.

22. Custom is a powerful force. The absence of historical practice in the case of SCAI greatly increased the original conflict over the location of jobs on the scale of compensation. In closing out the work of the WCAC (Region XII), the chairman noted the prospect of "increasing acceptance" of the job and wage structure by the employees "as they become more accustomed to it." By 1948 they had become sufficiently accustomed so that efforts to change the plan were met with a strike. Careful development of the original plan becomes particularly important since it may become solidified in a comparatively short time.

Concluding Observations

There is very nearly universal agreement with the moral propositions of wage compensation. If employers, unions, and from time to time arbitrators and the government had no need to apply these propositions, there would be no difficulty in securing ready assent by all parties to a clause which would provide that wages paid shall be "fair" and "equitable"; that an employee shall not receive less than his worth.

But the criteria of equity are many. The orthodox would hold that the market is the only measure of equity. The worker tests his wage against the cost of living and his aspirations for a higher standard of living. The union leader is strongly influenced in his judgments by the scales of competing unions and the temper of the rank and file. The employer is concerned with his labor costs of production and with rates paid in the community in which he produces and by competitors in the market in which he sells.

In a well-ordered world these several tests of equity might yield similar results. But in industrial society as it is they yield very different results. It is the essential task, if not always the achievement, of collective bargaining to compromise and moderate these differences.

The selection of a single measure of equity, no matter how persuasive its logic, cannot satisfy all the needs and interests which require satisfaction. Job evaluation faces its gravest threat from the monolithic character of the value system it assumes. For at base all job evaluation systems attempts to measure the relative worth of a job by ascribing given exponents of value to such characteristics of the job as skill, hazard, job conditions, and the like. The more fixed, definite, and self-executing the formula, the less will it allow for the other and perhaps more important pressures to which job rates respond.

Most job evaluation plans purport to set internal wage relationships only and not the wage level itself. Most plans explicitly provide that the level of rates shall be set by fixing certain points on a wage curve with reference to which other jobs will be evaluated. These nonevaluated rates, or fixed points, commonly represent jobs which have a well-established rate in the community, ordinarily craft jobs often supplemented by a negotiated common labor rate.

Yet it must be obvious that, in communities where the level of union organization is high, the number of well-established rates will be large. In poorly organized communities, where only the crafts are well organized, the plan may need to reflect only established contract rates for craft unions. In communities such as those on the Pacific Coast, the community rate for warehousemen, truck drivers, and machine operators will be just as well established as the rates for electricians and machinists.

If a job evaluation plan operating in an organized community were to accommodate itself to every firm and well-established community rate, there would be little left of the plan. However, to fail to meet the competitive rate for any well-established classification of work is to invite dissatisfaction, turnover, loss of manpower—and rival unions developing within the plant for the express purpose of raising evaluated rates to community rates.

It will not do, therefore, to parry these problems with the observations that job evaluation is only a means of distributing the total wage bill of a plant with the amount of that bill determined by other considerations. The relative compensation of jobs will be directly affected by these "other considerations" and with it the internal logic of the plan. The more forceful are "other considerations," by and large, the less forceful is the plan.

Firmness and Flexibility. Clearly, then, an element of contradiction does exist. Job evaluation as a system of rate setting tends to meet only one of many criteria of equity; and the more decisive the considerations of job evaluation become, the less likely is it that other criteria of equity will be met. Perhaps there is no logical resolution. However, if the logical contradiction cannot be resolved, it can at least be attenuated. Those who

construct job description and evaluation plans should seek no greater precision than the plan can afford and still survive in the environment in which it must operate.

Unfortunately the tendency is to move in the opposite direction, to plug the loopholes, to ferret out each imprecision and make it precise, to define jobs more and more exactly. The administration of a job description and evaluation plan develops a strong tendency to substitute means for ends, to forget that the objective is simply the acceptable determination of wages for a group of employees and to lavish more and more care upon the production of a systematic end result which will be logical, polished, and final.

But if the job description and evaluation plan needs to be flexible, it also needs to be susceptible of authoritative interpretation. There will be many occasions on which conflicts can be resolved by authoritative reference to the plan. The very existence of a formula represents a predisposition toward settlement in terms of that formula and places the burden of proof upon those who would reach a conclusion at variance with it. A job description and evaluation plan accepted by union and management alike places limits upon the area of disagreement. There are many disagreements which it will not settle precisely, but it will always narrow the scope of controversy.

There are positive advantages to both union leadership and management. A job description and evaluation plan permits a shifting of responsibility from the negotiators in any grievance to the plan by which they are presumably automatic functioning of the formula. It would yield no more, and so the political perils of representation, particularly union representation, are alleviated. Internal conflicts within management and within the union can better be resolved by reference to the authority of the plan.

B. WAGE INCENTIVES

Union Interest in Engineering Techniques[1]

William Gomberg

Unions are showing an interest in industrial engineering techniques like time study and job evaluation, a legitimate interest since those techniques directly affect the collective bargaining process. Some unions have even established technical departments; for instance, the management engineering department (of which the writer is director) set up by the International Ladies' Garment Workers' Union. The need for organized technical knowledge on the part of unions has developed naturally out of experience in management-labor relations. The mounting concern of business with costs, the introduction of incentive systems and the government encouragement accorded such plans during the war, and the fact that unions themselves have come more and more to adopt an attitude of approval toward measures augmenting industrial efficiency—all these have made it increasingly necessary for unions to participate in matters which were once thought of as exclusively within the sphere of management.

This need is not confined to unions of the type represented by the ILGWU in a highly competitive industry that consists predominantly of a large number of small companies operating with limited capital resources and possessing relatively little expert knowledge of industrial engineering techniques. As a matter of fact, the unions in the more basic industries require knowledge of these techniques to an even greater extent. After all, a small manufacturer like the typical garment maker as a rule matches his lack of knowledge of engineering techniques with a frank recognition that the union has a justifiable interest in these matters. A large industrial corporation, on the other hand, generally has an elaborate standards department operating with a basic technology which by its very nature rests on assumptions that cannot be precise; so naturally the union

[1] Reprinted from the *Harvard Business Review*, Vol. 24 (Spring, 1946), pp. 356–365, with permission of the publishers. Mr. Gomberg is director of the Management Engineering Department of the International Ladies' Garment Workers' Union (AFL).

must be prepared to assist in reducing the inevitable margin of error and to hold up its own end in collective bargaining.

The major industrial engineering techniques which concern the unions (but which vary in degrees of importance to them) are: (1) the design and administration of incentive payment plans, (2) the development of production standards and the technique of time studies underlying those plans, (3) the process of job evaluation, and (4) merit rating, which determines the relative wage structure. Surely there is no necessity for argument to establish the fact that the application of these techniques gives rise to problems in which both management and labor are intimately involved. That, in essence, is the position taken in this article.

The "Exclusive" Approach

It should be made clear immediately that the author's position is in direct conflict with that held by many people, particularly in the ranks of management. Their approach to problems arising in the administration of the engineering techniques mentioned is simply to *exclude* those problems from the area of collective bargaining by asserting, whether summarily or otherwise, that all these techniques remain management prerogatives.

Moreover, the "exclusive" approach is the subject of constant promotion, its latest popularization being the book, *Management at the Bargaining Table,* by Lee H. Hill and Charles A. Hook, Jr.[2] The Hill-Hook doctrine merits some specific discussion at this point because it represents the most recent and explicit coordinated statement of a formula that permeates the philosophy of many managements. As a matter of actual fact, in the wage controversy between the United Automobile Workers and the General Motors Corporation, the demands served upon the union by the company in the statement of the company's cancellation of the existing contract were part and parcel of this identical philosophy.

The Hill-Hook doctrine operates toward parallel purposes: (1) to exclude these management engineering techniques from the field of collective bargaining and (2) to make the union's voice as innocuous as possible. Carried to its logical extreme, the doctrine could easily have the effect of satisfying the legal terminology of the Wagner Act but invalidating its substance.

Those who take this approach feel that unions should not be permitted the right to question the design of wage incentive payment plans, the amount of incentive increment, the setting of the production standard,

[2] McGraw-Hill Book Company, Inc., New York, 1945.

the basic wage rate, or the increases permitted within the job evaluation rate structure by merit rating. None of these highly important matters, so the doctrine runs, is the business of workers. Hill and Hook contend, for example, that even in those rare cases where some questioning of one or more of these techniques may be countenanced, the grievance must not be carried beyond the final management authority; arbitration as a procedure is excluded.[3]

Aside from being a source of much mischief in itself, this doctrine puzzles a great many labor leaders because it shows how readily management is prepared to reverse its arguments to gain its own ends. Not so long ago management's great complaint was that labor exhibited no interest in the business methods of a company when it made its "unreasonable" wage demands. But now any attempt by labor to interest itself in such problems is rebuffed as an invasion of management's functions.

The whole approach to labor relations which we here call "exclusive" stems from the failure to recognize that modern management must rely on its leadership qualities rather than on its line authority, and that holding the confidence of labor is much more vital to efficient operations than maintaining legalistic categories of prerogatives and doctrinaire areas of authority.

The "Equity" Approach

There is another approach which, because it rests on the assumption that both sides share an *equity* in the problems involved, consists of a joint search for an answer by the union and the management. The "equity" approach is no idealization. It is realistic. It has evolved out of experience. It is the method, for instance, which has developed between the garment manufacturers and the garment workers' union in the overwhelming majority of cases. It is the only effective approach.

Let us see why this approach is needed. A typical situation revealing the kind of problem that unions face as a result of the application of industrial engineering techniques, and also showing how the union's help may be needed by management in bringing to light factors overlooked by it and liable to obstruct the working of its plans, occurred recently in connection with negotiations between the United Automobile Workers and one of the large aviation parts corporations in the eastern region. The writer speaks here from his own experience, since he was called in as a consultant by the union.

During the war the company, previously in the business of jobbing aviation parts, had received a large number of government contracts for

[3] *Ibid.*, pp. 65, 67, 123.

manufacturing these parts. As a result, it had opened a factory and built up a production organization. With the end of the war it was considering the manufacture of parts for the peacetime market. Aviation parts of the type in question are of a highly competitive nature, and the buyers are airplane fabricators who evaluate the products purely on the basis of price and quality; thus, trademarks and advertising are of little advantage to a manufacturer of the parts. Accordingly, in this particular situation, cost of production was the critical factor motivating the company's decisions whether to manufacture certain items in its own plant or to purchase them for resale on a jobbing basis. The types of product under consideration varied widely, and the importance of the labor cost factor varied from product to product.

In an effort to secure orders that would guarantee the firm against financial loss, the management wished to negotiate a new contract with the union. Previously, the factory had been operating completely on a time-work basis. The management now wanted the privilege of putting certain orders on the basis of a wage incentive payment plan, solely at its own discretion, while keeping the rest of its business on a time-work basis.

Although the company did not say it in so many words, this step seemed to the union representative to be a device to pre-fix the direct labor cost for certain orders. The incentive plan would have specified the direct labor payment per item; at the same time, however, the workers could not definitely tell in advance their rate of production and thus their hourly earnings. In effect, then, the proposal would have constituted a transfer of the cost risk for certain orders from the management to the labor force.

The real point at issue, however, was not the incentive plan as such but rather the obvious fact that wage inequities would have arisen from the management's specific proposal. If two of a group of six drill press operators should be confined to time-work and the remaining four put on an incentive plan, the latter four either would have to work harder for the same pay or would be afforded an increased earning opportunity, depending upon how the production standard was set.

The labor representatives pointed out that while the union might be willing to entertain the idea of a change-over from time-work to a wage incentive payment formula, it could not countenance a situation in which one group of workers would be offered earning opportunities on a different level from those offered another group of workers performing identical tasks. To this explanation the company's general manager replied that "operations must be placed on an *economic* basis." (It is inter-

esting to note that this word "economic" was invoked again and again during the conference as though it were some mystic formulary.)

The union representatives at one stage of the discussion suggested that perhaps a group incentive payment plan might solve the problem. Here, again, the general manager insisted that such a procedure was not "economic," this time because it violated the doctrine of "every man for himself." Evidently, it never occurred to him that the economic concept he was stressing so hard rested upon an automatic assumption of laws governing human behavior, which might not be valid or at least might be much less valid than the demonstrated fact that chaos usually results from the mutual resentments stirred up by the wage inequities of such a plan as the one he proposed. Nor did he realize that such resentments might disorganize the factory even if there were no union through which to protest.

The situation would never have developed in the form in which it did if the management had heeded the suggestions that were made by the union on the basis of its own knowledge of industrial engineering techniques.

Clearly, if for no other reason than that the logic of cost and efficiency (beyond which many managers do not carry their thinking) is often at variance with the logic of sentiments governing the majority of human reactions (which many managers would call "illogic"), there is demonstrated need for the unions' interest in the administration of industrial engineering techniques.

Inaccuracy of Techniques

But that is not the whole story. There is also a fundamental *scientific* weakness in the assumptions on which the "exclusive" approach is based. This weakness stems from the inherent limitation of the techniques in question. The measurements made by management engineering techniques are as yet not refined enough to provide a reliable guide. Actually the percentage payroll increment (or decrement) which results from the process of collective bargaining negotiations across the table is often less than the percentage error in the engineering measurements themselves. This fact will be made clearer by the examples to be given below.

For the moment it is appropriate rather to point out that, if it were not for this lack of accuracy, some validity might be conceded to the Hill-Hook doctrine that the engineering techniques in question should be the concern solely of management. Furthermore, under such circumstances it might be a comparatively simple matter to negotiate a basic

wage rate and leave the distribution of the rate to the automatic objective devices of job evaluation, merit rating, time study, and incentive wage payment plans. But this is not the case.

It should be repeated that the "exclusive" approach is fallacious because of the inherent limitations of the techniques involved—entirely apart from the possibility of conscious attempts of management to jockey with the techniques, which of course also happens sometimes. Among the three cases that will be introduced to illustrate the problems arising from the application of wage incentive plans, only one indicates a management attempt to use engineering techniques for disguised rate cutting; the other two reflect the inadequacies of the techniques even when used with good intentions.

The theory on which the engineering techniques used in connection with wage incentive plans are based is quite simple. Relative basic wages are distributed according to an objective job evaluation plan which serves as a standard for measuring the relative difficulty of jobs. Superimposed upon this basic job evaluation rate is an increment, generally assumed to amount to about 25% of the basic rate, which the worker should be able to earn by exerting additional effort. In addition, a range for merit increases at so much per hour is established for each job in the job evaluation plan, and the extent of the increases within that range is determined by a presumably objective measuring standard. It is thus assumed that the distribution of payroll earnings will reflect the basic pattern of the engineer's fundamental job evaluation plan. Needless to say, all reputable companies assure their workers in the collective bargaining agreement that rates are not subject to change unless accompanied by an alteration in the method by which the operation is performed.

Even if the engineer's assumptions about the completely logical behavior of workers are true, how well does his ideal picture work out in action? It is a truism, for example, that the engineer seeks to set up a rational wage structure, with over-all symmetry and balance as his main objective rather than specific, individual accuracy. But even granting this, how well does he succeed? Let us examine three concrete situations that exemplify the gap between theory and practice in this field. The first two of these cases reflect the experience encountered in factories under the jurisdiction of the ILGWU.

Deep-seated Technical Weakness

The first case occurred in one of the larger undergarment plants in New Jersey, where rates were very carefully set by the members of a compe-

tently trained time study organization. The lockstitch sewing machine operators were classed in the job evaluation group at a 65-cent hourly base rate. The so-called special machine operators, whose work did not require so much skill as lockstitch work, were pegged at 60 cents an hour; while the floor girls, who performed much simpler hand operations, had a rate of 45 cents an hour. Production standards were then set to permit these workers to earn an incentive increment.

The extremeness of the results may well be called unexpected. Within six months after the rates were set, the lockstitch sewing machine operators were earning only 73 cents an hour, while the special sewing machine stitchers had risen to 90 cents an hour, and—most startling of all—the unskilled floor girls had gone up to $1.05.

Of course the superficial answer is to say that the standards were not set correctly in the first place. But the important question, which is seldom asked, is this: *why* weren't the standards set correctly? To pose that question is to open up the whole problem relating to the accuracy of time study techniques—a matter which we shall have occasion to examine a little later.

In judging whether or not rates are set adequately in any wage incentive payment plan, the fundamental approach of the union rests upon the established principle that a given group of workers must be afforded an earning opportunity commensurate with the average hourly earning capacity they have already demonstrated. This, with some modifications in language, has been the doctrine of the War Labor Board also. There is no need to quibble whether this principle, in this specific case, enabled either the ILGWU or the WLB to solve the problem completely. It did not. Imperfect as the principle is, however, it provides the only usable criterion.

But to go on with the story: The company attempted to circumvent its problem by merely redesigning the method used by the floor girls and the special sewing machine operators whose earnings were abnormally high, in order to bring their rates into line with the basic job evalution plan. The workers involved naturally viewed this step as a rate cut, which is exactly what it was for them, since the firm was devising a new method as an excuse to rerate time studies.

The union, for its part, fully understood the management's problem. It was clear that the company was not so much concerned with saving a few cents in direct labor cost as it was with adjusting the inequities developing in its basic rate structure. Certainly this was cause for alarm. Since the social hierarchy within a plant is linked to the relative wage payments received by each craft, these inequities were creating havoc.

When the "aristocratic" operators found themselves earning so much less than the "menial" floor girls, confusion and unbalance were inevitable.

The union managed to settle the matter, through what was admittedly a makeshift solution, by computing the direct labor savings afforded the company by the change in rates and by proposing that each worker be given a lump sum of one year's direct labor saving per worker. The firm agreed to this, though for a somewhat shorter period than the union had suggested.

The important thing to remember in this connection, however, is the fact that the workers soon grasped the secret that the fundamental purpose of the wage incentive payment plan was not to encourage labor's unrestrained productivity but to keep the engineer's plan in balance! For the record shows that the workers adjusted their future production to match the wage design that the company wanted, and six months later the firm's study department was proudly displaying evidence to the ILGWU representatives that the rates were in balance. The rates were indeed in balance, but that fact symbolized a meager triumph. The essential problem had been brought no nearer to a solution. The time study technique, which had failed to predict what actually happened under the rates set according to the first version of the incentive plan, still failed to demonstrate that it could determine the full production possibilities of these workers on future jobs. It cannot be emphasized too often that what we are confronting is a deep-seated technical weakness of the time study technique.

Difficulty of Determining Criteria

The second example likewise deals with an underwear factory in New Jersey. This plant had previously set rates by what it claimed was a careful time study technique based upon standard data. The production control standards, moreover, were highly unstandardized. Among other instances of this looseness was the fact that workers were sometimes compelled to work on as many as three or four styles per day.

As in the first case cited, the union's sole criterion of whether or not a rate was adequate under these circumstances had been the earning opportunities afforded an individual worker to make his or her average hourly earning rate already demonstrated. Because of the management's lack of production control, however, the union's effort in this plant had been reduced in most cases to a straight program of bargaining, thinly coated with a veneer of time study terminology.

Later, the firm on its own initiative was able to redesign its production control system. To some extent this forward step was due to the war, which permitted the management to cut down substantially the number

of styles in process. The result was that workers were kept on the same style continuously for as long as sixteen months. The first production lines set up under this new one-style system indicated that workers' earnings continued to increase over a period of four months; after that they leveled off.

The problem, then, was one of establishing proper rates under the new system. The solution proposed by the union is indicated in a letter written by the ILGWU management engineering department. The pertinent portions of this letter are as follows:

In reference to the first question that you raised: What protection does the company have that piece rates will be set so that wages will not spiral indefinitely? The company claims that this has been the result in the past. Rates presumably set to yield a fixed average hourly rate actually yield a much higher rate when workers are kept on the same operation and the same style for a substantial period of time. The rate set for a new style has been set on this newly demonstrated average hourly rate and, of course, a few months later this rate likewise results in a new increase in the average hourly rate thus continuing an indefinite spiral.

The clause proposed to cover this situation follows:

Among the variables which shall be considered in determining the piece rate for sewing operations shall be the expected length of continuous time that the particular style will be on the sewing floor and sewn by the same operators without interruption by other styles.

The second question that you raised was: What shall the average hourly rate be during the time that the worker is on time work learning the new operation so that she will be capable of producing at maximum speed when shifted from an old style to a new one? I would suggest a learning period of time work for at least six weeks. During this period, operators should be paid 90% rather than your offer of 85%, of his or her demonstrated average hourly earning capacity with the new system, provided that this is the same or exceeds the average hourly rate under the old system. If the hourly rate under the old system exceeds 90% of the hourly earning rate under the new system, then the former rate should be paid to the worker.

I believe such a system would enable workers to maintain their hourly earning level and at the same time be subject to an incentive to reach top production. Naturally, the direct labor cost during the "retooling period" while new styles are being introduced will be higher than during the regular period. This is a legitimate management expense which should not be transferred to the workers. On the other hand, the company receives what it is entitled to—the incentive to reach top production.

A study of this letter shows that the union proposed no detailed procedure circumscribing the technique. Rather the attempt was to determine loosely the criterion to be followed in administering the agreement.

Disguised Rate Cutting

A completely different approach had to be used when dealing with a manufacturer in the automotive industry, an axle plant in the Detroit area, in a case in which the writer acted as consultant for the United Automobile Workers. Here, again, the immediate grievance that brought the whole time study procedure into question was a disagreement that arose as the result of a faulty rate. The particular task at issue involved a lathe-cutting operation of specified dimensions on a piece of normalized steel.

The company considered the rate set on the job too high. Specifications were changed to call for the use of heat-treated steel, which was much harder than the normalized steel previously used, thus cutting down the machine speed and feed. The correct method of revising the rate would have been to isolate the cutting time element from the previous study and revise the allowed cutting time upward to suit the new speed and feed. The company obviously used this change in operating method as an excuse to make a new time study, which through rerating the operators resulted in a production rate higher for the hardened steel than for the normalized steel. It should be explained that in general relationships between this company and the union had never been cordial. Accordingly, the union demanded that detailed time study procedures be written into the agreement and that certain engineering standards be prescribed in the contract; the extracts quoted below also give the reasons for each provision insisted on by the union:

. . . submission of a description of the instrument used because experiments have indicated a wide source of error which may be traced to this source. . . . The length of the elemental readings taken likewise influences the accuracy of time study. The accuracy of elemental readings varies inversely as the elemental time lengthens.

. . . The number of readings taken is important to determine whether or not the statistical laws of sampling have been followed. Different authorities recommend different numbers of readings for different reasons, all of which, unfortunately, yield different results in the standard.

The particular statistic derived from the array of data is important because here again there is no widespread acceptance of any particular statistic. . . . Other authorities advocate use of the mode, still others favor the median and still others the arithmetic mean. In other words, the same array of data will yield different results, depending upon the use of the particular statistic derived from the data.

The basic data behind the assignment of contingency time allowances is necessary to determine whether or not the Standards Department has adhered to

sound statistical practice. Likewise, the allowances for fatigue and personal needs have created constant sources of friction between the engineers and the industrial psychologists for many years.

More important than any of the preceding sources of error is the source of error found in the method of leveling, the device which is used to reduce observed data to data of the so-called "average individual."

It is for these reasons that the Union is calling upon the National War Labor Board to direct that Union time study observers jointly level time studies with members of the company's standards department. . . . We feel that the pooling of both judgments before the rate has become a grievance matter will do much to nip rate disputes in the bud.

This states the union's point of view on the matter well enough to require no added comment.

Union Participation in Rate Setting

From the foregoing examples it should be obvious at once that the element of human judgment plays a basic part in the administration of management engineering techniques. The evidence shows, further, that the residual error of human judgment in the administration of these techniques is usually far greater than the percentage changes made in a wage scale as the result of collective bargaining negotiations. It can easily be seen, therefore, why no experienced union is prepared to leave these techniques to the unilateral judgment of management itself. Of course this entails a corresponding obligation on the part of the union to equip itself with trained personnel that can cope with management engineers on their own terms.

Little sympathy need be expressed toward a union policy that seeks to avoid participation in the rate-setting process. Yet many otherwise able union representatives have argued that it is much wiser to refrain from participating in the administration of these techniques. In that manner, they argue, the union avoids any stigma that arises from the necessity, frequent enough, of telling a worker that his particular complaint is unjustified; nonparticipation in these techniques leaves the union representative in the luxurious light of always appearing to fight for more. Sooner or later, however, the union representatives' arguments will have to be related to some logical basis—and by means of an approach that will parallel management's efforts in the industrial engineering field. It is just as well to tackle such matters at the level of participation from the outset and thus avoid a tremendous duplication of effort.

It should be noted at this point that the program of participation on the administrative level can only take place successfully in a union shop

where one of the conditions of employment is membership in the union. This is one of the very practical aspects of the closed shop controversy. It would be a little silly for a union to risk its very existence by offending members, no matter how recalcitrant, who can continue to threaten the organization by resigning and undermining the union unless all their demands are met or at least recognized. Inasmuch as management puts a premium upon irresponsible union leadership by refusing to concede union "security measures" concerning membership, it lays itself open to the consequences of placing the union in a position where it is unable to take constructive action.

The training of union time study stewards in management techniques is another essential. Such courses as are generally given to union personnel without any previous experience consist of instruction in a series of clerical techniques. Seldom is any effort made to examine the assumptions behind any of these techniques. The result is that the union time study stewards often become the management's hostages for the acceptance of many technically questionable practices. Case after case has occurred in which the membership has turned on the union's time study steward and demanded to know whom he was representing. The unions should be responsible for training their own personnel, and this training should be thorough enough to permit them to meet management on equivalent terms.

It will be noted that no attempt has been made here to treat the more complex psychological problems that arise from the introduction of incentive plans, such as Benjamin M. Selekman describes in his article on "Resistance to Shop Changes," in the *Harvard Business Review* of Autumn, 1945. There is no doubt that workers react subjectively to changes imposed by management, often finding such changes a threat to their security; and that such reactions must be understood and accepted as a phase of reality. Yet one is forced to insist that a substantial number of the purely logical considerations, such as the basic time study technique itself, will have to be worked out before we begin to be genuinely ready to use the more advanced techniques that Selekman is developing.

Nonfinancial Incentives

It may perhaps be suggested that the solution to some of these problems centering around wage plans may be found through the use of nonfinancial incentives. Much has been made lately of the comparatively excellent results that are secured from such incentives. Many writers have glowingly described relationships where the "worker's will to express himself" has resulted in prodigious increases in productivity. However, the

record indicates that such instances are few and far between. In fact, it is safe to say that the will of the worker to express himself has been somewhat overemphasized. Actually, there is ground for suspecting that the great majority of those people who require this so-called self-expression outlet eventually wind up as local union leaders or members of the management hierarchy. Most of the others succeed in expressing themselves adequately in other leisure time pursuits.

The universal application of these self-expression techniques will yield little, if any, result on any general scale. It is true, of course, that many workers have joined unions to overcome frustrations arising from being the victims of management's every whim and fancy. But once this right is established, the majority remain satisfied—so much so, it may be added, that there is often difficulty in securing adequate attendance at routine union meetings.

It is also true, of course, that although wage incentive payment plans and related techniques do not release all the worker's productive capacity, they do by and large liberate a greater share of it than comes from time-work systems. This is particularly true among male heads of families; and most of the indications to the contrary seem to come from studies of female working groups.

Yet, until the time comes when we are able to resolve the questions here indicated, the one thing that is chiefly required is a recognition by both management and labor of the limitations of industrial engineering techniques, together with their corresponding obligation for joint participation in the administration of these techniques—in other words, what has been called in this article the "equity" approach.

To those who declare that the "equity" approach means interference with the functioning of management and that as such it will impair the efficiency of operations, the answer is simply and inevitably that whatever restraint it imposes on management's taking a free hand is in the direction of achieving more harmonious labor relations; and that without it the impairment of efficiency on the part of workers will be far greater than any loss suffered at the level of management. After all, if conducted properly by both management and union, this is a process of cooperation, not of interference by either one with the other. Management has not lost its initiative; it is merely recognizing and profiting by the legitimate concern of the union with matters directly affecting union members, in much the same way that it welcomes the advice and criticism of intelligent customers.

Management is now on its mettle. It must lead rather than drive. It must persuade rather than invoke authority.

C. CHANGES IN WORK ASSIGNMENTS AND HOURS

Resistance to Change—Its Analysis and Prevention[1]

Alvin Zander

In order to derive the benefit from research in industrial relations, someone must plan a program of action to apply them. When one begins implementing, he must change the social system in some way. The creation of this change can cause the development of resistance in those influenced by the change.

First, we shall look at what resistance is; second, the conditions that appear to be associated with its development; and third, some means whereby resistance may be prevented or decreased.

Nature of Resistance

Let us look at some examples of resistance growing out of administrative changes.

A large number of foremen in a company were given training in how to treat their men like human beings. They liked the course and were eager to apply their learnings on the job. The company found, however, that relatively few of the foremen are really behaving any differently on the job. They know their stuff but do not use it.

In one of the paper-shuffling government agencies a new data form was developed which all admitted was briefer, more logical, and easier to use. Yet, this department found that the employees often omitted much of the data needed on this form, their speed of work decreased, and they objected to it on many insignificant grounds.

[1] Reprinted from *Advanced Management* (the monthly journal of the Society for Advancement of Management, 84 William St., New York), Vol. 15, No. 1 (January, 1950), pp. 9–11, with permission of the publishers. Dr. Zander is a member of the staff of the Research Center for Group Dynamics at the University of Michigan.

Our favorite example of resistance was furnished by a farmer in the TVA area. He assured us that he knew all about contour plowing, the rotation of crops, and the use of what he called "phosaphate" for improving the soil. He allowed as how these were good ideas, "But," he said, "I don't do it that way."

These examples have one common denominator which might serve here as a definition of resistance. They describe behavior which is intended to protect an individual from the effects of real or imagined change. This reaction might be to either real or imagined change since the resister might be reacting to things that were really not changed but he thinks were, or fears that they might be. If a person believes a change has been made, or fears potential change, it makes no difference whether or not it is true in fact. He will act as though there has been a change.

How can one recognize when resistance is working? Unfortunately, there is no list of typical behavior which can be described as symptoms of resistance, which, if present, indicate that one is dealing with this phenomenon. It is the protective function which the behavior is providing which determines whether or not a person is resisting, rather than the kind of thing he does. By the same token, all behavior which opposes change is not necessarily resistance. Some opposition to change may be perfectly logical and grounded on well supported reasons. The behavior must be attempting to protect the person against the consequences of the change in order for it to be resistance. This may be clearer if we look at the origin of the concept.

The Hostility Pattern

The term and the concept we are using here has been borrowed from psychotherapy. When a therapist is attempting to change the behavior of the patient, he expects resistance from him. The therapist takes the position that the pattern of behavior used by the patient (which makes him a "sick" person) is a means to some satisfaction for him even though it also may make him ineffective or unhappy. Resistance occurs in the patient when the process of change (therapy here) comes close to being successful. When faced with the unpleasant necessity of giving up the behavior he does not like, but somehow needs, he begins to balk. He becomes silent, blushes, changes the subject, tells fibs, comes late to appointments, becomes angry with the therapist, or any of a number of similar things. The therapist watches for the context in which these signs of resistance occur since these indicate the crucial problems in the way the patient sees and deals with his world.

For the administrator, resistance may occur under fairly similar con-

ditions. When he attempts to create a change the administrator may develop, unintentionally, many threats to the person or groups with whom he works. The behavior used by the resister may take many forms.

It may take the form of hostility either openly expressed or obliquely implied. The aggression may be directed against the change itself or against the administrator. What is done depends on how the person can safely resist without further endangering himself in that situation. Other symptoms of resistance may be sloppy effort after the change has been made, or fawning submissiveness which is a hybrid of applepolishing and apathy. It can occur by lowering the level of aspiration to an inefficient degree, discouragement, of the development of unhappy cliques and outspoken factions. It is important, however, to remind ourselves, that it is the function which such actions are performing for the person that makes them resistance rather than what they look like.

Where Resistance Starts

It will be helpful if we look at a few conditions conducive to resistance.

1. Resistance can be expected if the nature of the change is not made clear to the people who are going to be influenced by the change. In one of the largest government agencies, a change required one department which originally had the responsibility of processing papers involved in contacts with certain industries to share this task with another office. Announcement of the change was issued in a brief statement. The immediate reaction was violent objection, even though some of the workers privately admitted that it was a wise and necessary move. They were reacting to incomplete information. Many people fear incomplete information about changes which influence them. It is more comfortable to know exactly where one stands.

There is some evidence to support the hypothesis that those persons who dislike their jobs, will most dislike ambiguity in a proposed change. They want to know exactly what they must do in order to be sure to avoid the unpleasant aspects of their jobs. Some administrators may attach too much importance to the value of information itself. Apparently they reason that people "ought not" to resist the way they do because the administrator has told them everything he thinks is important for them to know about the impending change.

2. Different people will see different meanings in the proposed change. Some of the resistant reaction described above came about because some workers saw the change as an indication that they had been doing a poor job, others assumed it meant their office would soon be abolished, still others were troubled since they were losing some of the power they had

formerly controlled. We tend to see in our world the things that we expect to see. Complete information can just as readily be distorted as incomplete information, especially so if the workers have found discomfort and threats in their past work situation.

3. Resistance can be expected when those influenced are caught in a jam between strong forces pushing them to make the change and strong forces deterring them against making the change.

4. Resistance may be expected to the degree that the persons influenced by the change have pressure put upon them to make it, and will be decreased to the degree that these same persons are able to have some "say" in the nature or direction of the change. The switch meant that workers would be asked to change their jobs and in many cases, to develop working relationships with new people. An experiment was made in which three different styles of introducing this change were tried out. One group of workers were simply informed about the change and were allowed to ask questions. They developed the most resistance as measured by turnover, absenteeism, and slowness in learning the job. Resistance was *less* in those groups who sent representatives to a meeting in which the nature of the change was discussed and all persons present made plans to carry out the change.

Resistance was least in the groups in which those to be affected discussed the nature of the change, laid plans for making it, and as a total group made decisions which were satisfactory to the entire group. In this latter group everyone participated. They had an opportunity to develop their own motivation instead of making the change only on the basis of orders from the boss. The fact that they were able to develop their own understanding of the need for the change and their own decisions about how to do it, reduced resistance most effectively.

5. Resistance may be expected if the change is made on personal grounds rather than impersonal requirements or sanctions. A supervisor posted the following notice: "I have always felt that promptness is an important indicator of an employee's interest in his job. I will feel much better if you are at your desk at the proper time."

Employees responded to this notice by appointing a committee to get information which would justify their late arrival at the office. Many administrators can expect trouble in establishing a change if it is requested in terms of what "I think is necessary"; rather than making the request in the light of "our objectives," the rules, the present state of affairs, or some other impersonal requirement.

6. Resistance may be expected if the change ignores the already established institutions in the group. Every work situation develops certain customs in doing the work or in the relations among the workers. The

administrator who ignores institutionalized patterns of work and abruptly attempts to create a new state of affairs which demands that these customs be abolished without further consideration will surely run into resistance.

These are a few of the conditions in which resistance might be expected to occur. There probably are many others.

Decreasing Resistance

Some procedures on the part of the administrator might be useful in preventing or decreasing the resistance which arises in a changed situation. Let us look at a major principle in preventing resistance and some of its basic implications:

"Resistance will be prevented to the degree that the changer helps the changees to develop their own understanding of the need for the change, and an explicit awareness of how they feel about it, and what can be done about those feelings."

This principle implies that the administrator can use resistance as an important symptom. Specifically, he can use the nature of the resistance as an indicator of the cause of resistance. It will be most helpful to him as a symptom, if he diagnoses the causes for it when it occurs rather than inhibiting it at once. The same resistant behavior, for example, may indicate that one person feels that he has lost prestige by the change, to another it may mean that he has lost power over an area of influence which he formerly controlled, and to still another it may mean that he fears his friends will think less well of him. An administrator must know what the resistance means in order that he may effectively lessen it by working on the causes instead of the symptom.

There has been a good deal of experience in recent years in staff meetings and in work conferences like the National Training Laboratory for Group Development with the use of a group observer. This observer gives to the group, and the leaders, information about the group and the nature of any resistance. In these cases, the data about itself is made common group property for all members to discuss and to use in planning better work relations.

This communication must go in both directions. If two-way communication is not maintained, negative attitudes created during resistance will tend to persist.

Restoring Understanding

In a utility company a new office was formed with a new set of supervisors. The entire staff of supervisors called the workers together and scolded them for shortcomings in their performance. The tone used by

the supervisors was so aggressive that the employees found it difficult thereafter to discuss anything with them except those topics directly related to the effectiveness of production. The workers kept themselves at a distance from the supervisors and the supervisors made no move to close the gap. The result was that distance between these two groups made it impossible for them to come to any new understanding of each other. This mounting hostility was lessened only when the personnel department advised a number of "gripe-sessions" with small groups of workers in which the two levels developed a new understanding of each other.

Another implication in the above principle is that there is value in blowing off steam. The psychologists call this a "catharsis." There is good evidence that new attitudes can be accepted by a person only if he has a chance to thoroughly air his original attitude. Resistance to accepting the rigid, and often apparently meaningless, rules of military life, showed itself in flagrant violation of the rules, often in a most aggressive manner. Punishment only increased the resistance. Relief was provided by group sessions in which men were able to thoroughly gripe. After this relief of tension, they were able to turn to a reasonable discussion about what they could do to learn to live in terms of these requirements. It is as though new air can be put in the tire only after the old air is released.

A third implication of the earlier expressed principle is that resistance may be less likely to occur if the group participates in making the decisions about how the change should be implemented, what the change should be like, how people might perform in the changed situation, or any other problems that are within their area of freedom to decide. The experiment in which three ways of introducing a change were tried out showed that the workers, who had a chance to make a group decision about the ways in which the change should be made, developed much less resistance than did those who were simply called together to be told about the change and have all of their questions answered. What is important here is that the workers feel that they have a chance to discuss the major factors involved in the change, a chance to understand the nature of the fears they have in facing this change, and a chance to plan what they will do to calm their fears.

Self-diagnosis Gets Action

Still another implication is that resistance will be less likely to develop if facts which point to the need for change are gathered by the persons who must make the change. A number of high level supervisors in a utility industry came to feel that the workers had many negative attitudes about their jobs which were due to poor supervisory practices. Each super-

visor, quite naturally, felt that other supervisors were at fault. Top management set up a number of study groups in which the supervisors first learned how they could diagnose the causes of these negative attitudes. Each supervisor then returned to his own work place and gathered facts that would be necessary for him to analyze the causes of negative attitudes he could spot among his workers. Later the supervisors came together to report their findings. At this meeting their enthusiasm for change in their own practices was high because they had participated in gathering the facts which best described their problems. People will be more likely to act in terms of information they gather themselves than in terms of information gathered by others and delivered to them. If it is clear that a change is indicated in a given state of affairs, but the people who must abide by the change are resisting the shift, they can come to see it themselves by obtaining the facts which properly "case" the situation.

To summarize, we have said that resistance is a problem which any person who is responsible for social change must face. Even though it is strange and unexpected behavior, there are causes for the development of this phenomenon. These causes may be understood, and resistance may be prevented, if the administrators will help the changees develop their own understanding of the need for change and explicit awareness of how they feel about it, and what can be done about those feelings.

Hours of Work and Output[1]

U.S. Department of Labor

"What constitutes the optimum workweek?" is a question frequently asked by management. Presumably, what is meant by this question is: "What schedule of working hours will give me the best results?"

The answer supplied by this survey is that there is no such thing as an optimum workweek. Workers perform differently under the same hours because of a variety of factors: the incentive to produce; the physical demands which the job makes upon them; the degree to which they control the work pace; the conditions under which they work; whether they

[1] Reprinted from "Introduction and Summary," *Hours of Work and Output,* pp. 1–5, Bulletin No. 917, Bureau of Labor Statistics, U.S. Department of Labor, Washington, 1947, with permission of publishers. This report was prepared in the Industrial Hazards Division of the Bureau of Labor Statistics by Max D. Kossoris and Reinfried F. Kohler.

work on day, evening, or night shifts; whether or not, and how frequently, shifts are rotated; and—less tangibly—whether their relations with management are cordial or otherwise.

This study shows, furthermore, that the way in which a longer work schedule is achieved has a decided bearing on the results. Thus, a 55-hour schedule may be achieved by working 5 days at 10 hours and 1 day at 5, or 6 days at 9 hours, or 5 days at 11 hours, or 7 days at 8 hours. The results in terms of efficiency, absenteeism, and output may well be different for each of these schedules, even though the total hours worked per week are identical, or nearly so. Obviously, too, the labor cost per unit of output achieved may vary considerably under these various patterns.

Generally speaking, the study indicates that, everything else being equal, the 8-hour day and 40-hour week are best in terms of efficiency and absenteeism and that higher levels of hours are less satisfactory. The results of the same increases in hours may vary widely according to the physical exertion required and the degree of control which the worker has over the job. Where the controlling factor is the pace of the machine, and if the worker can retard or speed up production only during relatively minor intervals of time—such as taking 5 minutes to take off a completed part and place a part to be processed on the machine, while the machine operation may take a half hour or more—the controlling factor is the machine. If, on the other hand, the machine works as fast or faster than the operator, then efficiency definitely depends on the exertion of the worker. It is under these types of conditions, or the similar ones in which no machines are involved at all, that the fatiguing factor of long hours comes into play.

In the 78 case studies presented here, covering 2,445 men and 1,060 women workers in 34 plants in a considerable variety of industries, it was generally found that the longer schedules resulted in larger output. In only a few instances were lengthened hours so long that no increase in output resulted. At times, the increment of additional output hardly warranted the time expended and the cost involved. As a rule, however, the longer hours yielded higher output—but at a regressive rate. As hours went up, the proportionate return decreased, and unit labor cost increased. But, during the war, cost was no consideration, and output was essential at any cost. During a peacetime economy, however, the emphasis is on efficient, low-cost operation. Then the relative costs of production at various daily and weekly schedules of hours are very important.

The survey does not include any studies—except in a few clothing plants—on the effects of hours less than 40 per week. It is not possible, therefore, to make any suggestions as to the relative value of shorter work schedules. It should be quite obvious, however, that the shorter the work-

week, the less any worker can afford to absent himself. The longer the workweek, the greater is the pressure for some time out to attend to personal matters—shopping, seeing the dentist or physician, attending to family matters, or just a day off for additional rest—and the less is the urgency not to lose a day's pay. It is literally true that workers cannot afford to be ill when working shorter hours and that they frequently come to work in spite of great discomfort.

Much was said and written about absenteeism during the war. Some managements attributed the higher absenteeism during the longer hours to the fatigue engendered by the longer work schedules. In addition, they realized that the long hours imposed considerable hardships on workers, particularly women, who had duties outside the plant. Others thought workers were earning so much money that they didn't know what to do with it and consequently did not see the necessity of working a full schedule. At times, this explanation appeared to have considerable basis in fact. For instance, the labor in one large foundry had been recruited from the South and received much higher hourly pay than ever before. Absenteeism ran high—presumably because this type of labor had not yet raised its standard of living to a point high enough to require the pay for a full week's work. But, whatever the reason, one fact stands out clearly in the survey: the longer the hours, the more scheduled worktime lost through absenteeism.

As a rule, the absenteeism loss of women exceeded that of men. That was generally true at every level of hours. It is known that women lose more time than men through illness, and that the periodic menstrual cycle has a bearing on this problem. When home responsibilities and the care of a household or children are added, it is not difficult to find additional explanations for this difference.

Injuries also increased as hours increased, not only in absolute number, but also in the rate of incidence. In most of the observed instances, the number of injuries per million hours worked was very much higher at the longer hours. Sometimes an effective accident-prevention program managed to hold the rates down to about the same level. At other times the rates went up in spite of everything that was done.

Briefly, the findings for the various types of daily and weekly schedules of hours observed may be summarized as follows:

1. The 5-day workweek—with increases in daily hours

a. Men at moderately heavy, but essentially machine-paced work, were nearly as efficient during a 10-hour day as they had been during an 8-hour day. Absenteeism remained at about the same level.

b. Women at light and operator-paced work were 4 to 5 percent less efficient during a 9- or 9½-hour day than during an 8-hour day. There was, however, no marked change in absenteeism.

2. Adding a sixth day—with daily hours constant

a. Men at moderately heavy work performed about as well during the 6-day week as they had during the 5-day week in terms of efficiency and absenteeism. As a rule, daily hours were held at 8.

b. Women at light work were about as efficient during a 6-day week at 8 hours per day as they had been during a 5-day schedule. But absenteeism increased substantially.

c. For both men and women, output increased substantially in the same proportion as hours.

3. Eliminating the sixth day—without changing daily hours

a. Men at heavy or moderately heavy work were 5 to 10 percent more efficient during a 10-hour day, but with the sixth day eliminated. Their efficiency was 13 to 15 percent better during an 8-hour daily schedule. There was little difference in absenteeism.

b. Women at light work were about 7 or 8 percent more efficient during the 5-day week, with daily hours at 8 under both weekly schedules. Absenteeism tended to be less during the 5-day week.

c. The reason for the differences in efficiency and absenteeism when adding a sixth day and when eliminating the sixth day appears to lie in two factors: (1) When hours are not too long for the physical demands involved, the pace characteristic of the 5-day week can be maintained fairly well during the 6-day week. Absenteeism is held down fairly well because of the overtime pay for the sixth day. (2) When the sixth day is eliminated, workers try to recoup some of the lost earnings by speeding up during the 5-day week.

Any comparison of the 5- and 6-day schedules, with daily hours usually held to 8, must take into account whether the sixth day is to be added or taken away. The results are quite different.

4. Adding a sixth day—and increasing daily hours

a. For both men and women at any type of work except work that was entirely automatic, the increasing of daily hours from 8 to 9 or 10 and adding a sixth day, resulted in substantially poorer performance. Particularly was this true when daily hours were raised to 10 and weekly hours to 60 or more. Absenteeism increased substantially for workers of both sexes, and particularly for women.

b. In comparison with the pattern of the 6-day week without an increase in daily hours, the 6-day schedule with increases in daily hours to

9 or 10 was decidedly less desirable. In some instances the increases in daily hours appeared to have been a complete waste.

5. Changing from 6 days to 5½—but increasing daily hours

a. For women, this usually involved working 8¾ hours for 5 days and 4 hours on Saturday. Efficiency was better in every instance during the 5½-day week.

The difference in absenteeism was obscured by opposite results. Some workers found it possible to take off the one-half day Saturday because they had earned more per hour during the other days of the week. Other workers, who had the one-half day off on Saturday, found it possible to work the other half, rather than take off the entire day to attend to other needs.

b. For men, the number of cases observed was too few to warrant any conclusions. From results in other patterns, one may hazard the guess that efficiency would rise during the 5½-day week, but that there would be little difference in absenteeism.

6. The 6-day week—with increases in daily hours

When the daily hours were increased during the 6-day week, usually from 8 hours to 9 or 10, with increases in weekly hours from 48 to 54 or 60, efficiency was substantially poorer during the longer workweek for both men and women at all types of work. Absenteeism was considerably higher. Generally, it took about 3 hours of work to produce 2 additional hours of output when hours exceeded 48 per week.

7. The 6-day week—with decreases in daily hours

a. At moderately heavy or heavy work, the efficiency of men was substantially better during the 8-hour day than it had been during the 9- and 10-hour day. Only 1 hour's output was lost for every 2 hours taken off the schedule.

b. No observations can be presented for women workers.

8. The 7-day week—Sunday work

a. Given a regular daily 8-hour schedule, workers performed better when no Sundays were worked. After protracted periods of 7 days of work per week, workers actually produced as much, or more, in 6 days as thay formerly had in 7 days. In the cases studied, it was literally true that Sunday work meant 8 days' pay for 6 days' output.

Absenteeism was high on Sunday. Men who worked on Sunday frequently took some weekday off.

b. Occasional, but regularly scheduled Sunday work, appears to have been better than irregular overtime during other days of the week.

9. The pattern of daily efficiencies

The daily efficiency pattern does not emerge very clearly as daily and weekly hours are increased. The one which appears to fit observations most closely is about as follows:

a. During a 40-hour week, with 5 days at 8 hours, efficiency builds up to a peak on Wednesday or Thursday, with a slight drop on the remaining days of the week.

b. As hours are increased to 10 per day, for a total of 50 per week, the midweek peak disappears and the whole week's efficiency level remains fairly constant, at about the Monday level.

c. When a sixth day is added, at about 8 hours, the daily efficiency level stays flat—but drops to a level lower than that which had prevailed during the 5-day week at 10 hours per day.

10. The pattern for daily absenteeism as workdays exceed 5 a week

a. There appears to be no constant pattern for the 5-day week.

b. When the week consists of 6 workdays, absenteeism for both men and women is highest on Saturday. The absenteeism rate is particularly high if daily hours are 9 or 10, rather than 8.

c. Saturday absenteeism is particularly high for women. Their absenteeism rates, however, are higher than those for men on all other days of the week as well.

11. Work injuries

Work injuries increase disproportionately as daily hours are raised above 8 and weekly hours are raised above 40. The frequency rate of work injuries rises even more sharply as weekly hours are raised to 54 or more.

12. Output

With few exceptions, the longer hours resulted in greater output than that produced during the shorter schedules. As a rule, however, the increase in output fell considerably short of the increase in hours. For hours above 8 per day and 48 per week, it usually took 3 hours of work to produce 2 additional hours of output when work was light. When the work was heavy, it took about 2 more hours of work to produce 1 hour of additional output.

13. Work without wage incentive

The foregoing observations apply primarily to workers at piecework or under some fairly direct form of wage incentive. When work was done at day rates, without any wage incentive, the workers were as productive

at longer schedules as they had been at shorter schedules. The work pace remained essentially the same.

It must be added, however, that long schedules had no adverse effect on workers operating under wage incentives if their pace during the shorter work schedule was moderate. Under such conditions they not only could maintain their efficiency at the longer hours, but were even capable of improving it. It is likely, however, that this would not hold true for weekly hours above 60, because of the cumulative effects of fatigue.

Part Six: EMPLOYEE SERVICES AND PROGRAMS

Introduction

Helping to solve the human problems of employees and the production problems of management are often looked upon as separate or even conflicting activities. However, both are matters of common concern to workers and managers alike. Furthermore, in each area, interest should center on prevention rather than alleviation. For example, modern planning for employee health stresses the preventive approach. Dr. Earl F. Lutz reports on the system developed by the General Motors Corporation for "helping employees to maintain their health." In order to be effective, the industrial physician needs to work closely with the personnel department and with representatives of line management. This cooperation can start during the pre-employment interview and should continue throughout the employment process. Moreover, the company doctor should recognize that psychological problems, as well as physical ailments, are matters for his concern.

Modern thinking about industrial accidents also stresses prevention and the need to understand employees as individuals. Alfred J. Cardall presents the thesis that accident prevention is not primarily a job for engineers. "Most industrial accidents are either hired at the gate or created by job misplacement." On the whole, they are predictable and therefore preventable. Freedom from accidents is not an isolated objective. It is a by-product of a sound employment process and of effective cooperation between line and staff officials.

A key figure in preventing accidents is the employee himself. Neither this nor any other employee program can fully succeed without active cooperation from employees, stimulated by their own leaders, and carried out in small groups.

Joseph D. Cooper makes both these points in describing how and why employee services should be offered. Voluntary leadership from employees themselves not only contributes to the success of leisure-

time group activities; it also provides a valuable outlet for the leaders. In order to evoke maximum participation, employee activities should be planned and carried out within small groups. "The smaller the unit of activity, the greater will be the bond of unity and association; the greater this sense of association, the greater will be the response to a particular type of social stimulation."

Pension plans often illustrate the fact that management's efforts to serve an employee are futile unless the employee himself takes an active part. Retirement, even on a pension, can prove to be a shock that kills. Preparation for it should be a gradual process. And in this process management can offer valuable assistance by (1) understanding what needs to be done, and (2) helping employees to help each other in making the necessary adjustments. Carroll Boyce analyzes and illustrates the reasons why so many pension plans prove to be a shock rather than a benefit, why mass communication in writing about pensions is useless or worse, and how retired employees can help workers who are approaching retirement to "add life to their years" after they do retire.

When planning for retirement is carried out in this way it is far more than a cash transaction. It shows management's understanding of a problem that is common to everyone and management's genuine desire to help. James C. Worthy adds his testimony that such a management attitude is an essential ingredient in every employee benefit. He confirms the view that benefits fail to improve employee morale unless they are taken as tangible evidence of management concern for the employees' welfare. As one proof of this, Mr. Worthy refers to companies where benefits have been set up at a time when morale was low. Gratitude cannot be bought by benefits. When the workers' attitude is one of distrust and suspicion, "the benefit plans were received with suspicion and distrust and as probable evidence that management was trying to pull some kind of 'fast trick.' "

Employees who can feel a sense of security and confidence in management are usually ready to assume their share of responsibility in helping to solve production problems. Herman W. Seinwerth points out that a suggestion system fails to win participation from employees unless it operates in a relationship of mutual confidence and respect. When it is successful, all concerned benefit. Executives who see the full implications of such limited participation can get

even better results. They can enlist the employee body as a whole, by working with and through the union. Russell W. Davenport presents a "case history" of how this was done in one company through the Scanlon Plan. The principle behind this plan is that labor should benefit from cost reduction and laborsaving which are brought about through union-management cooperation. Perhaps the greatest gain is the sense of participation that can come to every worker. He is "no longer a pawn in a game he does not understand. He is a player" who enjoys it.

A. HEALTH AND SAFETY

The Role of the Industrial Physician[1]

Earl F. Lutz, M.D.

The past 40 years have seen the role of the doctor in industry evolve from on-call company surgeon to full-time plant health officer. His chief interest has changed from repairing industrial injuries to preventive medicine. Now his main effort is in helping employees to maintain their health.

The war with its manpower shortages hastened the appreciation of the manner in which the qualified industrial physician could assist industry. Currently we are confronted with efforts in the direction of socialized medicine and so-called welfare funds. In the face of these conditions and for even more basic reasons which I shall outline, it is believed the role of the industrial physician will expand rather than diminish. Expansion of his responsibilities probably will be in these directions:

1. How he can best help to attain the objectives of the company's overall personnel program.
2. How he can be of greatest assistance to the employee in need of medical service or advice.
3. How he can cooperate best with foremen and other department heads.
4. How he can improve his own relationships with the personal physicians of the employees and with local health organizations.

Industrial Physician Is Impartial

The physician in industry occupies an unusual position in the management structure. Frequently he is the only professional man in a lay organization. As such he has a certain amount of dignity to maintain because the nature of his service hinges on respect and confidence. It is true, there

[1] Reprinted from *Industrial Medicine*, Vol. 17, No. 4 (April, 1948), pp. 116–120, with permission of the publishers. Dr. Lutz is associate medical director, General Motors Corporation, Detroit, Mich.

is a plant official to whom he must report, but notwithstanding, the doctor is almost entirely on his own. He makes important decisions which should be absolutely impartial. The physician who is not impartial shortly loses the respect of the employees and along with it his professional dignity. He then is of little value to the employer or the employee. He must not allow any of his decisions to weaken his professional position any more than a doctor in a private practice would. It would be well if this were pointed out to the doctor at the time he is engaged. His primary responsibility is the health of the worker. His diagnosis and opinions must be based on factual information obtained through examination and laboratory tests.

There have been umpire decisions in General Motors and elsewhere which held that management is obligated to secure competent medical advice acquired through the sound procedures of examination and diagnosis. Once management has fulfilled this obligation, it has a clear right to follow the advice thus obtained even though such advice is contrary to the opinions of other qualified physicians. Naturally, management must use the plant physician's advice in good faith.

The findings of the plant physician have been regarded as binding by the impartial umpires, unless they were shown to be arbitrary, capricious, or unsupported by reasonable evidence. The umpires have held that contrary opinions of an employee's personal physician are entitled to respect, but alone are not sufficient to throw doubt upon the good faith of the plant physician's findings. In view of these decisions and the impartial position the doctor occupies, it is of the greatest importance for the plant doctor to be sure his opinions and diagnosis are based on factual information and free from bias.

Employee's First Impression

It has frequently been said that first impressions are lasting impressions and this is especially true when an applicant presents himself to a plant seeking employment. The employment and medical departments are the first he visits. If the quarters are good, equipment adequate and the examination and interview thorough, the applicant cannot help but be impressed. He cannot help but conclude that here's an organization that does things right and is sincerely interested in the health of the employees.

This is where the applicant first meets the people he labels management. His impression of all management may be strongly influenced by the opinion formed during this first visit and examination, so it is important that the doctor who examines him be capable, courteous and considerate. Qualifications and equipment of the interviewer and all

others whom the applicant meets are outside the scope of this paper but like the doctor they also leave lasting impressions.

Duties as Plant Health Officer

The doctor is the health officer of the plant and, as such, is responsible for identifying and determining the source of occupational disease. It is part of his duty to direct management's attention to such hazards. Furthermore, it is his duty to inform management if control is not maintained. Although the doctor is not expected to collect and make dust counts or chemical analysis of air contaminants, he should be able to recognize such possibilities. He should know how to have a proper appraisal made. In addition, as health officer of the plant, he must be interested in the cafeteria and the folks who work there, also in the locker room and the washroom facilities and how well they are maintained.

Industrial Physician as Adviser

Through the years the American family physician has held a position of trust and respect in the community. His rating is close to that of the priest and the minister. In connection with this, let me digress for a moment and speak of one of the weaknesses of our modern-day specialized medicine. I refer to the gradual disappearance of what is known as the "old family doctor." When I was a child, he was an outstanding character in the community. He was a family adviser not only on aches and pains but on all sorts of personal problems. He probably never heard of psychosomatic medicine, but he did a first-rate job of practicing it. If Mary refused to study or if she stayed out late at night, his guidance and influence were often sought. He would be consulted on business ventures, what school the children should attend, etc. I feel that we as individuals like that sort of relationship. And I know our employees like it. It is a sound industrial relationship.

The industrial physician has a splendid opportunity to play the role of the "old-fashioned family practitioner" in his job in the plant. Even you would be surprised how often he is consulted by employees on problems which have no medical basis. Most of them are personal in nature.

The physician is an ideal person for listening to these problems, as they disappear when met by his sympathy and understanding. For example, one of our doctors tells of an employee rushing in early one morning with this startling statement: "Doc, my wife ran away with another man last night. What are *you* going to do about it?"

I don't know that the doctor was able to do anything about it. I am confident, however, he assisted the man by merely allowing this distracted soul to unburden his mind. The employee knew the doctor was sympathetic and would assist him if he possibly could, and above all would not laugh at him.

Psychosomatic Medicine

During the last few years we have heard a lot about psychosomatic medicine. The dictionary defines this $64 word as: "Pertaining to the mind and body relationship, having bodily symptoms of a psychic, emotional, or mental origin."

Psychosomatic medicine, as used in industry, has a broader connotation. It concerns all aspects of industrial medicine in which personality factors are important. When one first meets an employee with a personality problem, one is apt to say, "just another screw-ball." On the other hand an industrial physician, on studying a few of these cases, usually finds that the individuals are just as sick as if they had an organic disease. Then it becomes the doctor's duty to hunt down the cause of the mental strain and relieve it if possible.

For example John Smith was hired as an electrician about three years ago by one of our Divisions and his job required him occasionally to work on scaffolding, catwalks, and other high places. For two years he had a fine record, then he began coming to work with liquor on his breath. Naturally the foreman could not permit a drinker thus to endanger himself or his fellow workers, so he reprimanded John. When he repeated the offense, John was laid off for a few days as a penalty. In the following months his drinking became worse. He grew extremely moody. He spoke to his fellow employees and the foreman only when required. The foreman decided that unless the man straightened out, he would have to discharge him or transfer him to a job where he would be safe.

Here is where the plant doctor entered the picture. The foreman referred John to the doctor, along with a history of the case. The doctor examined the man and found that he suffered from severe depression. At first he refused to discuss his troubles but finally did break down and told all, crying like a child. His was the old old story of tragedy at home, plus a mistaken sense of guilt.

Here is the story John told. A year ago the only son, 12 years of age, was killed by a passing automobile. The death occurred just after the father had overruled the mother and permitted the youngster to go to a show against the mother's will. A dark night, a child running from between parked cars, shrieking brakes and a crushed, lifeless body.

The mother blamed John and he acquired a guilt complex. To add to his troubles, the wife deserted him, a month later, taking their remaining child, a daughter, with her. Left alone, John began to drink. At first one drink gave him relief but as time went on one was not enough, nor two, nor three. "Doc," he said at the end of the prolonged interview, "you are the first one I have ever told," and he showed his relief. "I would like to quit the stuff," he continued. "Can I see you whenever I feel blue?" "Of course," the doctor said, and weekly interviews were arranged. John was given work on a light punch press. He didn't like that job but honestly tried to fit himself to it. In the course of one of his office visits with the doctor, he showed an interest in photography. With encouragement, John took it up as a hobby.

Gradually he came out of his shell. He began to chat normally with his fellow workers. It was evident to the doctor that John Smith was winning his fight, so the day before Christmas the doctor came up with a real Christmas present—a recommendation to personnel that he be given back his old job of electrician. John Smith was cured. In situations such as this the foreman is oftentimes a key figure, as he is the first person to notice marked changes in employees. He does well if he refers them to the medical department for examination and treatment. In some cases the doctor can make recommendations regarding the employee's work which the foreman readily accepts. This may solve the problem. In our experience, the foreman plays just such an important part. In order for the industrial physician to diagnose and treat patients of this type, it is necessary that he have sufficient time available for consultations with employees who need assistance. In other words, he must not be loaded down so heavily with routine examinations and treatment of minor ailments that he has no time to devote to this fertile field.

Re-employment of Veterans

Another area in which the industrial physician has been of great assistance is with industry's program for the re-employment of veterans. In fact, our veterans' consultant believes that the plant doctor has been the key figure in making the program work. It has been the doctor's duty to examine and interview the veteran to determine if he has any physical impairments, or any evidence of mental strain. Having taken a complete history and made an examination of a veteran to determine his work capacities, the doctor is able to advise on selective placement. This is the objective of industry's program for the re-employment of veterans.

Our experience with a selective placement program began in the early days of the war when the manpower shortage was so severe that it was

necessary to hire every applicant who presented himself regardless of age, sex, or physical fitness. We learned a great deal during that period. We found that many people who formerly were considered unfit for employment in a factory could, if properly appraised and placed, do just as well on the job as a so-called physically fit individual. Selective placement, as used in the veteran's program, amplified this experience, and it has proved so satisfactory in General Motors that now it has been extended to cover all applicants for employment.

Safety and Medicine

It is taken for granted that the plant physician will cooperate closely with all departments but particularly with the safety department in promoting the accident prevention program. The medical director, however, should not be charged with responsibility for safety. If he is, there is a great temptation to stray from his impartial position to protect the safety record.

Our plant physicians and safety directors work together to establish first aid training classes covering artificial respiration, control of severe bleeding, and shock. They also train employees in proper methods of lifting and carrying severely injured persons. In General Motors, the cooperation between safety and medical personnel is gratifying. It goes far in preventing injuries and occupational diseases and in shortening disabilities.

Recently Mr. H. W. Anderson, vice-president of General Motors Corporation in charge of personnel, in the keynote address to our 115 doctors at the annual GM Medical Conference, dealt with the more important aspects of our health maintenance program.[2] He emphasized the value of education and research in perfecting the sciences and the professions. He pointed out that industrial medicine is akin to other professions in these respects. Several of our plant doctors are carrying on research projects. Perhaps you, too, could encourage your doctors to do likewise, either on subjects which are of particular interest to them, or which you feel may be of special value to you in your activities. A little encouragement by management may be all that is needed to get your doctor working on a subject which has been smoldering in his mind for a long time.

Here are a few of the research studies which have been undertaken by our doctors:

A study of foundry workers' health so far indicates that where proper ventilation and safety devices are installed, the foundry workers' occupa-

[2] See *Industrial Medicine*, Vol. 17, No. 2 (February, 1948), pp. 61–64.

tion can be made no more hazardous or disagreeable than that of any other factory workers.

Another research project, this one on dermatitis, began in 1944 and ended in 1946. It pointed out that "Cleanliness is next to Godliness." This study revealed that the most important factors are thorough washing by the worker and the wearing of clean clothes.

Here are some possible tangible benefits from this study: In 1946, General Motors' hourly employees worked 404 million man hours with a total number of 1,552 days lost from dermatitis. In 1947, General Motors' hourly employees worked 536 million man hours, with a loss of only 923 days from dermatitis. This shows a decrease in lost time of over 55% or approximately four days lost in 1946 as compared with two days lost in 1947 per million man hours worked. Other subjects under consideration at the present time are ailments from repetitive motions, hernias, back ailments, frequency of periodic health examinations, and foot trouble.

Last of all is a project which appears most important—conditioning the elderly employee for retirement. There are a multitude of others, investigation of which will do much to enhance the value of the physician to industry.

Responsibility for Medical Care

It is realized that some companies offer complete medical care to their employees and a few extend this care even to their families. In isolated communities where the plant physician is the only doctor available, this may be unavoidable. We have had no experience with such a program. Our belief, however, is that in areas where private doctors are available, every employee who presents himself to the plant medical department is entitled to a health examination. It should be sufficiently thorough to determine whether his ailment is occupational or non-occupational in origin. If it is occupational in origin, the medical director is responsible for seeing that the employee receives adequate curative treatment. If the ailment is deemed non-occupational in origin, emergency care may be given to assist the employee in finishing the shift. It is understood that subsequent care, of course, will be furnished by the employee's family doctor. In some instances of a serious nature, such as an attack of acute appendicitis, the family doctor may even be called and arrangements made for the employee to go directly to a hospital to save time.

Physicians in General Motors are prepared to furnish to the personal physician of an individual employee a report of the physical examination and any laboratory tests which may have been made by physicians acting

for the corporation. This will be done upon written request by the employee involved.

Recommendations of Private Physicians

Frequently, notes are received from private physicians stating that an employee is or is not capable of returning to work. The personnel department and plant physician should respect the recommendation. They should carefully review the situation when such a note is presented, but, as held by the umpires, the opinion of the private physician alone is not sufficient to throw doubt upon the good faith of the plant physician's findings. The plant physician's opinion is based upon the physical condition of the employee and the actual requirements of the job. It is rare indeed to find a private physician who is well informed about the working environment in any particular plant. All too often, on investigation, we find the personal physician has been imposed upon by an employee attempting to gain preferential consideration in placement.

Statements have been made by employees both minimizing and exaggerating true working conditions, depending on whether an employee was trying to return to work after an illness or receive a leave of absence because of an illness.

Recently, efforts have been made to acquaint private practitioners with actual factory conditions by holding in-plant meetings of local medical societies. A dinner is among the attractions. A plant walk is always included, and industrial hygiene controls of occupational disease hazards pointed out. Many doctors have expressed amazement at the excellent working conditions in the plants.

Relationship between Private and Industrial Physician

I would also like to say a word about the relationship of the private practitioner and the industrial physician. During 15 years of private practice one learns the feelings and problems of the private physician. One does not sit around a hospital dressing room or cloak room very long without hearing some very frank opinions on both sides, but the differences have diminished a great deal in recent years. The private practitioner, in accordance with his code of ethics which is desirable and necessary, is duty-bound to wait until sick people consult him before he can render service. He is constantly seeking, diagnosing, and treating abnormal conditions.

On the other side we have the industrial physician endeavoring to keep people well. He is able to offer health information and educational ma-

terial when the employee is in a receptive mood, and, if something abnormal is detected, recommend that the employee consult his private doctor. This can be done without in any way violating the physician's code of ethics.

More private physicians are coming to realize that instead of the industrial physician taking business away from the private practitioner, he is actually sending business to him.

Forty years ago industry provided only minimum medical attention, often engaging the first doctor to be located, regardless of his ability. Some of the results were poor, and many people got an opinion that full-time industrial doctors were poor physicians. This is no longer true. Today there are just as many well informed, capable doctors practicing industrial medicine as there are in any of the other specialties.

Some industries have engaged physicians, untrained in industrial medicine, on a part-time basis. On the surface, this may appear economical but any probable savings may be eaten up by added costs from time lost by employees seeking medical attention, delayed service, and increased incidence of occupational diseases which cause higher compensation payments.

Suggestions for the Industrial Physician

I would now like to express three *don'ts* regarding the industrial physician:

First: Don't permit the doctor to look at prospective applicants for employment through the eyes of a claims agent. Primarily, it is his responsibility to determine the individual's employability on three main counts:

Will he be a risk to himself?

Will he be a risk to his fellow employees?

And, is he physically and temperamentally able to do the job?

In other words, the doctor should practice selective placement.

Second: Don't let the doctor be a compensation attorney. Furnish the medical facts to the man whose job it is to make the decision in such matters. Let him do any necessary arguing.

Third: Don't permit your doctor to become embroiled in controversy over grievances. Don't permit union representatives to run to the doctor to discuss grievance matters, since there is no room for collective bargaining in the case of sound decisions made by the plant physician.

Keep his relationship with employees on a *professional* basis. Have him give the director of labor relations the facts. He knows how to handle disputed matters with the union.

SUMMARY

Thus, it is seen that the role of the industrial physician as plant health officer is important. He stands ready to combat an employee's physical and mental ills. He frequently acts as counselor and family adviser. He assists in placing the employee on the proper job and maintains an ever watchful eye over his working environment. He promotes good public relations and more recently has taken an interest in research projects which should pay dividends.

The industrial medical specialty is gaining recognition not only with industrialists but also with educators, public health officers and doctors. More and more companies are employing full-time industrial physicians. They are expanding the scope of their health maintenance programs and some have engaged industrial hygienists to assist the physicians in collecting technical data on environmental exposures.

Several universities have inaugurated post-graduate courses in industrial medicine, others have established fellowships, and a few are even offering undergraduate training. Some hospitals are discussing the advisability of appointing a resident in industrial medicine to work in cooperation with local industry. General Motors has a plan for training a limited number of young doctors who are interested in industrial medicine and who have just completed their internship. This plan provides for a one-year in-plant residency which permits doctors to learn industrial medicine while they earn.

The specialty of industrial medicine has reached maturity, and the industrial physician deserves recognition, respect and status on a plane with the cardiologist, the obstetrician, the surgeon, or any other specialist.

Psychological Factors in Accident Prevention[1]

Alfred J. Cardall

Safety engineering, safety education and accident prevention traditionally have been considered engineering functions. Whether they will remain there or become a part of industrial relations activities depends on a

[1] Reprinted from *Personnel Journal*, Vol. 26, No. 8 (February, 1948), pp. 288–293, with permission of the publishers. Dr. Cardall was formerly director of industrial relations for the John B. Stetson Company, Philadelphia, and later became a management and personnel consultant.

realization of the true cause of most accidents. As long as an organization feels that the approach to accident prevention lies primarily in machine design, machine guards and the physical safe-guarding of hazardous areas, allocation of the responsibility to engineering is logical. More and more, management will realize that physical conditions are not the determining factor in accidents but that accidents are essentially a psychological problem; a matter of *symptomatic behavior* of the individual. Then the need for reallocation to a department specializing in human relations will be perfectly obvious.

There is increasing appreciation of the fact that accidents are principally attributable to carelessness or to improper placement of individuals. It is not the machine which should be regarded as hazardous so much as the individual who is operating that machine. Only occasionally do the elements which cause accidents occur outside of the individual himself. Considerable progress has been made in accident prevention through better control of causes *outside the individual.* But the next major attack, and one of much greater promise for its final results, lies in consideration of the *accident proneness* of an individual. Carelessness, of course, is a training problem, but accident proneness is a problem in selection and job placement. Both are normal industrial relations functions.

Many Accidents Can Be Predicted

The cost of industrial accidents is staggering. In addition to this economic loss, the cost in loss of life and misery makes us wonder why more professional attention hasn't been directed to the problem. There were 2,230,000 industrial accidents in 1944, according to the Bureau of Labor Statistics, which resulted in a loss of 43½ million working days. Put another way, the productive effort of a million workers was lost for two months. Accidents outside the plant can cripple productive efforts just as effectively and add to the lost-time total. In spite of the enforcement of lower driving speeds, for example, the rate of automobile deaths will reach a higher figure in 1947 than before World War II. Concentration on driving speeds and road hazards hasn't improved the situation and there is no justification for continuing to disregard the psychological make-up of drivers. Accidents in the home have gone up also and the removal of all cellar stairs will not cure the situation. That some of these accidents are unavoidable should not blind us to the fact that *the vast majority of them can be predicted and to the extent that they can be predicted, they can be avoided.*

The most important thing, then, for management to know about "accidents" is that very few are accidental. Every man involved with super-

visory or personnel functions must learn to regard so-called accidents as *symptomatic behavior* of an individual. To be sure, accidents can be precipitated by sudden or unusual situations or through the fault of a fellow worker, but in the main the greatest single cause for accidents lies within the individual's own psychological make-up.

Psychological "Shortages"

Psychological "shortages" such as lack of dexterity, slow reaction time or emotional instability lead inevitably to accidents. In cases of accident proneness it is never a question of *whether* or not an individual will have an accident, but merely *when*. Accident proneness can be either general or specific. In some cases these "psychological shortages" are so marked that an individual is unsafe in work situations involving even the simplest tools or machine operation. Even material handlers and cleaners who appear to be accident prone can become hurt in seemingly impossible ways. Many people have specific shortages which may make them unsafe in particular work situations but a satisfactory risk in others. In these cases, improper placement can precipitate accident proneness, with only one result.

Perhaps it is rank heresy to place the blame for these accidents squarely on management's shoulders. It is much more comfortable to shrug the shoulders, buy a new can of red paint, or design a machine-guard that may do nothing more than slow up production, than it is to overhaul methods of selection and proper job placement. However, the inference that most industrial accidents are either hired at the gate or created by job misplacement opens a whole new area in the field of accident prevention.

The history of accident prevention work parallels the technological development of industry itself. Just as industry has stressed the development of new machines, new processes and methods, so has accident prevention concentrated on machinery safeguards, good housekeeping and the marking of hazardous areas. The worker has been regarded as only incidental to machine operation and it has been only logical that his psychological make-up has been equally disregarded in accident prevention. Every organization of any size spends a great deal of money in maintaining a competent engineering staff, but its personnel work may be left to a misplaced salesman or a superannuated line supervisor. Machinery, building and equipment are carefully maintained and new methods of preventive maintenance developed, but the human assets of an organization are somehow left to drift on their own.

Emotional Factors in Accidents

Management must learn to regard accident prevention as primarily a by-product of good selection and placement. The industrial relations man, properly trained for his job, does not decry the excellent work that safety men have done in cutting down accidents; but at the same time, he is beginning to recognize that an even greater responsibility falls on him. This newest view of accident prevention is that it is largely a by-product of proper selection and placement, professionally planned and carried out. To be sure, not all cases of accident proneness can be detected through the tests now available and few interviewers have the clinical skills necessary to fill in the gaps. Some of the responsibility, therefore, for detecting accident proneness through behavior observation on the job must fall to the supervisor. It is essential that the supervisor be trained in the recognition of symptomatic behavior which contributes to accidents because, in addition to his early conclusions as to an individual, he must recognize temporary emotional instability as it may occasionally arise in an ordinary accident-free employee. Such behavior throws a "shadow" and what a foreman may recognize as Molly "fighting her job" with a half-muttered and unladylike oath, can easily be the prelude to an accident. A good supervisor is constantly on the alert for these emotional forerunners and if the operations under his supervision are classed as somewhat hazardous, his first check in the morning and immediately after lunch should be the "emotional tone" of each employee.

This type of observation becomes the sole responsibility of the supervisor, for while the employment office can sometimes catch the tendency towards considerable emotional fluctuation in an individual, they can't get them all and occasional fluctuations occur in even the most normal person.

The foreman has a right to expect that the employment office will attach a tentative rating to a new employee indicating the degree of that individual's *general emotional stability*. Interviewers who have developed adequate clinical skills can also estimate the probable *range* of emotional fluctuations, although they cannot indicate when and where the dips may occur. Remember, too, that even an emotionally well-adjusted individual is subject to dips under certain circumstances. These changing moods are essentially the responsibility of the supervisor who must learn to recognize an emotional "shadow" which foretells the increased possibility of an accident. Many supervisors have become adept at recognizing the signs of emotional stress and in changing a work assignment which has become hazardous. The word hazardous, incidentally, must be recognized as being

equally descriptive of the individual as of the job. For, after all, an individual to be *safe,* must be *psychologically safe!*

Measurable Elements in Accident Proneness

Emotional stability is by no means the only factor in accident proneness but it is the one which fluctuates and the one which is most difficult to detect in the interview. Unfortunately, to date there is no simple, short emotional stability test available, nor is there likely to be one until something else replaces the questionnaire type. It is fortunate that there are some simple aspects of accident proneness which are stable and easily measured. For example, critical scores can be set both for a general risk, or for a specific job risk below which *manipulative dexterity, rhythm, reaction time* and *visual acuities* are predictive of accidents. The point is too obvious to stress; that if accidents can be predicted they can be prevented. To be sure the foreman must depend on the personnel department for test results, but if he understands the nature of the psychological factors, he will better understand why in many cases an employee should be limited to certain types of work and cannot safely be transferred to other jobs in which the critical points of selection are higher than those he possesses. Let's look for a moment at some of these simple aspects of accident proneness.

Manipulative dexterity is a characteristic which can be easily and quickly measured within a few minutes. Scores, determined by the speed with which an individual does certain simple tasks with the fingers, will indicate where an individual stands in respect to people in general in this factor. It is perhaps the most important single predictor in the selection of industrial employees who will be working on simple short-cycle repetitive operations. In a machine-paced operation, for example, it is evident that the machine itself may determine the minimum amount of finger skill and agility that is essential in the manning of the machine. A lesser amount is a substantial bid for an accident. If an accident of this kind can be predicted, it can be prevented.

Rhythm has a similar relationship to machine-paced operations. Roughly, it may be defined as the extent to which an individual senses and slips easily into the "pulse" or "beat" of a job. Absence of it characterizes the individual who "fights his job" or the one who is not subconsciously correctly meeting the timing intervals of the modal points in an operation cycle. Rhythm is not necessarily a characteristic of hand operations alone; higher coordinations or integrations of rhythm are common in industry. For example, a kick press combines the rhythmic interplay of hand and foot sequences. One of the reasons why this compara-

tively simple machine has apparently been one of the most dangerous is due to the frequent lack of integration of the operator's hand and foot rhythm. If the foot follows through when the hand rhythm is broken, an injury to the finger is the likely result.

Reaction time is still another factor which is brought into critical prominence in machine operations. Many machines are provided with quickly accessible controls so that the machine can be stopped if there is danger either to the work or the operator; *but* the speed with which the machine is stopped does not depend upon this device but on the speed with which the operator hits it. The tremendous variation in reaction time of people is readily apparent to anyone who has driven an automobile in traffic. It may vary from two-tenths to eight-tenths of a second. It is the reaction time of an operator which has far more significance in stopping a car than a few miles an hour difference in speed. Two or three minutes of testing time in a properly equipped employment office, combined with a knowledge of the critical reaction time needed on any machine, would save many accidents. Speed of *perception* or the speed with which an individual attaches meaning to things happening around him, also has its critical point. As selection skills and scientific aids are added in the employment office, tests can be added to take care of this factor. The predictive significance of tests now available in this area does not justify the same emphasis as on *dexterity, rhythm and reaction time;* but it should not be overlooked in the furthering of accident prevention through proper selection.

Industrial vision is a subject of increasing importance and therefore it is startling to the trained personnel man to note the almost complete lack of attention paid to it. In nearly all plants today the trained observer will note case after case of varying degrees of industrial blindness and other visual disabilities of which apparently neither the foreman nor the individual are aware. To be sure, most physical examinations include a vision test which measures vision at twenty feet. There is, however, little relationship between vision at 20 feet and vision at 20 inches. A test for far-point acuity actually eliminates many people with excellent near-point acuity who would have been the best possible placement on close and precise work. Or conversely, it can result in placing a far-sighted individual on a job calling for close and accurate depth perception. Many accidents, too, have occurred because of the limit in the peripheral range of an individual. He may be able to see satisfactorily with one eye and be nearly blind in the other. Such an individual does not feel particularly handicapped in most of his work, because binocular vision (two-eyed vision) is the same as that of the dominant eye. It means, however, that he often fails to see things on his blind side before it is too late. Unstable

phorias (eye muscle balance) are a further cause of accidents in such work as drill presses.

Accidents Which Can Be Predicted Can Be Prevented

These are the essential things which are quickly and easily measured and which have a high predictive significance in accident proneness. Again, let us repeat, accidents which can be predicted can be prevented. In court, "ignorance of the law is no excuse" and similarly in modern industrial operation, ignorance of methods so readily and cheaply available is no excuse for accidents attributable to psychological and physiological deficiencies.

The "psychological profile" of a job indicates not only the quantitative demands of psychological factors necessary for satisfactory job performance, but also the extent of these factors needed for *safe performance.* Deviations from these threshold requirements, from the production point of view, are of course only an indication of poor management. From the safety point of view such deficiencies represent nothing short of criminal negligence on the part of the employer.

Accident prevention today should not be regarded as a single isolated problem. Rather, it is a carefully planned-for by-product of good selection and placement and of proper initial job training. It is a normal personnel function and the analysis of lost-time accidents is merely another way of evaluating the effectiveness of industrial relations men *within their normal functions* and of supervision in carrying out their own personnel responsibilities. The cost of accidents is infinitely greater than the cost of preventing them, even if human life and anguish do not count.

B. EMPLOYEE SERVICES AND BENEFITS

Criteria for the Organization of Employee Service Activities[1]

Joseph D. Cooper

One of the responsibilities of an employee service officer is to furnish guidance and administrative cooperation in the stimulation and organization of employee activities and services under voluntary employee leadership. Without voluntary leadership and management, the effort of the employee service officer may be spread too thin for effectiveness. Voluntary leadership has additional value in providing a necessary type of expressive outlet for employees.

An employee service officer must be prepared to advise with employee leaders on the most effective administration of their activities in order to reach as many people as possible and to make the effort really significant for all. A wide variety of interests will naturally exist among the employee group and there may be a tendency for any program to be expanded beyond the capacity of either a service officer or employees themselves to give it necessary time and attention. It is important, therefore, that criteria be established by which the value of all activities be measured.

Some of the questions which the employee service officer and employee leaders will want to answer are: How effective is the program? How can I measure its effectiveness? How shall I divide the time and expense in proportion to the significance of the various activities? Is this activity worth the effort?

Before discussing specific criteria, we should relate all effort to a stated objective. The major objective of a total personnel program is to increase and conserve the productive capacity of employees. An employee service program contributes to this objective insofar as it is concerned with per-

[1] Reprinted from *Personnel Administration*, Vol. 6, No. 1 (September, 1943), pp. 15–17, with permission of the publishers. At that time, Mr. Cooper was principal personnel technician in the Personnel Service Division of the War Manpower Commission, Washington.

sonal and environmental factors, rooted in the community, the office, the home, and the individual himself.[2] The organization of employee services work varies among the Federal Agencies. In some it is a combination of counseling and employee activities. In others only one—either counseling or employee activities—is found. Still others combine these functions into a total employee relations program. In the past the term employee relations has been used in the Federal Service to mean the handling of grievances and appeals and relations with Federal Unions. However, there is an increasing tendency toward incorporating all employee relationships and services into a total program of employee relations.

While considerable mutuality of interest may be found between employee activities and employee counseling the distinguishing characteristic is that the first deals with the group situation in which the individual is a participant, while the second is concerned with each individual as a separate entity. Usually the counselor reaches only those employees who voluntarily seek and those who are referred for counseling guidance. To that extent, counseling is a corrective method. It may not reach those employees in need of guidance who are unable to admit personal difficulty. Some means for assisting employees in preventing personal and domestic problems is therefore necessary. This means is found to some extent through voluntary activities, including social and recreational activities and personal welfare services. Their object is to assist employees toward a balanced living program so that individually and collectively they may be better able to perform their work duties.

Constructive methods used in working with groups and with individuals are different and the standards of measurement that may be set up to evaluate the effectiveness of either service will therefore vary. This discussion is related to the evaluation standards for group work.

The Areas of Greatest Response

Employee activities are largely a matter of human relationships. To be most effective, they must operate at the point where direct contact is had. Accordingly, activities should be initiated insofar as administratively feasible or permissible within the smallest convenient unit of the organization—as small as possible but yet as large as necessary to sustain the particular activity.

[2] From the standpoint of the administrator, employee service work must contribute to the efficiency of the body of employees. The employees are primarily concerned with their own advancement and well being. A synthesis of these two objectives is obtained when it is recognized that through the building of the employee as an individual, a contribution is being made to general efficiency.

Some examples may point this up. Suppose an employee hike were to be announced in a department of 12,000 employees. According to past experience, weather and other variables being equal, from 30 to 40 participants would probably associate themselves in this single activity. In relation to the entire department, 40 employees would represent approximately three tenths of one per cent of the employee population. However, if within the department a single bureau of 300 were to announce the same event only for employees of that bureau, it could be expected that a similar group of approximately 30 to 40 employees would participate. In this case, the ratio of participation would be increased to approximately ten or fourteen per cent.

Similarly, if an individual were given the opportunity to contribute to some general welfare fund for relief purposes a limited response might be expected. Yet, if within a bureau or division employees were given the opportunity to contribute to a welfare fund for the benefit of employees who are known particularly to them, a greater degree of response could be expected. The need in this case is closer home and hence has a greater appeal. Other illustrations might be offered, the pattern of which would demonstrate that *the smaller the unit of activity, the greater will be the bond of unity and association; the greater this sense of association, the greater will be the response to a particular type of social stimulation.*

The significance of decentralizing effort to the area of greatest response is most applicable in larger agencies, especially those having separate bureaus and separate buildings. In general, the more extensive type of activity involving human relationships is not effective. This is not applicable in the same sense to group service activities; these can be organized on an overall basis, but should be decentralized for effective service.

Return for Effort

Alongside of this is a parallel principle the use of which determines the amount of time and energy, if any, which should be devoted to a particular activity. There should be a direct relationship between the percentage of time and staff expended in the organization and maintenance of an activity and the percentage of employees who actually benefit. The percentages must be relative. If an activity benefits a large percentage of employees for a brief period, a proportionate amount of administrative effort might similarly be expended for a brief period. If the activity is of a continuing nature, the amount of time and energy expended should be computed as a percentage relative to the entire period of the activity. For example, there are always groups of enthusiasts interested in bowling, tennis, golf, baseball, softball, etc., who would find their expression out-

lets—because of their enthusiasm—regardless of the availability of any organized assistance. In other cases, employees may be able to secure sponsorship and financial support for the organization of the X Department Bowling Team or a Blank Agency Softball Team. A considerable sum may be expended for uniforms, equipment, facilities, and general maintenance. In such cases only a dozen or so of the employees are participants, and, as they are but a few of hundreds or several thousand, the question naturally arises as to how much participation may be found for support of "star" activity. The answer must be arrived at in terms of the objectives of the total program. Since these few participants might seek their own channels of activity, should not the effort and expense be directed toward larger numbers of employees who need guidance in finding social outlets?

Adjustment to the Working Community

Employee activity programs tend to attract employees who are new to the city. They will naturally seek associations within the first group with which they come into contact. The first such group for a stranger is his office, which provides the common bond of association necessary to the establishment of firm social relationships. Employees, after having become settled, or having family ties, find less need for the activities of their offices. Consequently, it is to be expected that there will be a natural turnover among participants. The extent to which employee activities serve as channels for guiding employees into a normal community environment is a measure of their effectiveness. Adjustment to a new community living pattern is important if employees are to work effectively.

Two excellent examples may be given illustrating how voluntary employee activities can be of great value in orienting new employees. The "Pro-tem club" of the Farm Credit Administration was very successful. It had a fixed membership of the 40 most recently employed women. Each new woman employee automatically became a member displacing the oldest member. Thus, each member met 78 fellow employees, of whom 39 preceded and 39 followed her. A wide range of club activities included social functions, athletics, cultural activities, diversified recreation, and the joint solution among the members of common economic and domestic problems. The equality of footing and the self-help approach to new employee orientation provides the participants with a desirable sense of assurance. The group elected its own officers and received complete cooperation from the personnel office.

A second example is a sponsorship plan which makes use of a selected group of more experienced employees to help the newcomers orient themselves. The plan is similar to that in use by many colleges having

freshman orientation programs. The sponsors are selected on the basis of personal qualities and understanding. They are assembled in groups, as part of their official duties, and given detailed training in methods and objectives. Handbooks are provided them outlining the orientation plans. Each new employee is then assigned by the personnel office, through his supervisor, to a sponsor of similar age and interests. From this point, the sponsor and the employee meet on unofficial time. Their program may include luncheon, one or two evenings of social entertainment and other informal meetings. The sponsor thus has the opportunity to ascertain any problems the employee may have and to answer the host of questions a newcomer naturally has which require additional attention.

The advantages of the sponsorship plan apply both to the new employee and the sponsor. The employee has access to someone not in an official capacity in whom he can confide if he wishes without undue restraint. The sponsorship plan also insures that the new employee will receive accurate and helpful information so necessary in his early association with the agency. For the sponsor it is an adventure in personnel management—an opportunity to realize his place in the managerial structure of the organization.

Records

Records are important only to the extent that they are of value in future planning or administration of the program. Records and reports on recurring activities, with notations on significant factors related to success or failure, are invaluable to both the employee service officer and to employee group leaders. From them, conclusions may be drawn as to future emphases and methods in organizing activities and services.

Preparing Employees for Retirement[1]

Carroll W. Boyce

Are you taking any steps to prepare your employees for retirement? When a prominent industrialist was asked that question recently, he replied, "Hell, I'm giving 'em a pension that's bigger than any of these $100-a-month deals everybody's hollering about. Isn't that enough?"

[1] Reprinted from *How to Plan Pensions*, pp. 286–303, McGraw-Hill Book Company, Inc., New York, 1950, with permission of the publishers. Mr. Boyce is associate editor, *Factory Management and Maintenance*.

No! reply doctors, psychiatrists, retirement personnel experts, *and retired employees themselves.*

Few employees, even when nearing retirement, recognize that being pensioned will bring two serious problems:

1. Too much leisure.
2. Too little money.

They realize these things soon enough after they retire. If the pension is anywhere near reasonable in amount, neither of these problems is insurmountable—*if an employee prepares for it ahead of time.* The trouble is that too few employers are even calling these problems to the employee's attention, much less helping him prepare for them. On the contrary, many employers are merely aggravating these problems by painting glowing, but unrealistic, pictures of the advantages of retiring on a pension.

"Every day a vacation! Getting ahead in the world is important when you're young, but . . . when you're 65 you're glad to forget about it and take life easy."

The publications editor who prepared that pension plan booklet overlooked the fact that just the *prospect* of nothing to do but "take it easy" for 15 years is enough to kill a lot of people in very short order.

"And when I'm 65 we can retire to Florida or California. Maybe we'll take the first couple of years and really see the world."

That may be a good approach for the executive who'll have a pension of $5,000 a year, but is it fair to the guy who's going to retire on $100 a month? (The quotation appeared in a colorful pamphlet distributed to rank-and-file employees.)

What Can You Do?

You have to start by recognizing that retirement is both a psychological and financial shock to every employee. If the employee has been allowed to forget that retirement is approaching, the shock may be sufficient to create real resentment against the company, even though you start paying him a pension.

The first thing to do, then, is keep the employee constantly reminded that there is a pension plan and that the employee will be required to retire when he reaches 65. *Don't call attention to any provision for delayed retirement unless the company is prepared to give almost automatic approval to any request for delay.*

The second thing to do is keep the employee constantly reminded that the increased leisure of retirement will require him to develop new interests, new activities, and generally a new pattern of living. If possible,

don't remind him, *help* him to make this adjustment—and do it *before* he retires.

The third thing to do is point out to the employee that retirement will require a readjustment in living standards. If you do this in the wrong way, it can backfire and leave the employee with a poor impression of you, your company, and your pension plan. If you approach it as a matter of being genuinely helpful (rather than coldly stating an unpleasant fact), you can gain real goodwill from the about-to-be-retired employee. (And from other employees and the community, because you can be sure he'll talk.)

Reminding Employees

If you're doing a bang-up job of continuing communication with your employees about pensions (and you certainly should be), it is possible that you're already doing enough to remind employees about impending retirement. But the chances are you're emphasizing the advantages to the employees of the pension program and soft-pedaling the fact that for some employees this will mean a marked reduction of income in the very near future. Unless you want to take a chance of undermining your whole pension program, that's about the only approach you can make in communications that are directed at *all* employees.

The job you have to do for employees that are approaching retirement is a job that must be done on a man-to-man basis. In communicating with the individual employee, you can lay emphasis on different aspects of the program than you do in general broadside communications. You can, of course, give indirect emphasis to this aspect of the problem by playing up retirement parties and news of retired employees in your house organ, and by giving attention to the fact that promotions resulting from retirements have indeed resulted from retirements. But you're limited in what you can do in this way. More is needed.

One company that makes a practice of having its president send congratulatory letters to employees who are celebrating a 25th service anniversary, and any service anniversary after the 25th, has added a new "feature" to those letters. When one is sent to an employee 60 years old or older, the letter now includes this phrase: "With 27 years of service already under your belt, do you realize that by the time you retire at 65 you will have had 31 years of service with this company? That is really a record to be proud of!" (The figures, of course, are varied in each letter to correspond with the facts.) The emphasis is all *positive,* yet the employee is reminded in a very direct fashion that he will retire in a relatively short time.

Another company that makes a practice of sending each employee a birthday card every year developed a series of special cards for over-60 employees. Each one of these cards is inscribed on the front "61 down and 4 to go." (Or 62 and 3, or whatever the case may be.)

Still a third company sends each of its employees an "annual report" on the pension fund. This company's plan calls for full vesting at age 55. The company makes use of that fact to remind over-55 employees of approaching retirement by including a card with the annual report that reads as follows:

John Jones
Normal retirement date: March 1, 1956

Your normal retirement date has been entered in the upper left-hand corner of this card. It indicates that you are now within 10 years of retirement. That means you now have a fully vested interest in your retirement fund. For that reason, I believe you'll be especially interested in this annual report on the operation of your fund. When you retire, your pension will be paid from this fund, so if you have any questions or there is anything you don't understand, why not drop me a note, or stop in and see Bill Smith, the Personnel Manager? You know, he's also a member of the Pension Committee, so he knows all about this pension and retirement business, right from A to Z.

Sincerely,
President

These are effective ways of reminding an employee that he is approaching retirement. But they are no more than reminders. A really effective job provides reminders that are tied right in with constructive help in meeting some of the problems associated with retirement.

Preparing for Leisure

The first thing you can do to help an employee adjust to the increased leisure of retirement is to bring home to him the fact that unless he starts planning early, he won't have enough to do after he retires. You may not be in a position, as yet, to help an employee solve the problem of what to do when he has nothing to do, but you can give him a long start on working out his own solution by letting him know that the problem exists. Too many people never think about retirement until it happens. Or if they do, they think about it in the wrong way.

Having called the problem to the employee's attention, what more can you do? Have you got a 20-year club or a 25-year club in your company? If you do, it's a natural as a place for employees to start swapping ideas about how to use their time after they retire. In a few companies, such clubs are really active organizations that hold meetings, sponsor company

activities, and sometimes sponsor community activities. There is really no reason why every 25-year club cannot be put on that basis. If just one of your executives who is a real self-starter is a member of the club, he can do the job.

One company faced the problem of a number of retired employees who were constantly hanging around at lunch hour, and occasionally going right into the production departments. They were obviously "lost" men, who did not know what to do with their time now that they had retired. The presence of these men was disrupting production, yet it caused resentment among the employees when the company tried to tell them they should stay away. Finally one of the company's executives hit on the idea of turning the problem over to the 25-year club for solution. The annual dinner meeting of the club was going to be coming up in about three weeks anyway, so the members invited the three "hangers-on" and any other retired employees still living in the area to be their guests at the dinner. The president of the company, who was also a member of the club, took it upon himself (as a president can) to announce that all retired employees were immediately reinstated to permanent active membership in the 25-year club. It took him 15 minutes to make the announcement, but what he said in effect was this:

You boys who have retired know most if not all the members of this club who are still working. You see each other once in a while. Some of you see each other frequently. But I think that on the whole, you would enjoy being able to get together with this group four times a year when we meet. We think you'll enjoy it as a chance to find out a little about what is going on at the company, and also as a chance to make and renew acquaintances. Frankly, we expect to get something out of it too. Every member of this club is within 12 years of retirement, and some of us are a lot closer. Some of us know what we are going to do when we retire. Bob, here, was born and brought up on a farm so he bought one about three years ago and has been cleaning it up in his spare time. When he retires two years from now, he's going to start working it as a full-time proposition and try to make a go of it. But me? By the time I retire I will have probably already taught my two grandsons all I know about sailing, and then if the Chamber of Commerce stops asking me to make speeches I just don't know what I'll do. Unless one of you can come up with a bright idea, I'll probably try to manage it to get named Chairman of the Board of Directors and spend the last years of my life making life miserable for you.

That particular company president died before he had had an opportunity to retire, but before he died he saw the retired members at the 25-year club organized into a retirement planning committee. Now, every employee in the company who reaches the age of 55 receives a personal call from one of the members of the retirement planning committee. The

employee is asked, in effect, "Jim, have you decided just how you're going to use your time after you retire? I had to face that problem, and I know that 55 is none too soon to start planning." Members of the committee have been able to interest dozens of preretirement employees in becoming active in various civic and philanthropic groups. They have helped others to become interested in local politics or in work with their church. A hobby shop and a hunting club for retired employees have been organized.

What about the three hangers-on? One of them had been a boating enthusiast who had to give up his hobby because it was too expensive after he retired. He had to swallow his pride for a minute to do it, but he finally got a part-time job as assistant sailing instructor at the local boat club. He gave the sailing lessons to the president's grandchildren after the boss died. But you can't build Rome in a day. The other two just kept hanging around.

This particular company was extremely lucky in having an active 25-year club, a group of really loyal "alumni," and a president with both vision and courage. It was a medium-sized company in a small town. All of the circumstances were just right for the solution attempted in that particular case. There's a good chance that you wouldn't be able to do the same thing because all the necessary elements wouldn't be present for a winning combination. You can do the same kind of thing in any company through an organized program of employee counseling. A few of the bigger companies are right now organizing definite retirement planning programs that will include continued counseling over a period of 10 or 15 years for employees approaching retirement.

One of the big oil companies has gone so far as to retain a consulting psychologist who specializes in the problems of retirement to help organize its program. The psychologist's name is Dr. George Lawton. Writing in the January, 1950, issue of *Factory Management and Maintenance,* Dr. Lawton expressed this objective for any program of employee counseling for retirement:

> When we get older, we should step up, not down. Retirement should never become the lazy man's dream of doing nothing. It should be the most active part of a man's life, the culmination of his career. It should mean the reaching of the goals that could not be reached in earlier years.
>
> That's one way to live longer and like it. Even if we don't succeed in adding years to our lives, we will have added life to our years—and that's far more important.

Making Financial Adjustments

How can you remind an employee that when he retires he will have to start living on about half of his present pay, without leaving him in a

frame of mind where he resents the prospect of retirement? It's not an easy job when you're talking to a $5,000-a-year-worker who is going to be cut to $2,500 when he goes on pension. It's a lot tougher to tell a guy who has been earning $50 a week that he is going to be retired on $100 a month.

It's because the job is so difficult that you have a real obligation to do it *early*. It doesn't help a bit to call an employee in just before he is to retire and say, "Joe, you know you're going to be retired in six weeks. Now, $100 a month is not much to live on. I hope you've been giving some thought to saving enough so that you and the Missus will be able to get by." If Joe has been putting money aside, the question is unnecessary. If he hasn't, six weeks, or even six months would be too short a time for him to put aside enough out of $200 a month to do any good.

"Well," you say, "if I ask that question 6 years or 16 years before retirement, it would be taken as an open admission that our pension is not big enough to retire on. That would be just giving the unions more ammunition and they would be shouting louder than ever for bigger pensions." Sure they would. Which simply means you've got to put your communication system to work to point out that a pension is not intended to provide *all* the income a retired employee needs. This means you will have to knock down the false idea many of the unions are now selling that pensions represent 100 per cent old-age security. For some companies, this will present the embarrassing necessity of unselling the idea that they sold through their pension booklets that pensions represent 100 per cent old-age security. Companies that used big type to explain that a pension plan would mean "carefree years of sleeping late . . . having the best garden in town . . . seeing the country . . . and doing most anything you want to" and then obscured in a complicated table the fact that a man who earns $50 a week for 40 years will get about $75 a month as pension may have to eat some crow. If it's going to have to be done at all, it's probably better to do it now than later.

The sooner you can call to an employee's attention the fact that he is going to have to supplement his pension with some personal savings if he is not to undergo a major reduction in his standard of living after retirement, the better off both you and the employee will be. Obviously, you don't want to do this job by standing up and shouting from the housetops.

Just giving the employee a booklet with some tables and a formula for computing his prospective retirement income isn't enough. You'll probably work out some place in the booklet an example to show how it's done. You might, as Philip Morris did, work an example based on an employee whose earnings are approximately $50 a week for 40 years. This employee's total pension, including primary Social Security benefit,

worked out to $1,352 a year. That's a pretty realistic sort of a picture to present in a booklet describing a pension plan which covers *all* of the company's employees.

Contrast that with the more typical example presented by this company: The employee is assumed to start working for the company at age 25 at $65 a week. For purposes of the example, it is assumed further that by the time this employee has had 15 years of service he will be earning $100 a week. By the time he retires at age 65, he is assumed to be earning $125 a week. His total monthly pension, including primary Social Security, is computed as something slightly more than $210 a month, or a little over $2,500 a year. While this company may pay above average wages, the Bureau of Labor Statistics reports that for July, 1949, the average weekly earnings of hourly-rated workers in this industry were very close to $60. In view of that, it's hard to see how the one example worked out in this company's pension booklet can be considered a fair presentation to rank-and-file employees.

Another company was about to put out a new edition of its pension pamphlet. The employee relations manager got hold of some surplus copies of the old edition and distributed them to 50 hourly-rated employees with a request that they read it through and then answer some questions that might help him in making up a new one. Without any thought of what would be disclosed, one of the questions he asked was: "Approximately how much do you think your pension will be when you retire if you continue working at the same rate of pay you are now getting?" More than 30 of the 50 employees came up with answers that were between $140 and $160. With a little pencil work, the employee relations manager figured out that none of the employees in the group would be entitled to pensions of more than $105 a month. With a little investigation, he found that the "example" worked out in the booklet showed that an employee with 32 years of service, in a particular wage bracket, would be entitled to a pension of $153 a month. What apparently happened was that the employees who read the booklet assumed that any employee with 32 years of service would get $153 a month, and in answering the question they merely made minor adjustments in this figure to compensate for the fact that their service would be greater or less than 32 years.

So apparently you can't get across to employees how big or little their pension will be by simply giving them a booklet which contains detailed pension tables and typical "examples." *How can you do it?*

One company makes a practice of sending its employees each year an "audit" of their prospective pension benefits. On the assumption that the employee's earnings will continue to retirement unchanged, the audit

contains a perfectly flat statement that, "Your monthly pension retirement will be $ " The audit goes on to give other information concerning the retirement program such as the prospective amount of the employee's Social Security, the face value of his group life insurance policy, and so forth.

. . . . . .

Almost an infinite number of variations are possible on these methods of reporting to employees their prospective retirement income. An effective job of this kind is certainly a long stride in the right direction. In many cases, it is probably adequate and no more need be done. But sometimes you cannot just put the facts in front of a person and have him draw the obvious conclusion. For that reason, where any sort of retirement counseling program is established, you would be missing a real bet if you did not include as a definite part of this program an examination of the employee's financial preparations for retirement.

In his article in *Factory,* Dr. Lawton makes a point that is well worth while for any retirement counselor to remember:

> Sooner or later, if you have not already done so, you must face realistically just what your financial position will be when you leave your job. You can do two things, assuming that, like most people, you will find your income much reduced:
>
> 1. You can plan ways of supplementing your income after retirement. . . .
> 2. You can gradually cut your scale of living and thereby reduce your budget *now.* You will thereby avoid the need of sudden, drastic readjustments in your way of living when you retire. You will also save money.
>
> *Pete Downing's case is a good example . . .*
>
> The Downings had a son and a daughter. By the time the children were established in homes of their own, Pete was about 53. One evening, he told his wife: "Look here, Mother, in about a dozen years I'll be ready to retire. I've seen a lot of people run into trouble when they suddenly had to change over to less money. How about just telling ourselves we have retired now and that we have to live within our new income from now on?"
>
> Pete and his wife disposed of their big, old-fashioned house in exchange for a smaller one, and received some cash in addition. That amount they put away to start their nest egg. At first, the two felt handicapped, but not for long. They were soon hardly aware that any change had taken place, and when retirement time came along they were happy indeed that they had carried out their plan.

Dr. Lawton's article contains one more item that it seems appropriate to quote:

"And by the way: *How much planning have you done about your own retirement?*"

Employee Benefits and Morale[1]

James C. Worthy

There is clear evidence that, on the whole, Sears employees are well disposed toward the company. For instance, an analysis of the responses of some 12,000 employees to one questionnaire revealed that 72% thought Sears was either "better than average" or "one of the very best" places to work, and only 3% thought Sears "poorer than average." Some 95% said they would rather work for Sears than almost any other company of which they knew. Our interviews have yielded similar results, emphasizing the high regard most people seem to have for the company.

Nevertheless, we are keenly conscious that many problems exist and that morale varies widely among various units of the organization. For example, the lowest unit surveyed had a "morale score" (using an arbitrary scale of measurement) more than 50 points below the highest, with other units scattered between these two extremes. We have, therefore, made a real effort to gain a better understanding of the factors which account for such differences. Of course, our findings in this connection may not all be new or necessarily true for every company; their value is that they are based on a body of very real experience and that as such they should contribute to others' understanding.

The most important conclusion to which we have come is that there is no simple explanation for any given state of employee morale. Rather, our studies indicate the existence of a highly complex set of interdependent factors which combine in subtle and obscure ways to produce a particular level of employee satisfaction or dissatisfaction. Whether high or low, this level of satisfaction, in turn, seems to reinforce many of the factors producing it, thus setting in motion a kind of "circular reaction" which tends to keep good morale good and poor morale poor. It is for this reason that management, despite sincere and vigorous efforts, often finds it so difficult to bring about perceptible improvements in problem situations.

[1] Reprinted from "Factors Influencing Employee Morale," *Harvard Business Review*, Vol. 28, No. 1 (January, 1950), pp. 65–67, with permission of the publishers. Mr. Worthy is a member of the central personnel staff of Sears, Roebuck and Co.

Wages, Hours, and Working Conditions

Our studies indicate that many of the factors considered of primary importance by management often play relatively minor roles. Analysis of the 12,000 responses to the questionnaire mentioned above, for instance, showed that pay ranked in eighth place among the elements related to high morale. Interestingly enough, this eighth-place item related to *pay in comparison with other jobs in the same unit;* rates of pay as such ranked in fourteenth place. Hours of work, in twenty-first place, fared still more poorly as an influence on employee attitudes.

This is not to say that hours of work, rates of pay, and proper job differentials are not important. Wherever local management is guilty of any serious shortcomings in these matters, they loom up much more importantly in employee thinking. The point is, these things in themselves are not enough; they are only the beginning. If the only basis management can conceive for employee loyalty and cooperation is the pay envelope and the short work-week, there can never be enough money or short enough hours to do the job. Management must have a firmer basis than this on which to build effective working relationships.

The role played by conditions of work is likewise often misunderstood. Good equipment, pleasant and attractive surroundings, well-maintained washrooms, and so on can never, of themselves, develop high morale. Their *absence,* however, can be a source of real difficulty. If employees are discontented with any phase of their relations with management, they are likely to seize upon and magnify any inconveniences arising from their physical surroundings. They can tolerate situations they know are difficult for management to correct. But where annoyances are apparently unnecessary, employees are likely to interpret the condition as evidence of management's lack of concern for them as people. It is against this attitude that employees rebel. The poor working conditions are merely evidence of the attitude and a convenient target against which to direct complaints.

Employee Benefits

The importance of management's own attitude toward its employees is likewise demonstrated in the matter of employee benefits. Sears, Roebuck and Co. has a very broad and substantial program in this respect, as indicated by the fact that during the year 1948 alone the cost of profit sharing, group insurance, illness allowances, severance pay, and other benefits voluntarily provided by company policy amounted to more than

$50 million. (Counting all the items customarily included under the heading of "nonwage payments," the company's expenditure in 1948 was in excess of $84 million.)

This framework of employee benefits has had a definite influence on employee attitudes. This influence, however, has been more indirect than direct. Important as the economic aspects of the benefits may be, their chief significance as regards employee morale is the fact that they are tangible evidence to the organization of management's concern for the welfare of its employees. This is not to minimize the economic aspects of the benefits, particularly profit sharing; they are effective as symbols chiefly because they *are* substantial and because, as such, they demonstrate the sincerity and weightiness of management's concern. If they were less substantial, their value as symbols and as an earnest of management's attitude would be correspondingly diminished. Nevertheless, our studies show clearly that employees respond primarily to the evidence of management's concern and only secondarily to the economic values as such.

This point can be illustrated (albeit in rather general terms) by the experience of certain other companies with whom we have had an opportunity to become acquainted. Several of these in recent years have established various kinds of benefit plans, some of which provide substantial cash values. In those cases where the company already enjoyed good morale, the benefit plans were well received because they were an additional expression of a management attitude to which the employees were accustomed and in which they had confidence. In those cases where morale was poor, however, the benefit plans were received with suspicion and distrust and as probable evidence that management was trying to pull some kind of "fast trick."

The important point in both types of situations is management's attitude toward its people. Is this attitude one of respect for those in the organization and of genuine concern for their welfare, which they can see expressed in every phase of their working lives and in every contact they have with those at higher levels in the organization? Identical benefit plans installed in companies with and without that attitude are likely to have precisely opposite effects.

In their essence, industrial relations are not very different from family relations. Many fathers try to buy the loyalty of their wives and children through indulgent gifts, forgetting that love is a reciprocal process and that respect and affection can only be won to the extent they are given in return. Many managements, like many fathers, try to find a cheap and easy substitute and are intensely annoyed at the cheap and unsatisfactory response they obtain.

The Special Role of Profit Sharing

What has been said above applies with special force to the Sears profit sharing plan. This plan, in continuous operation since 1916, is open to all employees with a year or more of service. Each member of the plan deposits 5% of his earnings (up to a maximum deposit of $250 per year) in the profit sharing fund. At the end of the year the company contributes to the fund between 5% and 9% (determined according to a fixed scale) of its net profits before taxes and dividends. (The company's contribution for 1948 was $22,817,079.) These contributions are credited to the accounts of employees on a dual basis of length of service and amount of individual deposit.

Sums credited to members are carried partially in cash or its equivalent but are chiefly invested in company stock (with dividends earned, of course, being credited to the employees' accounts). The plan has been unusually successful and has been the means for enabling employees who make a career at Sears to build up substantial equities by the time of their retirement. Of special significance for present purposes is the fact that the profit sharing fund now holds in trust for its members approximately 19% of the company's outstanding capital stock, thus making Sears employees as a group by far the largest stockholders in the company.

Over the years the profit sharing plan has gradually assumed a role which transcends its function as tangible evidence of management's concern for the welfare of its employees. In a sense, profit sharing has become a "unifying principle" that serves as a symbol around which the entire organization revolves. Because of the magnitude of fund holdings, there is a striking community of interest between stockholders and employees. The making of profits for absentee stockholders has never been a rallying point around which the enthusiastic support of employees could be organized. However, where employees and stockholders tend more and more to become the same people, profitability of operations—with all that it implies—becomes a rallying point of greater and greater effectiveness.

Here again, the influence on employee attitudes is primarily symbolic rather than direct. The actual holdings of individual employees are not nearly so important as the fact that the huge holdings of the profit sharing fund symbolize to them that they and the company are one, that they are in effect "working for themselves." In employee conversations one frequently hears the phrase, "Well, that's good for profit sharing." It would be rare indeed, over the length and breadth of American business, ever to hear the phrase, spoken by an employee, "Well, that's good for the stockholders"—and have the words be otherwise than a complaint.

C. EMPLOYEE INTEREST IN PRODUCTION PROBLEMS

Suggestion Plans—The Value to the Personnel Relations Program[1]

Herman W. Seinwerth

"We have finally given in. Next month we are going to install a suggestion program, and we hope to God we clear up all these grievances, gripes, and labor troubles that we have been having."

That is what the owner of a small machine shop in South Bend said to me about a year ago. Somewhere he had received the impression that all he had to do was to install a suggestion program and then all his labor difficulties would be eliminated. I might mention that he had owned a very small machine shop before the war, and as the need for machine tools developed, the size of the shop had multiplied many times. But his "know-how" of handling people had not grown with it.

I don't think that there is anything further from fact than his impression of what a suggestion plan can do for the personnel program. A suggestion plan is not a cure-all. Mutual confidence and respect must exist, or it cannot work successfully at all. If mutual confidence and respect between employer and employee are lacking before the suggestion plan is installed, you are heading for trouble, serious trouble.

Suggestion programs should be looked upon as aids in improving employee-employer relationships, but not as panaceas or cure-alls for labor troubles. You must have the proper policy and procedure setup, and you must administer them well.

[1] Reprinted from *In Getting and Using Employees' Ideas*, pp. 7–10, American Management Association, Production Series No. 165, 1946, with permission of the publishers. When this paper was presented, Mr. Seinwerth was manager of the suggestion plan for Swift & Company in Chicago, and president of the National Association of Suggestion Systems. He is now industrial relations manager of the A. C. Lawrence Leather Company.

Benefits of a Plan

A successful suggestion plan has many benefits. I am going to list those of the employee because as the employee gains, so does the company. Just what is there in it for the employee?

First of all, there are cash awards. Most suggestion plans pay cash awards based on the value of the suggestions to the company. These awards are primary incentives to constructive thinking.

Second, there is the personal satisfaction that the employee receives in contributing his ideas and seeing some of them adopted and put into use. This personal satisfaction is engendered in several ways. The employee knows that his contribution is recognized. He is proud when he sees one of his suggestions in use in his department. I don't think I have ever gone through one of our plants without having some of our winning suggesters point out applied ideas, saying, "Do you see that conveyor over there?" "Yes." "Well, I put that in. That was my suggestion. Before we had the conveyor, we used to do so-and-so." They have a real pride in accomplishment.

Then the employee gains the feeling that he is an integral part of the company, part of a team. He is not just there doing a manual job every day and going home at night, a mere number on a time-card or a payroll record. He is a part of the organization, possessing the right to submit ideas and suggestions for changes and improvements.

Accepted suggestions make the employee feel that he is important, and that he is needed. It makes no difference whether a man is a mechanic or a sweeper. He has the right to put his suggestion into the hopper, and if it is adopted, he has that feeling of importance which contributes so largely to confidence and self-respect.

Then there are the educational aspects of a suggestion system. The employee learns more about the company. He begins to find out why the company cannot do all the things that he thinks it should. And, of course, his general knowledge of the company and its problems expands and develops. That is important.

Also, as his knowledge develops and as he continues to contribute ideas, he brings himself to the attention of his supervisors, which is another way of saying that he emerges from the group. He is more likely to be picked out for advancement.

Perhaps most important, the incentives of a suggestion plan encourage individuals to make the most of their latent abilities. Men and women alike are encouraged to think constructively, to think originally. They are encouraged to do a little more than sweep the floor, shovel coal, drive

a truck, or load packages. They have an incentive to improve their personalities.

Suggestion plans act as a safety-valve. Ordinarily some employees are always saying, "If I were boss, so-and-so would be done differently. Why don't they . . . ?" The suggestion box furnishes opportunities to make constructive suggestions for correcting difficulties and cash in at the same time.

These are the benefits a suggestion plan can hold for the employees. How can we in administering an established plan, or in developing a new one, make sure or at least try to make sure that all employees have the opportunity of realizing as many of these benefits as possible?

Proper Handling of the Individual

First of all, we must remember that in a suggestion plan we are dealing with people, not things. In everything we do, in our policy, in our procedure and in our contacts with suggesters, we must never forget that we are dealing with people. We cannot set up a rubber-stamp system and expect it to work on everybody, because it won't. Of utmost importance is proper handling of the individual rather than efficiency in operation.

Second, we should make the most of the personal contacts afforded by the plan. The routine of handling suggestions provides continual opportunity for important and pleasant personal contacts. If you, in your suggestion plan, make an immediate supervisor, foreman, or department head a key man in your program, you at the same time offer him the opportunity personally to meet with his employees regularly.

For example, when suggestions are acknowledged, when progress reports come out, during the investigation, and when the decision is given—all these procedure steps can be used, first, as a means of getting employer and employee together, and second, to weld together the organization.

Turndowns

A word about turndowns: This feature of the suggestion program can be very dangerous to the personnel program if it is not properly administered. Turndowns are a real danger point.

On an average, 75 out of every 100 suggestions are turned down. That means that unless we are able to do a selling job in turning down suggestions, unless we are able to satisfy the suggesters that there are valid reasons why we cannot use their ideas, and unless we are able to encourage the men and women whose ideas are rejected to make other suggestions, the suggestion program will dry up in a hurry.

For proper handling of turndowns, each suggestion should be carefully investigated. Each should be judged on its merits. And the decisions *re* adoption or rejection should be made, not by the suggestion committee, but by the regular management sources, the same management persons who would ordinarily rule on the propositions if they were not suggestions and on suggestion blanks. The function of the suggestion committee is not to usurp the prerogatives of management but to see that the decisions rendered are fair and impartial.

The close-out letter to the suggester should honestly and carefully explain why the idea could not be used. It should go into the matter at some length, and lay all the facts on the table. Then, the turndown letter should be delivered to the employee in person by the investigator and/or the suggester's immediate superior, so that the matter can be discussed and further questions asked.

Why is this important? Well, how many of you men have written instructions which you thought were perfect, and then have found them misunderstood? A close-out letter is something like that. We think we have explained fully why the idea will not work. But if we will sit down with the employee and discuss the proposition, we will often find many other points that we did not include in the letter—points, perhaps, that we missed entirely.

Awards

There is no need to say much about awards. They are the "proof of the pudding"; they provide the greatest pleasure in the whole plan, the giving out of the money. Make the most of your awards. Give the employee a little fame. Build up that feeling of personal accomplishment by making the award in the department before groups of fellow workers, or in the cafeteria at lunchtime. Be sure that the immediate superior either makes the award or is tied in very closely with the presentation. Build up the awards by pictures in your employee newspapers, honor rolls on bulletin boards, and so forth.

Eligibility

There is not much I can say about eligibility as far as it affects the personnel program—except that you must be sure that the eligibility policy is fair. Basically, a suggestion program attempts to reward people for contributions beyond those they might normally be expected to make. We should try to establish the eligibility rules that will best realize this objective. Usually an eligibility schedule may be compared to a pyramid: a broad base at the bottom—the non-supervisory level—where almost any suggestion is outside the normal area of the job—tapering upward to the

technical and supervisory jobs, where certain suggestions for improvements may be expected. And so on, to the top, where, of course, no awards will be given because of the broad sphere of activity covered by top management.

Grievances

We must be careful how we handle grievances, especially if there is a bargaining unit and a contract with a grievance clause. If you do have such a setup, then grievances cannot, ordinarily, be handled as suggestions at all. On the other hand, I have seen many grievances turned into constructive suggestions. If a man who starts out with a gripe figures out a constructive suggestion to correct it, and then gets an award in consequence, he gets double satisfaction.

Promptness

Finally, remember the importance of promptness. An idea is a person's individual brainchild, and he likes you to handle it promptly. Do so. If you can't make a prompt decision, at least keep the employee informed.

Yes, properly administered, the suggestion plan can be of considerable value to the personnel relations program! Remember, however, that it is not a cure-all for all industrial ills but rather a sound proven program for stimulating the constructive thinking of all, and thereby building closer cooperative relationships throughout each organization.

A Case History of Union-Management Cooperation[1]

Russell W. Davenport

There is nothing about the Lapointe Machine Tool Co. that would lead the visitor to suspect that it houses the makings of a far-reaching management-labor revolution. It is a small, neat factory in Hudson, Massachu-

[1] Reprinted from "Enterprise for Everyman: A case history of how the Scanlon Plan, as applied by union and management at Lapointe Machine Tool, has raised productivity, profits, and pay," *Fortune*, Vol. 41, No. 1 (January, 1950), pp. 55–59+, by special permission of the editors; copyright, Time, Inc. Mr. Davenport was one of the editors of *Fortune*.

setts, where the executives walk up three flights to get to their varnished offices and most of the 350 employees eat lunch at home because they live nearby. Founded in 1903 by a French-Canadian named La Pointe, it was later purchased by John J. Prindiville, whose son, big, six-foot-six John Jr., is now President and owner of the equity stock. It is a modest enterprise with a reputation for high quality; there is even a trace of modesty in its boast that it is "the world's oldest and largest manufacturer of broaches and broaching machines." Yet the social achievement at Lapointe is something to make one pause and consider, for the discoveries that its management and union have made concerning the enterprise system could have repercussions around the civilized world.

Labor relations at Lapointe were never "bad"—yet they were not "good" either. They were just about like labor relations anywhere else, which is to say that there was mistrust on both sides leading on occasion to ill will. There was constant trouble, for example, over the piecework incentive system. Some rates were so easy that the men earned big bonuses and had to hold back production lest the rates be cut. Others were so hard that only the most skillful could earn any bonus at all. The indirect workers had no incentive rate and resented those of the others. Grievances abounded—the union was processing fifteen or twenty a month. There were numerous production delays, spoilage was too high, and deliveries were bad. In short, the picture was a typical one as industrial relations go—worse than some, not so bad as others.

In 1945 the plant was organized by the United Steelworkers, and about a year thereafter the Steelworkers called a national strike for a postwar wage increase. The Lapointe contract still had six months to run, and many of the men didn't want to go out anyway. However, the decision was to strike. Management thereupon sought an injunction, on the ground that the contract had been violated, and won a favorable decision from Judge Charles C. Cabot of the Massachusetts Superior Court. The union was enjoined from picketing the plant or otherwise interfering with operations. Early in April the strike at Lapointe ended. But there was bitterness in the air, and the situation was not improved by the realization that the machine-tool industry, after its war boom, had fallen on lean times. The unsettling possibility of a layoff hovered constantly over the shop.

It so happened about this time that Jack Ali, then president of the union, picked up a copy of *Life* (December 23, 1946) and his eye fell on an article by John Chamberlain with the intriguing title of "Every Man a Capitalist." Mr. Ali read it. It told about a small maker of steel tanks called the Adamson Co., where union and management had come together to install an amazing productivity plan, with the result that the company's profitability had increased two and a half times and the men

had taken home bonuses ranging up to 54 per cent of a high basic wage. The author of the plan was one Joseph Scanlon, of whom Mr. Ali had never heard. However, he took the article to the union executive committee and together they became tremendously excited. After two evenings' discussion, the committee got in touch with Executive Vice President Edward M. Dowd, second-in-command to Mr. Prindiville—a big man, up from the ranks, whose intimate knowledge of the broaching business is matched only by his sure-footed understanding of the men in his shop. Mr. Dowd turned a willing ear to what the committee had to say, and on reading the article was deeply stirred.

There then followed some very active weeks. Messrs. Dowd and Ali journeyed out to East Palestine, Ohio, where they went over the Adamson plan in detail. They discovered that Mr. Scanlon was now teaching at M.I.T., scarcely forty miles from Hudson, and they presently made their appearance in his office. Mr. Scanlon, in turn, sent them to Roy Stephens, the regional field representative of the United Steelworkers. When they had obtained this gentleman's blessing they returned to the Scanlon office and began to dig down to bedrock. In the meantime Mr. Dowd had had frequent conferences with Mr. Prindiville, who was at once interested, and after some deliberation gave them the green light. Negotiations with the union were begun. And by December 1, 1947, the Scanlon plan was installed at Lapointe.

The Scanlon Development

Now the Adamson experiment that started this chain of events was no mere accident in labor-management relations. It had its roots in the painful thirties, when a group of labor leaders in the steel country evolved certain principles that have within them the power to revolutionize labor's relationship to enterprise, and vice versa. One of these leaders was Joseph Scanlon, whose versatile career included cost accounting, a spell as a professional boxer, a return to cost accounting (his basic profession), and then a shift over to the production side as an open-hearth worker. In 1936, during the formation of the S.W.O.C., Mr. Scanlon was on the open hearth of a marginal steel company, where he took a leading part in the organizing drive and was elected president of the new local.

Like many other steel manufacturers, this company was close to the rocks in 1938. Costs were high, the ink was red, liquidation seemed inevitable. Mr. Scanlon and his fellow union officers felt that something had to be done. They persuaded the president of the company to join with them in a visit to Pittsburgh to see Clinton Golden, then vice president of the Steelworkers and Phil Murray's good right arm. Mr. Golden had

long been preaching a gospel of cooperation between management and labor for the good of both; nevertheless, he received this contingent with some degree of astonishment. Said he afterward, "The union headquarters in those days was about as popular a place for industrial executives to visit as a pesthouse. I was immediately impressed by the fact there was something extraordinary happening here."

Mr. Golden advised them to go back and try to work out a plan by which union and management could join together to save the enterprise. And the upshot was a pioneer union-management productivity plan, which provided that the workers would get a bonus for tangible savings in labor costs. Despite the fact that the primary aim of this plan was merely *survival,* it worked almost like magic and became the seed of all of Mr. Scanlon's future work. Costs were cut so much that the company actually began to make a profit, and the workers got a bonus to boot. One suggestion by the union production committee, for example, cost less than $8,000 in new equipment but saved about $150,000 in one year.

Scores of other companies doing business with the union found themselves in this same tough position in the late thirties. Primarily to save the jobs of union members, Messrs. Murray and Golden brought Mr. Scanlon into the national headquarters to work on these cases. Sometimes at the request of the company, often at that of the union, productivity plans based upon union-management cooperation were installed in forty to fifty companies. The largest of these early-period plans was at a basic steel company employing about 4,000 people; the smallest was at a water-heater company with 150 employees. According to Mr. Scanlon, "The successes were just as marked in the larger companies as in the small ones."

Out of this work came a book—*The Dynamics of Industrial Democracy,* by Clinton S. Golden and Harold J. Ruttenberg—and a proposition. The proposition was that collective bargaining, as thus far developed, was a primitive affair, and that the future task of labor and management would be to evolve a more mature relationship. In this new relationship collective bargaining would include, not merely wages, hours, working conditions, etc., but intelligent cooperation between the bargaining parties. Such cooperation could not be expected if the workers were shoved to one side, kept ignorant of the business, and treated as pawns in a game going on over their heads. A new principle must be introduced, which has since come to be called the principle of *participation.*

Last October, in the first article of the present series, "The Greatest Opportunity on Earth," this principle was referred to as the most important area in which to implement the economic rights that the article set forth. But, unfortunately, when he uses the word participation, the

average executive usually has something rather superficial in mind. He seeks to develop in the worker a *feeling* of participation, a *sense* of belonging. But is this quite honest? To make the worker feel that he is participating without giving him a real participation is, after all, to fool him; and deception is a flimsy, not to say an inflammable, foundation for industrial relations. Real participation consists in finding a means by which to reward labor for any increase in productivity, and *then in building around this formula a working relationship between management and labor that enables them to become a team.* Once a team has been established, it is found that labor's prime interest, just like that of management, becomes *productivity.*

Such, at any rate, was the fruitful vein that Messrs. Dowd and Ali had come upon at the Adamson Co., the most spectacular of the Scanlon developments. The performance of Adamson, indeed, had attracted the attention of Douglas McGregor, then head of the industrial-relations section at M.I.T., now president of Antioch College; and Mr. McGregor had persuaded Mr. Scanlon to come to M.I.T. There, with the help of economists, engineers, statisticians, and other experts on the M.I.T. faculty, Mr. Scanlon's work has entered a new phase, in which he can draw upon his vast experience in the labor-management field to give advice in the installation of real participation plans to those companies that seek him out.

The Formula

The first task in the application of the Scanlon plan is to find a "normal" labor cost for the plant under consideration, and then to devise a means for giving labor the benefit of anything it can save under that "norm." In every case, therefore, some kind of link must be found between the worker and over-all shop productivity. Because every company is different, the nature of this link differs in almost every case; and because labor usually objects to having its costs accurately measured, some of the accounting handles that Mr. Scanlon has used are rather weird. At a manufacturer of silverware it is ounces of silver processed; at a wholesale warehouse it is tons warehoused; at a steel foundry and machine shop in the Deep South it is pounds of castings produced. At the Market Forge Co., a versatile steel-fabricating shop in Everett, Massachusetts, it is a calculated percentage of operating profits per month.

This last method, linking laborsaving to the P. & L. statement, is of course the basis of many profit-sharing plans. But Mr. Scanlon feels, and Market Forge itself agrees, that it is the least desirable of any of the links, because the connection between the worker's productive efficiency and the final profit is too remote for many to grasp. It was adopted at Market

Forge because the types of jobs coming into that shop are so variable that a labor-cost figure was impossible to determine. Notwithstanding this seeming weakness, a high level of participation has been developed at Market Forge, where more than 300 recorded suggestions for improved productivity have been put into effect in the past two years.

At Lapointe, where measurement was relatively easy, Mr. Scanlon decided on the most direct and understandable accounting handle—the ratio of labor cost to total production value, the latter figure being equal to monthly sales plus or minus the change in inventory. Since this labor ratio is a highly competitive figure, Lapointe will not make it public. However, the principle can be illustrated, and all the Lapointe moves intelligently followed, by taking the average for the whole machine-tool industry. According to the Department of Commerce the ratio of wages and salaries to the value of shipments for the entire industry for 1947 was 40.7 per cent—which, to speak in round figures, we may call 41 per cent. In actuality, the company felt that the "norm" derived from its war records was too high and the union consequently agreed to a reduction of three points. If this were applied to the industry-wide average, the norm would be 38 per cent, and the plan would work as follows. If total shipments for a given month were $70,000, and inventory change was plus $30,000, total production value would be $100,000 for that month. The "normal" payroll would then be calculated at 38 per cent, or $38,000. If the actual payroll were only $35,000, the difference of $3,000 would go to the workers as their bonus.

Several important points are to be noted regarding this approach. First, labor gets *all* of the laborsaving; management's profit from the plan is derived from increased sales with no corresponding increase in total "burden" (i.e., overhead and labor costs). Second—and absolutely basic to the Scanlon system—the bonus is given to all the workers and not just to those individuals who made productivity suggestions. At Market Forge it goes to every person in the business, including Leo M. Beckwith, the owner—and Mr. Scanlon prefers this setup. At Lapointe, however, it goes to all except the fourteen top executives, who have a bonus system of their own, based on sales. Lapointe distributes the Scanlon bonus to every individual every month, as a calculated percentage of his basic rate—that is, his hourly, weekly, or monthly pay.

Mr. Scanlon believes that the broadest and most meaningful participation requires a union—in the two or three instances where he has proceeded without one there have been delays and difficulties that a union would have helped to untangle. A firm distinction is made, however, between ordinary union affairs and the productivity affairs; grievances, for example, are handled through the grievance committee and are never

discussed in the union-management productivity committees. Preferably, the original suggestion to try the plan should come from the union (as at Lapointe); but if it comes from management, the consent of the union must certainly be obtained, together with the approval of the regional representative. In many instances the plan rests on a simple "memorandum of agreement"; at Lapointe it is actually part of the collective-bargaining contract.

Thus the basic theory is that labor should profit from laborsavings, while the company profits from a better use of its assets (for example, lower unit costs). And in order to maintain this dynamic balance at the original point agreed upon, it is provided that changes can be made in the formula to compensate for changed conditions on either side. Thus, some weeks after the plan actually went into effect, management decided to cut prices by 10 per cent on about half the products. Since this would result in a decrease in production value from a non-labor source, about three points had to be *added* to labor's norm. This would bring our average norm for the industry back to 41 per cent. If management were to raise prices, the opposite adjustment would have to be made.

If a further general rise in wages were to occur, the union at Lapointe would insist that the workers get it in their wage rates; one of Mr. Scanlon's cardinal principles is that a productivity bonus must not be used as a substitute for a wage increase. But again, in order to maintain the dynamic balance, such a change in the wage level, since it would be an additional labor cost, would require a revision of the norm, here, too, upward. The change can be avoided in only two ways: (1) management may pass the increase along in the form of increased prices, in which event the labor ratio to sales will remain the same; or (2) consideration for the company's competitive position may induce labor to absorb part or all of the increase by agreeing to let the ratio stand as it was. Thus at Lapointe the union and the company undertook to eliminate basic wage inequities, and this resulted in a sizable increase in payroll. Since, however, this cost could not be passed along in prices and still keep the business at a good volume, labor consented to the maintenance of the original norm (41 per cent by our hypothetical figure), instead of insisting on a larger share of the sales dollar. In effect, therefore, the increase in payroll cost came out of increased productivity; and since prices did not go up, the customers of Lapointe were the chief beneficiaries of the difference. This benefit to the customers comes back, in turn, to the company in the form of more secure jobs and profits.

On the other hand, there is built into the agreement a provision that where management makes an investment that will raise labor productivity, without any increased work on the part of the labor force, such

investment may entail a recalculation of labor's norm, this time downward. Lapointe has, in fact, invested in about forty major pieces of equipment in the past year. It is impossible to tell how much of this is actually new investment, and how much is in reality replacement, though the total would run to six figures. Nevertheless, management feels that this investment is to some extent a fair exchange for labor's extra rise in productivity, and has not therefore exercised this provision of the agreement.

All this is collective bargaining of a high order, brought about by the participation principle. The entire factory competes, from the ground up. Because management sees its best hope in the cooperation of the workers, it decides to forgo claims that it would otherwise exact. And because the workers know the company's competitive problem in detail, their bargaining for labor's share is oriented to that problem.

One more provision was needed at Lapointe to put the plan in balance. Three times in the first two years the productivity curve has dipped below the norm—that is, labor costs were *greater* than our hypothetical average of 41 per cent. The company had paid out bonuses for the gains; who was to reimburse it for the losses? Owing to the extraordinary understanding that is developed by participation, the men were quick to see the injustice that was being worked on the company, and even though the contract contained no such provision, the union voluntarily agreed to an adjustment. The final arrangement was that the company should hold back half of the first 15 per cent of each month's bonus to take care of possible months when the payroll was greater than labor's norm. This amount is kept in a reserve fund and whatever is left is distributed at the end of each year.

The reserve has had a salutary effect. It gives management a reasonable protection against temporary but unforeseeable slumps. On the other hand, it gives the workers a better perspective on the business. The desire to protect the reserve gives them the same dread of red ink that management has.

Implementation of the Formula

The increased productivity of the shop under the Scanlon system is not achieved by a "speed-up" in the ordinary sense of the word. Possibly the men work harder, and certainly they work more steadily, but the rise in efficiency is brought about chiefly by suggestions as to how time and effort can be saved. These suggestions are handled by shop committees, called "production committees," whose members are always on the job and easily accessible. They are empowered to put any suggestion into effect that does not involve some other department or a substantial outlay

of money. Over the production committees there sits the screening committee, composed of representatives of management and labor from the various departments, which rules on suggestions of wider scope. Each suggestion is carefully tagged with the name of the person making it; if it is accepted, some member of the committee is specifically assigned the job of following it up; if rejected, someone is instructed to make a thorough explanation to the worker. At Lapointe the screening committee has received 513 suggestions in twenty-four months. Of these, 380 have been accepted, twenty-eight started, thirty-two are pending, and sixty-five have been rejected.

Employers who have installed a casual "suggestion box" system in their plants can have little idea of the kind of thing that goes on in a Scanlon plan committee. For that matter, the average employer has little conception of the wealth of imagination and ingenuity lying untapped in the heads of the workmen. Under conventional management such ideas are blocked by a number of factors. A worker who has an idea may be given no incentive to suggest it. But even if there is an incentive, he may decide to withhold it, rather than incur the enmity or jealousy of his fellow workers, and especially of his foreman, who may construe the idea as a criticism of his own management. The individual is frustrated; and, moreover, since he can see how a saving could be made, and since management obviously does not see it, his respect for management declines. Add to this the fact that his communications with management are virtually nil. He has no idea of company problems, and hence no idea of why some moves are made that seem to him (and may in fact be) very stupid.

All this is fertile ground for the kind of animosity that has grown up in some labor circles against what the managers advocate as "free enterprise." Indeed, a number of workers at Lapointe, who feel that they can now talk with freedom, admit that in the old pre-plan days they never associated themselves or their jobs with the profits of the company, and maybe even got a little kick when they heard that the top floor was using red ink.

If one steps from that kind of shop, which often exists even under what is ordinarily called "good" management, and takes one's seat as an observer at a Scanlon plan screening committee, one passes, with Alice, through the looking glass and into an entirely different world. Like a crack out of a gun the meeting opens with an announcement of the figures for the past month. There follows a roundup by management of the current situation of the company. Then the suggestions are read out, one by one, and debated. A lot of criticism is generated, and is of necessity accepted, since it is all directed to the same end—a better profit. Sometimes the workers throw the book at management, sometimes management

points out where the shop has fallen down. Engineers argue against machine-tool operators, foremen attack the engineers for unrealistic blueprints, someone demands better maintenance, management points out that more maintenance means bigger labor costs. In the process of this debate, almost every aspect of the business comes up for discussion—sales problems, competitors, orders, bids, spoilage, the business outlook, quality of materials, customers' foibles, management difficulties, etc. The result is a dynamic, working unity, which grows out of the bargaining table and yet wholly transcends it. The sudden realization dawns that here at Lapointe *collective bargaining has come of age.*

The meetings are not recorded verbatim. But minutes are distributed to everyone in the plant, and the important points in the debate are carried by the committeemen back into the shop, where they become the subject of further discussion—at the lunch hour, in the evening, or even at the union meeting. The result is that everyone at Lapointe knows the business and takes pride in his particular contribution.

Company Benefits

The extraordinary results of this formula, implemented by the intimate labor-management committees, could make a long and fascinating tale. For our present purposes it will be necessary to concentrate on the most important.

First of all, the plan has resulted in a good return to the owners. Since Lapointe does not publish its profit figures it is impossible to be precise about this. The profits at Lapointe have not been so spectacular as those at Adamson—indeed it is probable that during the first year of the plan the company made hardly any profit at all. This goes back to the nature of the machine-tool industry, which has been in something of a slump ever since the war. It is commonly accepted in the industry that Lapointe has been gaining an increasingly large percentage of the business ever since the plan was inaugurated. During 1948 great strides were made at Lapointe in its ability to compete, which may not have shown up immediately in the P. & L. statement. In 1949 the results have been much more tangible; in contrast to much of the industry the company is now operating at a good profit.

All of this improvement cannot be attributed to the productivity plan. Lapointe has a sharp-eyed management that has been quick to follow up new leads in the hitherto obscure broaching business. It has been rewarded by the fact that modern engineering is finding new uses for broaching—for instance, machine-gun barrels, which were formerly rifled at the rate of one an hour, can now be broached at the rate of sixty an

hour. Moreover, an entirely new business is opening up through the fact that certain parts of jet engines cannot be efficiently manufactured except by broaching. These are long-range gains attributable to factors other than labor.

However, management and labor are now cooperating so effectively at Lapointe that it is impossible to tell where the contribution of one ends and that of the other begins. Certain intangible benefits have accrued from this teamwork that affect the company's whole operation. For example, there has been a vast improvement in deliveries. Formerly delivery on ordinary broaches had been from three to five weeks, and was often late. Now delivery can be made in from one to three weeks and is usually on time. This has become a great selling point for the company.

A second advantage is the reduction in complaints from spoilage and imperfect workmanship. Lapointe's policy is to take back any unsatisfactory product and fix it without extra cost. Under the Scanlon plan this means *a loss to the workers as well as to the company,* and as a result great care is taken all along the line. The workers, indeed, get very excited about the big jobs. In one instance, when a new machine for a big automobile manufacturer was being tried out in the Lapointe plant, several of the union committee left their own jobs and gathered around to see whether the automotive manufacturer's engineers were duly impressed. While losses from customer complaints probably never amounted to as much as 1 per cent of the business, the intangible result of satisfied customers willing to reorder is a real one, for which management can thank its own foresight in installing a plan that gives the workers an interest in their product.

Moreover, the problem of instructing younger workers has been greatly advanced. Formerly, under the piecework incentive system, a highly skilled workman was reluctant to show a younger man the tricks of his trade. But today the older workers are eager to teach their skills, in order to raise shop productivity. The most dramatic example at Lapointe was that of Robert Juliani, the best and most experienced form grinder, who made $3.57 an hour under the old piecework system. Formerly Mr. Juliani was given no incentive to share his knowledge and skill, but after the plan he reorganized his work, took on two helpers, and taught them many of his ways of doing things. It is estimated that his increased efficiency is in the neighborhood of 300 per cent.

The plan, indeed, has completely solved the problem of "controlled production"—that is, the policy, common to almost all labor, of holding back so that management will never know how fast a man really can work. The very first day it was installed a toolmaker, who had been producing twenty units in eight hours, produced sixty-two units. A surface

grinder, whose average weekly earnings had been $76 on piecework, turned out $184 worth of work in four days. And so forth, through innumerable examples.

Labor Benefits

On labor's side the benefits have been equally great. The average pay at Lapointe is in line with basic steel for the region, and for two years the workers have taken home an average bonus of 18 per cent over and above this. The bonus has, naturally, varied widely, ranging from zero to 39 per cent in June, 1949. Even better results are expected in 1950.

But the workers, like management, have derived many intangible benefits that cannot be measured in dollars and cents. They seem to enjoy working together and sharing the good and bad times. As one of them said, "Formerly everyone was on his own. Now we all work for each other." Innumerable versions of this observation can be picked up around the plant. One can spend little time here without reflecting that one of the weaknesses of conventional management is its almost exclusive emphasis on the money incentive. For the money incentive cannot satisfy the many demands of human nature—and this goes for management as well as for labor. Other incentives are needed if a man is to lead a healthy and happy life. Among these, two are of the utmost importance. One has to do with one's self—a feeling of accomplishment, a recognition of one's own abilities. This is provided for in the Scanlon plan through the suggestion system, because a man who makes a good suggestion gets a profound satisfaction out of it; he carries the story home to his wife; he is admired and thanked by his associates. But the Scanlon plan goes further, in that the reward for such suggestions does not go to the individual alone, but to the entire shop. On the one hand, this eliminates jealousy; on the other, it opens up for the ordinary worker a kind of social or community incentive to which he eagerly responds. Cynics to the contrary, men do get a kick out of helping their fellow men; and this is demonstrated at Lapointe, where an atmosphere prevails in the shop that cannot possibly be duplicated under the selfish piecework system.

Yet another intangible advantage that the workers have derived is a strengthening of the union. If any employer becomes interested in this plan as a means of undermining the union, he had better skip it. Mature collective bargaining that has reached the evolutionary stage here described has precisely the opposite result. When the plan was installed, union membership at Lapointe was about 70 per cent of the working force, exclusive of the office workers, who were not organized. Today all but three or four employees are union members, and the office workers have joined in a body. Interest in the union is keen. The advantage of

this from the employer's point of view is that union meetings, instead of being dominated by a few malcontents, are heavily attended; and often enough most of the discussion is devoted to company affairs and how productivity can be increased. The union president, energetic and imaginative Fred Lesieur, who has succeeded Mr. Ali, is enthusiastic about the plan. The result of all this is that grievances have almost disappeared—only three have been processed in twenty-four months, and none of them has had to go to arbitration.

One of the greatest advantages of this kind of collective bargaining, from the worker's point of view, is the knowledge that it gives him of the business. When a slump is coming, he knows it. He is even given a chance to combat it, in the sense that if he can devise a cheaper way of turning out his product, perhaps the company will be able to take business away from somebody else. In a number of instances the Lapointe workers have actually done this, the most spectacular example being that of an order from a big automotive concern in December, 1948. The workers had been pressing management to accept orders even at the break-even point so as to tide over a bad period. Mr. Prindiville, who sometimes sits in on the screening-committee meetings, had given in to the pressure some months previously to the extent of taking an order from this firm for 100 broaches at $83 per broach. But Lapointe had lost 10 per cent on the deal, and Mr. Prindiville now put his foot down. If this business was to be taken again the price would have to be raised. In view of new competition, it meant that Lapointe almost certainly would not get the business—and at a time when work was scarce.

The gloomy gathering that listened to Mr. Prindiville's pronouncement was then electrified by a question from Jimmie McQuade, skilled grinder and one of the most outspoken members of the screening committee. Who says we can't make those broaches at that price for a profit? Mr. McQuade wanted to know. If you'd give the men in the shop a chance to go over the blueprints before production starts, and to help plan the job, there are lots of ways of cutting costs without cutting quality. The idea grew, and the next day the suggestion ran around the shop like wildfire. The order was taken at the old price, this time with a *profit* of 10 per cent—a total gain in efficiency of 20 per cent.

The truth is that the Scanlon plan has generated a competitive spirit throughout the factory: one hears as much about competition from the workers as from management itself. If there is a question of struggling for existence the whole company struggles collectively and all the brains available are focused on the fight. The worker is no longer a pawn in a game he does not understand. He is a player. He enjoys it. And his contribution is worth money to all concerned.

The Team at Work

The effectiveness of such teamwork becomes especially apparent in the crises. Lapointe has been through three critical periods since the plan was installed, and it has lifted itself out of them principally because the plan creates an overwhelming incentive to cooperate.

The first crisis occurred in the fourth month. Mr. Scanlon had warned management that output would greatly increase and that they had better begin hustling up some new orders. But management had a normal backlog, and inasmuch as it was having trouble with deliveries it did not dare put on any extra sales pressure. The very first month, however, productivity shot up to 133 per cent (100 equals the predetermined "norm" already defined); the second month registered 128 per cent and the third 121 per cent. The result was that the company's backlog melted away. Management, of course, sprang to action as soon as the danger was realized. Telegrams and telephone calls poured out of Hudson. The salesmen were lashed to activity. Though himself a production man, Vice President Dowd—and even several engineers—took to the road. But broaches and broaching machines are technical tools that sometimes require weeks of designing before production can begin. Consequently the new orders did not give much immediate help and the next three months were bad; the company ran a loss and the workers got no bonus.

Yet, as it turned out, the strength of the plan was best demonstrated when things went bad. The workers had had three months of participation; they looked forward to bonuses in the future; and they liked the plan because it gave them a *chance*—a chance to fight, a chance to pit their skills against other enterprises. Consequently, despite the setback, sentiment among them was overwhelming to continue the plan, and suggestions kept pouring in for improvements. By June, 1948, a small bonus (4.7 per cent) was earned.

But then there was new trouble. The usual practice of the plant was to shut down for vacations for two weeks in July. Big new orders had come in, but these had to pass through the engineering department for designing, and when the engineers were on vacation no designing would be done. Would anybody dare to ask the engineers to give up their vacations?—especially in view of the fact that, as is usual in machine shops, there was continuous bickering between the engineers and the machine operators, who were inclined to criticize the drawings as unrealistic. A delegation from the union approached Vice President Dowd, who said that he would put it up to the men themselves. When he went to the men, however, he found that agreement had already been reached at the

workers' level—the engineers had sacrificed their vacations. They worked hard during July in an otherwise empty plant, and by August drawings were pouring out of the drafting room. Productivity soared again, yielding a bonus of 25 per cent for September and 19 per cent for October. A better example of community incentive could hardly be found.

Still another difficulty then arose. The problem was to devise a machine capable of broaching certain parts of a jet airplane engine. Everybody had said the parts in question could not be broached, but the Lapointe engineers insisted they could be, providing a new machine was developed. The problem centered around a very hard steel, close to the limit for cutting tools, and the company's efforts to solve it resulted in many a setback. Labor watches every job at Lapointe, and the men became impatient when they saw so much work being done on which there would be no shipping dollars. But management went back to the screening committee again and again and said in effect, "Bear with us. This is experimental stuff. If we can get it right, we're in." So the screening committee went along. Then at last the bugs were out, production began, and everybody went to town. The monthly productivity curve shot up, from a dismal low of 71 per cent in December, 1948 (in the middle of the experimental work), to 119, 138, 140, 145, 150, and finally, in the twentieth month of the plan, to 161 per cent.

These three incidents provide three dramatic examples of teamwork. In the first, the workers held on despite an unexpected discouragement. In the second, the engineers came to the rescue of all concerned. In the third, management exercised its proper function with great intelligence, by insisting that temporary losses be sustained in order to grasp a future profit. If this experimental work had failed a certain field of sales would have been closed to Lapointe. As it is, the firm got in on the ground floor of a new and growing business, and all concerned will profit from that achievement.

Will It Work for You?

Many objections will be raised to the Scanlon plan by those who have never seen it in operation. But perhaps the least fruitful objection of all is the one most commonly encountered: "This plan may work at Lapointe—or wherever—but that is because of special, perhaps accidental, circumstances. *My* plant is different."

Of course, everybody's plant *is* different. Every union is different also. For this very reason Mr. Scanlon refuses to crystallize his work into a formula. He relies on certain principles fundamental to human nature; and he adapts these in almost infinite ways to the particular problems of each particular company. He has now met with success, in varying degrees,

in more than fifty enterprises in several different industries, of many different sizes, under many different circumstances; where the original labor relations were good and where they were bad; where profits were good and where they were nonexistent; where labor productivity was easy to measure and where it was virtually impossible; among skilled workers and unskilled workers. There are, of course, shops where this plan would not work. But the burden of the evidence is accumulating that those in which it will not work are the *exceptions.*

Yet there are two prerequisites to the Scanlon plan, and where they do not exist time would be wasted in trying to install it. One is that the union leadership must be intelligent. This does not mean that the union should be acquiescent: on the contrary, it may be quite aggressive. But real intelligence is needed to bargain at a participation level, which involves an understanding of such things as competition, competitive pricing, profitability, and many other factors that never enter into collective bargaining at the lower level. This prerequisite to Scanlon plan success is provided at Lapointe by Fred Lesieur, the new union president, who, as a good union man, considers it his *responsibility* to have an intelligent grasp of the productivity side of the business. The other union officers share this responsibility.

Second, and even more important, there must be someone in top management who is vitally interested and *who is able to stand the gaff.* A management that wants to stand off and look down its nose at the workers cannot operate a Scanlon plan. Nor is it possible to turn this vital area of the business over to a vice president in charge of industrial relations. Someone who actually runs the company or the plant—the president or his executive representative—must be a regular member of the screening committee (he need not be chairman); and this person must be willing to enter into any kind of debate and to accept in a fair and impartial manner any criticism hurled at his own management. He need not worry about his dignity. The men will invest him with the dignity he deserves—no more, but no less.

It is precisely in this respect that Lapointe has been so fortunate. Lapointe has in John Prindiville a man of open mind, who believes that the incentives of enterprise should reach down, through management, to the shop floor. And it has in Ed Dowd a man who became the plan's prime mover, utterly dedicated to its goals. Mr. Dowd is not afraid of criticism—and is not afraid to give it. The men know he is sincere in his efforts to make the plan work, and they consequently trust him. Besides, he sets quite a pace. When the argument gets hot, he takes off his coat, and everyone interprets this as permission to do likewise. Comfortably in his shirt sleeves, Ed Dowd pitches into the suggestions, throws upon each

of them the light of his enormous knowledge of the business, tosses them back to the committee, and finally designates some individual to "follow it through." When there is a tough one involving important company policy, Ed Dowd takes it himself.

If such men can be found—an intelligent union leader and a forthright management leader—the Scanlon principles can be applied virtually anywhere. And the way is then opened up to a new and creative area of industrial relations—the area of mutual interests. In the process of entering upon this area, and of consolidating it, *everyone* in the shop, high or low, joins the enterprise system.

AUTHOR INDEX

A

Appley, Lawrence A., 85

B

Baker, Helen, 379
Bakke, E. Wight, 25
Barkin, Solomon, 15
Bavelas, Alex, 277
Boyce, Carroll W., 444
Burk, Samuel L. H., 373

C

Cardall, Alfred J., 433
Cooper, Joseph D., 440

D

Davenport, Russell W., 461
Dietz, Walter, 341

F

Fisher, Lloyd H., 387

G

Gardiner, Glenn, 51
Gardner, Burleigh B., 121
Gomberg, William, 395

H

Haire, Mason, 309
Hay, Edward N., 365
Henderson, L. J., 186
Heron, Alexander R., 148, 298, 334
Himler, Leonard, E., 167

K

Kerr, Clark, 40, 387

L

Lutz, Earl F., 424

M

McGregor, Douglas, 67, 224
Mack, David, 188
McMurry, Robert N., 324
Maier, Norman R. F., 262

P

Pigors, Faith, 92
Pigors, Paul, 92, 153

R

Randall, Roger, 40
Richardson, F. L. W., Jr., 255
Roethlisberger, F. J., 114, 224

S

Seinwerth, Herman W., 457
Selekman, Benjamin M., 194
Spates, Thomas G., 7

T

Tead, Ordway, 355
True, John M., 379

U

U.S. Department of Labor, 414
Urwick, L., 61

W

Wadsworth, Guy W., Jr., 347
Walker, Charles R., 255
Whyte, William F., 285
Worthy, James C., 132, 453

Z

Zander, Alvin, 408

SUBJECT INDEX

A

Accident prevention, psychological factors in, 433

C

Clinical approach to grievance handling, 197
Communication, 148, 153
Counseling, 167
Criteria for organization of employee services and benefits, 440
Crown Zellerbach Corporation, 40

D

Discipline, 355

E

Employee benefits and morale, 453
Employee evaluation, 347
Employee interest in production problems, 457
Employee morale, and grievance procedure, 194
  and organizational structure, 132, 194
Employee productivity, human equation in, 114–120
Employee rating, 347
Employee selection, 309
  use of tests in, 309
Employee services, activities, 440
  benefits, 440
    and morale, 453
  programs, 421
Engineering techniques, union interest in, 395

F

Factory as social system, 121
Foreman, dilemma of, 224
  place of, 45–46, 55–57
  problems of, 221
  responsibilities of, 244, 255
  training and development of, 262, 277, 298

G

Grievance handling, clinical approach to, 197
Grievance procedure and employee morale, 194

H

Health and safety, 424
Hours of work and output, 414
Human behavior, conceptions of, 73
  and need satisfaction, 73

I

Induction and training, 334
Industrial physician, role of, 424
International Ladies' Garment Workers' Union (ILGWU), 395
Interviewing, 167
  as selection technique, 186, 324

J

Job evaluation, attitude of American Federation of Labor on, 365
effect of environment and administration on, 387
factors in successful operation of, 379
principles of, 365

L

Lapointe Machine Tool Company, 461
Leadership, 7
Line management responsibility for personnel administration, 6–7, 46–47, 51
Listening, creative, 66

M

Management, approach of, to employee relations, 40
guideposts, 27
training, 277
and unions, 15
Morale and employee benefits, 453

N

Need satisfaction, 118–119
and behavior, 73

O

Organizational structure, 140
and employee morale, 132
and work relationships, 114
Output and hours of work, 414

P

Performance rating, 347
Personnel administration, definition of, 8–9
essential ingredients of, 9–12
Personnel administration, function and scope of, 3–7
nature of, 1–2
objectives of, 4
and organized labor, 5
responsibility of line management for, 6–7
staff and line relations in, 64–66
staff role of, 61–67
union impact on, 7
and unions, 15
Personnel policy, essentials of, 85
Personnel problems, analyzing and handling, 111
Placement program, 347
Policies, personnel, 85
who should make, 92–109
Policy, definition of, 93–94
Policy process, steps in, 96–109
Profit sharing, 456

R

Rate setting, union participation in, 405–406
Resistance to change, analysis and prevention of, 408
Retirement, preparation of employees for, 444
Role playing and management training, 277

S

Salary determination, bases for sound, 373
Scanlon Plan, 461
Sears, Roebuck and Company, 453
Selection, employee, 309
Social system of the factory, 121–132
Staff role of personnel administration, 61–67
Suggestion plans, value to personnel relations program, 457
Supervisory training, 262, 277, 285, 298

T

Tests, use of, 309
Trade unionism, logics of, 18–20
Training, 341
  management, 277

U

Union-management cooperation, case history of, 461
Union participation in rate setting, 405–406
United Steelworkers of America, 462

W

Wage incentives, 395
Wage policies and wage administration, 365
Wage and salary structure, tests of, 363–364
Work assignments and hours, changes in, 408
Work relationships and organizational structure, 114–147
Work teams, building and maintaining, 305