UNIVERSITY OF WISCONSIN - MILWAUKEE

REVIEW OF EXPERIENCE IN CONNECTION
WITH THE PERSONNEL COUNSELING EXPERIMENT

Early in January, 1936, at a conference in which the subject
of Industrial Relations was being discussed the following question
was asked the Industrial Relations people who were present, "If you
were to devise a personnel program which would take into account all
of the factors which your research in this area shows to be signifi-
cant, what sort of a plan would you recommend?" The answer to this
question was the personnel counseling experiment. In framing this
experiment, which will be described later, there were two separate
questions which had to be answered. The first concerned the objec-
tives to be achieved. The second question was that of devising a
plan for achieving those objectives. Inasmuch as an understanding of
the plan worked out depends upon an understanding of the objectives
in view these will be outlined first.

The Purpose of Personnel Counseling.

Our research in the field of employee relations began in
1927 and continued until 1932. From that work, which included the
various test room studies, the employee interviewing program and the
Bank Wiring Observations Room, certain conclusions were reached which
suggested the need for a more adequate personnel program. Although it
is impossible to discuss these findings here in any detail, there were
two observations which seemed of particular importance. The first is
that the problem of employee effectiveness is inseparable from the em-
ployees total situation. Each individual employee in a department
has experienced a personal history which makes his situation unique.
At work all of these individuals are expected to measure up to fairly
uniform standards of output, quality and general conduct. The

individuals who fall away or fail to measure up to these standards become problems to their supervisors. The question here is what should the supervisor do with these people? Some of them may be brought into line through the application of pressure but with many people such tactics will fail because many of the factors which make for inattentiveness and lowered efficiency are beyond the individual's conscious control. The intelligent procedure is to explore the individual's situation, determine the source of his difficulty and then attempt to act in accordance with that diagnosis. While some supervisors may be qualified to do this sort of a job, in practice few of them have the time to devote to it. An added limitation inheres in the supervisor's social relationship with the employee. This is necessarily an authoritative relationship and such a relationship makes the employee reluctant to discuss his situation sufficiently frankly for a thorough appraisal of it to be made. Here, then, is one set of problems which can best be diagnosed by skilled interviewers outside of the usual lines of authority. There is a very real need for an impartial, non-authoritative agency whose function is that of interviewing employees, diagnosing their problems and where necessary, counseling with the supervisor regarding his methods of supervising these people. In planning the personnel counseling experiment this was regarded as one of the important objectives to be achieved.

The second important observation arising from the research mentioned is more difficult to state. During the later phases of the research program the investigators were struck with the fact that the picture of the work situation which they obtained from their detailed observations of it was in many respects quite different from the way management assumed it to be. It was observed that many management

controls, particularly the wage payment structure, failed to function in accordance with the logic upon which such controls were based. Upon analyzing these situations further it was found that the employees had spontaneously elaborated an informal social organization within the formal framework of the Company. The function of these informal organizations seemed to be twofold. The first was that of providing the work group with a certain feeling of security. It appeared as though the employees were rather unconsciously attempting to protect themselves from real or fancied consequences of supervisory practices and technical innovations. Group restriction of output was one of the chief protective devices thus elaborated.

The second function of these informal organizations appeared to be that of providing the work group with those intangible social satisfactions which come from being an integral member of a closely knit group. Various kinds of leadership were also provided for by these informal groupings which were not defined in the formal organization of their work situation.

These observations as to the structure and function of the informal social organization existing at the work level suggested the second broad objective to be incorporated in the personnel counseling experiment. On the one hand, it was seen that the employees had many sentiments and feelings and that the employee's behavior and efficiency was controlled by these factors even more than by sheer monetary incentive. These sentiments pertained to such things as seniority, age, sex, workmanship, nationality, social responsibility, work history, occupation, and position in the group and extended to many factors in the immediate physical and social environment which

were symbolic of the status the individual had attained. On the other hand, it was seen that management frequently had to act in ignorance of these sentiments. The supervisory structure was not functioning to communicate facts of this kind upward partly because the importance of the material was not understood, partly because the lower level supervisors were of necessity so much a part of the work situation that they could not study it objectively and, in part, because material of this sort is difficult to transmit in a useful form. As a consequence management practices and procedures frequently collided with the sentiments of the employees with the result that the employees formed an informal protective organization against such practices. Stated in another way, it appeared as though management, using that term in its broadest sense, habitually acted as though the technical, economic organization of the Company was something apart from the social organization of the Company and that the one did not appreciably affect the other. These studies showed that the social organization is intimately related to the technical organization and that changes in one affect the other. These studies further suggested that the problem of collaboration and work effectiveness is essentially a problem of how these two aspects of the total Company structure are related and kept in balance.

The problem here, therefore, appeared to be that of communicating a more accurate picture of the situation at the work level to management. In order to do this, however, it seemed that here again an outside agency skilled in the techniques of interviewing and observation and familiar with the methods of individual and group analysis could function best. This therefore was stated as the second broad objective of the personnel counseling experiment.

To summarize, it was felt that in devising a more adequate plan for doing personnel work the following objectives should be kept in mind:

1. To study and obtain correction of problems pertaining to the individual.

    1.1 Where the problem is psychological to attempt to secure an adjustment by skilled interviewing.

    1.2 Where the problem arises from a defective relationship between supervisor and employee to counsel the supervisor indirectly regarding his supervisory methods.

2. To study and obtain correction of problems pertaining to the work group.

    2.1 To study the effect of management policies and practices at the work level.

    2.2 To communicate general observations, material which does not reflect upon any identifiable person, to management.

3. To conduct intensive studies of problems unearthed by the personnel counseling activity which seem worthy of research and development.

Outline of the Plan.

In order to achieve these objectives the following plan was suggested. A trained interviewer from the Industrial Relations Branch would be assigned to one or two sub-departments depending upon the number of people involved. This personnel counselor would spend his whole time interviewing the employees in his territory, contacting their supervisors, familiarizing himself with the employees' jobs and recording and analyzing his observations. His interviews would be conducted under conditions of privacy away from the employee's work and with a guarantee of strict confidence. The employee would be paid his average hourly earnings for time spent in the interview. The Personnel Counselor would strictly avoid taking sides on any

controversial issue and would at all times refrain from taking an authoritative position in his dealings with employees and supervisors.

This plan was discussed at a meeting of the Hawthorne Management some time in January, 1936. As a result of that discussion it was decided to try the plan out on an experimental basis in the Panel Apparatus Department of the Central Office Division. The next problem, therefore, was that of introducing the experiment.

How the Plan was Introduced.

Inasmuch as the success of the experiment depended upon its reception by the supervisors and employees, considerable thought was given to the problem of introducing the plan to them. The Division Chief, whose consent had been obtained for conducting the experiment in his organization, explained the program to all of the supervisors in his organization at one of their regular monthly meetings. In presenting the plan to them the Division Chief first outlined the ideas and development work behind the plan. He then described the plan in detail and introduced to them the man chosen to conduct the experiment. In his talk to the supervisors the Division Chief emphasized 1. That the Counselor would not assume any of the duties or responsibilities delegated to them; 2. That it was hoped that they would feel free to discuss their problems with him, and 3. That the Counselor would be extremely careful not to divulge information of a personal nature which he obtained through his contacts with them and their employees and which might embarrass them in any way.

The supervisors were told that the group chiefs would be expected to pass word of the plan around among employees. In presenting the plan to the employees they were asked not to give it too much

emphasis. They were simply to pass word along that the Company was trying out a new way of doing personnel work and that a "Personnel Man" had been assigned to the department who might be around soon to talk to them individually. The supervisor was to explain that the employees would be paid their average earnings for time spent in talking to the Counselor. Further explaining of the program was left to the Personnel Counselor in his contacts with the employees.

Reception of the Experiment.

No difficulties were encountered in introducing the experiment. On April 3, 1936, after about six weeks' work, a preliminary report (Appendix A) was issued in which the following summary of experience was made:

"In general, it may be said that these first six weeks' work indicate that the plan is beginning to satisfy a need that has been felt for some time by supervisors, employees, and employee representatives. The supervisors seem actively interested in the plan and, in several instances, they have said that they would welcome the assistance that the "Personnel Man" might offer in helping them to gain a more complete understanding of their human problems and in getting their thoughts and their problems up the line.

"With regard to the employees, it is sufficient to say that they are all as interested in the plan as they were in the Interviewing Program. They go out of their way to speak to the "Personnel Man" whenever he is in their section. They talk openly and freely of their problems and this in itself appears to be beneficial to them.

"In view of this experience, it is felt that the groundwork is being laid for a program that fits into shop situations without disturbing the work that these organizations perform and which at the same time can go a long way toward alleviating many of the problems industrial organization presents."

A second progress report which was issued on May 27, 1936, after thirteen weeks' work indicated that several new organizations had been included in the experiment. This extension was made as it was thought that our experiences in one department were not sufficiently representative of the Works Organization as a whole and we wanted a

better cross-section of both employee and supervisory reaction before any final judgment was made on the practicability of the program.

The investigator's impression of the progress made may be seen in the following quotation from the Second Progress Report. This report is included here as Appendix B.

"In addition to this expansion there has been considerable progress made in the experiment itself. The investigator feels that the values in the experiment are coming up to the expectations of it as described in the previous report. In other words, he feels very strongly that progress is being made toward creating a more harmonious work relationship among employees and between employees and their supervisors. In addition, this broader experience has resulted in a more definite idea regarding the types of problem that may be expected and the techniques that may be employed in solving them."

A special report, included here as Appendix C, which was issued on October 9, 1936, describing the attitude of short and long service employees, contains references to further developments in the experiment.

"Since the second progress report on the experiment in Personnel Counseling was issued on May 27, 1936, the personnel devoted to this project has been increased from one to five people. In addition to this increase in personnel, the experiment itself has been extended to the Station Apparatus Shops. Two people, one man and one woman, are at present devoting their time to interviewing employees in the Hand Telephone Set Division of the Station Apparatus Shops. Two people are working in the Central Office Division and one in the Piece Part Division of the Central Office Shops.

Inasmuch as the new personnel counselors have been working in their territories only a short time, it is impossible to assess the functioning of the plan as originally outlined at this time.... In passing it might be said, however, that the experiment is progressing satisfactorily and the counselors are especially appreciative of the cooperative spirit shown them by supervisors of all ranks. It is expected that this work will proceed rapidly now that the new counselors have gotten acquainted in their territories and have had some training and experience."

Since the above report was issued on October 9, the territory included in this experiment has again been expanded and the number of counselors has been increased to seven. The accompanying organization

charts (Appendix D) show the departments now included in the program together with the names of the counselors assigned to each department.

At the present time, although the plan is being carried on chiefly by new and comparatively untrained counselors, we have encountered no general reactions which conflict with the preliminary appraisal of the plan. A few questions have been raised by employees in places where there were unsatisfactory supervisor-employee relationships regarding the confidential nature of the interviews. In these cases strict confidence was promised and in all cases these promises have been respected. Also some supervisors have raised questions regarding the use of material which was obtained from their people and the value of interviewing employees whom they felt were contented. We were able in all of these cases gradually to overcome their fears and to assure them that the plan offered a safeguard against careless practices and, in the long run, would result in an increase in employee satisfaction.

The employee representatives have raised questions regarding the function of the counselor and the relation between his work and theirs as employee representatives. They were advised that our function was chiefly that of improving the relationship between the employee and his supervisor and of helping supervisors to understand employee problems. Also they were assured that we were not attempting to duplicate their function in any way, that we felt they had a real function to perform and that we would be careful not to do anything which might undermine their position.

These questions are significant in that they reflect the employees' respect for management's guarantee of personal security when administering a program which might easily be used as a "spy

system" or a means for gathering information which could be used as justification for open opposition to employee requests. The case with which we were able to overcome all outward resistance is sufficient indication of the real fundamental value of a management's sincere effort to understand employee feelings and to deal with them intelligently.

Illustrations of Work Being Done.

The counselors have now interviewed approximately 500 employees and have contacted about 160 lower level supervisors. In practically all of these contacts we obtain data which has an immediate value. These values will be discussed briefly under the following headings:

1. Personal adjustments.
2. Supervisor-employee relations.
3. Employee-Management relations.

Personal Adjustments.

Cases which fall in this classification range all the way from the employee who evidences normal drives for progress and advancement and who benefits by being able to talk over his personal affairs with an impartial listener to the neurotic individual who needs considerable personal attention to clear up the more fundamental disorders. The following case has been included as it illustrates the application of our point of view in working out a personal adjustment. This case is by no means typical of maladjusted employees but it does illustrate very well how the personnel counselor functions with this type of problem.

A Case of Personal Adjustment

In February of this year the assistant foreman called our attention to a problem which had been worrying him for some time.

He pointed to a man who was 48 years old and who had about 20 years' service, saying that he (the assistant foreman) had tried the employee on almost every job in the department and he was a failure on all of them. The employee was then working on one of the simplest jobs in the department and the supervisor was faced with the problem of either cutting his hourly rate, which was above the maximum of the grade, to the minimum of the grade, or moving him to other work.

The employee's work history is as follows: He was employed as an assembler and adjuster on small telephone apparatus from 1917 to 1923. He apparently was capable on this work for he was made a group chief in 1923 where he remained until the beginning of the depression in 1931. At that time he was considered one of the least efficient supervisors in the group and he was among the first supervisors in the department to be demoted when work became slack. He was then placed on the highest graded adjusting job in the department and the hourly rate which he had as a supervisor was not changed. A short time later it became apparent that he was not learning this work as rapidly as was expected and his hourly rate was cut.

Later he was judged a total failure on this work and was transferred to adjusting work in another department where it was expected that he would do better because he had handled the job satisfactorily both as a worker and a supervisor. Here again he failed to perform up to the standard, and so was transferred back to the original department.

At this time he was given a preliminary adjusting job which was graded lower than final adjusting and his hourly rate was reduced. Here he again failed to measure up to the standard and so he was tried on miscellaneous low grade assembly and wiring operations which ordinarily would be given to new employees.

While he was working on the preliminary adjusting job, a new piece rate and new labor grades were assigned to the department. In this situation it became necessary to have the hourly rates of all employees adjusted within the rate range of the new labor grade, and because of the new piece rate it was felt that considerable emphasis should be placed on keeping employees' hourly rates in line with the individual's contribution to the group. The employee's hourly rate was therefore adjusted to the maximum allowed on the preliminary adjusting job and when he failed to produce he was given a small cut. Later, when he was moved to miscellaneous assembly and wiring work, he was given another small cut. This was all grade 1 and 2 work, and the employee's hourly rate finally was adjusted to the maximum of grade 3 or $.44 per hour. In this situation it was a physical impossibility for the employee to earn his money, and, to make matters worse, the employee's output did not compare favorably with some new employees who were hired at the minimum of the labor grade.

The above were the essentials of the problem as they appeared to the department when the assistant foreman asked our help. They felt that they had given the employee every possible opportunity to make good and that he had failed. They also were disturbed because he appeared to be drinking heavily and more recently because he was not at all cooperative.

Early in March of this year the Division Chief called a conference in which they practically decided to transfer the employee to a grade 1 job in another organization and to cut his hourly rate to the minimum of the grade. They proposed to explain that he would be given a last chance and that if he failed he would be dismissed. Our original interview indicated that the failure was because of a personal maladjustment and, as we did not believe that the proposed action was addressed in any way toward the solution of the difficulty, we asked that the transfer be delayed a few months, or until we had had an opportunity to make a detailed study of the case.

This study included interviews with the employee, a very thorough physical examination, several intelligence and vocational tests and a careful study of the employee's associates on the job, his supervisors and the mechanics of all of the jobs on which the employee had failed.

The interview showed an employee who was raised in one of the west side slum districts. The family consisted of two older sisters, an older brother, the employee and a younger brother. The mother died when the employee was very young and he does not remember her. The older sister managed the house. The father was a strict disciplinarian. The children were punished frequently and they were not allowed ordinary liberties. This was so pronounced that the older brother left home as soon as he finished school. The father was employed as a laborer until his death, which was shortly after the employee graduated from grammar school. The employee worked during vacation time while he was in seventh and eighth grades, and he found a steady job immediately after leaving school. He worked for several concerns until he enlisted in the army during the World War and when he returned at the age of 29 he was employed at Hawthorne.

During this time he formed a close relationship with his older sister who never married. She kept house for him until a few years ago when he moved to a hotel across from the Plant. This move was made during the period when he was having difficulty on the job, but he continued to contribute toward her support and still has a very loyal attitude toward her.

The employee's attitudes which stood out prominently during the first interview were:

1. Fear of the supervisors (foreman especially). Belief that they had it in for him. Feeling that they were watching him all the time. He could feel the foreman's eyes on him when the foreman was at the other end of the room.

2. Belief that his nervousness was a "shell shock" hang-
over from the war in spite of the fact that he was in
good health for years after the war and was not nervous
until recently.

3. Fear of sickness. He had been under the care of several
doctors who tried to convince him that he was all right.
He took "nerve medicine" regularly four times a day.
His closet shelf was full of pill boxes and cold cures.
He wore a jacket on days when it was so hot that his
shirt was wet with sweat. He talked of his health, his
sister's health, boyhood friends who had terrible dis-
eases. He went into a tantrum if the hotel room was cold
or the department was drafty.

4. His only associate outside the Plant was a tubercular
war veteran with shady character, and he did not see him
often. Most of his leisure time was spent in his room
with a cheap magazine. He also did not talk to anyone
in the department unless they asked him a question.

The physical examination indicated that while he was slightly
below par generally, there was nothing definitely wrong with him.
There was, in other words, no apparent physical cause for this ex-
treme nervousness or for this paranoid type of thinking. They
advised regular exercises.

The Intelligence and Vocational Tests which were given indi-
cated quite positively a low grade intellectual development, but
they were not significant beyond that, because of the employee's
extreme nervousness when they were given.

The employee's associates on the job felt quite sorry for
him and while they believed that he had been given several oppor-
tunities to prove himself, they did not resent his being paid
more than his share of earnings. On occasions they went more
than half way to be nice to him.

The supervisors had definitely turned against him. At first
they resented his being left on the job. They used him and two
women employees to account for low group earnings. They continu-
ally aggravated him by demanding improvement and by comparing his
output with new employees.

Our observation of his work showed considerable lost motion,
lack of coordination in his efforts and periods when his atten-
tion was miles away from the job. His explanation of other jobs
which he handled indicated the same sort of activity. Output
records which we prepared from bogey sheets (his own record of
output) indicated that he reported on an average of between only
two and three hours out of eight on productive work. The balance
of his time was spent on miscellaneous items upon which his
efficiency could not be measured.

In the above it was evident that the interview needed to be addressed, first, toward directing the employee's attitude toward a more constructive relationship with his situation and, second, toward controlling the attitudes of others in the situation so that a personal adjustment would be possible.

We began by interviewing the employee daily until we had dissipated a good part of the emotional disturbance in his thinking. Then we limited the interviews to two a week and concentrated on helping him to think constructively about his work, his supervisors and associates outside the Plant.

As soon as we noted a definite progress in his thinking we began asking the group and section chief to talk about him. In these talks, the supervisors were encouraged to criticize the employee and they were asked to express their criticism in as much detail as possible. At no time did we offer any difference of opinion outside of the general statement that the employee's attitude had improved. This was carried to the extent that we did not object when the division chief called to advise us that the employee's hourly rate would have to be cut. This was six months after we began with the case. We only asked that the explanation be given to the employee in terms that would carry conviction to him. Later we attempted to assist the section chief in preparing a statement for the employee and in this conversation the section chief found his case very weak and apparently decided to do nothing.

This approach to the problem has resulted in the following change in the situation:

1. The supervisors are taking a genuine interest in the employee and they are helping him with encouragement instead of criticism. Both the group and the section chiefs are now taking personal credit for the improvement and they claim to have made arrangements to assign him to higher graded work in the near future.

2. The employee has increased his efficiency from between 60 to 70% to about 100%. There appears to be little lost motion in his activities on the job, and he appears to be getting a real feeling of satisfaction in doing his job better than the rest.

He is also very friendly with all of the employees both men and women who work near him, and he spends his rest periods talking with a group of employees who work in the other end of the room.

He has developed several close friends in the hotel and he occasionally joins a group playing pinochle. He has been keeping steady company with a girl whom he expects to marry. They plan to move to a furnished apartment. Due to her influence he spends several evenings a week at the movies and dances or with their friends.

About a month ago he quit spending money on doctors. He takes no medicine and says he feels better than he ever did. He has discarded the jacket that he was continually wearing and observes that he is no longer troubled with colds. This is interesting because he said he always had a cold about this time of year. The only remnant of the old attitude toward sickness is his excuse for marrying. He says a man of his age needs someone to take care of him.

From a social point of view, this employee is now in working equilibrium with his environment. His attention is on the job. The supervisors appreciate his efforts and the new employees respect his knowledge of the job, and the older employees are friends instead of sympathizers. The concentration of our efforts on a personal adjustment without taking into account the other areas, supervisor, associates and the job itself would have probably resulted in failure. The total adjustment depended upon work with the employee's attitude, the supervisor's attitude, his associates' attitudes and with assistance in studying the job and developing an appreciation of coordination of activities.

Supervisor-Employee Relations.

Maladjustments in the relation of supervisor to employee present an even wider range of problems than we find in cases of personal maladjustment. These range from supervisors who have habits that mildly irritate their people to those who have removed themselves so far from the employees that they have no appreciation of the more intimate employee reactions and in some cases have no desire to try to understand them. The following is a typical illustration of this sort of a problem.

A counselor noticed a group chief who appeared to be particularly satisfied with the job he was doing. He also observed that this supervisor was well informed regarding the technical side of his job but he was never observed talking to his employees. He always seemed to have a severe expression on his face whenever he approached an employee and his conversation was brief and abrupt. The counselor also observed that this group chief's superior was also a technically trained man whose interests were largely in that field and that the superior gave considerable recognition to this group chief while others who were more interested in human problems received no notice whatsoever.

The counselor's interviews with employees indicated that they were consciously restricting their output and several of them said that they hated to come to work. They also made comments such as "He never smiles;" "I guess he's got it in for me because he hates to answer a simple question;" "He reminds me of a neighbor who beats his wife;" "Sometimes he gets my goat so that I want to get up on the bench and scream."

These observations indicated that the counselor needed to spend considerable time creating a real interest in human problems and in building up a closer relationship, that is, one in which there would be a mutual understanding between the employees and the supervisor. The counselor is at the present time making progress in this direction by referring employees who have personal problems to discuss, to the supervisor and also by urging the supervisor to talk these problems over with him. This process is being carried out so informally and the change which is taking place in the supervisor is so gradual that the supervisor himself is not yet aware of a change in his thinking. Employees, however, have noticed the change and are beginning to show more interest in their work.

Employee-Management Relations.

Several questions have arisen during the course of the last year in which the personnel counselors' knowledge of employee sentiments proved useful to management. In addition to this kind of management information, two reports have been issued in which an attempt was made to present problems worthy of management attention. The first report is entitled "Attitudes of Short and Long Service Employees" and is included here as Appendix C. The second report which has relevance to this topic is "An Outline for Discussing the Labor Situation at Hawthorne" and is included as Appendix E of this report. Inasmuch as these two reports illustrate very well how this program can function to keep management informed.of general problems at the work level, nothing more need be said about the subject here.

Problems Arising in Developing Personnel Counselors.

Our experience in introducing new counselors to this work
has indicated that considerable training is necessary if they are to
accomplish the objectives of this program. We find that it is rela-
tively easy to train employees who have been carefully selected to
take good interviews. The difficulty arises in making use of the
material gained in the interview and in effecting the adjustments
which are indicated. The usual tendency in a program of this sort is
for the agency conducting the work to assume many of the functions and
responsibilities formerly delegated to the Line Organization. This
seems to be the human and natural thing to do. The tendency is, in
other words, to conduct a study, identify certain problems and then
get the parties involved together and tell them what is wrong. The
approach we are following requires that the counselor assume no
authority and that he show care in all of his contacts so that the
relationships which already exist may be strengthened as the result
of his activities. In this respect the personnel counseling program
is somewhat at variance with the trend in Industrial Management. The
trend over a long period of time has been toward setting up organiza-
tions within the Company and making them functionally responsible for
certain aspects of the shop foreman's job. In this instance that
would mean making the counselor functionally responsible for the human
relations side of the job. It will readily be seen that this program
could proceed in this fashion, and it is our opinion now that a good
many supervisors would be glad to be rid of the worry connected with
their personnel. However, it is because we feel that such a policy
would eventually create frictions and antagonisms and thus in the long

run tend to weaken rather than strengthen the effectiveness of the supervisory organization, that we have insisted that the counselor act merely as a catalytic agent. This means that in addition to learning to interview and learning to interpret his material, the counselor must also develop a technique for getting the Line Organization to take the kind of action which he feels is desirable and at the same time create a feeling on the part of the Line Organization that they themselves are largely responsible for whatever accomplishments are made. It is this process which makes it so difficult to train new counselors. At present we are meeting this problem by having them discuss their interviews and any personnel problems with a senior counselor who is helping them interpret the material and who is approving any program which involves action. In these discussions the senior counselor is insisting that they work entirely from proven facts instead of hunches. We realize that this method may seem overly cautious and that it does not permit us to function effectively in cases where an immediate decision seems necessary to the Line Organization but this caution seems justified as it avoids many disturbances that might be caused if untrained counselors were given a free hand.

Plans for Future Development.

In view of the fact that every phase of the program is still in the developmental stage, our future plans must of necessity be tentative. We are at present occupied with training our present force which is to be increased as rapidly as suitable candidates can be found. It is hoped that we will be able to cover the Central Office and the Station Apparatus Shops by the end of the year. This means that we will need to add twelve new counselors and that we must

develop four senior counselors. This estimate is based upon our assigning one counselor to a shop department and a senior counselor to each division. It may be, however, that one senior counselor will be able to coordinate the work of all of the counselors assigned to a product shop. This problem will be studied as our program progresses and a more definite opinion can be given later.

At the present time we are also giving considerable attention to developing the research aspect of this program. We are now typing three copies of employee interviews which will be coded so that only the counselor who took the interview will be able to identify the individual from whom it was obtained. The counselor's copy will be filed in an organization file which also will be coded so that only the counselor will be able to identify the organization. From this file he will make studies of personal problems, he will compare employee attitudes in one group with those in another, he will try to understand these differences and in all cases of employee dissatisfaction he will try to work out corrective action whenever he finds a "problem situation" developing.

The second copy of the interview will be filed by occupation. This kind of a file seems to be particularly important at present because of our product shop set-up. It will be used in making cross sectional studies of, for instance, punch press operators who may be scattered throughout the Works. These studies will probably result in notations of differences in attitudes in certain locations which can be called to the counselor's attention and he can take action, whenever corrective measures are indicated. Briefly, this kind of a file will function as a control for the counseling organization itself as well as a means of supplying management with occupational data.

The third copy will be filed by interview numbers so that all interviews with any one employee will be assembled in one spot even though he is transferred to several organizations and even though he is employed on a variety of occupations. It will be some time before a file of this sort has a real value but as soon as a representative number of interviews are collected, studies involving variations in age, service, and nationality, etc., will be made as well as studies which are concerned with the movement of people from one organization to another as compared, for instance, with mobility within an organization.

The above outlines in general our thinking with regard to the future possibilities of the personnel counseling program. Briefly, we are looking upon it in the ultimate as an organization which will assist management, the lower level supervisors, and employees, in establishing and maintaining a working relationship which is based upon facts and a fundamental concept of the human as well as the technical needs of the industry as a whole.

A

PRELIMINARY REPORT ON
THE EXPERIMENT IN PERSONNEL COUNSELLING

General Statement of the Plan

On January 17 tentative plans were made for the development
of a new kind of personnel work. Under this plan a "Personnel Man"
from the Industrial Relations Branch would be assigned to a group of
approximately 300 employees. This man would devote his entire time
to interviewing these people, contacting their supervisors and
familiarizing himself with the work being performed. It was felt
that such a specialist could perform a very real function both for
the organizations to which he was assigned and for management. By
having direct personal contact with each and every employee, he
could give their problems much more attention than they are now
receiving; he could bring their problems to the attention of proper
authorities and thus serve as a coordinator of existing agencies;
he could counsel the supervisors about problems in their organiza-
tion and thus aid them in solving them; he could, by interviewing
the employees, dissipate many of their apprehensions and emotionally
reinforced ideas and, finally, he could keep management informed of
the general effect of its policies at the work level and of problems
which are impersonal and general in character.

It was felt that this plan was in line with and followed
logically from the interviewing program and related studies which
were made from 1927 to 1932. It was also felt that such a plan
would place the personnel counsellor in the same relative position
that management has already found successful in the handling of

materials and equipment. From time to time the Company has found it beneficial to develop specialists in certain aspects of manufacture. This plan would simply add a specialist in personnel problems who could give the line organization the benefit of his knowledge and findings.

In outlining this plan considerable attention was given to the qualifications of the "Personnel Man" and his relations with the departments in which he would work. It was felt that he should be well grounded in Company organization and procedure and that he be well trained in the technique of the personal interview. As to his relationship with the group to which he would be assigned, it was felt that he should report to an outside organization, the Industrial Relations Branch, and that he should function in the group without any definitely recognized authority except the right to interview employees and study the general work situation including relevant departmental records. It would be important for him to use the information obtained from individuals in a way that would cause no embarrassment to anyone; otherwise he would not be able to function.

Procedure in Introducing the Experiment

It was decided to try this plan out experimentally in Department 6364, an organization of about 150 employees, so as to learn from actual experience what its possible merits and demerits might be. A man was selected from Department 6086 to conduct the experiment. A detailed outline of the procedures to be followed in setting up the experiment was then prepared and the division chief discussed it with all the supervisors concerned at two meetings

held on February 6 and 7. At these meetings the plan was presented
clearly and in detail. The supervisors had few questions after the
talks and the plan seemed to be acceptable to them. Following this
introduction the "Personnel Man" started interviewing employees and
getting acquainted with the supervisors in the department.

Summary of Experience to Date

It is impossible at this early date to draw any final con-
clusions from this experiment. The investigator has spent about six
weeks in the department so far. During this time he has interviewed
22 employees and has spent a good deal of time contacting the various
supervisors. It was thought important to develop satisfactory rela-
tions with the supervisors at the outset and (1) to get a picture of
the general work problems as they appear to them, (2) to get a
thorough knowledge of the work done by the operators and the require-
ments that are made of them, and (3) to learn as much as possible
about each supervisor's attitude toward his personnel problems. This
general background is regarded as essential to an adequate under-
standing of employee complaints.

At the present time the major problems in this department
from the supervisors' standpoint are, in the order of their im-
portance, (1) Group earnings and piece rates, (2) Schedules and
work difficulties, (3) Difficulties involving the supervision of
individual employees. On the whole, the supervisor's time is so
occupied with the first two of these problems that he has little
time for the third.

(1) Group Earnings and Piece Rates

This is the major problem in all sub-departments in 6364. It is partly due to the fact that low activity does not permit employees to work full time on one job. Partly it is due to a lack of low grade operators who are efficient on several jobs. Another difficulty is that the new piece rates seemingly do not permit earnings that are comparable with past earnings for comparable work. The supervisors are spending most of their time trying to overcome these difficulties because they believe that 90% of employee dissatisfaction is the result of earnings that are considered low.

(2) Schedules and Work Difficulties

The balance of the supervisors' time is mostly occupied with a variety of problems involving work assignments, difficulties with machines, materials and back schedules. Inasmuch as these are only of indirect importance in this experiment, they need not be commented on.

(3) Supervision of Individual Employees

With the exception of the problem case, which is studied carefully by every supervisor in the line before a decision is reached, the supervision of the individual does not appear to be a major problem from the supervisors' point of view. This seems to be due to the following reasons: (a) Employees do not take all of their complaints to supervisors for they say, "He won't do anything about it"; "he will think I'm a kicker"; or "it wouldn't do me any good as he would be down on me". (b)

The lower level supervisor's time is taken up with running the job and there is a general resistance to bothering him or to taking things over his head. (c) Supervisors in general are apt to discourage the employee from taking complaints up the line as it may reflect on them personally.

The employees contacted have been selected from all of the sub-departments involved in the study. Some of them were classed as problems or "chronic kickers" by the supervisors but, for the most part, they were considered average employees. Their problems, with the exception of two men who appear to be rather serious cases of personal maladjustment, are largely personal. Many of these problems are dissipated during the interview, that is, the employee himself comes to feel that no definite action can be taken and that the problem is comparatively unimportant. Some of the employees, however, raise questions that can and should be answered. Many of these involve new piece rates and earnings. These questions are apparently assuming more importance each day as employees are becoming convinced that rates are being cut. No definite action has yet been taken to obtain answers for the employees on any of these questions. If the demand is strong, they are urged to see their supervisor. In a few instances, the investigator has informed the supervisor of the complaint, but in no case has immediate action been requested.

One employee's problem was called to the investigator's attention by a supervisor. The employee felt that he had a grievance because of several transfers, each of which involved

a cut in rate. In the interview, it developed that he had several physical disabilities and that after a prolonged illness, he was given an easy job that paid over a dollar an hour. At the beginning of the depression, he lost this job and since has been moved around because he was not particularly efficient on any assignment. This case was discussed with the supervisors and they decided that the employee should be advised of the reason for the transfer, and of the possibilities of future advancement on the job. They were evidently very successful as the investigator talked to the employee during the next week and he appeared to be more satisfied. It was also noticed that his efficiency had increased decidedly.

The investigator is also experimenting with another problem that appears to be entirely a personal difficulty. In this case, the cooperation of the hospital, the Psychological Testing Section, and the supervisors has been secured in an effort to help the employee make a personal adjustment with the aid of a series of interviews. There is considerable doubt in the investigator's mind and in the minds of the supervisors as to whether this man can be returned to usefulness, but they feel that an effort should be made as he formerly was a supervisor and, at present, could not be satisfactorily placed on any job. The other alternatives, a disability pension or dropping the man from the roll, need further consideration. They will be considered only if all other efforts fail.

The investigator's contacts with employees include two employee representatives. They both expressed interest in the plan and seemed to feel that it would help them in their relationship with their constituents and with the supervisors. They seem to need some help as they feel pressure from the employees urging action that is opposed by the supervisors. They also feel that a good part of this demand for action is emotional, but as representatives they can not oppose it openly as they will lose their jobs as representatives. Inasmuch as this situation is not very satisfactory to the employee representatives or the supervisors, the investigator plans to work along with the former to relieve as much of this sort of pressure as possible.

One other item of interest may be mentioned. This is the fact that the employees have spontaneously associated this experiment with the old interviewing program. This has helped a great deal in getting their confidence and in establishing satisfactory relations with them. Almost all of them have expressed appreciation of the interview and of the opportunity to talk things over.

Summary

In general, it may be said that these first six weeks' work indicate that the plan is beginning to satisfy a need that has been felt for some time by supervisors, employees, and employee representatives. The supervisors seem actively interested in the plan

and, in several instances, they have said that they would welcome the assistance that the "Personnel Man" might offer in helping them to gain a more complete understanding of their human problems and in getting their thoughts and their problems up the line.

With regard to the employees, it is sufficient to say that they are all as interested in the plan as they were in the Interviewing Program. They go out of their way to speak to the "Personnel Man" whenever he is in their section. They talk openly and freely of their problems and this in itself appears to be beneficial to them.

In view of this experience, it is felt that the groundwork is being laid for a program that fits into shop situations without disturbing the work that these organizations perform and which at the same time can go a long way toward alleviating many of the problems industrial organization presents.

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SECOND PROGRESS REPORT ON THE EXPERIMENT
IN PERSONNEL COUNSELING

In a preliminary report of the progress made in the experiment in personnel counseling, issued on April 8, it was tentatively concluded that the groundwork was being laid for a program that could fit into shop situations without disturbing the work these organizations perform and which at the same time could go a long way toward alleviating many of the problems confronted by these organizations. This statement seemed warranted, first, because of the cooperative attitudes toward the experiment which were shown by the supervisors, the employees and the employee representatives, and, secondly, because the investigator was able to obtain data relevant to supervisory and managerial problems that had not previously been available. It was found that many employees were reluctant about taking their problems to their supervisors and that many supervisors were so occupied in running their jobs that they had very little time to devote to such problems anyway. Mention was also made of the fact that many of the problems the employees discussed were modified considerably during the interview whereas others seemed to demand action of some sort. At that time the investigator had not formulated any plan for handling the latter cases other than encouraging certain employees to take action themselves.

Summary of Experience Since April 8

Since the previous report was issued the area covered by the experiment has been extended due to a change in the organization of Department 6364. The Iron Work and Power Board Sub-Departments were

taken from this organization and the Jack Ringer and Key Sub-Department was added to it. It seemed advisable to continue in all of the sub-departments previously covered and to include the new sub-department as a part of the experiment. This would give the investigator the opportunity and experience of dealing with two department chiefs instead of one as before. With the same thought in mind, it was felt that there might be values obtained if the experiment were extended to include the Cross Bar Switch Department. Inasmuch as this department was being organized to manufacture an entirely new product and a force was being built up almost exclusively of new employees, it was felt that the inclusion of this group would place a more typical variety of conditions within the scope of the experiment. Accordingly, on April 20 all of the supervisors in these new territories were advised of the extension of the program at a meeting in Mr. Raab's office. This extension brought in about 100 additional employees making a total of some 350 with whom the investigator now has to deal. In addition to this force, the investigator is contacting the thirty-one supervisors who comprise the supervisory staff in the eight sub-departments now included in the experiment.

In addition to this expansion there has been considerable progress made in the experiment itself. The investigator feels that the values in the experiment are coming up to the expectations of it as described in the previous report. In other words, he feels very strongly that progress is being made toward creating a more harmonious work relationship among employees and between employees and their supervisors. In addition, this broader experience has resulted in a more definite idea regarding the types of problem that may be expected and the techniques that may be employed in solving them.

Ordinarily these problems fall into one of three classes: (1) those which involve a personal adjustment of the employee, (2) those which require some sort of supervisory training, and (3) those which may require some alteration in the work situation itself.

Cases Requiring Personal Adjustment

Cases requiring personal adjustment are those in which remedial action must come primarily from a reorientation of the individual to his surroundings. In these cases the difficulty is ordinarily not in the external situation but in the individual's personal situation. The symptoms ordinarily encountered comprise such things as exaggerated demands of the situation in which the individual is placed, irrational fears, feelings of frustration, inferiority or futility, inability to attend to work, and so on. In such cases little can be accomplished apart from sustained, careful treatment of the individual.

So far four of these cases have been encountered among the thirty-four people interviewed. These four are rather extreme cases; there are many others where the same general type of difficulties are present, but they are much less serious and do not constitute a major handicap to the individual's performance. One of these more serious cases was mentioned in the previous report. The investigator has had several subsequent interviews with this employee and the progress to date is very encouraging. This progress is no doubt due in part to the interviews, but it is also due in no small measure to the interest and cooperation shown by his supervisors. Among the three newer cases,

one of them has been a management problem for some time. His

general attitude is that "the company owes me a living". This

attitude in itself is a difficult one for a supervisor to handle.

It is made even more difficult in this case because the indi-

vidual does not seem to be appreciative of the fact that the

Company on two different occasions went to considerable trouble

to help him. The supervisors now handle him with "silk gloves"

to avoid stirring up more trouble. Of the other two cases, one

develops headaches or other physical ailments immediately he is

put under pressure or told to do something he doesn't like. The

other case is one in which the individual's family situation has

led to exhorbitant demands of and corresponding disappointments

with the Company. Although it is not safe to generalize from

such a sample as this, the indications are that these problems

of personal maladjustment may be more common than is frequently

supposed and one worthy of serious attention.

Cases Requiring Some Sort of Supervisory Training

Although the investigation has not proceeded far enough

to provide a well rounded picture of this problem, it is evident

that some supervisors might spend more time or give more attention

to certain problems if they knew of their existence. These

problems vary all the way from individual difficulties similar

to those described to such group problems as restriction of output.

It looks as though considerable training value will be derived

through discussing such problems with individual supervisors.

In addition to such individual training, the investigator feels

that problems will arise from time to time which can best be
handled through group conferences. Where such problems are-
confined to a department or are peculiar to certain work
situations these conferences will be conducted by the
personnel counselor himself. If, on the other hand, the
problem is fairly general it will be referred to the
Supervisory Training Section for disposal. One such
problem at the present time is that of training new em-
ployees and inducting them into the organization. This
problem is being worked out by the supervisory training
group at the present time.

Cases Requiring Alterations in the Work Situation

From the data gathered from the interviews taken so
far, it looks as though the chief problems under this heading
are related to job placement. For example, one employee who
is thoroughly dissatisfied with his work now, formerly spent
most of his time on the same type of work but it was in
another organization and was more complex. He did not mention
a transfer to the investigator but such action is indicated
as at least a partial solution to his dissatisfaction. Another
instance, is that of an ex-supervisor whose outside
interests are in social work and community activities. This
person might be much more valuable to the Company if he were
offered work more in line with his interests and experience.
At the present time these cases require more study. They are

mentioned here as a possible activity which will require considerable attention in the near future.

In addition to making these rough discriminations among the various kinds of problem he has encountered, the investigator has observed a general shift on the part of the supervisors toward more interest in their personnel problems. This is most noticeable in locations where they are not burdened with an excessive amount of detail work. This change together with the spirit of cooperation shown by the supervisors throughout the experiment is worthy of noting. This change in attitude toward personnel problems is probably due largely to the investigator's general activities as a personnel counselor rather than to any specific advice or training he has given them.

Problems in Connection with the Experiment

The activities described suggest that the experiment is slowly proving itself in as a worthwhile undertaking. During this time, however, certain problems have arisen which should be discussed at this time.

First, there is a need to gather data more rapidly and in turn give employees an opportunity to talk to the counselor more frequently. The values in this area are obvious. If the experiment was being carried out more intensively, data would be available at all times on questions of importance at the moment. For example, data would be readily available on such a question as the attitude of the new employee toward the Company and his training needs. Similarly such a question as the effect of the coming rate revision on the employees who will have their hourly rates reduced could be readily answered if more investigators were in the field.

Incidentally, the investigator is now working on the latter problem and is interviewing the people who will be thus affected, but progress to date is unsatisfactory due to insufficient time.

A second and quite different problem is that of handling the material gathered by the counselor. Under the old interviewing program this problem did not arise because the material was divorced from particular personalities and was used only in a general way. The counselor, however, must learn to use this material so as to get the most good out of it, yet at the same time be faithful to the trust placed in him by employees and supervisors. This requires good judgment, careful analysis of each step taken and experience in handling a wide variety of problems. At present it is felt that the surest safeguard is to proceed carefully and to refrain from any action the consequences of which cannot be pretty well thought through. An attempt is being made to write up the most interesting of these problems together with the steps taken in handling them with the hope that they can later be classified and used as case material in training new counselors.

Finally there is the problem of developing new counselors so that they can carry on this work in other locations. It is hoped that the men assigned to this work will eventually develop to a point where they can carry on by virtue of their own initiative and resourcefulness. Too much supervision would be likely to spoil a program of this sort. The personnel counselor should be able to stand on his own feet and meet problems as they arise. The difficulty at present is that there are not many people with the necessary training and experience available. A training program has been

devised to meet this problem, however, which should work satisfactorily.
Under this plan the beginner will be given as much training as he can
assimilate in the relevant branches of psychology and sociology. This
will be done informally and so far as possible it will be shaped with
reference to concrete problems which the beginner confronts in his
work. The beginner will work in conjunction with an experienced
investigator. At first he will be limited to taking interviews with
employees, leaving the problem of dealing with this material to the
senior counselor. He will, however, be in close touch with the
senior counselor who will over a period of time gradually delegate
more and more responsibility to him. In this way the necessary
control over the new counselors will be assured all during the train-
ing period.

Proposed Extension of the Plan

In order to work toward a solution of the problems outlined
above, it is proposed to assign two more people to the territory now
included in the experiment. One of these people would assist the
present investigator by taking interviews with employees. It is un-
necessary for him to have had much training as one of the reasons for
adding this person is to test out the training program outlined above
and to see whether or not the present investigator can use effectively
material gathered by some one else. The other person, however, should
have a well rounded background of experience and training as it is
hoped that after a short time he can be assigned a territory of his
own.

In addition to doing this more intensive work in the organizations now included in the experiment, it is suggested that the plan be extended to include the Station Apparatus Shops. The reason for this request is that there, better than anywhere else, the many recent changes which have been made in work and in organization can be observed and studied. Also it is believed that the product type organization may present many new supervisory and personnel problems which were not encountered under the functional organization. Two people, one man and one woman, would be required to begin work in this territory. Both of these people should be experienced and dependable as they would have to carry on their work more or less by themselves.

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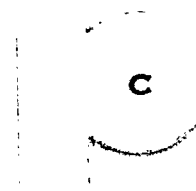
ATTITUDES OF SHORT AND LONG SERVICE EMPLOYEES
BASED UPON DATA OBTAINED IN PERSONNEL COUNSELING

Since the second progress report on the experiment in Personnel Counseling was issued on May 27, 1936, the personnel devoted to this project has been increased from one to five people. In addition to this increase in personnel, the experiment itself has been extended to the Station Apparatus Shops. Two people, one man and one woman, are at present devoting their time to interviewing employees in the Hand Telephone Set Division of the Station Apparatus Shops. Two people are working in the Central Office Division and one in the Piece Part Division of the Central Office Shops.

Inasmuch as the new personnel counselors have been working in their territories only a short time, it is impossible to assess the functioning of the plan as originally outlined at this time. Instead this report will be confined to a discussion of the attitudes of the employees who have been interviewed so far. Inasmuch as 87% of those interviewed have less than one or more than fifteen years' service with the Company, we shall, for the most part, be concerned with the attitudes of these two groups. In passing it might be said, however, that the experiment is progressing satisfactorily and the counselors are especially appreciative of the cooperative spirit shown them by supervisors of all ranks. It is expected that this work will proceed rapidly now that the new counselors have gotten acquainted in their territories and have had some training and experience.

Number of Employees Interviewed

So far 122 people, 108 men and 14 women, have been formally interviewed. This figure does not include contacts with some fifty

supervisors, informal talks with employees at work, or follow-up interviews with the same employee. When the last count was taken, which was about August 1, there were 572 men employed in the ten sub-departments from which the men interviewed were selected. Inasmuch as the men interviewed comprise 19% of this total their attitudes should be fairly representative of this entire group. All of the women interviewed are in one sub-department. While fairly representative of the new employees in this sub-department the sample is, of course, much too small to be considered representative of all new women employees. Fifty, or 41% of the people interviewed have less than one year of service and fifty-six or 46% have over fifteen years.

Attitudes of New Men Employees

The attitudes of the new men employees cannot be understood apart from their background and training. As a group, those interviewed are fairly young, being in their early twenties. Nearly all of them are single and all but a few have had at least two years of high school education. The majority are high school graduates, and a few have had some college work. The impression of the counselors is that they are well above average in intelligence and ability. As a group they are very ambitious, curious as to what is going on about them and eager to learn all they can about the Company and possibilites for advancement.

In view of this background it is not surprising to find this group very preoccupied about advancement. Practically everyone interviewed has in effect remarked, "The job I'm on doesn't require any brains. Anyone could do my job. I certainly don't want to stay on that kind of work very long." Statements like these indicate that most of these young men regard their present jobs as the first step

in the ladder. This condition is reflected in the unusually large number of applicants for apprentice training arising within the Plant.

Without exception these people express themselves as being glad to be working with the Company and those who have worked elsewhere compare the Company very favorably with the companies they worked for previously. In other words their demands for advancement do not imply criticism of or antagonism toward the Company or their supervisors. They are simply seeking to satisfy demands and ideals which have been instilled in them by their families, schools and general social environment.

Although these new people have not yet become at all pessimistic about their future it is quite possible that they may be in a few years. In fact the personnel counselors feel that one of the chief supervisory and personnel problems in the near future will be that of handling the demands of this group for social mobility. Perhaps the normal expansion due to improved business can meet the demands of those who are now in the Company's employ. If the Company continues to hire a large proportion of high calibre men, however, it is quite likely that we shall have to face the problem of adjusting these deeply rooted and socially determined demands to the actualities of the work situation. This would be a difficult process and at best could not prevent considerable frustration or labor turnover.

Wages, for this group, seem to be of secondary importance to advancement. None of them has voiced a serious complaint about wages. The complaints which have been received relate chiefly to differences in rates of pay for the same kind of work. The following statement is typical of these complaints: "I can't understand why X is getting

more money than I am, I have been here as long as he has." Opinions
to the effect that they would earn more for the same amount of work
under piece work are also encountered, particularly among those who
have friends or relatives in piece work departments. In connection
with the subject of wages it may be of interest to note that in one
location where a general increase in hourly rates was recently made
few of the men interviewed voluntarily mentioned the subject. When
questioned they all say they were glad to get it but the investigator's
impression is that they were not much affected by it.

At first it may seem puzzling that these people who express great
interest in advancement and wage differentials show so little enthusiasm
over the general increase in hourly rates. If regarded in the light of
their personal background, however, it will be seen that this is the
kind of reaction one might expect. It would seem that to the great
majority of them this raise, while welcome, did not mean advancement.
In the first place it was general and therefore did not imply any
differentiating or singling out process. Inasmuch as the chief social
process involved in advancement is that of differentiating the individual
from the group it can be readily understood why this general increase did
not mean advancement to them. Following this same line of thought we
also have an explanation as to why they do seem interested in wage
differentials. These differentials serve to separate people out and
therefore carry social significance to the employees. Any difference
of this sort therefore may serve to light up preoccupations concerning
advancement and questions as to why the differences exist are likely
to be raised. In other words the same factor, preoccupation over
advancement, lies back of both these apparently dissimilar phenomena.

In addition to the fact that the raise was general and
therefore undifferentiating, the employees' attitude toward it could
also be understood in light of the fact that these young men are no
longer boys. They are adults and many of them are making plans for
marriage and other responsibilities of adulthood. It is quite likely
that few of them regarded this raise as a very big step toward fulfill-
ing their social and financial prerequisites for an independent adult
life.

Attitudes of New Women Employees

Judging from the admittedly inadequate sample of eleven new
women employees interviewed, the situation with them seems to be quite
different from the men's. Like the men, they indicate that the Company
compares favorably with other concerns for which they have worked.
Unlike the men, however, they express little interest in advancement.
Most of them say that their work is fairly interesting and not difficult,
and they feel that the Company pays very well. Most of them expressed
surprise and pleasure over the recent raise they received. Others,
when questioned, did likewise.

The average education of the women interviewed is a good deal
lower than that of the men. The majority of them have had no high
school training. In their interviews they tend to talk about person-
alities, social events and purely personal problems. Most of their
problems are such that they do not feel like talking about them with
their supervisors. Several of the women have expressed a desire to
know more about the Company's Benefit Plans, the Building and Loan
Association and the Hawthorne Club Evening School.

One of the most interesting things about this group is the fact that although not particularly interested in advancement they seemingly were much more enthusiastic over their raise than the men were. Perhaps the reason they were so pleased is to be found in the very fact that they do not expect much in the form of advancement. Their thoughts and interests are in the immediate monetary return on the job. Any additional amount pleases them because of its immediate value and use. The men, on the other hand, instead of assessing the raise in terms of articles to be purchased by it, tend to project it against a huge chart of their future and of their ideals, in comparison with which it seems small and less meaningful. .

Attitude of Long Service Employees

Fifty six or approximately 45% of the 122 employees interviewed have 15 or more years of service. These employees fall into two distinct groups: Those who were formerly supervisors and those who were not. For purposes of clarity the attitudes of these two groups will be described separately. In presenting this material care has been taken to present it essentially as it was received from the employees. If therefore represents only a statement of employees' thoughts and feelings. These attitudes are sufficiently general, however, so that they may be considered typical of the groups described.

Ex-Supervisors

Twenty-one of the long service employees interviewed are ex-supervisors. Of this number three have made a satisfactory adjustment to their present status, three have made a fair adjustment and the rest are quite open in their complaints. Of the group who have made a satisfactory or a fair adjustment little need be said as they either

believe that they will go back to a supervisory position soon or they
believe that they have fared better than most ex-supervisors during
the depression and are therefore satisfied to let well enough alone.
Those who are satisfied to let well enough alone are people to whom
an optimistic attitude comes naturally and, while in most cases the
demands made on them at home are not as strong as among most of the
dissatisfied employees, their general feeling of optimism can be
attributed almost entirely to their ability to make favorable compari-
sons between themselves and others.

As the attitudes of the dissatisfied group of ex-supervisors
are very closely connected with a series of events which occurred during
the depression and with what they considered management's policy to be
prior to the depression, it may be well, first of all, to summarize
their interpretation of these events.

Speaking generally, it may be said that this group feels that
a major shift has occurred in management's policy and in management's
attitude toward them. They feel that, particularly during the last
year or so, more and more emphasis has been placed upon efficiency to
the neglect of other factors, such as service and former status, which
mean a great deal to them. In support of their contention that a shift
in Company policy with respect to personnel has occurred, they usually
make the following observations.

Prior to the depression, during the years while these employees
were supervisors, they observed that many increases in hourly rates were
made which, in their opinion, were not warranted strictly on the basis
of efficiency. They interpret this to mean that the Company, at that
time, recognized other factors besides sheer efficiency as worthy of

monetary recognition. Later on, when the depression came and they were all demoted, they still saw nothing in management's actions which they could construe as being incompatible with their original interpretation of the Company's policies. At that time they were, in many cases, offered a choice of several high grade jobs, and in some cases they were assigned an hourly rate which, even though outside the rate range for their jobs, returned them a wage equal to their old supervisory rate. To them these actions meant not only that their service was being rewarded but also that management felt they deserved special consideration because they were formerly supervisors.

The first suggestion of a change in policy, they feel, came when they were informed that in justice to other employees in the group, their rates would have to be adjusted to the maximum of the grade. Following this announcement many rates were so adjusted but, and to them this is important, not all of them were adjusted nor were the complete adjustments made at one time. The fact that all of the rates were not adjusted signified two things to them. First, and most important, it reflected a confusion between announced policy on the one hand and practice on the other. It reflected a departure from the logic given them for making the reductions and they began to doubt the sincerity of that logic. Secondly, it raised doubts in their minds as to the criteria actually used in deciding who should and who should not have his rate reduced. The fact that the total reduction was not made at one time only served to increase their doubts and to add to their uncertainty. For, during the time these piece meal reductions were being made, they were never at all sure of what would happen to them at the next revision period.

The final stage in this process of growing confusion and dis-illusionment, according to the employees, came when employees whose rates were still outside the labor grade were advised that their rates would have to be cut. Among those who were thus affected were some of the more efficient employees in the group. These people were cut even though the entire group of their associates felt that they were doing their best and looked upon some of them as the most efficient employees among them. In effecting these adjustments some employees were in effect told, "Your rate is $.06 over the maximum of the grade, but as a reward for service, it will only be reduced $.03." In informing them of these reductions, the supervisors stressed efficiency and the need for each individual contributing a fair share toward group earnings. In some cases the employee was told that his rate would be reduced again if he did not improve his output. In talking to the personnel counselor these people are positive in their claims that they are doing all they can and therefore feel that all the future holds for them is another rate reduction.

This last sequence of events has affected those employees who, although they had many apprehensions before, were not vitally affected until that time. It also tended to add to the qualms of the other long service people. To many of them it meant a reversal of Company policy. To others, who were really asking more than anything else during this period of adjustment that the rules of the game be definitely stated and adhered to, it meant that even though the rules now be definitely stated and even though they play the game well according to those rules, they cannot feel sure that the rules won't be switched just when they are playing their best. It meant, in short, that both of the pillars upon which their security was based, efficiency and service, were not the substantial things they once thought them to be.

In reflecting upon this situation these people concluded by asking, "Where will it end? What am I working for and what can I do about it?" In searching for an answer they took stock of themselves and fell back on the fact that their work as a supervisor was never criticized. A few of the more aggressive inquired of their supervisors regarding opportunities for being reinstated as a supervisor. In all cases the answer was indefinite and in some cases the employee was discouraged so that he believed he would never supervise again. These people, in talking over the problem with others, crystallized a general belief that very few ex-supervisors would "go back".

More recently this picture has changed somewhat and the counselors note an increasing amount of optimism. This group has observed that several of their number have been reinstated as supervisors and they notice preparations for more openings in the near future. They also note that no new employees have been promoted to supervisory jobs, and their supervisors have been able to encourage in some of them a feeling that they may not have to stay "on the bench" very long. These activities apparently have had a decided effect upon them because their attitudes, while still pessimistic, are not nearly as hopeless as they were before. Two employees interviewed recently expressed considerable irritation over the fact that the employee representatives had arranged for them to be interviewed by their superintendent. They said, "He (their superintendent) will think we're a bunch of cry babies, and he'll think we can't take it. I didn't want to see him." This would indicate a growing feeling of pride and self-reliance. Other employees whose dissatisfaction was very obvious a few months ago are now looking forward and "waiting to see what happens."

Other Long Service Employees

Of the 35 long service employees interviewed who have never achieved supervisory rank, 12 appeared to have made a satisfactory adjustment while the other 23 were very outspoken in their complaints.

A small percentage of the first group appear to be waiting for pensions. They do not expect advancement of any sort and are, therefore, content to do enough work "to get by" if they are let alone. They say, "I'm pretty well fixed" or "I got my kids working now so I haven't much to worry about." The attitudes of the balance can be described as identical with the satisfied ex-supervisors. They feel that they have been fortunate as compared with others and are, therefore, optimistic regarding the future.

The other 23 employees those who complain openly, seem to have experienced events similar to those related by the ex-supervisors or they have spent considerable time talking to those who have because their stories are alike. In addition, they say that most of the new piece rates carry with them an expected hourly output that is out of line with any older rate they know of. On the whole, they find that it is no longer sufficient to turn out what employees used to consider a day's work. In some cases they must do twice as much, and even when they do many of them feel that their earnings are being reduced gradually.

Many of these employees note that their hourly rates are at the maximum of the grade and that they are working on the highest graded work in the department. They also have from 10 to 15 years to work before they are eligible for a pension, and they have children who must be given an education that is "better than I had." They ask, "What can I do about it? Who can I see who will give me a chance at something better?" A few have already asked for transfers to machine departments.

One is taking a tool making course in evening school. Others would like to do something but they are afraid that they may be too old to learn new work, so rather than risk failure they do nothing. Their criticisms are directed at the bogey, the labor grade, and the rate range. They think that there should be "some allowance for service" and that the "old timer should not be expected to do as much as the younger employee." But their real complaints can all be grouped as a protest against what appears to them to be a stagnant situation; that is, one which offers no opportunity for progress.

Recently the counselors have noticed an increasing amount of satisfaction on the part of high grade employees who are not on repetitive work. Most of these people have been numbered amoung the dissatisfied because their thinking is still dominated by pessimistic preoccupations. However, they now appear to be getting more satisfaction from their work, and are thinking less about "past grievances." In examining the situation in which these people are working for an explanation of their changing attitude, three factors stand out as significant. First, the activity of the group has increased sufficiently so that they are now very busy and have plenty of work ahead. They no longer have much time to think of themselves. Secondly, a number of new employees have been hired and they are "working with" the older employees. This gives the older employees a feeling of position in the group. Finally, the supervisors in these groups are now so busy that they are giving more and more responsibility to the older employees. In some cases the older employees assign the work to the new employees and handle job difficulties for them. They are, in effect, unofficial supervisors. The new employees look up to them and respect them and the longer service people seem to get a great deal of personal satisfaction from being recognized in this way.

Summary

By way of summary, the main points brought out in this analysis of the attitudes of a limited sample of short and long service employees together with some of the significance which should be attached to them may be listed as follows:

1. The new employees are for the time being fairly well satisfied. They are glad to be working for the Company and feel that the Company compares favorably with any other they have worked for. Their chief preoccupation is with advancement. This preoccupation seems to be so strong chiefly because they are a very capable group of people and have reached the age where they are ready to assume family responsibilities.

2. The fact that the Company has this large group of ambitious young people carries with it a number of implications.

   2.1 For the supervisors and personnel people it implies greater attention and effort to problems of placement, training, and vocational adjustment.

   2.2 For the supervisors and management it implies more attention to the formulation and administration of policies and practices. It would seem that the more intelligent the personnel, the more intelligent must be their handling. They have initiative of their own as evidenced by their voluntarily circulating petitions to get what they want. Above all they are curious and are likely to demand a clear understanding of Company policies and payment systems.

   2.3 For management it raises the question as to how far it can or should go in hiring help of this calibre for the kind of work to which they are assigned. It raises the question of what kind of balance should be maintained in the total personnel and what kind of equilibrium is most desirable from the standpoint of productiveness and stability.

3. The long service employees, while their morale seems to be improving, are still very pessimistic.

4. In considering the events which have bred these unfavorable attitudes and what might be done to improve them there are, again, a number of implications.

4.1 First of all there is implied a problem of rehabilitation. By this is meant something more than what is being done at present to restore morale by rate revisions and promotions. The big problem is that of restoring this group's confidence in themselves and in management. Their confidence in the rules of the game has broken down and must be restored. This requires the cooperation of the supervisors, the personnel counselors, and management. Perhaps if more weight were given to the employees' feelings, interests and sentiments in forming and administering policies, and if this were coupled with what might be termed a more fact-facing and long time point of view on the part of management, much desirable progress could be made along these lines.

4.2 Perhaps less stress on observing the formal, logical principles of organization would help to create for our old timers a satisfactory position in work groups. By this is meant the practice of treating these people as unofficial supervisors or making unofficial instructors of them.

4.3 Continuing the practice of giving this group first consideration in selecting supervisors and candidates for the more desirable jobs.

5. In view of the external labor situation, more attention should be given to the problems of personnel now than ever before. Judging from the interviews taken and other informal contacts with employees, there is nothing in this area to be disturbed about at present. The long service group, while somewhat disgruntled, are well integrated members of the Company's social organization. They still have confidence in the Company which means that they feel quite free to voice their preoccupations and troubles. The fact that they do so, in turn, means that management is more likely to know at any one time what frame of mind these people are in. The new employees, however, are not yet integrated members of the Company organization. They have not been here long enough to have built up the same relationships with their supervisors that the older people have. This means that they are much more reluctant to approach their supervisors about matters which affect them personally. For this reason the supervisors should, perhaps, make a constant effort to keep in friendly touch with them. It also means that although they display none of the pessimism of the older employees, they may constitute a much more fertile ground for the development of labor troubles.

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UNIVERSITY OF WISCONSIN - MILWAUKEE

<u>ORGANIZATIONS COVERED BY PERSONNEL COUNSELORS</u>

The following outline shows the Divisions in which there are Personnel Counselors and the departments within each Division to which Counselors are assigned. The names of the Counselors are shown opposite the department in which they are working.

1. Central Office Division (1510)

Counselors

    1.1 Panel Apparatus Department (1511)   A. C. Moore

    1.2 Panel Wiring Department   (1551)   F. L. Parker, Jr.

    1.3 Crossbar Department   (1561)   J. J. Kaufmann

    1.4 Step-by-Step Department   (1562)   H. Boardman

2. Piece Part Division (1530)

    2.1 Machining Department   (1531)

    2.2 Punch Press Department   (1532)

    2.3 Metal Finishing Department (1541)

    2.4 Ironwork and Power Board Department   (1542)   E. C. Tessman

    2.5 Regional Control Tracing Section   (1599-1)

3. Hand Telephone Set Division (2210)

    3.1 Hand Telephone Set Department (2213))

    3.2 Hand Set Department   (2216)) C. L. Butler
        and

    3.3 Phenol Plastic Moulding and Finishing Department   (2219)) Ruth C. Schnable

    3.4 Process Inspection Department (2221))

    3.5 Production Control Section   (2222-1)

<u>OUTLINE AND SUGGESTIONS FOR DISCUSSING</u>
<u>THE LABOR SITUATION AT HAWTHORNE</u>

The following outline is intended as a comprehensive scheme
in terms of which labor relation problems may be logically grouped
and discussed. The starting point for this outline is the assumption
that the labor situation at Hawthorne comprises all of the personal
and group relationships within the Company. If we would assess this
situation in detail, it follows that we must consider the nature of
these social relationships and the problems which are connected with
them. Such an outline, in addition to directing attention to the
more important problems of labor relations, may also bring out the
gaps in our knowledge, that is, the limitations of what is actually
known about our labor situation.

Inasmuch as the outline reflects a conceptual scheme or way
of looking at a labor situation it may be well to indicate what that
point of view is before going further. We are looking at the person-
nel of the Hawthorne Works as being a social organization. It is
composed of groups of people who stand in varying relationships to
one another. We have, for example, a management group, a supervisory
group, engineering groups, office groups and shop groups. These
groups of people, their attitudes toward one another, and problems
arising from their inter-relations make up our labor situation.

In examining our employee relations we are primarily con-
cerned with those social processes which make for opposition or
conflict, on the one hand, and solidarity or integration, on the
other. Anything which draws people and groups of people together,
anything which reduces the "social distance" between them, is an

integrating process. From this standpoint, for example, the extension of office privileges to shop people is an integrating process. Anything which increases the gap between individuals and groups, on the other hand, is a process of opposition or antagonism.

It is our belief that marked opposition to management cannot develop without 1. Strong horizontal solidarity within employee groups, 2. Strong solidarity within management groups, and, 3. Marked social distance or opposition between group 1 and group 2. From the standpoint of labor relations the important thing is to see that no gap develops between these two groups. Ideally it is preferable that groups 1 and 2 merge into one another through infinite gradations of social distinctions and that a vertical solidarity is developed which will keep the horizontal solidarities in equilibrium. Stated in another way, it is important that sentiments of loyalty toward management, on the employees' part, and sentiments of loyalty toward employees, on management's part, be quite as strong as sentiments of solidarity among the members of each group.

The point should be emphasized that forces making for opposition and solidarity are present in all social organizations. Without both processes there can be no social organization. This can be readily understood when we consider the fact that whatever draws people together into a group separates them from other groups. Conversely, whenever a group becomes less closely knit its opposition to other groups diminishes. This process is readily observable in national affairs. Whenever a nation becomes closely knit, or

nationalistic, opposition between that nation and other nations grows. And when nationalism or internal solidarity diminishes international opposition also subsides.

In industry, one of the chief functions of management is that of maintaining some sort of equilibrium among these opposing forces. Those processes which make for opposition must be offset by equally strong integrating processes. If this is done there is little danger of labor trouble, in other words there is little danger that one part of the social organization will separate out in opposition to the remainder.

Inasmuch as this outline is only intended to give an orderly perspective of the field covered by the concept "labor situation" and is too detailed to be covered in a limited discussion period we are here merely listing various subjects to show how they fit into the total picture. In the sections which follow some of the more important topics are dealt with in some detail and wherever possible illustrative material is given and suggestions are offered. In these supplementary sections we have not attempted to follow the outline point for point.

Outline of the Field

We have here broken down the field of industrial relations into six major reciprocal relationships with subheadings indicating topics which pertain to each of them as follows:

1. Relation of Employee to Employee.

   1.1 Occupational differentiation.
   1.2 Upgrading and social mobility.
   1.3 Selection of first line supervisors.
   1.4 Employee training activities.
   1.5 Social activities.

2. Relation of Employee Group to Employee Group.

    2.1 Office in relation to shop.
    2.2 Skilled operators in relation to unskilled.
    2.3 Operators in relation to superordinate occupational groups.

        2.31 Operator in relation to inspector.
        2.32 Operator in relation to rate setter.
        2.33 Operator in relation to production tracer.
        2.34 Operator in relation to methods and cost reduction engineers.

3. Relation of supervisor to employee.

    3.1 Techniques of supervision.
    3.2 Supervisory training.
    3.3 Transmission of orders and interpretation of Company policy to employees.

4. Relation of Management to Employee.

    4.1 Problems relating to wages.

        4.11 Wage incentives.
        4.12 Wage changes.
        4.13 Wage differentials.

    4.2 Channels of communication.

        4.21 Supervisory structure.
        4.22 Employee representation.

    4.3 Methods of identifying employee with management.

        4.31 House organs.
        4.32 Hawthorne Club activities and informal sports.
        4.33 Titles and service awards.
        4.34 Company Benefit Plans.

5. Relation of Supervisor to Management.

    5.1 Problem of transmitting employee sentiments to management.
    5.2 Wage differentials.
    5.3 Problem of mobility.
    5.4 Methods of integration.

6. Relation of Company to Outside Community.

    6.1 Wage level in relation to wages paid in the Chicago area.
    6.2 Laid off employees with long service.
    6.3 Employment policy.

1. Relation of Employee to Employee.

In speaking of the relationship between an employee and an
employee, we mean something more than the casual friendships and
antagonisms which are quite universally found wherever people con-
gregate. We have in mind more particularly those sentiments and
feelings which tend to develop among people who are associating con-
tinually in a common situation. These sentiments develop when a
group of people share similar experiences over a fairly long period
of time. These sentiments are of particular importance in industrial
situations in that they provide the basis for group opposition to
management, on the one hand, or group solidarity with management, on
the other.

In a report entitled "An Appraisal of the Labor Situation
Based Upon Material Obtained by the Personnel Research and Training
Division" which was issued on January 8, 1937, it was pointed out
that so far as we have been able to determine, there is little evi-
dence of marked opposition toward management at the present time.
It is our feeling that the situation at present is still the same as
of that date. In view of this fact, we are, in this section, con-
fining attention to a problem which can be given constructive at-
tention and which, if adequately understood and handled, will permit
of even more satisfactory employee relations than now exist. This is
the general problem of differentiating employees on the basis of
their occupations and providing them with opportunities for advance-
ment or social mobility.

1.1 Problem of Developing a Social Ladder.

In our interviews with employees, particularly short service employees, we have listened to innumerable discussions which center around the problem of advancement. Typical of the comments received are such expressions as "I'm glad I got into the Western. They pay well here and the job is all right. Anyone can do it of course. But what I would like to know is where I go from here." These preoccupations are so general that they constitute a major employee relations problem.

Analyzing these demands further, it appears that what these people are really asking for is an opportunity to differentiate themselves from their co-workers in a manner considered desirable by other employees and by the Company. They are asking for a more adequate social ladder than they now have. From a human relations standpoint it appears desirable that such a ladder be provided them. The danger is that if they are not given adequate opportunity to differentiate themselves they may develop a strong horizontal solidarity and attempt to satisfy their demands through the exercise of power. This, of course, is only a theoretical possibility; there is little evidence of such a group formation at present.

The first question which might be raised is what provision have we made for social mobility within the Company? In general two ladders are provided; our supervisory structure and our system of upgrading. Of these two systems, the supervisory structure provides the most systematic and socially recognized channel for advancement. For this reason, it appears that the

3.

greatest opportunities for improvement lie in the area of up-
grading. This leads directly to a consideration of our labor
grading system which provides the formal hierarchy of non-
supervisory occupations in the shop.

Our labor grading system classifies occupations and speci-
fies the rate range for each class of work. Within each grade
occupations are grouped which are roughly comparable from the
standpoint of such things as energy expenditure, skill and
training. Inasmuch as a great many occupations fall within each
grade there is still the problem of arranging these occupations
themselves into smaller hierarchies.

From interviewing employees and observing their behavior
at work we have found that different jobs within the same labor
grade carry varying degrees of social prestige to them. In
other words, it appears that there is an adequate basis for
creating a definite path of mobility on the jobs of the same
labor grade. Our evidence also suggests that this ladder should
not be constructed arbitrarily but should give expression to the
feelings employees and lower ranking supervisors have toward the
different jobs.

Illustration Number 1:

The following illustrates some of the problems confront-
ed in the shop which relate to this general problem. In
certain locations there are a good many 31 grade jobs, only
a few 32 and 33 grade jobs, and then quite a number of 34 and
35 grade jobs. In these locations we find new employees
protesting vigorously over lack of advancement. They say,
"There is no chance for advancement around here;" "A fellow
has got to fight to get ahead," etc. These people are really
saying that the labor grades assigned to their work do not
provide an opportunity for progress for many people, so only
the more aggressive will be promoted. In other words, if
we care to think of the labor grade structure as a social
ladder they are saying, "There are several rungs out of
our social ladder so that only a few of us will ever get

to the top. I have got to get into an organization that has
a ladder that is easier to climb." In this case particularly,
the greatest possible use of the smaller informal ladders
within each labor grade is indicated.

Illustration Number 2:

We also have locations where a considerable number of
employees' hourly rates are at the maximum of the highest
graded work in that or in related organizations. For example,
the bulk of adjusting work in the Central Office Shops is
classified as grade 34 work with a rate range of from $.53
to $.67 an hour. This adjusting work consists of such jobs
as sequence switch adjusting, adjusting interrupters, brush
adjusting, key adjusting, selector adjusting and relay adjust-
ing. From a technical standpoint there apparently is nothing
that would distinguish one kind of adjusting work from another
as it is all graded 34. Actually, however, there is a slight
difference in the skill required on different adjusting jobs.
It appears, for example, that the operators on relay adjust-
ing are a more versatile type of employee than some of the
other adjusters. Also it seems that more promotions are being
made from relay adjusters than from other adjusting groups,
suggesting that informally the relay adjusting job is regarded
as being superior to the others.

Although there is the nucleus of an informal ladder here in

this adjusting work, our labor grading system says these jobs are all

alike. For this reason, those adjusters who, from a social point

of view, rate lower than relay adjusters, watch every promotion

that is made from the latter group and complain that they are being

discriminated against. The situation here appears to be one in which

management actually observes an informal ladder but is unwilling to

let the employees recognize it.

1.2 Problems of Mobility, Upgrading and Promotion.

There is a very close relationship between labor grading

problems and problems involving upgrading. Briefly, if we think

of the labor grade as a ladder, we must think of upgrading and

promotion as being movement on that ladder. In reality the move-

ment of employees is the act of management which gives the labor

grade a real social significance. Our observations are that in organizations where little thought is given to organized progress, there is considerable confusion in employees' minds regarding the significance of the structure for progress. In other words, employees do not have a clear idea of the labor grade assigned to their work or to other work.

Illustration Number 3:

In one interview with a short service employee, the employee made the following remark about a long service employee who was working on a higher grade job: "I guess that is a better job than mine. The fellow on it has been here a long time and he makes more." In this case, the employee understood the social value of the higher graded job, but he had no clear notion of the labor grade as such. He knew that the employee assigned to it had more service and made more money. This is what made the job significant to the new employee.

Illustration Number 4:

In some locations where the employee on higher grade work is a short service employee, the other employees have remarked, "I wouldn't care for that job, mine is easier and you don't get into so much trouble." Here the employees did not appreciate the social value of the higher grade work in spite of the fact that the supervisor had told them that theirs was a grade 32 job and the other was a grade 34 job, because we had given it neither official nor social recognition.

From these comments it would seem that we need to adopt a new point of view when thinking of placement. Ordinarily we think only of the employee's ability to handle the work. It also seems that it is important to think in terms of what the placement will mean to other employees and how he will adjust himself to the new group. In other words, if we wish to establish objective social values we need to take into account the informal social values. These are such values as are created when we place long service employees on high grade jobs, provide more

comfortable equipment, give certain groups the privileges of
moving around, recognize skill by less supervision, etc.

Illustration Number 5:

During the recent expansion in our work force, several
instances have come to the personnel counselor's attention
in connection with the problem of mobility which show a total
disregard for employee sentiments with regard to social values
and which may in time create problems of considerable import-
ance. For instance, in the Cross Bar Department, new employees
have been placed on all of the rungs in the social ladder up
to the supervisor's level. Practically all of the employees
in this department are fairly new. The employees placed on
the high grade work are learning rapidly and are producing beyond
all expectations and as a general rule are fairly well satisfied.
In brief, there are no general problems at present in the organ-
ization except those of helping a few to make personal adjust-
ments and of assisting in training some of the supervisors who
are new. But if we think of this organization from a long range
point of view and consider the social situation and problems of
mobility after the work in that organization becomes stabilized,
it becomes apparent that there will probably be little oppor-
tunity for mobility within the organization itself and compara-
tively young employees, after experiencing rapid early progress,
will be asked to adjust to a much slower rate of progress as
they get older. In other words, there will be an inverse ratio
between their progress on the job and the social demands of
the community outside the Plant, such as those which come
from marrying, raising a family, etc. Also in grouping to-
gether a large number of employees of the same age and in
placing them on various rungs of the social ladder it is quite
possible that this practice may stimulate group antagonisms
that may make the orderly progress of work difficult. The
application of this point of view to this particular situation
would make it seem advisable to introduce as many older em-
ployees as possible to the higher graded jobs for their age in
itself will give the entire group a stability that is more
nearly on line with the situations which have developed normally
in other organizations.

2. <u>Relation of Employee Group to Employee Group</u>.

In the Company there are many groups of employees who stand
in varying relations to one another. There are, for example, such
groups as operators, inspectors, production people, skilled tradesmen,
clerical people, piece rates people, engineers, and many others who,
although they are all employees, are habitually thought of as being
of different rank and as possessing varying attitudes and sentiments
toward one another. From the standpoint of labor relations these
employee groups are important in that they differentiate the total
employee group in many ways. They vary in their sentiments and in
their outlook with the result that it would be impossible for a
strong horizontal solidarity to develop and cut across these differ-
ent groups. Parenthetically, it might be said that the development
of the more detailed occupational differentials mentioned in 1.1
would have a similar effect upon the internal social structure of
each of these major occupational groups taken separately. In other
words, there would be less likelihood of our operators forming into
compact groups opposed to management if the operators were sufficiently
differentiated from one another. There would be even less likelihood
of this happening if there were more movement between these major
groups as, for example, from operator to inspector, operator to pro-
duction tracer, inspector to engineer, and so on.

The fact that there are these different groups in the Com-
pany, however, has other implications for labor relations. Inasmuch
as these groups do differ in social status they form a hierarchy
which, although not explicitly or formally recognized, is nevertheless

present. At the bottom of this hierarchy is the operator group and this gives rise to the problem. Being the most subordinate group in the Company's social organization, the operator group is the most likely group to separate out or split off from the others. All the other groups are sustained by the groups below them. The operator group, not having another group below them, must be sustained or tied into the Company by other methods. That management intuitively recognizes this is shown by the fact that much more concern is shown over the welfare and attitudes of this group than any other. More emphasis is placed upon improved methods of supervision for this group than any other, more supervisory conferences on problems of dealing with people are held among this group and more rigid controls are established for them than any other group in the Company. These are illustrative of the methods which have been developed for integrating, or tieing this group into the Company.

2.1 Office in Relation to Shop.

Under this heading, two things may be mentioned. The first is that the present trend is toward eliminating the more obvious factors which differentiate office from shop employees. This has come about partly through the demands of employee representatives for such things as towels, pay for holidays, etc. It is interesting to note that this pressure has come from the shop group and represents their desire to lessen the social distance between themselves and the higher strata in the Company. It seems likely that this pressure to remove the more obvious differences between these two groups will continue. If management agrees to remove these differentiating factors, however, there is a likelihood that

the office group may start demanding additional privileges in order to reestablish its social position. Another thought here is that this pressure on the part of shop people may be an in-dication that there is insufficient mobility from shop to office work. If there were more opportunity for shop people to pass on to office work they might be content to see the office people maintain certain privileges in the expectation that they, them-selves, might enjoy them some time.

Another way in which the difference between office and shop has been broken down to some extent is through the shift from the functional to the product shop type of organization. This has altered the social position of production people and others who have been placed in shop locations.

The second thing to be said here is that with employee representatives making continual demands there is danger that management may overlook problems relating to office employees. Problems of wages, supervision and social mobility are present with this group just as with the shop although they may not be as pressing.

2.2 Skilled Operators in Relation to Unskilled.

There seems to be a trend toward lessening the difference between rates of pay for skilled and unskilled work. This may result in a situation where employees will no longer care to go to the trouble of learning the more highly skilled jobs. In one location covered by the personnel counseling program it has been observed that supervisors are finding it difficult to make some of the more difficult adjusting jobs attractive to employees.

The difference in pay is so small that the employees see no reason why they should exert themselves so much more for it.

2.3 Operators in Relation to Superordinate Occupational Groups.

Under this heading we wish to call attention to the fact that the operator in the shop stands in a subordinate relationship to many other people besides his supervisor. He is subordinate, for example, to the inspector, the production tracer, the rate setter and the cost reduction engineer. All of these people are, through their attitudes toward shop operators and their general behavior while in the shop department, in a position to arouse feelings of hostility and resentment among employees. Inasmuch as rate setters and engineers are in some sense representatives of management to many employees perhaps as much care should be given to train them to deal with people as is now given to supervisors.

3. <u>The Relation of Supervisor to Employee.</u>

        The relationship between the first line supervisor and employee presents a greater variety of problems than any other human relationship in industry. This is due to many reasons. One reason is that the first line supervisor is on the proving ground, the place where orders, schedules, Company policies and practices are translated from words to things. To the first line supervisor an order resolves itself into so many items of manufacture which have to be produced in a stated time. A policy has to be translated into something concrete, into something which has a visible effect upon the people to whom it applies.

        Another reason why this relationship is complex is that the lower level supervisors have to live with their men during working hours. They are, for the most part, in continual daily contact with the people who report to them. They are an integral part of a social group experiencing approximately the same physical and social environment. Their position in the group with whom they work, being an authoritative one, makes them responsible for the performance and general conduct of their associates. They are thus brought into relation with a great variety of people and in some sense are asked to deal with those people in cooperative, understanding ways. All these human problems, together with the responsibilities of maintaining output standards and seeing that there are no stoppages of work through the organization, lend to the employee supervisory relationship its importance and complexity.

Inasmuch as the relation of supervisor to employee may be approached from many different angles, we are here –

1. stating the point of view from which the problem of improving this relationship is being approached at Hawthorne;

2. citing some cases which illustrate some of the more important problems in this area at the present time.

3.1 Statement of Point of View.

Considerable thought has been given to the problem of improving the relationship between supervisor and employee. At one time we regarded this relationship as something fairly concrete and definite which could be independently examined and improved. This approach was based upon faulty assumptions and led inescapably to an overemphasis of the personal qualities of the supervisor, on the one hand, and on the other, to discussions of right and wrong conduct which, however beneficial and stimulating to the participants in the conferences, somehow lost their reality when the supervisors returned to the shop. One of the observations which led to a restatement of this problem was that a sprinkling of the supervisors in these conferences apparently violated every rule of supervision that had ever been formulated, yet everyone agreed that they not only got the work out but held the esteem and cooperation of their people as well. Further research and study showed that the relationship of supervisor to employee was but one thread in a total pattern, the total pattern being the actual shop situation. While it was true that the color of the thread affected the color of the pattern and the quality of the thread had a decided effect on the strength of the pattern, it was nevertheless apparent that the color and strength of the pattern also

affected that of the thread. This realization led to the approach which we now follow in thinking about improving supervision, an approach which is best described as a "situational" approach. According to this approach we have to think in terms of shop situations and the supervisory-employee relationship is regarded as not only affecting but as being affected by each work situation. Carrying this concept still further, we conceive of a shop situation as being a complex of relationships which are in a state of equilibrium. A condition of unstable equilibrium may be brought about by changes in the supervisor-employee relationship but it may also be brought about by changes in the relationship of employee to employee, supervisor to supervisor, management to employee or by changes in the social demands which employees make of their work situation.

Acting on the above hypothesis we are now beginning to approach the problem of supervision from three angles: First, we are attempting to improve the quality of people who are made supervisors through the application of rating, testing and interviewing techniques; secondly, conferences are being planned for instructing newly appointed supervisors in the personal aspects of their jobs and our regular supervisory force meets from time to time in conferences held by line organizations; thirdly, we are beginning to study total shop situations in connection with our personnel counseling work. It appears that if these three approaches are properly conducted and coordinated, we shall have a comprehensive program for dealing with problems in the area of supervision.

3.2 Current Supervisory and Employee Relations Problems.

Under this heading, we should like to call attention to two rather general problems which may be of interest. The first is the problem of bridging the gap between supervisor and employee and the second relates to the problem of communication through the supervisory structure.

3.21 Bridging the Gap Between Supervisor and Employee.

The nature of this problem can best be made clear by citing the following case:

Case 1:

An employee who was an only child and therefore indulged considerably, at home, studied tool making in school and when he came to the employment office, asked to be hired as a tool maker's apprentice. There were no openings, however, and so he accepted a job as a drill press operator. After being on the job about three weeks, he questioned the machine setter of the group regarding the opportunities for transfer to apprentice work. The machine setter told him that he was hired to run a drill press and would have to stay there. This was very discouraging news and so the boy went back to his machine and for the next few days "sat on the middle of his back" or tried to operate the machine with one hand, holding his head with the other. His general conduct soon attracted the attention of the group chief who decided to call the employee to the office for a reprimand. In this interview, the employee told the supervisor that he had been in an automobile accident recently and as a result of that accident his back bothered him. He also showed him a scar on his hand and claimed that his hand got tired in the afternoon. This story aroused the supervisor's sympathy and his reprimand was mild. He had, however, some doubt in his mind regarding his action and asked the Personnel Counselor to interview the boy. In this interview the counselor obtained an expression of the boy's ambition and of his contact with the machine setter. He therefore recommended that the boy discuss his problem again with the supervisor. After about three weeks' hesitation, the employee followed the advice and the supervisor told him that there were many opportunities in the Plant for the right kind of employee, but as far as he was concerned, this employee would have to make good on the job before he would consider him for a transfer. He also told him that he was going to watch his work very carefully in the future. This approach apparently had a desirable effect, as the employee's efficiency increased very rapidly and he will soon be given an opportunity to qualify as an apprentice.

In this case the point of chief interest is that the employee went to the machine setter rather than his supervisor to inquire about the possibility of a transfer. Had he gone to his supervisor in the first place his problem, in all probability, would have been handled to his satisfaction. It appears, from our interviewing of employees, that this particular employee's actions were not at all unusual. Time and again we have interviewed employees who took their problems to other employees in the group rather than their supervisor. This is particularly true of problems which employees feel are of a personal nature and have no immediate connection with the job they were hired to do. They feel that if they ask their supervisor for a transfer, for example, he will think that they are in some sense ungrateful. If their problem is one of financial distress, sickness in the family or worry about their progress, they tend to think that they "have no right" to speak of such matters to their supervisor. We find that this reluctance to talk things over with the supervisor is especially pronounced among women who report to a man supervisor. The nature of this problem is brought out clearly in the following excerpt from a report made by a personnel counselor assigned to a large group of women employees:

> "There is a complicated situation existing between
> the supervisors and women employees. The supervisors
> feel it as much as the employees do. A number of
> supervisors have remarked to me that it is difficult
> to pay attention to any particular girl's work with-
> out the rest of the group's thinking that he is
> playing favorites. The girls' situation on the

other hand is just as difficult. There are a number
of reasons for this. During the working hours it is
a little hard for the women to leave their benches
even though personal time is allowed and utility girls
are provided when requested. Then during the rest
periods and lunch hour the presence of other people,
especially men, around the supervisors tends to
discourage any questions of a personal nature or ques-
tions which might involve a discussion. Apparently
the employees, particularly the new ones, have a fear
of being misunderstood. They feel that the supervisors
might think that they were complaining. This is
evidenced by many interviews in which the following
comment repeatedly occurs: 'Please don't think I'm
complaining. I was just wondering about this but I
didn't want to ask my boss because he might think I
was kicking. I really am satisfied but I just wanted
to know about this.'"

From the above it appears that there is a genuine
desire among employees to form a more personal relation-
ship with their supervisors. We also observe that, on
the whole, supervisors are very willing to help their
employees solve their problems and that they derive a
good deal of satisfaction from feeling they have been a
help. The problem is that of bridging this gap. In
organizations which employ many women this might best be
accomplished by providing competent women instructors
who are pretty well trained in problems of personnel.
Where men are concerned, it seems advisable to continue
with the present policy of urging the supervisors to take
the initiative in forming closer relationships with their
employees and providing enough supervision so that the
supervisor has more time to give to his people.

3.22 Problems of Communication.

One of the functions of the supervisory structure is that of transmitting orders and information downward and of communicating such things as requests for approvals and innovations, and employee reactions upward. Our impression, from contacting lower levels of supervision, is that the process of communicating an accurate picture of the needs of an organization upward is oftentimes impossible and as a result action is sometimes taken which does more harm than good.

We have a good many illustrations of this problem but inasmuch as most of them would be too identifying, we are here giving only one rather general illustration of this problem.

Case 2:

A supervisor took a number of recommendations for up-grading to a supervisor who did not know any of the people involved personally. Because of this the higher ranking supervisor called for the personnel folder of all of these people and after looking them over approved some of the recommendations without question. In the other cases he raised questions about their suitability and finally sent the supervisor back with orders to get in touch with the Personnel Department and see if they did not have more desirable candidates for upgrading. The supervisor, upon returning to the department, said, "I had some questions about some of the recommendations that were approved. I thought one of them especially was weak but I selected him because the opening was really his job but I didn't have anything concrete to support my feeling. It happened that his personnel folder was empty so it was approved without question. Those others, especially two of them that were turned down, were my best candidates. They have been leading that group along and in fact during the last two months they have been actually assisting the group chief. I put up an argument for them but I didn't get any place. I couldn't say that they were the most intelligent and the most cooperative men in the Plant. They were actually

rated only fair in their last department but they did a
good job for me as a supervisor and when they were on the
bench during the depression, they took hold with the right
spirit and made things go. Now they are helping train new
employees. How am I going to tell them that an outsider
is coming in and that their chances for promotion are not
very good? You figure that one out for me. I suppose
that I will have to ask the Personnel Department for
candidates and then try to knock them off when I go up
again."

The problem brought out by the above case is a fairly
general one. It is the problem of transmitting to someone
removed from the work situation an accurate picture of the
needs of that situation. This problem has always existed but
it became particularly acute during the depression when
authority was shifted upward in the supervisory structure.
As a result of this shift a good deal of authority was taken
out of the hands of the old foremen and placed in the hands
of supervisors who were outside of the immediate work situa-
tion. As a result the present sub-department chiefs, who
formerly made decisions in terms of innumerable impressions
of a "total situation", now find themselves trying to act as
salesmen. This problem is merely outlined here as one worthy
of serious consideration. That it is an important one from
the standpoint of lower lever supervisors and the work group
is undeniable.

4. Relation of Management to the Employee.

The relationships between management and the employee are quite different from the relationships which have been previously discussed. The employee thinks of management as being an impersonal sort of a power that has no direct connection with him personally or with his work, and yet he feels that his well-being is being continually affected by management's activities. Our impressions of employee sentiments toward management cannot be stated specifically because each individual employee's feelings are influenced by personal factors, so that a clear statement of attitude is never obtained. In general, however, they think of management as being something similar to a beneficient father who is inclined to be sympathetic and yet at the same time lacks intimate understanding of their real problems. We believe that this kind of a feeling is inevitable in a society that is as complex as ours here at Hawthorne, but it can be either aggravated or diminished in proportion to the effort that is made to make the application of the mechanisms employed by management to keep its relation with them plainer and understandable to employees. This need is particularly urgent in connection with such mechanisms as our wage payment plan.

4.1 Problems Related to Wages.

Wage levels at Hawthorne as compared with wages paid in the Chicago area have been under continuous examination for some time. In general, employees feel that Hawthorne is paying more money for most occupations than could be obtained from other concerns in the Chicago area. In spite of this general belief, employees spend considerable time in our contacts with them in discussions involving wage incentives, wage differentials and changes in hourly rates.

4.11 Wage Incentives.

Most of these conversations take place with employees
who are working group piece work. A typical illustration
of employee reaction to the group piece work incentive plan
may be noted·from the following comment from a new employee
who was assigned to a grade 33 job on which several older
employees were working. The employee said,

"When I came on this job, the boss (the group chief) told
me that I should not pay any attention to the bogey which
had been set. He wanted me to work as hard as I could and
not pay any attention to what the other fellows were doing.
He said that they were turning out about 16 parts a day,
but he thought that they could do more and he wanted me to
try and show them up. I said that this was all right with
me because I wanted to do the right thing. He had one of
the other fellows show me how to do the work and so I got
a pretty good start. I had not been on the job but a few
hours when_____, another employee, came over and
told me that the bogey on that job was 16 a day. I figured
up and at the rate I was going, I would have had over twenty
for that day. I sort of started an argument with_____
and asked him why he cared how much I did. He told me that
you have to be careful around here because they will raise
the bogey as soon as they find out that some one can do
more. I told him that I did not think that twenty a day
would be very hard. He did not like that very much and told
me that if I wanted to get along in the Western Electric,
I had better take it easy. ---- I finally decided that
_____ knew more about the Western than I did, so I
agreed to go along with him, because you know, I have got
to live with them all day. Since that time he has told
me a lot of things about the job, but you see, I was only
doing the first operation on that day and there are a lot
of tricks in the other operations that would have been hard
to learn if he had not felt like showing them to me. ----
The other day, the boss told me that he had put me in for a
raise. He said I was just as good on the other operations
as the rest of the gang and he promised to get more money
for me when they give raises to everybody."

While this conversation is not outlined to illustrate
a typical relationship between old and new employees, it
does illustrate several fundamental employee attitudes which,

we believe, are typical. We note first that the group
piece work incentive plan in itself is not operating as an
encouragement to employees. It seems as though employees
would prefer to take home less money and work at a comfort-
able pace, than they would to extend themselves each day.
We also notice that quite generally there is an incentive
in operation over and above the wage incentive plan which
seems to create considerable satisfaction in the new employee.
This incentive seems to be derived partly from his personal
relationships with the group with which he works and partly
from the increases in his hourly rate.

The decision of the employee, whose interview was quoted
above, to align himself with the group was probably as im-
portant a decision as he had made for some time. When he
decided to go along with the group the group decided to go
along with him. As a result the group coached him on his
job, showed him short cuts and generally transmitted their
store of unwritten knowledge about the job to him. Benefit-
ing from this instruction, he was able to improve his output
on the more complicated jobs so rapidly that the supervisor
put him in for a raise. If he had decided not to go along
with the group they would have kept their job knowledge from
him and his progress would have been slower. In other words,
this employee made more rapid progress by restricting his
output than he would have otherwise. His supervisor regarded
his output as a measure of his ability whereas in reality it
was merely a reflection of his relations with his associates
and their willingness to train him. Stated in another way,

his associates proved to him that they could provide him with a more real incentive than management could offer him through the mechanics of group piece work.

We can also note in this illustration that workers do not hesitate to exercise social control over new employees, and in all probability, this employee's associates would have found ways of controlling his behavior if he had resisted their first effort. We believe that this kind of a control can nullify the effectiveness of any kind of an incentive plan. The fundamental problem with any form of incentive plan is that of overcoming group pressure for controlled output. It is doubtful if this can ever be accomplished merely through changing from one payment system to another.

4.12 Wage Differentials.

The problem of establishing adequate wage differentials can be thought of as establishing a mechanism which will permit normal social mobility from one occupation to a series of related occupations. It also can be thought of as a means of relating one group of workers to another. If we are to think of it from this point of view, it is especially important that a stable relationship be maintained between groups of employees who are associated. For instance, after the last general rate review, considerable dissatisfaction was noted among a group of adjusters who were working piece work and it seems that practically all of their comments involve requests for a day work method of payment. We also

note a decided antagonism developing between them and a

group of inspectors who worked across the aisle. They said:

"Why do we have to work piece work when those guys work day
work. We got to go like hell all day to make the bogey and
they get the same pay all the time. The Company must think
those guys are good, look at the raise they gave them and we
don't know whether we got one or not. That don't make sense.
We got to do the adjusting and that's hard work. Then we
got to check over everything to see that the inspector don't
get anything on us. Then we take the work to him and he
just checks it to see that we did our job. But he gets over
a dollar an hour for doing that and we get about $.85. Then
they give them $.07 and $.08 raises."

The antagonism toward inspectors expressed in this com-

ment is in part the normal feeling that most operators have

for inspectors. But in this case the feelings of antagonism

which are expressed seem to be reinforced by a rather blind,

emotional request for a day work rate. It seems probable

that this excessive antagonism toward the inspector, would

not be dissipated even if the operator's request for day work

were granted. Our interpretation of this comment is that this

group of operators was not nearly as concerned with the ques-

tion of piece work vs. day work as their comments would imply.

What they were really saying was that the wage differential,

that is, the difference between their wages and the inspector's

wages was too great. The operators felt that their work was

more difficult and required more skill than the work done by

the inspectors and at the same time they felt that management

disregarded this fact by increasing the wage differential be-

tween them and the inspectors. What really happened in this

situation was that the inspector's hourly rates were adjusted

to keep them in line with inspectors in other locations whereas

the hourly rates of the operators were adjusted in terms
of their own past earnings. The relation between the in-
spectors and the group with whom they worked was entirely
ignored. In other words, it is not sufficient to examine
each group of occupations separately and to establish a
wage level for, for instance, the inspectors which is com-
parable to the wages paid inspectors in other locations
who are doing similar work. We should also consider the
attitude of other employees who work in that location be-
fore standards for either group are established.

4.13 Wage Changes.

We have listened during the past months to consider-
able discussion among employees regarding the increases in
wages which were given at the last revision period. At
that time, an attempt was made to increase wages, to alter
our labor grading structure and to even up, to a consider-
able extent, variations in the earning power of many of our
piece rates all at once. Employees' comments indicate that
our attempts to explain these changes to employees and to
relate that explanation to the employees' concepts of payment,
resulted in considerable confusion in their minds. It left
them with a more definite feeling that their "take home"
wage could be adjusted much or little according to the needs
or the desire of management. The following comment by an
older service employee illustrates the kind of confusion
which resulted from the December 1st rate revision:

"I don't know anything about this raise except that the
boss said I got one. This is the first time I ever worked

without a pretty good idea of what I was making. This
fellow (a day worker) knows what he got and he can go home
and tell his wife that they are going to have $4.00 a week
more to spend. I went home last night and tried to explain
my raise. I told my wife that I got a 20% increase in my
hourly rate and then tried to tell her that it wouldn't
mean a 20% increase. I didn't know what the actual raise
would be because we are being paid an allowance. You know,
we are working for Santa Claus. We don't earn our pay but
they pay us anyway. Well anyway I got so mixed up that I
told my wife to wait till the pay check comes around.
After I told her that I happened to think that I won't know
any more about the raise than I do now, because they might
give us a little more each week and take it all away in the
monthly allowance. That's why I feel lousy today."