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A case study of the relationship between public relations and collective bargaining at General Electric.

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A CASE STUDY OF THE RELATIONSHIP BETWEEN
PUBLIC RELATIONS AND COLLECTIVE BARGAINING
AT GENERAL ELECTRIC

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INTRODUCTION

This thesis concerns itself mainly with the public relations ideas and techniques which The General Electric Company uses in its employee relations program. Often times, it is difficult to separate employee relations efforts and community relations efforts. They are merged in the same department at General Electric, and large sections of the community are either employees or have a vested interest in the company. Also, it is difficult to say where the employee relations program begins, and where other public relations programs end. Indeed, in many cases they cross and recross each other. I have attempted to give an objective view of a unique idea and a new way of handling employee, union, and related problems. Suffice it to say, I have taken the employee relations slice of the public and community relations programs.

The Concept

The employee relations program at General Electric is unique in that it attempts to gain the confidence and support of the employee and the union for the management point of view through research, factual data, and a reputation for fair dealing.

The two keys to the program are "confidence" and "fair dealing". These two keys are not the nebulous concepts that they appear to be on the surface. They are
indeed the very heart of the program and can be brought to a very specific and concrete level. Both are the product of experience - the experience which union representatives and employees have with the company representatives. Collective bargaining is on a personal basis. When the union and company representatives have confidence in each other, all bargaining will be on a high plain for the mutual benefit of both. When facts are presented there must be confidence that these facts are true and that the interpretation of these facts is realistic. Surely when people are dealing one with another they know whether or not they are being dealt with fairly and sincerely, but much of this is based on a preconceived point of view. When the facts are presented they know whether or not the facts are being fairly interpreted; much of this is also based on a preconceived point of view.

The Philosophy

The complete program evolves around the basic philosophy that the first step to agreement is an open discussion of the issues involved. Although it is not universally accepted in industry, it has many merits. This basic philosophy is followed through the company. It is not a mere statement of philosophy but a total program which is itself a philosophy. From the gathering of factual research data to the man to man relationships at every level of the company the philosophy becomes implicit and
a way of doing things and of treating people.

Communications

Ideas, philosophies, programs, and data are important - but they must be communicated. General Electric recognized the need for effective two-way communications on all levels. Because of the complexity of the problems and information to be communicated informal communications are not enough. Formal systems have been set up and programs for communicating with middle management, supervisors, and employees have been evolved. In the early stages of the development of the program it was realized that the company had to sell itself, its philosophy, and its program - communications obviously had an important role to play in this sales effort.

Leadership of General Electric

Traditionally unions have fought successfully for many social reforms such as shortened hours, better working conditions and fringe benefits. General Electric's management is attempting to break this tradition and to become the leader for employee benefits. By studying the wants and needs of the employee, and by clearing up misconceptions about what management can and cannot give, General Electric hopes to gain and retain the leadership position in the field of employee relations. They speak not only of leadership in material rewards but also in spiritual rewards and job satisfaction. They want their management people
to be leaders of men - supervisors not bosses. A company does not just say it wants to be a leader - it must prove that it can accept the responsibility for leadership.

This report then is an attempt to analyze and evaluate a philosophy and a program initiated by one of the blue chip companies operating within our free enterprise system. Furthermore, it is an attempt to relate the General Electric plan to the field of public relations and more specifically to the field of employee relations to find out the proper role of each in modern industry.

Sources of Material

Although some of the information was secured from the New York Office of General Electric, the bulk of the material and major emphasis is on the program as it is operating at the local level at Lynn. This will give some indication of how the program, initiated by the home office, is put into practice under local conditions. However, the local conditions in Lynn may be unique and may not be representative for plants in other localities.

I wish to thank the employees of General Electric Company who have given freely of their time, and who have supplied me with mountains of material. Mr. L. R. Boulware and Mr. William Scholz of the New York Office were generous in their contributions of material and permission to visit the Lynn River Works. At Lynn, Messrs. Norman Randell, David Warren, Edward McCarthy, and Robert Farrell gave
freely of their time and supplied me with most of the information used in this thesis. They were not only cooperative but I felt that they went out of their way to see that I was given all the time and information I desired — no question went unanswered. The same is also true of Mr. Henry Wall of the International Union of Electrical, Radio and Machine Workers - CIO Local 201 in Lynn, Massachusetts. Mr. Wall is an employee of the Union serving as assistant to the Business Manager and to the Treasurer.

Last, but certainly not least, thanks to Dr. Otto Lerbinger who has helped in more ways then he knows. He gave freely of his time, and was a constant guide throughout the writing of this thesis.
I. HISTORY AND BACKGROUND

General Electric has always been a leader in the field of employee relations. They pioneered employee suggestion systems in 1906, safety and health programs in 1907, pensions in 1912, savings plans in 1917, insurance in 1920, relief and loan plans in the 1930's and experiments in profit sharing in the late 1930's and early 1940's. Yet in May 1947 the General Electric management came to the conclusion that they enjoyed only limited success in employee relations. This is really where the story begins.

Early Developments in the New Program

In 1947 extensive research into the needs and the wants of workers was done in an attempt to develop a program to sell the General Electric job as a good one. They asked the employees what they expected from their jobs and where their jobs fell short? What they understood, misunderstood or just did not know about their jobs, as well as about economic, social, and political influences surrounding their job opportunities. From this research evolved the program which is the subject of this thesis.

In order to more effectively communicate the program top management wanted all supervisory personnel to hold two-way meetings with the workers in their groups. It was also hoped that these meetings would result in a better understanding of the groups mutual problems. Top manage-
ment experienced some difficulty in convincing the supervisors of the need for these two-way sessions.

More immediate success was had with the workers. They showed a willingness to discuss subjects which were not discussed before and were encouraged by management taking an interest in them. They appeared ready to believe statements of fact and open-mindedly to discuss any controversial subject of mutual interest. But management realized that any statements of fact had to be true. Therefore, from the very beginning all statements of fact were checked by accountants, lawyers and top management officials. A need for information and for clarification was found in all areas effecting the workers interests. Tied in with the general re-evaluation of the employee relations was re-evaluation of the whole company, the change from a wartime to a peacetime economy, the general unrest of the times, and the plans for decentralization throughout the company.

Areas of Misunderstanding

The company wide strike in 1946 called by U.E. - C.I.O. had indicated to management that a majority of the employees, the press, merchants, clergy, teachers, politicians, and the general public misunderstood the company's performance and intentions. More adequate understanding had to be developed and recognition and credit gained. They attempted also to improve their relationships and
practices in many areas so that they would be deserving of
the recognition they desired. The operating management was
called on to give more emphasis to employee and community
relations as well as their traditional areas of marketing,
engineering, manufacturing and finance.

Research

The company has unique research programs that cover
all management functions from finance to employment. Re­
search in these fields has already produced some remarkable
results. Services Vice President Lemuel Boulware's
Employee and Plant Community Relations Division has come
up with novel ideas. Mr. Boulware's group treats employee
relations as if it were a customers-relation problem in
marketing. The job itself is looked upon as a product­
analyzed, refined, if necessary remodeled to please the
employees. General Electric foremen are the retail sales­
men of the job. Union leaders who unfairly disparage
Boulware's product (the job), he views as undersirable
competitors, and he blasts out at them by name. He refuses
to let labor leaders take him into a smoke-filled room and
then make it appear that they have clubbed concessions out
of the company. "We try to do what we should, and do it
voluntarily." This approach to the labor problem has been
dubbed by its detractors Boulwarism." General Electric
considers that "preserving the dignity of the worker" is
management's main problem in labor relations, and through
research General Electric hopes someday to find the key to this huge intangible.

It is interesting to note here that throughout the development of the program an analogy is drawn between marketing jobs and marketing products and between job customers and product customers. Many of the same techniques are used in both areas such as research, packaging, selling, and communications. They have found out what the job customer wants, how and when he wants it, and what he is willing to pay for it. General Electric attempted to find the areas of satisfaction and of dissatisfaction and to take appropriate action.

The main feature of what has taken place, and will probably continue to take place is research to find out what is needed and wanted by the employees and of working out methods of satisfying these wants and needs if possible. If not, of at least giving factual data as to why these needs cannot be immediately satisfied.
II. THE PHILOSOPHY

There is no simple statement of philosophy to be found - the total employee relations program is the philosophy. However, none of the philosophy is nebulous nor the concepts such that they cannot be brought down to specific terms.

The Objectives

The employee relations objectives at General Electric are to have employees at all levels whose abilities and attitudes would result in:

1. Their coming to work regularly and promptly, and in an agreeable frame of mind.
2. Their faithfully exercising their full skill, care, and reasonable effort on work properly assigned, directed and rewarded.
3. Their going home with a feeling of accomplishment and satisfaction that not only is due them but also will make them want to return the next day.

With these objectives in mind, the General Electric management set out to research the needs and wants of the employees. They wanted to find out what the employee wants, why he thinks he wants it or wants it a certain way, when he wants it, how much he thinks it's worth, and how he wants it explained or delivered.

What the General Electric Worker Wants
Research and the gathering of factual data are important factors in the philosophy. Through research, they found that the employee wanted a job that contained nine distinct elements. They are:

1. Good pay
2. Good working conditions
3. Good supervisors
4. Steady work
5. A chance to get ahead
6. To be treated with respect
7. To get the facts about what's going on
8. To be doing something worthwhile
9. To have other reasons for really liking their jobs, such as finding them interesting and satisfying.

With this data, General Electric set out to satisfy the needs of their employees who indicated that they were willing to pay the proper price in skill, care and effort.

From Philosophy to Action

Let's stop here and see how this part of the philosophy works in a specific instance. General Electric has been a leader in the field of employee insurance benefit plans. Although it had one of the best hospital plans available, there were some dissatisfactions with it. Medical costs have risen and with them the cost of medical services to the employee had risen also. The company felt the need
for a revision in the hospital plan both from the employee and the union. Research was initiated to find out what the employee needed, wanted, and expected from hospital insurance. Research was also done to determine the amounts which employees had to pay out themselves when hospitalization was necessary. They went to their insurance company, The Metropolitan Life Insurance Company, and worked out a new insurance plan based on the needs of the employees as determined by the research data. They further determined that the plan was workable from all points of view and presented a plan which was so superior that neither the worker nor the union could refuse it. This is only one example of the philosophy in action. But, there are many others.

**Leadership**

General Electric regards a job as an intimate relationship between the employee and the supervisor. They want the supervisor to be a leader of men - not just a boss. They are attempting to establish and maintain a separate man-to-man relationship between each supervisor and each individual employee in the group, with constant two-way communications taking place.

New emphasis has been placed on leadership - that combination of competent teaching and firm directions on the one hand, with the patience and fairness and genuine, warm, friendly interest of one or the other. In other
words, those qualities and acts, whatever they might be, which make the employee want to do what the supervisor wants done. This might be called motivating the employee to do a better job.

**Employee Education**

The philosophy also concerns itself with the problem of misinformation. General Electric feels that the employee and other publics have, from one source or other, been misinformed about General Electric, its policies, and its practices. Also, there are broader misconceptions in the social, political, and economic areas.

They speak of economic re-education of the employee and other publics. They attempt to teach where jobs come from, how free people should act in a free society, how interdependent we are on each other, how General Electric and the total economic system operates. They discuss the facts about money, free enterprise and collectivist systems; the value of incentives, savings, technology, risk, competition, and profit and loss. The thought here is to supply the employee with the information he needs to determine the fairness of the General Electric program and better equip him to guide his own economic policies.

**Leadership is the key word throughout the philosophy.** The thought is that business has the opportunity to show it is ready to accept the responsibility for leadership in business and in the total economy. Not only must super-
visors and management people be leaders in the shop and office, but they sponsor programs which will show a sincere interest and concern in the rights of others. They feel they have the opportunity to get into a leadership position and to stay there. What is meant by leadership is the ability to go to the employees or their representatives with true facts and interpretations which will show that the company is acting in the balanced interests of all.

**Six Major Groups**

We have spoken of fair dealings. Closely related to this concept is an over-all idea that programs should be within the balanced interests of all. If a better insurance plan is considered to be fair dealing with the employee, then General Electric must be sure it is not to the detriment of other groups who have interests in the company or the over-all objectives of the company. The groups whose best interests need to be balanced are the employees, customers, owners, vendors, and the general public along with the government. Each must do his part and get his proper return for what he contributes. Each must know he is treated fairly. It is here that confidence in the company's presentation and interpretation of the facts are necessary.

**Confidence in Management**

The building of confidence in management is an integral part of the philosophy. The employees and the
union representatives must have confidence in the facts presented by the company and in the interpretation of these facts. It is said that one interprets facts on the basis of whether he is giving or getting. Indeed, often times the facts are collected on this basis too, because facts are collected to justify the position taken. It is here that the concept of "fair dealing" comes into play and this concept is built on confidence through experience. We shall see later that it is one thing to discuss philosophy and another to apply it in a way the union is willing to accept.

The program evolved around this philosophy attempts to accomplish job improvement, leadership improvement, and economic education so that honest union leaders and business leaders will not be able to do wrong - but will have to work in the best interests of all concerned.
III. COLLECTIVE BARGAINING AT GENERAL ELECTRIC

General Electric's approach to collective bargaining has been an attempt to apply the basic philosophy to an action program.

Historically, when a contract was negotiated or a grievance settled the company would come to the bargaining table with the idea to give as little as they could regardless of the facts. Therefore, they would come with two offers, a low opening offer and a higher offer that they hoped would be the closing one. Bazaar type bargaining took place with the company trying to give as little as possible and the union trying to get as much as possible. They would, in a sense, come to the bargaining table with one offer to present and another behind their backs which they would present if they had to.

The Approach

General Electric's Approach is to go to the bargaining table armed with complete facts and the best possible offer as determined by the union demands and needs of the company and to change this offer only when new evidence is presented to justify a change. Often times the original offers have been accepted by the bargaining representatives at once, knowing that they have received the best possible deal. The union knows General Electric has studied the situation and given thought to their proposal.
Let's get more specific and attempt to recreate some of the things that took place at the framing of the GE-IUE National contract last summer. When the union framed its demand for increased wages, it asked for a substantial increase, but no set figure was suggested. They also asked for a better pension plan, increased insurance benefits, three-day sickness and death pay, more paid holidays, longer vacations, and a form of the guaranteed annual wage. The interesting thing here is that General Electric was told what the union wanted in the way of new and increased benefits, but was left to its own devices to put it into a package offer. They asked for a substantial wage increase, and although this has been known to happen in other companies, the implication is that they felt that General Electric would submit a fair contract for approval. General Electric then submitted to the union, with an invitation for further discussion, the packaged contract. The union headquarters accepted the contract in principle and sent to the members for a vote. The contract was signed almost at once with only slight modifications. The feeling being that the union could not turn down the contract because it was sound and fair. Also, they felt that the company had given all they were going to give.

The Attitude

In the past, when the company submitted contracts to the union, they were submitted with a take it or leave
it attitude, allowing no room for collective bargaining. A change in attitude was noted last summer when the union was asked to take the contract home and look it over, and then invited to discuss it at a later date. The implication is that General Electric is becoming less beligerant and attempting to create a more cooperative atmosphere. Although the contract made provisions for most of the major demands, more paid holidays and longer vacations were not given. The guaranteed annual wage was left for discussion in a reopenner clause. Of course, one cannot help but wonder what would happen if General Electric could not have given an improved contract due to general economic conditions.

Information for Employees

When major collective bargaining issues or demands arise or the company feels that the employees do not have sufficient information or they expect resistance to the management position they discuss the problem openly. Here it must be remembered that under current labor laws it is considered an unfair labor practice for companies to state its position on any issue to the employee group without first consulting with and making an offer to the union, that is, the company must deal through the union with the employee groups. The company does however publically discuss both points of view or sides to the issue, but it does not publically take a stand or debate the issues before
the actual collective bargaining or conferences with the union. Presentations of relevant facts are more in order - leaving the employee to make up his own mind. In the facts he has the pros and cons: In the past he did not have facts. Because he has the facts and an idea of the relevant positions, he is better able to make a sound and less emotional decision.

The Local Problems

On the local level, the frequent elections of union officers tends to have an unstabilizing influence on collective bargaining. From General Electric's point of view, each newly elected employee representative must be educated in the practices, policies, and problems which are related to the collective bargaining procedures before he can function properly. He must also learn what phases of the various problems are important, and how they are related to the collective bargaining agreement. Officers are elected every two years, the grievance committee is elected each year. From year to year, about half the union representatives are changed and half stay the same. The half that are changed present the unstabilizing influence. Also, the quality of representatives has not changed, and the employees elect their representatives on an emotional basis. The election is a popularity contest and the qualifications of the men elected are of little importance to the voters. General Electric management would like to see the workers
give more consideration to the qualifications of the elected representatives.

The Union Relations Department at Lynn has charted the frequency of grievances and the types. They have fewer grievances during negotiations, the Christmas season, and during the summer months. During decreasing employment grievances tend to be related to transfers and during increasing employment related to rate changes. About eighty per cent of the grievances result in no change and about twenty per cent in some change. When a grievance results in no change at this level it means that the grievance has been reviewed at the foreman level and the Union Relations level and found to be an unjustified grievance. The union reviews all grievances before it is presented at either level and they have a good idea of how management will decide the issue. Because eight per cent result in no change it suggests that the union representatives may be bringing grievances to discussion for political reasons, but there is no empirical evidence to show this.

Grievance Procedure

The mechanics of the grievance procedure are in three steps and then arbitration. Step one is the Foreman level, step two is the Management level, and step three is the New York level. If the grievance is not settled in New York an arbitrator is chosen and his decision is binding. Most grievances are settled at the local level and few go
to arbitration. Neither the company or the union believe in arbitration or that they cannot settle their own problems. The major union is the International Union of Electrical, Radio, and Machine Workers or commonly known as the IUE. The national agreement is negotiated every five years, the current contract being from 1955 to 1960. It is negotiated on a national basis in New York.

Problems Related to Decentralization

At the present time the local union officials in Lynn are dissatisfied with the reorganization program at General Electric. The problem centers around the decentralization of the grievance procedure. What has happened is that step two in the grievance procedure is no longer handled by the union relations department except on policy matters and matters which cross departmental lines. This means that a union member presents his grievance to the foreman and then to the department head. Because these two lines of authority are so close the feeling is that the right of appeal has been lost. The department head is usually the foreman's supervisor. When the union relations department handled these grievances there was a better chance of a different interpretation of the facts.

Why Facts Differ

While on the subject of facts let us attempt to see how relevant facts are determined. In the case of a
grievance the union sets out to collect facts to justify the grievance, management to prove the grievance is not justified. By the very nature of what they are trying to prove with their facts they have defined the kinds of facts they are going to collect. Therefore, in the very beginning a gap has to be bridged. They have also in a sense defined the kind of interpretation they will give the facts. No matter how fair either side attempts to be from this point on they will have difficulty due to the basic differences in the kinds of facts they have collected. Obviously the facts themselves can not be changed, but the kinds of facts collected in the first place can be different and when this is the case both management and the union feel that their set of facts are the proper or relevant ones. At General Electric management rarely will take anything but a firm stand on an issue that it believes is proper on the basis of their facts. Factual data is presented to the employee and community groups in the same manner. That is, a hypothesis is formed and facts presented to show the reasonableness or validity of the hypothesis.

Communicating Facts

The planning and time-study employees, the Guards and the Draftsmen at Lynn negotiate contracts separate from the national IUE contract. The local guards union had made demands which the company was not prepared to meet and the union called for a strike vote. Both had collected
and interpreted the relevant facts differently. A few days before the strike vote was to be taken a letter was sent to each employee explaining the position of the company and the position of the union giving all the relevant facts. The union membership voted not to strike. The point here is that although the company may not be able to meet the demands of the union, and although the union may feel a strike is necessary, the demands should be met, or its politically desirable; if the company's case is strong and the employee relations good, then the employee will not vote to strike. Here can be seen the importance of making the employee feel that General Electric is a good place to work and of having confidence that the company is doing the right thing and presenting true facts and interpretations.

At a time like this one might argue that loyalty conflicts are set up and the employee does not know which way to turn. The management at General Electric does not feel that way. They do not feel that the loyalty conflicts are inherent products of the system or that the workers will be, or are, experiencing emotional instability. Rather they feel that the worker can be loyal to both the company and the union and that the aims of both are not of necessity in opposition. Furthermore the worker is accepting the responsibility for getting and interpreting the facts from the company and the union and is making his decisions on the basis of fact as opposed to the emotional rally type,
decisions. Once the worker is removed from emotional type decision making he becomes more rational and does not feel loyalty conflicts as much. Rational people find it difficult to be loyal to a cause with which they basically do not believe in. Therefore, it becomes a matter what the worker thinks is just and proper.

Recently the Lynn plants changed from a cash payroll system to a check payroll system. This presented a human resistance to change problem and the union felt it necessary to make a formal grievance. The local company representatives decided not to negotiate it at the local level but to send it to New York. In the meantime the local plant arranged for free check cashing at local banks and stores, spread the payroll over a three day period, and explained the plans and reasons for the change to the employees and to the community. Advertisements were run in the local papers four weeks in advance of the first check payroll to inform the community and the employees and their families. They were told that no jobs were eliminated and the reasons for changing. The grievance which was sent to New York was not followed up by the Union there and was apparently dropped by the national union as a fruitless and improper grievance. At any rate, the company has never had to settle the grievance.

The Role of Wage Surveys

One of the most interesting instances of putting
the basic philosophy into workable action concerned itself with the pay rates of draftsmen. Research into area pay rates and job analysis is continually going on. As a result of a local area survey by General Electric they found that their draftsmen were being paid rates not consistent with those in Lynn and Boston. Even though it was not time for re-negotiation of the local contract, or a revision of pay rates, the union was called in and given the facts of the situation. This resulted in a raise in the pay rates of draftsmen. This case candidly illustrates that General Electric's philosophy is not just meaningless words or ideas, but a basic concept which is put into action as a matter of course.

In these cases I have tried to illustrate how the basic philosophy is put into a workable program and how it has affected collective bargaining. Each case is different and the course of action has been tailor made - but, in each case the philosophy is evident.

**Basic Conflicts in Beliefs**

But there are other events taking place too. Take the case of the worker whose job description reads that he will "deliver work materials as directed between building". Aside from the fact that this might be a printing error, a formal grievance was submitted when the worker was asked to deliver work materials to the next building. Management's position is that the man may be asked to deliver
work materials to other buildings, the unions position is that the job description reads "between building" and therefore the man may only be directed to deliver work materials within the building. The crucial point here is in a basic belief or point of view towards how a business should operate. If management holds to its point of view, and at General Electric this is probable, then they run the risk of being called unfair. The union further contends that if a man can be directed to deliver materials between buildings then he could be directed to deliver goods anywhere, on or off the company property. Management further contends that a man is hired to work eight hours a day and that it does not make a difference where he must travel in the course of his work. Now we can begin to point to General Electric's economic re-education program and their attempt to promote the management point of view and see the implications for collective bargaining. Although, this type of petty grievance is still being presented by the workers at General Electric the frequency is decreasing. Petty grievances are an indication that the employees are dissatisfied or are experiencing some sort of conflict or unrest. Because the frequency of petty grievances are decreasing we can reason that employee relations are improving.

What Opinion-Attitude Research Does Not Show

It is interesting to note that in the survey which
appears in the appendix there is an indication that the people in the Lynn community think that the company's relations with the union were more unfavorable in 1952 then they were in 1948. If this is true then the implication is that the program has failed. However, there are two major points which are not made in the survey. One is that in the summer of 1950 there was a strike commonly referred to as the Lynn Common Affair. It aroused much unfavorable comment because of the manner in which the strike vote was taken. One noon time on Lynn Common a show of hands was taken which indicated a majority vote to strike. However, there was a feeling on the part of many that other than General Electric employees voted. This resulted in much unfavorable publicity for the union and the company and gave the impression that there was poor relations between the two. The time factor is also important in that the survey was taken four years ago and much has been done since then in an attempt to create a more favorable climate of opinion.

The general impression that one gets of collective bargaining at General Electric is that an attempt has been made to continually raise the standards and to work in a more cooperative atmosphere. However successful the program might be, it has not cured all the ills of the collective bargaining situation. Management and labor must still find a wider area of agreement in which to work so that the best
interests of both may be better served.
IV. COMMUNICATIONS PERSON-TO-PERSON

In 1947, when the General Electric management found that they enjoyed only limited success in the field of employee relations, they resolved to do a better job of employee communications. It was not only a matter of finding out what the employee wanted and of developing programs to satisfy his needs, but also a matter communicating what the company was trying to accomplish and of clearing up misconceptions which resulted from misinformation. Certainly through the years General Electric had communicated with their employees - yet, there were still wide areas of misunderstanding. Therefore, General Electric began an aggressive plan of communications to sell the company and the General Electric job, as well as to clear up all the misinformation which the employee had received through the years. Planned programs of intensive communication covering middle management, supervisors, and employees have been developed in an attempt to solve management's most pressing problems. It is not only a matter of communicating but one of communicating effectively; That is, of telling the story in such a way that the employee understands and is favorably disposed to that which is being communicated.

One of the most important means of communication is the personal relationships which are carried on each day in the job. These allow for informal two-way communications
where understanding and interest can be conveyed. But such communications are not sufficient to meet the needs of modern business and more formal methods of communications have been developed.

In the Problem Situation

Given a problem situation it is hoped that communications will aid in the satisfactory solution of the problem in the shortest period of time. During union negotiations communications is used to gain support for the company's efforts to reach agreement without a strike by:

1. Keeping top management informed on employee reaction to the issues under negotiation.
2. Keeping all members of management, the employee group, and the community group informed of the company's position on the issues and the reasons and reasonableness of the position.
3. Convincing the employees of the folly of demonstrations and strike votes.

In the case when a strike actually occurs the communications function attempts to get the employees back to work by:

1. Arousing widespread support on the part of the company efforts to obtain injunction and police protection against mass picketing.
2. Discouraging violence and intimidation.
3. Discouraging hopes of an early or easy victory.
4. Winning increasing support for the company's position and to persuade the employees to return to work by convincing them that no further offer is justified or contemplated.

In the case of union representation elections, to give the employees full information on which to base a sound decision by:

1. Keeping management informed of misunderstandings and dissatisfactions which might lead employees to feel that they are not being well treated so that such situations can be corrected.

2. Informing employees of the reasons for the election, the situation involved and the procedures to be followed.

3. Informing the employees regarding their right to vote for the union of their choice or for no union.


5. Explaining the advantages and disadvantages of union representation so that employees can make an informed and considered decision.

To Gain Goodwill

An attempt is made to encourage and maintain high participation in employee benefit plans and to gain the goodwill inherent in the company's contributions to these
plans by:

1. Establishing a conviction of the soundness and liberality of these plans in the minds of employees at all levels.
2. Protecting the soundness of these plans against all attempts to force detrimental modification.
3. Assisting in the smooth functioning of these plans by keeping supervisors and others alert to the need for prompt payment and proper counselling of employees regarding these plans.
4. Educating those in the community regarding these plans so that the employee will receive good advice and treatment.
5. Convincing the employees to participate in the various plans.

General Electric has a desire to promote managements right to manage the business by:

1. Building economic, social, and political understanding so that employees and the community residents will no longer support those who seek to circumscribe managements right to manage.
2. Building support against unwise and unfair labor and economic legislation and administration.
3. Building support for sound legislation supporting managements efforts to provide increasing benefits to all who contribute to the program.
of the company.

These are the areas where communications are of great concern and importance as they relate more specifically to employee relations and to collective bargaining. However, other areas where communications are also of importance are in promoting health and safety, increasing productivity and reducing losses, increasing the effectiveness of management by speeding the flow of information at all levels, and by gaining the confidence and support of the community wherever it is needed.

But the communications function does not only assist in the solutions of problems - it is a continuing function to anticipate the likelihood of problems and of problem prevention. An attempt is made to establish channels of intelligent and upward communications, to build confidence in management, to assure employee cooperation, to develop healthy attitudes and a background of full information, and to develop and maintain regular channels of communication which employees will accept and believe. This requires a long range program. Certain basic channels of communications are prominently established and kept in use at all times - other supplementary media are developed to meet particular needs.

**Purposes of Communications**

General Electric is especially interested in accomplishing three main and broad goals through their channels
of communication. They are, integrating and motivating the management team, developing supervisors as real leaders of their people, and building employee confidence in top management.

Management Teaming

In integrating and motivating the management teams the problem is one of keeping them fully and continually informed on top management's aims, objectives, policies, regulations, problems, and future outlook. The program brings the manager before his subordinates and supervisors regularly as the motivating force behind the program, provides for a dramatic presentation of information, encourages participation, and provides for a closer personal relationship. The techniques used are largely man-to-man communications since the problem is not only to convey information but feeling as well. The principle techniques which have been developed and found successful in various departments of the company are:

1. Camp meeting for upper management and supervisor, hard hitting, fast moving, highly dramatized business programs review the units areas, objectives, and performance.

2. Dinner meetings for upper management and supervisors are conducted between camp meetings as a further means of integrating and motivating the management team.
3. Auditorium meetings and evening presentations for upper management and supervision are used to outline the organization of the units and its elements and to explain the supervisors role.

4. Staff meetings at all levels are business sessions at which managers report progress, outline goals, seek solutions to specific problems, and bring up matters of concern to the group.

5. In many departments superintendents and general foremen conduct regular meetings with the finest line supervisors. Part of the time is devoted to technical problems and part to general two-way communications.

6. Emergency meetings when it is necessary to reach certain groups quickly with a message of sufficient importance to require personal two-way communications.

7. Management Informative Conferences have been successfully tried to help supervisors better understand the workings of other departments on a horizontal level and to establish cooperation between departments.

8. Supervisors vestibule courses for new supervisors are designed to give them the basic information they need to become leaders of the people they supervise.
9. Supervisors handbooks covering major aspects of the company's philosophy, policies, and practices in all phases of employee relations are prepared by most departments for the guidance of the supervisors. They are of a loose leaf nature and are kept up to date by inserting new pages when needed.

10. Education in business principles through and understanding of "HOBSO" (How Our Business System Operates). The course is designed to give each member of management a thorough understanding of the American business system and how it operates. Talks are also given in the community.

11. Developing closer personal relationships through counselling on an individual basis and through progress reports.

12. Department Newsletters for supervisors, policy guides, booklets and various supervisors organizations are also used to communicate the aims and progress of the company.

The experience of the company has been that of a higher degree of integration and motivation can produce startling results in bringing about more favorable attitudes, improving efficiency, reducing costs, stimulating suggestions and generally improving profit performance. The communications techniques described provide methods by which top management defines and makes known the goals to be reached.
in all areas of activity, ways of achieving these goals, removes frustrations, and makes leadership felt at all levels.

**Leadership Development**

The second broad objective of the program is to develop supervisors as real leaders of their people. The immediate supervisor is the only person who can instill in his people a feeling of confidence that the supervisor is interested in him as a person, is sympathetic with his needs, his hopes and aspirations, is willing to listen to his comments and suggestions, is interested in seeing that he is being fairly treated, and is interested in his performance on the job. Not every supervisor is a natural born leader; the following are techniques which can be used by those who are not natural leaders to help them develop leadership ability.

1. Round table conferences at which the supervisor and his people discuss their common problems in the operation of the unit and to develop a sense of participation.

2. In small group meetings when the supervisor gets to know his people and they get to know him. Mutual problems are discussed, solutions suggested, questions asked and answered, and understanding and confidence built.

3. Short work place meetings provide employees the
opportunity to make suggestions, ask questions, and participate in future plans. Resistance to change is reduced when the supervisor discusses the change in advance with his group.

4. Personal relationships are developed between the supervisor and the employee through individual contacts where the employee is encouraged to talk and the supervisor attempts to gain the reputation for a friendly interest. Movies, records and discussion are important features with old and new employee contacts. Attempts are made to get information which will be useful in explaining the workers feelings and attitudes to management.

5. Counselling and rating interviews are good times for personal contact. The rating interview lets the worker know how he is doing. He must be a good listner for counselling and the settling of worker grievances.

6. Plant tours and exhibits are also used to demonstrate how the unit is doing with respect to other units in creating a better understanding between groups.

The ability of the individual supervisor to be a real leader of his group is good employee relations. The program of developing favorable attitudes and in enlisting their
support for management points of view and interest in the company. The supervisors success depends mostly on his own personality and competence, the extent to which he is informed, inspired, and sincerely interested in the well being of his people. He must gain the employees respect, trust, and confidence.

Confidence Building

The third broad objective of communications is building confidence in top management. No matter how respected the individual supervisor may be, the employee will feel that the company is a separate entity. Therefore, it is the task of top management to periodically adopt the personality of the company and establish personal contacts with all groups of employees. In addition he must pass along written information when necessary. Written communications generally pass through the channels set up by the company so that all will be informed and individual supervisors can interpret the messages. Some of the techniques used are:

1. Business report meetings in which general and functional managers review the accomplishments of their units for the past period and give the outlook for the future. An agenda is set up allowing time for reports from the various department heads and for a summary and question and answer period. Confidence in top management
is built up by letting the employee see and hear their report.

2. Family nights allow the company story to be dramatized to the employees and their families. Management leaders are on hand to speak directly to the group. The program is usually balanced between business and entertainment. The refreshment period which usually follows affords an opportunity for supervisors and executives to become acquainted with their employees' families.

3. Plant managers' informative meetings where small groups get together with the plant manager for a meeting in which he can answer questions and discuss plant operations, areas, objectives, and plans of the plant as well as to receive comments and suggestions.

4. Walking the Mill and Office is another technique used by top management to maintain direct contact with employees. This is generally accomplished by visiting regularly various departments and stopping here and there to chat with the people as they work. It is done informally as a matter of course and the red carpet is not rolled out.

5. Soap-Box Tours by plant managers and others where personal appeals are made for employee cooperation by calling them together in small
groups right in the work area. Problems may be discussed and two-way communications effected. Some of managements most troublesome problems have been solved by this method.

6. Orientation meetings where management supplements the efforts of the supervisor in introducing new employees to the company are designed to give new employees an understanding of the policies, practices, benefit plans, which are an integral part of the company.

7. Letters to employees homes, the General Electric news, booklets and posters are also used depending on the subject matter and the importance of what management is trying to communicate.

Employees realize that many decisions affecting their work are made by top management. They distinguish between their supervisor and the company. Therefore, top management must maintain its own contact with the employee group, giving all employees the opportunity to see and hear them from time to time. It is through these contacts that management establishes the feeling that those at the top are friendly, considerate, fair, and competent in the operation of the company.

These are the basic methods and techniques used by General Electric to tell their story at all levels of the company. Although the personal contact is emphasized other
media of mass communications are extensively used. These techniques have been tried and found successful in various General Electric components and they are used in the day to day operations of the company.
V. COMMUNICATIONS THE WRITTEN WORD

Although great emphasis is placed on person-to-person communications it is supplemented by continual periodic written material. Naturally booklets are used to explain more specific things like the benefit plans - union contracts, as well as shop manuals and annual reports. It is through communications, oral and written, that employees learn what is expected of them, are encouraged to do a better job, are able to make their ideas, needs, and wishes known to management, and are provided with many satisfactions which give them the desire to cooperate and follow management's leadership.

The General Electric News

The General Electric News, published weekly by the various plants, is one of the most important methods of employee communications. It is a tabloid type newspaper geared up to traditional newspaper practice in speed news gathering, writing, printing, and delivery. These newspapers are capable of conveying a large volume of news and information to employees quickly, economically, and on a regular schedule. There are fewer fields of usefulness and objective which the General Electric news attempts to fulfill.

The News keeps employees informed on company policies, practices, and regulations; and on management's objectives,
plans, problems, successes and failures. By so doing they hope to gain and keep the confidence of the employees by demonstrating a willingness to talk on any subject properly of interest to them. This is accomplished through news stories, picture tabloids, news photographs, editorial material, feature material, and rumor clinics where rumors are presented to employees and discussed by the proper management official.

The News attempts to give employees an understanding of the work they are doing, the products they are making, and the reasons for all the various demands made upon them in doing their day-to-day jobs. Due to mechanization it is not unusual to find employees performing operations for years with little or no understanding of the product they are contributing to, nor what purpose the operation serves. For this reason little incentive is provided for them to take an active interest in their work or to put forth the full care, skill, and effort desired. The news therefore, tells the employees about their jobs, through stories on the products, manufacturing sections and systems, and the various jobs in the plant. Also, they talk in terms of people associated with the products they are making such as the salesmen, engineers, professional groups, and administrative people and of what they contribute to the overall objective of the plant.

In order to present information on economic, social,
and political matters affecting employees and their jobs, full page articles are prepared by the Employee and Plant Community Services Division in New York for publication in the General Electric News. Most of the subjects are of a controversial nature and an attempt is made to openly discuss these matters as the first step in enlarging the areas of agreement between management and the employee. Often times the material is complex and the issues involved difficult for the individual employee to understand. Therefore, every effort is made to explain the issues in terms of underlying basic principles; they are interested in the vital issues of the day. It is this interest which affords the opportunity to direct attention, first to the subject, then to the underlying principles, so that they may act wisely in many decisions they make affecting the welfare of themselves, the company, and others.

Finally the News attempts to give employees news of themselves and their own activities, so that they become better acquainted and feel at home in the organization. In giving employees news of themselves and their own activities the News is helping to create throughout the entire organization a spirit of friendliness, cooperation, and respect for the rights and dignity of others. Many activities such as sports and recreation, clubs and amateur theatrical groups depend on the paper to get people interested in joining the group, attending practice sessions, meetings and other get-
togethers. The "personals" or "shop-gossip" columns help employees get better acquainted, know each other better and become more friendly. The greater the spirit of friendliness and goodwill among the employees themselves. They ease the task of maintaining the spirit of friendly cooperation between management and employees.

A partial list of the subjects discussed in the General Electric News would include:

Collective Bargaining
News Items
Plans for the future
Business forecasting
Union relations
Economic, Social, and Political Events
Benefits at General Electric
People at General Electric - workers and management
Employee activities

It has been stated that the I.U.E. has been unhappy about the decentralization of the grievance procedure at Lynn. In the January twentieth edition of the General Electric News the new grievance procedure is discussed. The following is excerpts from the article.

One of the major objectives of decentralization is to give each of these departments the fullest possible authority to manage and be responsible for the conduct of its own business.

Local 201 has been assured that in each department the responsible Company repres-
entatives will be the Managers of Employee Relations or Union Relations who will be far more conversant with the details of individual problems that it is reasonable to expect that a third group could be without the lengthy delays we are presently encountering and of which the Union rightfully complains. The problems which involve employees of more than one department will continue to be settled by the River Works Central Union Relations people. But, the responsibility for individual grievances and problems which involve only employees within a given department are being mad rightfully the responsibility of the individual departments who have full, ready and fast access to all of the necessary information which is properly required to resolve the problem to the best interests of everyone involved. 9a

Here can be seen some of the things discussed in the philosophy. They are to tell the employee why the changes are being made, to explain how they will come about, to explain the reasoning, to show how it benefits him, and finally to show that it is in the best interests of all. It not only supplies information to the employee, but it explains management's point of view and relates it to the employee, while assuring him that it will not work to his disadvantage.

The Management News Letter

Although the General Electric News is a major medium of communication, it is not the only planned and periodic publication. The Management News Letter is published whenever there is sufficient news of interest to management people. It usually comes out once or twice a week, and various management people use it to give out information
about their departments or to explain and give information about policies or practices. A letter head is used on letter size paper and it is duplicated on an offset type duplicator. It is neat, but not elaborate or costly. Its main function is to give information to management people to help them in the daily administration of their employees and to give reports on the progress of the various departments.

Some of the things discussed are business reports, new policies, new ways of doing things, reprints of articles of interests, explanations of benefit plans, and news of special management interest.

**DEPENDENT MEDICAL INSURANCE COVERAGE**

Personnel records indicate that there are a number of employees in this Department who have not enrolled their dependents for coverage under the General Electric Insurance Plan in the past for various reasons. In view of the comprehensive medical coverage offered by the new General Electric Insurance Plan, these employees are urged to re-evaluate their insurance position. Each foreman and supervisor is requested to ascertain which, if any, of the employees in his group does not have dependent insurance and ask them to consider the following points.

The go on to explain the insurance plan but the important point is that an attempt is being made to influence the employee through management to make use of a benefit plan. It is also interesting to note the suggestion to use person-to-person communications.

**What's Doing On Beacon Hill**
What's Doing On Beacon Hill is a report to management on current legislation either being considered or recently passed. It is expected that management people will be leaders in the community and will be afforded the opportunity to voice their opinions on matters of current legislation. They can also inform employees. Management people are also expected to be well informed about government legislation, policies, and practices. Here are discussed, from various points of view, the progress of legislation, new bills, issues at hand, and the positive and negative effects that government action has on General Electric, its management, its employees, its union, and its community. What's Doing On Beacon Hill is published monthly on letter size paper with its own letter head by the Local Employee and Plan Community Relations Department. Some of the subjects it discusses are: Workmens Compensation, Labor legislation, Employment security, Taxes, and Education.

HOT ISSUE - NEEDS ACTION

H-1845 Bill to make March 17 (Evacuation Day) a legal holiday throughout the State. This issue went sailing through the House and was passed with (really - a floor show) (presentation of shillelaghs) etc. It is now up to the Senate for its deliberation. Industry presented its side of the tremendous drop in production and loss of competitive angle with other states who do not have so many holidays as Massachusetts. The House refused to listen to logic. There was too much of a spirit of fun and showmanship attached to this bill. We are now pointing out to the Senate the unfavorable industrial
climate the addition of more holidays will mean to Massachusetts.

These bulletins are sent to you in hopes that you will want to participate in discussions of legislation with your friends and neighbors; to encourage your thinking and acting by contacting the folks on Beacon Hill in the interest of good legislation. 13a

The General Electric Commentator

The General Electric Commentator is published in New York by the Employee and Plant Community Relations Division. It is a series of messages mailed to employees, their families and neighbors in the community. Printed on colored paper it attempts to grafically present the major themes of the employee relations program. Only one subject is discussed in each issue of the Commentator. It attempts to quickly give the reader an impression or an idea in an interesting and dynamic way. Some of the subjects which have been discussed are:

What happened to the money General Electric made
Automation - fears ar cheers
Benefit plans
As negotiations open - general statement
How we have fared so far this year
More, better, and steadier jobs
Stairway of progress - fine annual General Electric raises
Thirty-two features for better living
These subjects and the general layout of the Commentator are well suited for advertisements in the local newspapers.

**AS NEGOTIATIONS OPEN...**

...We are once again sitting down in formal sessions with officials of most of the many unions in General Electric. For the next several months, these bargaining sessions will be going forward, and you will naturally be following them more or less closely.

**OUR COMMON SEARCH**

For our part, we always look upon these discussions with the union representatives as joint pursuits of what present arrangements will result in the most and best short-run and long-run General Electric jobs. If we failed to take both the long and short-term view during the next 60 days we would not only be incompetent as researchers and negotiators, but sooner or later we would prove big disappointments to you, your families, and your communities. So

**The Community News Letter**

Since it has been found that employees' attitudes and community attitudes affect and compliment, as well as influence each other, all programs have attempted to compliment each other. That is many of the things communicated to employees are also communicated to the community. This is accomplished in various ways, a major one being through the Community News Letter published monthly for the purpose of presenting information of a factual nature about the local plant, its operations, plans and objectives. The Subject matter is similar to that presented to employees
and it discusses such things as employment figure changes, new products, changes in operations, business reports, collective bargaining, payrolls, legislation, employee benefits, rumors, and other subjects of interest to the community. It is distributed to community leaders such as clergymen, businessmen, editors, government officials and leaders of social and service organizations.

A GLANCE BACK

You will recall that in August 1954, when we announced the $40 million dollar modernization and relocation program for the River Works and Everett plants, we were asked to predict what effect this vast program would have on employment. At that time, we said that while the "prediction business" was hazardous, we felt we could safely say that our employment would be approximately 1900 people less by the end of 1955.

This decrease was, we said, approximately what we would expect to be the natural decline from "normal attrition" (the voluntary quits, retirements, deaths, etc.) provided we did not replace those losses with new hiring. This "attrition rate for us is about 6% of our employment per year.

The actual decline from announcement of the program through year-end 1955 was 1993 persons. When one considers the many factors affecting our employment - changes in the schedule of the modernization program, receipt of orders, or the lack of orders, progress or lack of progress in the development of new products, etc., our forecast was amazingly close to the mark. 3a

Other Media

The above information was probably also communicated through the Management News Letter, the General Electric
News, Advertisements and publicity in the local press. These aspects of the communication network are handled by the Employee and Plant Community Relations Department. Therefore, similar information is going to the employee and the community with a similar point of view and method of expression. For this reason the communications have a quality of likeness and serve to compliment each other. They provide the employee and his neighbors with the same kinds of information and a common ground for discussion. Because discussion is a major means of opinion-attitude formation, it is hoped that these communications will stimulate the discussion and show the company and its policies in a more favorable light. It has also been said that the first action towards agreement is opening the subject to discussion.

Although opinion-attitude research has shown that advertisements have little or no effect on community attitudes, management still feels that they are worthwhile. They are of an institutional nature and problems are not aimed unless the community asks for it. At times advertisements are directed toward the employees and their families when there is a need to communicate quickly or to get major points across and provide for interesting communications in the community, as in the cash to check payroll incident. The general overall impression that these advertisements attempt to create is that General Electric is in step with
the community, it is a good neighbor, it is progressing, and it is a good place to work, and it is fair to all who have an interest in the company.

Some of the advantages and reasons for advertising are that they can emphasize and de-emphasize various points of view and control the presentation and point of view expressed. Also advertising techniques such as graphs, pictures, illustrations, and other attention-getting devices can be used. Some of the kinds of things they wish to communicate may not be newsworthy or worthy of space. There is also the feeling that industry should help support the local press through advertising.

Newspaper publicity in the form of news releases is not a major means of communication. Naturally, news releases are sent out, but more of them than not are prepared at the request of the local editors or when highly newsworthy events occur. This is mainly due to two factors. One is that the completeness of the communications system which has been set up makes it unnecessary to depend upon newspaper publicity to tell their story. The other is that they can run advertisements in the local paper when they have a story to tell. This has the added advantage of allowing the company to say what it wants, just the way they want to say it - with no additions or deletions. It can also be attractively packaged and graphically illustrated. There is no chance taken of important factors being
left out or of visibility being impaired. A standard pre-
sentation can be given in all papers conveying the same
information in its prepared, complete, and final form.

General Electric's communications system is complete
and it provides a means for transmitting the philosophy,
ideas, plans, and points of view of the company. Little is
left to chance or guess work. The means of communications
provides aggressive selling media for the company in its
relations with the employee and other interested publics.
Through it confidence is built for the company, its programs,
and its management.
VI. SUMMARY AND CONCLUSIONS

In the past decade the General Electric Company has attempted to re-orientate its employee relations and collective bargaining programs.

The Need

As a result of the changes from a wartime to a peacetime economy and of general worker unrest which manifested itself in the form of major strikes in 1947, extensive research into the needs and wants of the worker was done in an attempt to develop a more fruitful approach to collective bargaining and to employee relations in general. The decision was made to sell the General Electric job as a good one. The thought here was to find out what the worker wanted and needed, and to communicate to him the idea that the company was either providing it now, was going to provide it, or explain why the company could not provide it.

Immediately the problem of communications was present. General Electric in the past had pioneered many employee benefit programs but as a result of ineffective communications they apparently did not receive full credit for giving these benefits.

The Program

With this basic knowledge, General Electric began to develop a new program. Because there was a high correlation between the attitude of the community and the attitudes of
the employees, the Employee and Plant Community Relations Division was formed. The device of having the two publics serviced by one department is further justified by the fact that the company communicates the same kinds of information to both publics as a result of the mutual interests that they hold, and the feeling that extensive two-way communications is going on between the two publics.

In public relations we say that one must put his house in order first; General Electric chose to develop a philosophy to meet this need. The philosophy then becomes a way of doing things and a point of view. What is even more important, the publics to which General Electric was addressing this philosophy were intensely interested because General Electric is the employee's and the community's bread and butter. What General Electric does and thinks relates directly to their own well-being.

Objectives

Well, what is General Electric really trying to accomplish in its employee relations program? It is simple; the company wants its workers to come to the job regularly, promptly, and in an agreeable frame of mind so that they will exercise their full skill and care to their work. They also want them to go home with a feeling of accomplishment and satisfaction that will make them want to return the next day. In public relations, we might say they are attempting to motivate the work force to do a better job.
When you attempt to motivate someone you attempt to relate that which you want him to do with his own basic interests and desires. Therefore, General Electric set out to find the answer to the question, "What do workers want and expect from their jobs?" Aside from material benefits they found that the worker wanted spiritual things, for example, he wants to be treated with respect and he wants the feeling that he is doing something worthwhile. Armed with this information, General Electric set out to sell the General Electric job.

Communications

No matter how you look at it, to sell anything one has to communicate. Great emphasis is placed on person-to-person communications. The major problem is to get middle management people and supervisors to discuss with the workers subjects of mutual interest related to the job, General Electric, the community, the nation, and everything related to the work situation which might be of interest. The idea is to bring problems in the open, to arrive at solutions to problems, or at least to recognize that the problems are present. Here an attempt is made to put the two on a personal basis and to get them to see the others point of view. Bringing the problem to light is considered the first step towards widening the area of agreement.

Management's leadership ability is stressed.

Extensive means of formal communications using the
written word has also been developed. All major publics are supplied with similar information through the General Electric News, the Community Newsletter, the General Electric Commentator, The Management Newsletter, advertisements, and publicity. Because all the information is secured from the Employee and Plant Community Relations Division the same kinds of things are discussed and the same point of view is given to all recipients of the information. Naturally, they talk differently to the employee and community groups in that they try to relate the information to the group to whom they are speaking. However, the point of view expressed is essentially the same. This is important because once General Electric studies and researches a problem it does not change its point of view unless new major facts are presented or an event occurs to warrant a change. It attempts to show that the point of view is fair and just, taking into consideration the interest of the company's contributor-claimants.

Collective Bargaining

General Electric's approach to collective bargaining is to go to the bargaining table with complete facts on the issues at hand and with the best possible offer the company can make. At times management and the union disagree on what the facts are and what interpretation should be given the facts. This is mainly the product of the reasons behind the collection of facts. That is, often times the facts
are collected to show why a position is justified. If each takes an opposite point of view, then the kinds of facts it collects will be different. To public relations people, this indicates a need for basic education in the principles of economics and at General Electric this is termed as promoting the management point of view.

The System

Because much of General Electric's approach to collective bargaining depends upon the experience that union officials have with the company, there tend to be two weaknesses in the system. One is that union officials are elected by-yearly and must be educated to the General Electric approach before they can be bargained with on a more reasonable basis. This takes time, and until some degree of confidence is built up, they tend to be un-stabilizing factors. Also, the general quality of union representatives has not been improved, and the elections tend to be popularity contests with little emphasis given to the candidates' qualifications. Although one gets the impression that the standards of collective bargaining have been raised, grievances of a petty nature continue to occur. This indicates that there are many areas where management is not getting its point of view across to labor. General Electric's economic, political, and social education programs have attempted to relate the basic information which eventually will lead to a better understanding of the business
enterprise as it affects the worker and the community. This is important in terms of widening the area of agreement between management and labor.

**Effectiveness**

Because of the nature of the material and the fact that General Electric's plants are located in many unique communities the effectiveness of the total program will have to be in terms of the overall company program and more specifically how it relates to the community of Lynn. On the national level the results of the negotiations of the last two contracts would indicate that the program is successful in that the proposed contracts submitted to the union were accepted with only slight modifications. This also indicates that the areas of agreement between management and the union are being increased. However, local conditions may present unique problems to national negotiations as illustrated in the Lynn Common Affair. On the local level collective bargaining standards seem to have been raised in that fewer petty grievances are presented and few grievances are sent to arbitration. From the various examples given there appears to be reason to believe that if a company builds a strong case relative to the stand it has taken, and that this stand is not opposed to the best interests of the various vested interest groups, that the workers support will be gained. This appears to be true regardless of the issue.
From Research to Leadership

In the past industry has lost its position of leadership in the area of employee and community welfare. The growth of unions has captured this aggressive role and has effectively put management on the defensive. They have fought management successfully for many social reforms such as shorter hours, better working conditions, and fringe benefits. General Electric is attempting to regain this position of leadership through research. That is finding out what the worker needs and wants and anticipating the demands of the union. By keeping its finger on the pulse of the worker General Electric management has been able to better their bargaining position. Also by anticipating future demands they are in a better position to study the demands, formulate a position, and to communicate this position to the worker. This is done before the demand presents an immediate or crucial problem. It is desirable that management be on the offensive rather than the defensive and that it regains the position of leadership. It is also desirable that management communicate its position to the worker so that he will have the basic information that will allow him to come to rational and intelligent conclusions on current issues.

Public Relations and Collective Bargaining

The tools and techniques of public relations are being used to better the collective bargaining position of
the company. The body of knowledge which is public relations is adapted to the collective bargaining situation and used to promote the management position. Workers are continually being given information by the union about the union position and the union interpretation of events. If management does not present its case too, the worker will have a one-sided picture of the issue or event. Therefore, industrial relations divisions should set up means for the formulation and communications of the management viewpoint. Indeed, it must provide for a public relations program related directly to the current collective bargaining issues and to the worker in general. If this approach is not taken management will be put on the defensive and the worker will have a one-sided orientation.

Implications for Industry in General

Every industry, company, and community are unique. General Electric's approach is fruitful for others to follow but only in a general way. That is, the principles which General Electric have developed should be adopted by other companies keeping in mind the fact that the application of the principles will have to be tailor made for the particular industry, company, or community. For example research into the needs and wants of a particular work group or company is desirable, but the results of the research may be different than the results at General Electric. The guaranteed annual wage may be a collective bargaining issue in one
industry but present no problem in another. Management should use public relations techniques to communicate the company's position on various issues. In different companies the issues will be different and the media of communications may be different. But, the basic concept to inform the worker is valid for all; the difference is in application. General Electric's concept that the first step to agreement is open discussion of the problem tends to be valid for all industry. Therefore, industry in general should open the problem areas for discussion. More specifically each industry or company should study their collective bargaining issues and problems and the present their position on the issues to the interested publics. In this way use can be made of what General Electric has learned and the general standards of collective bargaining can be improved.

At General Electric the employee relations and community relations programs are public relations programs. What is happening is that public relations techniques, programs, and ideas, are being applied to employee relations. Research in the opinion-attitude areas, as well as in fact gathering, are being used. Most of the known tools and media of two-way communications are being used. A philosophy has been developed. Social, political, and economic factors are considered. An attempt is made to educate the worker and to promote the management point of view. These are the kinds of things that public relations is made of; and at
General Electric they are the kinds of things that make up their employee relations program.

Although many in industry may be skeptical of General Electric's approach, the facts seem to indicate that this approach can be successful and that the standards of collective bargaining can be raised.
APPENDIX

Survey of Attitudes in the Lynn Community and An Appraisal of a Newspaper Advertising Campaign 1952 Attitudes Compared with 1948

By

Employee Relations Research Services Section - Employee and Plant Community Relations Service Division

Highlights of Survey

1. Attitudes toward General Electric are strongly favorable and have improved notably from 1948 to 1952.

2. Newspaper advertising had little, if any, influence in improving attitudes.

3. Employees are the source of information and more so than 1948.

4. People are satisfied that the company does its fair share in community affairs.

5. Although they are fewer now than in 1948, an important
number of people remain sceptical of the company's union policies, and of the impartiality of the company's public statements.

**SURVEY AND RESULTS**

Taking everything into account, How would you rate General Electric as a place to work?

<table>
<thead>
<tr>
<th></th>
<th>1952</th>
<th>1948</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Very good</strong></td>
<td>71%</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>14%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Poor</strong></td>
<td>2%</td>
<td>5%</td>
</tr>
</tbody>
</table>

What are some of the things about General Electric that you particularly like?

<table>
<thead>
<tr>
<th></th>
<th>1952</th>
<th>1948</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Good Wages</strong></td>
<td>35%</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Good Working Conditions</strong></td>
<td>25%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Good Employee Benefits</strong></td>
<td>21%</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Steady Employment</strong></td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td><strong>General Electric Helps the Community</strong></td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Good Products</strong></td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Good Treatment of Workers</strong></td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Good Opportunities for Employees</strong></td>
<td>9%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>General Approval</strong></td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>

What are some of the things about General Electric that you do not like?

<table>
<thead>
<tr>
<th></th>
<th>1952</th>
<th>1948</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nothing</strong></td>
<td>31%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Unfavorable Relations with Unions</strong></td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Issue</td>
<td>1952</td>
<td>1948</td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>General Electric is too big</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Poor Supervision</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Employment policies (age roles)</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Inadequate Employee Benefits</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Promotion Policies</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Complaints against Unions</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Wage Policies</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>No Opinion</td>
<td>27%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Is it your opinion that General Electric believes in the idea of Unions or would they like to see unions broken up?

Believes in the Idea of Unions                          | 41%  | 29%  |
Would like to see Unions Broken up                       | 25%  | 50%  |
Does not care one way or the other                       | 2%   | 3%   |

How would you rate General Electric on putting out information about its policies and operations?

Very good                                               | 52%  | 35%  |
Average                                                  | 24%  | 29%  |
Poor                                                     | 4%   | 12%  |

How much do you feel you know about the General Electric plant in Lynn?

Know quite a lot                                         | 35%  | 35%  |
Just a little                                            | 50%  | 55%  |
Nothing at all                                           | 8%   | 7%   |

When General Electric puts out a statement or News Release
is it your impression that they try to tell the whole story or just the side that is favorable to the company?

<table>
<thead>
<tr>
<th></th>
<th>1952</th>
<th>1948</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whole Story</td>
<td>44%</td>
<td>30%</td>
</tr>
<tr>
<td>Side favorable to company</td>
<td>28%</td>
<td>48%</td>
</tr>
<tr>
<td>Qualified answers</td>
<td>15%</td>
<td>4%</td>
</tr>
<tr>
<td>Do not know</td>
<td>13%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Where do you get most of your information about General Electric? From General Electric Employees - talking with General Electric workers, friends who work there, relatives employed at General Electric, fellow workers at General Electric?

<table>
<thead>
<tr>
<th></th>
<th>1952</th>
<th>1948</th>
</tr>
</thead>
<tbody>
<tr>
<td>General hearsay, from what I hear, talking with people, rumors, friends, observation.</td>
<td>10%</td>
<td>26%</td>
</tr>
<tr>
<td>Newspapers - the papers, Lynn Item and Telegram News.</td>
<td>29%</td>
<td>45%</td>
</tr>
<tr>
<td>Company Publications. General Electric news, company letters, company reports, company circulators, company magazines, and advertising.</td>
<td>25%</td>
<td>28%</td>
</tr>
</tbody>
</table>

The data has shown no evidence that attitudes are affected by readership of newspaper advertisements.

CONCLUSIONS

Attitudes toward General Electric showed improvement
during the years 1949 to 1952.

Overall questions aimed at eliciting attitudes and differences in formableness revealed the answers were not related to the source of information.

The reason for this seems to lie unmistakably in the fact that Lynn is a "General Electric town." So many people learn so much about the company from employees - or more concretely, learn about how the employees feel about the company - that other or special sources of information carry little weight.

Word-of-mouth, person-to-person communication was the principle source of information for 86% of the people in Lynn as compared with 29% who named newspaper as a source. Therefore, we must conclude that newspaper material as far as the survey is concerned, is not a significant opinion-making factor in Lynn, and thus that the company's advertisements had very little, if any, influence on the change in attitudes between 1948 and 1952.

The company during, 1949-1952 had increased wages, established a guaranteed minimum pension, liberalized insurance provisions and sickness and accident benefits. These concrete acts for employees were unmistakably heralded by them in the community. Clearly implied also, is that employees formed the pay and benefits alterations, since community attitudes were clearly more favorable in 1952 than in 1948.
In Lynn then good employee relations is synonymous with good community relations - employees and the community are Siamese Twins, inseparable. This suggests that by placing major emphasis on full communications with the employees the company is assured wide spread communication with the community.
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   d. Mr. David Warren, Employee and Plant Community Relations, General Electric

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