

# Personnel Activities of the Delaware and Hudson Railroad<sup>1</sup>

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SOON after his appointment as President of the Delaware and Hudson Company, Mr. L. F. Loree's attention was attracted to the numerous and growing misunderstandings between employees and the supervisory forces. With the thought of developing the underlying causes, he directed the selection of a man whose sole duty would be to make a complete study of employment relations. From this beginning, something over ten years ago, this activity has grown to include a force of thirty people, now recognized as a Personnel Department but correlated to every department on the railroad.

Operating efficiency is rather exacting in its demands upon the supervisory forces and affords but little time for intimate study of the personnel problem. The Personnel Department aims to assist department heads in the administration of employees' problems. This activity is conducted in such a manner as to avoid interference or usurpation of the prerogative of the supervisory heads. Emotionalism bears no part in the personnel activities employed on the Delaware and Hudson Railroad. The motive has been neither a humanitarian impulse nor a selfish attempt to increase efficiency beyond individual capacity but rather to establish sound basic principles of inter-relationship between management and labor which could be applied to any successful enterprise.

The fact that this movement, insofar as our company is concerned, was started well on its way before the War activities in this country and throughout such activities continued policies previously laid down, naturally eliminates us from the mushroom growth of so-called personnel activities as a result of the War.

In handling this problem, conservatism has been the prevailing thought and we have been careful not to undertake any job that could not be finished. In-

numerable schemes designed to attract and hold the interest of employees may be initiated but all must fail of their objective unless proper machinery has been set up to handle disputed matters, in a fair and impartial manner, and to a conclusion.

Naturally the grouping of any considerable number of individuals in any industry requires the promulgation of certain rules for the government of all concerned. This is particularly true of all railroads. The establishment of rules implies necessity for discipline. Mr. Loree in his book on "Railroad Freight Transportation" covers the subject concisely:

A corporation of the first magnitude and of the character of a railroad rests its hope of successful operation very largely upon organization, discipline, and continuity of employment. At all times forms of organizations have swung between the extremes of great centralization and great decentralization, in the railroad service between the departmental and the divisional organization. It must always be kept in mind that discipline contemplates two attitudes: the person disciplined may be a disciple, a learner; or he may be one subjected to punishment. Both relations contemplate knowledge, capacity, fair dealing, and resolute courage on the part of the officer charged with administering discipline. There is no more important function to discharge, nor one to which more care and thought should be given.

There must be such continuity of service as will insure a reasonable hope of advancement; and for the entire body a continuous policy; a history personal in its character; and an esprit de corps founded on mutual experience, respect, and confidence.

## The Board of Disciplining Officers

Discipline as well as grievances of any character if not justly and promptly handled provoke and irritate the employees. Therefore our first concern was to establish a plan whereby employees could have easy access to an appeal or advisory body to whom they could carry their troubles. The first move in this direction was the creation of what was known as the "Superintendents' Board" in the Transportation Department. This Board consisted of the Superintendents of four divisions to whom all matters on appeal

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were referred. This Board was designed primarily to establish uniformity in dealing with matters of a disciplinary nature; during its existence it dealt successfully with all problems submitted to it.

In May, 1920, a new body known as the Board of Disciplining Officers of the Delaware and Hudson Company was created. This Board was appointed to consider discipline, wages, interpretations of agreements, and other matters pertaining to labor, its scope to cover all classes of employees. The Board consists of seven officers of the grade of Superintendent with a non-voting Chairman and Secretary. Members of this Board are representative of the major departments on the railroad.

Organization representatives or individual employees are privileged to present grievances and complaints of any nature affecting the employees. However, before presentation to this Board, all matters must have been presented to the head of the department interested. In reviewing cases every effort is made to establish the facts before decision is rendered.

In matters of discipline the unanimous vote of all members present is required while other matters coming within the jurisdiction of the Board require but a three-quarters vote of all members present.

Unlike some railroads, as well as other industry, the Delaware and Hudson Company has never felt that the management could properly divide its responsibility in matters of management or discipline. Therefore, we have never given consideration to joint adjustment boards or similar boards divided between employees and management.

The important feature of our kind of an organization is the thorough and painstaking effort that is made to analyze clearly and establish the facts in all matters presented. It is generally acknowledged that with the establishment of facts, proper decisions are not difficult.

All decisions of the Board are reviewable by the Vice-President and General Manager and if the employee is dissatisfied with the decision rendered by the Board, his case may be appealed to the Vice-President and General Manager.

The question may arise as to the apparent partiality of a Board entirely made up of officers. As a matter of fact, in hearing appeals of a disciplinary nature but one member of this Board would be affected and in the presentation of the case the other members, unaware of the circumstances or facts, are in a position to weigh the evidence presented and reach a

decision which rarely fails to be unanimous. Thus far no question has been raised as to the unfairness of this manner of dealing with employee problems.

The best result of this aftermath of appeals is the fact that during the past year the Vice-President and General Manager and this Board have settled every conceivable grievance that has come up with the exception of a few cases that are now outstanding awaiting adjustment. These, in the main, are technical cases in most instances involving a day's pay, which in no sense affect any large number of employees.

The handling of such matters on the Delaware and Hudson Railroad has been so effective that the Vice-President and General Manager will rarely deal with appeal cases in excess of two or three times per year; it is doubtful if you will find an executive officer of any other railroad who is required to give so little time to this feature of administration.

In the old days neglect in correcting bad practices generally resulted in proposed rules to eliminate such practices. It has been our experience that the prompt adjustment of minor grievances tends to create good feeling and avoids general dissatisfaction. We maintain an "Open Door" policy and any employee may call attention to any irregularity; if the information warrants action, immediate steps are taken to adjust the difficulty. Employees are not restricted in discussing matters with representatives of the Personnel Department. However, the employee is advised in all cases to take the matter first to his immediate supervisor. The representatives of the Personnel Department are fully aware of the importance of giving attention to the small things and no opportunity is overlooked to advance the interests of the employee in establishing that family relationship which ought to exist in any industry. All these activities, however, are conducted so as to avoid any clashing of authority.

The thorough manner in which matters in dispute were met has eliminated unfavorable misunderstanding, created confidence, and reduced almost to a minimum causes of dissatisfaction with working conditions. It has also evidenced the purpose of the management to deal fairly with the employee and has inspired a reciprocal attitude. Having established a certain degree of confidence, our next move was for a better knowledge of our employees. The establishment of a central service record bureau which would furnish information regarding the individual employee and arrangements for keeping such data current were deemed of major importance.

<sup>1</sup>Abstract of a paper presented at a meeting of the Central New York Section of the Taylor Society, Syracuse, October 9, 1925, and at a joint meeting of the Industrial Relations Association, Elmira District and the New York Southern Tier Section of the Taylor Society, Elmira, December 14, 1925.