

BUSINESS IN AMERICA

THE

HERITAGE

PAPERS

Personnel Practices

A Heritage of People at Work

James W. Schreier

*But I say to you that when you work you fulfil
a part of earth's furthest dream, assigned to you
when that dream was born,*

*And in keeping yourself with labour you are in
truth loving life,*

*And to love life through labour is to be intimate
with life's inmost secret.¹*

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In 1976, the students and Business Department of Mount Mary College were part of a Bicentennial Celebration. The students created "**The Heritage Hub**," a recreation of an early American General Store. They also contributed to a special collection of articles, "**The Heritage Papers**."

At the time, teaching introduction "Personnel" courses at Mount Mary and Marquette University, I created this paper based on one of my introductory lectures.

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Americans in 1976 are confronting many questions related to the heritage of the nation and the implications that heritage has for the future. One of these questions concerns work, what it is and how it fits into our lives. In the Colonial Period, one of man's primary concerns was the freedom to work, the freedom to strike out on his own, with a small plot of land, with a small shop and a craft, or with an ability to sell goods to other settlers. It is little wonder that work has remained as an important factor in the lives and minds of the American People.

Part of the explanation of work is the Protestant Ethic which is used as justification for both the problems and successes of the working world. Several authors have attributed the success of the nation to the diligent, enthusiastic working habits of the early settlers.

The Protestant ethic, which is associated with

Protestantism but held by citizens of all faiths, reinforces both opportunity and freedom. Those who hold the Protestant ethic believe that individualism, hard work, and frugality are moral obligations in the use of one's talents and that those who apply these ideas to rise to positions of leadership are properly serving society.²

One soon discovers that this interpretation of the Protestant ethic is not the only one available, nor would other interpretations agree with this general statement about the value of work. Max Weber has emphasized the "religious duty" of work.³ Studs Terkel, in a book about work, puts this interpretation of work in the perspective of a religious duty and the difficulties perceived in today's world.

To earn one's bread by the sweat of one's brow has always been the lot of mankind. At least, ever since Eden's slothful couple was served with an eviction notice. The scriptural precept was never doubted, not out loud. No matter how demanding the task, no matter how it dulls the senses and breaks the spirit, one must work. Or else.

Lately there has been a questioning of this "work ethic," especially by the young. Strangely enough, it has touched off profound grievances in others, hitherto devout, silent, and anonymous. Unexpected precincts are being heard from in a show of discontent.⁴

PERSONNEL

A major part of the nation's attitudes toward work stems from the personnel practices which have originated and developed in the United States, from early beginnings during the Colonial Period, through the Industrial Revolution, and in the automated, fast moving world of 1976. Personnel, those

activities which an organization undertakes to select, train, pay, and otherwise utilize their employees, has always been an important subject and is now becoming more and more important as the basic value of work is being re-examined.

For most people, acceptable personnel practices are defined by the economic, social, political, and cultural factors of the times. To Americans in 1976, these factors define:

- a. A minimum wage based on a nationally defined cost of living.
- b. Rigid Child Labor Laws.
- c. Equal employment opportunity.
- d. Formal training and educational programs, often funded by the organization.
- e. Five Day, Forty Hour Weeks (or less).

These personnel practices, however, are based on values created by a dynamic society. They are values that justify the personnel practices of 1976, not 1776. The conditions and values of 1776 justified other personnel practices, some of which cannot be justified today. With this in mind, it is possible to look back on the early personnel policies of American industry with anger, disbelief, and even some humor.

ORIGINS OF PERSONNEL

Personnel is not something which began in America, nor in what could generally be considered modern history. There is evidence of minimum wage rates and incentive pay systems

in the Babylonian Code of Hammurabi around 1800 B.C. Management concepts like span of control, labor turnover, and organizational design were known to the Chinese in 1650 B.C. and to Moses in about 1250 B.C. Many of the early personnel practices in the United States were derived from policies operating in Europe; other policies came about because of reactions to these early policies.

While the early development of personnel in the Colonies was closely linked to the individual, agricultural nature of the country, several events did occur which indicate the course that personnel would take as the country grew. In 1630, for example, the Plymouth Colony and Massachusetts Bay Colony passed maximum pay laws.

In the Massachusetts Bay Colony, carpenters and bricklayers were not allowed to accept over 48.6 cents a day for pay. If their employer furnished them food and drink, the workmen could not accept over 32 cents a day for pay. In 1633, an act was passed that fixed the following rates for a day's work: "master" workmen (building trades), 28 cents; master tailors, 24.3 cents; and "inferior" tailors, 16 cents.⁵

Wages during this period were seldom paid with money. In Virginia 20 pounds of tobacco were worth 30¢ and considered the going rate for construction workers. Beaver skins, corn, and wine were also typical forms of payment.

Early in the period after the revolution, personnel practices developed in much the same fashion as did the country. As the nation slowly moved from a predominately agri-

cultural country to an industrial country, the typical problems of labor arose. Just ten years after the Declaration of Independence, printers in Philadelphia went on strike to gain a minimum wage of \$6.00 per week.

For the remainder of the country's industrial development, wages in the country were generally higher than in Europe. Labor was scarce in the United States and many of the people who came to this country came to farm, not to work in mines and early manufacturing plants. It took systems of child and female labor, immigrants and indentured servants, to staff many of the early organizations. Yet, competition for labor was stiff and the wages, while unbelievable in today's market, were considered above average to the workers.

The Ford Motor Company began a profit-sharing plan in 1914 in which the minimum income for a nine hour day was 62.5 cents, although wages could be as low as 34 cents an hour. The difference was profit-sharing although not all workers were eligible for "the five-dollar day."

It was clearly foreseen that \$5 a day in the hands of some men would work a tremendous handicap along the paths of rectitude and right living and would make them a menace to society.⁶

CHILD LABOR

In 1976, we look back with anger and disgust at the working conditions in early America. It was not uncommon to have

children, as young as four and five years old, working in mills for eleven to fourteen hours per day. Robert Owens, who is considered a father of many personnel practices, developed many practices in Scotland, which influenced the development of personnel in the United States. He set a minimum age for employing children at 11 years. He shortened their workday from 12 to 10 hours and later abolished child labor completely. While these conditions seem tragic today, there was widespread opposition to the reforms which Owens encouraged.

The clergy opposed his plan because they believed that "the idle brain is the devil's workshop"; the businessmen, on the grounds that it was unfair competition; the politicians, because it was contrary to their concept that the control of the cities resided in their hands; and the parents, on the grounds that their income was determined by the number of children they had and these policies decreased their wealth.⁷

SCIENTIFIC MANAGEMENT

A major revolution was started in America with the move from an agricultural society to the industrial form which would take the country to leadership in the modern world. The attitude toward work and the worker was affected by all of the changes which occurred during this period. While the development of standardized parts, the assembly line, mass production, and economies of scale all affected the personnel practices during this long period, none seems more important than the work of Frederick Taylor, the father of Scientific Management. Taylor's work centered on the design

of the job, but his work also considered the proper selection, and motivation of the worker. He believed that the right man, the right tools, and the right design of the job had to be combined to create efficient production systems. He based his selection of workers on factors still considered important today.

Our first step was the scientific selection of the workman. In dealing with workmen under this type of management, it is an inflexible rule to talk to and deal with only one man at a time, since each workman has his own special abilities and limitations, and since we are not dealing with men in masses, but are trying to develop each individual man to his highest state of efficiency and prosperity. Our first step was to find the proper workman to begin with. ...A careful study was then made of each of these men. We looked up their history as far back as practicable and thorough inquiries were made as to the character, habits, and the ambition of each of them.⁸

Taylor believed in motivating men with money. While his ideas may not seem completely justified today, money in the early 20th century was a realistic and understandable motivator.

THE WELFARE MOVEMENT

With an early history of the strike, the organizations which were growing in this country soon attempted to find ways to lessen or eliminate the impact of the unions. Several people were able to break unions by holding out or bringing in other workers, forcing the strikers to come back or putting them out of work. However, other methods were attempted; in part to ward off the impact of the unions, in part be-

cause of the realization of the worker as a human being.

Owens was instrumental in the development of this movement also. While he made major changes in the working habits of children, he also built worker villages, health and sanitation facilities, and schools for children and workers.

This approach was often considered paternalism, a friendly, interested-in-the-personal-concerns-of-the-worker approach to management. Company towns, recreation facilities, and company stores spread. While some companies and some towns in the United States today are still paternalistic in nature, the approach died out because it was not a genuine attitude on the part of many managers. While the outward concern was evident, it became more and more a way of trying to gain control of the workers. Unlimited credit at the company store may seem to be a benefit, but when unlimited credit leads to unlimited debt, the worker no longer has the freedom to leave for a better job.

OTHER DEVELOPMENTS

In the history of the country, many other events occurred which shaped the personnel practices of the 1970's. In 1791, carpenters in Philadelphia struck, unsuccessfully, for a ten hour day and overtime pay. In 1790, a profit-sharing plan was originated for a Pennsylvania glassworks. In 1890, the first "mental test" was used. Employment and training departments began appearing in the early 1900's. Personnel, while not started in America, was fast becoming an important concern. As the 1970's approached, management began taking

a closer look at human beings as an integral part of the production system, a part which requires special understanding, treatment, and motivation. The systems approach to personnel began with the understanding of man's nature. But the changing values of society have not led the managers of the nation to a complete understanding of how to employ men and women in their organizations. It is still the task of the individual, the organization, and the government to study, understand, and experiment with new personnel techniques.

AN EVALUATION

Work and the practices of organizations toward the workers are permanently inseparable. As the nation develops new attitudes toward the role of work in society, as Americans make demands that work be satisfying in itself (not because work is a moral obligation), and as the values of the country change and develop, it is the responsibility of personnel to develop procedures and conditions which foster the new values of the American economy.

The work ethic in the nation is not declining, it is changing. The new demands for relevancy, for fulfillment through work, and for job satisfaction are refreshing, challenging, and important for the continued advancement of society.

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I dedicate this paper, decades later, to **Herbert G. Zollitsch**. He inspired me, mentored me, served on my dissertation committee, and became a trusted faculty colleague. As his teaching assistant, I was honored to contribute to his "**Wage and Salary Administration**" textbook.