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EMPLOYEE ATTITUDE TESTING AT  
SEARS, ROEBUCK AND COMPANY, 1938 - 1960

by

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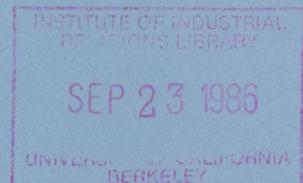
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**Employee Attitude Testing at Sears, Roebuck and  
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In 1938, Sears, Roebuck and Company launched an employee attitude survey program that was to become one of American industry's largest and most sophisticated applications of behavioral and social science research to personnel problems. Using questionnaires and nondirective interviewing, Sears continuously surveyed thousands of its employees to gather data on their attitudes toward the company. In addition to being an influential pioneer in the use of these techniques, Sears attracted an array of academic talent -- anthropologists, sociologists, and, in later years, psychologists -- who employed the survey data to produce several important studies of organizational behavior. All told, these efforts established Sears as the corporate center of the human relations movement during the 1940s and early 1950s, the position formerly held by Western Electric.

Although the Sears program was an outgrowth of the employee interviewing and counseling research done at Western Electric, it differed from the Western Electric program in two important respects: its longevity -- the survey continues to this day -- and its integration into the company's ongoing effort to forestall unionization. The two decades following passage of the Wagner Act in 1935 marked a critical period for companies like Sears that managed to remain largely or entirely unorganized by unions. {1} Several key personnel strategies these firms had pursued since the 1910s to stave off unionization now were either illegal (company unions and the "hardball" tactics to maintain an open shop) or discredited (paternalistic welfare practices), thereby forcing a search for new techniques to secure employee loyalty and relegate managerial authority. The Sears attitude survey program was one result of that search; it demonstrated how a firm could be aggressively nonunion and socially progressive at the same time. {2}

Yet the Sears survey program was more than simply a facet of the company's union avoidance strategy. As this study will show, the research spawned by the program made significant contributions to a number of academic disciplines, notably in such areas as motivation theory, attitude survey methodology, and organizational theory. Although the research contributed to the company's labor relations objectives, that was not always its intended purpose. The researchers who participated in the program had their own intellectual agendas; they were more than mere servants of power. But they also were occasionally naive or disingenuous about the manipulative potential of applied behavioral science.

Finally, it should be noted that attitude surveys were not just a passing fad started by Sears, adopted by a few other companies after the war, and then discarded. The technique's popularity did level off after the mid-1950s, but it recaptured interest in the early 1970s, and today it is more prevalent than ever before, especially in large nonunion companies. {3} This trend is similar to the diffusion pattern followed by "hard" technologies: an invention (attitude measurement) is superseded by innovations (employee attitude surveys) that, if successful, are diffused throughout the market. Diffusion speed is determined by expectations of profit, which in this case apparently were lower between the mid-1950s and early 1970s--the heyday of mature collective bargaining in the United States--than they were in the 1940s or today. But despite the present widespread use of employee attitude testing, its early history is obscure, and modern practitioners do not appreciate their debt to Sears or realize the importance of early experiments with the technique.

## Roots of Attitude Testing

William I. Thomas and Florian Znaniecki's The Polish Peasant in Europe and America, originally published after World War I, is credited with being the first modern social science study to use the term attitude to connote a purely mental state, thus detaching the concept from the physical moorings given it by nineteenth century biologists and physiologists. The Polish Peasant was followed during the 1920s and 1930s by a spate of research that employed the concept to explain numerous aspects of human behavior. Although there was no definite agreement as to what attitudes were, they generally were viewed as orientations toward action; more than just feelings, they had cognitive and normative content, and they could be measured. {4}

There was some disagreement, however, over how best to assess attitudes. One group, consisting largely of psychologists, tended to accept self-stated opinions as valid measures of attitudes and relied heavily on quantitative questionnaire data to document those opinions. Hence the development in the late 1920s of attitude scaling methods (by L.L. Thurstone, Rensis Likert and others) constituted a major breakthrough in applying this approach. Another group, made up of sociologists and anthropologists, was more inclined to think of attitudes as lying beneath the surface - requiring the use of unstructured interviews, case studies, and field work to ferret out deep-seated or unconscious beliefs.

Industry's first significant adoption of attitude surveys was in market research. In the 1920s, companies began to conduct surveys of consumer attitudes toward particular products and advertising media. By the mid-1930s a number of organizations offered consumer research services to

industry, including A.C. Nielsen, Market Research Corporation of America, and Psychological Corporation, the last a consortium of academic psychologists. {5}

Market researchers soon discovered that their survey methods could be applied to measure other kinds of attitudes. One logical extension was to political opinions. Gallup, Crossley, and Roper, now well-known as pollsters, started out in market research, although their reputations in the political arena were not firmly established until they succeeded in predicting Roosevelt's landslide in the 1936 presidential election. {6}

Employee attitude testing was also soon to follow on the heels of market research. Here the pioneering practitioner was J. David Houser of Houser Associates, who had begun his career administering psychological selection tests for the Army during World War I. After the war, Houser organized a consulting group that conducted consumer attitude studies for large public utilities like the Los Angeles Gas and Electric Corporation and those owned by Samuel Insull, the Chicago utilities magnate. Among the marketing studies then being done, Houser's work was notable for going beyond mere description, and other researchers praised him for his use of causal analysis, sampling theory, and carefully constructed questions. {7}

Houser's investigations of employee attitudes were similarly sophisticated. Although others had published journalistic accounts of worker attitudes, {8} Houser was the first to develop a quantitative approach to the topic and demonstrate its utility to employers. While a Wertheim Fellow at Harvard in 1924-25, he conducted interviews with a number of top business executives and discovered that few of them had accurate information on their employees' morale and attitudes toward management. This ignorance was unfortunate, said Houser, because low morale

caused employees to "express resentment through sabotage, 'soldiering' in their work, wage demands, and strikes." That is, Houser believed there was "a direct ratio between morale and the amount of output, the quality of work, and other factors." He argued that by pinpointing the determinants of morale, attitude surveys would provide managers with the information needed to improve not only personnel practices but, more important, employee performance.

To gauge employee morale, Houser had interviewers ask employees a set of standardized questions about various factors in their work environment. Responses then were coded on a scale from 1 to 5, with each number corresponding to an equal increment of feeling, ranging from enthusiasm through indifference to hostility. For example, when asked, "How much do you feel that you are growing on the job?", a response that would have been coded as hostile was, "Don't think I'm getting along at all! I'm in a fierce rut! No chance to learn!" From the answers to questions of this type, Houser was able to compute an overall "morale score": a single number that, when averaged over all employees in a unit, allowed for comparisons across departments or firms. {9}

Following the publication of Houser's book, What the Employer Thinks in 1927, researchers from a number of disciplines began to study the determinants of employee morale. As in other kinds of attitudinal research, psychologists were inclined to rely on data derived from standardized questionnaires, whereas sociologists and anthropologists tended to favor more qualitative information, such as that obtained in the Hawthorne studies at Western Electric. In trying to shed light on the link between supervision and morale, the Hawthorne researchers had developed the method of nondirective interviewing, which encouraged workers to discuss freely

with an interviewer whatever was on their minds. Between 1928 and 1931, they conducted over 21,000 interviews at the Hawthorne plant, and they quickly realized that interviewing itself had a desirable, cathartic effect on workers that was independent of any information obtained on their attitudes. {10}

Although industry was at first slow to adopt employee attitude surveys, interest in the technique was spurred during the late 1930s when a few private consultants, most notably Houser Associates, began to promote attitude testing specifically as a tool for avoiding labor unrest and unionization. In a book written in 1937, Houser attributed labor unrest directly to employers' "dangerous and costly misconceptions" concerning the "relative importance of workers' motives." In other words, managers erroneously judged the importance to workers of pay and promotion, which Houser's research had shown to be less important in determining morale than such nonpecuniary factors as fair supervision and clear communication. Echoing Elton Mayo, Houser said that managers also misunderstood unions, whose real purpose was "to provide a method of punishing management for the continued debasement and frustration of workers, with such punishment taking its only possible form - that of frequently recurring demands for more money." This analysis was bound to appeal to employers, for it suggested, first, that attitude surveys could uncover some relatively inexpensive ways to deter unions and, second, that union demands were not a true reflection of employees' desires, despite union leaders' claims to the contrary. "Management alone can satisfy the most vital of these desires," said Houser, through "the method provided by modern psychology." {11}

Before World War II, Houser Associates had considerably more experience conducting employee attitude surveys than any of the other firms then selling this service to industry, such as Stech Surveys or Psychological Corporation. In addition to utilities like AT&T, Houser counted among his clients several retailing firms; and one of the psychologists on his staff, Arthur Kolstad, developed a psychometrically sophisticated questionnaire specifically designed for surveying the attitudes of retail employees. This work brought Houser to the attention of Sears, and in February 1938 he made a presentation to the company's top managers. Later that year, the company hired Houser Associates to conduct "morale surveys" of its employees. By June 1939 Houser had completed the first such survey at the company's Atlanta mail-order plant.{12}

#### Employee Relations at Sears

Sears had long been known as a progressive, if somewhat paternalistic, employer. From the turn of the century the company had been a leader in the welfare work movement, offering its employees such benefits and amenities as sickness and disability insurance, profit sharing, anniversary checks, athletic fields, company bands, and choral groups. After Sears branched out of mail order and entered the retail field in 1925, it began to devote more attention to systematic personnel management. Unlike most other firms at that time, Sears accorded the personnel function high status in the managerial hierarchy: the personnel department was involved in all management hiring decisions, and for many years the vice president for retail administration--a key job--was also in charge of personnel management. Sears' recognition of the importance of personnel management

had resulted from the practical necessity of developing and staffing its entirely new and labor-intensive retail division; the importance of the management selection process in its highly decentralized organization; and its long-standing belief in the inherent virtue and profitability of good employee relations. {13}

Despite all this, in 1937 Sears found itself the target of several union organizing drives. The CIO's new retail affiliate, the Retail, Wholesale, and Department Store Employees, was aggressively campaigning to organize stores in the East and Midwest, while the AFL's Retail Clerks International Association, after years of lethargy, had become active on the West Coast. In addition, both the Teamsters and the Longshoremen were making inroads at the company's regional mail order houses--factory-like facilities each employing thousands of workers. A walkout at the Minneapolis unit in 1937 was followed by a sit-down strike at the central mail order house in Chicago. In a report of October 1938, General Robert E. Wood, president of Sears, noted that the company's labor difficulties were taking "a good deal of the time and attention of many of our managers." {14}

Opposition to unions was an article of faith among managers at Sears, from the top on down. General Wood was an extremely conservative man: ardent isolationist, supporter of various anti-communist fringe groups, and an unrelenting adversary of organized labor. Writing to President Roosevelt in 1937, Wood criticized the administration's labor policies, arguing that the majority of employers were fair and that organized labor was growing simply because it used threats and physical violence to intimidate workers into signing cards and joining unions. {15}

In his response to labor problems at Sears, Wood fashioned a two-pronged strategy. First there was the tough, tactical approach, personified by the man Wood picked in 1935 to head the company's labor relations department, Nathan W. Shefferman. To deter unions, Shefferman relied on quasi-legal and sometimes illegal techniques such as creating "vote no" committees during union election campaigns, showering free Sears merchandise and other gifts on union leaders, and, if unionization seemed inevitable, arranging sweetheart contracts with unions like the Teamsters. {16}

The company's other, more positive, approach was to expand and update its welfare programs (now favoring pecuniary over other benefits), while at the same time experimenting with new personnel practices that included a constant wage plan, an employee-elected profit sharing council, and Houser's attitude survey program. From the beginning, Sears viewed the surveys as an integral part of its labor relations strategy, and over the years other goals of the program were dwarfed by this consideration. In particular, surveying allowed the company to pinpoint problem units in its far-flung operations and then take remedial actions before employees turned to labor unions for help. {17}

#### The Houser Surveys, 1939-1942

Between 1939 and 1942 Houser Associates surveyed some 37,000 Sears employees in all ten mail-order plants and over 150 retail stores. {18} When the war forced Sears to discontinue the program, Houser was in the midst of a second round of surveys in the mail-order houses. Despite its decentralized organizational structure, Sears placed responsibility for the

survey program entirely in the hands of the parent personnel department in Chicago. In charge during this period was James C. Worthy, hired by Sears in 1939 to head up Sears' new personnel research department. Only 29 at the time, Worthy had previously worked for the National Recovery Administration and as a labor relations manager in a Milwaukee department store. Had it not been for the Great Depression, it is likely that he would have pursued an academic career since he had a gift for writing and, unlike most managers, enjoyed working with university professors and researchers. Worthy's assistant on the survey work was David G. Moore, whose only previous experience was a one-year stint as an employee counselor at Western Electric's Hawthorne plant.

At the heart of the Sears survey program was the questionnaire, which was similar to those Houser used with his other retail clients. Sixty multiple-choice questions asked employees for their opinions on specific workplace practices, such as supervision, job and working conditions, local management, and salaries. The questionnaire also contained a ten item scale that measured the employee's overall attitude toward the company by asking him to compare Sears to other firms with which he was familiar. Responses to those ten questions constituted the employee's "morale score," with a "perfect" score scaled as 100. When analyzing a unit, Houser took questionnaires from the top and bottom deciles of the morale scores, and compared the two groups' attitudes toward specific factors so as to see which factors determined morale. {19}

The conduct of each survey was a cross between an examination and an election. A cafeteria or meeting room was used to test employees in groups of 25 to 200, and various steps were taken to insure employee anonymity. No Sears supervisors were allowed in the room during the survey, and completed

questionnaires were placed in a "ballot box" that became the property of Houser Associates. After the questionnaires had been scored, members of Worthy's staff met with the local managers to discuss the findings and review what would appear in the staff's report on the unit. The report--copies of which were sent to the unit manager and to the company's vice president for personnel--discussed the overall situation, the unit's morale scores as compared to those found in other Sears units, and ways of remedying the problems uncovered by the survey. Store managers then devised their own plan for correcting the problems and sent a copy to the parent personnel department. There was, however, no formal mechanism for monitoring the remedial plans, because this went against the company's ethos of giving maximum autonomy to local unit managers. Evaluation and follow-up thus were the weakest links in the survey program. {20}

Research, on the other hand, was the program's strong point. Houser's staff, together with Worthy and Moore, prepared a number of studies based on companywide survey data. They produced reports on employee attitudes toward specific company practices as well as statistical summaries of morale scores broken down by occupation, sex, tenure, age, marital status, and other demographic factors. Worthy wrote several interpretive studies of the statistics, and after the war he published them in academic and management publications. Although one might think that Sears managers would have had little interest in reading survey statistics, this was not the case. As Clarence B. Caldwell, then national vice president for personnel, observed, "Executives in the retail business, and I imagine in most other businesses as well, have a great respect for figures. Statistical reports for greater awareness of the factors likely to influence the attitudes and morale of the organization." {21}

An interesting finding of the analyses was that the three items most strongly correlated with high morale were a belief that Sears dealt fairly with employee complaints, that it offered a satisfactory future, and that it provided interesting work. Pay, on the other hand, ranked eighth among the factors related to high morale, which confirmed the Houser-Mayo proposition that both managers and unions overemphasized the importance of money. At Sears and elsewhere in the human relations movement during the 1940s, this view led to an extreme and almost dogmatic belief in the secondary status of pay and other economic rewards. These, said James Worthy, "are not enough; they are only the beginning. If the only basis management can conceive for employee loyalty and cooperation is the pay envelope and the short workweek, there can never be enough money or short enough hours to do the job." {22}

Yet many of the other findings were not unexpected or especially interesting. For example, morale was found to be inversely related to employee turnover and lower among those who had previously worked outside of retailing. And when an unexpected or peculiar finding did turn up, the Houser staff often could not provide a good explanation for it. In part this failure stemmed from their isolation from social scientists who could have provided theoretical and practical guidance to the program. It also reflected weaknesses in Houser's survey instrument, which was designed simply to describe the factors related to morale. The questionnaire provided little or no information that could be used to tease out and corroborate causal relationships. Hence, it was at best an imperfect diagnostic tool. Overall, local unit managers may have gotten a better sense of how their employees stacked up against the corporate average, but it is doubtful whether they learned very much that they did not already

know. {23}

Nevertheless, when judged by the standards of American business as opposed to those of academic social science, the program appeared quite sophisticated and prescient. Moreover, its scale was unprecedented. Before the U.S. Army's morale survey conducted during World War II, no more extensive survey of organizational morale ever had been carried out. But Sears had an unusual opportunity-and need-to engage in such a massive undertaking; its work force in 1941 numbered over 100,000.

#### Burleigh Gardner and Nondirective Interviewing

During the time between 1943 and 1946 when the survey program was suspended, Sears experimented with nondirective interviewing (NDI) as another way to assess employee attitudes. In contrast to Houser's questionnaire data, which could be analyzed with simple statistical tools, NDI required an interpretive framework to make sense of the mass of ambiguous, qualitative data that it dredged up. At Sears, this framework was supplied by Dr. Burleigh B. Gardner, a social anthropologist who carried out the NDI experiments conducted at Sears during the war years and who had a major influence on subsequent developments at the company. In his capacity as consultant, Gardner helped to place Sears on the intellectual map by linking the company's programs to similar research efforts under way elsewhere and by helping it draw on the prestige and academic resources of the University of Chicago.

Gardner had earlier participated in several of the most influential social science projects of the 1930s. As a graduate student at Harvard in the early part of the decade, he had sat in on seminars conducted by Elton Mayo and Lawrence Henderson, and later he was part of a team of student interviewers hired by William Lloyd Warner for his massive study of social class in Yankee City (Newburyport, Massachusetts). Under Warner's supervision, Gardner went on to conduct a field study of social relations in Natchez, Mississippi, a site chosen as a matched comparison to Newburyport. The study employed the same conceptual system and methodology as was used in Yankee City, including the technique of "free associative interviewing," which was a refined version of the nondirective interviewing technique developed at Hawthorne and Newburyport. {24}

In 1937, while interviewing Navajos for a Soil Conservation Service study, Gardner took a trip to Chicago to see Warner, who had recently joined the faculty at the University of Chicago. Through Warner, Gardner found a job in Western Electric's new employee counseling program, which used nondirective interviewing for intentionally therapeutic purposes. After working at Western Electric for five years, Gardner wrote a book, Human Relations in Industry, based on his experiences there.

The book, which went through several editions and became a standard business school text, showed the influence of Mayo and Warner on Gardner's thinking. From Mayo came a focus on work groups and informal organization and an eagerness to apply such psychoanalytic concepts as latency and catharsis to the study of the workplace. Like Mayo, Gardner encouraged managers to use clinical approaches to meet workers' nonrational and emotional needs. But whereas Mayo tended to reduce the factory's social dimensions to psychological factors, Warner had made Gardner sensitive to

status relationships, ethnicity, and the community outside the workplace. In his book Gardner analyzed how an organization's occupational status system shaped a worker's outlook, and elsewhere he attributed the unionization of foremen to their status anxiety. His discussion of social class was a departure from Mayo, as was his close attention to the question why workers joined unions. Gardner's functional analysis of unions--that they speed up the grievance system and make workers less fearful of using it--was a relatively sympathetic account, especially as compared to those of Mayo or Whitehead. In one of his articles, Gardner used Pareto's equilibrium concept, which Mayo and others had adopted to support a conservative social view, to show how unions arose to restore an industrial balance that had been disturbed by autocratic control and rapid technological change. {25}

Though not a terribly original thinker, Gardner was a superb teacher and instilled an enthusiasm for his ideas in the people around him. David Moore was one of the employee counselors Gardner trained at Western Electric, and after Moore moved to Sears in 1941, he repeatedly told his new boss, James Worthy, that the Houser questionnaires were simplistic and limited, and that the only way to fully understand worker attitudes was to uncover the "deep stuff" then being mined at Western Electric. At Moore's instigation, Gardner met with Worthy to discuss personnel research at Sears. The two men immediately hit it off, which was hardly surprising. Gardner was an intellectual (by then he was teaching at the University of Chicago Business School) but one with an entrepreneurial bent and considerable practical experience, while Worthy was a sophisticated and academically inclined manager, one who could appreciate the value of esoteric and time-consuming procedures like NDI and field study. After

their meeting, Worthy hired Gardner to demonstrate how the procedures might be used at Sears as an adjunct or even an alternative to the Houser survey.

In the experimental projects he ran for Sears between 1943 and 1946, Gardner distanced himself from Western Electric's therapeutic conception of NDI and instead employed the technique as an information-gathering tool. According to Worthy, top management at Sears encouraged this approach because they viewed morale problems as inherent "in the structure of relationships within the organization and not [as at Western Electric] in the individuals who comprise the organization." Sears, he said, placed the burden of change on management rather than on the individual employee, who "is never guided or directed into what are considered to be proper channels of activity." Although this was an overstatement--Sears' management was well aware of the cathartic effects of NDI and at times used it to modify employee behavior--the company's use of NDI was less intentionally manipulative than Western Electric's. {26}

Worthy initially assigned Gardner to investigate the company's problem units - those with low morale, high turnover, and union proclivities - and to judge whether NDI could reveal the causes of discontent, and perhaps remedy them. Gardner's projects included one study of the status system in retail shoe departments and another comparing the social structures of selected departments in a group of Chicago stores. But his main work was with the white-collar employees who prepared the Sears catalog, a high turnover group that had scored the lowest on Houser's morale scale of all groups surveyed in the parent organization. With an assistant, Gardner interviewed everyone in the department, starting at the top and moving down the ranks. He also interviewed a number of buyers, a group that worked closely, but not always smoothly, with the catalog employees. {27}

In applying NDI, Gardner reported that he always listened with interest, never argued, looked for omissions and hesitations, and periodically summarized for the employee what had been said. According to David Moore, Gardner encouraged his subjects to talk freely by "reflecting back to the employee what he was saying, stimulating him to talk further. The interviewer indicates no reaction to what is said, in that way reassuring the employee and carrying him far into the interview." {28}

Even before he was finished with the project, Gardner's interviews began having an effect on the catalog department: turnover rates fell and morale started to improve. This he attributed to the catharsis achieved by interviewing: "Emotional stress is relieved and the individual is able to think more objectively about his problem and ceases to act in erratic or ineffective ways. In many cases a person who before the interview had been noticeably worried or depressed ... will afterwards seem relieved and cheerful and return to the job with renewed vigor." Gardner's interviews also gave the department's top managers a chance to discuss their problems with a neutral confidante and come to a clearer understanding of how to resolve them, not unlike other forms of 'talking' therapy. According to Worthy, "Executives both in and above the department had an opportunity, possibly for the first time, to really talk through their problems as they saw them. There are many things about a job a man cannot talk over with his wife or others outside the company." {29}

In line with his human relations philosophy, Gardner's final report noted that departmental morale could be improved by manipulating "social" conditions, including job titles and the leadership styles of the department's managers; little was said about economic factors or physical working conditions. Gardner believed that the most important determinants

of job attitudes were "the things involving the individual's relations with others on the job", and that of all the relationships within the work situation, "the relation with the foreman or immediate supervisor is the most critical of them all." The report and the results Gardner achieved made a deep impression on Sears management and cleared the way for wider use of the NDI technique after the war. {30}

Gardner's work at Sears during this period was performed under the auspices of the University of Chicago's Committee on Human Relations in Industry [CHRI], one of the first university-based social science consulting groups. Corporate members of the CHRI paid a substantial annual fee in return for having faculty conduct research on their personnel problems. Initially, Gardner was CHRI's executive secretary, and Lloyd Warner chaired the group; other faculty members included Allison Davis, Robert J. Havighurst, Frederick H. Harbison, Everett C. Hughes, and William Foote Whyte, who took over as executive secretary in 1946. The CHRI had a half-dozen corporate supporters, mostly local firms like Container Corporation of America and Link-Belt. But by far its major contributor and customer was Sears. In addition to Gardner's work, CHRI sponsored a variety of management programs for Sears. Warner, for example, delivered a series of evening talks to the company's chief buyers on the topic of "Social Class and Its Relevance to Sears," while Gardner and Warner held seminars for the company's top executives on "Social Structure in Industry." Although Sears was not unique in having close ties to social scientists in academia, few other firms at the time cultivated those relationships as carefully and as extensively as Sears. {31}

## The Organization Survey

In 1945, Sears was poised for a huge postwar expansion that would add over 45,000 retail employees over the next five years. The company's executives knew that growth of this magnitude would bring a host of personnel problems, not the least of which would be tussles with organized labor, which during the war had made successful forays into the ranks of Montgomery Ward and other competitors. Consequently, Worthy and Caldwell began planning to revive a large-scale attitude survey program. Although Houser Associates was eager to renew its contract and Caldwell was ready to rehire them, the managers most closely connected to the survey program--Worthy, Gardner, and Moore--were confident they could develop and administer a survey on their own. This they were able to do, and in 1946 Sears ushered in a new program called "the organization survey," a name chosen to emphasize the company's intention to measure morale not as an end in itself, but instead as "a means of diagnosing the problems of the organization." {32}

The organization survey had two parts. First was the questionnaire, which was written by Gardner and Moore and similar to the one Houser had used. The personnel department was now more careful, however, to cultivate among employees a favorable reputation for the survey, and questionnaires were never distributed in stores anticipating layoffs or in departments that were about to dismiss an employee. Furthermore, the worker's morale level was now measured by his total score on the questionnaire rather than by a separate scale. Gardner and Moore carefully defined morale as a state in which the employee's individual goals were integrated with those of the organization. Morale, they said, was "the extent to which employees are for

or against [management]. Management represents the leadership of the organization. If employees follow that leadership and identify their personal interest with the aims and goals of the organization, then they may be said to have high morale." {33}

Nondirective, or what Sears called "employee-centered," interviewing formed the second part of the new program. After the questionnaires had been completed, the survey team left the site, scored the questionnaires by hand, and singled out departments in which the "feeling tone" was "negative." They then returned to the store, usually within several hours, and interviewed selected employees in those departments. The employees first were given a general picture of what the interviewer wanted them to talk about and then were encouraged to say whatever was on their minds. According to Worthy, "They often find themselves talking to the interviewer about personal fears and anxieties which they would never otherwise discuss. The kind of information gained through such interviews is invaluable because it is the basic personal stuff out of which grievances and demoralization grow." {34} To reduce the employee's anxiety, no notes were taken during the interviews. Afterward, the interviewers wrote a word-for-word transcript to the best of their memories and rated the employee's attitudes based on the same set of factors measured by the questionnaire. They also filled out special forms designed by Gardner and Moore that asked them to make observations about the department's status system, cliques, "resistance groups," and informal leadership. {35}

A concerted effort was made to involve the local store manager in the survey process. At the beginning of a survey, he was given a detailed explanation of what would take place, and an NDI session was held with him so that he could talk about his problems and release any anxiety he felt

about having his store surveyed. After the entire survey was completed, the team reviewed the results with the store manager and his assistants. The discussion usually focused on so-called inversions--atypical response patterns, such as higher morale among men than women--and through this clinical process, store managers were taught to think analytically about their personnel problems.

Thus, the organization survey program brought together the two main strands in attitude research: the quantitative, closed question format of the questionnaire and the more open, qualitative approach of nondirective interviewing. As in other kinds of attitude research, these methodologies complemented each other. The questionnaire was speedy, objective, and relatively inexpensive to use, while the interview filled in interpretive gaps and uncovered rich, psychological material that a questionnaire ordinarily did not reveal.

At Sears, however, the questionnaire held a distinctly secondary status and was viewed as superficial and difficult to interpret. In describing the survey methods, Sears managers used revealing metaphors. The questionnaire was termed "a kind of crude thermometer" whose function was to assess the "general feeling tone" in a unit, establish rapport with employees, and prime them for NDI. Interviewing, on the other hand, was seen as a more precise process, like that of a physician analyzing the cause of a fevered patient's "negative feeling tones." If Moore and Gardner could have had their way, Sears would have relied exclusively on NDI, but Worthy deemed that too costly. {36}

## Firefighting

Selecting units to be surveyed was a critical part of the program. Typically, Sears took a "firefighting" approach and surveyed units thought to be potential union organizing sites. Units were selected by the territorial zone managers--who traveled from store to store--based on evidence of poor local management, employee complaints, or location in a heavily unionized community. Sears was very proud of the fact that its stores in cities like Pontiac, Michigan and Gary, Indiana were unorganized, and in 1946 those stores were test sites for trial runs of the organization survey program. Store managers themselves could request a survey if they thought things were going awry, but Sears refused to conduct a survey if an organizing drive was in progress at the unit, since this might be construed as an unfair labor practice. {37}

Those in charge of the survey program claimed it could accurately forecast union activity in a particular department or division. According to Burleigh Gardner, "You could see it coming as clear as day ... [and could] predict trouble in six months unless you acted." Managers of units showing an average morale score below 35 on a scale of 100 were advised to "start looking where your trouble is and start figuring out how to do something about it." {38} A typical survey report would warn managers about departments that were "potential trouble spots" and suggest ways of improving morale, such as through better communications, more personal contacts, breakfast meetings, and transfers to departments with high morale scores. In some cases, stores with low scores were turned over to Nathan Shefferman, who relied on informants and other techniques to detect and snuff out any incipient organizing activity. {39}

Ironically, the firefighting approach led to its own morale problems among the local managers, who suspected that the initiation of a survey at their unit was a sign that someone had questioned their ability to manage their employees. As a result, they resented the survey program and feared its possible effect on their careers. The local manager was particularly wary of the survey team as a group of outsiders who had no particular sympathy for local conditions, but whose final report nonetheless would be sent to his superior.

Survey team members were usually middle managers from other parts of the country who were being groomed for senior positions at Sears. Most had experience in operations or merchandising but not in personnel. Participating in the survey was thought to be a good way of exposing them to a variety of employee relations problems. The survey research staff trained them to conduct the nondirective interviews, through which they were expected to develop their listening skills and ability to communicate with employees. From the survey staff's viewpoint, involving those future leaders was also a way to build support for the program within the company. {40}

After the survey team's final report had been submitted, it was up to the territorial managers, rather than the survey staff in the parent personnel department, to make sure that remedial steps were followed at the local level. The territories were a product of the reorganization begun during the Second World War, and their managers often took a short-run approach to personnel problems and were less sophisticated about and less committed to the survey program than members of the parent personnel department. The result was that, as in the Houser years, follow-up was again the weakest part of the program. {41}

## Research Findings

The organization survey had other active research components not directly related to the firefighting effort. Studies were made of employees who posed no immediate or even long-term labor relations threat to the company. Here, low-morale occupational groups, rather than stores, were the units of observation, particularly "big ticket" sales representatives, service and warehouse workers, and control buyers (who were part of management). {42} This research produced some important findings, giving the survey program both exposure and legitimacy in academic circles. But in terms of time and other resources expended, the firefighting approach predominated. The company on average surveyed 6 to 7 percent of its retail and mail-order employees each year from 1946 to 1951, primarily in locations Sears considered its "problem stores." {43}

Gardner, Moore, and Worthy led the company's research effort, with advice from CHRI members like Warner and Whyte. Of the slew of research papers and reports they generated, only a fraction were ever published. But these had a major impact on industry practice and academic research, coming at a time when the human relations movement was gaining national prestige and influence. The ideas developed at Sears were squarely in the human relations mainstream, but they also often were critical of received doctrine. A few of these findings were particularly influential.

1. Money doesn't determine morale. As did other human relations researchers, the Sears group criticized simple economic models of motivation and stressed instead employees' expressive needs and the manipulation of social factors to fill those needs. A worker who said that

money mattered to him was interpreted as having substituted money for deeper and more fundamental needs, such as attaining status and recognition at work. This focus on occupational status was an important contribution: Gardner and Moore found status to be closely related to morale levels at Sears; and their analysis of the NDI transcripts showed the pervasiveness of status anxiety and status resentment among the company's employees. At times, however, the Sears researchers overemphasized the significance of nonpecuniary factors, perhaps because they were trying too hard, as Whyte recalled, "to develop a theory of motivation that would leave out money altogether." {44}

2. Supervision and small groups matter, but so do other factors. The Sears studies repeatedly stressed that morale was determined not simply by leadership styles and workgroup interactions, but by a "set of interdependent factors which combine in subtle and obscure ways to produce a particular level of employee satisfaction or dissatisfaction." {45} This emphasis on complex causation made it difficult to devise simple slogans to guide Sears managers, but gave them a more sophisticated understanding of potential workplace problems than did training in workgroup dynamics and benevolent supervision.

But rather than entirely giving up on leadership, the Sears researchers shifted their focus from the organization's first-line to its top levels. Morale levels and the quality of supervision, said Worthy, hinged "primarily upon the actions of the top man in a plant or store." Top management set the pattern of behavior in an organization, and other managers, right down to the first line, repeated and followed that pattern. Although this theory sounded much like that espoused by Chester Barnard, it

went a step further by recognizing the usefulness of examining organizations as a totality. {46}

3. In particular, organizational climate and organizational structure are important determinants of morale. The Houser surveys had shown morale to be inversely related to a unit's size, and this finding became the basis for a powerful, though not entirely original, {47} critique of classical management theory's preoccupation with the efficiency of large organizations and a detailed division of labor. Worthy, for example, averred that high morale in the company's smaller units could be traced to their simpler social systems and lack of hierarchy. Because they operated primarily through face-to-face relationships rather than impersonal, formal controls, the smaller units were more integrated, which encouraged cooperation between employees and management. Worthy extended this proposition to the community surrounding a store, since the survey data showed that morale was lower in stores located in large, industrialized cities. In a report on the company's Chicago mail order plant, he attributed this finding to the "fairly high degree of social disorganization characteristic of the great metropolitan agglomerations." This disorganization, he continued, produced "sharp cleavages ... between workers and management." {48}

But the major contribution of the Sears researchers came in demonstrating how giant companies like Sears could capture the advantages of small size through administrative decentralization. In the seminars conducted by Gardner and Warner, and in papers written by Worthy, Sears was characterized as a "broad" and "loose" organization, with minimal formalization and a flat hierarchy (there being only four levels between

the president and salespeople in the stores). These conditions deterred rigid controls and forced company managers to delegate responsibility, take initiative, and cooperate with one another, thereby placing a premium on managers with strong social skills. The net effect was an easy-going, friendly organization with high morale. In contrast, said Gardner and Warner, companies like Montgomery Ward (Sears' archrival) had a "tall" and "rigid" structure, with an excessive hierarchy, a "division of labor gone wild," overfunctionalized units, numerous formal controls, and driver-type leaders who relied on pressure to get things done. Morale was low and, according to Warner, "in a large percentage of tall organizations opposition groups form. Out of such groups grow unions." These archetypes were also reproduced within Sears itself: the company's units with high morale were found to be less hierarchical, less bureaucratic, and more "people-oriented", than its low morale units. {49}

The research at Sears therefore constituted a significant theoretical advance. First, it demonstrated that the organization mattered as much as if not more than the small workgroup that engrossed the researchers at Western Electric. Second, by linking two levels of analysis that previously had been distinct --the informal organization emphasized in human relations studies, and the formal organization analyzed by the classical organization theorists--the research prefigured ideas later developed by McGregor, Argyris, and Likert. But in trying to explain the origins of diversity, the Sears group relied strictly on human relations logic: Top management, rather than technological or economic factors, was identified as the ultimate determinant of organizational structure and morale. Thus, the rigid hierarchy found in low morale units was traced to the unit managers, who were "rather distrustful... [and] felt that people

had to be watched, that their work had to be checked closely", whereas managers in high morale units "had considerably more confidence in the capacities of their people to work out their own problems... [and] sought to capitalize on the initiative and good sense of their subordinates rather than do all the real thinking for them." {50} Similarly, the company's loose organizational structure was attributed to General Wood, who was credited with being a proponent of "men rather than systems" and also with having been nominated the sloppiest cadet in his class at West Point. {51}

Though much of this research was highly creative, it rarely was based on rigorous research methodology. Little use was made of sampling theory or survey statistics, and conjectures were not clearly distinguished from verified hypotheses. The findings on morale and unit size, which were important to the theories developed during the 1940s, could not be replicated by company researchers who retested this relationship in the 1950s using a more representative sample. {52} Some, but by no means all, of these problems were due to the tradeoff between qualitative depth and quantitative rigor that social scientists often confront.

### The Employee Inventory

Another phase of the survey program began in 1951, when Sears developed a new questionnaire known as the Employee Inventory (EI). For assistance, the company turned to Science Research Associates, a testing outfit partly owned by Robert K. Burns of the Industrial Relations Center at the University of Chicago. SRA had close ties to Sears; it had received start-up capital from General Wood, and several of its faculty associates had also consulted with Sears in the past. The EI project team at SRA

included L.L. Thurstone, the reknowned psychologist who for years had been devising selection tests for Sears; Melany Baehr, one of Thurstone's students; and Sears' own David Moore, who was by then a sociology instructor at Chicago. An important reason for developing the EI was that the old questionnaire had various psychometric faults, having been designed without concern for what Worthy in 1947 had disparaged as "the niceties of statistical method and of questionnaire construction." {53} In addition, by having SRA develop and market the new questionnaire, Sears hoped to gain access to comparative data on morale levels at other companies. Finally, Sears wanted a questionnaire that would do a better job of predicting, when unionization threatened, "how many potentially might join if the right kind of appeals were made to them." {54}

About the time Sears started using the EI, a number of problems began to crop up in the survey program, most caused by a lack of strong and competent leadership in the research team. In 1952 Worthy left Sears for a position in the Eisenhower administration, and after that Gardner, Moore, and Warner had very little to do with the program. With a vacuum at the top the territories took control of the program, and each of them ran it in a different fashion. NDI continued to be used, but it was poorly integrated with the EI concept, and few of the managers now running the program had the professional knowledge and interpretive skills needed to achieve useful interview results.

In 1953 V. Jon Bentz, who was in charge of employee selection testing for Sears, took over as head of the survey program. Bentz immediately introduced several reforms intended to shore up the survey, including greater standardization of the territorial surveys and training a more professional survey staff. But the most important step Bentz took was to

put an end to the program's firefighting orientation. All units were now to be surveyed on a regular cycle, with the program targeted to reach at least 20 percent of all units each year. This innovation went a long way toward alleviating the animosity local managers had borne toward the survey. {55}

Bentz and his assistant, Frank J. Smith, were both industrial psychologists, and their disciplinary backgrounds colored the revised survey program. They took a more systematic and quantitative approach to attitude testing, relying more on the questionnaire and less on NDI. The sociological and human relations issues that had fueled the earlier research gave way to a concern to illuminate the statistical relationships in the survey data and develop more precise attitudinal measures. The increase in the survey's scope and frequency allowed Bentz to specify more accurate survey norms, based as they were on a cross-section of the company rather than on its problem stores.

The change in the program's orientation also reflected larger forces at work in American industry. By the mid-1950s, American managers had regained the prestige they had lost in earlier years; and encouraged by the Taft-Hartley Act of 1947, a slowdown in union growth, and a favorable political climate, they were more confident of their ability to manage industrial relations problems. As a result, there was less pressure to experiment with esoteric techniques and concepts, such as those derived from social anthropology. These factors made Sears management reluctant to allow Bentz to expand the survey program beyond the 20 percent of the company's population it had reached by 1958.

But in December 1958 Jimmy Hoffa, president of the Teamsters, announced plans to organize Sears, and alarms began to sound throughout the company. Sears managers deeply feared Hoffa's union - much more so than

they did the Retail Clerks, which, despite periodic organizing attempts, never was able to gain more than the toehold it had established at Sears in the late 1930s. In 1959, the company responded by conducting an unprecedented survey of all 200,000 of its employees, using a short version of the EI. The following year, Sears began taking advantage of computerized scanning of the survey questionnaires, which reduced program costs, and was able to follow up the 1959 survey with one-third of its work force; NDI was also carried out in units with morale scores below 35 percent. Although Hoffa's drive did not succeed, Sears has maintained these coverage levels since 1960. In spite of a receding union threat in recent years, the company remains concerned about unionization and convinced of the program's value in labor relations and other areas. {56}

#### Conclusions

Although other companies experimented with employee attitude surveys during the 1940s and early 1950s, none matched the scope and longevity of the Sears program and few attracted such stellar academic support. Sears developed both an innovative approach to attitude testing and a respected and creative research effort. Taken as a whole, then, these accomplishments explain how the survey program at Sears became a bellwether for those interested in developing a modern, scientific basis for nonunion personnel management. {57}

Because scientific research is ideally a value-free endeavor, the use of the behavioral and social sciences at the workplace has been steeped in controversy ever since the early Hawthorne experiments. Although Sears managed to avoid public scrutiny and was never a target of the anti-human

relations critics of the 1940s and 1950s, the charges these critics leveled against companies like Western Electric could easily have been directed at Sears. {58} The Sears program was manipulative (through catharsis, NDI changed an employee's behavior without his knowledge or consent); it was deceptive (employees were never informed of the survey's labor relations objectives); and, though nominally scientific, the program consistently adopted a managerial perspective on workplace problems, as in its definition of "morale" and its purposeful intent to stave off unions. At Sears, employee attitudes were considered important not as ends in themselves, but only insofar as they contributed to management's goals.

It should be recognized, however, that in contrast to other tools traditionally used by nonunion employers (and by Sears when it relied on the advice of Nathan Shefferman), surveying was not an effort to frustrate union organization as such, but an attempt to deal with problems before they kindled pro-union sentiments among employees. As a result, the program did deter unions but it also improved the already high quality of personnel management at Sears. It provided top executives with regular indicators of how employees perceived company policies and practices, and it gave them a control device for tracking the employee relations acumen of thousands of local managers. Furthermore, by quantifying such intangible concepts as employee morale, the survey cast workplace issues in terms that skeptical managers could understand. Finally, by forcing the company to be responsive to employee opinion and to stay one step ahead of labor unions at all times, the survey helped to improve working conditions at Sears.

Employee attitude surveys were a considerably more sophisticated strategy for avoiding unions than the older policies associated with welfare capitalism. Corporate welfare programs did not require a high level of technical proficiency, whereas attitude surveys depended crucially on assistance from outside professionals familiar with the latest findings in the behavioral and social sciences. From about 1940 onwards, American managers increasingly recognized the benefits to be reaped from incorporating these findings into their personnel programs; at the same time, universities were eager to supply industry with expertise in this area. Out of this developed a symbiotic relationship, in which social scientists gained financial support and research opportunities, while corporate personnel programs received technical assistance and had legitimacy conferred upon them through association with respected and avowedly neutral scientists and research institutions.

But in terms of underlying philosophical premises, welfare capitalism and attitude surveys actually were quite similar, something that Sears managers never realized. Both operated on the assumption that to give employees what they might have asked for themselves was not only good management practice but the employer's ethical obligation. Unfortunately, the problem with this approach, as Sumner Slichter said in a 1929 article on welfare capitalism, is that it tends to discourage "independence" and "cooperative self-help" among employees. Slichter asked, "Is it not, in general, desirable that men be encouraged to manage their own affairs rather than that they be deliberately and skillfully discouraged from making the attempt?" {59} This question is worth pondering as we witness again the gradual disappearance of unions from American industrial life.

## NOTES

\* The author thanks Connie Gersick, Barbara Lawrence, and George Strauss for helpful comments, and James C. Worthy for sharing his personal papers.

1. In 1950, only 5 percent of Sears retail and mail order employees were union members. The best available, though imperfect, comparison figure is union membership among department store employees nationwide, which was about 10 percent in 1955. James C. Worthy to Clarence B. Caldwell, "Report," 2 February 1951, Worthy Papers (hereafter, WP); Marten S. Estey, "Patterns of Union Membership in the Retail Trades," Industrial and Labor Relations Review 8 (July 1955): 562.
2. Despite the recent flowering of historical research on American workers, relatively little attention has been paid to the development of management's employment and labor relations practices. We know a fair amount about the practices in effect before the 1930s, but we know little about subsequent developments, particularly in the nonunion sector, which has always employed a majority of the American labor force. This study attempts to fill some of those gaps. Examples of recent works on this topic are Howard F. Gospel and Craig R. Littler, Managerial Strategies and Industrial Relations: An Historical and Comparative Study (London, 1983); Howell John Harris, The Right to Manage: Industrial Relations Policies of American Business in the 1940s (Madison, 1982); and Sanford M. Jacoby, Employing Bureaucracy: Managers, Unions, and the Transformation of Work in American Industry, 1900-1945 (New York, 1985). Also see Loren Baritz, Servants of Power: The Use of Social Science in Industrial Relations

(Middletown, 1960).

3. According to the Conference Board, between 1954 and 1963 the proportion of firms conducting surveys of their nonexempt employees dropped from 21 to 18 percent, while there was a slight increase for hourly employees, from 15 to 17 percent; at large firms (over 5,000 employees) the proportion held steady at 38 percent. A recent New York Stock Exchange study found that the technique's popularity picked up in the early 1970s, and that by 1982 attitude surveys were being used by 67 percent of large firms. In 1980 Foulkes reported that four out of five large nonunion firms conducted these surveys on a regular basis. National Industrial Conference Board, Studies in Personnel Policy, No. 145 (1954), 55, 109, and No. 194 (1964), 55-56; New York Stock Exchange, People and Productivity: A Report to Corporate America (New York, 1982), 44; Fred K. Foulkes, Personnel Policies in Large Nonunion Companies (Englewood Cliffs, 1980), 261.

4. William I. Thomas and Florian Znaniecki, The Polish Peasant in Europe and America, 2 vols. (Chicago, 1918); Gordon W. Allport, "Attitudes," in Carl Murchison (ed.), A Handbook of Social Psychology (Worcester, 1935), 802; Donald Fleming, "Attitude: The History of a Concept," Perspectives in American History 1 (1967): 287-365; Jean M. Converse, Survey Research in the United States: Roots and Emergence, 1890-1960 (Berkeley, forthcoming), chap. 2.

5. "Wrong 42% of the Time," Business Week, 12 September 1936, 30-34; Albert Haring, "The Evolution of Marketing Research Technique," National Marketing Review 1 (Winter 1936): 268-72; Converse, Survey Research, chap. 3.

6. Richard Jensen, "Democracy by the Numbers," Public Opinion 3 (March 1980): 53-59; Converse, Survey Research, chap. 3.
  
7. J. David Houser to F.W. Taussig, 6 September 1924, Wertheim Fellowship Papers, Harvard University Archives; Houser, "Measuring Consumer Attitudes," Bulletin of the Taylor Society 17 (April 1932):50-52; Houser, "Measurement of the Vital Products of Business," Journal of Marketing 2 (January 1938): 181-189; Edward K. Strong, Psychological Aspects of Business, (New York, 1938), 466-74; Ferdinand C. Wheeler, "New Methods and Results in Market Research," American Marketing Journal 2 (April 1935): 36.
  
8. See the writings of Whiting Williams, such as What's on the Worker's Mind: By One Who Put on Overalls to Find Out (New York, 1920).
  
9. J. David Houser, What the Employer Thinks: Executives' Attitudes Toward Employees (Cambridge, 1927), 164, 178).
  
10. Arthur W. Kornhauser and Agnes A. Sharp, "Employee Attitudes: Suggestions from a Study in a Factory," Personnel Journal 10 (April 1932): 393-404; Richard S. Uhrbrock, "Attitudes of 4430 Employees," Journal of Social Psychology 5 (August 1934): 365-77; Rex B. Hersey, "Employees Rate Plant Policies," Personnel Journal 16 (September 1937): 71-80; M.L. Putnam, "Improving Employee Relations: A Plan Which Uses Data Obtained from Employees," Personnel Journal 8 (February 1930): 314-325; F.J. Roethlisberger and William J. Dickson, Management and the Worker (Cambridge, 1939), 190-229, 270-91.

11. J. David Houser, What People Want from Business (New York, 1938), 1,8,20.
12. J. David Houser to F.W. Taussig, 6 April 1937, Wertheim Papers; Arthur Kolstad, "Employee Attitudes in a Department Store," Journal of Applied Psychology 22 (October 1938): 470-79; Richard L. Hull, "Measuring Employee Attitudes: A Proving Ground for Personnel Policy and Practices," Management Record 1 (November 1939): 165-72.
13. Boris Emmet and John E. Jeuck, Catalogues and Counters: A History of Sears, Roebuck and Company (Chicago, 1950), 276-92, 547-603; J.M. Barker, "Administration in an Extensive Retail Organization," paper presented to the Boston Conference on Distribution, 23 September 1935, Barker Papers, Newberry Library, Chicago; Alfred D. Chandler, Jr., Strategy and Structure: Chapters in the History of the American Industrial Enterprise (Cambridge, 1962), 252-54.
14. Organizing Department, Company Correspondence, reel 5, Retail Clerks Papers, Wisconsin State Historical Society; Joseph W. Towle, "Personnel Practices of Mail Order Houses" (M.B.A. thesis, Northwestern University, 1938), 19; Miriam B. Wise and Jess P. Lacklen, Jr., Unionization in the Retail Field (New York, 1940), 2-14; Wood to J.M. Barker et al., 27 October 1938, WP.
15. Justus D. Doenecke, "General Robert E. Wood: The Evolution of a Conservative," Journal of the Illinois State Historical Society 71 (August 1978): 162-75; James C. Worthy, Shaping an American Institution: Robert E.

Wood and Sears, Roebuck (Urbana, 1984): 38-54; Wood to Franklin D.

Roosevelt, 17 June 1937, Wood Papers, Hoover Presidential Library, West Branch, Iowa.

16. Nathan W. Shefferman, The Man in the Middle (Garden City, 1961), 103-67; U.S. Senate, Hearings Before the Select Committee on Improper Activities in the Labor or Management Field, 85th Cong., 1st sess., pt. 14:5765-5977, 5994-6038.

17. John E. Jeuck, "A Case Study in the Evolution of Personnel Management: Sears, Roebuck and Company" (Ph.D. diss., University of Chicago, 1949), 90-96, 141-43; "Sears Constant Income Plans," 25 January 1939, Sears file, Labor-Management Documentation Center (hereafter LMDC), Catherwood Library, Cornell University; Arthur Van Vlissingen, "52 Pay Checks a Year," Factory Management and Maintenance 97 (January 1939): 56-57; "Profit Sharing Advisory Council," Sears News-Graphic, 18 July 1939.

Note, however, that the two approaches were not entirely separate: Shefferman used surveys in his labor relations work for Sears and other companies, and at various times he employed on his staff persons associated with the Sears survey effort, including Arthur Kolstad and Richard Hull of Houser Associates. "Advising on Relations," Business Week, 23 December 1939, 28.

18. Clarence B. Caldwell, "Three Year Program: Training and Related Activities," 19 December 1944, 31, WP. At that time Sears had about 80,000 to 100,000 employees.

19. Houser Associates, "What This Is All About," n.d., Sears file, LMDC; James C. Worthy, "A Study of Employee Attitudes and Morale," 2 February 1942, 8-14, WP; Personal interview with David G. Moore, 2 October 1985. Sears liked to boast of its high morale scores--the company average stood at 70--but most of the other companies surveyed by Houser Associates also scored well above the morale scale's midpoint. Hull, "Measuring Attitudes," 167; Richard L. Hull and Arthur Kolstad, "Morale on the Job," in Goodwin Watson, ed., Civilian Morale (Boston, 1942), 355.

20. Virginia Jones, "History of the Employee Morale Survey Program," Sears National Personnel Department 707, 27 July 1961, 5-9; Clarence B. Caldwell, "The Retail Personnel Program: 1940," 26-28, Sears Archives (hereafter, SA).

21. Clarence B. Caldwell, "The Sears Survey Program," 15 January 1952, SA.

22. James C. Worthy, "Study of Employee Attitudes," 56-61; Worthy, "Factors Influencing Employee Morale," Harvard Business Review 28 (January 1950): 65. In his published writings, Worthy failed to mention that the two things employees reported as worst about their jobs were pay and promotion opportunities. Viewed as a whole, the survey results confirmed Herzberg's two-factor theory of job satisfaction, in which intrinsic factors lead to high morale, but extrinsic factors, if inadequate, cause dissatisfaction. Herzberg's ideas, published in the late 1950s, implicitly criticized the Mayoites for having substituted one dogma, human relations, for another, Taylor's homo economicus. See Frederick Herzberg et al., The Motivation to Work (New York, 1959), 113-37.

23. James C. Worthy, "Social Aspects of Industrial Relations," 4 August 1943, unpublished ms., 33-51, WP; Hull and Kolstad, "Morale," 363; David G. Moore, "How Do Our Employees Feel About Us?" in Proceedings of the Sears, Roebuck Personnel Conference, Chicago, 4-8 November 1946, 104, SA.

24. Personal interview with Burleigh B. Gardner, 23 March 1985; Allison Davis, Burleigh Gardner, and Mary Gardner, Deep South: A Social Anthropological Study of Caste and Class (Chicago, 1941); W. Lloyd Warner and Allison Davis, "A Comparative Study of American Caste," in Edgar Thompson, ed., Race Relations and the Race Problem (Durham, 1939), 234. Like the Hawthorne studies, Yankee City was funded by the Harvard Business School, and the two studies cross-fertilized each other. Warner designed the bank wiring phase of the Hawthorne study, developing ideas there that became the foundation for Yankee City, while Mayo and Roethlisberger gave advice on nondirective interviewing to Warner and his student assistants. In fact, the idea for Yankee City came from Elton Mayo, who encouraged his colleague Warner to investigate the relationship between factory and community as a complement to Hawthorne's focus on the factory's internal organization. Although the area surrounding the Hawthorne plant seemed like an obvious research site, Warner and Mayo thought that its community of recent immigrants was too socially "disorganized" and "dysfunctional" to permit a satisfactory study. This pointed Warner toward New England and toward the South. William Lloyd Warner and Paul Lunt, The Social Life of a Modern Community (New Haven, 1941), 3-5, 39-39, 49-51.

25. Burleigh B. Gardner, Human Relations in Industry (Chicago, 1945), 4-23,

96-116, 168-200; Gardner and William F. Whyte, "The Position and Problems of the Foreman," Applied Anthropology 4 (Spring 1945): 26; Gardner, "The Factory as a Social System," in Whyte, ed., Industry and Society (New York, 1946), 18-19.

26. Personal interview with James C. Worthy, 18 June 1985; Worthy, "Methods and Techniques for Building a Cooperative Organization," in University of Chicago, Industrial Relations Center, Executive Seminar Series on Industrial Relations, 1946-1947, Session XI, April 1947, 21, SA.

27. "Sears Employee Attitude Program, 1938 through 1951," Sears Personnel Department, Personnel Report no. 22, 1 February 1952, 6-7, WP; Gardner interview.

28. Burleigh B. Gardner, Case Studies for Interviewing Methods and Techniques: Business 245 (Chicago, 1944), 6-7; Moore, "How Employees Feel," 106.

29. Gardner, Case Studies, 3-4; Worthy, "Methods and Techniques," 10-11.

30. Proceedings, 116; Burleigh B. Gardner, "A Program of Research in Human Relations in Industry," American Management Association (AMA), Personnel Series no. 80 (1945), 35.

31. Burleigh B. Gardner and William F. Whyte, "Methods for the Study of Human Relations in Industry," American Sociological Review 11 (October 1946): 506-512; Gardner, "A Program," 33-39; Worthy interview; Caldwell,

"Three Year Program," 31-32; "Seminar on Problems of Organization and the Techniques of Business Leadership" 25 November and 2 December, 1946, WP. Gardner resigned his university position in 1946 and started his own consulting group, Social Research Incorporated (SRI). Until the early 1950s, SRI derived most of its income from Sears, although the firm also conducted one-shot surveys for other firms, often those worried about unionization. SRI later branched out into market research and the psychological testing of managers. Gardner maintained his ties to the university and regularly hired graduate students to work for him, including Earl L. Kahn and William E. Henry. Gardner, "Doing Business with Management," in E.M. Eddy and W.L. Partridge, eds., Applied Anthropology in America (New York, 1978), 245-60.

32. Sears National Personnel Department, "Organization Survey: Chicago Mail Order," November 1948, Introduction, 1, WP.

33. Sears National Personnel Department, "Organization Survey Manual," January 1950, 12-35, WP; James C. Worthy, "Discovering and Evaluating Employee Attitudes," AMA Personnel Series no. 113 (1947), 14; Worthy, "Methods and Techniques," 23; Burleigh B. Gardner and David G. Moore quoted in Jones, "History," 17. In addition to multiple choice questions, the survey asked for written comments. See Sears National Personnel Department, "What Do Employees Like About Sears?" 10 June 1948, WP.

34. Letter to author from David G. Moore, 25 April 1985; James C. Worthy, "The Study of Employee Attitudes and Morale," Address to the Fifth Annual Seminar Sponsored by the Office Management Association of Chicago and

Northwestern University, 4 February 1947, 16, SA.

35. "Interviewing" in Sears Planning Division, Manual for Conducting Store Surveys, c. 1949, WP.

36. Worthy, "Discovering and Evaluating," 14-17; Worthy, "Methods and Techniques," 12; Caldwell, "Sears Survey Program," 12; Gardner interview.

37. Jones, "History," 32; Worthy interview; Personal interview with Frank J. Smith, 20 March 1985. In at least one case, however, Clarence Caldwell ordered his staff to help Nathan Shefferman survey a retail store (in Boston) that was in the midst of an organizing drive. U.S. Senate, Hearings on Improper Activities, 6168-69.

38. Gardner interview. Recent research done by Sears bears out these claims: a correlation of .57 was found between a unit's survey scores on certain items and subsequent unionization attempts. The survey's ability to predict union activity was not surprising, given that Sears identified high-morale employees as those who made "positive and willing adjustments to the demands of the organization" and had "ideological sentiments" akin to management's. W. Clay Hamner and Frank J. Smith, "Work Attitudes as Predictors of Unionization Activity," Journal of Applied Psychology 63 (August 1978): 415-21; David G. Moore and Burleigh B. Gardner, "Factors Related to Morale," 1946, reprinted in Jones, "History," Appendix J.

39. David G. Moore, "Analysis of Overall Morale Picture," 1951, reprinted in Jones, "History," Appendix Q; "Chicago Mail Order," Recommendations,

1-5.

40. Jones, "History," 29-30; Worthy, "Methods and Techniques," 15; Moore letter.

41. David G. Moore, "Managerial Strategies and Organization Dynamics in Sears Retailing" (Ph.D. diss., University of Chicago, 1954), 253-59; Moore, "Organization Analysis: Department 707," n.d., 8-18, WP.

42. Sears National Personnel Department and Social Research Incorporated, "Big Ticket Manual," c. 1949, WP; Sears National Personnel Department, "Report on Service Stations", 12 October 1951, WP; "Employee Morale in Pool Stocks and Detached Warehouses," n.d., WP; Earl L. Kahn, "Report on Control Buyer Problems," 1 May 1947, WP. Also see Kahn, "A Study of Intraoccupational Mobility" (M.A. thesis, University of Chicago, 1947).

43. "Sears Program, 1938 through 1951," 37, 40, 51.

44. David G. Moore, "Problem of Low Status Employees," 1950, WP, 4; Moore and Gardner, "Factors Related," 4-5,7; Worthy, "Factors Contributing to High Morale Among Sears Employees," 18 February 1949, 16-17, SA; William Foote Whyte, "Human Relations-A Progress Report" in A. Etzioni, ed., Complex Organizations: A Sociological Reader (New York, 1961), 105.

Gardner and Moore cited a Sears study of two warehouses, one with high and the other with low morale levels. Despite the fact that the low morale warehouse had poor working conditions and low wage levels, they concluded that these were not nearly so important as "the fact that no positive goals

were provided employees." Gardner and Moore, Human Relations in Industry, revised ed. (Chicago, 1951), 354-56.

45. Worthy, "Factors Influencing," 65. Also see Worthy, "Attitude Surveys as a Tool of Management," AMA General Management Series no. 145 (1950), 6; Worthy, "Psychological Studies of Labor-Management Relations," 7 September 1949, 10, SA.

46. Worthy, "Tool of Management," 7. Also see, Gardner and Moore, Human Relations, 350-51.

47. "Small scale industry where work is less divided displays a relative harmony between worker and employer. It is only in large scale industry that these relations are in a sickly state." Émile Durkheim, The Division of Labor in Modern Society (New York, 1933), 356.

48. Worthy, "Factors Contributing," 2; Worthy, "Organizational Structure and Employee Morale," American Sociological Review 15 (April 1950): 169-79; "Organization Survey: Chicago Mail Order," Basic Factors, 3.

49. William Lloyd Warner, in "Seminar on Problems of Organization," discussion section. Also see Gardner's comments in the same discussion, 20-23; Worthy, "Organizational Structure," 173-78; Worthy, "The X-Y Study," unpublished ms., 1953, 85-89, 107-19, WP.

50. Worthy, "X-Y," 120-23.

51. Burleigh B. Gardner in "Seminar on Problems of Organization," 20; Moore, "Managerial Strategies," 74. In his study of Sears, Alfred D. Chandler, Jr. criticized Wood's "distrust of bureaucratic procedures" for holding back the company's development of a multidivisional structure. But if Gardner and Warner were right, Wood's aversion to structure and formal controls--while dysfunctional in some respects--nevertheless contributed to the high levels of morale found in the company's stores. This suggests that there may not exist an optimal organizational structure that simultaneously maximizes economic efficiency and employee morale (or what has been called "x-efficiency"). Chandler, Strategy and Structure, 279.

52. Smith interview; Personal interview with V. Jon Bentz, 23 October 1985.

53. Worthy, "Discovering and Evaluating," 13. See Melany E. Baehr, "A Simplified Procedure for the Measurement of Employee Attitudes," Journal of Applied Psychology 37 (June 1953): 163-67; Robert K. Burns, "Employee Morale-Its Meaning and Measurement" in Proceedings of the Fourth Annual Meeting of the Industrial Relations Research Association, Boston, December 1951, (Madison, 1952), 52-68; Moore, "Managerial Strategies," 132; "Sears National Personnel Department: Its Organization and Function," 1958, 30-34, Sears file, LMDC.

54. Worthy, "An Employee Relations Program for Sears, Roebuck and Co.," 1951, 10, WP. In a 1954 survey of personnel managers, the SRA inventory was reported to be the most widely used standardized survey, followed by those available from Opinion Research Corporation, Kolstad Associates, Ohio State University, and several others. Bureau of National Affairs,

Personnel Policies Forum, no. 23 (February 1954), 14.

55. V. Jon Bentz, "A Critical Analysis of the Sears Morale Survey Program" reprinted in Jones, "History," Appendix R; Bentz interview.

56. Personal interview with William Foote Whyte, 22 October 1985; "Teamsters Union to Start Drive on Sears," Wall Street Journal, 29 December 1958, 5; Smith interview; Jones, "History," 51-64; 75-79; "The Utilization of the Behavioral Sciences in Sears, Roebuck and Company," 1961, 16-21, Sears file, LMDC. Unions did not understand how Sears used the survey program. In the late 1950s, organizers for the Retail Clerks warned Sears employees not to participate in attitude surveys because individual employees supposedly could be identified from their handwritten comments on the questionnaire. See "Memo from Paul W. Hansen to all Local Union Secretaries, Northwest Division," 13 October 1958, Organizing Department, Directors' Bulletins, reel 1, Retail Clerks Papers.

57. Sears provides an interesting exception to the claim that technical industries, such as electrical and chemical manufacturing, were the handmaidens of a science-based personnel strategy. See David F. Noble, America by Design: Science, Technology, and the Rise of Corporate Capitalism (New York, 1977).

58. Henry A. Landsberger, Hawthorne Revisited: "Management and the Worker," Its Critics, and Developments in Human Relations in Industry (Ithaca, 1958). Although human relations proponents rarely responded to their critics, Worthy did in "Management's Approach to 'Human Relations'," in

Conrad Arensberg et al., eds., Research in Industrial Human Relations (New York, 1957), 14-24.

59. Sumner H. Slichter, "The Current Labor Policies of American Industries," Quarterly Journal of Economics 43 (May 1929): 434-435.