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PERSONNEL PROBLEMS

OF A

SMALL BRANCH BANK

A Socio-Psychological Study

A Report
To The Faculty
Of The School of Business Administration
Submitted In Partial Satisfaction of The
Requirements For The Degree Of

MASTER OF BUSINESS ADMINISTRATION

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by

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TABLE OF CONTENTS

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Part I — Introductory

CHAPTER I — INTRODUCTION

A society is the broadest association of people who possess a certain common set of habits, attitudes, and ideas sufficient to hold them together, who live in a definite territory, and who are often set off from other societies by attitudes and habits of difference or antagonism. Within any given society there exist various smaller collectivities more or less concerned with special social aims or purposes.[1] This paper is concerned with one of these smaller collectivities, a branch bank located in Berkeley, California, one of a large number of branch banks that compose the banking system of a major bank of central California.

Work and occupation derive from the fundamental needs to satisfy hunger and thirst and to provide for bodily care and shelter. Work may be defined as regularized, recurrent, utilitarian and organized effort directed toward a somewhat remote goal. Work reflects the particular culture of the time and place. Occupations themselves in our society range up and down in a scale of status value.[2] The role of banking occupies a peculiarly high position in this scale of status value. Bank employees have about them a certain aura of respectability that is often not accorded workers of other types of occupations.

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1. Kimball Young, Personality and Problems of Adjustment (New York: F. S. Crofts and Company, 1940), 125.

2. Ibid., 591 f.

A commercial bank is a seller of services. In the old days there were definite differences between these commercial banks, differences in types of services offered, in machines used, and methods employed. Over the years to the present these differences have been resolved, machines have been improved and standardized, methods and techniques have been revised, compared with those of other banks, and revised and improved again, and competition has necessitated the near standardization of services offered. Fundamentally, at the present time, all commercial banks offer the same things—— much like the sellers of soap.

Despite standarization of methodology and services there are still basic differences between commercial banks that are inherent in each separate institution, differences that no amount of either cooperation or competition can resolve:

> (1) The bank's location. Many people use the bank that is most convenient to their place of business or to their home. This is a fixed tangible difference that cannot be remedied or changed without incurring a great expense in moving the bank's premises.
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> (2) The rates charged for services. These rates are set by (a) the cost of the service to the bank, (b) competition, and (c) what the traffic (the type of customers sought

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1. These include, as examples, activity charges on commercial and savings accounts, charges for money orders, drafts, etc., collection charges, and safe deposit rentals.

(2) con.   by the bank) will bear. Rates
constitute a variable tangible difference
that are constantly being checked, reviewed,
and revised by the top management levels of
all commercial banks. Rates must be tailored
to fit the needs of a specific bank in a
dynamic business world.

(3) Speed and efficiency on the part of the
employees in the processing and follow-up of
the various segments of the bank's work. This
is a variable intangible difference which is
highly important in commercial banking. In a
tight competitive area the bank that can offer
the fastest and most efficient service is
going to win the customers.

(4) The employee-customer relationship, a
second variable intangible difference of the
greatest importance. People will not patron-
ize a shop in which they are not courteously
treated, where their wants are not quickly
realized and satisfied. This premise
applies also to banking. If a customer is
forced to wait for too long a period to trans-
act his business, and then is treated in a
slovenly manner, he will certainly take his
business up the street to a competing bank.

Numbers three and four of these differences are

variable, intangible, and of supreme importance in all

bank functions. The causes of these last two differences

resolve down to the employee group and to the individual

employee. Without a coordinated group of efficient

employees, a commercial bank cannot function and will

soon lose its customers. The socio-psychological

aspects of a given branch group, their relationships

to each other within the group, and as a group to other

groups becomes highly important to the personnel admin-

istrator in determining the personnel functions and

and physical facilities that will make for most efficient branch operation.

Industrial social psychology is important to management in that it aids management in attaining the maximum use of personnel for the common good, and secondly it is closely related to the causes of industrial unrest manifested by such symptoms as absenteeism, excessive labor turnover, slowdowns, etc.

When industry was small, when work was performed in the family, the problem of group relations was not a significant one. In the home arts and crafts, human relations were personal. Such a simple, social work environment is to be contrasted with the larger present-day industrial enterprise exemplified by the International Harvester Company which employs more than 80,000 workers and has contracts with more than 150 union locals.[1]

A branch bank functioning as a group is not made up of a certain number of equivalent people having identical properties (as in the case of molecules or ants), but is made up of a number of individuals, each with his own characteristic need pattern, cognitions, intellectual ability, and structure, and each occupying a certain well established role vis-a-vis the other members. This makes for heterogeneity compounded.[2]

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1. R. M. Bellows, Psychology of Personnel in Business and Industry (New York: Prentice-Hall, Inc., 1949), 287

2. D. Krech and R. S. Crutchfield, Theory and Problems of Social Psychology (New York: McGraw-Hill Book Company, Inc., 1948), 17.

The relations between employees and management may appear satisfactory on the surface, but records may show otherwise through an increase in absenteeism, etc. Frequently the reason for lowered morale or a poor work attitude will be stated as poor working conditions or low money wages. The true reasons may be difficult to unearth.

Many students of labor problems agree that grievances arise from "lack of human understanding". To interpret this abstraction, recourse must be taken to industrial social psychology ---- the study of the dynamic relationships between individuals and groups in business and industrial situations.[1]

Business institutions are made up of numerous interpersonal and intergroup relationships including:

(1) Individual worker to groups of workers.

(2) Groups of workers to other groups of workers.

(3) Individual worker to member of management (supervisor).

(4) Individual worker to management.

(5) Group of workers to management.

The first type, the individual worker related to groups of workers, is the common one. It would seem, at first glance, that no problems could arise from such relationships that would be of any significance to

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1. Bellow, R. M., op. cit., p. 288.

management. Quite the contrary! The manner in which a new employee is accepted by and adjusts to his fellow workers may determine to a large extent his satisfaction with his job, his attitude toward his job, employer, boss, firm, his amount of production and quality of work (and hence his performance rating and rate of pay), and even the length of time he remains with the company.[1]

A) Concepts in Industrial Social Psychology:

One aspect of the human relationships which is notable is their lack of concreteness. Nonetheless the interplay of forces and pressure resulting from human relationships are no less real than forces such as the electricity dealt with by the physical scientists. The social scientist has much greater difficulty in defining, quantifying, describing, and talking about he social forces, however, because they are more difficult to observe, describe, and measure. We must, therefore, fall back upon relatively abstract concepts in dealing with the forces and pressures of human relationships.[2]

These concepts come from several related fields or areas of knowledge:

> (1) Sociology, the study of people and of the interrelationships of groups of people. Sociology studies the interaction of past

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1. Ibid, p. 288.

2. Ibid, p. 291.

experiences of groups through the social pro-
cesses of competition, conflict, accomodation,
and assimilation and seeks to describe and
explain these processes as well as the social
structure that has resulted from this inter-
action.[1]

(2) Industrial sociology, the study of people
working together in industrial and business
situations. The sociologist keeps the social
pattern in the foreground and the behavior of
the individual human in the background.[2]

(3) Human psychology, the study of the behavior and
attitude patterns of people as related to
their environments. Like all other sciences,
human psychology deals only with observable,
measurable, or demonstrable facts or
phenomena. It teaches that the proper study of man
is man's behavior.[3]

(4) Social psychology, the study of behavior
and attitude patterns of people with emphasis
on their social environments. In the early
days social psychology was essentially a group
psychology, with special interest in minds of crowds due
in part to the influence of Gustav LeBon's
"The Crowd".[4]   This concept of group mind
and crowd mind has undergone considerable
decline, on the ground that it is a meta-
physical view that cannot be verified. Today
interest of social psychologists is focused
largely on the social development of the
individual.   The central task is that of
studying how the individual develops socially as
the result of participation in group life.[5]

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1. Lawrence G. Brown, Social Psychology, The Natural
History of Human Nature (New York: McGraw-Hill Book Co.,
1934), 1.

2. Richard T. LaPiere and Paul R. Farnsworth, Social
Psychology (New York: McGraw-Hill Book Co., 1949), 56.

3. Kimball Young, Sociology, A Study of Society and
Culture (New York: American Book Company, 1942), 199.

4. (London: G. Allen and Unwin, 1910).

5. Young, op. cit., p. 144 f.

(5) Anthropology, the study of man and his works. Like every other species of animal, man has a natural history. Anthropology is the science of man considered as one of the animal species, Homo sapiens.[1]

(6) Industrial social psychology, a combination of the other fields mentioned as they relate to personnel in the working situation.

Among the sciences of society only social psychology deals primarily with the whole individual. Economics, political science, sociology, and the other social disciplines have as their subject matter the structure and function of social organizations and the kinds of institutional behavior displayed by people within the confines and forms of specific institutions. Social psychology, on the other hand, is concerned with every aspect of the individual's behavior in society.[2]

A further narrowing of social psychology and the related social sciences to include only the concepts and problems of the working situation furnishes the personnel administrator with a social scientific field of knowledge, industrial social psychology, and will aid in the solution of a wide range of problems that concern employee-management and group-management relationships.

Nearly all the social sciences, especially that

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1. Robert E. Park and Ernest W Burgess, Introduction to the Science of Sociology (Chicago: The University of Chicago Press, 1921), 10.

2. Krech and Crutchfield, op. cit., p. 7.

of industrial social psychology, are relatively new
fields of knowledge. Therefore techniques for accurate
measurement and quantification have not been developed
as well as they have been, for example, in production
engineering. Hence, some aspects of the social and
psychological sciences are more descriptive than quan-
titative.[1]

The purpose of this paper is to examine and evaluate
the personnel problems of a relatively small branch bank
group from an industrial socio-psychological aspect.
An attempt will be made to describe and analyze their
social functions, their social ways and sanctions, to
examine their methods of social control, their social
structure, and their social interaction.

Some time will be spent in an examination of the
personnel program set up by the Head Office for its
branch banking system, and what effects this program
has upon the particular group under consideration.

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1. Bellows, R. M., op. cit., p. 291.

Part II - The Group

CHAPTER II - Objective Features of the Group:

Sixteen people make up the group, eight males and eight females; all are white.

The group is located in a section of the bay area called West Berkeley, the industrial section of the city of Berkeley, California.

The age span of the group ranges from twenty to fifty six years. Twelve of the sixteen members are under thirty, and ten members are under twenty five.

The group is a business group engaged in the operation of one relatively small branch bank. Their branch is a member of a group of seventy odd branch banks that compose the banking system of one of the major commercial banks of central and northern California.

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A) Social and Cultural Scale of the Group:

Members of the group fall easily into either the lower middle or middle social and cultural classes. In their dress, their conversation, and their tastes in social and cultural matters, the group is neither deficient nor stimulating. They attain a level sufficient to their own needs, and settle there, content to go no further.

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1. Financial background is of no consideration in this section.

B) Educational background:

Every member of the group has a high school education. Two members of the group have been to business school, and several have one or two years of college. No one in the group has completed college or holds an advanced degree of any type. The intellectual level of the group is about on a par with the average intelligence of the nation. Their reading habits or outside intellectual interests are limited, reaching in some instances near stagnation.

The group's objective function is to serve the general banking needs of the surrounding community, or of the people who are customers of the bank no matter what area they are from.

In its general operational functions, the group works as an independent unit, a separate entity, but it is governed by the general policies of the entire group of branch banks laid down at the Head office in San Francisco, and the more limited policies emerging from the district office of the Berkeley area.

CHAPTER III - Social Ecology of the Social Group:

To facilitate the money-credit operations (of
the country) a number of institutions have arisen. The
central one, of course, is the bank. A bank is an
instrument or device to extend credit and to handle
credit relations among users. Banks secure their money
or credit resources from depositors or corporations or
from returns made from their own business transactions.
In turn, banks provide a ready mechanism for transference
of funds or for loaning money on a short or long term
basis. (We usually distinguish between commercial
and investment banking; the former handle ordinary
checking accounts and grant short-term loans to firms
and individuals so as to facilitate their paying their
obligations. The latter are concerned with providing
capital funds for various enterprises, private and
public.)[1]

The group's function is to fulfill the general
banking needs of the immediately surrounding area. In
the societal structure the group is a member of a
major group of branch banks in the financial circles
in the state of California.

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1. Young, K., op. cit., p. 551f.

The social functions of the group may be said to include:

(1) To serve the banking requirements of the surrounding area in a manner sufficient to justify a customer using their banking facilities rather than those of some rival bank.

(2) To integrate themselves with the total group of their bank to the extent that the inter-branch activities are carried out efficiently, smoothly and without error.

(3) To maintain their small part in serving the financial needs of the nation, helping to maintain the economic system based on the credit function.

Over the years, banks singly have built up between themselves a strong correspondent banking system. There is no formal contract between two correspondent banks, but they carry accounts with each other to speed up and facilitate intra-bank business, they recommend customers to one another, exchange new methods and improved methodology, and cooperate with each other in every way possible.

The group of branch banks to which the observed group belongs has correspondent banks in every major city in the country. The group, therefore, through its Head Office, has representatives all over the United States.

Enlarge this concept to include all the banks in the country and an interwoven, highly complex network

emerges that carries out the financial activities of
the nation.

The economic system of the United States is run
largely on credit. Over ninety per cent of all business
transactions are handled by check --- a negotiable credit
instrument. The banks of the United States make the use
of these credit instruments possible by collecting and
processing the checks of its depositors and customers
in a manner quick enough to allow immediate credit to
the payee of the instrument in a large majority of cases.

Without banks and the branch banking system, the
credit method of doing business would be immeasurably
slowed and could conceivably collapse. Money would
become scarce and it is entirely possible the people
of the nation would be reduced in part to a barter
system of economy.

Each branch bank occupies a niche in this complex
network, each putting its customers in close contact
with other financial institutions in any part of the
country, or even the world, where the customer may have
business.

These banking functions provide the means of
livlihood to the members of the group under analysis.
Moreover, their banking activities fulfill the need of
man to work, to have some creative activity, to think,
and to serve others --- for a bank is primarily a service
institution.

A) <u>Kinds</u> <u>of</u> <u>People</u> <u>that</u> <u>Compose</u> <u>the</u> <u>Group</u>:

The kind of people that compose the group and go to set up the group hierarchy is decided by:

    (1) Custom.

    (2) Bank regulations.

    (3) Need of the branch.

<u>Custom</u>: There are definite, immeasurably strong customs prevalent in the bank, the effect of which may be felt or seen upon the group under analysis. One custom, as an example, is that a woman may never occupy an officer position in the executive hierarchy; no matter what her capabilities she may never rise above the clerk or secretarial level. The women know this before they enter employment. Banking therefore attracts three main types of women:

    (1) The hope-chest worker who works a few years after leaving high school before she marries.

    (2) The bread and butter worker, usually a newly married girl who must work to supplement her husband's income.

    (3) Widows, who must work to live.

Groups one and two are relatively short term workers, causing a high rate of labor turn-over among the younger women workers.

Career women usually seek more exciting occupations. One never hears of a woman setting out to be a banker. There are almost no college women in banking, due in

part both to the lack of possibility for advancement, and the unexciting routine type of work the lower echelons are involved with.

Bank Regulations: The bank regulations and policies under which the branch groups are organized specify that certain types of employees be included within each branch. Each group must have tellers, bookkeepers, and a manager, the primary positions necessary to carry out the specific functions of commercial banking.

Need of the Branch: While each branch needs employees to fill the same type of positions (teller, bookkeeper, etc.), the number of these employees will vary with the size of the branch and the volume of business handled.

B) Resources Available to the Group:

A definite amount of machinery is necessary for the group to function effectively and handle the volume of work that they do. Bookkeeping machines, typewriters, adding machines, and an NCR sorting machine make up the heavy movable machines. These are supplemented by a recordak (a microfilm camera used to picture all items that are sent out of the office as an insurance against loss), a check protectograph, and a check perforator.

The biggest bank investment in permanent heavy equipment for the group is, of course, in the building

and the vaults.

After the fall of the feudal system there was a partial change from a discipline of coercion to one of incentive. The latter requires a universal incentive ---- something that all men seek. By very profound training, starting in infancy, the habit of trying to make money has been given this place, and men have been trained to believe that each should try to excell his neighbor in size of bank-account, which is the only true measure of human worth.[1]

The traditionally massive construction of bank buildings was associated in American life with the period of influence of the banker as a citizen of the community. Prior to the age of materialism in America, the dominant figure in the typical community was the minister of the gospel. Gradually, as the money economy became increasingly important, he was displaced by the banker as the influential citizen who could do things for the people of the community. The massive bank buildings went with this idea of prestige, influence, power, and money.[2]

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1. F. Creedy, Human Nature Writ Large (Chapel Hill: University of North Carolina Press, 1939), 205.

2. Ibid., p. 215 states: "It is known, at least in the United States, that a bank where money is constantly being handled should be of noble and impressive architecture, so that the mind of the depositor may be mellowed thereby, and he may be thrown into an attitude of proper reverence and respect leading him to pay adequate attention to the advice

The building is located upon a corner of the intersection of two of the busiest arterials in the Berkeley district. It is not as imposing in architecture as most banks. There is no mammouth entrance, nor are there fluted columns in the lobby. But the building is unmistakably a bank. No other type of business has a building with the office space so completely dominated by the lobby and the teller windows.

There are two vaults at this branch: a safe deposit vault, and a cash and record vault. These are heavy safe installations, with complex mechanical doors and protectional devices.

The bank provides all types of office supplies and forms necessary that are needed for daily operations. Also furnished are all supplies that are used by the customers in their banking transactions — pass books, deposit slips, check books, etc.

The resources provided the group are in most cases the most modern possible (as the new bookkeeping machines

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2. (con.) of the presiding officiant. The architecture of an English bank, on the other hand, approximates to that of a place of alcoholic refreshment, the English mind apparently seeing similarity between cashing a cheque and taking a drink — both produce exhilaration, perhaps."
    During the past twenty years the banker has lost much of his influence. The crash of 1929 and the bank closings of the early years of the depression took much of the respect away from the banker as the most prominent citizen. The crash proved that the bankers advice could be wrong; that he was not as good a counselor as people thought, and that he was not entitled to all the respect and influence which people had bestowed upon him.

set up for a single posting system). In all cases they are adequate for the type of work that must be done. The adding machines, for example, are in some cases over twenty years old, but they work well, and they are sufficiently good to fulfill their need.

A definite lack in the mechanical resources of the group is in not having a postage meter. The volume of outgoing mail, especially at the end of the month when the statements are sent out, is quite heavy. A postage meter would eliminate both operations of sealing envelopes and licking stamps for the daily outgoing mail, and at statement time would cut down a job that uses the whole group and causes the daily work to be put aside, forcing everyone to work extra hard in order to catch up in the following days.

The resources available to the group as to personal comfort are rudimentary as compared to other branches of the same banking group. There are toilet facilities, but there is no hot water. The couch and chairs in the women's lounge are old and very dirty. Other branches of the same bank of comparative size have coffee facilities, and in some cases hot plates and refrigerators. The group realizes these deficiencies, the officers know of them, but nothing ever seems to be done to improve the situation.

C) Geographical Adaptations of the Group:

Only small geographical adaptations must be made
by members of the group, as the majority live in the
immediate surrounding area, one half hour by automobile
at most.

The branch is located in the industrial area of
Berkeley, a rather undesirable living area. The Negro
district of Berkeley is close by. The members of the
group must adjust slightly to this district and the people
that live there.

The time spent outside the bank premises during
the day is at most forty five minutes (the time spent
for lunch). What small amount of adaptation necessary
for the members of the group is not permanent, as they
leave the neighborhood each night. The group's members
do not identify themselves with this area, rather with
the district in which they live, or where they spend
their outside hours.

D) Technologies Available to the Group Necessary to the
Execution of its Functions:

There are very definite technologies necessary to
utilize the machines available and to perform the tasks
required. The tasks are not generally difficult from a
mechanical standpoint, but there is a certain methodology
necessary in the running of any of the machines. For

the untrained the machines, and all their functions, are not immediately apparent. An untrained person could not do the work.

The various technologies are passed on to the untrained members of the group by:

>(1) Formal training in the training school at the bank's Head Office.

>(2) On the job training at the branch.

The training school uses a vestibule method of training combined with lectures, movies, and discussions. The trainee is given problems of the same fundamental type that will be encountered in branch work. The machines and their functions are explained to him and he is given the opportunity to attain some degree of technical skill before being put on the actual "firing line".

If the trainee is new to the bank and to banking, an indoctrination course is offered with movies and lectures to acquaint the new employee with the functions of banking, and with what his new employer has to offer both customers and employees (an explanation of the bank's pension system for example).

Training programs yield good dividends for all concerned. The employer benefits from the resultant decrease in labor turnover; diminution in the amount of spoilage in materials........., increase in the

efficiency of individual workers and in the (branch) as a whole; and the cultivation of cordial relations which experience indicates is a common consequence of training opportunities. He also benefits from the fact that training develops managerial talent.[1]

Training is of considerable, often immeasurable, value to the employee. It increases his earning capacity by broadening his skill and his knowledge of related processes. It prepares him to seize promotional opportunities which may ultimately lead him into executive positions. A less tangible but no less real benefit is found in the fact that training broadens his mental vision, heightens his self-respect, and enhances other people's esteem of him, both inside and outside the (bank).[2]

If the employee is given on the job training at a branch, he watches the operation of a particular job and then does it himself under the observation of an experienced employee. This is the method most used by the bank, and within the group itself, especially with an old employee who is learning a new job. The training school cannot possibly handle the training of all the

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1. G. S. Watkins and P. A. Dodd, The Management of Labor Relations (New York: The McGraw-Hill Book Company, Inc., 1938) 427 f.

2. Ibid., p. 428.

bank's employees throughout the system; the on-the-job method must be utilized.

This method of training can be particularly ineffective even in the teaching of the simplest tasks if the trainer has an improper training attitude or undeveloped training skills.

In most instances, on the job training in operations is turned over to a senior operations employee. The philosophy behind this is that this employee has been with the bank the longest, and therefore should know his job far better than a younger employee with less experience. In many cases this senior employee has been with the bank over twenty years, and because of some deficiency in personality or ability has been passed by on promotions. His attitude is one of slackness; his job is secure so long as his own work is performed at a minimum level of requirements.

The philosophy behind choosing this type of trainer can be completely in error. Usually the senior employee's interests at this job level are restricted by the boundaries of his own work, and although he may have had extensive experience in the various phases of bank operations, he has little up to the minute knowledge of these operations. The senior employee may not want the added responsibility of teaching. The trainee usually learns enough to get him by, but little more.

Again the senior employee chosen to do the training may be perfectly willing to teach, but he may lack the ability to convey ideas, to express himself clearly, and to teach the trainee the correct operation of a machine. The trainer may not even know the correct and most efficient method of operating a machine, but will teach a method that he has picked up over the years on his own and at which he has developed a certain degree of skill. The trainee may be taught the improper method, his progress will be impeded, and a mediocre employee instead of an expert is launched on a new job.

In many of the simpler jobs no training is given at all in the formal sense. This is especially true with the operation of the adding machine. The untrained employee is just given a column of figures and told to add them up. Everyone thinks adding machine operation is simplicity itself; but there is one best way, the quickest and most accurate, and there are many things an adding machine can do beside add a column of figures. A correct and proper method of operation should be taught from the new employee's first meeting with the machine.

To eliminate these obvious deficiencies in training the Head Office personnel department has instigated a management training program. Specific members of groups

of branch officers are carefully chosen, and are given
a full week of intensive seminars, discussions, and
problems on job skills, the proponents of leadership,
job relations, and training methodology.   Reactions
to the course have been extremely favorable, and im-
provements in job training have all ready been noted
throughout the bank's system of branches.[1]

Available also to the members of the group is the
Operations Manual, two large loose leaf volumes of
circular letters that deal in great detail with all
the phases of banking that are encompassed by the
branch, and set forth in explicit language the
bank's policy concerning the activities covered,
and directions on how to handle them.

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1. D. Krech and R. S. Crutchfield, Theory and Problems
of Social Psychology (New York: McGraw-Hill Book Company,
Inc., 1948) 431 f., presents an excellent discussion on
the obstacles to training and retraining members of
management in the arts of democratic leadership technique.

Part III - Social Ways and Social Control

CHAPTER IV - Social Ways and Their Sanctions in the Social Group:

As a result of a homogeneity in function and instruments, the members of a group tend to develop social ways (attitudes, beliefs, actions) which come to be accepted as the standard means of action and thought.

In a given group these social ways vary from those that are highly uniform in and unique to the group to those ways that show as much variation within the group as is found through all the groups that compose the society of which it is a part.

Psychologically, those social ways may be understood in terms of motivation (satisfaction of needs), means (manner in which the members go about satisfying the need), and emotions.

The motivation of a social way is understood by discovering the drive served by the way and the end or goal which the way enables the person to attain and thus satisfy the drive.

The means feature of a social way is understood when it is discovered why the group has adopted the particular social way instead of other possible ones.

The emotional aspects of the social way appear in whatever terms the members describe their emotions and feelings. In analysis an attempt is made to discover the psysiological correlates of the affective state.

A) <u>Work Ways</u>:

The group works normally from nine A.M. until
about five P.M., Monday through Friday, and from nine
A.M. until one thirty or two o'clock on Saturday. Thirty
to forty-five minutes are given for lunch, depending
upon the volume of business during the day. The normal
work wee is forty hours, with overtime at a rate of time
and one-half being paid for all time worked over
forty hours.[1] The bank's present policy is to keep over-
time at the lowest possible minimum consistent with good

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1. San Francisco Employers Council, <u>Office Workers
Salaries and Personnel Practices in the San Francisco
Bay Area</u> (mid-year, 1948) 10 ff., states in part:

" a.   Only 7.8 per cent of the reporting
       establishments (366 in all) started
       work at nine A.M.
  b.   Over one-half of the 366 establishments
       stopped working at five P.M.
  c.   Only 0.6 per cent of the 366 estab-
       lishments work four and one-half hours
       on Saturday.
  d.   That 24.7 per cent of the 366 reporting
       establishments allowed forty-five minutes
       for lunch, the second most common practise.
  e.   80 per cent of the 366 establishments
       worked a normal forty hour work week.
  f.   That in 277, or 94 per cent, of the 295
       establishments which reported a weekly
       overtime rate, office workers received
       time and one-half after forty hours
       per week."

operations. When the work is light the group may leave
as soon as they have finished their tasks, sometimes as
early as four o'clock. Despite efforts to keep work
time under forty hours, the group has a larger amount
of overtime than most other comparative branch groups
of their bank because of frequent short-handedness,
clerical mistakes, and an unusually heavy volume of
work around the first part of each month.

Each member of the group has his or her own job
or series of tasks, many of which overlap or depend upon
each other. A person's job is theoretically set up so
that as nearly as possible a normal work day will see
the day's tasks completed without undue pressure.
Volume, of course, fluctuates, and work from one day
will often overflow into the next, although letting
this happen is discouraged.

The experience and training of the group has been
such that each member can do the work of at least one
other member if necessary. This is a good insurance
against absences and vacations. The work can be doubled
up and spread about, thus alleviating the necessity of
requesting relief personnel from the district office.
The operations officers (assistant manager, for manager,
and chief clerk [1]) have had extensive experience with

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1. The assistant manager is second in charge under the
   manager. He acts as a loaning officer, sees that the
   directions of the manager are carried out, and acts
   (see next page ft)

all the machines used by the group. At least five
members of the group know the savings ledger and the
general ledger operations —— each a one man job; and
four people other than the officers know the NCR
sorting machine and its general routine, the main cog
in the branch's daily operation.

The members of the group know these other jobs
because at one time they had them themselves. Pro-
motions or replacements are made from within the group
whenever possible. Nearly every operational employee
runs the gamut of jobs from bookkeeper through teller,
savings teller, cashkeeper, note teller, and general
ledger operator.

The group in its work is extremely informal as
compared with other branch groups of their bank. Smoking
is allowed at all times by both sexes, except when waiting
on a customer.^{1*} There is a good deal of gossiping and
clowning around, and because of this some amount of time
is wasted. Morale is usually fair, but not nearly so high
as it could or should be.

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1. (con.) as director of the branch operation and the
    operational group. The for manager and the chief clerk
    are of about equal rank within this group under the assis-
    tant manager. The for manager acts as an assistant
    loaning officer, directs and supervises the note teller,
    and help with the branch operation when necessary. The
    chief clerk is the direct supervisor over the branch
    operation and the operational group.

1*. The bank's policy on smoking is generally: officers may
    smoke at any time; men may smoke when off duty or when
    not waiting on a customer, but preferably not between the
    hours of ten and three; women should not smoke except when
    off duty.

The group's attitude toward their work should be broken down into three parts, as this attitude varies from level to level in the group's hierarchy.

The officers (the manager, assistant manager, and the for manager) like their work, and approach it with apparent relish. They are engaged in customer contact work, the making of loans, and the supervision of the branch operation.

The manager is a perfect example of an extrovert type. He has been with the branch for years, is known all over the district, and is respected by both the customers and all the members of the group. He is an enthusiastic member of the Lions Club, is active in community affairs, and is as near perfect for the job he holds as anyone could be. The customer's esteem if entirely understandable, as the manager has been working with them for years, he knows how to handle them, and he treats them fairly. But why the group looks upon him with such respect is a little harder to understand. The manager's day runs from nine thirty in the morning until three in the afternoon, and he usually leaves promptly at that time. His contact with the group, outside of the other officers is extremely slight, and several of the members have spoken to him only once, on the first day when they were introduced to him. On

the other hand, the group's contact with the assistant manager is constant and continual. He works with them, and he is usually the final authority on all problems. The assistant manager is respected and looked to, to a point, but not to the extent that the manager is. The assistant manager is a capable man who does his work to the best of his ability. Why this seeming contradiction in esteem?

The group seems to realize that they have a very astute manager in some respects who, even though he has little contact with the actual operational group, knows exactly what is going on at all times, and also has an exact evaluation of each member of the group. Promotions and wage increases are in the hands of the manager. Then, too, the manager's leaving the group alone may be a point in his favor. He never reprimands or criticizes, but places these duties in the hands of the assistant manager or the chief clerk. Naturally there is some resentment against the person who must do this.

The senior teller's attitude toward her work must be examined as a special case.

She has been with the bank for about fifteen years; a divorcee with an adopted adolescent girl, she must work to support herself. For a long period she held the position of head bookkeeper at the Berkeley district office, a position of considerable responsibility and

and prestige for a woman. She requested, even demanded, her transfer to her present position with the group, that of commercial teller. Her sub-duties include running the savings ledgers, helping with the mail, processing the returned items, and computing the service charges for the commercial accounts.

Her prestige within the group is immense. She has her way with all the officers and has great influence with the manager. The group looks upon her as their leader, their confidant, and their greatest friend and ally. Everyone likes her.

She is enormously popular with the customers, and many of them will be waited upon by no one else. She has a sharp sense of humor and a laugh that can be heard all over the bank.

Her cognized attitude toward the bank and her work could not be considered the best. She looks upon the whole thing as a tremendous "rat race" and says so on frequent occasions. She requested her present position to relieve herself of the excess responsibility she believed she had on her shoulders, and she is completely satisfied with her present rank in the bank's heirarchy. She considers all but a very few of the bank's customers ill-bred, ill-mannered, and unrefined, and has on several occasions let them know it. She does her own work well, and refuses in most instances to help with the work of

others, especially if she thinks the other's work has not been done because of non-attention, a stupid mistake, or not working fast enough. Her special contempt she saves for the bookkeeping section, which she considers confused, badly trained, and slow; but she makes no move to remedy the situation. She maintains, correctly enough, that it is not her job.

Actually this teller loves her present work, but she would never admit it. She has respect and prestige, and she is liked by all, even those who are in the light of her contempt. Basically, she is the same type as most of the customers, and although she insults them without a qualm, she likes to wait on them, and likes many of them as individuals.

The group respects her primarily because she can inject a note of humor into any situation. With a single barbed remark she can make the dullness of a routine task seem alive and interesting. Without seeming to try she is an adept organizer, and the type of leader one follows blindly. When she is absent from the group, the spirit seems to go out of it, and they become just a number of people put together in the same office.

Her cognized attitude toward her work is the only one that she can adopt. If she allowed herself to get in volved, she would soon be immersed in every operation that occupies the group, and she could easily be un-

officially running the whole show.   She has had adequate
experience at the running of an operational department,
and quite understandably does not want it again.   The
attitude of the rest of the group is such that if one
expresses a willingness to learn or do a job, he soon
finds it tacked on to the work he is all ready doing.
She doesn't want this to happen either.

The attitude of the remainder of the group towards
their work is one of passive dislike.   They do their
jobs well in most cases, usually to the best of their
ability, but the tasks are routine and often monotonous.

Monotony may be defined as satiation for a given
activity that the individual is compelled to continue.[1]
In essence, monotony arises out of a conflict situation.
The individual desires to discontinue an immediate
uninteresting activity, the cessation of which he realizes
would endanger the achievement of somewhat more distant
goals or rewards.   There may be a lack of sense of accom-
plishment and even a feeling of futility in continuing
the work.   It must be admitted that the mental condition
of boredom is not easy to describe.[2]

Under boring conditions the mind wanders, thus

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1. M. Jahoda, "Some Socio-psychological Problems of
Factory Life," British Journal of Psychology, XXXI (1941),
191-206.

2. E.E. Ghiselli and C.W. Brown, Personnel and Industrial
Psychology, (New York: McGraw-Hill Book Company, Inc.,
1948), 416.

causing time-consuming mistakes. The number of teller
cash differences over a three month period, (the teller
group leads all the other groups of the Berkeley district
in number and size of cash differences), and the number
of times a month the bookkeepers are out of balance with
a supposedly infallible posting system is adequate proof
of the monotonous nature of the work. The errors
cannot be blamed primarily on poor training or in-
experience. The older, more experienced members of the
group make as many mistakes as the less experienced.

Another contributing factor to the group's passive
dislike for the work is what might be called a disill-
usionment in the business world.

In the mind's eye of all the group, even the girls,
before they entered the business world, was probably a
picture distorted by what the movies and novels of
this age portray to be a glamorous place. Especially
in the world of finance there were large plush offices
in which decisions involving hundreds of thousands of
dollars were made daily. In the naivete of their youth
they could have expected this, at least eventually, when
they took a job with a bank. Instead they are presented
daily with the same endless routine tasks, and even
their officers are somewhat subjected to this. Nothing
more exciting seems to be in sight.

The group's ideal in work ways is to have enough work to keep them busy, but not to the extent that the pressure is too great for accuracy; to perform the work in an adequate manner for the bank's purpose and in such a way that will lead to wage increases and eventual promotion.

The group's taboo in work ways is for a person to shirk his work, or to perform his duties in a sloppy and inefficient manner. Naturally if a member of the group performs in this manner, wage increases and promotions will not follow.

Between this ideal and taboo there is a definite range of acceptable work ways that lead to neither praise nor condemnation. This range represents the work performed by the group most of the time; rarely does one reach the ideal. Wage increases are granted almost automatically every six months if the employee's work is acceptable and his progress appears to be satisfactory. Actual promotions are a rare thing within the group. Barring some transfer in the officer personnel, there will probably be no promotions for the next two years.

Members may approach the taboo in their work ways without much fear of being discharged. Unless a person causes outright antagonism within the group, no shifts are made. The operations officers are much too busy with

their own work to watch for personnel problems of this
type unless open warfare breaks out and the branch work
is impeded. The nonconformist will of course receive
the censure of the group, but it is a passive censure.
The group knows that nothing can or will be done, and
that the officers either won't or can't back them up.

A primary cog in smooth branch operation is the
chief clerk, the person in direct supervisory charge
of the operational personnel. He must be a leader,
a serious student of human nature, a hard worker, and a
man who knows all phases of branch operation thoroughly.
The chief clerk of this group is none of these, and herein
lies the key to many of the group's problems of in-
efficient work ways, and to their passive dislike for
their work.

This chief clerk has been with the bank nearly
thirty years; supposedly he is a man of long experience
in branch operation. It is surprising how little he
actually knows. He was placed on the job as a last
resort; there was no other place to put a man of his
seniority and capabilities. The group knows him for what
he is, and their willingness to follow his directions and
respect his opinions is greatly lessened by the chief
clerk's limited abilities and complacent attitude toward
his work.

His understanding of the problems that confront the

group, especially from a personnel standpoint, is slight. He seems to be unable to organize the work or mold the group into a cohesive working unit, and he doesn't seem to care.

With true instead of impotent leadership at the head of this group, it could easily be turned into one of the best in the bank's system. Most of the members of the group are serious about their work, in spite of their dislike for it, and they are eager to learn more if it would only be taught them. With a little effort the few members who approach the taboo in their work ways could be brought into line, and the group could be molded into a team instead of a series of factions.

B) Reproductive Ways:

In the usual sense reproductive ways would be an analysis of the social ways of the group regarding sex and the biological reproduction of the group. As this is a business group sex does not normally enter in to its daily group functions, but reproductive ways can be said to include hiring, discharge, and wage rates (wages being a prime factor in the recruiting of new members to the group).

The hiring of new members of the group is done through the local district office or through the head office in San Francisco. At these two offices there are men charged with the responsibility of the personnel function, supposedly specialists in their field. The officers of the group may

interview an applicant, and recommend that the applicant
be employed, but the actual hiring must be done by
one of the personnel men.

The present hiring policy for the bank, which
directly affects the group, is to employ men for as
many of the jobs as possible. The bank's long range
hiring policy is the employment of young men, either just
out of high school or with a year or two of college, start
them out as the very bottom, and have them grow up with
the bank. They are looking for men who wish to make a
career of banking, young men who will stay with the bank
over a long period, and who show promise. Education
requirements are set as low as they are for two reasons:
(1) A man doesn't really need a college degree to hold
down a good position in banking after twenty years
experience. A man's promotions depend on his own ability
to expand his own talents and horizons. (2) A non-
degree man will usually start work at a lower salary, and
the wage will remain relatively lower over the period of
the employee's growth with the bank.

The ideal in hiring a new member of the group is to
find a young experienced man who wants banking as his
career, one who wants to work with the group, and whose
personality will adjust to and with the various person-
alities of the members of the present group and its
customers. This combination is rarely found.

The taboo in hiring is the employment of a person who has no inclination for bank work, and whose personality is entirely alien and unadjustable to the personalities of those all ready within the group. This taboo is occasionally broken, (for hiring a person exactly suited for a job is a task that needs long experience and a vast understanding of human nature,) resulting in an inevitable expense to the bank. The misfit or nonconformist usually leaves after a short time, and the hours spent in his teaching and instruction have been wasted.

Between these two extremes lies a range of acceptable ways which includes the hiring of women when men cannot be obtained for a job (such as that of file girl or bookkeeper), and the hiring of inexperienced men who seem to have some inclination toward bank work, but who will have to make some adjustment in their personality, their attitude, or their behavior patterns before being accepted as a true member of the group.

The discharging of an employee plays a very minor role in the social ways of the group. The bank's policy is at present to hire a person on a temporary basis for the first three months, and at the end of this period

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1. Employers Council Reports, op, cit., p. 25 reports that less than 50 per cent of the firms surveyed (366 in all) have probationary periods, but of the 165 that do, 77 use the three month period.

if his adjustment to his new work has been adequate and his progress satisfactory, he is put on a permanent basis. After being made a permanent employee, about the only causes one may be discharged for are dishonesty, outright insubordination, and failure to report for work over a protracted period of time. The bank can, of course, hold up wage increases and promotions indefinitely if the employee's attitude toward his work is not the correct one, but a disinclination toward the job must be very strong before discharge is resorted to.

C) Wage Rates:

In dealing with this important phase of the group's reproductive ways (wages here are a means to an end), no specific salary data is available as the rates paid by the bank are all confidential. But some valid observations can be made.

Wage rates in the bank are not standardized for each job as they are in the telephone company or in a unionized industry. The bank pays (1) what they think the employee is worth to them, and (2) for a new employee, what they think they can hire and retain him for. It is therefore entirely possible for two people to be working side by side at the same job, both equally capable people, and be receiving different rates of pay. Here is the reason for the bank's keeping their salaries confidential. To know that the person next

to you is doing the same job as you, and receiving
more money for it, can only lead to discontentment
and trouble within the group. A short example taken
from the experience of the group will serve to bear this
out.

During the period of observation one of the group
made the discovery that a bookkeeper at another of
the bank's offices was making a bi-monthly deposit
(corresponding with the bank's pay period) of about
twice what an average bookkeeper's pay is. Immediately
there was resentment throughout the group (excluding the
officers of course, who did not know of the discovery)
toward this bookkeeper, and discontent toward their own
wages. All of this was on circumstantial evidence;
no one in the group had seen the bookkeeper's check, nor
had they seen her deposit any money. The only evidence
was the deposit slip made out for a cash deposit. The
extra money could have come from several sources,
including her husband's check, but the whole group was
sure she was getting more money than a bookkeeper was
entitled to.

Wage rates are reviewed monthly by both the branch
manager and the district personnel manager for increases.
Pay boosts are made on merit and/or the employee becoming
of increased value to the bank.

The group generally is paid about what they are worth. Taking into consideration separately their educational backgrounds, their experience, present ability, and latent potentialities, the wage rates are neither too high nor too low.

As compared with other bank groups outside their own bank in the bay area, the group's wages are undoubtedly above the average, although this is only an estimation. The bank employing the group is known as high paying as compared with other financial institutions throughout the area.

All of the members of the group feel that they should get more money, but fail to back up this desire with any concrete evidence such as increased efficiency. Actually, as in most white collar groups, the members tend to associate themselves with the executives or management instead of the laboring class, and therefore believe they should receive pay more in keeping with the management level.

Only one case of actual underpayment for worth received was noted, that of the NCR sorting machine operator.

The NCR machine is a highly complicated sorting and adding machine which is used to sort checks and balance deposit slips and all debits and credits that pass through the days work. The use of the machine

takes the place of the tellers batches, centralizes
the operation, and saves a considerable amount of time.
The operation of the machine over a protracted period
amounts to strenuous physical activity, and the operator
must achieve a relatively high degree of technical
skill and accuracy to keep the flow of work moving
at an even pace.

The group's NCR operator is an expert. She is
fast (putting through the machine an average of 4000
items per day), deadly accurate, and knows her work
completely. She also seems to be indefatigable, as
she can operate the machine at top speed for a full
day without slacking her pace. She also manages to
handle half of the safe deposit work, and usually at
the end of the day is helping the bookkeepers file checks.
She easily works twice as hard as any other member of
the group. Everyone in the group agrees she should
get more money, although none know exactly how much
she makes.

D) Training Ways:

Training within the group is done entirely by the on-the-job method combined with a sink or swim attitude. If a new employee is introduced into the group to go on a particular job, he is given an explanation of the tasks involved, shown how once or twice, and then the job is turned over to him. The new worker may ask questions and receive help, but he does the job himself there after.

This method works fairly well if the new employee is fairly bright and catches on quickly, but it is deadly with a slow learner. During the learning period (until the job becomes routine to the worker) numerous mistakes are always made which must be found and corrected. Each mistake costs the bank time and money, for the wages paid for the time consumed in finding the mistake is all wasted; nothing constructive is produced.

Admitted that this method is inferior to many of the other forms of training. Why does the group, or the instructors of the group continue to use it in place of possibly a more protracted on the job training with a more gradual assumption of duties?

One reason is that no other method is available. Usually when a new member is introduced to the group, or even when an old member is introduced to a new job, it is because of a shortage of trained or adequate personnel to do a certain job, and someone is needed to assume the respon-

sibilities of the job immediately.

A second reason is that the person assigned to do the training may lack the skills and/or the motivation to teach the job adequately to the newcomer. No one in the group has as yet had the job training course mentioned in a previous section, and it shows in the methods used in training. In the case of a member of the group tendering his resignation, the job of teaching his job to his replacement usually falls to him. If the resignor is leaving the bank with any ill-feeling, he may be completely lacking in motivational aspects for the teaching of his job. Combine this with a deficiency in training skills and the trainee takes over his new tasks with only a foggy idea of what the job entails.

B) Recreational Ways:

Recreation is a minor point in the analysis of a business group, although recreation together as a group will seldom fail to have a good influence on group morale.

The recreational ways of the group do not vary significantly from the established mores or the norm of the total society in which they live.

Seven of the group are married (including all of the officers), three are engaged, and the remaining six are single, although all of them have girl friends or boy friends.

The married segments of the group, with the exception of the manager, tend to spend their leisure and recreation hours with their wives and children. Occasionally one of the married group will attend a party or social function given by one of the single group, but this is the exception rather than the rule.

The manager, from all indications, is the poorest family man of the group. He spends the biggest part of his leisure and recreational hours in his social club activities or is just "out with the boys".

The single and engaged members of the group fit easily into a social circle. Their family backgrounds and social experience (usually middle class proletariat) provides a common denominator, and their tastes in how leisure hours should be spent run along closely parallel planes. They hold frequent parties at one another's houses for cards or sewing combined with food and a tremendous amount of gossip. People outside the group (all with similar backgrounds) are often invited to these social functions, and easily fit into the group.

There are no special taboos set up within the group, special in that they are not found in the social taboos of the total society in which they live. All the group smoke, and all drink moderately although several are under age. Beer or red wine is usually served at these social functions.

The single members of the group very often have dates,

but not with another member of the group unless they are attending a bank function. The members of the group see each other every day under all conditions, and the ways of the group are such that something serious springing up between any two of them is fairly remote.

There is a bank club that encompasses the group with the district, and through districts the whole bank system. The total group joins partly through passive coercion, and partly through habit, although many of the group don't attend the club functions.

The club sponsors a series of dances, card parties, various athletic teams for the city tournaments, and an annual dinner party around Christmas time. The younger members of the group nearly always attend these functions, and usually remain as a group throughout the party. The social interaction with the other branch groups is friendly, but often a little stilted. The male members of the group support the teams sponsored by the club, and two of them even became stars on a very good soft ball team fielded this year.

The club, with the help of the bank, also publishes a very excellent house organ each month. Made up and printed at the head office, it is distributed through the mail free to every member of the bank's staff.

CHAPTER V -- SOCIAL CONTROL:

The term social control has been used in various
senses.   In a broad way every stimulus acts as a control
over the response.   But the response is controlled in
large part not alone by the stimulus but by the effects
of past experience (learned behavior, ideas, beliefs,
values) which come into play in any present situation.
As used here the term . . . . refers to those forms
of control which groups exercise over the behavior of
their members or which one group exercises over another.
In this usual sense, too, social control implies not
only groups, but somewhat stable and organized groups.[1]

Members of a group usually evaluate their social
ways as ideal (positive sanctions) or taboo (negative
sanctions).   These sanctions serve as the important
means of social control of the members.   The actual or
real ways of members vary from the "norms", there usually
being a range which is acceptable, but beyond this range
the actual ways are nonconformist.

An important ideal of the group is "to follow the
regulations laid down by the bank, and to perform the
daily work in such a manner that the branch continues to
expand, to retain their present customers, and to gain
new ones."

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1. Kimball Young, Source Book for Sociology (New
York: American Book Company, 1935), 527.

The "following of the regulations laid down by the bank" is included in this ideal for a specific reasons.

The branch is a member of a relatively large California branch banking system, long established, and holding the trust and confidence of its many customers. The branch must conform to the general policies laid down for the entire system, and must maintain the standard of operation expected of all the branches by the general public. The branch must do everything in its power to uphold the reputation of the bank, and the only way this may be effectively done is to conform to the regulations for the total group.

The branch group is located in a growing area, and to survive and prevent stagnation in its operation they must meet local and area competition and continue to expand. The work must be performed efficiently and the customer contacts must be cordial.

The bank does little in the publicity field other than some institutional advertising in the local newspapers, and on billboards, and inserts in the monthly statements. A bank's main advertising medium is "word of mouth", and this medium is effective only when there are satisfied customers.

The group-customer relationship then becomes all

important, and focuses logically upon the teller-
customer relationship, for the tellers contact nearly
every person who passes through the door of the bank.

The officers also have a customer relationship to
maintain, but it is a first impression of the branch
for the customer that is their main concern. The officers
contact customers who wish loans or who wish to open
new accounts. In many instances this contact is of a
singular nature in that the customer in opening his
account or getting his loan will talk with an officer
only once or twice. After this initial contact the
customers will do the majority of their business with
the group through the tellers.

The group's members who contact the customers
realize this ideal, and within the limits imposed by
the customers work toward it when ever possible. The
motivation behind this is simple in that they realize
if the branch expands and grows they should grow with
it, which means promotions and more pay.

The customers are the real drawback to most
efficient teller operation. As bank customers go they
are unique in their conduct with the bank. The large
majority live in the surrounding industrial district.
Most are meagerly educated, and they seem to know little
of the actual proper uses of banking services. The

symbol to them of a rise in social stature seems to be a savings account, and they open one at every opportunity, even though the amount may be under ten dollars. The life span of these savings accounts averages three months, and they cost the bank money. To discourage this the bank pays interest only on the lowest balance over fifty dollars on a six month interest period, and charges a dollar service charge if the account is closed in less than ninety days. This has cut down the turnover in savings accounts to some extent, but many of the customers don't seem to grasp the import of these restrictions and open the accounts anyway.

The banking manners of most of the branch's customers are atrocious. They never write out their own deposit slips or organize their transactions before stepping up to the teller windows. They bring in the most trivial types of business (water bills to be paid for example) on the busiest days, thereby forcing those who do have large deposits or important business at the bank to wait in line a longer period of time.

These nonconformist customers, of course, put a strain upon the tellers. A further strain is placed on the tellers because of the nondepartmentalization of the customer servicing sections of the branch. It is not unusual for a lady to arrive at a teller window

with her husband's pay check, a commercial deposit, a savings deposit, payments on her monthly payment loan and her house, a war bond she wants cashed, a water bill, a knitting bag, and a small child. Naturally with all these things dumped on the counter at once, the teller is hard pressed to keep all the transactions straight, to balance the items, and also to keep the youngster out of the ink well.

Actually the tellers adopt a rather reserved attitude toward most of these small customers, but they don't let it show unless they are really being pressed. The tellers must be extremely careful in handling many of what they think are small customers. It is impossible to tell from a person's dress, talk, or manners whether he is broke or has accounts running into thousands of dollars.

Within the group nearly all the customers are held in the highest contempt, but the tellers know that all the customers must be taken care of in an adequate manner to maintain the reputation of the bank.

The strongest taboo in the group is that of "dishonesty or theft from within or without the group". This is by far the most important sanction that effects the social ways of the group.

As in most sanctions in the general societal group, there is greater emphasis on the negative or thou shalt not than there is on the positive or thou shalt aspects.

The primary function of a branch bank is to receive, to hold, and to dispense money, and the branch operation is set up to do this in the safest and most expeditious manner. The group is always in contact with relatively large sums of cash and currency, and every penny of it must be accounted for at the end of each day's work.

There are numerous safeguards set up, a definite routine that must be followed in the handling of money, and much of the branch operation is centered around this one function.

A thorough investigation of each member of the group is conducted at the time of employment so that the bank has as much assurance as possible that the new employee is not dishonest. As a further insurance each employee is bonded by the bank.

The members respect and fear this taboo above all others. They are motivated in part by a desire to succeed at their work, and know that the one sure way to permanent failure is to be responsible for some considerable loss either through theft, or an error in a business transaction.

There are literally hundreds of ways a bank can be defrauded of its funds from the inside, from within the group, and all of them have been tried at least once. Most have failed, and failure means the facing of a federal offense.

Emotionally the members of the group have backgrounds
of the type that makes the thought of theft entirely
alien to them. They know their conscience would never again
give them peace of mind if they did attempt to abscond with
funds.

Actually a definite distaste amounting to all most
revulsion grows on those within the group who handle money
constantly. Large sums become commonplace to them, and
they treat it with care but indifference. All currency,
even the new issues, is extremely dirty, and because of this
the job of telling is grubby work.

It is a standing joke among the group that if one of
them is going to abscond it will have to be with an amount
with at least six large figures to the left of the decimal
point. During the period of observation a member of a
competing branch bank group located close by absconded with
about $5000.00. Some of the group knew him personally.
The general consensus of opinion was that he was foolish to
take so little if he was going to steal anyway. There was
a feeling of utter contempt for him; his prestige and status
with the group was wiped out, and the prestige of his bank
and the local group was materially lowered.

Theft from without the group is another danger, and
numerous precautionary measures are taken against it.

The days of the gang stick-up with masked bandits and
tommy-guns have given way to a more subtle type of robbery.

The hold up man merely pushes a note over to the teller demanding a sum of money and threatening to start tossing acid or a bomb around if his wishes are not complied with. This method has been used several times in the bay area in the past several years with some success, but there are definite hazards for the thief.

The total amount of currency and coin at any one teller window rarely goes over six to seven thousand dollars, and the total amount in the cash drawer is kept under five hundred dollars. The cash drawer is what the thief usually gets. There is also a silent alarm that can be easily tripped by the teller without the bandit's knowledge.

Tellers have been instructed to obey the hold up man in all respects (in order to protect the customers), to trip the silent alarm, note as many details as possible, and maintain the status quo until the police arrive.

The branch under consideration has never been held up due in part to the fear in the underworld of the Berkeley police, and to the probable slim return of even a successful robbery, but the group is relatively certain that they have been "cased" for a possible theft on several occasions.

A) Symbolization of Social Sanctions:

Because of the complexity of behavior and though embodied by these social sanctions, they usually become succinctly expressed in various forms of social symbols.

The various forms of social symbols may fall in any

of the following classes: verbal (language), gestural (or
expressive movement), imaged (physical), graphical, situa-
ational (staged presentations), musical, etc. Complex
patterns of these forms, such as the ritual, may also be
employed.

B) The Ideal Expressed as Social Symbols:

The ideal is much weaker than the taboo, a more in-
tangible sanction, a relative phrase or idea that will add
to the common good of the group. There is no sharp line of
demarcation as there is in the taboo. The group may approach
a point near the ideal, may actually reach the ideal, or
could fall far short of it, but in all cases the branch
would continue to function, possibly not as well as it would
if the ideal were truly striven for, but it would continue
to operate. Even if the ideal was in part discarded (as it
was during the war), it is conceivable that the group
would continue as such, even possibly at their present level.

The ideal may be violated or even ignored many times
with relatively little effect, while the taboo, if seriously
violated only once, can cause irreparable harm.

Because of the rather philosophical nature of the
ideal, the social symbols expressing it become less tangible,
harder to locate and specifically define than those signi-
fying the taboo.

The operations manual of the bank is probably the most
important tangible symbol signifying this ideal. The manual
sets forth in specific terms that if properly followed

should lead to the attainment and fulfillment of the
stated ideal. It acts as the bible for the group,
and is consulted as such, the final word on any disputed
problem or attitude.

The success or failure of this ideal will surely
depend upon the employee-customer relationship maintained
by the group, and this resolves down to the member
attitude toward the customer. This is a rather intangible
symbol, but attitude is always present in group-customer
relationship.

The actual attitude of the group, other than the
disinterested attitude discussed in a previous section,
is extremely important.

The group's attitude toward a single given customer
depends entirely upon how the customer treats the group.
Most of the daily depositors (the local merchants) treat
the group fairly, and are not overly demanding in their
transactions. It follows that the group will go out of
their way to help these customers, and the group attitude
is one of complete friendliness and cordiality. The
ranking favorite is the local catholic priest. The tellers
vie with one another to see who can wait upon him, and
during the time he is making his deposit nearly everyone
in the group finds some excuse to pass the window he is
standing in front of and exchange a few words with him.

But these favorite customers are in an actual minority

although they form the backbone of the branch's deposit group. Attitudes toward the remaining group of customers vary from complete indifference to actual dislike to the point where a teller will refuse to wait on a customer.

An attitude such as this is poor, for all customers should receive approximately the same treatment. Its two saving graces are that the customer usually does not realize the group's attitude and is thereby not effected by it, and a simulated attitude of this type provides an emotional release for the group to compensate for the dullness and sameness of the work. Dislike for the customers is the most obvious, the nearest, and the easiest emotional outlet for the group.

Actually the group's attitude may be entirely based on the premise of an emotional outlet. In the day to day operation, the members of the group are always neatly dressed and groomed in a manner in keeping with their type of work, and the customer gets an impression of an efficient and hard working group as he enters the door. In most instances the group attempts to make a good impression on the customer if given the chance. The group, then, does care to some extent about their work even though they may dislike it, and they do care about the bank they work for. While their attitude may be poor in part, it is never hateful or derogatory toward the bank.

C) The Taboo Expressed in Social Symbols:

As dishonesty and/or theft is the most important thing to be prevented within the group, the branch is filled with social symbols that point directly to this taboo. From the time a member of the group enters the door in the morning until walking out at night, every member of the group is surrounded by these symbols and is employing them in the days work. Through their constant use, and their ubiquity, the symbols come to be accepted as the norm, and though obeyed and respected, are largely ignored. No special interest is attached to any of them.

The first person reporting for work in the morning enters the branch alone and inspects the whole office for anything unusual (ritual). He then returns to the door and admits any of the others of the group that may be waiting to enter. The door remains locked (physical symbol) until ten A.M., and anyone wishing to enter before this time must knock and be admitted by an officer. The door is locked at three P.M. and the same ritual must be followed to enter or leave the building. Usually some gestural symbol is set up (such as waving an arm to show all well when a group member knocks). If the sign (ritual) is not given the person on the outside should enter under no conditions, but turn in an alarm.

The vaults are a physical symbol of this taboo. They

are tremendous pieces of heavy machinery, with completed time locks and double combinations. Only the officers of the group are entrusted with the combinations to these vaults, and two must be present if one is to be opened.

The vaults are supposedly burglar proof, and only a cursory examination is needed to show that at least it would be a discouraging job to attempt to crack one. Even if the safe cracker were to get through the foot thick main door, he would still have to force entry into eight smaller safes within the vault to get at all the cash.

Each of the tellers is assigned one of these smaller safes for his cash, and it is held there under double custody with the chief clerk for all the time the branch is not open to the public. The two remaining safes are for the vault reserve cash and negotiable securities, and are under what amounts to triple custody. Two officers and the note teller must be present to remove anything from these two vaults, and a complete signed record (graphical symbol) of the ingress and egress of the valuables is maintained.

When a teller wishes to set up his cash for the days work, he signifies this to the chief clerk and the two of them remove the teller's cash from his safe and set it at the teller's window. From that time until the close of the business day the cash is under single custody and the teller is solely responsible. He must take every precaution pos-

sible to see that no other person, either from without or within the group, has access to his cash.

From the customers place of standing no cash or currency except that used in the transaction should be visible. The currency is kept in a cash drawer to the right of the teller and below the counter. The coin used for change is kept in a change holder to the right of the window and out of sight, and the rolled coin is kept to the left of the window or below in a locked cupboard, but in any event out of the line of sight and out of reach of the customer.

If a teller leaves his window his cash drawer should be locked, and if the absence is to be protracted (lunch for example) all his coin and currency is locked in the cupboard below the cash drawer.

It is an unwritten law within the group that no other member of the group may touch a tellers cash unless the teller is right there watching, and it is much preferred that the teller handle the money himself. A teller is solely responsible for his cash and for balancing at the end of the day's work. He must do everything possible to protect himself.

At the end of the day's work the teller detail counts his cash and balances. The chief clerk then spot checks the cash and reviews the teller's cash book (graphical symbol) which both must sign. The cash is then returned

to double custody and placed in the teller's safe inside
the vault. The teller locks the key to his safe in his
cash drawer and retains that key on his person throughout
the night. The chief clerk locks his key in his desk and
retains his desk key on his person.

Located close to the teller is a silent alarm (physical
symbol) which may be easily set off should any emergency
occur. These alarms connect directly with the Berkeley
Police Department. Each morning a test alarm is run with
the police (ritual) by telephone to make sure the alarm
are in good working order.

Throughout the bank are street alarm and silent alarm
buttons that are not readily noticeable, but easily access-
able should the need arise.

As the operations manual is a symbol in some ways of
the ideal, it is also in part a symbol of the taboo (verbal).
Detailed instructions concerning actions during any emergency
are given, and specific procedure on double custody, vault
access and control, and methods to check and double check
against fraud or theft from within are laid down.

As a further precaution against fraud or theft from
without the group, notices (graphical symbol) of men
wanted, counterfeit money in local circulation and its
identifying marks, robberies of negotiable securities,
and warnings of the present operational techniques of local
"con men" are circulated through the bank by the federal

authorities, the local police, and the local better business bureau. Each member of the group is required to read and initial these notices, and if they are of special concern, such as details for identifying a counterfeit bill, to post a note of some sort in some noticeable place in their sphere of operation.

To complete this wall built up to protect the branch and the group from this taboo, the bank provides a yearly audit (ritual) of the branch.

The bank maintains a crew of traveling auditors who do nothing but go from branch to branch making sure that protectional devices or the symbols built up against this taboo are not being broken down or ignored. The branch group never knows exactly when the auditors are going to arrive, and great pains are taken to make sure that the auditors itinerary is kept a secret. The auditors themselves don't know their next job until the day before starting it. The element of surprise is very important in auditing. The auditors want to inspect the branch group in their normal operating conditions and not under conditions that have been especially prepared for their arrival.

Every procedure and routine that is concerned with receiving, handling, or disbursing funds, securities, or valuables (safe deposit procedure) is placed under the closest scrutiny. All work for the period between audits is reviewed and checked to see that procedure laid down in

the operations manual is being followed as closely as possible consistent with normal efficient branch operation.

Any breakdowns or exceptions to the normal required branch operations are duly noted, and discussed between the auditor in charge and the manager, and if not corrected during the audit are submitted with the audit report to the head auditor and the president of the bank. The manager of the group is given a copy of the audit report, and he must submit this to the president with his own explanations and comments to the exceptions noted.

D) Control Functions of Social Symbols:

Social symbols have various control functions:

(1) Channelling: in content they serve to channel the member's beliefs, attitudes, and actions in personal and group crisis situation, thus releasing tension through approved channels.

(2) Identifying: they serve to identify the member so that he can be discriminated from members of other groups.

(3) Indoctrinating: they provide an easy first step in indoctrinating new members of the group in the group's sanctions, and a simplified "primer" for continuous education of the members.

E) Channelling:

The social symbols enumerated under the ideal and taboo are constantly with the members of the group. From the time they rap on the door for entrance in the morning until they leave for home at night they are under the control of these symbols, they work with them, and they must abide by their mandates, especially those of the taboo. With

their constant nearness and use, the symbols come to be
accepted, become the norm for the time spent at work, and
with the complete acceptance of these symbols as the normal
thing comes a feeling of indifference or disinterestedness
that goes with all things that are not out of the ordinary.

Thus the group absorbs these symbolized sanctions
completely into their work, and their actions while in the
bank become governed by them to the point where it becomes
automatic. There is no question within the group as to the
necessity of the symbols or as to their adequateness. They
all realize that the symbols have been built up over a
long period of time, and that each symbol affords them as
much protection as possible from outside influences detri-
mental to the group, and even protection from themselves.

F) Identification:

None of the symbolized sanctions serve to identify any
of the members of the group when they are outside the bank
premises, but during business hours they become parts of
an integrated group of specialists, readily identifiable
not only from their surroundings, but from the way in which
they conduct their business transactions.

Bank premises are a standardized symbol that everyone
is familiar with. No other type of business establishment
would have the large lobby, the writing stand for making out
deposit slips, the separated teller windows for business
transactions, the huge vaults, and the singular trait found

nowhere but in banking of the officers, no matter what their rank, having their desks on a platform together instead of in separate offices. The manager of this group sits out with the other officers on an enclosed platform in full view of all the customers. This symbol holds true even for the president of the bank, although he does have a platform largely to himself.

Here is a symbolized sanction of banking in general that started with the money lenders in biblical times. To show that their business was honest and that there was nothing shady in their dealings with the people separate enclosures were never used. A money lending institution was one large room. In this way all the business was supposedly kept out in the open and under the surveillance of all. This custom has continued through the years to the point where it is nearly irrevocable. Even the newest most modern banks are still being designed with the officers placed on a platform segregated from the rest of the bank only by a low railing. This sanction has become so strong in banking that no board of directors would think of violating it. Bank customers have become so accustomed to it that most do not realize it is there. But if the sanction were violated it would certainly be noticed and commented upon.

Another symbolized sanction that serves to identify the group and separate them from other business groups is

the hours that the bank is open to the public. The term "banker's hours" is by now an overworked cliche. No other business institution serving the public as banks do is open to the people they serve for so short a time during the business day.

Unorthodox forces on both the east and west coasts are at present attempting to break down this long established sanction. It is too early to tell if their experiments in longer banking hours will be successful, but if enough customers take their accounts to these banks the other financial institutions will be forced to follow suit and instigate a standardized working day of nine to five on week days and nine to noon on Saturdays. But this transition is not a thing of the very near future. Banks are notoriously slow moving when a long established custom or sanction is to be permanently altered or abandoned.

G) Indoctrination:

To a new member of the group the various symbolized sanctions set up for the ideal and especially for the taboo may seem a trifly elaborate. The intricacies of all the symbols may take a little time to learn, but there is nothing difficult about them, and the slowest learner soon comes to know them and accept them as the norm. With the lengthening of his experience with the group, the new member comes to believe strongly in each of the symbols,

and realizes that they are there only for the good or
the protection of the whole group.

Education within the group toward the proper beliefs,
actions, and attitudes reaches a point of completeness
after a certain length of time, but the symbolized
sanctions do serve as a continuous reminder that the
taboo and the ideal are always there, and also serve to
keep the group's social ways in the proper channels.

CHAPTER VI – Implementation of Social Control:

Social control is usually implemented through one

of more of the following systems:

(1) An indoctrination system with three elements:

(a) A doctrine (written or understood) which
incorporates the social symbols.
(b) Indoctrinating personnel.
(c) Techniques of indoctrination employing
the available technological communication
media and using the contents and forms
"tailored" to the cultural ways of the group.

(2) A reward-punishment system which is the system
by which the various social, economic and
other privileges and duties available to the
whole group are distributed unequally to the
individual members.

Rewards usually consist of the more desired privileges

and duties granted members showing attitudes, beliefs and

actions more closely approximating the ideals of the group.

Punishment usually consists of withdrawal of certain

privileges and duties, or granting of those desired less

because of attitudes, beliefs and actions approximating

taboos of the group. Punishment may also consist of

ridicule, ostracism, banishment or death. The punishment

of death is not particularly applicable to the present

group, but in the total society there are many taboos

which, if violated, could lead to the death of the violator.

(3) An implementer system, consisting of members
who exercise policy, executive, and judging
functions governing the operations of the
indoctrination system and the reward-
punishment system. The hierarchy of
implementers is often called the power of
leadership hierarchy of the group.

A) <u>Indoctrination System</u>:

When a new employee is introduced to the bank and thence to the group, he comes immediately under a social control that is somewhat differentiated from that of the total society, or of other business groups. He must learn to recognize and govern his actions and attitudes by the symbolized sanctions of these social controls.

There is no actual doctrine written expressly for the new employee. The operations manual contains the doctrine of the bank in great detail, but it is much to bulky and minute in its examination of the subject to be of much help to the new worker. A reading of the manual with no other background in banking would lead more to confusion than clarification or greater knowledge.

Though it has often been discussed, and even on one occasion worked up to the point of printing, there has never been printed a book or manual which expressly sets down the doctrine of the bank for the new employee. This is a definite lack of social control implementers. Without a manual of this type the new employee must pick up largely through a verbal inter-change of ideas what amounts to a complicated doctrine of social control.

The deficiencies in this method are obvious. Wouldn't the new employee be able to do much better work from the very beginning if he had a comprehensive idea of the doctrine and its background? The interchange of ideas among the

group on a subject as important as this may tend to be vague. As an idea or concept is passed from one person to another within the group each may add his own little twist and reexpress it in a slightly different manner that may change the whole meaning or interpretation.

B) Indoctrinating Personnel:

Many people outside the group have a part in the indoctrination of new members to the group.

A person from Berkeley may apply for a job at the head office in San Francisco. His contact with indoctrinating personnel and the bank's doctrine begins immediately even though he is not yet employed. In the process of being hired the applicant may be interviewed by as many as ten people, many of whom are the top executive level of the bank. Each interview imparts to the prospective employee some new segments of information and doctrine under which the bank operates and the members live.

After hiring the new employee's indoctrination may continue in the bank's training school, where a more formal, but still verbal presentation of the doctrine is made; or he may be sent straight to his new branch where the doctrine is transmitted to him from any of the members of group in which he comes in contact. Thus indoctrinating personnel are spread throughout the group, and nearly every member may take part in indoctrinating a new member.

C) <u>Techniques</u>:

The techniques used in the indoctrination of personnel have largely been included in the above discussions. The doctrine under which the group lives must be thoroughly known and understood by all members for most efficient operation.

When a new member is introduced to the group there begins a period of explanation by the group, and a period of observation and learning by the new member. In most instances the new member is unofficially taken "under the wing" of an all ready established member of the group, and the doctrine is gradually and informally explained to him along with his new tasks and responsibilities.

D) <u>Reward-Punishment System</u>:

An indefinite reward-punishment system is set up for the bank that extends within the group. But the system is there, and the group can always feel its presence. The system per se does not differ in its main aspects from the reward-punishment systems used by other business groups.

Rewards in a material sense are wage increases and promotions to the more desired positions of the group. Praise or commendation is often given for minor advances in ability and efficiency, and this forms an important part of the reward system, for without praise and recognition or accomplishment, a person easily becomes discouraged and soon ceases to try and do better.

The reward-punishment system is indefinite in that there is no standardized reward or punishment for a given action. A promotion for increased ability or efficiency may be months in coming depending upon the openings within the group or throughout the bank's system.

Rewards may also take an entirely opposite line from a promotion in that they may consist of movement within the group on a horizontal level, from a job done under normal conditions to one that operates under trying conditions. This new task is usually one of increased responsibility on the theory that one who does work meriting some reward is capable of doing the harder job more expertly and more faithfully than the others. This without some other form of reward such as a wage increase or a promised vertical reward amounts to a pseudo-reward, and the good worker or the fast worker must work all the harder, taking up the slack left by the more inefficient members of the group.

Punishment for the attitudes, beliefs, and actions of members of the group approximating the taboos of the group are even more indefinite than the rewards, excepting of course the punishment for the violation of the honesty taboo which means a usual instant dismissal (banishment) if not something more severe.

Punishment in other instances of taboo violation on the part of the members of the group results in the use of one or a combination of three things:

(1) Withdrawal of the privileges and duties of a responsible job and a transfer to a less responsible and usually less desirable job within the group.

(2) A lecture and discussion between the guilty member and an officer (usually the assistant manager) concerning attitudes and action, and what can be done to remedy the situation and prevent a further taboo violation. If the violation is serious enough district officers may be brought in to investigate the violation and to advise and suggest a remedy.

(3) Ridicule and semi-ostracism by the members of the group. This type of punishment is seen when a member has violated or approached violation of a taboo that is not of sufficient import to affect the bank, but does affect the group. These taboos are usually not serious enough to warrant a major punishment (1 and/or 2), but they are important to the group, and they react in the only ways open to them (sarcasm, ridicule, and semi-ostracism) when a violation occurs.

An example of a more serious taboo violation was shown when the cashkeeper was short one hundred dollars in his daily work two nights in a row, not through dishonesty, but because of errors and/or negligence. The officers immediately took the cashkeeper off his window, and there were long discussions as to what was to be done. The district personnel and operations officer was called in to investigate. The cashkeeper was put back on his window temporarily, but things can never be the same for him. His prestige within the group received a severe setback, and his losses went on his permanent record which will affect his promotion and wage increases for years to come.

Slacking on a group task is an example of the less
important taboo violation. With the operational leadership,
(the responsibility of the chief clerk), what it is, little
is done when a member doesn't do his part in a group task
(such as setting up and mailing the monthly statements).
Punishment and remedy is left up to the group, and in
most cases proves very effective. Few people are able to
stand up under ridicule or semi-ostracism with the ensuing
loss of prestige from a group to which they wish to belong
as well as they can stand up under a more formal punishment
in which there is often an element of martyrdom and no loss
of prestige from within the group.

E) <u>Social Control Implementers</u>:

Within the total branch group there are two segments
of social control implementers which fall easily into
formal and informal catagories.

Formal implementers are the officers of the group.
They are formally charged by the bank with the respon-
sibilities of leadership of the group, the guiding of
the group in their operations, and the molding of their
actions, attitudes, and beliefs to the point that an
efficient, cohesive branch group is attained and maintained.

These four men are entrusted with the immediate
power of leadership within the group, and their pay is
of course greater than that of the rest of the group,
partly because of this added responsibility.

The leadership hierarchy is graduated into three local levels with the for manager and chief clerk ranking on about the same level, the assistant manager above them, and the manager above them all. As it should be the implementer system is such that as many of the problems of the group that refer to the policy, executive, and judging functions are handled on the third level under the supervision of the assistant manager. Only the exceptions, the problems that cannot be solved at the lower levels are passed up to the manager.

Above the formal local leadership hierarchy lies the implementer systems of the district and of the bank's system (at Head Office, San Francisco). These levels of the implementer system are primarily advisory, and are only concerned with the problems that are of such complexity and magnitude that they cannot be solved at the local level.

The informal social control implementers are the non-ranked members of the group who through sheer leadership ability or because of prestige within the group have a large amount of influence on group attitudes, actions, and beliefs. In this group the senior teller (discussed in a previous section) holds this position. She wields a tremendous influence within the group, and the members nearly always look to her for advice or attitudes on a problem before consulting an officer.

F) Conformity:

Because of the complex hereditary and environmental factors that determine individual differences in body structure and function, members vary in the degree to which they can adapt to the standards of social control. Non-conformist thought and action beyond the range of the acceptable is handled by the group through systems of implementing social control.

It has been shown in previous sections that members of the group may vary over a considerable range in their beliefs, attitudes, and actions toward the ideal of "following the regulations of the bank and performing the daily work in such a manner that the branch continues to expand, to retain their present customers and to gain new ones", and still lie within the range of conformity set down by the bank. There is also a range of conformity toward this ideal laid down by the group itself primarily for its own benefit, a much smaller range than that acceptable to the bank.

In normal day to day operation the group is primarily concerned with its own welfare and secondarily with that of the bank. Nonconformist actions toward this ideal by a member affects the group first and then the bank, thus causing their range of actions tending toward nonconformity to narrow.

When ever possible nonconformist actions of a member are handled by other than the officers through ridicule,

sarcasm, and semi-ostracism. If, for example, a member
is slacking on his job and forcing the other members of
the group to do extra tasks to get the daily work out,
censure for the offending member is meted by the parts
of the group having to do the extra work through attitude
and remarks passed while doing the work. Sarcasm and
ridicule can be deadly if aimed in the proper direction.
Occasionally, if the nonconformist's actions are serious
enough, tempers flare and semi-ostracism is used, but
this is always a temporary measure. There may be
fights between members of the group, and enduring hates
may arise, but all members continue working together,
for they must or leave the group.

If the nonconformist continues his offending actions,
even after the group attempts a correction, the problem
eventually gets to the officers either by a member of
the group telling an officer the problem and requesting
aid, or by an officer realizing that the problem exists
and attempting correction without pressure from the group.

CHAPTER VII -- Social Structure: Organization, Status, Prestige,
Factions, Mobility:

A) Social Structure and Organization:

The unequal (or dissimilar) distribution of privileges
and duties to different persons or groups defines a social
structure (social hierarchy). Each place in this structure
is called a social status. These statuses of persons or
groups may be ranked or non-ranked. Each status has its
own privileges and duties, ways, and symbols, the complex
of which is termed its social role.

The organizational chart on the following page shows
the hierarchal structure of the group within the branch.
The branch is a vertical line organization with fairly well
defined steps up. There are no staff personnel within the
group.

The total group may be easily broken down on this
chart into three primary sub-groups: (a) the officers,
(b) the tellers, (3) the bookkeepers, with several members
of the group having special status with membership in none
of these primary groups or more than one of them.

The problems that engage the various sub-group levels
differ from each other and yet are interrelated. No sub-
group working alone could complete the days work. Each must
interact with the others to the point that the sub-groups
plus the fringe members operate as a complete cohesive group.

ORGANIZATION CHART
SMALL BRANCH BANK

MANAGER
— ASSISTANT MANAGER
— SECRETARY

CHIEF CLERK
— FOR MANAGER
— NOTE TELLER

BOOKKEEPERS
— COMMERCIAL BOOK-KEEPER
— CHECKER
— SPECIAL CHECKING BOOKKEEPER
— ASSISTANT BOOKKEEPER

TELLERS
— NCR OPERATOR
— SAFE DEPOSIT
— COMMERCIAL & SAVINGS TELLERS
— CASH-KEEPER
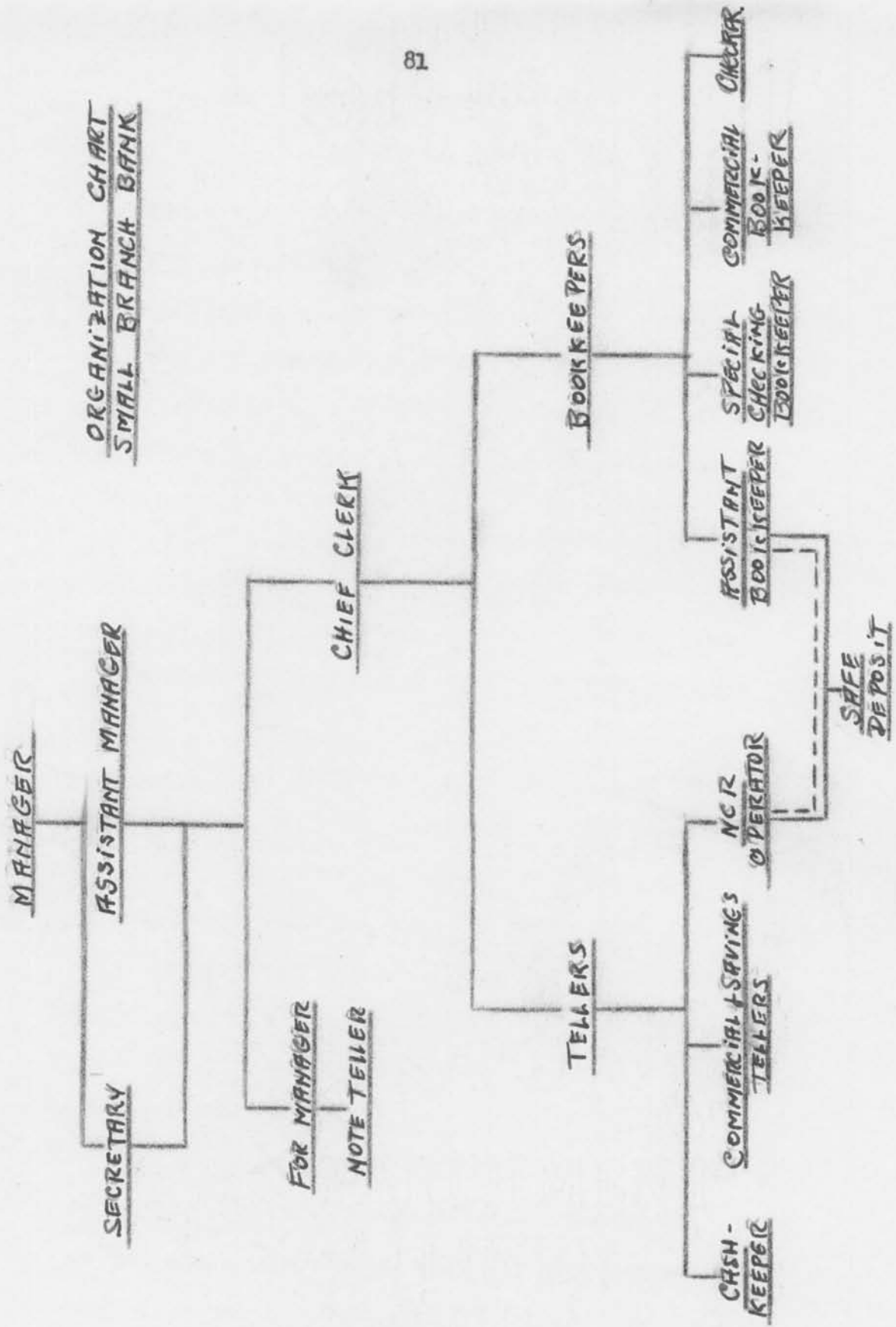
The management level (manager and assistant manager) are primarily concerned with:

(1) Branch-customer relationships.

(2) Inter-branch relationships.

(3) The making of loans and the opening of new accounts.

(4) The general problems of group operation (morale, policy, logistics, training, etc.)

These are the jobs of the total group that encompass the widest horizons and have the greater responsibilities. Daily the officers must make decisions that may involve thousands of dollars, or may effect the group for long periods.

The for manager and the chief clerk are ranked as officers in the social hierarchy, but do not have the prestige or status of the upper executive level. The for manager gives aid both above and below his own level in that he helps the assistant manager in the processing of loans and the opening of new accounts, and he also directs and helps the note teller with his work when the volume becomes to great for one man.

The chief clerk is directly in charge of the operating groups of the branch. He organizes and directs the telling and bookkeeping sub-groups, and if the occasion arises may even help with their work. He helps balance the bank at the end of the day, and supervises the general ledger and savings ledger operation. His job, if done correctly, is

the most varied of the group from the sheer number of
tasks he directs or is required to do, and is in many ways
the hardest and most trying. The chief clerk should be
the trouble shooter for the operational sub-groups, with
the ability to solve all problems the remaining lower levels
of the group are unable to cope with.

The teller operation is normally not to difficult.
Essentially their problems are to wait upon all the customers
in an efficient and adequate manner, to accept and dispense
their routine day to day transactions, and to balance their
cash and transactions at the close of the business day.
Most of the tellers have secondary jobs: one acts as cash-
keeper and general ledger operator, in charge of the vault
cash reserve and the supplying of cash reserves to the
tellers. The general ledger is run at the close of each
business day to balance the bank. All debits and credits
that have passed through the days work are balanced against
each other, and the status of the branch's various accounts
is recorded on the daily statement. Two other tellers run
the savings ledger, which includes the running of the
savings control ledgers, the "back and forth" (a check of
the total deposits and withdrawals against the general
ledger balance), and the posting of the deposits and with-
drawals to the savings ledger cards. Another teller handles
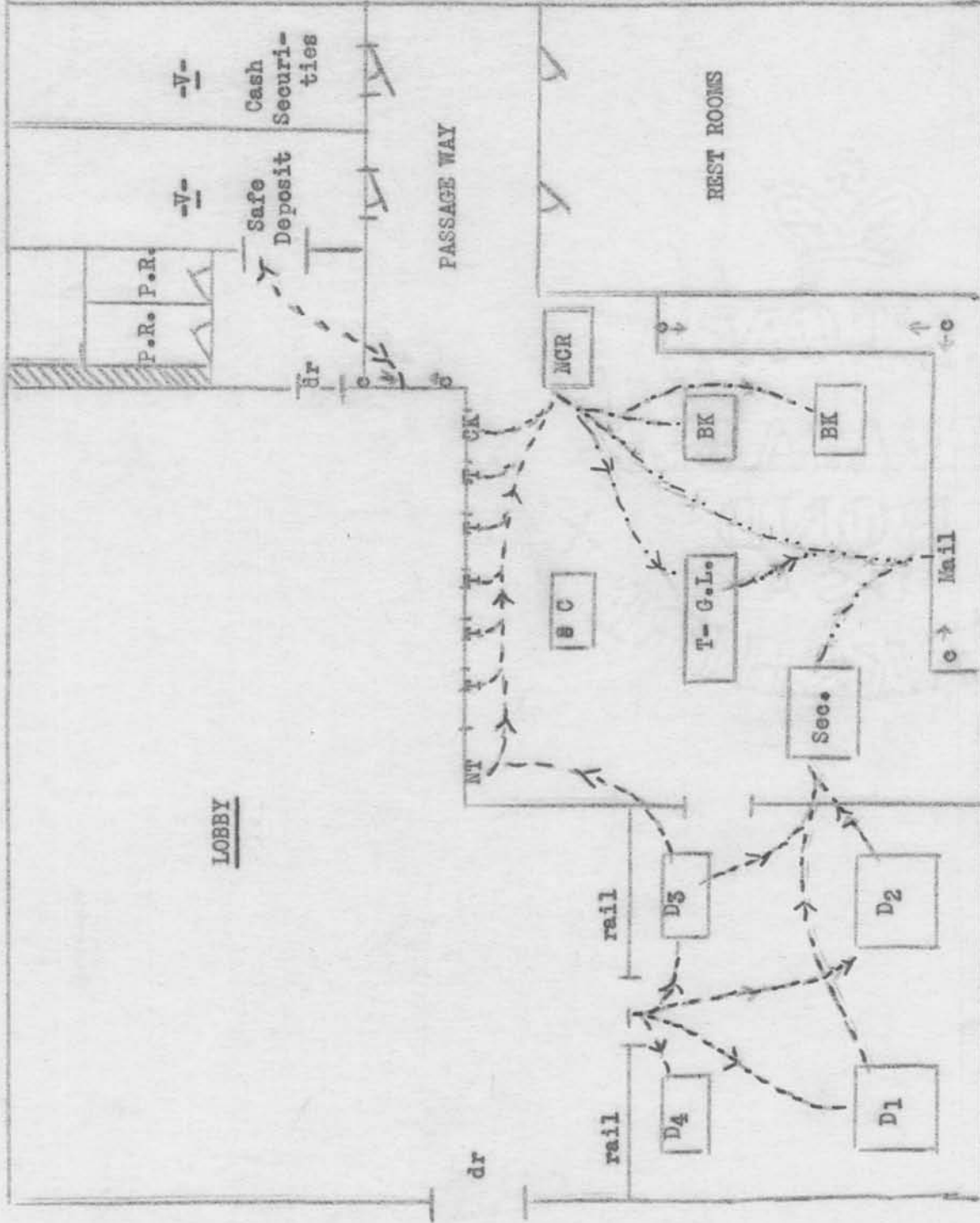the inter-branch letters. During the business day deposits

or loan payments may come in over the counter that are for another branch office. At the end of the day these inter-branch items are gathered together, recordaked (pictured), balanced, and sent out through the mail in debit or credit letters.

The bookkeepers are charged with the posting and balancing daily of the branch's commercial and special checking accounts. A single posting system with an adding machine check run by a second person was installed only a short time ago. This simplified, supposedly infallible, book-keeping method (as compared to the old double posting system) combined with the new machines has about doubled the daily volume output without putting any pressure upon the bookkeeper.

The layout and work flow chart on the next page shows the branch as it is set up for daily operation, and how the work of the various sub-groups flow from one level to another. The NCR operator is obviously the focal point for smooth work flow. A detailed analysis of her social role within the group will be given in a later section.

The secretary of the group occupies a peculiar position in the social structure in that she is not a permanent member of any of the main sub-groups. She is charged with answering the telephone, and handling the written parts of the branch's officers work (the correspondence, typing of loan papers, preparing credit reports, etc). She works

BRANCH LAYOUT AND WORK FLOW

85

LEGEND

incoming work	= = =
interbranch work	— · — · —
innerbranch work	— · · — · · —
door	dr
manager	D_1
assit. mgr.	D_2
for mgr.	D_3
chief clerk	D_4
secretary	Sec
vault	V
teller	T
note teller	NT
cashkeeper	CK
private room	P.R.
signature card wagon	S.C.
general ledger	G.L.
bookkeeper	BK
sorting machine	NCR

LOBBY

PASSAGE WAY

REST ROOMS

Cash Securities

Safe Deposit

P.R. P.R.

dr

NCR

BK

BK

B C

T— G.L.

Sec.

Mail

D5

D2

D4

D1

rail

rail

rail

NT

dr

stairs to basement

closely with the management level and prefers to identify
herself with that group, but she is not actually nor can
she ever be a member, and the officers do not look upon her
as such. The remaining members of the group associate
her with the officers, and although they treat her normally
it is with a certain deference. She occupies a status level
somewhat above the lower structural levels of the group,
and below those of the officers.

The safe deposit sub-group is formed of members of
two groups in that the duties of waiting upon the customers
and keeping the detailed safe deposit records in order are
handled by an assistant bookkeeper (whose bookkeeping duties
are usually light) and the NCR operator. These two form
their own small sub-group, and yet belong to their own sub-
groups.

B) Social Organization: The manner in which persons in diff-
erent statuses functionally interact in performing the
group's overall function is termed the social organization.
This interaction is described by who initiates actions,
attitudes, and beliefs to others, and who responds to what
initiators. This formal or informal "chain of command"
is usually associated with the power of leadership hierarchy
consisting of the implementers of social control and with
the hierarchy of social prestige attached to the different
statuses. The power hierarchy may be autocratic or demo-
cratic, or a complex of these two systems.

Social organization within the group is established on the same lines as shown on the organization chart, with the power hierarchy situated at the top officer level. The chain of command is definite both from top to bottom and from bottom to top, but the former is more rigidly adhered to than the latter.

Every notice, order or command that effects the group, both from within and without the group, passes over the assistant manager's desk and under his scrutiny. He acts as a relay for the manager's orders, and screens the incoming mail that is to be passed on to the group for action. The chain of command from the manager or assistant manager through the chief clerk to the operational levels, or through the for manager to the note teller is formal, but not inflexible, in that orders or instructions may be given by the assistant manager directly to the operation sub-groups or the note teller, but the for manager and the chief clerk are always advised of this.

The chain of command from the bottom to the top is just as definite, but it is not adhered to as rigidly as from top to bottom, and under the existing conditions it can't be.

Following the lines on the organizational chart, the chief clerk is the primary link between the operational levels and the officer level. From long experience the

operational sub-groups have come to realize that taking
a problem to the chief clerk is largely a waste of time
in that nothing will usually be done to solve it. To
remedy this their usually procedure with an operations or
personnel problem is to take it to the senior teller. If
no solution is found there the problem is taken directly
to the assistant manager. If the senior teller believes
the problem important enough she will take it directly
to the manager, thereby jumping two steps in the chain.
This is a big jump for even an informal chain of command
and definitely indicates a weak link.

When a sub-group or a group member is forced to take
problems over the head of immediate superiors to get any
sort of action toward solution, the chain of command starts
to disintegrate. Within the group the following results of
this disintegration may be noted:

(1) The chief clerk suffers lost prestige in the eyes
of both the operational sub-groups and the officers.

(2) The assistant manager has an extra burden added to
his all ready heavy work by having to consider
many problems that could have been solved on a
lower level.

(3) A definite lowering in the operational sub-group
morale from the knowledge that there was no one
to whom they could rightfully turn to with problems
without breaking a minor taboo of the group.

(4) The group's loss of confidence in their immediate
supervisor caused a partial breakdown in group
discipline in that they tended to have less respect
and even ignore the authority of the chief clerk.

The power hierarchy of the group is a combination of autocratic and democratic methods, primarily autocratic, but with appeal possible. The manager within a branch is solely responsible for the operation of his branch and the actions of his work force. His authority is complete within the group, confined only by the wide limits of what is acceptableto the bank, and how far he can restrict the group before the members will start to resign. Members of the group have the right of appeal, and they may discuss any order or directions, and even question them. But orders, once the final decision is made, are usually obeyed in a cooperative manner.

C) Social Status and Prestige:

Status ways and status symbols: The persons in a given status are usually selected with some degree of homogeneity, and hence they develop special social ways and social control. The social ways and symbols of a given status, called its status ways and status symbols, are governed by the same consideration developed under the chapters on social ways and social control.

Each sub-group within the branch group, and the two "fringe" members, through the homogeneity of their duties develop status ways and status symbols peculiar in part to their own status and their own part of the work. These status ways and symbols are either not as

apparent or just not noticed by outside groups to the extent of the social symbols of the entire group.

The officers have developed more status symbols and status ways than any of the other sub-groups. Each of these symbols and ways are peculiar to the officer group alone. They are located apart from the rest of the group on an enclosed platform, there is a rug on the floor, and each has his own desk with nameplate and a telephone. Each officer has a key to the branch, and among them they have the combinations to both vaults. They may sign checks, money orders, and drafts for the bank, and they may sign correspondence under the bank's letterheads.[1]   The manager arrives each morning at 9:30, and leaves promptly at 3:00 in the afternoon, a status way not permitted any other member of the group. The officers also have a secretary to handle their correspondence and much of their detail work. She does no work for other members of the group.

The secretary, holding a special position in the group's social organization, also has her own status ways and symbols. She has her own desk and telephone, and she may follow the actions of the officers in many of her ways. While she arrives for work

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1. A further breakdown in status ways and symbols among the officers is shown in the signing of checks and drafts. The manager and assistant manager may sign cashiers checks and drafts for an unlimited amount, while the for manager and chief clerk are limited to signing amounts under one thousand dollars.

at 8:45 in the morning with the rest of the group, she may leave in the evening whenever her work is done, and as most of the officer's executive work is finished by three in the afternoon, she is often able to leave the office thirty minutes or so before the rest of the group is finished. The group associates her with the officers and allows her this status way. There is often a feeling of envy in the group when she leaves, but it is never hate or condemnation.

The tellers as a sub-group have the fewest tangible status symbols and ways of any of the status levels of the group, for they are the least homogenious of the sub-groups in that each tellers operation is independent of the other teller's operation. They are a group of unrelated people doing the same type of work, each operating as a separate unit, and not dependent upon each other's operation as the bookkeepers are. But there are ways and symbols peculiar to their status.

Each teller has a nameplate on the counter beside his window, placing them in the same status type as the officers in this respect, and each has his own cash stamp that no one [1] else may touch.

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1. The cash stamp is a numbered rubber stamp used to identify the teller. Each debit that comes over the counter is stamped by the teller to facilitate the tracing of the transaction if that becomes necessary. The cash stamp is locked in the cash drawer at night.

The teller's cash book, in which a detailed count
of his daily cash is kept, is peculiar to his status
as are the change machines and other paraphernalia
used in handling cash.

The status ways peculiar to this sub-group are
negative in that the tellers may not smoke or sit
down when on duty, they may have only thrity minutes
for lunch on heavy days instead of the usual forty-
five allowed the rest of the group, and the female
tellers don't take the two relief periods allowed
the remaining women of the group by the branch because
of the volume of their work.   If the women tellers in-
sisted on taking their relief periods, the branch
would be forced to allow it (to conform with the
California labor code), but conditions in this group
are such that the women don't insist.

The bookkeepers status symbols are their posting
machines, their adding machines, the carts that hold the
account ledger cards, and the desks that hold the filed
checks.   These pieces of equipment are used only by the
bookkeepers, and are closely associated with them. No one
else in the group may touch a bookkeeping machine without
permission of the operator as there might be a figure in
the machine.   This is an unwritten, but thoroughly
understood, taboo of the group.

The bookkeepers social ways include sitting down

while they work, which associates them with the officers
and the secretary, and they may always take a full
forty-five minutes for lunch, and the twice daily relief
allowed the women by the bank.

D) Social Prestige:

Prestige and status are different phases of the same phenomenon. Prestige is accorded; status is received. Prestige is a relative matter in which one person is compared with others. It has leadership value.

The sources of prestige are several:

(1) There is prestige rising from present position, rank, office, insignia.

(2) Good fortune is another source of prestige. Inheritance of wealth gives prestige in any country where money is rated high.

(3) Past success gives current prestige.

(4) An excellent basis for prestige is current achievement.

(5) A person's prestige is based in part on his own attitudes. If he acts in good faith, prestige awaits him. If he achieves notably, but remains modest, his prestige rises.[1]

Persons in a given status possess a degree of prestige depending upon how they and other persons or groups who interact with them evaluate its role (i.e. the privileges and duties associated with the status). Prestige of a status is usually valued according to its position in the

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1. Emory S. Bogardus, Fundamentals of Social Psychology (3rd ed.; New York: D. Appleton-Century Company, Inc., 1942), 108-11.

leadership hierarchy, and is usually indicated by the
amount of striving for or response to the status.
The person's own evaluation of his status-prestige in
a given group is usually indicated by his readiness
to exhibit or surpress its status ways and symbols.

The officers, as a sub-group, possess the higher
prestige both from within and without the group,
for they are the leadership hierarchy, and they hold
the more responsible jobs. All the males in the group
are constantly striving toward one of their officerial
positions.

Within the group of officers, prestige differs
greatly in the eyes of the group, not because of the
position, but because of the person filling it. The
manager has the highest prestige, with the assistant
manager a close second. Both of these positions are
powerful positions within the branch group, and the men
filling them are capable and respected by most of
the members of the group.

There is a large break in prestige between the
position of assistant manager and those of for manager
and chief clerk, who have about equal rank. The for manager

of the group is essentially a trainee for a higher officer position, a helper and assistant to the other officers with some amount of responsibility and little authority. He was formerly a member of the operational sub-groups, and his transition to officer level is not complete in the eyes of the group, and his prestige remains fairly low within the group.

The chief clerk, at the bottom of what might be called the officer prestige scale, is a job that should occupy a position of the highest prestige within the group. This lack of prestige is the sole responsibility of the man holding the job, and not of the position or because of the other officers. The chief clerk's actions alone have caused this loss, with the resultant decrease in his authority, the group's questioning his ability and his decisions, and the partial breakdown in group discipline which causes a lowering of efficiency and group morale.

The secretary, because of her close association with the officers and the special status ways and symbols of her job, ranks in prestige above the remaining operational segments of the group. She can never attain true officer status, but she is closer to than any of the others, and several of the women in the group would like to have her job because of this nearness to the executive level.

The bookkeepers and the tellers together as sub-

groups rank about the same in status and prestige, with the tellers having a slight edge because of their customer contact and their increased responsibility because of handling money.

Within banking, telling is looked upon as a man's job and bookkeeping as a woman's. When the teller line is all male and the bookkeepers all female they rate equally in status and prestige. But if a man should become a bookkeeper his prestige and status immediately drops in the eyes of the group. In a like manner if a woman should become a teller it is viewed as a promotion and her status and prestige increases accordingly, especially in the eyes of the bookkeeping sub-group.

Within the telling and bookkeeping sub-groups there are certain positions that have a special prestige. The note teller has a slightly increased status and prestige because his job is more varied, a little more complicated than commercial telling, and the job is viewed by the group as the first step upward toward an officerial position. The head bookkeeper is another example of a small step up in status and prestige. Within the group she has no special status ways or symbols that set her apart from the other bookkeepers, and in fact she has to work harder than the others, but the bookkeepers look to her as their immediate leader, and look to her to organize the daily work, to direct them in their daily routine

operation, and seek her out first with problems concerning the work. Members of the sub-groups aspire toward both their jobs as the necessary step up to separate them from the rest, to elevate them from the rest of the group.

The senior teller occupies a status and prestige within the total group that is nearly as high as that of the manager's, again not because of her position in the branch, but because of what she is to the group—the actual symbol of leadership. Through her long experience with the bank and her realistic attitude toward the work and the people who compose the group, she acts as an outlet for the tensions that arise within the rest of the group, a "father confessor" for all, and the person to see for the most direct and realistic solution of most problems. She is the true leader within the group.

No one in the group is ashamed of his job or his prestige within the group to the point that he attempts to suppress the status ways and symbols of his sub-group. On the other hand their evaluation of their status-prestige doesn't reach the point where the status ways and symbols are exhibited or flaunted. Actually the members of the group don't look upon the things peculiar to their group as status ways or symbols.

They accept them as completely normal for each position, and would think it odd of the status ways and symbols were not present.

E) <u>Multiple</u> <u>Status</u> <u>and</u> <u>Prestige</u>:

<u>Prestige Profile</u>: In a complex society with mul-
tiple groups each person in a given group is usually
a member of a number of groups. In each group he will
usually possess status and prestige, as well as the
general status and prestige of each group within the
whole societal frame. Such a person thus will usually
possess multiple statuses and prestiges the pattern of
which may be termed his status-prestige profile. The
character of this profile is an important determiner
of a person's social integration (e.g. degree of
conflict), and of the nature of his interaction with
others.

The NCR operator has the most clearly defined
multiple-prestige profile of any member of the group
in that her work is closely connected with all levels
of the operational sub-groups, and she identifies
herself with all the sub-groups, yet she is not a true
member of any of them. She is a group by herself be-
longing to the other sub-groups.

Her job, the sorting and routing of the tellers
batch work and the debits and credits that pass through
the days work, is the highest skilled, from a technical
standpoint, of any in the group. It is also the most
arduous in that she handles an average of four thousand
items a day. A good NCR operator must have stamina, an

alert mind, and patience, as the job is fundamentally routine in that the same operation is repeated over and over again with a usual heavy daily volume of work. She is able, with her present skills, to perform her work without devoting her whole attention to it. as the operation of the machine has become almost a reflex action with her. This is the type of situation that leads directly to monotony.[1]

Without the group, the NCR operator possesses the status and prestige enjoyed by the group in the whole societal frame. The family and social environment are a definite aid to her in this work. She is from a family of the working class, of Mexican descent, in complete accord with the union movement, and she brings these attitudes and ways from her family into her work. She is familiar with the type of customer that frequents the bank, his likes and dislikes, his ways and background, for she is part of the same group. She is well liked by the customers, and the officers realized this when they put her on part of the safe deposit work, thus giving her a chance to make customer contacts.

There are members of the various sub-groups who

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1. Ghiselli and Brown, op. cit., ch. 10 gives an exhaustive treatment to monotony and its effects on the worker.

will not admit to her status and prestige within the
group. She is at odds with two of the tellers (one
male, the other female) and they think and speak of
each other in only derogatory terms. They work to-
gether but not with complete harmony. The "feuds",
if one may call them that are of long standing, and
at times bitter. It is hard to say how these acrimonious
relations began, but the whole group knows of them and
accepts them as a normal thing. She is also on rather
bitter terms with one of the bookkeepers, but for a
slightly different reason. This bookkeeper is notor-
ious for her ability to get out of excess work and
procrastinate in her daily routine to the point that
other members of the group have to help her at the
end of the day to get her work done. The NCR operator,
being an exbookkeeper, and also the one who has to do
this extra work at the end of the day, is continually
trying to hurry her to complete her work, and the book-
keeper resents this "pushing" from such a relatively
low link in the chain of command or the power hierarchy.
The other members of the group back up the NCR operator
in this matter, and even add their own weight to get the
bookkeeper to work faster. Resentment is directed toward
the NCR operator because she is the closest to the prob-
lem, and she is also loudest in her urgings for more work
and less playing around.

F) Factions:

Within a given group interacting with other groups, factions may arise. A faction consists of a sub-group of persons who are identified with each other because of a common or similar membership, status or prestige in one or more outside tangent groups.

Within the group four factions may be found, although two of them may not be classed as true factions, cliques rather, because there is no common or similar membership, status or prestige in an outside tangent group, and one which may be said to have no effect on the operation of the branch.

By far the most powerful faction (or clique) in the group is the one composed of the assistant manager, the for manager, and the note teller. This faction grew from the realization by the for manager and the note teller before they had their present jobs that the assistant manager could do a great deal for them if they cultivated him. Both actively sought his friendship, both within the branch and socially on the outside, and between them built up a working arrangement which is very strong. These three men actually run the branch subject to the manager's decisions regarding policy. They influence each other's ideas, and form a fairly smooth working team, often at the expense of some other part of the group. The rest of

the group realizes this faction exists, and knows the power it has. This realization is shown when the remaining factions of the group are taken under analysis. They are made up in part to combat and counteract this one power faction.

Two other factions formed primarily to counteract the power faction are (1) the manager and the senior teller, and (2) the senior teller and the NCR operator. These are true factions in that the members hold places in common outside tangent groups. The manager and the senior teller live in the same neighborhood and ride to and from work with one another. Their association has been long and friendly from both a business and social standpoint. The NCR operator and the senior teller have been social companions for several years. They think along the same lines, like the same things, and respect each other's working abilities.

If pressure against the power faction seems necessary it usually starts from the NCR operator-senior teller faction and then proceeds to the manager-senior teller faction. The senior teller is the hub of these two factions, and the leader in the one with the NCR operator. She refuses to recognize any of the power faction's prerogatives, and because of her seniority, status and prestige within the group, and her faction status, she

can say so with relative impunity. The NCR operator
is not in this position, but she is in some ways
indispensable to the group, and she can back up the
senior teller in all her actions against the power
faction. The manager will only intervene when a problem
is brought directly to him, and in most cases forces
the power faction to back down.

The fourth faction within the group is composed of
the young people of the group, excluding the cashkeeper,
who prefers to align himself with the power faction
whenever possible, although he is not a true member of
that faction. This fourth faction also includes several
members of outside business groups and schools. This
faction's main function is social in that they have
frequent gatherings outside the branch for gossip, cards,
and food. They air their complaints about their work at
these social sessions far more freely than they would if
they were at work, for they know that little or none of
the talk will pass outside their faction into the power
faction or the rest of the group. The faction itself is
unable to exert any influence on the branch business
activity as none of the members hold any but minor
positions in the leadership hierarchy (the headbook-
keeper, for example, exerts influence in only a minor
way, even over those she directly supervises). A certain

amount of the complaint and the gossip is passed on
to the senior teller by the NCR operator (a member of
this faction also), and in this way, through the
senior teller to the manager, a legitimate complaint
or a problem will be taken care of or solved. But the
"younger-set" faction can exert pressure and influence
over the work and working conditions only by this
indirect method.

G) <u>Status Change</u>:

<u>Mobility</u>: Within a social structure, persons or groups will often undergo status-change, called social mobility. The movement may be from one status to another, or from one group to another. This change usually requires the substitution of the new social ways, sanctions and symbols of the new status for those of the former status. It also requires changing to the new social controls of the new status. So far as status-change is voluntary, it is usually based on a desire for a change of role.

The line of promotion from one status to another within the group is well defined and rarely broken unless the group happens to get a person of wide capabilities which is unusual with a group of this sort. The bank's philosophy behind a well defined upward line of social mobility is that after a person has come up this line to an officerial position he will have a thorough background in all phases of branch banking, will know the trials and tribulations of each job, and will be able to direct and train the people that now hold these jobs.

A new employee, with officerial possibilities, will be started at the very bottom of the ladder whenever possible. In the old days the favorite place to start a new man no matter what his background was in the mail room running errands. In this way he got to know the

bank and the people working there. This practice is almost impossible now with employment conditions as they are and the branch banks widely spread out, but the philosophy behind this starting at the very bottom is still retained and used whenever possible. If a new man with no experience is hired for branch work, he is usually started running "batches" for the tellers (to learn adding machine operation), and then progresses to the bookkeeping section where he may run a bookkeeping machine anywhere from one month to several years, depending upon his abilities and the openings of jobs above him. From the books, the man will advance, as the openings occur, to junior teller, teller, cashkeeper, note teller, and then either chief clerk or for manager depending again upon his aptitudes and his personality adjustment. From here on up to the officer positions advancement is less defined, but the line of promotion is usually to assistant cashier to assistant manager to manager, and depends upon ability, personality, and connections.

Mobility within a small branch group such as this is usually slow, depending upon turnover in personnel, and the relatively degree of the bank's expansion which would cause new positions to be created that would call for trained personnel. Turnover in the upper hierarchal levels is extremely low; bank workers are generally long

lived as the work is not physically strenuous nor the
working conditions hazardous.

Occasionally a member of the group will move voluntarily
from one group to another in one of two ways:

(1) A person may resign to take up a new job with its
new social ways, sanctions and symbols.

(2) The bank may transfer a member from his own group
to another either at the same status level or to
a new status with a substitution of social ways,
sanctions and symbols at least in part as no two
branches operate in exactly the same way.

The rising of a member of the group from a lower
status to a higher status requires that the person
promoted take up the symbols and ways of his new job
and abandon the symbols and ways of his old position.
The biggest change in status possible within a single
promotion is from a teller or note teller to for manager..
This promotion entails a change from a responding role
to one of a supervisory capacity with some authority.
The change in ways, sanction and symbols is great, [1]
and if the promotion is made from within the group the
adjustment for the new officer is usually hard in that
he often has a difficult time getting the rest of the
group to accept his new supervisory role. Often the group
will still look upon him as still a member of the operations,

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1. Compare sections on officers and tellers concerning their
social ways, sanctions, and symbols in chapters three,
four, and five.

or responding, group, and refuse him the prestige and respect due his new role.

H) Status Qualifications: The persons of a given status into which persons seek admission usually establish qualifications (barriers) for admission. The qualifications may be instrumental criteria (technologies), prescribed ways and symbols, or an acceptable status-prestige profile.

Minimum qualifications for promotions have been established within the group, although they are not written. The most necessary thing for a promotion, but not a qualification, is an opening at a higher status level. Once there is an opening promotion will follow the usual line if the next man in line has had sufficient experience within the group and with the work to be able to handle the new position and has the capabilities and ability to get along with the rest of the group and the customers in the approved manner. If the next group member in line cannot meet the requirements or adopt the prescribed ways and symbols, or does not have an acceptable status-prestige profile, a bank employee from some other group will probably be brought in.

I) Personal Status Improvement: A person may seek to improve status by meeting the qualifications of the new

status, the "route" being determined by the nature of the qualification. The process of improving status is usually accompanied by complex intra-personal and inter-personal adjustment.

Various motivations that come from the group make a member attempt to improve himself.

(1) That eventually there will always be an opening above him.

(2) The line of promotion within the group is sufficiently standardized so that he knows what position he should prepare for.

(3) There is always the chance of getting a transfer to another group with the resultant change in status position, or even no change in status position but a good chance of one, and the change or substitution of social ways, sanctions, and symbols.

These motivations must be accompanied by the member's own motivations to improve himself:

(1) A personal desire to get ahead.

(2) A desire to learn a new job, with a possible resultant dislike of his present work.

(3) A desire to improve his personality adjustment, and to widen his circle of friends and associates.

J) Status Loss:

When not voluntary, loss of status and prestige by individuals or by groups usually results in various psychological reactions characteristic of frustration. This reaction comes from the loss in role, and from

the ambivalent condition of responding to persons.

The cashkeeper represents an excellent example of nonvoluntary status loss. His taboo violation (a cash loss of $200 in two days) was discussed under the section on reward-punishment system in chapter 4. After his cash loss, and his temporary return to his window, another of the tellers was put in training for the cashkeeper position, and the cashkeeper's role became one of complete frustration. He could go only one way in the group hierarchy and that was down. His nature is not too forceful, and he set for himself the path of psychological and physical escape.

He has become very bitter about his work, and bitter even toward the bank, and has stopped making any attempts to improve himself and expand his horizons. His second path was the seeking of another job outside the bank, but as yet this is only a passive means of escape for him. He doesn't know exactly where or how to start looking for a new position, but he does know that he doesn't like his present job, and that he wants to get out of banking.

There are two solutions open to the branch or the bank for this type of problem:

> (1) A transfer (possibly a trading of personnel between branches) to another group at the same status level or even at a lower status level if the taboo violation were erased from his record, allowing him a fresh start.

(2) Resignation (possibly caused by pressure
from the leadership hierarchy) from the
bank, necessitating a replacement or a new
member of the group.

The second method would probably be the best for all concerned, but it also could be the most difficult. The cashkeeper will never be able to rise to any height in the bank's structural hierarchy, and probably he will never be happy in the field of banking.

CHAPTER VIII - Social Interaction:

A) Interaction: In a given group, the person's role-
preserving or role-fostering activities take place in
a larger social structure which includes other persons
with their own role-preserving and role-fostering activities.
The social relations between these persons and the social
ways that characterize these social relations are called
social interaction. Interaction may take such general
forms as accomodation, assimilation, cooperation,
competition, conflict, or it may consist of configurations
of these forms.

The general forms that interaction takes between the
members of two groups depends on how they interact at
various points of contact in the region of their functions,
instruments, social ways, social controls, and social
structure.

The control of interaction between the members of
two groups depends upon how social control of the two
groups is implemented through indoctrination and reward-
punishment systems and upon how their respective implementers
are structured and interrelated in the larger social
organization.

Accomodation is a form of "parallel" interaction in
which two groups do not directly interfere with or support
each other with their social functions, controls or
structures. So long as the exercise of their separate

social ways and controls is unhampered by each other, and do not interfere with or support each group's achieving its goals, these ways and sanctions may be widely divergent and not produce either friction or cooperation between the two groups.

A form of accomodation interaction is the group-customer relationship. The group of customers interact directly with the branch group on a daily basis, but neither are seeking the same goals, nor do they interfere with or support each other in their social functions, controls, or structures. The branch group is in part dependent upon the customers for the achievment of its goals, and the customers are in part dependent upon the bank for the achievment of their goals, but these goals are widely divergent.

Many business groups are located in the area about the branch group, not a few of which are the bank's valued customers. Members of the group know members of these other groups, and contact them socially, but rarely as groups in a business manner. The leaders of the outside groups may contact the leaders of the branch group on business, but as groups they do not meet on a business plane. As groups they do meet on a recreational level through the teams in the city tournaments, and come to know each other through the interaction of these contests, but their social functions, controls, and structures

remain unhampered, and their social goals remain widely
divergent.

Assimilation is the form of interaction in which
one group absorbs the members of another group either by
agreement, through mobility, or successful conflict.
Assimilation almost always alters the functions, ways,
controls and structure of the absorbing group.

This type of interaction occurred only once with this
branch, and never with the present group. Assimilation
took place when the bank system was expanding and bought
the branch where the present group is located. This was
between 1926-1928, and the only immediate change was that
the sign of the independent "West Berkeley Bank" was taken
down, and the sign that has become the trade-mark of the
banking system under which the group now works was put
in its place. Gradually, so as to upset the branch-
customer relationship as little as possible, the new
branch altered its ways, controls, and structure to fit
the governing sanctions laid down by its parent office
in San Francisco, and altered its functions in that it
was no longer an independent group subject only to state
and federal controls, but a semi-independent group subject
to the close district control and the general control of
the banking system to which it belonged.

Cooperation or collaboration is the form of interaction
in which two (or more) groups separately perform their

functions in such a fashion as either to achieve or to
share a common goal or to support each others functions.

This type of interaction is adequately shown by the
interaction between the group and the other branches of
their own banking system, and also the indirect interaction
of the group through the district office with the groups
of other banks.

All the branches in the banking system to which the
group belongs operate as semi-independent units, each in
the same general way but with their own peculiarities
dependent upon the area in which they operate. All the
groups in the system have the same common goal, to make
their bank the biggest and best in California, and to
operate in such a manner that a reasonable profit for
the bank is shown after taxes and expenses. They support
each other in all phases of the work with a free inter-
change of information and frequent meetings between the
branch heads of the various districts for local policy
making and general discussion. The system is set up so
that a customer may transact business for one branch at
any of the other branches throughout the system, and the
groups pride themselves upon the speed and accuracy with
which these inter-branch items are handled.

The group, through the district office may also
indirectly interact with other bank groups outside
their own system. Items for other banks are sent through

the transit department of the district office to either
the clearing house (for local items), or by mail through
the correspondent banking system (out of town items) that
has been built up over the years by the bank. This
clearing system is set up on a cooperative basis for both
the good of the customers and of all the banks.

New methods are constantly being sought, and present
methods constantly revised in the present system of the
clearing and transit of intra-branch and intra-bank items.
Banks cooperate with each other in every way possible to
keep the loss of these items at an absolute minimum, and
to afford each other the speediest service possible within
the limits of efficient operation.

Competition is a form of interaction in which one
group seeks, short of conflict to achieve goals at the
expense of another group seeking the same goals. The
social ways employed by the groups at their points of
competitive interaction are usually governed by common
sanctions, arrived at by agreement and operating as formal
or informal policies, laws, rules or customs which serve
to maintain or control their interaction and to forestall
conflict. Competition is closely related to conflict,
usually immediately preceding or following it. [1]

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1. For the basic concepts of the conflict form of inter-
   action see Appendix A.

Of the four great types of interaction, competition, conflict, accomodation, and assimilation, competition is the elementary, universal and fundamental form. Social contact initiates interaction. But competition, strictly speaking, is interaction without social contact. In human society competition is always com-[1] plicated with the other processes of interaction.

Competition is universal in the world of living things. Under ordinary circumstances it goes on unobserved even by the individuals who are most con-[2] cerned.

The group directly cooperates with a competing branch group of another bank located only one half block away. Friendly relations are always maintained between the two groups, especially between the officers whose interaction is most frequent, but the two groups are still in direct economic competition for the banking business that the area in which they are located can supply.

Economic competition may be defined in general as rivalry for income by the method of giving more than one's rivals give in proportion to what one asks in return, or by making the public think so, or by making

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1. R. E. Park and E. W. Burgess, Introduction to the Science of Sociology (Chicago: University of Chicago Press, 1924), 352.

2. Ibid., p. 353.

them at least act as if they thought so to the extent
of buying one's goods (or services) in preference to
those of one's rival.[1]

There is no material difference between the two
groups.   Their offices are much the same, the groups
are about the same size, the services they dispense
are fundamentally the same, and the problems they are
faced with in business matters are essentially the
same type.   They are the only two bank groups in the
general industrial area of West Berkeley, and they are
in active competition for the same group of customers.

The only difference between the two groups is
in the manner in which they offer their services, the
charges they place on their services or the interest
they pay for deposits, and their attitude toward the
people they serve.   Through their own bank' general
policies the competing group is able to offer more
materially, in that their interest rates on savings
accounts are higher, and some of their service charges
are lower, but they cannot meet the service, efficiency,
or reputation for doing good business offered by the
observed group. What business is lost to the competing
group is because of policy making at a higher level

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1. J. M. Clark, Social Control of Business (Chicago:
The University of Chicago Press, 1926), 149.

than the branch, and cannot be helped.

Conflict between these two groups is theoretically possible, but actually improbable. L. L. Bernard states: "Competition among business men and among industries often becomes extremely intense and thus leads to conflict. Except among gangsters it rarely becomes violent."[1] These are two civilized business groups engaged in a type of business that is steeped in customs and traditions to the point that any type of conflict in a materialistic sense would be unheard of.

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1. L. L. Bernard, An Introduction to Sociology (New York: Thomas Y. Crowell Company, 1942), 840.

Part IV - The Bank's Personnel Department and
The Group

CHAPTER IX - The Bank's Personnel Department:

In the preceding chapters we have examined some
of the personnel problems and socio-psychological
concepts that may be associated with a small branch
bank. Solution to many of these problems and the better-
ment of the group's attitudes, beliefs and ways lies
in the hands of the bank's personnel department and
its representatives. An examination of the bank's
personnel department then should be made. What is
their structure, their purpose, and their responsibility?
Why did the present department come into being, and how
have they developed and progressed? Do they recognize
their problems, and are they combatting them?

In the younger days of the bank, the personnel
function was centralized under the bank's cashier who,
with an assistant, carried out the meager personnel
program laid out by the bank as a secondary function to
his duties of cashier. As the bank grew and expanded,
the personnel problems grew also. A separate department
was formed, still under the cashier, but with an assis-
tant vice-president in direct supervisory charge, and
a complete staff for personnel work alone, to give more
concentrated attention to the problems of personnel,
to increase the services performed by the personnel
section, and to compile and maintain more detailed

records on the bank's employees. A better control
of the working force was needed.

The war factor increased the personnel department's
importance. Recruitment became necessary, and wage
ceilings made this difficult. The rising cost of living,
and the relatively low wages paid for white collar work
as compared with those of manual labor made recruitment
all the harder. The bank was still expanding and needed
more trained personnel than ever before to maintain
their high standards of selection. Salaries had to be
adjusted upward whenever possible. Such a program
demanded centralization and a strong, modern personnel
department.

Personnel management is that phase of management
which deals with the efficient control of man power, as
distinguished from those phases which are concerned with
all other sources of power.[1] The objective of modern
personnel management must be to create a staff of men and
women as well trained and equipped to do their work, and
as well satisfied in doing it as possible.[2] The bank
considers the focal point of their personnel program

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1. Dale Yoder, Personnel Management and Industrial
Relations (3rd ed.: NewYork: Prentice-Hall, Incorporated,
1948), 4

2. A. W. Kohner, "Personnel Policies, Methods of Selection,
Training, and Supervision by which Wells Fargo (S.F.) Bank
has Developed an Efficient Bank Staff," Burroughs Clearing
House, 24 (May, 1940), 11-13.

and the personnel department's primary responsibility
the problem of maintaining a personal relationship
between employer and employee.

Although the personnel department is modern, and
makes full use of the most current methods and informa-
tion, it was conceived and drawn up on conservative bank
lines, and it is controlled by a conservative policy making
group within the executive levels of the bank.[1] Its
personnel philosophy, then, is built upon conservative lines,
and radical departures from the accustomed ways of doing
business must be achieved slowly. Strictly speaking,
a formal personnel program within the bank is still a
young thing, and some of the elder executives of the bank
still view this "upstart" with some degree of distrust.
They have not as yet realized that in the business world
of today the personnel department and many of its functions
have become all important to the bank in keeping its
employees molded into a cohesive group.[2] For this reason
the philosophy of the personnel department must be
conservative and slower moving than it might be.

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1. "The Management of Men," Fortune, XXXIX (February,
1949), p. 107 states "Progress in personnel practise is
still slow. A major reason is....most company policies
are largely set by older members of management whose
conservative ideas about employees were formed in the
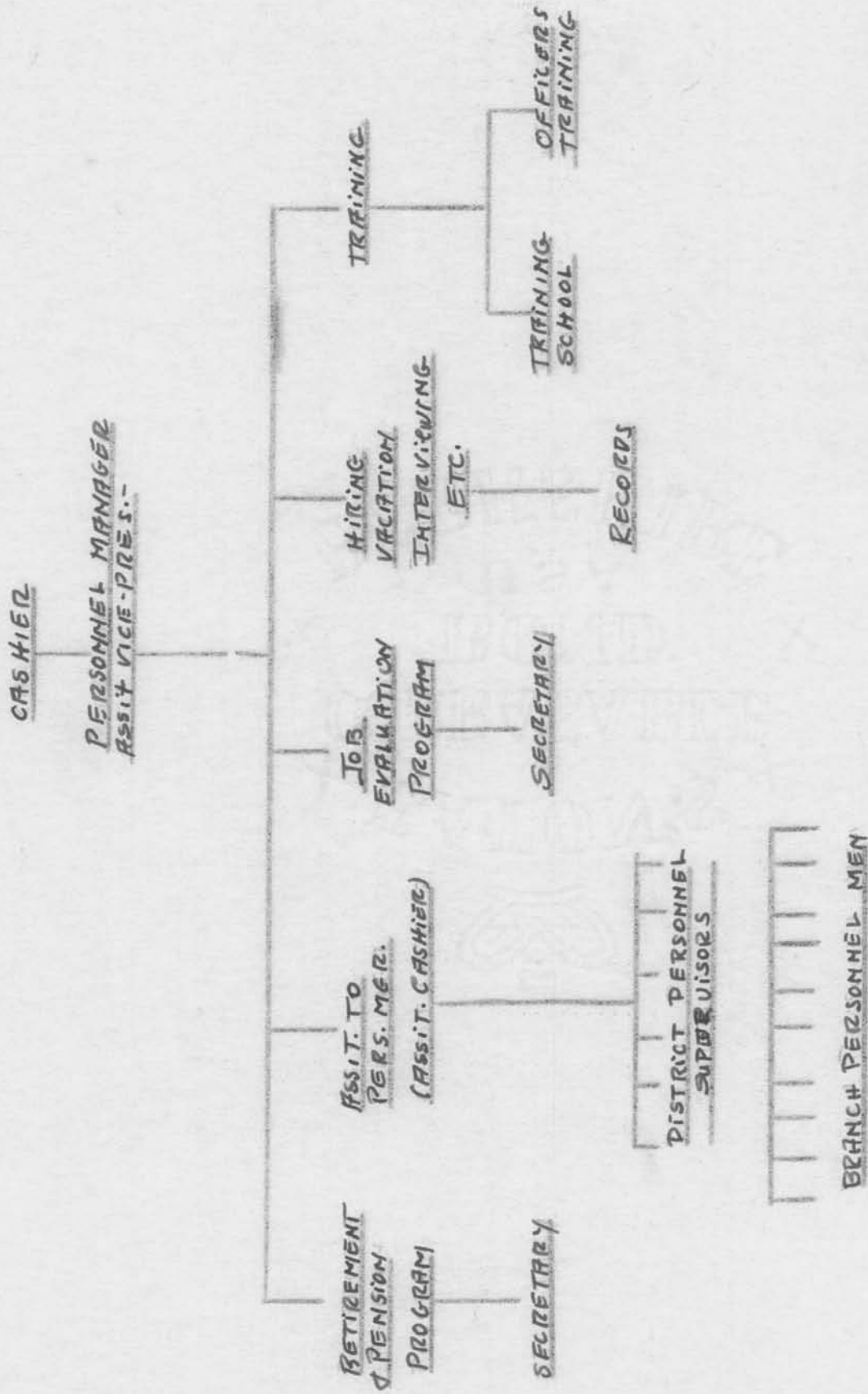heyday of paternalism."

2. F. L. Beach, "Meeting Wartime Personnel Needs,"
Burroughs Clearing House, XXVII (October, 1942), p. 22 says
"The depression day phenomenon of a 10% yearly turnover rate
and abobookkeeping department manned by males of two to eight
years experience is over for good."

The personnel department is a staff department
set up on a vertical line structure as shown on the
organization chart on the next page. It is centralized
at the head office of the bank in San Francisco, where
the administration of the main projects and the general
policy is done, with district personnel officers of
executive rank supervising the hiring and the other
local problems that may come up in their own areas.
Below these district supervisors there is usually one
person in each branch who is directly in charge of the
personnel function within his own group, and who reports
through his manager to the district personnel supervisor.

A) Responsibilities and Procedure:

Hiring: The personnel department at the head
office is responsible for the complete hiring and
placement function in the San Francisco area, and
supervises this function in the outlying districts.

In the recruitment of personnel for specific
positions the personnel department will use an inside
transfer or promotion in every case possible. If there
is no possibility of an internal shift, the department
will use personal applications for positions, mail
applications if necessary, a waiting list if conditions
permit, and if labor is really scarce active recruit-
ment, i.e. scouting, advertising, and the employment

ORGANIZATION CHART - PERSONNEL DEPARTMENT - HEAD OFFICE

CASHIER

PERSONNEL MANAGER
Assit. VICE-PRES.-

- TRAINING
  - OFFICERS TRAINING
  - TRAINING SCHOOL

- HIRING VACATION INTERVIEWING ETC.
  - RECORDS

- JOB EVALUATION PROGRAM
  - SECRETARY

- ASS'T. TO PERS. MGR. (ASSI'T. CASHIER)
  - DISTRICT PERSONNEL SUPERVISORS
    - BRANCH PERSONNEL MEN

- RETIREMENT & PENSION PROGRAM
  - SECRETARY

agencies.

The personnel department has on its staff at head office several trained interviewers whose chief function is to interview and hire new employees for the lower hierarchal levels of the bank. They hold the first interviews with the applicant, and acquaint him with the bank and the possibilities of a career in banking. In the normal hiring procedure at least two interviews are had with the applicant before hiring, and a final interview at the time employment is offered.

These interviewers, with secretarial help, also maintain the employees record file. These files include at the start of employment an application blank, application for bond, signed conditions of employment, signature card, retirement plan card, withholding tax card, photograph, group insurance card, medical examination papers, work permit for minor, and discharge papers when applicable. After employment these files contain the employee's rating reports submitted by his department head, and any other papers that pertain to the employee and his relationship to the bank, or his fitness for work.

The hiring done at the head office is primarily for the San Francisco area, and especially for the head office

staff. Hiring outside the San Francisco area is done either by the district personnel officer, or by the branch concerned through the district personnel officer.

B) <u>Wages</u> <u>and</u> <u>Salaries</u>: The salary of an employee is considered whenever there is any change in status because of promotion, additional responsibility or increased efficiency of such nature as to enhance his value to the bank. Wage increases are recommended by branch managers or department head, and taken under consideration by the salary committee composed of the head of the personnel department, the cashier, and four others of the bank's top executive level.

Over-time is paid after forty hours are worked in one week at a rate of time and one half, but the accumulation of over-time at the present time is discouraged, and the various branches and departments are urged to do everything possible to prevent its accumulation. Supper money is also granted to employees who have to work after six in the evening.

The personnel department's primary concern with salaries is with the making of wage studies, and the compiling of other information that will allow the salary committee to make fair adjustments in wages, and to set starting salaries at a level which will attract the type of employee the bank wishes to hire. Banks have become

dubiously famous for their low wage rates, even to their ranking executives. The bank under consideration is known throughout the area as a high paying bank. Every effort has been made since the end of the war to adjust wage rates to the level where the proper type of employee will be attracted and retained. Two cost of living bonuses have been given since the end of the war, and a regular Christmas bonus is also paid. The wage rates on the whole are fair, and in line with the worth of the employee to the bank and the going wage of the bay area.

C) Job Evaluation:

With the end of the war and the conditions it brought about gradually disappearing, the management of the bank, like most firms, started to give its attention to planning for the future under normal peace time conditions. One of its postwar projects, now under-way, is a more systematic approach to the promotion systems, wage plans, training programs, and selection and placement. The bank felt that the problems involved in the improvement of its personnel technique included such a number of complex circumstances that a complete planned program with a scientific basis was almost mandatory. A thorough and objective analyses of the circumstances and characteristics which make a job what it is was needed. The most important factor in this regard is the determination of the relative

importance of one job to another, with the primary
purpose of such an analysis to be the determination of
wages. Once the analysis is made, tested, and proven
successful, it can be used as the framework for other
projects of the personnel department.

The bank elected to start a thorough job evaluation
study for this purpose, i.e. to obtain a fair and systematic
basis for the determination of salary classification, and
then to use the results as a stepping-stone to other
projects. It is still the only bank in the San Francisco
area which has undertaken a project of this sort. The
job evaluation program was patterned after a system used
with some success by the Harris Trust Company of Chicago.[1]
The program is now well underway, but the wage system
that has been built up over the years by the bank is so
complex that it will take a much longer period than the
program has been in effect to erase all the wage differen-
tials that need correcting.

D) Group Insurance: The personnel department was intru-
mental in setting up the present group insurance plan for
the bank. Employees and their dependents are protected
by a plan for life insurance, accidental death or dis-
memberment, and also are covered by hospital, medical and
surgical insurance. The bank shares with the employees the

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1. See Appendix B for a synopsis of the Harris Trust
   Company job evaluation program.

cost of the insurance plans. Participation in the plan
is a condition of employment, and takes effect six months
after employment starts. The amount of insurance carried
by any one employee is determined by his salary level.

E) Pensions and Retirement: The personnel department
is also charged with the administering of the pension and
retirement plan set up in the bank in 1945. The purpose
of the plan is to assist employees in providing a regular
income following their retirement from active banking
service. The funds to provide this retirement income are
to be contributed by the bank and the employees over a
period of years. All regular employees with one or more
years of service are eligible to participate in the plan,
with participation a condition of employment. The normal
retirement age is 65, but there are optional retirement
age arrangements that can be made, and the benefits may
also be taken in several different ways. If an employee
is discharged or terminates his employment he must with-
draw his own contributions plus interest earning on his
contributions up to the time of termination. Benefits
are calculated on the basis of length of service, average
salary throughout the length of employment, and is set
up so that combined with social security benefits a
relatively good monthly pension will be available to
retired bank employees.

F) Training: Since the end of the war the personnel department has set up and is administering:

(1) A training school.

(2) A trainee program.

(3) A leadership training course.

The training school has a staff thoroughly indoctrinated in the fundamental principles of banking who present courses and instructions that are complete, interesting, and have proven extremely worth while both to the trainee and the bank. A supply of basically trained replacement personnel in sufficient numbers to supply the bank, primarily the San Francisco area, is kept coming from the school.

The trainee program is primarily for future officer training, and lasts at least a year. During this time the trainee goes from department to department in the bank observing, learning the work, and helping out whenever possible, and meeting the people with whom he will be working in future years. A report is submitted at the end of the training in each department by the trainee, telling what he has learned and what impressions he has gained. This informal method of training has proved quite successful, and the program is recognized as one of the best in bay area banking.

The leadership training course is a week's intensive training given to selected officer members of the various branch groups. The course is broken down into three

main parts, job methods, job instructions, and job
relations, and is based on the course formulated by
the Training Within Industry Foundation in 1946 for
the speeded up training of the new leaders in industry.
The training groups are kept small so that instruction
stays on the individual level, and they are given
seminars, movies, and practical problems of the type
that will be met in banking. Results from this course
have been excellent, and all who have taken it have
come away with favorable comments to make about it.

To supplement the training courses of the bank,
the courses offered by the American Institute of Banking
are offered and endorsed by the bank. All employees
are encouraged to become members of the institute and
to take the courses. As a further inducement, the bank
offers to pay the tuition for all courses successfully
completed by any of its employees.

G) Miscellaneous:

A variety of minor responsibilities fill out
the personnel department's program. There is a
suggestion box system, with awards for suggestions that
are used. This is administered by a representative
committee of employees under the supervision of the
department. An emergency loan program for employees

has been set up. The administration of the bank club,
although led by elected employees, is in the hands of
the personnel department. They also administer leave,
sick leave, and the vacation policies of the bank.
In general they handle all the problems of a personnel
nature, those that effect the bank's employees directly,
that may come within the bank's general operation.

CHAPTER X - Relationship of the Personnel Department and its Program to the Group:

From the description of the bank's personnel department and its procedures in the last chapter, it can be seen that despite conservative policy making elements in the bank and the "newness" of the specialized personnel function as a major part of the bank, the personnel department has made tremendous progress in setting up and administering a modern, comprehensive personnel program for the bank. This program even entails projects that unionized industries have not as yet attained.

The branches are the most important feature of the bank, for without them the customer area that could be covered would be drastically curtailed, and the branch group is the driving force behind the branch. Therefore the branch groups become all important to the bank, and should be the personnel department's prime consideration. It behooves the bank to foster good banking relations within their branches, to have the most efficient, intelligent and contented branch groups possible under existing conditions. The most direct method of attaining these things is through the personnel department, for they are set up to accomplish these things. A close scrutiny of branch internal activities and inter-relationships of a personnel nature that will affect the branch

operation should be maintained.

What affect does this rather impressive personnel program have upon the branch group under consideration? What sort of control does the personnel department have over this branch group? What do the members of the group think of their personnel department and the program it has undertaken? The answers to these questions may prove a little surprising.

The personnel structure of the bank is such that the connecting link between the personnel department and the branch group is through the district personnel officer. It is his duty to hire on the district or branch level, to handle all the personnel problems of a local nature not of sufficient scope to pass onto the head office personnel department, and to interpret the personnel program of the bank to the branch groups through their branch officer who handles the personnel function on the branch level.

Actually the personnel program has little direct affect upon this branch group. The hiring that is done at the head office in San Francisco is usually for that area, and the personnel that come out of the training school remain across the bay. None of the group have had the privilege of attending the training school or the officer training courses, but they are able to attend

the local branch of the American Institute of Banking
for supplementary courses to their on the job training.
Few of the group ever get beyond the first preliminary
courses, for their branch activities do not cover such
things as investments or real estate policy or procedure,
and the members of the group, having no direct need for
these things, don't take advantage of them.

Wages and salaries are out of the group's hands.
The policy for wage rates is set at the head office and
interpreted through the district personnel officer in
collaboration with the branch manager. Members of the
group may ask for increases in wages, but there is no
certainty of their being granted. The wage and salary
policies of the bank are never explained to them, nor
do they know exactly what the other members of the group
receive. They do not even have an idea of what the market
wage is for the type of work they do, as the salaries in
other banks are also confidential.

The job evaluation program undertaken by the personnel
department has as yet had no affect upon the group.
The tasks within the group have been evaluated by the
head office group making the study, but no changes have
been made or suggested as yet either concerning the
jobs, or the way the work is done, or the working condi-
tions of the group.

The group insurance and the pension programs set
up by the personnel department are of minor importance
to the group at the present time. They are long range
benefits which the group's members think they will never
use. No one ever expects to get sick. Few of the members
(especially the younger members who make up the majority
of the group) expect to remain with the bank long enough
to take advantage of their pension benefits. To the
group these two things are just more deductions from their
take-home pay.

The remaining miscellaneous personnel functions
that the personnel department handles have little to
do with this branch group. The suggestion box system
is not carried over into this branch. The bank club is
something that is joined and attended, but the group is
not represented on the club hierarchy. Vacation and
leave policy are of small concern to the group. Their
vacations are scheduled in the early spring, and each
gets two weeks.

The personnel department's control over the branch
group comes through the district personnel officer. Through
this district officer the department learns of the
groups attitudes, beliefs, and special ways of a personnel
nature, and of the problems that affect the group morale

or the group efficiency.

The group's contact with the personnel program
of the bank is only indirect in that these programs are
formulated, set up and put into practise in a place out-
side their sphere of direct interests, and only the
effects are felt. The head office personnel department
is a great distance from them, in fact remote. Their
closest contact with the program in through their district
personnel officer, and this relationship has cast a
murky hue over the whole personnel function for them.

The district personnel officer is an old operations
man of the bank who has had long experience as a chief
clerk. As far as operations are concerned he is an able
man, respected for his ability. But his training for
the personnel field, a specialized function, has been
only empirical. He thinks he knows people and human
nature, and knows he likes people, but there is much more
to present day personnel administration than this.

The group considers him "two-faced" and has an active
dislike for the man. They speak of him as a fraud when
it comes to his personnel duties, and blame every
deficiency of the branch, working conditions, shortage
of personnel, poor work methods, etc. on him.

In many ways the group is correct in their evaluation

of this man. He is deficient in his knowledge of the
scientific aspects of personnel administration and his
ability to meet and solve the problems that arise in the
personnel field.

The true test of a real personnel man is his
ability to approach all things with which he works with
an unbiased attitude, and treat all members of the group
he serves with equal fairness. He is not doing this in
his relations with this group. He has active dislikes
for several members of the group, including two of the
officers, and the whole group knows of these dislikes.
That should not be. He has also been known to attempt
to play one member of the group against the other to gain
some "inside information" as to the attitudes of the
group towards both himself and the bank. The group knows
this also, and thinks all the less of him for it.

The personnel department, and its program, suffers
then from two distinct aspects in the eyes of this group:
(1) The remoteness of the department and the actual results
of its program from the actual group. They receive only
indirect or long range benefits. (2) The poor choice the
personnel department made in their district personnel
officer. This is by far the most important, as the
remoteness of the program could be overcome if there was

a strong link in the district between the department and the branch.

The most careful study should be given to the selection of a personnel officer for any type of business. Personnel management has become a profession in which specialized training is a must. But above all this, the man chosen must have the abilities and aptitudes for personnel work.

Personnel men are dealing of necessity with the security, the happiness, the careers of people, so that the one best criterion in the selection of a personnel man is to find one to whose judgment you would submit readily and with confidence matters affecting your own actions and future. If he is to fill the bill satisfactorily he must be an individual who as a result of unforgettable, personal experience understands and appreciates human reactions at all levels of the organization. He must be a man to whom so-called "workers" go for advice, and to whom management goes for guidance in framing its policies and in discharging its functions.[1]

The district personnel officer simply does not qualify as a personnel man. Hardly anyone turns to him for advice if there is someone else to go to.

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1. J. J. Evans Jr., A Program for Personnel Administration (New York: McGraw-Hill Book Company, 1945), 78.

Part V – Conclusion

CHAPTER XI – Conclusions and Recommendations:

We have examined at some length the socio-psychological aspect of a relatively small branch bank of the Berkeley district, and the group problems that can confront the personnel administrator in this type of work.

It must be emphasized that this is not an average bank group, that no group can be designated as average. No matter how similar work situation may be, group reactions will differ to the extent of their various member's responses. Group reactions to a given stimulus can be predicted to a certain point, but beyond this point there lies an extreme range of variability. Solutions to problems for one group faced with a given set of stimuli or conditions might be direct opposites to the solutions for another group confronted with similar stimuli or conditions.

To operate their branch most efficiently this group should have the following key personnel:

(1) A good assistant manager or manager for initial customer contacts, the making of loans, and executive leadership.

(2) A chief clerk, probably the most important position in the branch from the operations standpoint, who must know all the phases of branch operation thoroughly and be a true leader.

(3) One good teller and one good bookkeeper, who act as helpers and leaders for the rest.

(4) An expert NCR operator. The branch could function without the use of the NCR machine, but it would mean the running of teller batches to balance the bank at the end of the day. This is a long and tedious process, one in which errors are easily made and often difficult to locate.

The personnel that fill these key positions must be experts in their lines. The remaining personnel need be no more than good. How do the personnel of the group measure up to this list?

Both the manager and the assistant manager fill their positions adequately. The manager is as good a man as could be chosen for his job. The assistant manager does his job well and is considered by all as "on his way up".

There is one expert teller (the senior teller), and one good bookkeeper within the group. Both have adequate experience and perform their work well. The NCR operator is the best in the Berkeley district.

The chief clerk is the only weak spot in the ranks of the key personnel. He should be the strongest, for on his shoulders rests the supervision of most of the group. He should be a leader, an organizer, an instiller of ideas and attitudes, and he is not. The group, working under this type of leadership, can be compared to a shipload of people attempting to sail the high seas without a helmsman. They have no true managerial leader, no direct constructive supervisory control,

no one whom they can fall back on when confronted with
a problem that is not routine.

The scope of this problem can be brought into sharper
clarity by comparing this group with another branch of
the same bank that does have a good chief clerk. The
size of this other branch group is about the same, and
the working situation (branch operation, customer
relationship, competition) is comparative. The group
under the good chief clerk operates efficiently and
rapidly. Their work is completed by four or four thirty
even on the heaviest days. There are few teller errors
or bookkeeping mistakes. There is not the confusion
so often presented by the observed group. Under the
good chief clerk the work proceeds in an orderly, organ-
ized manner even under the severest pressure, and the
group operates as a unit, not as a collection of
factions or cliques.

The chief clerk, therefore, may be classed as
a large contributing factor to the personnel problems
of the group. The possibility of retraining and
instilling in this man the motivations to lead and
weld the group into a cohesive unit is slight. The
easiest solution would be to introduce a new chief clerk
into the group, one with the drive and ability to inspire
and lead, one with a sufficient knowledge of branch
operation to command respect.

While the chief clerk is an important weakness
in the branch personnel, the entire fault for the
inefficient operation of the branch cannot be placed on
him. The remainder of the group, aside from those
key personnel mentioned above, cannot be classed as
good, only average to mediocre. There training for
their positions has been meager (primarily on-the-
job at the branch with hardly adequate instruction),
and without competent leadership and some continued
training they perform in a slipshod manner even though
they try hard. The key personnel can carry them, but
it requires much retracing of completed work to ferret
out the mistakes. The responsibility for this situation
can be placed directly on the shoulders of the bank
and its personnel department. Hiring techniques, while
possibly a contributing factor, are not entirely at
fault. The problem is of wider scope than that.

Bank work is not attracting the more competent
of the younger generation. Rarely does one encounter
a student in any university or college who is a major
in banking, who plans to make banking a career. As
a result, the personnel department is forced to choose
applicants who cannot find work elsewhere, the drifters,
those that don't know what type of work they want to do;
or the department is forced to recruit from high school

graduates. The per centage of college graduates
throughout the whole bank (there are none in the group)
is surprisingly small, certainly not more than one or
two per cent. It is true that a college education is
not essential to hold down a bank position, but hiring
those with degrees would certainly improve the calibre
of the personnel.

Wouldn't it pay the bank in the long run to seek
out a generally higher type of employee, one with a
college background possibly, pay him a little more from
the start, and get more worth for its money, fewer
mistakes with less training, more well adjusted personnel,
a more rational type of personnel? An obviously high
calibre man makes a much better impression on a customer,
and the customer–employee relationship is more easily
established and solidified. The higher calibre young
men would also furnish a pool from which could be
drawn the exceptionals for the top management level.
From these men would come the real bankers, men who
would take long strides in reestablishing the banker as
the most respected man of the community.

The immediate reaction to the above is that the
wages offered by the bank are not sufficient to attract
the more capable men, nor are the chances of advancement
as good as with some other type of corporation. This

is not a valid conclusion.

The starting wages of the bank reflect the background of the new employee, his worth to the bank, and are certainly on a par with the average starting wage of most of the other corporations in the bay area. Promotional possibilities (outside the observed group) are also good. The bank is growing and expanding with the State, and the need for replacement personnel, and new adequately trained personnel is ever present. Within the observed group the promotional possibilities are less, due to the rather static qualities of the group, and the personnel officer of the Berkeley district, who is famous for his desire to maintain the status quo when a branch group roves no more than adequate; but for the group there is always the possibility of a transfer or a promotion.

A) Desire and Morale:

The human wishes have a great variety of concrete forms, but are capable of the following general classifications:

     (1) The desire for new experience.

     (2) The desire for security.

     (3) The desire for response (both to give and receive).

     (4) The desire for recognition.[1]

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1. Kimball Young, Source Book for Social Psychology, (New York: Alfred A. Knopf, 1927), 395 f.

Numbers one and two are diametrically opposed to each other, in continual conflict. All fear the "rut", especially the young, and all wish to escape, at some time or another, the routine drabness of life. But most are afraid of the consequences that so often befall the nonconformist.

The members of this group have these same desires in one form or another. Are they being fulfilled within their work group?

The desire for new experience is often frustrated as the bank work of the lower hierarchal levels is routine at best, and the members of the group on these levels usually remain on one job for some length of time. This is a problem to which there is no ready solution in banking. The bank feels that the younger employees need considerable seasoning before being advanced to higher positions.[1] Secondly, the work on these lower levels must be done, and competent employees are always necessary. The work, even though routine and often monotonous, requires some degree of accuracy and ability.

The desire for security is adequately taken care of. Bank work is steady, permanent, and the bank employee should have little fear of discharge or layoff if his work is performed in a manner adequate to meet the

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1. The trust and confidence placed by the customer in the bank seems to be in direct proportion to the age of the bank worker they are dealing with. The greater the age, the more trust and confidence.

minimum requirements.

The desire for response (both to give and receive) is met in the customer-employee contacts and relationships, and is often frustrated because of the customer's lack of response and his indifference to the feelings of the bank employee. There is little the bank can do about this customer attitude, for if the customer's wishes are not fully met no matter what his attitude he will take his business to the competing bank one half block away. In many cases the customers seem to realize this and often take advantage of it. The desire for response is at best only partially met.

The desire for recognition is usually adequately met, even though it may be somewhat delayed. Praise is usually given by the officers when deserved, and promotions and pay raises eventually come to the group member who merits them. Most of the members of the group believe that this is one desire that is completely frustrated, but refuse to admit that it is primarily their own fault. Their attitude is the same as the attitude of too many of the younger generation of workers: they expect something for nothing.

As a whole, these four primary desires are only partially satisfied for most of the group from their work. The lack of satisfaction of these four desires is a large contributing factor to the below average morale

of the group.

Morale is a collective characteristic. It refers, as it is most commonly used, to the state of mind of the whole group of employees. In a sense, it might be described as their collective attitudes toward their work, toward management, and toward the whole composite of conditions that......define their relationship to the organization.[1]

In general, morale or emotional unity is highest when (1) the members feel that the preservation of the group is of vital importance to their personal welfare, when (2) each has a sense of sharing in the achievement of its objectives, when (3) the relations of the members are intimate and personal so that words of encouragement and praise flow freely from one to another, when (4) the group's objective is not too easily attained but calls for the exercise of concerted effort, and when (5) the common interests of the group are symbolized for the members in the appealing forms of ritual, distinctive names, titles, etc.[2]

What positive steps, then, could be taken at the group level to improve the morale of the group, and

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1. Dale Yoder, Personnel Management and Industrial Relations (3rd ed.; New York: Prentice-Hall Inc., 1948), 516.

2. R. L. Sutherland and J. L. Woodward, Introductory Sociology (New York: J. B. Lippincott Company, 1937), 279 f.

the individual attitudes of the members toward their work, and what possible improvements suggest themselves from above the group level, i. e. the personnel department.

(1) Shift the members of the group on the lower hierarchal levels about from task to task. There are a specific number of jobs spread throughout the group that would be easily adaptable to a scheme such as this, i. e. the general ledger, the savings ledger, the incoming morning mail and the interbranch outgoing evening mail, etc. By having each member of the group take his turn at these tasks it would not only help to relieve the monotony of doing the same thing day after day, but provide a margin of insurance for the branch in case of absence or a loss of a member of the group.

(2) Improve the lounge facilities for the branch. This is the primary grievance of the group, and could be remedied with the expenditure of only a little time and a small amount of money. There is room at the branch for an eating room where facilities for coffee and snacks could easily be installed and maintained.

(3) Introduce music into the branch. Studies indicate that there are few persons who actually dis-like music. Scientific reports show that music can increase metabolism, affect the regularity of breathing,

decrease or increase muscular energy, produce effects
on blood pressure and pulse, and delay or decrease
fatigue.

Music effects the work situation in diverse manners.
In many cases absenteeism is lowered and labor turnover
is reduce. Production and efficiency often rise due
to reduced fatigue and lessened tension. The quality of
the work improves. The individual attitudes of the
employees are consistently changed for the better,
greater interest in job and company is evidence, work
areas are more pleasant, and fewer complaints are
received.[1]

The introduction of music into the work area would
be a simple matter, and could be arranged as was done
in a branch of The San Francisco Bank in San Francisco.
They set up a small advertisement for a local radio
store, featuring a large console radio, in their lobby,
and tuned it into an FM station that featured semi-
classical music or music conducive to work throughout
the day. This musical innovation not only improved
the work area, but proved to be an attraction for
customers who enjoyed listening too.

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1. Music in Industry, National Industrial Conference
Board, Studies in Personnel Policy, no. 78 (New York: 1947).

(4) Provide a method of wider training, both
for specific aspects of branch work and on more general
subjects concerning banking (real estate loaning and
trusts, etc.) for the group, especially the tellers.
The bank is making a start at this with their leader-
ship training course, and all members of the group
are encouraged to take advantage of the courses offered
by the American Institute of Banking, but interest
within the group toward these banking courses seems to
be apathetic. The courses are held at various places
in down town Oakland after work, and this distance
could be one of the contributing factors to the lack
of interest. More specific training in the branch work
would eliminate many of the mistakes now made. More
general training would widen the horizons of banking
for the members of the group, allow them to see that
there is more to the banking function than just paying
and receiving, and pique their interest.

(5) Attempt to provide the group with a definite
policy on promotion. The line of promotion from job
to job is fairly well indicated, but a definite policy
on promotion involves a number of other procedures:

    (a) A measure whereby the promotional status
        of jobs may be manifest.

    (b) This in turn involves, as a preliminary,
        the analysis, description, and classifica-
        tion of jobs, in which the essential and
        distinctive features are set out clearly
        and fully.

(c) Notification of vacancies (throughout the
system of branches) which will be pro-
motions to persons in lower positions.
This implies a type of internal advertise-
ment, by means primarily of notice boards,
or through the house magazine.[1]

The bank has at least given part of this type of
program a start by setting up a job evaluation program,
but the program is still too young to have direct effects
upon the observed group.

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One other factor contributes to the problems of
the group, i.e. that the personnel program of the bank
is not reaching them, they can feel no direct effect
of the program on their group actions or upon their con-
duct of branch operations.   Their only contact with
this program is through the district personnel officer,
and he is primarily at fault, not the personnel depart-
ment or its program.   To achieve the true personnel
function there should be no personal animosity between
the personnel manager of a group and the members of
the group, and it is the responsibility of the personnel
manager to prevent anything like this happening.   There
is personal animosity between the Berkeley district
personnel officer and members of this branch group.
These quarrels and bickerings effect the attitude of

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1. C. H. Northcott, Personnel Management, Its Scope
and Practice (New York: Pitman Publishing Corporation,
1945), 53 f.

the whole group toward their work, the personnel pro-
gram, and the bank. To achieve any sort of success
in personnel and group relations, the personnel function
must be carried on in the spirit in which it is meant,
that of cordiality and helpfulness to the mutual benefit
of all.

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We have observed how this group behaves in their
work situation, their attitudes toward their work and
their employer, and the deficiencies in their ways
and actions. The question could be asked: "so what?"
They are doing the work, the branch is holding its
own in the area under the existing conditions. Why bother?
There are two aspects to the answer of this question.

The state of California is experiencing a tremen-
dous growth. Berkeley is growing along with the state.
The bank, too, is growing, and must continue to grow
with the communities that it serves. If the bank is to
grow, each branch must continue to grow and expand.
Each branch is a contributing factor to the reputation
of the bank. Every branch should operate in the best
possible manner, and have everything possible to help
it toward this efficient operation. The bank, through
its personnel department, should be greatly concerned
when any aspect of their branch's group relations is
not the best possible.

From the group level, they are on the whole rather
dissatisfied, their morale is not what is should be.
The branch does not produce the best possible type of
work due in part to the type of employee, and the work
situation. The group attitude is not what it should be
toward the work, the customers, or the bank. The
personnel situation is rapidly getting worse, and
could easily result in the mass resignation of six
or eight of the members of the group (including two
of the key personnel) in the near future if some steps
are not taken to remedy the deficiencies and problems
that confront. Conditions such as these cannot
possibly make for a branch or branch group that will
expand and grow, a branch that will be a positive
contribution to the reputation of the bank.

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We must start from the point of view of the group
if we are to understand the conduct of the individual.
It is by studying the group ---- its initiation of the
new generation, its processes of education, and its
ceremonies, its customs and beliefs, its scale of values,
its pressure ---- that we come to understand the habits
and idea-complexes, conscious and unconscious, which
determine the attitudes and the trend of attention in
the members. On the level of......assimilation, the
pressure of the group silently and persistently enforces

its etiquette and customs......and dictates the habits
which are acceptable to it.[1]

Long ago Socrates laid down the principle that
"virtue is knowledge;" and a modern psychologist, William
James, tells us that "thinking is the moral act." A
great deal of the maladjustment in social life is due to
sheer stupidity; and certainly a great deal of this
stupidity is curable if taken in time. The effectiveness
of our sympathy and altruism is dependent largely
upon our being able to make real to ourselves the feelings
and attitudes of other people-----in short, their humanity.
Revolutions in social conditions have been wrought by
men who were able to make the more fortunate half of
humanity realize how the less fortunate half lives.[2]

We cannot take the individual as an abstract
entity if we would understand human conduct. We must
take him as figuring in the historic stream of develop-
ment-----woven into group mores and group standards,
themselves constantly shifting..........The group has
reality for those born into it and woven into its life
tissue. The group preexists and makes demands upon
them........It commands loyalty, it establishes obligations.

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1. J. E. Boodin, Group Participation as the Socio-
logical Principle Par Excellence (v. 1, n. 1,; Berkeley:
University of California Press, 1933), 28.

2. Ibid., 36.

On the automatic level it uses the individuals with their
sense organs, their instincts, their capacities, as
instruments to do its bidding. Even when man emanci-
pates himself by rising to the constructive level of
life, he must draw his lifeblood from the group; he is
still part of its tissue of tradition. We must under-
stand this tradition in order to interpret and remold
it. We can only re-create the group by identifying
ourselves with it. In attempting to graft the new
insight upon the old tree of life, we must understand
the character of the old. The principal requirement is
that reconstruction shall be thoroughgoing, lest we
patch a new cloth upon an old garment, pour new wine
into old bottles, and thus prevent the experiment from
being fully tried.[1]

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1. *ibid*,,p. 43.

Appendix A -- ~~Title~~ Conflict Form of Interaction

While conflict will never play even a minor role in the interaction of the branch group in their business dealings with other groups, some basic concepts that have been developed from the socio-psychological aspect are worthy of consideration.

Conflict is a state of affairs in which a group seeks domination of another group against its opposition. The objectives of domination may be to seize and assimilate or to destroy the instruments, controls, and the social structure of the group attacked. Conflict arises under either or both of the following conditions:

(1) When a group believes that its social structure is unequivocally threatened by an outside group.

(2) When the status of the implementers of social control is threatened within the group, these implementers engineering a divertive attack against an out-group in order to reestablish their internal social control.

During conflict a group undergoes a marshalling, rationalization, and integration of its social functions and instruments; its sanctions are expanded, and the margin of acceptable real ways is narrowed; its structure becomes more explicit, and extra duties and privileges are assigned to the leadership hierarchy.

Conflict by indirect subversive attack (subversion) is a form of conflict in which a group seeks domination of an opponent group (a) by circumventing the mutual agreements or understandings that control their existing form of

interaction or (b) by circumventing the controls of a group
of higher power status within the larger social structure
of which both groups are a part.

The methods of subversion are usually "black", that is,
secretive, and not immediately apparent to the opponent
group.

The most common methods of subverting existing
agreements are by:

(1) Indoctrinating key persons of power in the opponent
group to a program of collaboration or assimilation
by the technique of casting the "collaborative"
doctrine in the social symbols of the opponent group.

(2) Infiltrating persons into key positions of power in
the opponent group, or by the various "black"
means of developing a faction at those status points
in the opponent group that control it functions.

(3) Creating dissension or disorganization within the
opponent group by black operations focused on
points of disunity within it.

The same methods (1) (2) (3), are employed when the
attacking group and its opponent are both controlled by
high power groups. Persons at key points of higher power
may be indoctrinated, or a sympathetic faction may be in-
filtrated, or the opponent group may be suborned in order
to secure rulings against it which place it in a subordinate
position.

Conflict by direct overt attack is a form of conflict
in which members of one group proceed directly and openly
against the key points of power and control in an opponent
group. As with indirect attack direct aggression usually

arises when the attacking group believes its structure is genuinely threatened or when interval dissension requires a divertive attack. Direct attack often follows an indirect attack that has been ineffective, or it may itself be a response to subversive attack by another group. Black operations usually, however, continue during direct attack.

The objectives of direct attack are analogous to those of subversion, but the means of obtaining them are open and above board (within the demands of strategic and tactical surprise):

(1) By "white" propaganda, seeking openly to destroy the will to resist at key points of power.

(2) Seeking physically to destroy or control the persons at key points of power in the opposing group.

(3) Seeking to destroy or disrupt the organization of the opposing group and thus reduce it to such disorganization as to be able to move in and reorganize it in its own way and for its own purposes.

If the objectives are achieved, the winning group seeks to assimilate the defeated group. Complete assimilation would mean complete absorption of the conquered into the social structure at lower status levels. A milder form would be one in which the winning group places its faction at key points of control in the defeated group. This faction constitutes superior-status implementers of social control of the vanquished.

Appendix B - Job Analysis

Synopsis of "Job Analysis" by Charles C. Looney, Comptroller
of the Harris Trust and Savings Bank of Chicago, from a
reprint from an article published in the Burroughs Clearing
House of Jan 1947.

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Job Evaluation for Smaller Banks:

"It does not seem to us that the question of how big
a bank should be to have a job evaluation plan can be
answered in terms of the size of its deposits. It can be
answered, we think, from an appraisal of the jobs in any
given bank. Any bank that is large enough to have its
jobs set or confined to specific duties can consider job
evaluation."

".... In our study we have had three main objectives
that may serve as guideposts for others:

(1) To have an administrative organization, or
committee for the program that would be represen-
tative of the bank's management.

(2) To have a system that would be simple and effective
for our own bank.

(3) To establish a routine that would keep the system
up to date."

"The administration of our program.....is vested in
a Job Analysis Committee which is a sub-committee of our
Operating Committee........ Besides the fact that our
committee is a representative one, and this is a matter of
vital importance, it has the full support of our top
management."

The <u>Job Evaluation Plan</u>:

"The keystone of our system is the Job Rating Scale, ...broken down into six factors used in the analysis of any and all jobs:

(1) <u>Complexity of duties</u>, covering the extent of the judgment that is required, and a weighting of the importance of the decisions to be made.

(2) <u>Preparation for the job</u>, covering knowledge, training and experience.

(3) <u>Personal qualifications</u> for the job, a factor used only when absolutely needed.

(4) <u>Responsibility for commitments, property, money, or records</u>, which considers the losses which might result from a job, and the controls set up under the present system.

(5) <u>Contact with the public, customers and personnel</u>, covering the personality and ability to get along with people that is required for the job.

(6) <u>Degree of executive responsibility</u>, covering the extent of the position."

These factors are broken down into degrees and rating points are assigned to each of the degrees. With the factors and rating point values established, the next step is the application of the formula to the various jobs in the bank. To do this.... a job rating sheet was designed which provided space for three opinions, the employee's, the department manager's, and the job analyst's, on the number of rating points to be assigned to each factor of any job. The Job Analysis Committee finally reviews and approves their findings."

"Beyond the point of establishing the job analysis system and arriving at the minimum and maximum salary figures comes the matter of administering the plan. It is here the final success of the plan will be determined."

"Whenever a job is changed within a department, where a department is reorganized, when a department is expanded or contracted, the Job Analysis Committee is called upon to consider all recommendations for rating adjustment. It must even be prepared to review its basic rating point value under changing economic conditions. In all of this it substitutes a more scientific, impersonal approach for hit-or-miss methods."

"..... It seems to us, therefore, that the job analysis program, is not only fair to all concerned, but also offers a measure of cost control over the largest single expense of the bank, employee salaries."

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