

Report on the situation of inspectors after the hourly
wages of some were reduced. 1939.

SOME QUESTIONS WHICH MIGHT BE RAISED
REGARDING THE INSPECTORS' SITUATION

1. What are the differences in inspectors' responsibilities now and under the functional set up?
 - 1.1 How has the change occurred?
 - 1.2 Has it occurred in all organizations or are some in the same sort of a situation as they were before?
 - 1.3 In what places has change occurred?
 - 1.31 Inspectors' supervision?
 - 1.32 Inspectors' requirements?
 - 1.33 Inspectors' relations with operators?
 - 1.4 What specifically have the above changes been?
2. In connection with changes in payment policy.
 - 2.1 Are there jobs now on task that were formerly run on day work?
 - 2.11 What factors influenced these changes?
 - 2.12 In what places have these changes been made?
 - 2.2 Are there jobs now on day work that were formerly on task?
 - 2.21 What factors influenced these changes?
 - 2.22 In what places have these changes been made?
 - 2.3 To what extent and in what places have small lots affected earnings on task?
 - 2.4 What is the problem in connection with setting tasks on new jobs?
 - 2.5 Is there a difference in the way we handle the hourly rates of piece work employees working on new jobs or jobs that are under development and the way we handle inspectors?
 - 2.6 Has there been sufficient change in the inspectors' situation so that it would be profitable to think of a wage policy that can be addressed to typical situation₁, typical situation₂, etc? If it is possible to think of these situations in this way, 1 - what are the typical situations, and 2 - what policies would be effective in reducing inspection costs and influencing inspector sentiment.

3. To what extent have inspection costs been reduced during the past year? Through -
 - 3.1 Sampling?
 - 3.2 Improvements in tools?
 - 3.3 Improvements in methods?
 - 3.4 Reductions in hourly rates?
 - 3.5 How do the savings from these methods compare?
4. What has the change been in the ratio of inspector hours to operator hours?
5. What checks have we now got that assume a definite quality standard?
 - 5.1 To what extent has the operating supervisor, who may have other interests, the final responsibility for quality?
6. If we feel that inspection rates are too high -
 1. Do we mean as compared with the area, or
 2. As compared with operator earnings, or
 3. In connection with the skill required as compared with previous skills.
 4. In what places have there been changes in skills or requirements or do we mean that the task system has allowed earnings that are too far above the maximum of the rate range?

ACM:WJD:MB

9/6/39

Mr Moore

The purpose of this report is to examine in some detail the situation of the inspectors. This sort of an appraisal is felt to be necessary at this time because of the general indications of antagonisms toward Management and the Association which resulted from an effort to reduce the hourly rates of 157 inspectors. It was felt that these employees were being paid more than they were earning in terms of the task and bogey rating and that a more strict application of the logics of the system was necessary. This attempt to administer the task and bogey system resulted in a protest from inspectors which seemed to be out of proportion to the difficulties that they are now experiencing.

Personnel counselors observed that inspectors who are not affected by the cuts and who probably would not be affected unless their job was changed were expressing attitudes which indicated fear and insecurity. They also observed some operators expressing sympathy with the inspectors and wondering when something will happen to them. These observations indicated to the counselor that there is a good deal more which needs to be taken into account in connection with the inspectors' problem than simply to decide whether we shall or shall not reduce our inspection costs by bringing hourly rates into closer alignment with the labor structure.

In other words, this report is being addressed to a long range objective of effecting a structural change in a great many of the inspectors' relations in the shop rather than at the immediate problem of administering the task and bogey system. In an effort to accomplish this as briefly as possible, we are offering:

1. Some observations regarding inspector relations since the introduction of the Product Shop.

2. Comments expressing inspector attitudes since the June revision.
3. Observations regarding the task and bogey system.
4. Interpretations from the personnel counselor's point of view.

In preparing a report of this sort, the personnel counselors are not, in the strict sense of the word, attempting to appraise the situation in its entirety. The observations are based upon the attitudes and feelings of people in the shop and upon observations with regard to the relations of these people to their work, to other individuals, and to other groups in the Company. It seems to the counselors that there has been a general disturbance in all these areas to the extent that Management's desires are in direct conflict with things that employees think of as being right. The counselors' interests in looking at this situation are to develop a better understanding of it; that is, a question of diagnosing the ailment and encouraging action which will bring about a more stable structural situation. In other words, it seems that the situation is sufficiently distributed so that ordinary social processes which come about to maintain an equilibrium cannot be depended upon.

1. Some observations Regarding Inspector Relations Since the Introduction of the Product Shop

The introduction of Product Shop has ^{brought about} ~~gradually affected~~ changes in inspectors' relations to the extent that at the present time practically all of the inspectors in the shop have been affected by the change. Inseparable from this change are the influences of the reduction in business and the increased activity of the engineer in

effecting or in introducing improvement in technical processes. In the following observations, an effort will be made to review some of the more outstanding changes which have been brought about by either of the influences mentioned above.

1.1 Inspectors do not appear to be a group in the same sense that they were under the functional shop. They now either report to operating supervisors or to supervisors who are directly associated with the Product Shop. There is no longer a central control of inspection routines in operation which may have assisted the inspector who was moved from one organization or another in becoming adjusted. There are now slight variations in the requirements in various shops so that the transferred employee has a good deal more to learn upon taking over a new job than he had previously.

1.2 A great many inspection operations change due to the arrangement of the job on a product basis. It was found that operators, by assuming a little more responsibility for quality, could take over much of the work that was formerly done by process inspectors under the functional set up. This has meant an increase in the number of inspectors laid off and downgraded and it is further meant that many who remained on their old job had to learn more efficient methods of working. In addition it has meant that a lot of jobs which formerly operated on a task rate are now being run day work because of the difficulty in standardizing the inspector's responsibility to a point where his work could be measured.

1.3 Technical improvements in tools, machines, and methods have contributed a great deal toward the elimination of the need for a detailed inspection. They have also done much toward simplifying the job which in turn lessens the possibility for trouble on the job and thereby makes the inspector's assignment less exacting. These changes have tended to lower the status of the inspector in relation to other employees in the department. The above changes, in addition to reducing the inspector's status, have brought about in many situations a closer, more cooperative situation between the inspector and operator. In many cases the inspector finds that it is more profitable to assist the operator to produce acceptable parts than it is to find and write up trouble on the job. In the case of process inspectors, this change in relation is most important as it assists in maintaining a steady flow of work.

1.4 Technical changes in the arrangement of work or in the installation of conveyors make it necessary for the inspector to keep up with the group. In these situations his output and efficiency can vary only when the group's output varies. The method of payment in situations of this sort appear to have little affect on the effort that the inspector puts into a job. Probably for this reason task rates are not easily established. The kind of a relation which is necessary for the inspector in this sort of a situation is decidedly different than that to which he became accustomed under the functional set up. It seems especially difficult for long

service people as they must learn to maintain a satisfactory quality job through cooperative measures rather than through the authoritative methods which were formerly used. It means that they must learn to develop a friendly relation toward people whom they formerly thought of as being subordinate.

- 1.5 The above activity and the reductions in business have made a great many downgradings and transfers of inspectors necessary so that at the present time there are comparatively few inspectors on the job who have less than ten years' service. With each change in inspector's assignment or whenever rumors of change in schedules are observed, we notice that inspectors show more than an ordinary amount of concern about the treatment that may be given them. They do not seem to feel the same assurance with regard to a transfer that they formerly did. This is probably due to an increase in the number of possible variables in the inspector's assignments in various locations. For instance, they may be moved from a fast job in which the routines are well established to a day work job where routines must be developed and where changes in their relations with operators must be made.

The above observations call attention in a general way to the adjustments which a great many inspectors have been experiencing during the past two years. It is apparent that an important structural change has taken place in the situation and in connection with this change the inspector has lost a good deal of the prestige that he formerly enjoyed. He does not now have the support of a hierarchy now does he have supervisors who are thinking of quality in the way

that they formerly did. The inspector's job seems to lack the stability which it formerly had in that it is subject to change from a need to meet schedules or to maintain earnings and/ⁱⁿan increasingly large number of instances, parts are becoming acceptable when it is possible to use them even though they may not be up to a specification standard. With these changes in the relations, the general feeling among the operating departments has developed to the effect that inspectors' rates are too high and that they are not as valuable to the organization as the same grade operating man gets. The feeling also appears to be developing among inspectors which indicates that they feel they are working too hard, that they sometimes work harder on a day work job than they formerly had to on task as Management is not making an effort to set tasks on new jobs as they want to reduce inspection costs.

To the counselor these changes in attitudes are symptomatic of the adjustment process taking place. They indicate little more than the fact that the inspector is fairly disturbed and that he is probably being bothered by a great many things which would not trouble him if his situation were more stable.