

Office employees

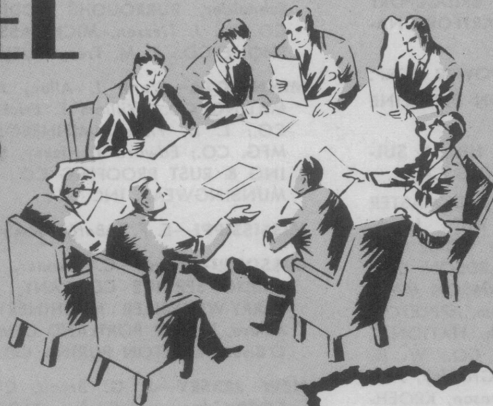
# WHITE-COLLAR OFFICE WORKERS

(Their Working Conditions, Benefits, and Status)

**SURVEY No. 10**  
of

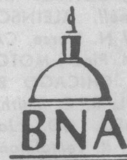
## BNA's PERSONNEL POLICIES FORUM

**APRIL 1952**



Prepared for Users of:

**DAILY LABOR REPORT  
LABOR RELATIONS REPORTER  
LABOR POLICY and PRACTICE**



**THE BUREAU OF NATIONAL AFFAIRS, INC.**

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# WHAT IS THE PERSONNEL POLICIES FORUM?

The Editors of The Bureau of National Affairs have invited 180 representative personnel and industrial relations executives to become members of the 1952 Panel of the PERSONNEL POLICIES FORUM. These Panel members are top personnel officials in all types of companies, large and small, in all branches of industry and all sections of the country.

At regular intervals throughout the year BNA editors ask the members of the Panel to outline their policies and procedures on some important aspect of employment, industrial relations, and personnel problems. From these replies, the editors complete a survey report on the problem, showing

prevailing practices, new wrinkles and ideas, and cross-section opinion from these top-ranking executives.

In many cases, the comments, suggestions, and discussions are reproduced in the words of the Panel members themselves. In effect, survey users are sitting around a table with these executives and getting their advice and experience on the major problems in this field facing all companies this year.

Results of each PERSONNEL POLICIES FORUM survey made during 1952 are printed in a special survey report which is sent, as part of the service, to users of these BNA labor reports:

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## WHITE COLLAR OFFICE WORKERS

This is the tenth survey in BNA's Personnel Policies Forum series, and the first made among members of the 1952 Panel, which was recently announced. Survey questionnaires were sent to the 180 Panel members in March, 1952. Their replies are presented in this report under the following headings:

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As usual, survey tabulations are broken down between larger companies (those employing more than 1,000 employees) and smaller companies (those employing fewer than 1,000 employees).

The primary purpose of this survey was to determine how nonsupervisory office employees are treated in matters of hours, payment, fringes, and status. However, these results take on meaning only when compared with treatment of production workers in the same company. The survey, therefore, shows company practice for both office and production workers in most of these areas.

### SUMMARY

Any advantages in status, income, working conditions, or extra benefits that the office worker has enjoyed over the production worker are gradually disappearing, according to a significant number of Panel members. When asked whether they would advise the son of a foreman in their company to go into office or production work, approximately three out of five say they would advise production work as offering the best opportunity for a young man to get ahead. A significant number say their opinion has shifted from what it was ten years ago. The major advantage still retained by the office worker over the production worker is in greater fringe benefits, such as vacations, sick leave, holidays, and insurance plans. A short summary of some of the specific areas covered by the survey follows:

Payment for Services. The office worker is still largely a salaried employee, while the production worker is predominantly paid by the hour. The office worker is more likely to have a formal merit plan for pay increases, as merit is usually considered above length of service in making pay adjustments. A significantly large number of companies say that any pay increases granted to office workers are likely to follow raises made to production workers. Most companies say office workers' pay is frozen no tighter than that of production workers under present stabilization policies.

Working Time. The eight-hour day and forty-hour week are still largely the pattern of working time for both office and production workers. However, any advantage in shorter hours is likely to go to the office worker. Weekend, overtime, and holiday pay for the production worker is usually larger than that of the office employee. The office worker does not have to punch a time clock in as many companies as the production worker. Nor are there as many penalties for tardiness. The office worker also receives, in general, better rest periods than the production worker.

Recruitment and Training. Training programs for office workers are in effect in approximately one out of four companies. In many firms, office employees are in short supply, although most companies permit them to transfer to production work at their desire.



**Unionization.** The labor union has barely invaded the field of the office worker, according to the survey. However, most Panel members believe that serious efforts will be made by unions in the future to organize the office employee.

**Fringe Benefits.** This is the one major area in which the office worker generally shows a clear advantage over the production worker. In every category of fringe benefit, there is some advantage, ranging from very slight to considerable. However, a number of personnel executives say that advantages of office work are clearly less than they were ten years ago, and may decrease further in the future.

### PAYMENT FOR SERVICES

#### How Office Workers Are Paid

One of the major differences in the status of office and production workers is the method of payment. Three-fourths of all the companies pay their office workers on a salary basis. Of the larger companies, 91 percent report that production workers are paid by the hour. Among the smaller companies, 98 percent pay production workers on an hourly basis.

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#### BASIS FOR PAYMENT OF EMPLOYEES

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Office workers on salary, while production workers paid on hourly basis . . . . .	60 percent	67 percent
2. Both office and production workers on an hourly basis . . . . .	24 percent	27 percent
3. Both office and production workers on salary basis . . . . .	8 percent	2 percent
4. Office workers salaried, no production workers in company . . . . .	8 percent	4 percent
Total . . . . .	100 percent	100 percent

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The incentive bonus, as an additional method of payment, is largely unknown to the office worker. Only four percent of larger companies and only two percent of smaller companies pay such bonuses. The production worker receives some form of an incentive payment in almost two out of every five plants.

The executive of a midwestern company which pays its white collar personnel on an hourly basis, has this to say:

While our hourly rated production workers are under union bargaining agreements, we have pretty generally applied the same rules to hourly rated personnel outside the bargaining unit so that we really only have one set of rules governing all hourly rated workers.

John J. Hall, Director of Industrial Relations for the Brown and Sharpe Manufacturing Co. of Providence, R.I., tells of his company's plan:

In our office workers group, we have a small number of production typists on an incentive plan. In these cases, we have counters on the typewriters and have set a standard based on key strokes.



Jack C. Staehle, Director of Industrial Relations for Alden's, Chicago, says that his company has a plan that is a modification of the Emerson system, and 85 percent of all office and production workers are covered. Incentive pay starts at 40 percent of standard, and equals 25 percent of the base hourly rate for standard performance.

#### Pay Increases Under Merit Plans

Pay increases under a formal merit plan have become rather common for the office worker, as 57 percent of the larger companies have such a program and in the smaller companies, 69 percent have some kind of plan. The production worker is not as widely covered by such plans, as only 29 percent of the larger companies and 51 percent of the smaller ones report a merit plan for increases.

#### FORMAL MERIT PLANS FOR PAY INCREASES (1950-1951)

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. No formal plan for either office or production workers . . . . .	36 percent	29 percent
2. Merit plan for office but none for production workers . . . . .	30 percent	17 percent
3. Merit plan for both office and production workers . . . . .	23 percent	48 percent
4. No plan for office workers, but one for production workers . . . . .	4 percent	0 percent
5. No plan for office workers, no production workers in company . . . . .	3 percent	0 percent
6. Merit plan for office workers, no production workers in company . . . . .	4 percent	4 percent
7. No answer . . . . .	0 percent	2 percent
Total . . . . .	100 percent	100 percent

One of the more comprehensive plans is described by an official of a larger midwestern company which has both its office and production workers under a union contract:

In our union agreement, we have a Periodic Review Plan, which may be considered as a combination merit and/or length of service review. This plan provides for a review and progress chart to be filled out on all hourly rated employees every six months. If the employee's progress is satisfactory, he receives a 5¢ an hour increase until he reaches the maximum of his rate range. If his progress is not satisfactory, supervision may hold up this increase for a period not to exceed ninety days at which time the employee is either given the 5¢ increase, terminated, or transferred to work which he can perform satisfactorily.

#### Length of Service Pay Increases

Length of service as a standard for pay increases is not a substantial factor in itself, as merit is often considered as well. The office worker is credited with length of service as a pay increase factor in 29 percent of the large companies and 27 percent of the smaller ones. The production worker has a slight advantage here, as more than one out of three large companies use length of service as a standard and almost two out of five small ones do the same.



One larger eastern company executive reports:

Office clerical salaries are reviewed and merit and length of service increases granted on July 1 and January 1 annually.

The remarks of William T. Erickson, Personnel Director of The Toni Company, St. Paul, Minn., illustrate how companies have merged merit and length of service:

Office hourly employees are covered by a job evaluation plan. Each position is rated and employees classified according to the positions at which they work. Employees are merit-rated each six months. Increases are granted as a combination of merit and length of service.

#### Increases Based on Those of Production Workers

Increases in pay which are given to the production workers are passed on to office workers in three out of four of the larger companies and almost that high a percentage of the smaller companies. A larger eastern company executive, however, in reporting the contrary to this finding, says:

In some cases, general increases are given to clerical employees prior to being negotiated by bargaining groups for hourly employees.

One aspect of the problem is described by the Industrial Relations Director of a larger midwestern company:

You ask if pay increases which are given to production workers are passed on more or less automatically to office clerical workers. We do, but it isn't the answer. The clerical employees realize that it isn't just coincidental that these increases to them are passed out after the union first gets a raise for their own employees. In other words, the union actually decides the status of many unorganized employees in the offices.

#### Other Bonus Plans

Only one in five larger companies have any kind of a bonus plan for their office employees. Among the smaller companies, the figure is surprisingly larger, as two in five have a bonus plan for office workers. The production worker shares in one out of five larger companies, but receives a bonus in only three out of ten smaller companies.

Of those reporting a bonus, it is overwhelmingly listed as a Christmas gift. Others have some form of profit-sharing arrangement, either at Christmas or at the end of a fiscal year. One larger company sets aside 25 percent of its profits for pro rata distribution to all its employees as a bonus, while another reserves six percent of its profits. Another large firm has a savings plan combined with a bonus of stock from a sister corporation.

#### Office Workers' Pay Under Stabilization Controls

More than half the Panel members think white-collar wages were frozen tighter than production workers' wages during the last war. Now, among executives representing the larger companies, more than three out of four report that this is no longer true. The figure for executives representing the smaller companies is almost as high, being slightly less than three out of four.

While those who believe that there is no differentiation under present stabilization policies have stated no reasons, those who say otherwise usually assign union activity as the reason. One larger company executive reports that, while he thinks office workers are as well off under stabilization as production workers, wages of non-union workmen are generally frozen tighter than those of union members.



An executive of a larger midwestern company, in taking a strong minority view that office workers have their wages frozen tighter than those of production workers, says:

As a member of a regional Wage Stabilization Board, I would have to admit that I think that white collar workers have their wages frozen tighter than factory workers. When an application comes before the board from unionized employees, you can count invariably on the labor representatives on the board to push such cases. The compromises are all made in the case of unorganized workers. In other words, it is not the rules and regulations which freeze the white collar workers--but the administration of these rules and regulations.

## WORKING TIME

### Hours Per Day

The eight-hour day is still the predominant pattern for both office and production workers. In 86 percent of the larger companies and 89 percent of the smaller ones, all employees work the eight-hour day. In only two percent of the companies are there daily work shifts for all employees longer than eight hours, and none of them are more than eight and one-half. At a few companies both office and production employees work less than the eight-hour day, ranging from seven hours upward through each additional quarter hour until eight is reached.

Only in a small number of companies do office employees work fewer hours than production workers. Frequently, there are special reasons for this. A larger Chicago concern's main office is located in the Downtown Loop area and because of transportation difficulties, its office employees work only a seven-hour day. Some company executives report that when their office employees work in a main office building and production employees work in factory buildings, the main office employees put in slightly fewer hours.

There are a few other differences, such as the time for reporting to work, as in a small number of companies production workers report at an earlier hour than office employees, although both work a regular eight-hour shift.

### Hours Per Week

Like the eight-hour day, the 40-hour week is the general pattern for both office and production workers. In more than four out of five of the larger companies, both groups put in a 40-hour week. In the smaller companies, three out of four have the standard 40-hour work-week for all employees.

However, in one out of twelve of the larger companies, the office worker puts in less than a 40-hour week, and in three-fourths of these companies, the production worker works the full 40 hours. In the other one-fourth, where the office worker has a  $37\frac{1}{2}$ -hour week and a  $7\frac{1}{2}$ -hour day, there are no production workers. In the other larger companies, the office worker has weeks of 35,  $36\frac{1}{4}$ ,  $37\frac{1}{2}$ , and 39 hours. Likewise, in the smaller companies, one out of twelve have workweeks for office employees of less than 40 hours. In each of these companies, the production worker has a 40-hour week. Here, the  $7\frac{1}{2}$ -hour day and  $37\frac{1}{2}$ -hour week for office workers is the pattern.

In five percent of the larger companies, the office worker puts in 40 hours while the production worker is employed for a longer period. In one out of twelve smaller companies, this is true.

In four percent of the companies, the office employee works more than 40 hours in contrast to the regular 40 hour period for the production worker.



### Overtime Rates

Time and one-half for overtime for both office and production workers is, of course, the predominant pattern. Almost 90 percent of the larger companies pay this rate, while 87 percent of the smaller companies do the same.

Of the other companies, there are several variations, none of which is widespread enough to indicate any trend. Among them, however, the production worker generally enjoys a slight advantage in rates. One larger company pays no overtime for office workers, but time and one-half for production workers. Another pays time and one-half to office employees and double time to production workers. In a few other companies where the office worker puts in less than a forty-hour week, overtime does not begin until after the fortieth hour is passed. One larger company pays no overtime to office workers until after forty-five hours, while overtime begins for production workers when they have completed eight hours in any day.

Other variations for both office and production workers: double time; overtime rates according to shifts, with the least preferred shift getting the highest overtime rates and the most preferred day shift the lowest; time and one-half up to twelve hours in any day, and beyond that, double time.

### Weekend Premiums

The office worker, although receiving premium pay for Saturday and Sunday as such in 42 percent of the larger companies, is still considerably short of coming up to the production worker, who receives Saturday and Sunday pay in 61 percent of the larger firms. The discrepancy is much wider among the smaller companies, as only 21 percent of them pay their office workers for Saturday and Sunday as such, while 56 percent of them reward their production workers with this premium.

Under most are weekend premium pay arrangements, the production worker usually receives a better rate where there is a difference. For example, in 12 percent of the larger plants, the office worker receives time and one-half and the production worker double time, while 18 percent of the smaller companies have this arrangement. In only 2 percent of the larger companies do office workers receive an advantage, as they are paid time and one-half and production workers receive straight time.

These are some of the patterns among office workers for weekend premium pay rates: time and one-half for the sixth day worked, double time for the seventh; weekdays off to make up for weekends worked; straight time and one-half; double time for over 40 hours.

### Holiday Premiums

More than four out of five of all companies give office workers premium pay for holidays worked. The number of companies paying extra to the production worker is even higher, as 95 percent of them have this policy. The most significant figure relative to rates of pay is that among the larger companies, 70 percent of them pay the same premium rates to both office and production workers. However, among smaller companies, only two in five maintain the same scales.

As for particular rates of pay, more than two of five larger companies pay double time for holidays, to all workers, while one in four small companies do the same. One in four larger companies pays time and one-half, while only one in twelve smaller ones pays this rate for all its employees. Where there are differences in rates, they are varied in form and number. One company that pays double time for office workers gives production workers double time and one-half. Five larger companies pay time and one-half for office workers and double time for production workers, while three smaller companies follow this pattern.



The Time Clock

Although a considerable number of office workers punch a time clock, this practice is in effect for a far greater number of production workers. In the larger companies, 42 percent of the office workers punch a clock, and in the smaller, 49 percent. The production worker punches a clock in approximately 80 percent of the larger companies and 86 percent of the smaller.

USE OF THE TIME CLOCK

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Both office and production workers punch a time clock . . . . .	41 percent	47 percent
2. Office workers do not punch a clock, but production workers do . . . . .	34 percent	38 percent
3. Neither office nor production workers punch a clock . . . . .	17 percent	11 percent
4. Office workers punch a clock, but production workers do not . . . . .	1 percent	2 percent
5. Office workers do not punch a clock, no production workers in company. . . . .	<u>7</u> percent	<u>2</u> percent
Total . . . . .	100 percent	100 percent

Penalties for Tardiness

The office worker is less likely to have penalties for tardiness than the production worker in both larger and smaller companies. Official penalties are given to the office worker in 25 percent of the larger companies and 33 percent of the smaller. The production worker is penalized in 68 percent of the larger firms and 79 percent of the smaller ones.

PENALTIES FOR TARDINESS

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Both office and production workers penalized for tardiness . . . . .	25 percent	31 percent
2. Neither office nor production workers penalized for tardiness . . . . .	29 percent	19 percent
3. Office workers not penalized, but production workers are penalized . . . . .	38 percent	42 percent
4. Office workers not penalized, no production workers in company. . . . .	7 percent	2 percent
5. Office workers penalized, no production workers in company. . . . .	0 percent	2 percent
6. No answer . . . . .	<u>1</u> percent	<u>4</u> percent
Total . . . . .	100 percent	100 percent



A number of company executives report unofficial practices. One Panel member says that his company penalizes, but not on a fixed policy. Another says the employees may be docked at the discretion of the supervisor, another says the department head must make the decision, and a third says that a reprimand is uniformly given. A typical comment on this practice comes from one of the nation's largest and most influential companies: "We assess penalties, but not on a fixed policy basis. Matters of this kind are handled by the supervisor on an individual basis."

### Rest Periods

A large number of companies give rest periods, with the office worker again faring better than the production worker. Almost three out of every four companies, large and small, grant the office worker a rest period of one kind or another. The production worker, on the other hand, does not have such a period in 36 percent of the larger companies and 44 percent of the smaller ones.

#### PRACTICE IN GRANTING OF REST PERIODS

<u>Rest Periods</u>	<u>Larger Companies</u>		<u>Smaller Companies</u>	
	<u>Office Workers</u>	<u>Production Workers</u>	<u>Office Workers</u>	<u>Production Workers</u>
None . . . . .	26 percent	36 percent	25 percent	44 percent
One for 5 minutes . . . .	1 percent	1 percent	2 percent	2 percent
Two for 5 minutes . . .	1 percent	2 percent	2 percent	2 percent
One for 10 minutes . . .	11 percent	14 percent	6 percent	4 percent
Two for 10 minutes . . .	21 percent	20 percent	12 percent	17 percent
One for 15 minutes . . .	12 percent	9 percent	8 percent	4 percent
Two for 15 minutes . . .	14 percent	4 percent	21 percent	8 percent
One for 20 minutes . . .	0 percent	1 percent	0 percent	0 percent
Two for 20 minutes . . .	0 percent	1 percent	0 percent	0 percent
Yes, but not formal . . .	14 percent	7 percent	20 percent	10 percent
Other . . . . .	0 percent	5 percent	4 percent	9 percent
Totals . . . . .	100 percent	100 percent	100 percent	100 percent

Several company executives report that rest periods are given only to women, particularly where state laws make it compulsory.



A larger southwestern company executive reports the following practice:

Coffee is served to shop employees twice daily without charge and usually requires fifteen minutes each time. Office employees may either have free coffee or go to a nearby coffee shop--regardless, the length of time is the same.

An Industrial Relations Director of a larger midwestern firm qualifies his negative answer thus:

I stated that we did not have rest periods for office workers. Actually, we don't--that is, formal rest periods. In staff meetings and elsewhere none of us would admit we have rest periods for these people. But, of course, we do. From the president's secretary right down the line they take fifteen minutes off in the morning and the afternoon. But we shut our eyes to it. And I imagine this happens in many other offices.

## FRINGE BENEFITS

### Pension Plans

Pension plans have become more widespread among the larger companies than among the smaller, both for office and production workers. In the larger companies, 77 percent of them have pension plans for office workers, and in the smaller companies, 57 percent have pension plans covering office workers. In contrast, production workers have pension plans in 73 percent of the larger and 53 percent of the smaller companies reporting (excluding those companies which do not have production workers). In 5 percent of the larger companies and 4 percent of the smaller ones, there are pension plans for office workers and none for production workers. On the other hand, in 2 percent of all the companies, production workers have pension plans while the office workers have none.

### DISTRIBUTION OF PENSION PLANS

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Have pension plans for both office and production workers . . . . .	67 percent	49 percent
2. No pension plan for either . . . . .	20 percent	41 percent
3. Pension plan for office workers, but none for production workers . . . . .	5 percent	4 percent
4. No plan for office workers, but pension plan for production workers . . . . .	2 percent	2 percent
5. Pension plan for office workers, no production workers in company . . . . .	5 percent	4 percent
6. No pension plan for office workers, no production workers in company . . . . .	1 percent	0 percent
Total . . . . .	100 percent	100 percent



Vacations

The paid vacation is now a regular part of the employment benefits of every office and production worker for every company, both large and small, in this survey. Three larger companies give their production workers percentage bonuses instead of paid vacations, but the practical effect is the same. However, the office worker holds a considerable advantage over the production worker as far as vacation benefits are concerned.

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COMPARISON OF VACATION BENEFITS

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Same benefits are given to both office and production workers . . . . .	71 percent	65 percent
2. Office workers secure better vacation benefits than production workers . . . . .	27 percent	35 percent
3. Production workers secure better vacation benefits than office workers . . . . .	2 percent	0 percent
Total . . . . .	100 percent	100 percent

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This advantage is usually found in shorter length of service required for the office worker to achieve maximum vacation benefits. For example, among the companies affording better benefits to the office worker, a common practice is to give the office worker two weeks' paid vacation after one year's service, while the production worker must put in three to five years' service before being entitled to the two weeks.

Two weeks' vacation after one year's service is listed for office workers in 28 percent of the larger companies, while only 8 percent of them give it to the production worker. Of the smaller companies, 20 percent give the office worker two weeks after one year, while only 6 percent of them give it to the blue collar workman.

After long periods of service, vacation benefits tend to level off and approximate the same for both classes of employees. Three weeks' vacation after fifteen years' service is granted both classes of employees in 27 percent of the larger companies. Of the smaller firms, 10 percent of them offer three weeks after fifteen years for the office worker, while 12 percent of them award the same benefits to the production worker.

Holidays

Again, many office workers have a clear advantage over the production workers in paid holidays. In 17 percent of the larger companies and 14 percent of the smaller ones, the office worker receives better paid holiday benefits, while in no single case does the production worker have any advantage. In nine percent of the larger companies, the production worker does not receive any paid holidays, while the office worker receives none in only one percent. Eight percent of the smaller companies have no paid holidays for the production worker, while in two percent, the office worker receives no paid holidays.

Six paid holidays are the traditional number for both office and production workers; this number is found in three out of five larger and smaller companies. Nine percent of the larger companies give seven days and 14 percent of the smaller ones award this number. In one larger company, office workers receive twelve holidays with pay, while two other larger companies give both office and production workers eleven holidays with pay.



In those companies where office workers receive more paid holidays than production workers, there is a wide variety of practice. Several give only one additional holiday to office workers, while others have the standard six holidays for blue collar workers but add two to four additional holidays for white collar employees.

### Insurance

Hospitalization insurance for office workers is provided in 95 percent of the larger companies and 94 percent of the smaller ones. Production workers have almost exactly the same percentages, as in only one larger company is it reported that hospitalization is provided for office workers but not for production workers.

Life insurance is also a part of benefits for nearly all office and production workers in both larger and smaller companies. Again, the advantage is held by some office workers, who receive superior benefits, usually a greater amount of insurance. In only four percent of all the companies are there no life insurance benefits, and in only one smaller company do the office workers have insurance and the production workers none.

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### COMPARISON OF LIFE INSURANCE BENEFITS

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Both office and production workers receive same benefits . . . . .	79 percent	65 percent
2. Office workers receive superior benefits to production workers . . . . .	15 percent	29 percent
3. Production workers receive superior benefits to office workers . . . . .	2 percent	2 percent
4. No insurance benefits for either . . . . .	<u>4</u> percent	<u>4</u> percent
Total . . . . .	100 percent	100 percent

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The amounts of insurance range widely, from a low of \$500. Among the larger companies, 12 percent of them carry \$1000 for both office and production workers, 9 percent of them carry \$1500, \$2000, and \$3000 respectively and another 12 percent go up to \$10,000 for office workers. Only 5 percent of the larger companies carry \$10,000 for their production workers. These amounts are almost as evenly distributed among the smaller companies, with 12 percent each carrying \$1000 and \$2000 and 8 percent carrying \$3000 for office workers.

### Accidental Death and Dismemberment

Accidental death and dismemberment payments are not as widespread as hospitalization and life insurance, but here again, the office worker is in a slightly better position than the production worker.



## COMPARISON OF ACCIDENTAL DEATH AND DISMEMBERMENT PAYMENTS

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Office and production workers receive same benefits . . . . .	42 percent	44 percent
2. Office workers receive superior benefits . . . . .	6 percent	10 percent
3. Production workers receive superior benefits . . . . .	1 percent	6 percent
4. Neither receives benefits . . . . .	44 percent	34 percent
5. Office workers receive no benefits, no production workers in company . . . . .	4 percent	2 percent
6. Office workers receive benefits, no production workers in company . . . . .	3 percent	4 percent
Total . . . . .	100 percent	100 percent

Accidental death and dismemberment benefits run in amounts from \$1,000, with the most common figures being \$1,000, \$3,000, and \$4,000. Seventeen percent of the smaller companies pay \$1000 for both office and production workers, while seven percent of the larger companies pay this figure. All of the other amounts are supported by fewer companies than the above number.

Paid Sick Leave

Office workers maintain a tremendous advantage over production workers in the receipt of paid sick leave. In 38 percent of all the larger companies, sick leave is granted to office workers but none to production workers, and in half the smaller companies, this is the case. Benefits run from a minimum of three days in some companies to unlimited allowances in others. Ten days, 30 days, and 13 weeks are the most common figures, with 7 percent of the larger companies settling on each of those times.

## COMPARISON OF PAID SICK LEAVE BENEFITS

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Identical benefits for both office and and production workers . . . . .	29 percent	21 percent
2. Office workers have superior benefits . . . . .	48 percent	56 percent
3. Production workers have superior benefits . . . . .	0 percent	2 percent
4. No paid sick leave benefits for either . . . . .	16 percent	15 percent
5. Benefits for office workers, no production workers in company . . . . .	7 percent	2 percent
6. No benefits for office workers, no production workers in company . . . . .	0 percent	4 percent
Total . . . . .	100 percent	100 percent



Sick and Accident Benefits

Office and production workers are relatively even in the receipt of sick and accident benefits, with the office workers holding a slight advantage among the larger companies. Among those companies paying benefits, amounts range from \$14 a week to full pay. These are the more popular figures: among the larger companies, 7 percent pay \$25 a week, 10 percent pay \$30 a week, 11 percent pay \$40 a week, and 8 percent pay \$20 a week; among the smaller companies, 17 percent give \$30 a week, 19 percent give \$25 a week, 10 percent give \$20 a week, and 10 percent give \$40 a week.

## COMPARISON OF SICK AND ACCIDENT BENEFITS

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Office and production workers receive identical benefits . . . . .	63 percent	67 percent
2. Office workers receive superior benefits . . . . .	12 percent	4 percent
3. Production workers receive superior benefits . . . . .	5 percent	4 percent
4. No benefits for either office or production workers . . . . .	14 percent	21 percent
5. Office workers receive benefits, no production workers in company . . . . .	3 percent	4 percent
6. Office workers receive no benefits, no production workers in company . . . . .	<u>3</u> percent	<u>0</u> percent
Total . . . . .	100 percent	100 percent

Medical and Surgical Benefits

Far more of the companies maintain surgical benefits than medical for their employees, while in both categories, office workers are more nearly equal with production workers in benefits received. Some medical benefits are paid by the day and some are paid in gross amounts, from \$50 to \$1500, with no single category showing any predominance. Surgical benefits are practically always calculated according to gross amounts, running from \$100 to \$1000 or no maximum. Of the larger companies, 15 percent maintain \$150, while 31 percent of the smaller companies have this amount. Total benefits of \$200 are in force in 24 percent of the larger companies and 19 percent of the smaller. The other common figure, \$300, is in effect in 10 percent of both the larger and smaller companies.



## COMPARISON OF MEDICAL AND SURGICAL BENEFITS

	<u>Larger Companies</u>		<u>Smaller Companies</u>	
	<u>Medical</u>	<u>Surgical</u>	<u>Medical</u>	<u>Surgical</u>
1. Same benefits for both office and production workers . . . . .	44 percent	75 percent	32 percent	71 percent
2. Office workers receive superior benefits over production workers . . . . .	2 percent	4 percent	0 percent	6 percent
3. Production workers receive superior benefits over office workers . . . . .	1 percent	1 percent	6 percent	2 percent
4. No benefits for either office or production workers . . . . .	47 percent	14 percent	56 percent	15 percent
5. Benefits for office workers where no production workers in company . . . .	3 percent	3 percent	2 percent	4 percent
6. No benefits for office workers where no production workers in company . . . .	3 percent	3 percent	4 percent	2 percent
Total . . . . .	100 percent	100 percent	100 percent	100 percent

Special Privileges

Two out of five companies say there are no additional special privileges given in their plants to office workers other than the ones previously listed. However, of those that award special privileges over and above those extended to production workers, one out of five larger companies specify time off with pay for personal reasons. One out of four smaller companies adhere to this practice. The only other practice to receive any substantial support is that of parking space, as six percent of the larger companies and 12 percent of the smaller companies provide this for office workers, but not for production workers.

Other special privileges listed for office workers by one or more companies: better work hours, longer lunch period, air conditioning, a cafeteria, chance to buy company products cheaper, comfortable women's lounge, less working pressures, smoking, paid social affairs, time off for voting, severance pay, one-half day for Christmas shopping, and clean offices.

General Comparison of Benefits

Fringe benefits in general are still more liberal for office workers than production workers, say 55 percent of the Panel members from the larger companies and 56 percent from the smaller ones. Only one smaller company executive reports that fringe benefits for office workers are less liberal. Of all the answers, 65 percent of the larger company members say they would have reported the same ten years ago, while only 40 percent from the smaller companies say their answer is unchanged from ten years ago.

However, a substantial number of company executives reporting that fringe benefits are greater for office workers say that there is less difference now than ten years ago. These are some statements of this point of view:



I imagine most personnel people will tell you that, in general, fringe benefits for office workers are more liberal than those covering production workers. And their answer would have been the same ten years ago. But I am just as certain they would have told you that the spread in these benefits in favor of the white collar workers is not as great by any means as it once was.

We would like to keep some spread between the two. But if you give a better vacation plan, better pension, better insurance, or liberalize any of your benefits to the office workers, then you can expect the union to start knocking at your door for the same benefits for the organized people. I don't like it, but I know it is only a matter of time before our benefits are leveled off between the factory and the office.-- Industrial Relations Director, larger midwestern company.

\* \* \*

The many fringe benefits obtained by the production worker as a result of his collective bargaining efforts have leveled the status of the production and office worker. It is my sincere belief that management must now focus its attention upon the office worker and his status, from the standpoint of both income and fringe benefits and privileges. By comparison, the organized area of productive work has made such progress that the recognized differential between the two types of employees has been almost entirely eliminated. This can only invite organization of the office worker, which would be a most unfortunate situation from the standpoint of personal ambition, skill and efficiency.--R. Ganzer, Manager, Wage & Hour Administration, Marathon Corporation, Menasha, Wis.

## RECRUITMENT AND TRAINING

### Formal Training Programs

Some kind of formal training program for office workers is now in effect in approximately one out of four companies, both large and small. The figure runs slightly higher for production workers, as in larger companies, two in five have some kind of formal training program, while approximately one out of three smaller plants reports this to be true. Only two companies have training programs for office workers but none for production workers.

Where companies report training programs for office workers, their answers run something like this; "not formal," "for certain occupations," "indoctrination and on the job training," "on the job," "in some classification," "for some jobs," and "semi-formal."

An interesting arrangement for off-the-job training is reported by Frank R. Smith, Personnel Manager of the Surface Combustion Corporation, Toledo, Ohio, who says:

The Company has an educational assistance plan which operates on the basis that any employee who arranges to take a course or courses in a high school, trade school, business school, or college may recover part of the cost of the course from the company providing the company feels that the training benefits him either in their line of work or for promotion. The plan calls for a refund of 50 percent of the cost based on satisfactory attendance and grades. This plan applies to both office workers and production workers.

### Difficulty in Recruitment

Approximately half the companies are experiencing some difficulty in recruiting office personnel. Stenographers constitute the most difficult type of office worker to find, with secretaries and typists also in short supply. There is also a demand for skilled machine operators. Two out of five larger companies are finding it more difficult to recruit office personnel now than production workers. Half the smaller companies are facing the same thing.



## Types of Office Clericals in Short Supply

	Percentage of Companies Reporting	
	<u>Larger Companies</u>	<u>Smaller Companies</u>
All office workers . . . . .	11	21
Accounting, bookkeeping machine operators . . . . .	1	0
Comptometer operators . . . . .	10	10
Draftsmen . . . . .	3	0
Junior Clericals . . . . .	15	10
Junior Executives . . . . .	0	1
Key Punch Operators . . . . .	4	0
Machine operators . . . . .	18	12
Messengers . . . . .	1	2
Multilith Operators . . . . .	2	0
PBX Machine Operators . . . . .	2	0
Secretaries . . . . .	18	29
Statistical Clerks . . . . .	0	2
Stenographers . . . . .	54	65
Tabulating Machine Operators . . . . .	3	2
Typists . . . . .	19	29

To meet the reported shortages of office workers, almost two out of five larger companies are hiring part-time office clericals. Approximately three in ten of the smaller companies report the same practice. Several of the Panel members whose companies do this qualify their statements with these typical remarks, "but rarely," "occasionally," "no, except for a few college students," "temporary for part-time."

Personnel Policies for Office Workers

An overwhelming number of Panel members, 84 percent from the larger companies and 78 percent from the smaller firms, say that their personnel departments administer personnel policies and programs for their office clerical workers. A few of the executives qualify their report by saying that the personnel department works with the office manager, "but supervisors play a major part," or that "the office manager coordinates with personnel." A Personnel Superintendent of a larger eastern manufacturing company says the office workers are under direct supervision, with personnel acting in an advisory role.

Among the Panel members who report that the personnel department does not administer policies for their office employees, six percent from the larger companies say their office manager or office superintendent does. Fourteen percent from the smaller firms say this is their pattern. Other companies have personnel policies and programs for office workers under a salary and wage administrator, the plant manager, the secretary-treasurer of the company, an assistant vice-president, and one smaller company has a separate personnel department for its office employees.



Transfers to Non-Office Jobs

Office workers have the opportunity to transfer into production jobs if they desire in most of the companies. Almost 85 percent of the larger companies permit this practice and 70 percent of the smaller firms do the same. A larger midwestern company executive reports some difficulty where union contracts exist, saying that transfers at levels above starting classifications are difficult.

One Personnel Director who says that his firm does not permit transfer from office to production work expresses his reasons thus:

If we were to allow our office clerical workers to transfer to jobs in the plant we wouldn't have enough people to run the office. You get high school graduates in your office and as soon as they find out how much Rosie the Riveter is making you can expect them to ask, "Could I get a job in the factory?"

## UNIONIZATION

Extent of Unionization

Office workers do not belong to unions in 82 percent of the larger companies and in 96 percent of the smaller ones. The following table shows the comparison between office and production workers as far as unionization is concerned:

UNIONIZATION OF OFFICE AND PRODUCTION WORKERS		
	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Both office and production workers represented by unions . . . . .	16 percent	4 percent
2. Office workers unorganized, production workers represented by unions . . . . .	62 percent	73 percent
3. Neither office workers nor production workers represented by unions . . . . .	13 percent	19 percent
4. Office workers unorganized, no production workers in company . . . . .	7 percent	4 percent
5. Office and production workers represented by unions in some plants of company . . . . .	<u>2</u> percent	<u>0</u> percent
Total . . . . .	100 percent	100 percent

In accounting for the absence of unions among office workers, one Industrial Relations Director says:

One of the reasons we have not had our office workers unionized to a greater extent than has been the case has not been so much because of our success in keeping the employees on our side--but because of the ineptness of the unions in attempting to organize them.

Related to the problem of unionization is the degree to which certain practices, such as seniority and grievance handling, which have come to be associated with unionized plants, are applied to office employees. These are discussed below.



### Seniority Factors

Seniority is a major factor in promotions and transfers for office workers in 46 percent of the larger companies and 42 percent of the smaller firms. Of course, seniority is a far greater factor in promotions and transfers among the more heavily unionized production workers, as four out of five of the larger companies, and three out of four of the smaller firms rate it as a major factor.

Even so, in many instances where seniority is acknowledged to be a major factor, many companies give weight to merit in making decisions on promotions and transfers of office workers. These are some of the comments: "Seniority is considered, if all other factors are equal." "Qualifications, then seniority." "A factor, not major, but considered." "Yes, if ability is equal." "Even in union contracts, ability and fitness come first, before seniority applies."

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#### SENIORITY AS A MAJOR FACTOR IN PROMOTIONS AND TRANSFERS

	<u>Larger Companies</u>	<u>Smaller Companies</u>
1. Not major factor for office workers, but a major factor for production workers . . . . .	31 percent	31 percent
2. A major factor for both office and production workers . . . . .	43 percent	42 percent
3. Not major factor for either office or production workers . . . . .	19 percent	23 percent
4. A major factor for office workers, no production workers in company . . . . .	3 percent	0 percent
5. Not a factor for office workers, no production workers in company . . . . .	<u>4</u> percent	<u>4</u> percent
Total . . . . .	100 percent	100 percent

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In layoffs or recalls, however, seniority is a much larger factor for office workers. Three out of five of all company executives say it is a major consideration for office employees. In almost all larger and smaller companies, seniority is the major factor in layoff and recall of production workers; in only 4 percent of the companies is it reported not a consideration. One out of three large and small companies consider seniority in laying off production workers where they do not consider it for office employees.

### Grievance Procedures

More than two out of three larger companies have no formal grievance procedure for their office workers while in 85 percent of the smaller plants there is no such procedure. The production worker is far more likely to have a formal grievance procedure, as in 85 percent of the larger companies, such a program is in effect, and in an almost equally large number of the smaller plants. This quite closely parallels the extent of unionization of production workers in both larger and smaller companies.

Where there are no unions among the office employees, 10 percent of the larger companies maintain a formal grievance procedure. Nine percent of the smaller companies that have no unions among their office workers provide a grievance procedure.

The area of grievance procedures offers management a real chance to build a better relationship with its office employees, according to Justin A. Pauley, Director of Industrial Relations, The Mosaic Tile Company, Zanesville, O., who says:



Generally speaking, the white collar group is the one remaining area where management can do some good without interference from unions. For some companies, this opportunity is already gone. It behooves those managements whose offices are still unorganized to give the situation some close study. One of the major problems is the fact that channels of communication are blocked and management doesn't really know what its employees are thinking. Many managements think they do, but experience shows that they do not. The processing of office grievances should be a major concern of top management. Employees must have a method for handling grievances and in most companies this means a formal grievance procedure and one the employee is not afraid to use. Unsettled grievances build discontentment and low morale. Unions are defense mechanisms and unhappy people are fair prey.

### The Future for Unionization

More than two out of three of all Panel members believe that unions will increase their efforts to organize office employees in the future. Excluding those companies where office workers are already organized, the number predicting future unionization is exactly two out of three.

A comment from an Industrial Relations Director of a midwestern company tells of changing attitudes of office workers toward unions:

When the unions first organized in industry, the office workers were often the most rabid anti-union people of all. The lower down the clerical ladder you went, the more belligerent this attitude was. The office boy sounded more like what you would expect to hear in the conservative clubs. The unions seemed to many of these employees as a challenge to the rights and prerogatives and security of white-collar workers. And they resented them.

But that attitude is dying out. Some of the clerical people are beginning to feel that the 'guys in the union have something in this organization business.' And, so far as the younger generation in our offices go, they have all been hired since the unions organized our plants. Therefore they are not as prone to look with distaste upon the union as the older employees.

Another Panel member tells why he thinks increased unionization for office workers is on the way:

There are a couple of trends developing in our offices which I believe may herald approaching unionization.

One, is the fact that every day our office jobs are becoming more and more specialized--just as jobs have become in the factory. Some girls do only typing, others only mimeographing, others only transcribing from dictaphone machines, others run calculating machines, others operate the switchboard, some do only filing, or operating the addressograph machine, teletype, etc. In other words, the skill and personality is fast disappearing from many office jobs as the transition to mass-production in the office takes place. Just as the skill and craftsmanship have disappeared from many factory jobs, making these people mere button pushers--the same thing is happening in the office. The jobs are white-collar in name only.

Second, is the fact that white collar workers have always been keenly aware of status and prestige. And you didn't enjoy that if you were a production worker and union member. But all the people we have upgraded in our factory for the past several years have been former union members--because everybody belongs to the union. In fact, our plant manager was once the president of the local union. So the office people are beginning to realize that membership in a union is not a barrier to success.

And, Wilbur A. Gramley, Personnel Director of the All-Steel Equipment Co., Aurora, Ill., points out:

Generally speaking, labor unions will increase their efforts to organize office groups where management is lax in establishing sound personnel policies.



## OFFICE WORK OR PRODUCTION WORK?

A high proportion of Panel members report that a young man just graduating from high school who desires to go into industry would be better off starting at the bottom as a production worker. Approximately 54 percent from the larger companies say this is the best possibility, while 69 percent from the smaller ones agree. One out of seven Panel members from larger companies definitely feel that office work offers the best possibilities, however, while one in twelve from the smaller companies think office work has the best opportunities. A large number of Panel members state that the aptitude and desires of the individual are more important and would use them as a criteria rather than which field, office or production work, offered the best hope for the future. Approximately one out of four executives of larger companies say factors such as aptitude are controlling, while one in seven of the smaller firms say this is the important factor.

More than half the larger company members say the answer would have been the same ten years ago, regardless of whether they think office or production work offers the best possibilities for the future. Fourteen percent from the larger companies report a definite shift in opinion, saying they would have answered differently ten years ago, while 27 percent from the smaller companies say their answer would have been different. Those who are uncertain or think there is no adequate basis for answering represent 14 percent of the larger plants and 27 percent of the smaller.

Some of the more typical replies from company executives who think production work offers the best opportunities:

Production--because it is essential that men who want advancement be familiar with the technical phases of our business. On the basis of past experiences, the chances are about four to one in favor of the man with shop background getting to the top.--W. J. Hebard, Personnel Director, Continental Foundry & Machine Co., East Chicago, Ind.

\* \* \*

Production work offers more opportunities for advancement where higher, more specialized education has not been obtained--that is, possibilities to rise to supervision or to become a highly paid skilled craftsman of some kind which generally provides a more stable and larger income than general office work.--Director of Industrial Relations, larger West Coast company.

\* \* \*

Production. Learn production methods; appreciate better working conditions; understand production management thinking; appreciate attitudes of hourly paid, unionized people better; more pay at lower levels of responsibility will carry on when moved to office position.--H. L. Lodish, Industrial Relations Manager, Industrial Rayon Corporation, Cleveland, O.

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We believe a man who has shop experience can do a more intelligent job in the office. If he understands the processes in the manufacturing phase of the business and has the aptitude for office work, he will use his total experience to the Company's advantage.--Director of Industrial Relations, larger midwestern manufacturing company.

\* \* \*

Production. In order to train for top positions we find it important that basic knowledge of operations in plant are important. In most all cases, our top men have come up from the plants.--R. K. Argo, Personnel Director, Alabama Mills, Inc., Birmingham, Ala.

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Production work, if only for a year or two. Reasons: (1) Give him an insight into union administration, (2) higher starting earnings, (3) opportunity to see why production workers have difficulty in standing above the group, (4) realize need for further education.--R. R. Berris, National Director of Industrial Relations, Toledo Scale Co., Toledo, O.

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If the son is interested in immediate monetary returns, his earning capacity would undoubtedly be greater in production. However, there are three major factors to be considered, i.e., the individual's career goals, his interests and his capacities. In our company, we have found that some production experience is helpful to those who are



transferred to office work later. --Personnel Director, smaller midwestern manufacturing company.

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If mentally adapted to production and interested in production work, management would advise production work, where high school education only would not be a limitation. College trained men more often have inside track and get the opportunities to advance from office clerical positions to administrative and supervisory management classifications. --Henry T. White, Director of Personnel and Industrial Relations, Centennial Crown Mills, Portland, Ore.

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Production, with recommendation he continue education on part-time basis to achieve goals not available to office workers from standpoint of remuneration, satisfaction of potential ambitions to rise to top...where top jobs (in production) really pay off. During past years since beginning of World War I, production in the United States has far outstripped non-production groups in importance in industry. --James F. Gallagher, Industrial Relations Director, Blook Drug Co., Inc., and affiliated companies, Jersey City, N.J.

Some members say there are equal opportunities today in both office and production work. These are typical answers:

He should have first production experience in key shop departments. Then experience in office on production planning. Then he should decide on office or shop work. Production and office offer equal opportunities for advancement. --W. H. Gostlin, Director of Industrial Relations, The Buda Company, Harvey, Ill.

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Both. He should start in production as a laborer to learn fundamentals, and transfer to office for more basic training. --James R. Riley, President, Suburban Motor Freight, Inc., Columbus, O.

Although less in number than those who pick production work as the best area for future advancement, the Panel members who think office work offers the best opportunities still have positive reasons for their opinions. These are some of the views expressed:

The individual's aptitude would be the first consideration in such a choice. Assuming a fitness for either, I would suggest entering office work because of long term advantages in progression, particularly if not union covered. Production work is more likely to be under union conditions and advancement by seniority instead of merit. --Director of Industrial Relations, large Pacific Coast company.

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Office Work. The ratio of office to production workers has increased and whether we like it or not, this trend will continue. There is also a tendency to upgrade work due to the installation of new equipment, etc., and have more skilled people in our plants. There will be more unlimited opportunities for office workers. --Director of Personnel Relations, large midwestern company.

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Office work, because unions make it more difficult to progress through the ranks of production workers to supervisory positions, and compensation is better on the whole. --Vice President and Secretary, large midwestern company.

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Office. Advancement is not regulated by union and employee with ability can write own ticket. --W. C. Collins, Personnel Director, Howell Electric Motors Co., Howell, Mich.

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Office -- plant and departmental seniority make rapid advancement almost impossible. --Frank J. Allen, Jr., Auditor, Bay State Milling Company, Winona, Michigan.

Many of the members feel that educational qualifications are the dominant considerations and the fact that the son of our hypothetical foreman has only a high school education is more important of his future than whether better opportunities exist in office or production work. These are some of the answers:



In a case where a boy either can not go to college or does not care to go to school anymore, I would definitely suggest to him that he go into production work as that is where I believe the greatest opportunities are offered to fellows whose education does not extend beyond high school. If, however, he had been a good scholar and is able financially to go on to college, I would most certainly recommend that he do so...It has become a more fixed trend over a past period of several years for industry to look toward college-trained men for top-level positions; therefore, I believe a young man going into office work is at a greater advantage with a college background.--George Prouty, Employee Relations Manager, Munsingwear, Inc., Minneapolis, Minn.

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My first recommendation would be that he enter a university to acquire the educational background so sorely needed today. If that were not possible...he should enroll in night school to accomplish the same thing. As far as the "Great Debate" between office or factory is concerned, it is my opinion that there are excellent opportunities in each, particularly from the supervisory standpoint.--James L. Centner, Personnel Director, The Hess & Eisenhardt Company, Rossmoyne, Ohio.

Of the executives reporting that their answers would have been different ten years ago, most of them say that production work has replaced office work as the best area in which a young man might get ahead. Those who say their answer would have changed and now place office work as the best prospect instead of production work frequently assign union seniority provisions among production workers as part of their reasoning. These are typical answers from those who say their answer would have been different ten years ago:

Ten years ago it was not unusual for factory workers to visit my office to seek employment for their sons or daughters. Invariably they wanted their children to secure an office job. In fact, it was almost pathetic how they wanted them to work in white collar jobs--anything but the factory. 'I want them to get ahead.' 'I don't care how little they earn, I don't want them to go through what I've gone through.' 'Whatever you do, don't let my son talk you into putting him into the plant.' These were typical remarks. I don't get these calls any more. For me, this tells the story.--Industrial Relations Director, larger midwestern company.

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Office positions have become more specialized and colleges today are training with such job qualifications as objectives.--Director of Industrial Relations, larger eastern company.

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Many of the caste barriers have been broken down between production workers and office employees. The transfer from one class to the other can be more easily made now.--Harold Ware, Personnel Manager, Los Angeles Steel Casting Co., Los Angeles, California.

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Ten years ago the practice of looking for good potential leaders to come from the shop was not in existence as it is today.--C. T. O'Connell, Personnel Manager, Kleinschmidt Laboratories, Inc., Deerfield, Ill.

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Office work is recommended. Union emphasis on seniority holds back the exceptional man. Would have been different 20 years ago when ability was recognized in the production ranks at least equally with seniority.--R. P. Meredith, Personnel Director, Crossett Companies, Crossett, Ark.