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HOW INDUSTRY LOOKS AT THE EMPLOYMENT OF OLDER PEOPLE : address at -

by

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In the short span of our country's history, our individual, free, competitive enterprise system is the dynamo which has provided an expansion and development of opportunity and material growth that is unequalled anywhere, anytime. All of this has been accomplished through the initiative and resourcefulness of a free people. In the process, vastly increased job opportunities have been made available for those who were willing and able to work.

The outstanding contribution to this growth has been the work of that group of experienced, mature people in industry, commerce, the professions and government service who are in the upper age bracket. Employers generally have recognized this by the veneration which they have accorded those whose judgment and skills have improved with years of service and maturity. The ceremonies, the awards of approbation and other tangible rewards that go with the badge of long service, all indicate recognition by management of this important contribution of the older worker.

Right here I would like to take exception to the way this term "older worker" has been bandied about, - too frequently as a slogan of opprobrium suggesting that a certain age places one in the limbo of forgotten men. Actually, the older workers are the cream of the crop.

As a matter of fact, in every generation this group of people leads the way for the younger generation. American industry recognizes this and is fully aware of its responsibility to this group. There has developed a traditional appreciation of the value of the older worker which has taken various forms, - promotion, greater responsibility, seniority and other securities against the normal risks of business competition.

Individual attempts to treat older workers as a special group in employment have frequently been based on the false assumption that the employer generally prefers younger employees. Almost without exception the proportion of older workers in industry has grown steadily and today is the highest it has ever been.

Never before has this group been so thoroughly protected against the security risks which are part of the life of free men. Aside from seniority policies, the employer is following his natural instincts when he places more and more value on the mature employee with his store of experience, knowledge and skill. Actually, in the long run, the employer must rely heavily upon the older experienced worker to get out the work and to meet competition in the open market.

The changes that are part of progress affect business in general and with it job opportunities. While it may be true that an average worker without marketable skills may have some difficulty in finding employment in a period of business decline, it would be both foolhardy and dangerous to assume that in our dynamic and constantly expanding economy, workers with skills, ideas, suggestions and determination to work cannot find productive jobs. Because the facts prove otherwise.

THE PROBLEM

Nevertheless, the problem of the over-age worker who seeks employment and faces obstacles in finding suitable work, is a real and serious one, not only for him but for the rest of us. To the individual affected, there is no comfort in the fact that overall statistics indicate that age, as such, is not a factor in finding a job. As far as he is concerned, it doesn't matter what the overall picture is. The fact remains that the American system of individual initiative and enterprise is not working for him if he fails to find a niche in which he can provide for himself and those dependent upon him.

For this reason, American industry has long been concerned with this problem and has been deeply conscious of the fact that all possible job opportunities must be provided for those qualified for available jobs. You may consider this a sweeping statement but let me document it for you.

INDUSTRY'S PROGRESS

Over the years, NAM has regularly opposed discrimination in employment on the basis of age. Twenty years ago at the 1929 annual meeting of the association, a complete session was devoted to "The Older Worker in Industry". At that time, a list of some 50 occupations in industry specially suited to over-age workers was suggested. The problem of pensions and the question of hiring age limits were discussed and general agreement was reached that the only yardstick for getting and holding a job should be qualifications for the job and ability to perform.

Again in 1938, the following statement of policy on "Age as a Factor in Employment" was adopted by the NAM Board of Directors, -

"The National Association of Manufacturers is opposed to the employment in industry of children under 16 years of age, and to the establishment of arbitrary upper age limits in the hiring or employment of workers below any which might be fixed for permanent retirement. It urges its members to carefully review their employment policies to see that no such arbitrary age limits are practiced in their companies, and instruct their respective employment officers to employ persons according to their qualifications without regard to any maximum age."

In the decade since that declaration of policy, much progress has been made in industry and the employment record of thousands of companies reveal that older workers are placed and kept on the work force.

As recently as last Fall, speaking before the N.Y. State Joint Legislative Committee on Problems of the Aging, Carroll E. French, Director of Industrial Relations of the NAM stated:

"The NAM is acutely conscious of the fact that we all have a stake in making the best possible use of qualified people -- both for the sake of the individual who must achieve satisfaction through our economic system, and for the sake of a productive economy toward which mature men and women have a definite and important contribution to make.

"Although American employers are today employing a higher percentage of older people than ever before, we recognize that the growing trend toward longevity in our population, coupled with management's constant need for a competent and stable work force, is pointing toward the desirability of an even greater utilization of the talents, capacities and experience of older persons... and we intend to do our part to encourage the fullest possible employment and retention of older workers, consistent with their abilities and with sound company retirement practices."

Morris Sayre, President, Corn Products Refining Co. and Chairman of the Board of NAM, at the Regional Industrial Conference in Jackson, Mississippi last September said:

"The National Association of Manufacturers has long been active in promoting more job opportunities in industry for older workers and handicapped individuals.

"Believing that every American is entitled to opportunities equal to his ability, the Association is now launching a major nationwide campaign for the purpose of promoting maximum job opportunities for older and handicapped workers. The subject has been assigned as a major project of the Association's Industrial Relations Committee. One important phase of the effort will be addressed to removing or mitigating barriers to employment which in many cases stem from the average pension or other benefit plan, and here we will enlist the cooperation of leading insurance companies to accomplish our goal."

In 1929 and again in 1938, the NAM conducted surveys of member companies on the status of "Workers 40 or over." These reports and Board recommendations were used as were other studies, news releases, and memoranda, to alert industrial management to the importance of eliminating prejudice with respect to age in placing applicants on the job and keeping workers gainfully employed.

JOINT CAMPAIGN

Recognizing that manufacturing industry - which is NAM's immediate interest - is responsible for only some 25% of the available jobs in this country, last Fall we joined forces with the Chamber of Commerce of the U. S. in a joint program to promote the employment of the physically handicapped and older workers. In that way, it will be possible for both organizations to reach the overwhelming majority of employers in industry and commerce.

The U. S. Chamber at its annual meeting this Spring adopted the following statement of policy on this subject, -

"Many employers throughout the nation are giving increased recognition to the competence of physically impaired workers when properly selected and placed on suitable jobs. The experience of employers with these workers has demonstrated that their job performance records compare favorably with those of the able-bodied, with respect to productive efficiency, accident rates, and absenteeism.

"Similarly, many employers are becoming increasingly alert to the important contributions which older workers are making and can make to our nation's productive effort.

"There still remains, however, a sizeable reservoir of employable manpower among the handicapped and older workers which is not being fully utilized.

"All employers are urged, therefore, to lend their support to the fullest extent possible in providing satisfactory placement of handicapped and older workers in suitable, self-sustaining employment."

SUCCESSFUL EXPERIENCE WITH HANDICAPPED

The progress made with the employment of the physically handicapped since the war indicates, we believe, a rather practical approach to the older worker situation.

The reports each year of the President's Committee for National Employ the Physically Handicapped Week bear eloquent testimony to the increasing acceptance by employers of the physically handicapped as individuals who, when properly placed in jobs, are equal in every respect to their able-bodied associates. The social myth that the physically handicapped did not fit into modern industry has been pretty well exploded and gradually the roadblocks that have stood in the way of the handicapped at the employment office are being removed. The discrimination and prejudice against the physically handicapped is being rapidly overcome by education. The dissemination of the facts concerning the physically handicapped as a worker is doing more than any other thing to gain for these individuals their rightful place in the work force.

The slogan of the President's Campaign, "Hire the Physically Handicapped, It's Good Business," indicates pretty well the soundness of this approach. Repeatedly the NAM has called upon manufacturers throughout the land to review their job requirements in light of the physically handicapped and then place the physically handicapped in suitable occupations. Results confirmed the practicality of this plan because it put to more effective use the skills and abilities of all our people and, at the same time, provided individuals with the satisfaction of doing their share. All this contributes to a higher standard of living for everyone.

JOB CAMPAIGN FOR PHYSICALLY HANDICAPPED AND OLDER WORKER

It was through such leadership and education by industry and individual employers that the long standing prejudice against the handicapped gave way. And it is the same approach, - education and leadership - that NAM is using to root out any prejudice that may still remain on the score of the overage worker.

Getting under way with this combined program involving the physically handicapped and older workers, the NAM and the Chamber of Commerce of the U. S. undertook a spot-check of their memberships during the last few months. The purpose of this survey was to get a quick cross section of management thinking and prevailing practices. The NAM covered the manufacturing industries, while the U. S. Chamber of Commerce confined its inquiries to merchants, banks, insurance companies, utilities, railroads and service groups.

The questions were directed first at the company's practice with reference to hiring physically handicapped and overage workers and then at the experience of the employer with this group. The large percentage of replies (roughly 50%) and the attending remarks indicated the interest in this problem on the part of the American employer.

FINDINGS

The answers to the first question, "Does your company follow a practice of hiring physically handicapped and/or older workers (over 45 years of age)", indicated that an overwhelming majority of employers have no arbitrary age restrictions on employment. Fitness to do the job is the test generally applied in filling job vacancies. Those companies answering "No" indicated that they had no established policy but did, on occasion, hire physically handicapped and older workers.

While one might expect conditions for the employment of physically handicapped and older workers to be more favorable in the non-manufacturing groups than in industry, it is interesting to note that a slightly higher percentage of manufacturing employers accept the idea of employing physically handicapped and older workers than is the case in the service organizations.

Here are some of the comments we received, -

A life insurance company said:

"I believe we are fully alert to the contributions which physically handicapped and older workers can make to the productive effort of our company and the nation, and we are endeavoring to translate this belief into action whenever the opportunity arises."

An electric power company said:

"It seems most important that every available source be utilized to enable our economy to stand the strain of more and more social security and retirement benefits."

A utility company said:

"The employment of physically impaired and older workers is, of course, of great importance to the individuals themselves and our experience has demonstrated that the contribution of these workers compares favorably with the contribution made by any other groups in the business."

As evidence of change in thinking, let me quote an airline company:

"Until some time in the recent past, we did have maximum age limits for some jobs, but we have, with rare exception, been able to eliminate age limits as we do not feel that, except on specialized jobs, we should adhere to some specific age limit. We feel that many people at one age would be suitable for a job whereas others of the same age, or even younger, would not be suitable."

Where employers are experiencing difficulty in fitting physically handicapped and older workers into the work force, the major obstacle is the inability of the applicant to meet the requirements of the job. Even so, the fact that the majority are experiencing no difficulty in placing the physically handicapped and older workers in productive occupations indicates what can be done in this field.

A railroad company said:

"You realize, of course, that the physical and mental qualifications of our employees directly responsible for public safety, must be rigid."

A national bank said:

"Approximately 25% of our employees are over 50 years of age and we found during the late war that they were the backbone of our organization."

In asking about the effect of physically handicapped and older workers on Workmen's Compensation costs, we were told (by a ratio of more than 10 to 1) that their presence had no serious adverse effect.

One of the objections frequently voiced to hiring the physically handicapped or older workers was the effect it had on Workmen Compensation costs. The experience of the majority of these employers indicate that this objection is of questionable validity.

The figures indicate that the employment of the physically handicapped and older workers is not inconsistent with operating pension plans. While some companies seem to feel that it is necessary to limit hiring age in order that all employees meet retirement with a full pension, there is an overwhelming tendency to make the necessary adjustments to hire the older worker.

A public service corporation said:

"We do not let old age interfere with our pension plan. So long as anyone is able to continue to work, we permit him to do so. In some instances, however, this brings criticism from younger people seeking employment."

An insurance company said:

"If the potential employee is of such an age that he will not be insurable under our pension plan, he is hired on a temporary basis. We have a number of fine older employees who have been hired since 1940."

With this exception, the presence of physically handicapped and older workers has virtually no effect on prevailing employee practice and benefit programs. For example, in the case of group insurance, the increased cost of the older worker is small when combined with that of a balanced work force.

Collective bargaining agreements presented no serious difficulties according to the survey. This was even more pronounced in the non-manufacturing group where only 5 of 131 answers indicated any difficulty from this source.

GENERAL COMMENTS

There was every indication from the answers that there now exists a new and general awareness on the part of employers of the need for utilizing the skills, experience and judgment of the physically handicapped and older workers. Employers generally recognize their responsibility to do everything in their power to remove whatever roadblocks have traditionally stood in the way of qualified people getting jobs. For instance, a large steel company says:

"Furthermore, we are presently engaged in studies looking towards broader employment policies involving handicapped individuals generally. Our experience with veterans indicates that many such individuals may be employed without sacrifice to productive efficiency and with a high degree of satisfaction to the individual involved."

A machine tool company says:

"We have a very high percentage of employees over 45 years of age. Our products must have a high degree of accuracy and our older employees are the ones we depend upon for this."

Certain advantages found generally with physically handicapped and older workers were emphasized in the replies.

1. Reliability. Less absenteeism and steadier work were indicated for both the physically handicapped and older workers.

2. Better work habits. A manufacturing company in New Jersey stated:

"Generally our handicapped and older workers are more loyal and have better work habits than younger, able-bodied men with less seniority."

3. Less turnover. Both physically handicapped and older workers tended to remain on the job and have a stabilizing influence on the younger workers.

A railroad company said:

"We have noticed in employing physically handicapped or older workers that these individuals are extremely appreciative of the opportunity given them. They have a greater desire to please and labor turnover among these workers is lower than among other workers."

4. Good quality and output. The older worker was particularly singled out for mature judgment resulting from experience which tends to keep operations on an even level.

A chemical company reported:

"As we continue to improve physical labor saving devices, steadiness, maturity, care and experience become more important than physical strength in an industrial organization."

The success found by employers in placing physically handicapped and older workers in gainful employment is based, we were told, on proper job placement methods.

A steel company said:

"In order to derive the full benefits of the superior work attitude of older and handicapped workers, it is necessary to properly place them on jobs which will not aggravate their disabilities."

A chemical company said:

"Any successful program must have as its premise the fact that the job assignment must be made on a sound economic basis both from the standpoint of output to the company and the monetary return to the individual. Therefore, in the job to which he is assigned, the disabled person should be able to produce as much as able-bodied persons performing the same job after an adequate learning period. This means matching the requirements of the job and the physical abilities of the individual. When a handicapped person is able to perform the duties of a job, he is no longer handicapped so far as that job is concerned."

Companies which indicated a reluctance to hire physically handicapped and older workers gave as the major reason their policy of promotion from within the organization. This involved first of all taking care of employees who become disabled while employed in the company as well as transferring older employees who for one reason or another find themselves unable to do their usual work.

A food products manufacturing company said:

"At present we have about 6,500 in that group (over 45) which is approximately 22% of our entire personnel. Most of these people have long service records and we feel morally obligated to keep them on the active payroll to normal retirement age if possible.

With such a large group this requires a considerable amount of adjustment in the way of job changes etc.. It is, therefore, our intent to hire at age 45 or over only those persons who we can absorb in our organization without prejudicing the future of our own 'older workers.'"

An electric power company said:

"The policy of this company is to employ on a career basis, usually starting employees in the early twenties. Thirty-five per cent of our regular employees are 45 years of age or over. Our most valuable employees are within the age group of 45 years or over."

Success with the campaign to place physically handicapped workers in employment since the war stems almost entirely from the fact that they were fitted into existing situations and matched to existing jobs instead of attempting any segregation by creating special jobs for them. The survey indicates the wisdom of a similar approach with respect to older workers. They also must be fitted into existing jobs except in unusual circumstances.

In urging employers to give more attention to employing older persons in jobs and preparing them for retirement, Earl Bunting, Managing Director of the NAM said to our members recently,

"Let's make full use of the immensely valuable assets that lie in the heads and hands of the older men and women in industry and business."

NAM PILOT CLINICS

The NAM has just held three pilot clinics in New York where groups of manufacturers have considered ways and means of implementing this campaign for the employment of the overage worker. This clinic approach to industrial relations problems has been most effective in such fields as employment stabilization, employer-employee communications, management teamwork, and other aspects of personnel administration.

Through this technique, it has been possible to explore a problem in all its ramifications and to find some practical solutions. To exercise industrial leadership and point the way to constructive action, we have gathered together manufacturers in small groups first in New York and then in clinics or small round table discussion groups sponsored by local or state employer associations affiliated with the National Industrial Council. Here employers come to grips with the problem and in frank discussion exchange their experiences. Interestingly enough it is quickly apparent, regardless of the subject under discussion, that there is no one single or simple answer to the problem at hand. Conditions vary between sections of the country; between different industries and frequently between plants of the same company making the same products, to such an extent, that no one formula or solution can be applied universally.

Best results are secured where the individual employer examines his own situation and develops his own program. His intimate knowledge of the facts at hand puts him in the best position to apply the sound corrective.

These clinic discussions give employers an opportunity to learn what other employers are doing. They are encouraged by the successful experiences in other plants and stimulated to go back to their plants and do something about the problem. This is the next step in the NAM leadership and education campaign to open up additional opportunities for older workers.

SIGNIFICANT DEVELOPMENTS

As I have indicated, in connection with the problem of employment of the physically handicapped and older workers, we asked several groups of manufacturers to spend a day exploring the situation with us. In each instance, we found a genuine interest in the subject and a willingness to inquire into its implications.

It was generally agreed, -

1. That age of itself should not be a factor in employment.
2. That job applicants should be judged solely on their qualifications in light of the job to be filled.
3. That companies require employment interviewers to recognize that industry needs and must utilize the reservoir of skill, experience and knowledge of the older workers.
4. That employment policies should be reviewed and where necessary revised with a view to giving the overage worker job opportunities.

There is virtually no problem where employees have grown old in service. Employers make such adjustments and transfers as may be found necessary in these cases. The problem seems to be with the overage person who is seeking employment. It was generally agreed by employers represented at these clinics that a specific skill is the applicant's greatest asset. Where a high order of skill is required in the plant, we found ready acceptance of older applicants.

An official of one of the large rubber companies mentioned that their tendency to venerate the quarter century group made the older applicant more acceptable to their supervisory force. He held that ability to do the job should be the basis of selection. In this company a retired worker with short service is given a separation allowance in lieu of a pension.

A number of companies with compulsory retirement plans have found some of their workers separated from employment but with pensions which are inadequate because of inflation. In some cases, the retired worker secured employment elsewhere or became a dependent. Realizing this loss to the company and the economy in general in the case of a retired worker who is willing and able to work, some companies question the advisability of compulsory retirement because of age.

The president of one industry in the East stated:

"We choose and select when we hire and I see no reason why we can't do the same thing when we retire workers."

And he went on to say that the most important thing from his point of view was to treat people as individuals whether they were young or old. He pointed out that the task in this problem seems to be that of breaking down prejudice and

encouraging employers to treat older applicants as individuals with varying skills and aptitudes rather than as members of a superannuated group.

The growing longevity of our people raises the serious problem of how our economy can handle the overwhelming cost involved in supporting a constantly increasing aged segment of the population. To take care of some in this group, the employer must be encouraged to study his job requirements and find out which positions in his plant or shop or office can be filled by those in the higher age bracket. However, this is not intended to limit opportunity of the older applicant to certain types of jobs. What he needs from an employer is consideration of what he has to offer and the chance to show what he can do.

Fortunately, the performance of so called overage workers during the war has gone a long way towards reducing the reluctance of employers to select workers from this group. Industry is employing a greater number of older workers than ever before and is actively searching out ways to open new job opportunities for both the physically handicapped and older worker.

CONCLUSIONS

Even at this early date in the combined program of the NAM and the Chamber of Commerce of the U. S. these reassuring trends appear in the hiring policy of American employers, -

1. More and more employers are hiring on the basis of ability to fill the job without regard to physical handicaps or age or any other qualification which does not bear on the job to be done.
2. More and more companies are selecting applicants for employment with the idea of having the employee make the company his career. ✓
3. More and more industry is following the sound principle of promotion from within the organization. ✓
4. Employers are taking care of those who become physically handicapped or grow old in service by training and transfers where necessary.
5. An increasing number of employers provide security for employees grown old in service.

RESPONSIBILITY OF INDIVIDUAL

This is the employer's side of the picture and his responsibilities in this area. There is, however, another side which can't be ignored, - that of the worker and his responsibility on this score. Experience proves that the employee with something to offer is generally acceptable. This re-emphasizes the fundamental concept in a free society that an individual must do everything possible to fit himself most advantageously into our economy. Therefore, it follows that each person has to protect himself, -

1. By acquiring the training necessary to develop abilities and skills.
2. By approaching a new job as he would a career, conscious of the fact that he must keep abreast of the requirements of the job.
3. By taking advantage of every educational opportunity in connection with his work with a view to promotion in line with his qualifications.

It would be most unfortunate if our attempts to provide the older worker with security should encourage the false assumption that the individual no longer need look after himself. Whatever is done must be based on the fact that the individual still has the problem of fitting himself into the work force on the highest level that his training and qualifications will permit.

The problem fundamentally is to encourage the full play of individual opportunity and initiative so that men with ideas can strike out into new fields and thereby provide more and more goods and services for more and more people. Full utilization of the abilities and skills of all our people depends upon an expanding economy. Any effort to provide gainful employment for the older group at the expense of younger or middle aged people would be unrealistic and fraught with danger.

Any move in the direction of discouraging business from taking the risks that make for an expanding economy will tend to lessen job opportunities for everyone.

NAM, I assure you, is actively interested in this program to make the best possible use of qualified people. The individual needs the satisfaction that goes with adequate employment and the economy needs the contribution he has to make if the country is to continue to enjoy a constantly improving standard of living.

July 7, 1949