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A survey of personnel practices in a leather company.

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BOSTON UNIVERSITY

College of Business Administration

THESIS

A Survey of Personnel Practices in a Leather Company

by

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I. Introduction

A. Statement of the Problem

The problem of this thesis is to make a complete and impartial examination of personnel practices as carried on in a typical leather tannery. Personnel practices means the company's actions pertaining to the body of persons employed therein. Because of the organizational set-up of the leather company in question, the problem will apply only to factory workers as contrasted with office help.

Only after all the facts are secured is it possible to determine the effectiveness of this company's labor policy and to indicate needed changes and improvements. It is hoped that this survey together with resultant recommendations will be of some assistance to management in solving problems of personnel administration.

Corporations make use of sales surveys and financial surveys to indicate the degree to which the organizations' policies and practices in those fields are sound and solvent. Here, a personnel survey will be used to evaluate policies and procedures in this equally important phase of the leather business. By definition a personnel survey is a systematic and reasonably exhaustive analysis and statement of the facts and forces in a company which affect the relations between employees and management, and between employees and their work, followed by recommendations as to ways of making the organization more socially and humanly productive and solvent.*

* 8, p. 267.

B. Importance of the Problem

The importance of the personnel function to successful management will be stressed in Chapter III. Assuming for the moment that this phase of management is necessary, it follows then that there is a definite need for a survey to check up on performance and to see if personnel standards are lived up to or need to be altered.

Sometimes it is taken for granted that in any given situation the causes of difficulty usually may be found in one definite set of facts or records without studying exhaustively the entire personnel problem. Although this solution may be found in certain cases, when dealing with human relationships with all their ramifications, it is usually more accurate to study the problem in an objective way and to set forth all the facts in their proper perspective.

Overworked executives are peculiarly disposed to attribute labor difficulties to causes which are too simple. The personnel survey therefore attempts to show both the subtleties and the complexities of the causes underlying a company's labor difficulties.

It is valuable to check up on all the potentially relevant items even though some of them may not be in force at the moment. Just as a doctor insists upon a comprehensive examination of the patient to be certain that all factors possibly contributing to disease have been considered, so a comprehensive personnel survey traces all possible clues.

Assuming now the importance of proper personnel practices and the need for checking up on them with a comprehensive survey, why is there a need for investigating this one particular leather company?

First, it has been the place of employment of the author for over three years in the capacities of assistant engineer, assistant purchasing agent, assistant chemist, and foreman. The author has a real interest in the management of this company and hopes some day to fill a high executive position. Undoubtedly this thesis will bring to mind some important changes which could be suggested to management for the purpose of improving industrial relations.

Second, at the particular tannery in question, with over five hundred workers, there never has been a personnel manager, as such, who devoted his full time to the administration of labor affairs. On first thought, then, one might say that some investigating should be done as to why a plant of this size, in this age of scientific management, lacks a personnel manager.

Third, after more than fifty years of operation without a personnel survey having ever been made, it seems that one might be useful. The company has elaborate balance-of-stores records, production records, and financial records, but never has bothered to write down a record of its personnel practices. This survey will cover the most complex of all the problems of any organization - the problem of human relations.

Fourth, although the last yearly report to stockholders described the labor relations as continuing satisfactorily, from personal observations during the past three years it seems that certain changes in personnel practices would benefit both the company and the employees. In 1946 there was a strike which lasted over six months. Productivity is low and unit labor costs, which used to be lower than those of

competitors, are now equal to or higher. Workers seem much more loyal to the union than to the company. They feel unimportant and often show an attitude of indifference towards the company. More about the company will be said in the next chapter but indications are that there seems to be room for improvement in the company's personnel practices.

For these reasons, it appears important that a survey of this company's personnel practices be undertaken.

C. Method of Approach

This problem will be approached from an impartial viewpoint just as an outside personnel consultant would see it. Workers opinions will be given as much consideration as those of management. It is intended to seek out the ideas and points of view of some of the union officials as well as those of the supervisory staff. After each phase of personnel administration is taken up and the facts brought to light, the principles of sound personnel policies, as have been learned at Boston University, will be applied. Furthermore, it is intended to mention certain personnel practices which have been successful in other companies and which might benefit the tannery and its employees.

II. Background of the Company

A. Organization

The tannery whose personnel policies are being surveyed in this study is located within 100 miles of Boston, Massachusetts, in an industrial city with a population of 100,000. Although the company operates a different type of tannery in another state, only this Massachusetts calfskin tannery will be discussed. Main offices with centralized purchasing, accounting, engineering, and sales departments are located in the Boston leather district. Substantial financial reserves are behind this corporation.

The vice-president of the company serves as superintendent of the calfskin tannery which employs 500 men and 35 women. Besides an assistant superintendent there are 25 foremen in 18 different departments. Maintenance and chemical sections assist in staff capacities.

The word "old" very aptly describes this tannery in several ways. Although some of the buildings are new, most of them have existed for some time, one for over 50 years. The average age of all employees is 47 years. Most of them have long records of service with the company, many over thirty years. The employees have been represented by various American Federation of Labor, C.I.O., and independent unions for over 50 years making it one of the oldest unionized shops of any industry in the nation. Although the company has only owned this tannery since 1900, another company had operated it from the 1870's until then.

The standard shift is from 7:15 A.M. to 12:00 Noon and 1:00 P.M. to 4:15 P.M., 5 days a week. However, some departments using large,

expensive machinery operate two shifts - 7:00 A.M. to 3:00 P.M. and 3:00 P.M. to 11:00 P.M.

B. Making Leather from Calfskins

Calfskins are purchased through hide and skin brokers who have bought them from meat-packing companies both in this country and abroad. They arrive at the tannery in either trucks or freight cars tied together in bundles in a damp, salted condition. After being inspected by the receiver the skins are stored in refrigerated cellars, maintained at 40°F, until needed.

The first step in the process of converting calfskins into fine shoe or handbag leathers is to trim off by hand any unnecessary parts of the skins such as the heads, tails, and long shanks. They are then ready to be made up into packs and sent to the beam house, whose name has been handed down from the tanners of long ago who used to place the skins over a wooden beam and scrape off the animal hair with a special knife. The modern beam house of this tannery has over 100 cement pits large enough to hold 2500 gallons of liquid and equipped with paddle wheels to mix up the solutions and skins contained therein. The beam house is generally considered the worst place to work in the tannery because of the foul odor, damp atmosphere, water on the floor, and the "back-breaking" work of lifting skins out of these pits. For protection the men wear rubber boots, aprons, and gloves.

The first beam house operation consists of soaking the skins overnight in pits containing clear water both to restore the normal water content to the skins and to clean them of blood and dirt. After

being pulled out of the pits the skins are put through machines equipped with rubber rolls and bladed cylinders to cut off any excess flesh material. This operation is followed by soaking the skins in other pits containing lime and other unhairing solutions for 3-5 days to loosen up the hair. After that time the skins are put through an unhairing machine which also has rolls and a bladed cylinder to scrape off the loose hair which is reclaimed and sold to felt manufacturers. Once again the skins are fleshed to cut off any excess material. Then they are put through scudding machines which have a 4-foot diameter bladed, rotating cylinder which scrapes off any small remaining hair particles known as scud. Many arms have been cut off by this rapidly-rotating, sharp-bladed cylinder drum.

Then the skins are put in bating pits where much of the lime is neutralized and enzymes act on the grain of the skins. After being transferred to pickle pits the skins are treated with salt and sulfuric acid to preserve them until ready for tanning.

Now the skins leave the beam house and proceed to the tan room which contains large rotating drums. The pickled skins are put into these drums along with a chrome tanning solution and the drums are run for about 8 hours so as to fix the chrome complex onto the skins in such a way that a complete transformation to real leather is made. The tan room is also classified as wet work and many men are allergic to the chrome tanners' itch.

After tanning, the skins contain so much excess liquid that they have to be wrung out on felt-covered rollers before going to the shaving department. Here the razor-sharp, bladed cylinder

of the shaving machines cuts off any surplus flesh material, smooths up the skins, and makes the thickness of the skins more uniform. As there are no safety guards for this type of machine many workers lose fingers or even whole hands.

Now the skins are ready to be colored to the desired shade. Like tanning, this operation is done in rotating drums but various dyes are added as well as certain oils to lubricate the fibers of the skin and give the leather a soft feel. Besides being a wet operation, coloring gets dye on the workers and on their clothes although many of them wear protective clothing.

After being dried out, the skins are dampened back to a certain moisture content and then worked on staking machines which soften up the leather. Before being dried out again, the damp skins are stretched out as much as possible and toggled onto metal frames so as to yield the greatest possible area. Working on these toggle driers is hot work, especially in the summer.

The next operation of trimming is the only one performed by girls at this tannery. They put the skins through a cutting machine which trims up the edges.

The final operation in this process of making leather from calfskins is called finishing. In this department dyes and pigments are applied to the skins to get the correct shade and other materials are added to give the skins the desired bright, uniform leather appearance. Glazing machines and presses are used to bring out the proper luster. As for conditions in this department, the dyes and pigments make some of the jobs dirty while many fingers have been lost

on the glazing jacks and arms have been caught in the presses. However, efficient safety guards have recently been installed on all press machines and since that addition no more accidents have occurred.

This is an extremely brief story of leather making at this tannery but should provide the reader with sufficient background to understand this survey from the personnel point of view.

C. Economics of Tanning

Although the price of leather can fluctuate quite widely, over the last 3 years the best grade calfskin leather has sold at roughly from \$1.15 to \$1.35 per square foot. Lower grades, at the same time, might have gone for \$.70 to \$.90. However, from the personnel angle, it is significant that the labor cost in any case only amounts to approximately 15 to 25% of the selling price. Since the profit margin is small in this business, it is easy to understand that the rawstock on which the tannery worker performs his operations is very expensive.

Assuming an average calfskin at this tannery at present to measure 10 square feet at an average selling price of \$1.00, we have a \$10.00 piece of leather which the man is handling for his 1 to 3 cent remuneration. If poor work is performed, the company may lose as much as 30-40 cents a foot because the leather will be downgraded. On the other hand, if each worker puts just a little extra effort into each skin it will finish up beautifully and can be upgraded, thus making extra money for the company. The point is that if the men are treated properly in accordance with sound principles of personnel administration, they will have the proper attitude toward their work, known as high

morale, and will put out that little extra effort which will make money rather than lose it for the company.

D. The Employees and Their Union

As stated before, the majority of employees are old with long years of service and union membership. Many of the workers are related to each other. As for nationality, in their order of predominance are found Irish, French, Greek, Polish, Portuguese, and Armenians. Wages are good for the locality and type of work, averaging \$1.72 per hour with a high of \$2.01 and a low of \$1.27 $\frac{1}{4}$.

This is a union shop with all but the foremen belonging to a local of the International Fur and Leather Workers' Union which left the C.I.O. in June, 1950. The firemen and maintenance men belong to their respective craft A.F. of L. unions.

E. Present Personnel Organization

Personnel administration, as such, is unknown to the employees of this tannery. There is no personnel department or personnel manager. Personnel policies are not definite and never written.

However, as in many small companies, necessary duties in this field have gradually been piled onto certain responsible individuals along with their regular jobs. While the vice-president still negotiates with the union on the contract, ordinary labor relations problems and grievances are handled by the assistant superintendent. Employment applications, safety meetings, and first aid are the extra responsibilities of the shipping clerk. Some services such as Blue Cross and Blue Shield

are taken care of by one of the foremen while others such as payroll records come under the office manager.

III. Reasons for the Personnel Function

In their book on Personnel Administration, Pigors and Meyers state:

We agree in general with the conclusion reached by a conference of the American Management Association that no plant is too small to have someone whose primary job is to specialize in personnel administration and the study and elimination of causes of misunderstanding and resentment on the part of employees and supervisors.*

A. Definition

Exactly what is the nature of this branch of administration which is considered so important? According to Tead and Metcalf:

Personnel administration is the planning, supervision, direction, and coordination of those activities of an organization which contribute to realizing the defined purposes of that organization with a minimum of human effort and friction, with an animating spirit of cooperation, and with proper regard for the genuine well-being of all members of the organization.**

The various functions of personnel administration through which these goals are obtained, such as employment, health, safety, working conditions, training, service, and labor relations will be taken up one by one in subsequent chapters. These functions must be performed with a view to their ultimate influence upon the efficient and economical production of goods and services.

As for the individual employees, they possess certain desires or personal objectives the most important of which are:

* 5, p. 9.

** 8, p. 2.

1. Fair wages, hours, and working conditions.
2. Economic security.
3. Opportunity for advancement and self-improvement.
4. Recognition and feeling of worthwhile accomplishment and individual significance.

Personnel administration attempts, through the performance of its different functions, to satisfy these wishes of the employees to a degree commensurate with economical and profitable production of goods and services.

B. Effect of Industrialization

Mass corporate production has resulted in mass attitudes and relations which in turn have meant the impersonalized treatment of people as machines to run machines. Industrialism has provided great material benefits but has in the process smothered the personality, denying it identity and integration. The United Steel Workers of America attribute the success of their organizing drives back in 1936 and 1937 to management's failure to satisfy workers' psychological and social needs as well as their economic ones. It has often been heard that unions are built by employers who forget that their employees are human beings. Not only do democratic workers want to feel needed, they want to know about and help determine the decisions that vitally affect their lives. They expect and appreciate good leadership on the part of management, but it must be the type that encourages industrial citizenship rather than servitude. The alternative is more than restricted output, negative attitudes and aggressive unionism; it eventually must be tyranny

or anarchy.*

In solving labor problems, management has been characterized largely by the use of curative methods. Steps have been taken only after trouble develops. This approach, even when successful, invariably is unpleasant for the user. On the other hand, a wide-awake personnel executive is able to anticipate possible sources of trouble or irritation and to take steps to minimize or eliminate the development of problems.

C. Economic Reasons

Experience has shown that the costs of choosing, maintaining, and training the members of the working staff of any business or organization, as well as the costs of securing effective application of their labor, can be substantially reduced by expert handling. For every worker hired, trained, and put to work, for every absence and accident, for slow and careless work, for damage to equipment and waste of materials, for failure of people to work willingly and harmoniously together, for inadequate conditions in the physical working environment - for all of these there are unnecessary costs and expenditures which increase operating charges, and where personnel work has been soundly conceived and been given effect for a number of years, the evidence is conclusive that all of these costs have been greatly reduced.

* 11, p. 3.

D. The Separate Department

Experience shows that the most economical method of handling the variety of related personnel activities has been through the direction of a single personnel executive or department. The process of integrating all these functions into one section during World War I convinced managers that this integration was sound and necessary. All phases of the personnel movement developed more in the five-year war period than would otherwise have happened in ten years. The Army personnel work with its psychological and trade testing activities contributed an additional positive influence in bringing the whole personnel movement up to a scientific plane. The fact that much of the personnel work done during the war was done under compulsion, and was dropped as soon as this compulsion was removed, does not alter the fact that the war experience demonstrated to many managers in the non-munition industries that it was economical to handle all personnel work under one expert staff department.

Is a full-time personnel executive required by a small plant? A large manufacturer with plants in many parts of the United States held to the policy of having a specialist in personnel in all of its plants numbering more than 500 employees. Recently it experienced a long and bitter strike in one of its Eastern plants having only 400 employees and a manager in whom the company had implicit faith regarding his skill in handling men. A post-mortem convinced the central management as well as the local manager that sufficient care had not been given to the personal relationships with the men. Needless to say, this plant now has a full-

time man devoting all his time to the personal aspects of management. The local manager himself asked for this additional functional officer. Recent trends in labor legislation have added to the work that must be done by some agency of business. This may well be assumed in the case of smaller organizations by the personnel officer and thus justify a full-time man in an organization that formerly might have felt it an unnecessary expense.*

Although reasons are being stressed here for a separate personnel department the fact still remains that the practical application of personnel policies is in the last analysis the responsibility of operating officials. Without the cooperation of the men who occupy supervisory positions in the company, the successful operation of any personnel department would be impossible. It is for this reason that every personnel director finds it imperative to create harmonious relationships with the superintendent, department heads, foremen, and lesser executives who contact the working force day by day. Once the personnel department loses the confidence or fails to obtain the cooperation of major and minor executives its days of effective work are numbered.

E. The Workers' Viewpoint

Personnel departments are continuously looking at operations from the viewpoint of the worker and bringing this viewpoint to the attention of the line executives. It is the function of the personnel manager to keep the general management in constant touch with the pulse

* 4, p. 20.

of the workers and to guide them toward decisions which will make for wholehearted cooperation of the workers. It is a task of the personnel department to prove to the worker that he is not a cog in the machinery of production, but a very important part of it, regardless of how small his share in the productive process may seem to be.

Many business executives do not have enough time to devote to the control of personnel, nor do they have the opportunity to keep up with the latest developments in the field of human relations. This should not make them relegate personnel control to a minor position. Just as they have a purchasing department to control materials, a planning department to control production, and a stock control department to control inventory, so should they have a personnel department to control the most valuable of all their assets - their employees.

Lawrence Appley, president of the American Management Association has said that the challenge of the 50's to personnel management can be stated simply:

The next ten years will decide whether the policies, practices, and trends of personnel handling are to be determined primarily by legislation, labor leaders, or management. One of these three will break out strongly into the lead during this decade.*

* 13, p. 20.

IV. Employment

The usual employment functions carried out by personnel departments are as follows:

1. Make contacts with sources of labor supply.
2. Interviewing.
3. Selection and placement.
4. Introduction of new employees.
5. Follow-up of all employees.
6. Instruction as to company rules and policies.
7. Control of transfers and promotions.
8. Control of tardiness and absenteeism.
9. Control of labor turnover.
10. Compilation of individual records.
11. Regular and special reports.*

This employment survey is intended to touch upon each of these points. However, more stress will be given to recommendations for improving certain of these functions considered essential to successful operation of the tannery from the personnel standpoint.

A. Labor Turnover

Employment at the tannery under consideration is handled by a man who shall be referred to as Mr. E. Safety, first aid, and shipping also come under his jurisdiction. Since very few new workers are hired

* 9, p. 62.

in normal times, Mr. E. is able to take care of these other assignments. Labor turnover at the tannery is exceptionally low. In fact during the past four years only one employee has quit the company. As no pension system exists, death or poor health seem to be the only reasons for dropping men from the payroll. When most people become too old for their regular jobs, management can usually place them in others which they will be capable of performing, although possibly for less pay. Between 1946 and 1950 only ten new employees were hired. However, the employment function must not be ignored because during World War II about 150 new men were taken on by this company. At that time it was necessary for Mr. E. to contact the sources of labor supply while at present an average of ten a week visit the tannery in search of employment, with over 700 applications on file.

Why is labor turnover so low, one might ask? Is this the perfect place to work? It does have many advantages but at the same time most workers could suggest a number of improvements. In this locality, textiles and shoes are the other principal industries. Jobs at the tannery are much more steady throughout the year and the pay for the amount of work performed is said to be the highest in the area. People in this municipality seem to stick there rather than look elsewhere for work. These are the chief reasons why many people are waiting to step into jobs which the present incumbents refuse to leave.

B. Type of Worker Desired

This company has an agreement with the leather workers' union that a man must work for five years on an hourly-paid, day-work job

before he can be promoted to a regular, higher-paid piecework job. This means that leather tradesmen such as shavers, stakers, and glazers, even though members of another local of the same union, cannot be hired by the company for their particular type of work. Such a man would have to spend five years in this shop like any other recruit on a day-work job before he could practice his special trade. When openings occur on jobs like shaving, staking, and glazing, day workers who have at least five years seniority are broken in on the jobs. This allows for promotion from within and gives the young employees something to look forward to after their five years of service.

Due to this agreement, when Mr. E. sets out to hire a new worker, all he can do is look for a general, all-around good man rather than hire someone who has been trained for a particular tannery job. He never can foretell what type of work the applicants will be performing after five years. Therefore, the employment man concentrates on basic human qualities such as character, health, intelligence, mechanical aptitude, and enthusiasm. This applies to the majority of employees who are the subjects of this paper. The comparatively small office, chemical, and maintenance staffs are handled differently through their respective chiefs.

C. Hiring Technique

The standard hiring technique consisting of the preliminary interview, written application, interview with the superintendent or assistant superintendent, and physical examination, is used. The only important phase of hiring neglected here is the written tests. None of

these are ever given to applicants. Only since World War II have innumerable companies adopted testing techniques. Added usage and experimentation during the past few years has lifted testing from the "gadget" level to that of a generally accepted tool of personnel management.

A test is a process of measurement by which it is hoped to determine how well a person has done something or may do something in the future. The test score is a better guide when used in combination with other methods of evaluating people, than intuition and observational appraisals. Tests which seek to predict future events, although useful, are as yet more accurate in their negative implications than in their positive significance. For example, if A receives a high score on a battery of tests and B receives a low score, the reasonable deduction here is that B is not likely to succeed if hired and hence should not, other things considered, be hired. As for A, it is plausible to expect him not to fail, but the contention at the present stage in the development of tests is not that he will succeed in proportion as his grade is high. Tests should only be used in conjunction with application blanks, references, and interviews and not as the only source of information about applicants. As one writer has put it:

The most important results of our six years' experience with tests is to enable me to say without hesitation that it is beyond anyone's power to do as good a job of employment without tests as can be done with their careful use.*

It has been estimated that tens of thousands of tests have

* 18, p. 26.

been developed. All that will be mentioned here are the types of tests which might assist the tannery in its employment and promotional problems. Although it takes a man at least five years to work up to a piecework job, Mr. E. could apply these tests in a general way to new applicants, who will start on various day-work jobs. He could get a fairly good idea whether or not a man will be able to perform any tannery job five or more years hence. When a vacancy did occur in a piecework job, Mr. E. could give the proper tests to men with the necessary five years service. The test results along with interviews, seniority, recommendations, and acceptance by the foreman would constitute the basis for choosing a man for a piecework job. This additional tool seems to be all that is needed at this tannery to make more effective transfers and promotions.

Tests may be classified as follows:

1. Tests to measure the ability to understand and to use ideas, referred to as common sense, verbal intelligence, ingenuity, practicability, and educability.
2. Tests to measure the ability to understand and operate things and mechanisms, including coordination of hand and eye, essential for running a machine.
3. Tests to measure the ability to understand and to manage men. Such would probably only be necessary in a tannery when choosing a supervisor.*

There are certain jobs in the leather factory, although in the

* 6, p. 155.

minority, which must be filled by men who are mentally alert. As tanning is a chemical process, a number of men are responsible for adding the proper amount of the right chemicals and dyes at a certain time in the proper place. Because of the high rawstock price, any mistake by these men might cost the company heavily. Throughout the process, the skins are sorted many times for different reasons. Intelligent sorters can mean much to a company's profit and loss statement. Others are charged with the operation of large, expensive machines which must be cared for and kept operating properly so as not to damage the leather.

On the other hand, there is as much possibility of hiring people for other jobs who will become dissatisfied if they are too intelligent or proficient. On this first class of tests, therefore, it is well to establish upper limits of test scores beyond which a person's acceptability is in question.

There are various classes of mental alertness subtests such as arithmetic, similarities, information, completion, number series, following directions, and block counting. For a particular job usually a combination of several of these subtests is employed.

Many organizations such as the C. H. Stoelting Company of Chicago and The Psychological Corporation are ready to supply such tests to industrial concerns and to guide them in their administration.

Regarding the second classification of tests, it is a common fact that some employees have greater aptitude than others in understanding and managing things and mechanisms. Specialists in this field are learning what physiological and psychological aptitudes are necessary

in men who aspire to operate certain machines. Since the majority of tannery jobs involve working the skins on some type of machine, special aptitude tests would assist the company in picking efficient men to operate their machines. There are several different types of special aptitude tests for measuring muscular abilities.

1. The strength of fingers, hands, and limbs is calculated with a hand dynamometer.
2. The speed of completing a series of hand and arm movements is measured by such a performance test as the Minnesota Manual Dexterity Test.
3. The degree of steadiness of manual movements may be measured by the Herbert Gurne Test with his tracing apparatus as reported in the American Journal of Psychology of April, 1939.
4. The Johnson O'Connor finger dexterity test is used to measure accuracy of manual movements.
5. The Purdue hand precision test checks coordination between hand and eye.
6. The hand-foot coordination test would be very useful because many leather working machines are foot-operated while the man is handling the skin.
7. Rhythm tests would certainly indicate whether or not an individual could operate a glazing jack.

Besides these mental alertness and special aptitude tests, certain types of psychological temperament tests might prove valuable in picking out applicants possessing the proper attitude, motivation,

sentiment, and interests. They would weed out the potential misfits, radicals, and trouble-makers who, not only in themselves are bad for the company, but who tend to stir up and excite trouble among their fellow employees.

No psychologist or personnel administrator could properly put these tests into use at the tannery or at any other company without first discovering exactly what qualifications are necessary to adequately perform each job. After choosing a group of satisfactory tests for tannery positions, as has been indicated, the administrator would give these tests to both good and poor employees. Then a correlation would be made from the test results indicating just which qualities are present in each type of worker. Knowing how his present employees scored on the tests and also the results obtained by new applicants, an employment manager would have a much easier job of selecting the proper man for each new vacancy.

This tannery is noted for the number of relatives and close friends which it employs. At one time, for instance, as many as seven brothers were on the payroll. In a way this policy is beneficial to morale. A man is apt to do better work if he some day intends to ask the boss to employ his son or brother or some close friend. If the inquirer has been an asset to the company, chances are that the management will try to take care of the friend or relative. On the other hand, if he has not been a good worker, probably the management will look with disfavor on his request. At the same time, however, the large number of relatives and close friends seem to be one reason why the union is so strong.

The main purpose of mentioning relatives at this time is in connection with these written tests. Suppose that a foreman, loyal worker, or a union official requests the employment man to hire a close relative or friend. Even though a vacancy exists, an interview might indicate that better workers could be hired than this man with the so-called "pull". At the same time management is trying to keep peace in the "family" and hesitates to come right out and say the applicant is no good. Such a statement would antagonize the employee to no end and his love of the company would drop to a new low. On the other hand, if the applicant was a poor prospect, the tests would show this up and give the employment man a concrete reason on which to base his rejection of the job-seeker. This policy would be better for the company than taking on poor prospects just because they were recommended by a relative or friend of the worker.

Of course, an essential principle of testing is that the program be supported sufficiently and be given ample time to be worked out. A good program will, at the minimum, take a few years to put in operation. Unless adequate time is allowed and resources provided, the results will not be as satisfactory as desired. Yet this plea for time and resources does not mean that the outlay will be expensive. Most companies that have gone into such a program do not have to spend more than several dollars at the most for each employee tested. The improvement in selection, training, and placement results is more than adequate to offset such expenditures.

Chief opposition to the use of tests, according to management officials, would be the union. This is not a closed shop and there is

no union hiring hall so the union really has no control over hiring. But its chief objection would be against tests given for job transfers or promotions. Like most unions, this one tries to make seniority the only basis for advancing a man to a better job. However, at the present time it does not appear that the union has any legal or contractual basis upon which to voice strenuous opposition to written tests, even though given for promotional purposes.

Other trouble might arise if an inefficient psychologist is employed as advisor. Deciding just what qualities a job requires and what tests will disclose these qualities requires an experienced consultant. The whole problem of scoring the test and of correlating the result with competence at the job is a highly technical one.

Management has to realize that tests are not complete or final evidence of fitness for employment or promotion. They take no account of moral factors such as persistence, powers of application, integrity, honesty, or loyalty all of which are, of course, to be considered in a sound selective procedure. Even though the value of tests is supplementary, and never absolute, they should prove beneficial to the company if properly applied.

D. Induction

After selecting the new worker Mr. E. gives him a short talk to familiarize him with the company and its policies. The employee must know what is required of him and what he in turn can expect from the company. A special booklet on safety and also one about group life insurance are given to the new man along with a brief explanation of their

important points. This is a good policy but most companies go even further in this regard and have a special booklet prepared which covers all the important information. The employee is apt to forget a lot of facts given to him all at once, but with his own handbook he can easily look up the answer to any company rules or regulations. Usually the worker's name and number are printed on the cover of such a booklet.

Information in this type of handbook should include greetings from the president, the names of the company executives, tannery history, policies, products, organization, pay, night premium, hours, lunch period, time cards, provisions regarding tardiness and absence, which incidentally are very small at this tannery, overtime, vacations, holidays, health, blue cross, blue shield, sickness and accident insurance, industrial compensation, insurance, safety, shop rules, smoking, lockers, fires, seniority, bowling league, and parking facilities. If such a handbook were printed for new employees it could also be distributed to the present staff to clear up any misconceptions in their minds. Probably it would be more economical to use a loose-leaf binder type of handbook so that changes could be made by just replacing a page or two rather than the whole booklet.

After being shown around the tannery, the new man is introduced to his foreman by Mr. E. When a couple of weeks pass by, Mr. E. again checks up with the recruit to answer any questions along the personnel lines which might have come to his mind during that period and also checks with the foreman to see if the man is filling the job properly.

The new employee's written application and the record of his physical examination go into a personnel folder which is kept on every

worker for future reference. Under this company's decentralized personnel set-up, Mr. O., the office manager, has charge of these personnel folders.

E. Employment at Overtime Rates

Under the union contract, all work over eight hours per day or forty hours per week must be paid for at time and one-half rates. Since tanning is a seasonal business, being active from September to February and slack the remainder of the year, the company follows a policy of working overtime when necessary and then laying off some of the workers during the spring and summer months. The finishing department seems to work more overtime than any other section of the tannery. From October 1, 1948 to October 1, 1950 this department worked 320 hours overtime while losing only 83 hours during slack seasons. Figuring the extra half-rate as \$.80 per hour for 40 men in the department, this means the company wasted \$10,240 in overtime pay which could have been saved by hiring new workers for that department. Encouragement of so much overtime should be avoided as a short-sighted personnel policy. The average overtime week of fifty hours - nine hours per day with five on Saturday - leads to cumulative fatigue of both manual and supervisory workers.

Tead and Metcalf state:

Explicit limitation of working hours for the executive staff is important, especially for the foremen, who are usually confined closely to their departments during every minute of the working week and are likely to suffer from the narrowness which such confinement brings. Frequently foremen, assistant superintendents, and technical experts are necessarily in the plant longer than anyone else; and their long hours of continuous application

contribute not a little to a fatigue which dulls the fine edge of their executive capacity.*

Furthermore, since most foremen do not receive overtime pay, their morale is very low when working such long hours and seeing their subordinates take home more pay than they do.

The quality of production also suffers during overtime periods under the controlled piecework plan in effect. Besides being tired from excessive time at their jobs the men tend to hurry the work more and carelessness is noticeable.

A little overtime is certainly justifiable when absolutely necessary for short periods to fill special orders. When all available machines and work benches are in use, it might be permissible to pay this 50% extra for some added work or even the customary 10% extra for night shifts. But when machines and space are plentiful, as is the case in this tannery, it seems like throwing money down the drain to pay for all this overtime when additional men could easily be hired and trained for the extra work.

Management claims the work loads are too unpredictable to hire new people. They cannot foresee far enough in advance to train additional men. However, in the finishing department, for example, with every fall and winter for the past three years has come increasingly more overtime work while loafing during the spring and summer months has been diminishing.

Company officials state that the 50% extra cost for overtime is negligible when compared to the company's total yearly

* 8, p. 83.

payroll. Such might be true, but for considerably less money a good centralized personnel department could be organized which might, for one, study out some method for eliminating not only excessive overtime but also the short time and layoffs which are now taken during slow periods of business. As an example, Jucius suggests inter-company exchange of employees:

An inter-company practice which has been successful in stabilizing production is that of interchanging workers as slack periods develop in one company, while a peak load must be carried by another. Of course, such interchanges are the responsibility of workers in most markets, but the results of individual search are not always satisfactory to the workers nor do the companies always get back desirable workers. When companies in a community get together to discuss their work loads, however, employees may be shifted from company to company with a minimum of lost time and effort to the employees. Some interesting problems such as effect upon seniority, must be worked out, but their solution seems to be a small price to pay compared to the losses that are avoided thereby.*

At the tannery under consideration it seems as though this idea could be put to good use. In the same city are a number of shoe manufacturing plants whose seasonal production always reaches a peak sometime after the tannery's busy period since the leather must be made well in advance of the shoes. Cooperation between these two industries in the same city would supply the necessary workers when needed by the companies and at the same time would give more steady, year-around employment to the workers.

Management also suggests goodwill toward the employees as a

* 3, p. 455.

reason for not hiring more people who might have to be laid off during poor business seasons. Even with unemployment compensation, men get a "bitter taste in their mouths" toward the company when "walking the streets". Incidentally, the more layoffs occurring, the higher up goes the employer's tax for unemployment. But, even so, it seems that a full-time personnel director, as suggested before, could create goodwill by spending a lot less money than is wasted on time and one-half payments.

In summary, then, although labor turnover is generally low at the tannery, there are times when Mr. E. must hire many new employees. To assist him in procuring better workers, tests would be well worth their costs. To assist those hired in becoming better acquainted with the company, employee information booklets would prove helpful. To assist the company in reducing production costs, elimination of so much overtime is essential.

V. Health, Safety, and the Physical Working Environment

A. Importance

The importance of safe, healthy, and attractive workplaces is today widely recognized. There can be neither maximum efficiency, mutual good will, nor genuine self-respect in the working force if physical working conditions are dangerous, disagreeable, or unhealthy. It is to everyone's interest that the working environment conform to what are now well-established standards. Other things being equal, the company with the best conditions gets the best class of employees, holds them longer, and turns out a better product.

A man's surroundings very definitely affect his attitude toward his job. Undesirable surroundings cause him to lose respect for his job. To begin with, working under such conditions undermines the man's self-respect. Unless he can respect himself on his job, it is almost certain that he cannot develop a very high regard for his work. Since poor physical working environment is an indication of lack of interest on the part of the foremen and the company, we must not be surprised if a worker who labors under unfavorable conditions develops a very definite lack of interest in his job.

Although the actual problems in connection with the physical working environment are largely the responsibility of the engineering and plant maintenance departments, nevertheless a good centralized personnel department should be sufficiently acquainted with requirements in this area so that any shortcomings may be detected and corrections requested.

The various factors affecting the physical working environment which should be closely supervised by the personnel department are cleaning, ventilation, humidity, lighting, heating, washing and bathing facilities, toilet equipment, dressing rooms, lockers, and drinking water.*

B. Attitude of the Company

In general, management seems to go along pretty well with suggestions for improvements in working conditions made by the state inspector. He visits the tannery frequently to make sure that legal standards and regulatory requirements are met. However, it seems that the company could give further thought and attentions to these matters, over and above the limited observance of such regulatory provisions. Besides the law indicating a bare minimum of requirements, provisions for assuring the most effective and agreeable working surroundings are not, and never can be completely embodied in law.

As mentioned before, most of the buildings of this tannery are very old. With hopes of a new plant in their minds, the executives hesitate to remodel the present buildings to any great extent. In the long run it pays to rebuild from the ground up rather than tinkering here and there and never having a thoroughly light, airy, and efficient building to show for the trouble. However, much could be done very economically for the present buildings by the constant application of soap and water, and paint and brooms. In this day and age when many of the

* 8, p. 45.

workers own their own homes, automobiles, and television sets, it doesn't seem right to ask them to work eight or nine hours every day in a dirty, dark, or smelly building. Man cannot do his best in such a workplace. Not only does it irritate a man and confuse him mentally, but it also handicaps him physically and hampers the speed and accuracy of his performance.

Certain aspects of the physical working environment including health and safety will now be taken up.

C. Fire

What to do in case of a big fire is a constant worry to men in many parts of the tannery. The four and five story buildings of mill type construction with brick on the outside would burn like tinder. There are no fire escapes or exits outside of the narrow wooden stairways. Exits should be of fireproof material, whether within or outside the building. Failing that, they should be contained in a fireproof tower. Where more than ten workers are employed on a floor, there should be at least two exits, located at opposite ends of the room; and no exit should be more than 150 feet from the farthest work point in buildings protected by sprinklers, or 100 feet in buildings not so protected. The treads should be at least 10 inches wide with a rise of not more than $7 \frac{3}{4}$ inches to a step. The width of the stairway should depend upon the number of people who must use it, but it should never be less than 44 inches. There should be hand rails on both sides. Exits should be clearly marked by signs in languages familiar to the occupants of the room by day and by red electric lights

by night. These signs should always be kept clean and bright.

Monthly fire drills are frequently required by law; and even if they are not, they should be adopted as standard practice. There should be fire-alarm bells which will give all workers the fire signal; and upon hearing it they should (according to previous instructions) proceed to the assigned exits. If the drill is held during working time, it is better that piece workers be paid for the time lost, and it is assumed that day workers will be. There should be every inducement for the faithful carrying out of a complete emptying out of the buildings at these monthly drills. The location of the fire box and the emergency fire apparatus in each room or department should be known to all, as well as the methods of utilizing them. Especially where the nature of the process or material makes a sudden conflagration likely, there should be sufficient hand extinguishers, pails of sand, or other effective means at hand which the workers know how to use. Maximum protection is further attained where a plant fire department is trained efficiently in the use of the apparatus, and where the interest of all in reducing the fire hazards has been aroused.*

In the interests of fire prevention and the saving of lives, the company should comply with these suggestions. During the three years the author has worked at this tannery no fire drills have been held. Many men do not even know the location of the fire hose and extinguishers, let alone how to use them. Although monthly fire drills would probably be too much, at least once a year, preferably during the annual

* 8, p. 119.

fire prevention week, a satisfactory drill should be held. Such an activity along with proper instruction in the location and use of fire fighting equipment would be well worth the small cost involved. A man whose only duty would be the personnel function would have the time, the opportunity, and the responsibility of convincing management of the necessity of such fire prevention procedures.

D. Ventilation

Proper room ventilation should keep fresh uncontaminated air of the proper temperature circulating with the proportion of moisture in the air within certain healthy limits. Studies show that these atmospheric conditions have a marked effect upon performance of physical work. Some places in the tannery need more exhaust pipes and hoods to remove disagreeable fumes, vapors, and dusts. One department is constantly annoyed by the strong smell of ammonia fumes. Since the thoroughness of exhaustion depends on the size of the exhaust pipes and the speed of the fan, these matters require careful technical study.

As for the proper amount of fresh air, each worker requires from 500-1000 cubic feet of air space. Since he breathes in between 250 and 350 cubic feet of air in a day of eight hours, it is safer that two or three times that much new air should be supplied during working hours. At the tannery the only way of introducing fresh air into the rooms is by opening windows. During the cold winter months the men keep these windows closed. Other provisions for the entrance of properly conditioned air should be made so as to avoid stuffy, unhealthy, conditions during cold weather. When windows are opened during the spring

and fall months to please some men, others are bothered by the drafts of the rapid air currents. Other drafts are caused by some exhaust fans on spray finishing machines. Much sickness has resulted from these drafts in cold weather.

When there is no automatic air conditioning system in effect, a periodic, thorough, airing-out of each workroom is valuable - before work starts in the morning to remove the stuffiness, in the middle of the morning, at noon, and in the middle of the afternoon.

In order to assure uniformity and regular temperature control, an automatically recording thermometer should be in operation in each room and should be checked up at least twice a day.

Besides fresh air and proper temperature, humidity, as measured by a hygrometer, very definitely affects satisfactory working conditions. Ordinarily, factories and office buildings do not provide air which is sufficiently moist or humid. The heat dries the mucous membrane and leaves it in a condition of lowered resistance to germs. Certain parts of the tannery would be more healthful and conducive to efficiency if artificial humidifying were installed. Furthermore, as far as leather processing is concerned, it seems as though proper humidifiers in certain places would assist in making good, soft leather.

E. Lighting

Artificial lighting is well cared for at the tannery with both incandescent and fluorescent bulbs in use. An electrician's helper makes regular rounds of the buildings to replace dead bulbs.

Better advantage could be taken of ordinary daylight by washing

the windows more often. Also, besides painting the interior for a pleasing appearance, as mentioned before, another reason would be to reflect more light. Walls, ceilings, and where practical, the machinery as well, should be painted a light color, preferably a soft, light green, to increase the light. Below the wainscoting, walls may be a darker color, in order to rest the eyes. Many departments, then, could beneficially use a coat of paint both to enhance their appearance and also to reflect more natural light.

Workplaces, benches, and machinery should be placed at right angles to the windows instead of facing them, so that the light comes over the worker's shoulder on to his work. The present method of looking at the windows from behind many work benches and machines probably accounts for existing eye strain more than any other one factor.

F. Sanitary Facilities

Many of the toilets in the old buildings are smelly, dirty, and need painting. They are really a disgrace to such a large, well-capitalized company. Furthermore, these small rooms are the only places for the workmen to smoke throughout the day. During the regular smoking periods they are overcrowded with standees trying to enjoy a cigarette. A good personnel man would probably sight these conditions as one of the first to be corrected. Actually in each department a fireproof smoking room with seats or benches, should be provided separate and apart from clean, well-painted and odorless toilet facilities.

In the newer buildings and in the cellar where the wet-work is done, showers and lockers are now provided. These improvements should also be incorporated in other parts of the tannery. Since most all workers make a complete change of clothes, full-length individual lockers should be provided. They should have a steel grill bottom and top so that a draft of warm air from steam pipes beneath the lockers can continually circulate, thus drying the garments that are left hanging and preventing dust from settling. In size, such lockers should measure sixty inches high by twelve inches wide by fifteen inches deep; and they should be provided with a combination lock, like those used on safes, to do away with the bother of keys. At present only hooks or nails are provided in many workrooms where clothing is subject to dust, dirt, or foul odor.

Since many of the workers perspire during the day, from the physiological point of view it is good hygiene for them to take a shower bath before going outdoors. The danger of possible respiratory disease, especially during winter months, is serious, and the tonic effect to health and self-respect of a bath and change to clean street clothes is valuable. Shower rooms should be provided for all departments of the tannery and maintained at a comfortable temperature of about 80°. They should adjoin locker rooms, be clean, well lighted, and well ventilated. Floors should be covered with removable rubber matting, wooden grating, or some other material to keep the feet off the cold cement and prevent slipping. Hot and cold water should be provided, as well as soap. Towels should be furnished by the company upon deposit of ten cents and should be laundered at least weekly at the company's expense. There

should be one shower to every eight or ten workers. Sufficient cold drinking water is provided by bubble fountains in each department.

Another recommendation in the interest of sanitation would be cuspidors for tobacco chewers and other habitual spitters. Some of the more common receptacles are galvanized iron pans filled with a solution of lysol or some other disinfectant, light cardboard boxes filled with sawdust, or boxes filled with sand.

One further detail deserves mention; the elimination of flies. They are very bothersome to people at work and even worse while trying to eat lunch. Giant fly traps in each department would produce wonders in ridding the plant of this germ carrier.

G. Lunch Rooms

Lunch rooms are being used more widely than ever today because managers are appreciating the importance of good food, well-cooked and quickly served. In-plant feeding seems to help morale, harmony, and good relations with the employees. Workers who eat their lunch at the tannery have no place to go at noontime away from their work bench. Getting away from the working environment and eating in clean and comfortable lunch rooms would have a better mental effect upon employees. Since over 500 people work at the tannery and there are no suitable outside eating places within walking distance, a factory cafeteria should prove economically feasible.

The Harvard Business Review has the following to say regarding the trend toward industrial feeding:

The trend that was accelerated by wartime urgencies

was the resultant of several pressures, at least two of which are clearly discernible. (1) Workers were generally reaching for higher standards of convenience and comfort. The lunch box was becoming as obsolete as the coal stove. The worker wanted a hot meal at a table rather than a cold sandwich on his knee. (2) Management was becoming increasingly concerned with conditions affecting the health and convenience of workers, especially as these conditions had a bearing on morale and on productivity per worker. These forces have combined to make a solid place for industrial feeding as one of the factors within the familiar trinity of wages, hours, and working conditions. The presence or absence of food service facilities as well as the quality and cost of whatever food services are offered are now a generally recognized part of working conditions.*

Industrial feeding is felt by both labor and management to be an important element in improving labor relations.**

Two choices exist as to the modes of operation: either the company runs the restaurant itself, or it can share responsibility with a professional restaurant management concern. In the case of this tannery, probably the latter method would be more satisfactory because the professionally managed installation has the advantage of planned, long-range food buying that parallels low-cost food seasons. It provides for economical food purchases and know-how in menu planning based on experience figures of what different types of workers want, and when they want it. For such a small organization a nominal monthly service fee would be offset by the advantages of a well-run restaurant that would relieve the company of risk and management. Moreover, professional management is always prepared to supply extra personnel as needed. If the

* 12, p. 305.

** 12, p. 312.

tannery hired its own restaurant manager, the manager may become sick or leave for another job. Maybe it would be impossible to find a suitable replacement right away.

Employees have taken more interest and pride in their lunch room when they have had a share in its management. A committee of employees elected by the workers could be of considerable assistance to the manager of the lunch room in serving as a clearing house for all criticisms on service, prices, and food.

In most factories, the management gives light, heat, space, and equipment, and meals are sold for the cost of labor and food. Most lunch rooms have on this basis been able to operate without loss.

The establishment of a factory cafeteria as suggested here would contribute to better working conditions by giving people the opportunity to relax and enjoy an inexpensive hot meal at lunchtime with their fellow workers in a pleasant place of their own.

H. Health

Healthy workers reflect a more co-operative spirit, higher morale, better workmanship, better use of materials and equipment, and better discipline. They not only gain more enjoyment from their work but also make the working day of their fellow workers and superiors more agreeable. All in all, the personal satisfactions, earnings, and progress of such workers are higher. And, of course, what happens to the individual - either negatively or positively - is of interest also to his family, relatives, friends, and community.*

* 3, p. 314.

Many factors contributing to a healthy working force have already been cited. The company requires thorough physical examinations of all applicants for employment. They also maintain a regular first aid room for the treatment of minor injuries and illnesses. When more severe injuries occur on the job, workers are sent to the local hospital or to a doctor who is on call at all times. Insurance covers the cost of such service. Furthermore, the company pays the full cost of Blue Cross membership for both the worker and his family. Blue Shield is paid for the worker while he contributes himself if he wishes this coverage extended to his whole family. Sickness benefits of \$15 a week for a maximum of 13 weeks have been arranged by the company through an insurance firm.

One additional measure which the company might wisely inaugurate in the interest of better health would be more physical examinations. Those who have been out of work for an extended period whether due to a layoff, sickness, or any other reason should be sent to the doctor again before re-employment. In well-managed companies it is increasingly the practice to require an annual re-examination of all employees as a preventive and educational measure. This should by all means be made to include the entire executive and supervisory staff, as physical limitations upon their fitness are as serious as if not more so than upon the well-being of the rank and file. Only as such periodic check-up is made, is it possible for the corporation's health program to develop most intelligently and constructively. Many physical difficulties could be "nipped in the bud" by these regular examinations thus causing less lost time at work due to sickness. Visual

tests should definitely be included in these medical examinations, and where necessary workers should be required to obtain the proper corrective glasses. The eyesight of many of the old employees does not seem to be as keen as it might be. In making fine calf leathers the men must visually inspect their work to make sure a good job is being done. The company loses money when employees with poor eyesight are not able to recognize mistakes in their workmanship. Therefore it seems advisable to include eye tests along with annual medical examinations so that, where necessary, glasses will be worn to better the quality of the work.

Many other health activities are quite efficiently taken care of by Mr. E., the first aid man. He cooperates with local health authorities on special activities such as having all the workers x-rayed by the tuberculosis x-raymobile. Educational posters on health are put up around the shop. He also follows up all accidents and absences and keeps adequate records and statistics on all health matters.

The only other health assistance sometimes given by personnel departments but not mentioned yet would be dental care and the visiting nurse. However, these activities do not seem to be necessary for the successful operation of this tannery. Their expense would be too much for such a small company to afford, considering the possible benefits therefrom.

I. Safety

Safety is one personnel function which is definitely emphasized at the tannery. No doubt, a good deal of this enthusiasm for

safety is created by the insurance company which must pay out for doctors' bills and workmens' compensation when accidents do occur. Once a month the insurance company's safety engineer makes an inspection of the factory and holds a safety meeting with a small group of foremen and Mr. E. who directs plant safety activities. Prior to the meetings a group of three employees, selected each month, spend over three hours on an inspection tour of the entire factory. Besides making recommendations for the foremens' safety group to consider, the idea of making this inspection trip instills the safety point of view in the workers' minds. Although these men do receive their regular rate of pay for this extra job, it seems as though better results could be obtained if some additional prize were offered to one of the three men who comes up with the most useful safety suggestions. This kind of competition for an additional present has resulted in many original safety recommendations in other companies.

Each new employee is given a safety booklet to study. He must sign a statement saying that he has read the safety rules and agrees to obey them for his own safety and the safety of his fellow employees. Also, his foreman is supposed to question him on his knowledge of these rules. The most important safety regulations are posted on departmental bulletin boards. A monthly magazine put out by the National Safety Council is circulated among the foremen. Although safety is stressed in these ways at the tannery, until the accident record is perfect, there is need for improvement.

Elevators are as old as the buildings and could easily cause some accidents. Tead and Metcalf give some useful advice on this

subject:

Elevators require special attention. They should operate in fireproof shafts, protected by spring bumpers at top and bottom. The car should be enclosed on all sides and on top by strong steel grilling and should carry an automatic locking device to be used when the car is being loaded, or when the operator leaves the car. The gates to the shaft should cover the entire opening at each floor, preferably with a fireproof door which can be unlocked from the elevator side only.*

Another fruitful if minor cause of injury are truck handles which are allowed to remain on the floor for workers to trip over. These handles can be held securely upright out of everybody's way by attaching a steel spring holder to the truck itself.

Most of the more serious accidents are caused on leather working machines such as fleshers, scudders, checkers, unhairers, setting out machines, presses, glazing jacks, and boarding and shaving machines. Although some of these machines do have guards, efficient safety devices should be provided for all of them.

The National Safety Council periodically puts out attractive posters on accident prevention. More of these placed in strategic locations throughout the plant would keep safety constantly in the minds of all employees.

In recent years movies or film strips have been increasingly employed to train people in accident prevention. They are particularly effective in presenting convincing, lasting, and easily assimilated lessons. More for the eye - less for the ear: that seems to be the new trend. A good safety movie would be well worth the time lost on the job

* 8, p. 120.

if it taught the men something about accident prevention and made them safety-minded.

If the company published a small newspaper for the employees some of the space could be used for articles about safety. If a suggestion system were used, all employees could be rewarded for helpful safety ideas. More will be said about a company newspaper and a suggestion system later.

In many parts of the tannery it might be advisable for the foremen to perfect their own departmental safety organizations. By doing this they would put up certain responsibilities to various workmen in the promotion of departmental safety. They may even organize departmental committees and have the members take the responsibility for safety inspection throughout their own departments. It is a good idea to rotate such a committee so that every man in the department has an opportunity to serve on it sooner or later.

The chief value of a departmental safety organization is its educational value. By serving on committees the workers come to realize more intimately the importance of safety. They also develop a sense of participation in accident prevention work. They come to feel that it is something which they themselves are promoting and consequently they take a much more vital interest in it than they might if it were only super-imposed from above. Although three men per month are now picked to make an inspection of the entire plant, with over 500 workers it would be quite some time before a man was chosen on this committee. Departmental groups give everyone a chance to participate more often in safety work.

It would also be a wise policy to have a man in each department trained in first-aid work and equipped with a first-aid kit to serve members of his department in an emergency. This set-up would only supplement and not replace the necessary centralized first-aid room.

In summary, then, two points should be stressed: first, that the provision of a healthy and safe working environment is good business and should be considered as an essential part of the capital investment. Second, that although a variety of seemingly minor items have been discussed here, they do in the aggregate combine to be matters of critical importance in determining working efficiency and employee attitudes. Experience is conclusive that until the administration of all working conditions is centralized as one function under the personnel department, adequate and constant attention is not paid to them, and their proper maintenance is not assured.

VI. Training and Education

There are two major divisions into which industrial training and educational programs may logically fall, namely, (1) the specific training for job or occupational tasks and (2) the general educational program which has as its objective the raising of the overall intellectual level of the group, the transmitting of company policies to employees, training in health and safety practices, promotion of good citizenship, and morale development.

A. Job Training

Job training at the tannery seems to be as well handled as possible, considering the various union agreements. Most all jobs may be classified as unskilled or semi-skilled rather than skilled, which require more training. As explained before, when new workers are hired at this company they must serve at least five years on a simple, unskilled day-work job before they can break in on a more difficult piecework job. Hardly any training is necessary on these day-work jobs. Most anyone could learn them from the foreman in ten minutes. Many of these jobs merely involve helping another man to perform certain tasks. Naturally the new man will soon pick up all the essentials from his partner.

When the time comes for a worker to graduate to a higher paid job, a little more training is required. Most of these positions involve working the calfskins on some type of leather machine. General practice at the tannery is to have the foreman or one of his best

workers instruct the newcomer on the job. The details are explained, demonstrations made, and then the man is allowed to try the task himself. Necessary corrections and adjustments in method are made so as to develop an expert workman.

Although the piecework system is used on most jobs, the union, through its stint system, will allow each workman to do only a definite number of skins per day. No matter how proficient and energetic a man is, the union restricts the amount of money everyone is allowed to earn each day. Of course, the company would be happy to pay the prevailing piecework rates for as much work as a man is physically capable of doing. All management can enforce however, under the union agreement, is that each man do this regulated amount of production as a minimum. The point, here, then is that no matter how well-trained a man is, he can not produce any more for the company than the union allows him to. Therefore, unless the present system is changed, the company would be wasting money by setting up an elaborate job training program for the workers in this union shop.

When a man starts to break in on a new job the union agreement provides that he be paid the hourly rate of his last job until he can make more than this amount by piecework calculation. In each department the union has established a definite length of time which a new man must take before he earns the maximum allowable by the union for the job. This provision by the union is supposed to make the jobs look difficult and hard to learn which management knows, in most cases, is pure hypocrisy. Therefore, no matter how skilled may be the instruction or how fast the new man learns the job, the union regulates

the output of the newcomer while breaking in and only permits him to increase his production by a certain amount each day until the established figure is reached.

B. Job Education

Although there is little more the company can do about job instruction, the field of general educational training is neglected altogether. Many of the new men seem to turn out better quality work than the old-timers. The problem seems to be then, not in the specific job training of new men but rather in the maintenance of morale and cooperativeness among the regular employees. Education should help to alleviate this difficulty by increasing their understanding of the tannery's operations and their own place in the scheme of things. It should give them a perspective which will make them more patient, satisfied, and loyal employees.

Just what does the employee have to learn in order to be willing to cooperate? Undoubtedly the major factor here is the willingness of employees to subordinate themselves to the good of the company. Employees with good morale would advance the interests of the company and thereby would advance their own interests. They would willingly follow orders, adhere faithfully to company policies, carry on in spite of difficulties, cooperate voluntarily, and exhibit a pride in their company. Thus, morale is the mental attitude of employees, including foremen, which makes them willing, and with initiative, to follow their leaders and to subordinate temporarily their personal aims so that their personal objectives may be attained more successfully through the

contributions which they have made to company objectives. Thus, good morale, in the final analysis, depends upon the clearness with which employees see that high output, low costs, good profits, and, of course, superior service to the customer, are indispensable to high wages, good working conditions, and opportunities for substantial promotion. Therefore the suggestion is to undertake and maintain a vigorous educational program and campaign to show employees the interdependence of company and personal objectives.

While on this subject of morale it might be stressed that every action taken by a business affects the morale of the employees. For that reason every executive and foreman should be made conscious of the possible effect which any of their acts may have upon the morale of the men. This is an excellent reason why an experienced personnel manager should be located at the tannery to interpret all matters that may be discussed, from a personnel viewpoint.

One phase of employee education which is growing in popularity pertains to company policies and operations. This particular company would first have to formulate its policies in writing. This would result in immeasurable good because a great deal of thinking would go into the statement of policies. Then the foremen would have to be instructed in this field so they could handle new situations in a manner consistent with established policies. Coming then to employees, such instruction serves to clear up a complaint, which is all too prevalent, that they do not know what is going on, or why, and hence do not have any feeling of significance in the organization. And anyone who feels insignificant cannot or will not make the best possible contribution to

the company's objectives, nor consequently to his own objectives.

One of the best ways of giving a man a feeling of significance and importance is by letting him see the results of his efforts. In this tannery there are probably many individuals who have never seen a finished calfskin. They are unfamiliar with the various shades of colored leather produced and some do not even stop to realize just what the leather is used for. If these people were periodically shown the latest styles of mens' and womens' shoes, handbags, watch straps, and billfolds, made from leather which they helped to process, a satisfying feeling of having contributed to something concrete and useful would come upon them.

Most of this company's leather is cut for shoes, especially womens' shoes. In this business new styles and colors come out twice a year, - in the fall and again in the spring for Easter. Now when these new shoes appear on the market it would take the company very little effort to secure a few samples from some of the high-grade calfskin shoe manufacturers. Many of the customers make only the highest-priced shoes which are sold in such places as Fifth Avenue, New York City. A showcase could easily be made up, especially with shoes of the new seasonal shades, to show the employees. Some of the other products like mens' shoes and handbags could be added and the showcase could be left in each department for at least one day. The foreman could show the samples to each worker, tell him who made the shoes, the price, where they are sold, and stress the contribution of each individual to the finished product.

Undoubtedly many of the workers would like to order some shoes

or handbags for their wives or girl friends. Probably the company could arrange for these purchases at little more than cost. Many a man would like to take home a beautifully-polished calfskin handbag to show his family and for his lady to use. Imagine the satisfaction if a workman could purchase at a good price a pair of shoes whose leather he helped produce. He would be proud of those shoes and take greater pains to make the best leather possible. Selling womens' shoes would probably cause too much trouble because of all the styles, colors, sizes, and possible turnbacks. But the company could easily keep a few of the most popular styled mens' shoes for fittings after which orders could be placed with the manufacturer for delivery. Others might like to order billfolds or watch straps made from their leather. This idea of seeing the fruits of one's labor and even better of buying some of the products at a good price for one's own or family use is bound to make a man feel more significant and worthwhile in his daily duties.

Another local leather company also shows its employees some of the best plastic leather substitutes with which they must compete. Such a display drives home the point that workers must make excellent leather as cheaply as possible in order to contend with the many satisfactory replacement products now being put on the market.

In regard to the policies and operations which well might be disclosed to employees, the ultimate aim should be unlimited coverage. To begin with, this may be undesirable, but as the educational program continues, an ever widening circle should be encompassed. For example, conferences on the following topics have been given by some companies without undesirable repercussions:

1. The profits of the company.
2. Earnings of top executives.
3. Wage rates on various jobs and occupations.
4. Prices of goods and services to the consumer.
5. Transfer and promotion policies.
6. Penalties in discipline cases.
7. Handling grievances.
8. Practices of supervisors and minor executives.

Some might look askance at such discussions but it is preferable to discuss them openly than to let employees get the information from outside sources, get garbled information or unfairly suspect executives of ineptness or unfairness. Moreover, it is futile to argue that employees cannot understand the implications of the foregoing subjects. That is not significant. The important thing is that they are influenced by the appearances as well as the content of instruction; and employees who never get instructions from their company, or only during strikes, believe the worst.

On the other hand, the employee who understands the theory of profits does not look askance at the profit report of his company, and hence he does not react unfavorably in his work. And the employee who recognizes the place of authority does not object to reasonable orders from his superiors. Nor does the employee who knows how his work fits into the general production and resources of his company develop an inhibited attitude.

As long as employee development proceeds along such lines, the program is generally known as education. However, employee development

may be intended to change or clarify his basic economic social, or political ideas. For example, a program may be undertaken to convince him that private enterprise is better than any form of government ownership; that a system of private investment is better than socialism; that the profit system is superior to national planning; and that management leadership is fairer and more democratic than union or political administration of industry. Such phases of education may be termed indoctrination.

Forms of disseminating this educational knowledge include the following:

1. Company sponsored conferences.
2. Booklets of company rules and regulations.
3. Financial reports prepared specifically for employees.
4. Company newspapers and magazines.
5. Bulletin boards.
6. Special reports on various subjects.
7. Loudspeaker systems.

Educational work of this nature could best be supervised by a full-time personnel manager.

C. Company Newspaper

Industry has discovered that the soundly edited employee journal is the most effective medium of communication between management and labor. It is estimated that industry is spending over \$100,000,000 per year on this type of employee communication. The print order for these company magazines and newspapers runs to over 50,000,000 copies per month - a circulation greater than that of Life, Time, Saturday Evening Post,

Colliers, and the Readers' Digest combined.*

The tannery, although employing 535 people, has neither a newspaper nor a magazine. It seems as though relations between the company and its employees could be greatly improved through the mimeographing of a well-written company newspaper. The reason industry spends so much money on this phase of education is that a friendly, cooperative employee is a more productive employee. He benefits both himself and the company.

A working platform to carry out this purpose might be expressed as follows:

- (1) To tell each employee what we are doing in the company, why we are doing it, and how it will affect each one of them, and to tell them first - before they read about it elsewhere or hear it in garbled form through the rumor grapevine.
- (2) The company objectives which can be built upon such a platform are these:
 - (a) To interest the employee in his job, in its importance, and in doing it better.
 - (b) To foster loyalty to and pride in the company and its products.
 - (c) To develop an urge to make working for the company a lifetime job.
 - (d) To educate the employee in the benefits of the company, its progressiveness, and its fairness in wages and working conditions.
 - (e) To inform the employee on company problems and how he can help solve them.
 - (f) To persuade employees of the company's interest in human values and acceptance of its social responsibilities.
 - (g) To counteract the unrest sown by those who profit from misunderstanding and, finally by extending the publication into the home, to develop the same attitudes on the part of the families of the employees.**

* 16, p. 47.

** 14, p.56.

At least, a tannery house organ would help to counteract some of the stories written against the leather companies in the Fur and Leather Workers' Union newspapers. Rather than bearing the brunt of union accusations in resentful silence, management could tell its side of the story in an employee newspaper or magazine.

Mr. Jones, Editorial Director, states the purpose of the Weirton Steel Employees Bulletin as follows:

To aid in promoting greater productivity through better understanding of company problems and of the individuals' importance on his own job. Editorially we support the Company policy which states that the company refuses to accept as true that a permanent opposition of interest should exist between employees of production and employees of management. Weirton's experience has proved that the causes of differences to date have been minor compared with the mutually beneficial results obtained in keeping the plant running continually for the greater advantage of all.*

A good house organ could educate the tannery workers concerning an almost unlimited number of topics. Safety, health and hygiene, wage questions, company history, plant processes, company policies, quality control, good housekeeping, and economic principles applicable to the particular business are all matters upon which the men need enlightenment. If the paper is to be read and thereby serve as a medium for education, it must make a special appeal to the workers. There is probably no better way to interest the workers than by featuring as many personal items as possible. It seems to be almost a universal desire to see one's name in print. Employee participation should be encouraged through volunteer

* 16, p. 50.

reporters in each department. Such appealing subjects as sports, hobbies, vacations, additions to the family, human interest stories, and community features, should be included.

In the last analysis there is no justification for a company journal but the "balance sheet". The cost of producing the publication would naturally be added to the costs of operation and the final cost of the leather. Therefore, it would have to contribute its share to greater productivity through better employee relations, help maintain industrial peace, stimulate ambition, build morale, express recognition of work well done, point the way to security and advancement, and give employees the economic facts of life.

D. Suggestion System

Another way of improving general education and communication at the tannery would be through the use of a suggestion system. If run properly it could foster more interest in the work. To be effective, however, a suggestion plan should be designed with care in regard to the following aspects:

- (1) Objectives of the plan.
- (2) Procedures for collection and evaluation.
- (3) Policies of compensation.*

It would be necessary to precede the inauguration of a suggestion system with a campaign of publicity designed to acquaint employees with the values of the system and how it is to operate. Specific notes would have to be made regarding the gains to the employees. In this

* 3, p. 311.

connection, stress should be laid upon the fact that labor-saving suggestions will not result in layoffs. Also it is necessary to remove from the foreman's mind any idea that suggestions from his department reflect upon his ability.

The exact procedures of the system would have to be publicized. In particular, employees should be informed as to how suggestions should be made, where they should be deposited, and how they are to be judged. Every effort should be made to indicate how the employee who makes a suggestion is to be protected in any rewards or recognition which may arise from the suggestion. In this connection, some companies have found it desirable to establish judging committees made up of employees as well as executives and technical assistants. Financial rewards should be given at stated intervals as prizes. Such a system, properly supervised by a regular personnel manager, should help to arouse the employees' interest in their work and to teach them more about the whole business of which they are indispensable parts.

E. Foremen Training

Besides the regular employees, foremen must also be well trained and properly educated in the business. The tannery supervisors seem to know their jobs thoroughly, understand how to plan the work efficiently and keep good records. As for status, however, the foremen are caught in the middle between management and the employees, never knowing exactly what authority they have. Many agreements are made directly between the union officials and top management without consulting the foreman for his opinion.

One reason for the foremen training would be to rectify this condition. The foremen should be reassured of their authority as management representatives controlling groups of workers. For four years copies of the union-management contract have not been given to the foremen. How, then, can the supervisors successfully argue the company side of grievances with union stewards who are well versed in every new agreement? Besides being given a copy, the foremen should have every point in the contract explained to them in detail. They should fully understand the rights of management and be able to intelligently present the company's side in dealings with the employees or union officials. Also their position in the managerial organization should be made clear. They should know what is expected of them as foremen and what they can expect in the way of backing from top management. A good personnel manager would also be constantly impressing the foremen with the personnel point of view as the basis for successful labor relations.

The foremen are never brought together to confer on the progress of the work in general or to solve factory-wide problems. If each foreman was constantly informed on new developments in other departments he would not only take more interest in his own job but would feel more like a member of the management team. More cooperation and a smoother flow of production would result from regular foremen round-table conferences. These suggestions apply to the training of the regular foremen.

How does the company go about training men to be foremen or executives? In most cases, today, the understudy plan is used. Under this plan, when an opening occurs, the executive is assigned an understudy who, in addition to his regular duties, is expected to be prepared

to take over his supervisor's work when necessary. Most of the understudies now come from colleges or from the Pratt Institute School of Leather and Tanning Technology. One bad feature of this practice is that understudies who have to wait long periods for vacancies may become discouraged, particularly when they see some other learners whose apprenticeship is shorter, fortuitously have vacancies open quickly.

A better system, now widely used throughout industry for training men to become executives, is called the position rotation plan. Under this program key and promising executives and subordinates are shifted on different assignments in the various departments of the business. The assumptions of such plans are threefold: first, that by job rotation executives will tend to think in terms of managerial principles rather than the technical aspects of particular functional fields; second, that rotating will permit good executives to determine the functional fields in which they would prefer to manage; and, third, by gaining a broad view of interdivisional problems, the top positions in the company can be filled by better qualified appointees. Against these values must be cited the disadvantages of the disturbances caused in inaugurating the plan and in the periodic changes of leadership in various departments.

Some other important advantages which companies have derived from the rotation plan are as follows:

- (1) Streamlines the organization through periodic introduction of a new managerial viewpoint. Eliminates situations or operations which may have been carried down unnecessarily over a period of years.
- (2) Stimulates the development of the individual because of the element of competition introduced.

- (3) Eliminates the assumption by an individual of any "vested right" in a particular job. Explodes a man out of a job "inherited" through favor which may or may not have been justified.
- (4) Will improve and should in most instances eliminate any situation where the efficiency of the organization is being impaired by lack of cooperation between individuals. The periodic changing from one job to another and from one set of associations to another would tend to minimize friction caused by personality clashes or personal feuds, and would tend to expose any chronic sources of such friction to suitable corrective action.
- (5) Widens the trainee's circle of acquaintance among company executives.*

For these same reasons it would seem wiser for this company to substitute the rotation plan for the understudy plan now in use for training foremen and future executives.

The only other educational activities frequently handled by personnel departments are Americanization courses and cooperation with outside educational agencies. Now that immigration is so restricted and with the increase in publicly supported classes for adults it hardly seems advisable for this company to start these Americanization courses. The company does, however, cooperate to a great extent with local colleges on other matters. Very often college students are shown through the tannery and given a brief education in leather making. In turn the tannery sends some of its foremen to evening classes sponsored by these neighboring colleges.

* 3, p. 274.

VII. Employee Service Activities

The term employee service activities refers to a wide variety of programs which are intended to provide employees with facilities and assistance, beyond or on the borderline of which might be considered direct responsibilities of the company. Economic services provided by companies include life insurance, workmens' compensation, social security, unemployment compensation, hospitalization, surgical benefits, vacations and holidays with pay, savings deposits, credit unions, mutual benefit associations, pensions, company housing, company stores, and legal and personal advice. Many of these provide against the recognized hazards of life and of industry. The increasing stress placed upon these plans in the last fifteen years may be due to fear of the possible introduction of public social insurance provisions. But by far the greater influence has been the growing conviction that the removal of the workers' fear and anxiety over possible exposure to these hazards is a wise business procedure. The objective of making assured provisions for security against the calculable risks has now become firmly established as of major importance in the thinking of all progressive executives. And it is widely realized that better and far cheaper facilities can be assured today to offer protection against these risks by pooling the risks, rather than by assuming that each individual can and will himself provide the protection he needs. Besides these economic services, there are other non-financial types of activities which are intended to improve employee morale. These are called recreational, social, and athletic services.

A. Principles of Operation

To be effective, the use of service plans must conform to proven principles. In the first place, they will do little good if a company's wages, hours, and working conditions are not considered satisfactory by the employees. These are the foundation, without which all else is futile. Although wages and hours are satisfactory at the tannery, working conditions, as explained in Chapter V, should first be improved before an attempt is made to better employee service activities.

In the second place, employee service plans should not be installed unless there is a real need for them. They cannot be justified merely on the basis of some executives wishes or just to make "good boys" of the employees. Rather the question must be, do the employees really want the services? Any recommendations made here have taken into consideration the wishes of the men on the job.

In the third place, a service plan should not be sponsored unless the employees are willing to support it with their time, effort, and sometimes money. To "give" employees facilities is dangerous to long-run success for the simple reason that those things that are easily obtained are seldom appreciated. But when employees help to build facilities, to manage activities such as dances or parties, or to finance activities, their attitude changes from that of an outsider to one of personal ownership.

In the fourth place, service plans should be developed so that all employees have some service or facility in which they have an

interest. Unless breadth of offerings is sought, the result will be that only a few employees will participate.

In the fifth place, it is desirable to operate plans with a minimum of financial fanfare. Otherwise, there is real danger that employees will tend to wonder whether or not the plans are being financed at the expense of lower wages. If employees begin to ask such questions it is invariably true that trouble is bound to follow.

And finally, service plans should be organized and operated so that employees become a more integral part of the company because of them. Any activity or event should be designed so that a tie-in with company objectives and aims is made. Otherwise there is no reason for taking up company time, resources, or energy.

B. Economic Services

Among the many employee service plans offered by this company is \$1,000 of group life insurance underwritten by the John Hancock Mutual Life Insurance Company. All employees who have completed six months of continuous active employment are eligible without medical examination. The tannery stands the full cost of this insurance plan which is very common among all the tanneries. If a man leaves the employ of the company, he is entitled to exchange his group certificate for any type of individual life or endowment policy customarily issued by the John Hancock Company. This insurance helps to build good will and adds attractiveness to the job. It gives the employees a sense of security and adds enough to their peace of mind and satisfaction to make them more contented and effective workmen.

Some economic services required by law for which all tannery employees are eligible include workmens' compensation, social security, and unemployment compensation.

Through contract negotiations with the union the company has agreed to pay full cost of the Blue Cross plan of hospitalization insurance for both the employees and their families. Also the company pays the membership fee in the Blue Shield plan of medical insurance for all employees. For \$1.35 a month extra, each worker can enroll his whole family in this plan. This insurance is a great financial help to employees in time of serious sickness. Furthermore, it encourages men to have any physical defects corrected in the hospital through an operation if necessary. Afterwards they generally feel better and are more efficient in their work. Without the Blue Cross and Blue Shield they would have to pay the entire hospital and doctors' bills themselves. The thought of this high expense might discourage certain employees from going ahead with necessary medical attention. Most tanneries pay for hospitalization and medical insurance for their employees but not for the whole family.

As for vacations and holidays the company gives about the same as most tanneries. Employees with fifteen years' service receive three week paid vacations, those with five years' service get two weeks and those with over one year's service receive one week with pay. Employees are paid for eight holidays a year now.

Another economic service offered by the company is the deduction of savings and insurance money from the employees' payrolls for deposit in savings banks and for savings bank life insurance. About 50%

of the workers take advantage of this service. The savings banks require that the employees carry at least \$1,000 worth of savings bank life insurance in order to accept any extra money for savings deposit without presentation of a bankbook.

Since the company does not loan money to employees, some of them would like to see a credit union in operation. Also, those who do not carry any savings bank life insurance would be able to have money deducted from their pay for deposit in the credit union. Usually the workers themselves control the credit unions although management may underwrite them to the extent of providing free office space and making the payroll deductions. Since the members of such a credit union at the tannery would know each other and the costs of operation would be low, losses would be relatively insignificant, the safety of the principal would be high, and the return on deposits would be above what the depositors could ordinarily get in the banks. Most companies are glad to assist with credit unions because their experience has demonstrated that the thrifty man is the more desirable employee. The worker who is thrifty in his personal affairs is more likely to feel a sense of responsibility for being thrifty in company affairs. Also he is likely to be more stable and dependable. In borrowing money from the credit union, the employees would stay clear of any loan sharks who charge high interest rates and might pressure the debtors into repayment in a manner so as to worry the men on the job. In a survey conducted in 1940 among representative companies it was found that 52% of them had credit unions.

In this same survey, mutual benefit associations were found

in 47% of the companies. Such an association used to be in operation at the tannery, controlled entirely by the employees. When surplus funds were built up in the treasury association the members made the mistake of splitting up this "melon" amongst themselves rather than keeping it in reserve for emergencies. Then, some members tried to get by without paying their dues but expecting benefits when sick just the same. Disagreements and dissatisfaction amongst the members finally forced the association to dissolve. The thirst for a mutual benefit association in one department is so great, however, that twenty-eight employees are operating a departmental association. If a regular personnel manager were present to offer advice and cooperation, no doubt a new company-wide mutual benefit association could be started and carried on successfully. Usually companies also offer indirect contributions such as free clerical help, office space, and deduction of dues from the payroll. Membership should be voluntary with any limitations, such as that sometimes placed on old workers, left up to the organizing committee. Usually dues for these associations range from 50 cents to \$2.00 a month, with benefit payments of a related amount based upon experience. There is often a waiting period of one week or more before benefit payments are made. When the incapacitated employee has been absent from work for the required period, the benefit payment may be made from the time he was first absent, or it may not include the waiting period. Benefit periods may extend from a relatively short period to as long as one year, - 10, 13, 16, and 26 weeks being popular periods. Death benefits are usually paid, \$150 being a common payment. Relatively high contributions with low illness, accident, and death experience result in

liberal payments. It is not unusual for an association to build up a surplus in excess of the normal requirements for the benefits being paid. Under such conditions, benefits are often increased either by extending the period of payments or paying more per week, or the monthly dues may be reduced for the time being. Under these policies a mutual benefit association should be able to operate successfully for the benefit of the members.

A discussion of economic services would not be complete nowadays without some information on pensions. At the present time there is no pension system at this tannery or at most tanneries. However, there is no doubt about the employees' wishes in this matter, as evidenced by their requests every time a new union-management contract is under discussion. Since the President's Fact Finding Commission in the steel dispute said that employers must bargain with unions on the subject of pensions, they have been of primary interest in negotiations and are being installed at an unprecedented rate. The most pertinent section of the Commission's report reads as follows:

Social insurance and pensions should be considered a part of normal business costs to take care of temporary and permanent depreciation in the human "machine" in much the same way as provision is made for depreciation and insurance of plant and machinery. This obligation should be among the first charges on industries' revenues.*

As for the leather industry, information on pensions is extremely sketchy. The 1947 study of the wage structure of the leather industry by the United States Department of Labor, Bureau of Labor

* 19, p. 1.

Statistics, indicates that of the 193 establishments studied in the United States, only 13 have any provisions for retirement pensions for plant workers. However, with the increasing emphasis placed on pensions at the bargaining table there is no doubt that it is only a matter of time before leather companies will have to institute some sort of retirement plan.

Because the average age of the tannery workers is 47 years, it would be financially impossible to undertake most pension plans. Too much money would be needed immediately to begin payments for the many men over 65 who would probably retire right away. The only possible solution seems to be a type of plan whereby everyone would be credited with so much per hour worked from now on, such as 6 cents per hour, this money to be available when the worker retires at 65 or thereafter. All past service would have to be forgotten. Only the hours worked from now until the time a man retires would be credited with an employer contribution. The exact amount would have to be negotiated and no doubt would just be in lieu of a pay raise or any other benefits. If an employee so desired he should be allowed to contribute also to this annuity. Of course any payment by the company would be tax free. Furthermore, there is a group provision in the current income tax laws whereby the employee's contribution would also be tax free if over 70% of the tannery workers agreed to contribute. This type of plan seems to be the only way this company of old employees can meet the current crusade for this type of economic service.

Company housing would not be a justifiable economic service for the tannery to provide its employees. This is more effective in

new and isolated industrial communities. Around this city the supply of privately-owned houses seems to be adequate to care for the needs of all workers.

A general company store would be economically unsuccessful for this small plant. Furthermore, the established retailers in the community would undoubtedly voice strong opposition to this type of competition.

The small number of employees at the tannery would not have enough legal questions to justify the company hiring a lawyer to give them advice.

C. Recreational Activities

Recreational, social, and athletic services make for a well-rounded life for employees, and they provide the company with employees who are better equipped to perform their daily tasks. These services help to center the interest of the employees and their families in constructive outside activities where they become better acquainted with each other and the management. They learn much about each other that cannot be obtained while on the job, which broadens their mutual interests. They get more experience in cooperation. They are also helped, especially through competitive events and in the operation of these programs, to express the desire to be superior to others. They also acquire a new sense of personal worth.

Since the tannery is comparatively small but located in a medium-sized city, a complete recreational program is not advisable. Many of the workers have their own hobbies, interests, and recreational

facilities. However, it seems as though more of these activities could be planned than has been the custom in preceding years.

An occasional dance or party would please many of the workers. At present the only social activities are the union outing and the foremen's outing. General get-togethers of the foremen as well as the other employees and their wives or husbands would do more for morale and cooperation than separate activities. The Christmas season is always a good time for these events. At the Fred Reuping Leather Company in Fond Du Lac, Wisconsin, three different parties are held annually just before Christmas - the dinner-dance for all employees, the office girls' Christmas party, and the Santa Claus party for the children of all employees. Furthermore, a turkey is delivered to the home of each worker just before Christmas. If one leather company can do all these things for its employees it seems as though the tannery under discussion would also profit by some kind of pre-Christmas activity.

As for sports, there is a company bowling league which receives enthusiastic support from the departmental teams. In the springtime, the tannery would do well to organize a softball league so this particularly popular sport would provide an opportunity for a large number of employees to participate in athletics. A full-time personnel manager is really necessary to act as the driving force behind all these employee service activities.

Usually included in discussions of recreational programs is the subject of music in the plant. In the past several years there has been a small but growing trend toward the use of music as a means of improving production by relieving monotony and by providing employees with a "lift".

Various studies have shown that production has been increased from 5 to 15 per cent after the introduction of music. The results in terms of lessened fatigue, cheerier dispositions, and increased emotional stability are equally favorable if not measurable. The introduction of music in the plant had to await the development of satisfactory equipment. Modern developments now make possible the distribution of music from central stations to strategically located loud-speakers at reasonably low cost. Experimentation is necessary to select programs that the majority of employees prefer.* Although music is not generally used in tanneries at the present time there seem to be some departments of this particular company which would profit from the introduction of this type of recreational service.

* 3, p. 578.

VIII. Union-Management Relations

As stated before, the employees of this tannery, except for the foremen, office staff, laboratory personnel, firemen, and maintenance crew, are members of the International Fur and Leather Workers' Union. This is called a "union" shop because every worker must join this local after being on the job for three weeks. Yearly elections are held to determine the union officers, including a shop steward, and an executive committee. The elected shop steward is the principal representative of the employees in dealing with company executives. Each department of the tannery has a room steward who deals with his respective foreman. When outside assistance is needed by the local, the Fur and Leather Workers' Union district representatives are called in. These people are mostly all lawyers who devote their whole time to the leather workers' problems and have become experts in bargaining, strike procedure, and the negotiation of contracts.

Most of the company's labor relations work is done by the assistant superintendent, although the superintendent-vice-president negotiates the yearly contract and handles any other major dispute. Executives in these line positions are and should be chiefly leather production men. Labor problems take up a great deal of their time which could be spent on calfskin processing. This company has full-time specialists in purchasing, sales, engineering, accounting, and chemical work but continues to leave the union relations function to overworked line executives. As recommended so many times before, a capable personnel manager would be able to handle many of the details of union-

management relations thereby releasing the line executives for concentration on their principal duty of producing quality leather. On important matters such as contract negotiations, the personnel manager would only advise the line officials and gather the necessary factual information for them. Even this would relieve management of many of its present extra duties. Since plant management has to "live with" the results of collective bargaining and be responsible for the results obtained, any final settlement should be left to the line executives, themselves.

Records of union-management dealings are now kept by the assistant superintendent. Much of his valuable time is spent in writing up and checking on these records. All personnel changes, new union-management policy agreements and up-to-date seniority lists must be kept in writing, rather than merely trusting to memory. Furthermore, the records must be kept in such a way that a new man could understand them in case the assistant superintendent leaves the company.

A few years ago some job descriptions were written up in a few departments. These proved quite valuable in settling disputes over the exact duties of men on particular jobs. A personnel manager with more time at his disposal could write up the rest of the jobs and keep them all up-to-date.

Probably due to lack of time, the assistant superintendent does not have any union representative sign the new agreements which he does get written up. An experienced personnel man would have everything signed so it could be used as evidence if needed in an arbitration.

There seem to be several so-called minor tasks which a personnel man would have the time to care for lest they be used later on as major weapons against the company. For instance, a new type of leather was being put through the finishing department. Since the management did not feel that this type of leather would ever be produced in any great quantity, it did not press the union for establishment of new piecework rates. Instead, they paid the workers on a day basis and let them set their own production rate. Naturally, without much opposition from the management, the union kept the production rate at a ridiculously low figure. Finishing costs on this particular leather are consequently very high. Since that time, the company has received considerably more business on this leather than they at first expected. Nevertheless, they are now stuck with the high costs. If the company ever took the matter to arbitration the union would probably beat them because of the fact that management let the workers get away with the slow production for almost two years, so far. If a personnel manager was employed who saw to it that a reasonable piecework rate was set on this new leather from the very beginning, the company would not be stuck at the present time with the high finishing cost.

As mentioned before, foremen are often kept in the dark concerning union-management dealings. A personnel administrator could not only enlighten them as to the facts but also instruct them in the methods and techniques for handling grievances. At the present time many supervisors cannot successfully handle grievances either because they are unfamiliar with company policy or because they are not skilled in dealing with the union stewards. This lack of ability only weakens

their positions as foremen and supervisors and pushes too many grievances up to the already overburdened assistant superintendent. Grievances are best handled at the line level where facts are known and understood. Often grievances are exaggerated by the time they reach top management. If the foremen are educated in the proper method of handling grievances, many minor difficulties will never become major grievances and union-management relations will be greatly simplified.

IX. Conclusions

This step-by-step survey of personnel practices in a tannery has brought to light many more deficiencies than occurred to the author when first starting the study. Only through a systematic analysis such as this can all the irregularities of a company's personnel policy be uncovered.

Although some activities seem to be conducted as recommended by modern personnel practice methods, many improvements can be made in the fields of employment, health, safety, and the physical working environment, training and education, employee service plans, and union-management relations. The union and the state inspectors are actually responsible for many of the betterments which have already been achieved in employee relations. Therefore, these agencies are supported and liked more by the workers than is the company.

In the long run the tannery would certainly benefit by putting into practice the suggestions made in this survey. The experience of other companies proves that well-organized personnel relations results in a better class of employees, fewer absences, reduced grievances and strikes, more cooperation, better work, higher morale, and in general improved harmony in employee relations. From a dollars and cents angle, companies have discovered that proper treatment of their employees through the practice of modern personnel techniques saves money for them in the long run. This factor is especially significant in the tannery where labor cost is low when compared to the selling price, but where the quality of work performed is important in determining the difference

between profit and loss.

Dr. Neal Drought, manager of the Personnel Policy and Research Division, RCA Victor Division, Radio Corporation of America states:

The concern over personnel effectiveness has largely shifted from a question of whether to maintain personnel functions to the question of how much and what kind of personnel.*

In other words, successful progressive businessmen have accepted personnel management as an important staff functional activity along with accounting, purchasing, engineering, production, and sales. The tannery should follow their footsteps and then give thought to the kind and quantity of personnel functions which are necessary in its particular business.

As mentioned frequently, only by the establishment of a staff personnel department can these numerous activities be adequately cared for through the cooperation of the foremen and plant management. The personnel men are experts in this field who provide the push which is so necessary to start these functions off on the right foot and keep them moving in the proper direction. If the present system of at least four different people handling various phases of personnel work as extra duties is replaced by a full-time, experienced personnel manager, he would be solely responsible for working through line management for the success of all phases of employee relations.

* 17, p. 16.

It is sincerely felt that a personnel department could put into practice many of the recommendations made in this survey for the purpose of more efficient tannery operation.

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