

PERSONNEL RELATIONS IN SMALL COMPANIES AND UNORGANIZED COMPANIES

Presented by

Carl E. Schneider ...  
 Vice President  
 Burroughs Adding Machine Company  
 Detroit, Michigan

at

24th NAM Institute on Industrial Relations,  
 Hollywood, Florida,  
 March 16 - 20, 1953

[New York? 1953.]

The objective of every personnel program is to recruit and maintain a minimum efficient and effective work force, competent to meet the work requirements of the company. To effectively administer realistic and equitable programs that will generate loyalty, cooperation and understanding and a spirit of friendliness throughout the organization. To promote pride in the company by the company demonstrating high standards of character and morality in all its dealings and by operating with honesty and integrity.

Naturally, the first step in the attainment of this objective is in the employment office. It is here that the new employee gets his first impression of the company. Are we doing everything possible to make that first impression a good one? First, let's explore a few points in this area.

The Employment Office and Its Importance:

Too often the Employment Office or employment practices of a business concern do not measure up to the high standards of that business. I have been in many companies where the top officials of the company had never seen their Employment Office nor were they familiar with the employment practices. These same companies are very proud of their customer contact offices and have gone to considerable expense and sometimes "plush" to make these offices most attractive. The people contacting the public were carefully selected and groomed to make sure that their contacts are of the highest calibre. Is it unreasonable to assume that the same attention be given to the first contact with men and women who may spend the rest of their working lives with us in producing the things our customers need or want.

Too often the Personnel Officer of a company is so restricted by his budget and by his lack of aggressiveness and initiative that the Employment Office is the worst equipped office in the company. I believe that we all should give more attention to our Employment Office -- employment practices -- the physical layout -- the staff -- the environment -- and the attitudes of the staff.

With full recognition of the essentials of employment techniques and the application of the techniques to selection, I am fully convinced that the worst thing you can have in the Employment Office is a robot. There are many in the personnel field, and I think too many, who believe that the selection of people is a science, that by putting together a battery of tests and gadgetry we can measure all the qualities or lack of qualities in any individual at any given time. I believe in tests as an aid to selection, not as an end. Give me an interesting,

personable, intelligent man or woman, who has a basic desire to do a good human relations job, aided by a few simple techniques or tests in a proper environment and I believe that a good selection job will be done. How in the world are we to instill loyalty, understanding, cooperation and friendliness into our employees if our first contact is cold, indifferent and in general opposed to the policy of good human relations. If our selection processes make enemies or skeptics of those we reject and nervous wrecks of those we accept, we had better take a look at what we are doing.

#### Publishing of Personnel Policy:

Policy has been described as the decisions---"governing objectives and the methods of administration by which operations of any business are conducted." If this definition is acceptable, then I believe that it is almost imperative that policies, including personnel policy, be published. Those who are responsible for policy-making, however, should make sure that policies which they formulate will:-

1. Follow the major objective of the company
2. Commit the company to only authorized activities
3. Not involve the company in undue financial, political or other risks
4. Promote harmony of opinion.

The last item is very important --- I do not intend to minimize the others -- but, if a policy is formulated that has not been thoroughly explored as to its total effect, there is the possibility of having a house divided. One section of management and perhaps non-management employees skeptical or opposed to a policy with only the policy-makers in total favor of the policy.

In this regard, I recall a cartoon of recent years that best illustrates this point. The cartoon depicted a president's office with several junior officers standing in front of the president's desk. The president, standing, red faced and hammering the desk with his fist stating, "I don't give a damn if it is wrong, it is still our policy." As a last comment on this subject, we should be sure that we are capable and willing to carry out the provisions of any policy that we publish. Policies should never be pretty or high sounding words on pieces of paper -- they should be the guiding principles for a living administration of honesty, integrity and high purpose.

#### Job Security and the Feeling of Belonging:

It is just plain nonsense to think of a man of the labor force as a commodity. He has an inherent right of recognition as a human being. He must be given recognition on the job or you are headed for trouble. Let us take a look at this man you hire from the labor force. He is recognized at home as husband and father; at his fraternal organization or church or club as a member; at the stores where he trades as a customer and at the polling place where he votes, as a citizen. Doesn't it seem absurd to try to change this man from an individual who is recognized everywhere else to a number and a commodity in your office or plant. I say to you with deep conviction that certain labor organizations through the use of the closed shop and hiring halls have done more to promote the "commodity" idea than has business organizations. There are still too many in business management, however, who will not accept the men and women in their organizations as fellow human beings and as an integral part of the enterprise.

We must recognize that a man is not two people. One who walks into our office or plant and performs the mechanics of the job by applying only the required skills ---the other one who lives, loves and walks free under the sun. Man brings his emotions to his job and often his actions and reactions on the job are influenced by matters completely disconnected with his working environment. His outside interests and tastes often influence his performance on the job.

One of the fundamental desires in a human being, in you and me and everyone else, is the desire for security. To most people, security is extremely important. To them it means some kind of financial stability. It implies being able to buy the things they need at prices they can afford to pay without dissipating their resources, a continuing state of employment, freedom from worry and from want.

We must realize, however, that no one can guarantee security -- no government, no company or industry, and no group or individual. Security is something that people must achieve, working by themselves.

Many people think industry can provide security. You and I know that that is impossible. But, what industry can strive to provide, to the very best of its ability, is job continuity -- for to many people, job continuity has a great deal to do with the feeling of security.

The laws of economics are pretty rigid, but the capabilities of management should not be. We have a real challenge ahead of us - and upon the solution of this challenge must rest the real future of our economic system. Should industry fail to meet and solve this problem, there are serious risks of government-provided security with increased taxation, curtailment of liberties, and in the end, socialism or something worse.

We all believe very strongly in the rights of individuals, in the importance of respecting the individual human being. In our vocabulary are such terms as "human rights," "freedom," and "the rewards of individual effort and merit." These are the very framework of our manner of living. We will have freedom and the free competitive enterprise system so long as the majority of our people believe in these principles and understand them. They will believe in them as long as we demonstrate to the workers by action that they have opportunity for security and freedom of expression. It is the job of each industry to make sure that day after day, the principles of freedom of expression and of fairness and recognition are extended to each individual. There must be a practical demonstration of this product of ours -- this American system of free competitive enterprise. We must not only proclaim it as the best economic system yet devised by man, but we must also show that it will work.

That kind of demonstration requires the close cooperation of government, management, and both organized and unorganized labor. Any struggle which stimulates paternalism and which produces a dependent mass of people instead of a vigorous group of individuals, must somehow be resolved.

We don't bother to correct basic conditions -- it is like giving a baby a lolly-pop to stop his crying when he has a pin in his rear.

#### Leadership:

We in top management may develop the finest policies and the most intelligent and equitable programs for our business and yet, if the men and women who have direct

supervision over the people who work with us fail in administration, our whole purpose collapses. There must be a continuing program of good selection and training of our supervisory organization, particularly the first line supervisors. These are the men and women who influence the attitudes and the conduct of the majority of the employees. An employee may have the highest regard for the president and top officers of the company and yet think the company is unfair or just plain "stinks" due to his day to day experience on the job. I have, over the past fifteen years, talked to hundreds of supervisors and foremen, in all types of operations. I learned one thing certain -- that these men and women were anxious to do a good management job. They were determined to succeed and progress. Yet, in many cases the management of the company had appointed them to supervisory positions and then forgot them unless serious trouble developed. In some cases there was evidence of poor selection and in all too many cases the action had been, "Jim, I am happy to tell you that starting tomorrow you are Foreman of Department 28.....Good Luck."

The most skillful press releases, the most handsome annual reports, the enlightened published policies, the most persuasive public speeches are utterly worthless unless they conform to reality.

In these days management talks a great deal about our way of life. In current terminology, we call this communication. The tragedy is that though the public is deluged with our views, large segments of it are not persuaded. WHY? -----We are talking about economic systems -----they are interested in a job.

There is an age old caution that every salesman knows ----"be a good listener and a good observer." I recently read an article in Fortune Magazine ----"Is Anybody Listening." The article dealt with all the words that were being said to or written to employees in business. I ask a simple question ----"Is management listening?" Are we taking advantage of our best line of communication - the supervisory organization? Are we developing this line of communication? Are our supervisors fully informed about the company and its policies and practices? Can they intelligently explain to other employees these policies and practices? Do they know ahead of everyone else about new developments in the company? Do we pay attention to their suggestions and their "news" about what is going on in their area? Have we developed two-way communication -- both ears -- not in one and out the other -- but in both and with understanding and reasoning make full use of what we have learned. 'Tis well to remember the words of the greek philosopher, "Man was given two ears and one tongue."

Every failure in the ranks of supervision is a direct fault of management. Either it was a result of poor selection or improper or no guidance and training. My older brothers taught be to swim at the age of eight by throwing me in a deep river. They told me to swim or drown. I haven't been a good swimmer since, I just manage to keep my head above in calm waters.

#### Communication and Participation:

Everyone likes to be "in on the know." I have never met a worker who did not want to know all about the business where he works. I frankly believe that he is eager to know about - "how the company is doing," - "what new developments the company is engaged in" - "new engineering or method changes that affect him directly or the company's future" ----- well, "all about the company in which he is proud to be a member." I am not so sure that he is too interested in informative programs that are not directly connected with his experiences in the company in which

he works. There are, in my opinion, too many professional writers in the field of employee communications who become anesthetized by their artistry in the field of semantics and who leave the worker bedazzled, befuddled and bewildered. Words are of value if they convey the desired thought to the person who hears them. The average American is not interested in business apologies -- unctuous generalities about the corner drug store ---- the vague and negative words "free enterprise"-- he will ask ---- "what does it do for me now."

### Equitable Compensation:

While job evaluation programs have wide acceptance today, there are many companies that have not installed such programs. There are many who argue that these formal programs are too restrictive -- that they place an employee in a straight jacket - that they hamper development of initiative and ability. I believe that a well administered and realistic program will do much to develop initiative and ability. That through the organized progressive steps of this type of program employees have the incentive to advance within the salary range of a given job or to higher rated jobs. The inequities that may occur in salary administration without formality are well known to all of us. The favorite - due to personality or relationship - the aggressive employee who can convince the boss - the less expressive good worker who is forgotten and then quits in disgust. The inability to explain relationship of jobs and their values. All of these and many more contribute to the necessity for a formal, well administered salary program.

### Opportunities for Advancement

Often we have heard the expression "there is always room for a good man at the top." How many companies know when they have a good man? Frankly, aren't there many good men in companies today who are eager and willing to work and work hard to get to the top who will never have that opportunity. We have often heard of a man getting to the top of an organization and the comments from fellow employees was that he was "lucky". I like to look upon luck as being the result of the meeting of two lines ---- one line, preparation and qualification --- the other line, opportunity. We must gear our programs to provide opportunity and also to assist in the recognition and development of individual ability and performance.

### Seniority:

First, let us consider a basic principle in regard to seniority. I believe that everyone of us will agree that the longer we stay in a particular job and from all indications we are doing a satisfactory job - no one has told us we are not - the more secure we feel. There is nothing unusual in the feeling of employees with long service that they should be protected against unemployment over employees with less service. When a company is faced with a reduction in force is not the time to correct inefficiencies of management and administration by attempting to weed out undesirable and inefficient employees. To provide weak administration with such a crutch would only make it weaker.

Certainly I do not believe that seniority should be the prevailing factor in promotions, transfers or other personnel actions where the assignment of the individual is primarily a concern of management in placing employees on jobs they are capable of performing satisfactorily. Seniority has its place in the determination of such action, but it is secondary to ability to do the job.

Responsibility:

The attainment of a balance in human relations is, as we all know, not a one-way street. The responsibility rests equally with government, labor and management. Labor organizations must do their part in bringing about a better understanding and more cooperative effort. Individual workers must accept responsibility for their good conduct, both in their attitude toward their company and in the way they get along with their fellow workers. They certainly have an obligation to return proper services for the pay they receive, and to conform with the rules of the game by observing the regulations essential to effective and efficient organization.

Government too, must recognize that the introduction of legislation that favors one group over another will create discord, disruption and work against a balance in human relations. Legislation in the field of labor relations must be fair to labor, fair to industry, and fair to the public.

Management too, has a responsibility, but its responsibility is more easily described than labor's or government's. Management simply must produce a profit, or go out of business. However, if a business is to continue to produce a profit, that very condition forces it to have up-to-date machinery, efficient methods, and sound policies. Good labor relations must be an important part of business policy.

\* \* \* \* \*

ERD  
FW