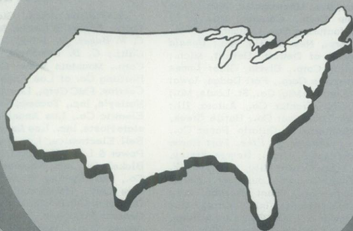


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# What Is The Personnel Policies Forum?

The Editors of The Bureau of National Affairs have invited representative personnel and industrial relations executives to become members of the 1963-64 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 1963-64 are printed in a special survey report which is sent, as part of the service, to users of these BNA labor reports:

Labor Relations Reports; Labor Policy and Practice; Daily Labor Report; White Collar Report; Retail Labor Report; and Services Labor Report.

## The 1963-64 Panel

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# PRACTICES FOR WHITE-COLLAR EMPLOYEES

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## INTRODUCTION

Concern frequently has been voiced by employers in recent years that traditional differentials between white-collar and blue-collar employees were gradually being wiped out. The purpose of this survey, first in the 1963-64 series, is to determine the present state of fringe benefits and hours of work for the white-collar group, especially as compared with practices for the blue-collar group. Supervisory and professional employees were excluded from consideration; thus, the survey is confined largely to employees who are not exempt from the overtime requirements of the Wage-Hour Act.

The information presented here is based on replies received from 175 personnel and industrial relations executives on BNA's Personnel Policies Forum. "Larger" company refers to one with over 1,000 employees; "smaller" company to one with 1,000 or fewer employees.

Payment for Services--As a general rule the office employee is salaried while the production employee in nearly all companies is paid by the hour. However, two fifths of executives with smaller companies and 19 percent of those with larger ones report that the office employee also is paid on an hourly basis.

Incentive pay, the survey reveals, is scarcely a factor in office work, being provided by only a very small percentage of Forum companies. Length-of-service increases also are more common for the production employee, such increases being given to office employees by less than a fifth of responding companies and to production employees by 35 percent. However, formal merit plans are more than twice as common for office employees as for production employees. When asked whether general pay increases for production employees are passed on more or less automatically to office clerical employees, fewer than two fifths of the Panel members answered "yes."

Working Time--The standard pattern of working time for both office and production employees is the eight-hour day and the 40-hour week. Where the hours of work are different, the advantage generally lies with the office employee. Overtime pay practices for both groups are about the same. However, weekend pay and premiums for holidays worked usually are more liberal for the production employee.

Penalties for tardiness are more than twice as common for production employees than for office employees. Rest periods, moreover, are only slightly better for office than for production employees. Production employees, according to nine tenths of Panel members, are required to punch time clocks; less than two fifths of the executives, however, report that office employees are required to do so.

Fringe Benefits--Virtually all Panel members are in agreement that the office employee does as well as, or better than, the production employee in the area of fringes. Fairly equal treatment is received by both groups with respect to pension, savings, profit-sharing, and stock-purchase plans; paid holidays; accidental death and dismemberment benefits; payment's for doctor's visits, either home or office; sickness and accident benefits; and medical and surgical benefits. Where, however, there's a difference in the treatment of the two groups--no matter how slight--office employees usually get the better deal.

When it comes to paid sick leave, life insurance, and paid vacations, office employees are far ahead. Their advantage in paid vacations usually takes the form of longer vacations for a given period

of service, especially as regards one- and two-week vacations. Termination pay, moreover, also is available to office employees more frequently than to production employees, being provided to the former group by over half the Forum companies and to the latter group by 28 percent.

Unionization--In just a tenth of Forum companies office employees are organized, and only a small percentage of executives in those companies where they're not organized anticipate organizational efforts among them in the future.

Seniority is a major factor in promotion and transfer of office employees at a third of the companies; it is a major factor in layoffs and recalls at slightly over half.

Formal grievance procedures for office employees are found in less than a fifth of Forum companies, while such procedures for production employees are found in 84 percent. Displacement of office employees because of automation is reported by two fifths of Panel members, with four out of five of these executives explaining that they have been placed in other jobs within the company.

### PAYMENT FOR SERVICES

Office employees are salaried in close to three fourths of Forum companies, although they are paid on an hourly basis in 4 out of 10 smaller companies. Production employees, in contrast, are paid by the hour in nearly all Forum companies. Length-of-service pay increases are given to office employees in less than a fifth of the companies, while such increases are provided for production employees by 35 percent. Formal merit plans, however, are more than twice as common for office employees as for production employees. Fewer than two fifths of the executives on the Panel state that pay increases for office employees follow more or less automatically on the heels of general raises for production employees.

#### Method of Payment

One chief difference in the status of office and production employees is the method of payment. Office employees in 73 percent of the companies--81 percent of the larger and 60 percent of the smaller ones--are paid on a salary basis. On the other hand, production employees in 93 percent of larger and 97 percent of smaller companies are paid by the hour.

Method of Payment			
	All Companies	Larger	Smaller
<u>Office on Salary</u>	73%	81%	60%
Production also on salary	5	7	2
Production on hourly basis	63	69	53
No production employees	5	5	5
<u>Office on Hourly Basis</u>	27	19	40
Production also on hourly basis	25	19	35
No production employees	2	--	5

#### Incentive Bonuses

The incentive bonus as a form of wage payment is largely unknown in Forum company offices. Only 3 percent of companies pay office workers an incentive bonus. Slightly over a third--32 percent of the larger and 39 percent of the smaller ones--pay incentive bonuses to production employees.

#### Length-of-Service Pay Increases

Slightly under a fifth of Forum companies (22 percent of the larger and 15 percent of the smaller ones) report that they have a plan for length-of-service increases for office employees. Production employees, in contrast, are given length-of-service increases by 35 percent of the companies--a third of the larger and 39 percent of the smaller ones.

Following is a percentage breakdown of company practices in granting length-of-service pay increases.

Length-of-Service Pay Increases			
	All Companies 19%	Larger 22%	Smaller 15%
<u>Longevity Increases for Office Employees</u>			
Increases also for production employees	14	15	12
Increases for office employees only	5	7	3
No production employees	--	--	--
<u>No Longevity Increases for Office Employees</u>	81	78	85
Increase for production employees only	19	17	22
No longevity increase for either group	55	56	53
No production employees	7	5	10

#### Pay Increases Under Merit Plans

Formal merit plans are much more common for office employees than for production employees. Replies from Panel members show that slightly over three fifths of Forum companies grant such increases to office employees, with this practice being more frequent in larger companies (70 percent) than in smaller ones (47 percent). Production employees receive pay raises under a formal merit plan in a little over a fourth of Forum companies--28 percent of the larger ones and 22 percent of the smaller ones.

Pay Increases Under Formal Merit Plans			
	All Companies 61%	Larger 70%	Smaller 47%
<u>Merit Increases for Office Employees</u>			
Increases also for production employees	18	23	10
Increases for office employees only	38	42	32
No production employees	5	5	5
<u>No Merit Increases for Office Employees</u>	39	30	53
Increase for production employees only	6	3	10
No increase for either employee group	31	27	38
No production employees	2	--	5

#### Passing on Pay Increases

Executives on the Panel were asked if general pay increases given to production employees are passed on more or less automatically to office clerical employees. Thirty-eight percent answered affirmatively. One unorganized larger company which has both production and office employees remarks that all increases are merit or promotional; another larger company says that office employees' salaries are reviewed on their anniversary date.

#### Other Bonus Plans

Panel members were asked if they had any other bonus plan for office and/or production employees and, if so, to describe it. Twenty-three percent of Forum companies (17 percent of the larger and 33 percent of the smaller ones) report that they have an additional bonus plan for office employees. Of this number, close to three fifths (80 percent of the larger companies and 39 percent of the smaller ones) have such a plan for both office and production employees; fewer than a third (10 percent of the larger and 46 percent of the smaller companies) have an additional bonus plan for office employees only; and the remainder have no production workers.

What type of bonus do these companies give? The vast majority give Christmas, year-end, or annual bonuses; in some cases these are at the discretion of the board of directors. The only other types reported are length-of-service and attendance bonuses.

Here are some examples of the practices of Forum companies: Ideal Cement Co., Denver, Colo., pays office employees 15 percent of their base salary annually (subject to approval of company's board of directors, which is based on current business conditions); Shelby Mutual Insurance Co., Shelby, Ohio, a company with no production employees, gives office employees an annual bonus of 6 percent of salary; The Henry G. Thompson & Son Co., New Haven, Conn., gives office and production employees a

Christmas bonus of two weeks' pay if they have over one year's service, one week's pay if they have between six and 12 months' service, and \$25 to employees with less than six months' service; Crocker-Anglo National Bank, San Francisco, another firm with no production employees, pays office employees a Christmas bonus of one half month's salary if they have a year or more of service, proportionately less if they have under a year.

### Formal Job Evaluation Programs

Close to six in 10 of Forum companies have a formal job evaluation program for office employees. However, while seven tenths of the larger Forum companies follow this practice, just 43 percent of the smaller companies do so.

Formal job evaluation programs for production employees, on the other hand, can be found in 44 percent of both larger and smaller companies.

Formal Job Evaluation Programs			
	All Companies	Larger	Smaller
Program for Office Employees	59%	70%	43%
Program also for production employees	29	35	20
Program for office employees only	25	30	18
No production employees	5	5	5
No Program for Office Employees	41	30	57
Program for production employees	12	7	20
No program for production employees	27	23	32
No production employees	2	--	5

### WORKING TIME

The eight-hour day and the 40-hour week is the standard pattern of working time for both office and production employees. Where the hours are different, the advantage generally lies with the office employee. Office employees, moreover, are not required to punch time clocks at a little more than three fifths of Forum companies; production workers must do so at nine tenths.

Penalties for tardiness are much more common for production employees than for office employees, the survey shows, the margin being greater than two to one. Rest periods, moreover, are slightly better for office employees.

### Hours Per Day

Office and production employees work the same number of hours per day in 78 percent of the Forum companies that employ both employee groups (77 percent of the larger companies and 81 percent of the smaller ones). In virtually all these companies, the eight-hour day prevails. There are only two exceptions; at one larger company the hours vary between seven and eight for both employee groups, and at one smaller company they vary between eight and nine. The latter company is the only one in the survey that has a work day longer than eight hours for office employees.

In most Forum companies where office and production employees work a different number of hours per day, production employees put in an eight-hour day while office employees put in somewhere between seven and eight hours. In half these companies, office employees work a 7½-hour day and production employees, eight hours; in three tenths of the companies, there's a 7¼-hour day for office employees and an eight-hour day for production employees; and in most of the remaining companies some other period is mentioned, such as seven hours for office and eight hours for production employees, or seven hours for office and 7½ hours for production employees. In only two companies, one larger and one smaller, did office employees have a longer workday than production employees.

In those companies that have no production employees, the majority of Panel members report that office employees work an eight-hour day; the next most frequently mentioned period is 7½ hours.

### Hours per Week

The 40-hour week, like the eight-hour day, is the usual pattern for both office and production employees, Panel members report.

In over three fourths of Forum companies that have both office and production workers, employees work the same number of hours. In virtually all of these companies, the workweek is 40 hours. In one company, however, both groups work a 39-hour week; in another, the workweek varies between 35 and 40 hours.

In the cases where office and production employees maintain different workweeks (23 percent), production employees nearly always put in a 40-hour week, and office employees work between 35 and 40 hours. And in just about all these companies, office employees work either a 37½ or a 38½-hour week. Only a scattering of companies report that office employees have a longer workweek than production employees. In one case, office employees put in a 44-hour week and production employees, 40 hours; in another, the office force works 40 hours while production employees put in 36½ hours. The former company is the only one whose office employees work more than 40 hours per week.

In those Forum companies with no production employees, office employees usually work a 40-hour week; a 37½-hour workweek is the next most popular.

### Overtime Pay Rates

Both office and production employees get time and one-half for overtime in 85 percent of Forum companies (81 percent of larger and 92 percent of smaller ones) that employ both employee groups. In 12 percent of the companies (16 percent of the larger and 5 percent of the smaller), the overtime rate is a combination of time and one-half and doubletime--for example, one larger company pays time and one-half after eight hours and doubletime after 10 hours in one day; another company pays office employees time and one-half after 40 hours and doubletime on Sundays, while production employees are paid time and one-half after eight hours in one day and doubletime after 16 consecutive hours. In the remaining companies that employ both production and office employees, some other practice is followed. One company pays its office employees time and one-half and its production employees doubletime; another company pays time and one-half to office employees and time and one-half, doubletime, and triplete to its production employees.

Of those Forum companies that have no production employees, virtually all pay office employees time and one-half for overtime. One smaller company, not involved in interstate commerce, pays its office employees straight time for overtime.

### Salary Cutoffs

Panel members were asked if there's a salary cutoff for office and/or production employees beyond which no overtime is allowed. About seven tenths each of larger and smaller Forum companies that have both production and office employees say "no"; 6 percent of the companies that employ both groups say "yes"; and 23 percent (a fourth of the larger companies and 19 percent of the smaller ones) have a salary cutoff for office employees and not for production employees.

In those Forum companies that have no production employees, just over half have no salary cutoff.

### Weekend Premiums

Office employees less frequently receive premium pay for Saturday and Sunday as such than do production employees. And premium pay for Sunday is more common than Saturday premiums for both groups.

Thirty-six percent of Forum companies give office employees premium pay for Saturday as such while 55 percent give Saturday premium pay to production employees. On Sunday, premium pay is given to office employees by close to half of Forum companies (55 percent of the larger and two fifths of the smaller ones). Production employees are given premium pay for Sunday as such by three fourths of companies--81 percent of larger and 67 percent of smaller ones.



### Weekend Premium Pay Rates

Members of the Panel were asked to state the weekend premium pay rates for both office and production employees. In most companies that have both production and office employees, the rates for both groups are the same; where they're different, the production employees usually get the higher rate.

In those Forum companies that pay a weekend premium rate to office employees, 42 percent pay time and one-half for Saturday and doubletime for Sunday; 37 percent pay time and one-half on both days; 9 percent pay doubletime each day; and 2 percent pay doubletime and one-half. The remaining companies pay time and one-quarter on both days, straight time for Saturday and doubletime for Sunday, and the like.

Production employees, in contrast, are paid time and one-half for Saturday and doubletime for Sunday in three fifths of Forum companies; they're paid time and one-half for both days by 22 percent, doubletime by 7 percent, and tripletime by 2 percent. The rest of the Forum companies mention some other rate, such as time and one-quarter for both days, time and one-half for the first four hours on Saturday and doubletime for all other hours, etc.

### Holiday Premiums

Panel members were asked to state the holiday premium rate for office and production employees. Eighty-four percent of the executives (89 percent of those with larger companies and 76 percent of those with smaller ones) replied that the premium rate for both groups of employees was the same. In the remaining companies, the rates paid to production employees were higher in all cases.

What are the holiday premium rates for office employees? A third of the executives report that they are paid doubletime; 29 percent, time and one-half; 19 percent, doubletime and one-half; 7 percent, tripletime; and 6 percent, straight time. The remaining Panel members have some other practice. One executive, for example, states that office employees (and production employees also) are paid time and one-half during regular schedule and doubletime and one-half outside regular schedule, in addition to regular holiday pay. Another explains that employees are paid time and one-half for the first three hours on holidays and doubletime for the remaining four hours.

Production employees, 38 percent of the Panel members report, are paid doubletime on holidays; 22 percent pay time and one-half; 19 percent pay doubletime and one-half; 11 percent pay tripletime; and 2 percent, comprising larger companies only, pay straight time. The remaining executives mention some other practice.

### The Time Clock

The practice of punching time clocks is far more prevalent for production employees than for office employees. Office employees punch time clocks in just about two fifths of the companies; nine tenths of the Forum companies, on the other hand, require production employees to punch time clocks.

<u>Use of Time Clocks</u>			
	<u>All Companies</u>	<u>Larger</u>	<u>Smaller</u>
<u>Office Employees Punch Time Clocks</u>	39%	33%	48%
Production employees also punch clock	36	33	40
No production employees	3	--	8
<u>Office Employees Do Not Punch Clocks</u>	61	67	52
Production employees punch time clocks	48	54	40
Production employees do not punch clock	9	8	10
No production employees	4	5	2

### Penalties for Tardiness

Production employees are much more likely to be penalized for tardiness than office employees in both larger and smaller companies. Official penalties for tardiness are imposed on office employees by 39 percent of Forum companies (42 percent of the larger ones and 35 percent of the smaller ones); in 59



percent of the companies, office employees aren't penalized; and in the remaining 2 percent, penalties "can be" imposed or the decision is left to the judgment of the supervisor.

Production employees, on the other hand, are penalized for tardiness by 82 percent of the Forum companies, the percentage being about the same for both larger and smaller ones; 16 percent report that production employees are not penalized; and 2 percent say they can be or that the decision is left to the supervisor.

A handful of companies that penalize both office and production employees for tardiness mention that the penalty imposed on office employees is "informal." Vickers, Inc., Detroit, Mich., reports that office employees who are tardy must sign the employee register at the plant entrance and that these reports are referred to supervisors for corrective action they consider appropriate; production workers at Vickers, however, have their lost time deducted from their wages if they are three minutes late.

### Rest Periods

Rest periods are granted in the majority of Forum companies, with office employees getting only slightly better treatment in this respect than production employees. Just over four out of five Panel members report that office employees are given rest periods (78 percent of those with larger and 85 percent of those with smaller ones), while 73 percent (68 percent of those with larger and 81 percent of those with smaller companies) report that production employees are granted rest periods.

In those companies that have both production and office employees (i.e., disregarding the 7 percent of Forum companies that have only office employees), 70 percent give rest periods to both employee groups, 11 percent grant rest periods to office employees only, 3 percent have rest periods only for production employees, and the rest (21 percent of the larger companies and 8 percent of the smaller ones) give no rest period to either group. In those companies that grant rest periods to both employee groups, 61 percent report that the rest period given to office and production employees is the same. In those cases where it's different, office employees usually get the better of the bargain.

How long are the rest periods? The following table describes the practices of Forum companies that grant rest periods.

	Length of Rest Periods					
	All Companies		Larger		Smaller	
	Office	Production	Office	Production	Office	Production
One, 10 minutes	15%	28%	13%	23%	18%	35%
One, 12 minutes	4	3	2	3	6	4
One, 15 minutes	16	7	19	10	12	3
One, 10-15 minutes	2	1	4	--	--	3
Two, 10 minutes	17	28	15	26	20	31
Two, 15 minutes	27	13	28	15	26	10
Two, 10-15 minutes	--	2	--	3	--	--
Rest periods are informal (i.e., no set time)	15	6	15	7	15	4
Other	4	12	4	13	3	10

A scattering of the above companies report that rest periods are given only to female employees.

Among "Other" rest periods mentioned by Panel members are the following: 15-minute break in the morning and a 10-minute break in the afternoon for both office and production employees; one 20-minute break, two nine-minute breaks, two 12-minute breaks, and a zero to 30-minute break for production employees; one 20-minute break for office employees.

## FRINGE BENEFITS

Panel members were asked this question: "In general, are fringe benefits for office employees more liberal or less liberal than those for production employees?" Virtually all answered that fringe benefits for office employees are as good as, or better than, those for production employees. Executives in 54 percent of the larger companies and 65 percent of the smaller ones stated that fringe benefits for office employees were more liberal, with some qualifying their answers with the word "slightly." All of the remaining executives, save one, said that the fringe benefits for both groups were about the same. Only one company replied that the fringe benefits for production employees were more liberal.

Relative Frequency of Cash-Benefit Plans

There's not much difference when it comes to cash-benefit plans, Forum companies report, in the treatment of office and production employees. About nine tenths of the companies have a pension plan for both groups; nearly a fifth have a profit-sharing plan; about an eighth have a stock-purchase plan; and nearly 5 percent have a savings plan to which the company contributes.

The table that follows gives the relative frequencies of the various cash-benefit plans.

Frequency of Cash-Benefit Plans						
	All Companies		Larger		Smaller	
	Office	Production	Office	Production	Office	Production
Pension plan	89%	87%	88%	84%	90%	92%
Profit-sharing plan	20	16	19	16	22	17
Stock-purchase plan	14	11	15	12	13	8
Savings plan	5	3	8	5	--	--

At Howe Richardson Scale Co., Clifton, N.J., the pension plan covering production employees is contributory on a 50-50 basis; the plan for office employees is noncontributory. A few companies that have multiple plants mention that they have a pension plan only at certain locations.

One company that does not now have a stock-purchase plan reports that one is pending.

Paid Vacations

Paid vacations are one of the employee benefits given to office and production employees by all of the responding Forum companies. Office employees, however, usually get a better break as regards vacation benefits. In about two fifths of the responding companies that specify the amounts of vacation given and the periods of service required, vacation allowances for office employees are more liberal, with the office employees' advantage usually taking the form of shorter length-of-service requirements for a given period of vacation. This is especially true of one- and two-week vacations. Virtually all of the remaining companies report that the vacation allowances for both production and office employees are the same.

Most Forum companies do not give a one-week vacation to office employees but start out by giving them a two-week vacation allowance. Only 32 percent of Forum companies, on the other hand, start production employees out with a two-week vacation.

Over three fourths of Forum companies that give a two-week vacation to office employees require that they have a year or less of service. More than three fifths of the companies, in contrast, require that production employees have two years or more of service before they receive a two-week vacation.

When it comes to three-week and four-week vacations, there's little difference in treatment of office and production employees--the practices of Forum companies toward both groups are just about the same. Approximately a fifth of the responding companies do not grant either employee group a third week of vacation, and about three fifths do not hand out four-week vacations.

The table that follows shows the various length of service office and production employees must have for one, two, three, and four-week vacations.

Minimum Service Requirements For Paid Vacations								
	One Week		Two Weeks		Three Weeks		Four Weeks	
	Office %	Hourly %	Office %	Hourly %	Office %	Hourly %	Office %	Hourly %
Less than six months	4	2	--	--	--	--	--	--
Six months	22	2	1	--	--	--	--	--
Seven to 11 months	3	4	3	1	--	--	--	--
One year	18	60	73	35	--	--	--	--
Two years	--	--	15	17	2	--	--	--
Three years	--	--	5	27	--	--	--	--
Four years	--	--	1	5	--	--	--	--
Five years	--	--	1	12	10	5	--	--
Six to nine years	--	--	--	--	5	3	2	2
Ten years	--	--	--	--	38	38	2	2
Twelve years	--	--	--	--	6	7	--	--
Fifteen years	--	--	--	--	19	24	2	2
Twenty years	--	--	--	--	--	--	18	16
Twenty-two years	--	--	--	--	--	--	2	2
Twenty-five years	--	--	--	--	--	--	14	15
No one-week vacation	53	32	--	--	--	--	--	--
No two-week vacation	--	--	1	3	--	--	--	--
No three-week vacation	--	--	--	--	20	23	--	--
No four-week vacation	--	--	--	--	--	--	60	61

A few companies, it should be noted, give one or more additional days' paid vacation between the various intervals specified in the above table. At All-Steel Equipment Co., Aurora, Ill., for example, office employees get one week's paid vacation after one year's service, two weeks after two years' service, and, beginning with the eleventh year, one extra day per year up to a maximum of three weeks of paid vacation. At Perfect Circle Corp., Hagerstown, Ind., both office and production employees receive one week's vacation after one year of service, one and one-half weeks after three years' service, two weeks after five years, two and one-half weeks after 10 years, 3 weeks after 15 years, and four weeks after 25 years.

#### Paid Holidays

Eighty-six percent of Forum companies that employ both production and office employees give both groups the same number of paid holidays. Seven is the most common number of paid holidays when both groups are considered; smaller companies, however, lean toward eight paid holidays.

The table that follows gives a percentage breakdown of the various number of paid holidays given by Forum companies that allot the same number of days to both office and production employees.

Number of Paid Holidays			
	All Companies	Larger	Smaller
10½ paid holidays	2%	4%	--
10 " "	4	2	6
9 " "	9	9	9
8 " "	34	32	38
7½ " "	3	2	3
7 " "	39	43	35
6 " "	5	4	6
5 " "	3	2	3
Other	1	2	--

The "Other" category includes one larger company which states that the number of paid holidays varies between nine and 10 for both production and office employees.

In those Forum companies where the number of paid holidays for office and production employees is different, office employees generally get the better of the bargain. At Peavey Co., Minneapolis, Minn., office employees get nine paid holidays and production employees eight; McCall Corp., New York, N.Y., gives nine paid holidays to office employees and seven to production employees; at General Electric Co., New York City, the number of paid holidays for office employees varies between eight and 10, while production employees always receive eight; Yardley of London, Inc., Totowa, N.J., gives office employees 11 paid holidays, production employees  $10\frac{1}{2}$ ; and Interstate Hosts, Inc., Los Angeles, Calif., gives seven paid holidays to office employees and only two to production employees.

A few companies favor production employees in granting paid holidays. Jerrold Electronics Corp., Philadelphia, Pa., gives office employees seven paid holidays and production employees eight; Standard Packaging Corp., New York, N.Y., gives from seven to eight paid holidays to office employees and from seven to 12 paid holidays to production employees, with the seven to eight day period being the most common for production employees.

In those companies that have no production employees, the majority grant office employees eight paid holidays a year; six holidays is the next most frequent number.

#### Life Insurance

Virtually all Forum companies report they provide life insurance for both office and production employees. Only one smaller company, the survey shows, gives no life insurance to either employee group.

The maximum amount of insurance that is given to office employees is the same as that for production employees in close to three fifths of Forum companies (57 percent of those with larger companies and 62 percent of those with smaller ones). The maximum amount of these policies varies between \$1,000 and \$50,000, but is between \$1,000 and \$5,000 in half the cases. About 14 percent of the companies say that the maximum amount is based on an employee's annual salary or wage. At Lever Brothers Co., Hammond, Ind., for example, the maximum is twice an employee's annual straight-time earnings; at Philadelphia Quartz Co., the maximum amount is 150 percent of an employee's annual salary or wage; and at Yardley of London, Inc., Totowa, N.J., the maximum amount is one year's salary. Nearly a tenth of Forum companies specify a maximum amount of \$20,000. Other maximum amounts mentioned by Panel members are widely scattered.

In those Forum companies where the maximum amount of the life insurance for office and production employees differs (41 percent), the office employee usually is ahead. In fact, in only two companies, one larger and one smaller, is it specifically stated that the production employees' maximum amount of life insurance is greater.

In close to three fifths of the Forum companies the maximum amount of life insurance given to office employees is at least three times as great as the maximum amount given to production employees. In a few Forum companies, the ratio runs as high as 10 or 15 to one.

In those Forum companies that have no production employees, the maximum amount of life insurance for office employees ranges from \$2,500 to \$100,000.

#### Accidental Death & Dismemberment Benefits

Accidental death and dismemberment benefits are not as widespread as hospitalization and life insurance in Forum companies. Such coverage is provided for office employees by about three fourths of Forum companies--71 percent of the larger and 82 percent of the smaller ones. Coverage for production employees is about the same.

Seven in 10 of Forum companies that employ both office and production employees have accidental death and dismemberment benefits for both groups; 5 percent have coverage for office employees only; 2 percent have coverage only for production employees; and the remainder (23 percent) have no such coverage for either group.

Where coverage for accidental death and dismemberment is provided for both employee groups, 68 percent of the larger companies and 74 percent of the smaller ones report that the maximum amount of the benefit is the same for both production and office employees. The majority of these companies report that the maximum amount is \$2,000, \$3,000, \$4,000, or \$5,000, with smaller companies leaning toward the \$2,000 coverage and larger companies the \$5,000 coverage. Other maximum amounts mentioned by Panel members range as high as \$100,000.

Where the benefits for production and office employees differ, office employees again have the better position.

#### Hospitalization Insurance

Virtually all of the executives on the Panel reply that hospitalization insurance is provided for both office and production employees. Only two of the Forum companies, both larger ones, do not provide hospitalization insurance for either group.

#### Payments For Doctor's Visits

Office employees are reimbursed for the cost of doctor's visits, either home or office, by 38 percent of Forum companies--36 percent of the larger and 43 percent of the smaller ones. Thirty-five percent of Forum companies reimburse production employees. Of the responding companies, only two larger ones specify that they reimburse production employees but not office employees. One of these companies states that this is the case in some union plans only.

#### Surgical Benefits

Surgical benefits are provided both for office and production employees by all but two of the responding Forum companies, both larger ones.

Eighty-five percent of the executives on the Panel that employ both groups of employees say that the maximum surgical benefit is the same for both groups; 11 percent state that office employees get a better shake; and the remaining executives report that production employees are favored.

The maximum ranges from \$150 to \$600 for both office and production employees, with the greatest concentration occurring at \$300; this amount is specified for office employees by two fifths of the Panel members. Nineteen percent of the executives do not state a maximum amount for office employees but merely that they are covered by the company's major medical plan. The latter practice also applies to production employees in 13 percent of the companies.

#### Major Medical Insurance

Major medical, or "catastrophe," insurance is provided for office employees by seven tenths of Forum companies, four fifths of the larger ones and 58 percent of the smaller ones. Such coverage is provided for production employees by just over half the responding companies--the practice again being more prevalent in larger companies (58 percent to 39 percent).

In Forum companies that have both employee groups, just under half the Panel members report that major medical insurance is provided for both groups; 21 percent reply that such insurance is given to office employees only; 29 percent don't provide major medical insurance for either group; and the remaining executives provide this insurance for production employees only.

#### Sickness & Accident Benefits

Sickness and accident benefits are provided for office employees by approximately four fifths each of both larger and smaller Forum companies. Production employees, on the other hand, receive sickness and accident benefits in seven eighths of Forum companies, larger and smaller.

In close to three fourths of the companies that provide benefits for both office and production employees, the benefits for the two groups are equal. In slightly over a fifth of Forum companies (17 percent of the larger and 27 percent of the smaller ones), office employees receive more liberal sickness and accident benefits than production employees. In only 5 percent of larger companies and 8 percent of smaller ones does the production employee get more liberal treatment.

Benefits reported by Panel members range from \$15 a week to full pay. The benefit amounts cited most frequently, however, are \$50, \$40, and \$35 a week. In a handful of companies, the benefits for female and male office and production employees differ. In one company, for example, the ratio is \$15 a week for female employees and \$20 a week for male employees.

Another scattering of companies provide a percentage of the employees' wage or salary as the weekly sickness and accident benefit.

#### Paid Sick Leave

Office employees have a striking advantage over production employees when it comes to paid sick leave. Eighty-five percent of the executives (92 percent of those with larger companies and three fourths of those with smaller ones) report that office employees receive paid sick leave. In contrast, paid sick leave is given to production employees by only 39 percent of Forum companies (42 percent of the larger and 33 percent of the smaller ones). In those companies that have no production employees, office employees receive paid sick leave in all cases.

In Forum companies that employ both office and production employees, 39 percent give paid sick leave to both employee groups; 45 percent give paid sick leave only to office employees; and 16 percent--9 percent of larger and 28 percent of smaller companies--do not have paid sick leave provisions.

#### Termination Pay

Termination pay for office employees is provided by just over half of Forum companies--58 percent of the larger and 38 percent of the smaller companies. Production employees receive termination pay in 28 percent of the companies, a third of the larger and a fifth of the smaller ones.

In those Forum companies that have both kinds of employees, 24 percent provide termination pay for both groups, a fourth give termination pay to office employees only, 4 percent give termination pay to production employees only, and 47 percent do not provide termination pay. A few of the companies that provide termination pay say that it is optional or that it is given under very limited conditions.

#### Formal Training Programs

Panel members were asked whether they had a formal training program for employees. Twenty-three percent of the executives on the Panel (32 percent of those with larger companies and a tenth of those with smaller ones) report that they have a formal training program for office employees, while 30 percent (approximately the same percentage of both larger and smaller companies) say they have a formal training program for production employees.

#### Special Privileges For Office Employees

Executives on the Panel were asked to list other special privileges which are given to office employees but not to production employees. The majority of Forum companies either left the question blank or said that the privileges were about the same. Among the remaining companies, special parking facilities and time off, usually with pay, for personal reasons (Christmas shopping time, doctor or dentist appointments, jury duty, civic duties, and the like) were cited most often.

Among other privileges extended to office employees are the following: longer lunch periods, educational reimbursement, less rigid discipline, better lunch rooms, and better working conditions.

### UNIONIZATION

In only one of 10 Forum companies are white-collar employees organized; where they're not organized, only 15 percent of the executives on the Panel anticipate organizational efforts among them.

#### Extent of Unionization

Panel members were asked if their office employees were represented by a union. Only 10 percent of the executives answered "yes"--13 percent of those with larger companies and 5 percent of those with smaller ones. On the other hand, when asked whether their production employees were organized 84 percent of the larger companies and 72 percent of the smaller ones gave an affirmative reply.

In half the Forum companies where office employees are organized they are represented by the same union that represents production employees.

This question also was put to Panel members: "If your white-collar employees are not organized, do you anticipate any organization efforts among them in the near future?" Only 15 percent of the executives answered "Yes"--23 percent of those with larger companies and 5 percent of those with smaller ones. One smaller company remarks that it always operates on this assumption.

### Seniority Factors

Seniority is a major factor in promotion and transfer--although not necessarily the most important one--for production employees more than twice as frequently as for office employees.

The table that follows shows the distribution of Panel members' replies on this point:

Seniority as a Major Factor in Promotions & Transfers			
	All Cos. 33%	Larger 37%	Smaller 28%
<u>Major Factor For Office Employees</u>			
Major factor also for production employees	31	35	25
No production employees in company	2	2	3
<u>Not a Major Factor For Office Employees</u>	63	58	69
Major factor for production employees	39	40	38
Not a major factor for production employees	20	15	26
No production employees in company	4	3	5
<u>Other</u>	4	5	3

The "Other" category includes one company which states that seniority is a major factor in promotions and transfers for office employees, while it is a controlling factor in promotions for production employees (provided skill and ability is relatively equal) but not for transfers. Another company states that seniority is considered a major factor with respect to transfers only.

In layoff and recall, seniority plays a more important role. It is a major consideration for office employees in 52 percent of Forum companies, approximately the same percentage of larger as smaller ones. Seniority is a major factor in layoff and recall of production workers in all but 4 percent of the larger and 9 percent of the smaller companies.

### Formal Grievance Procedures

Fewer than a fifth of Forum company executives report that formal grievance procedures have been set up for office employees. In contrast, formal grievance procedures for production employees are found in 84 percent of Forum companies (88 percent of the larger and 78 percent of the smaller ones).

### Effects of Automation

Two fifths of the executives on the Panel--46 percent of those with larger companies and 32 percent of those with smaller ones--report that some of their office employees have been displaced by reason of automation. In 80 percent of these companies, the employees have been placed in other jobs within the company, in 3 percent layoffs have been made, and the rest say they've taken both steps.

Do Panel members anticipate any future displacements of white-collar employees because of impending automation? Thirty-six percent of the executives say "yes"--39 percent of those with larger companies and 32 percent of those with smaller ones. Of this number, 77 percent say that the white-collar employees will be transferred to other company jobs, 6 percent say they will be laid off, and the rest say that both courses of action will be followed.



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