

Why

Employment Relations?

*A discussion of employment relations and their
significance in a period of national emergency*

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Why Employment Relations?

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In the navigation of a ship across an ocean the navigator proceeds by a series of what are known as "fixes" and "dead reckonings". Starting from port, he sets his ship on a compass course which, if accurately maintained at exactly known speeds in dead water and dead calm and if all human and compass errors were eliminated, would bring him in his destined port without so much as a flicker of the rudders.

But humans and compasses err and the oceans have currents. The winds blow abeam and the waves push and shove in an effort to change the ship's course. By means of his original course and the estimated speed of the ship, he calculates at stated intervals and by "dead reckoning" what he thinks his position to be. Experience teaches him that it's unsafe to rely for long on dead reckoning so, from time to time, with appropriate instruments, he takes observations on celestial bodies and, from his findings, calculates his true position and places on the chart a cross with a ring around it, which he calls a fix. Under favorable conditions he may find that he is very close to where he thought he was but under unfavorable conditions he may find himself under the necessity of making substantial changes in his course because the observations show that he wasn't where he thought he was at all.

We, in business, are much in the position of a navigator: subjected to the errors of those about us and of our own,

buffeted by the currents and winds and waves of social, economic and political conditions and, as with the navigator, if we proceed too far on dead reckoning, are apt all too easily to get off our course. So it behooves us occasionally to take some observations, calculate our position and obtain a "fix" from which we can re-chart our course so that we may assuredly reach the destination for which we have planned.

We, in this room, are the last to deny that businessmen have been subjected, in the last few years, to unfavorable navigating conditions in an effort to steer to their prescribed ports those ships which we call our jobs. We have been carried off what we thought to be our proper course by currents of public opinion; battered by the economic waves, which seem to be mostly troughs without crests; subjected to veritable hurricanes of political winds many times consisting of over-heated air projected at high velocities; and, because of these, sometimes our own lack of a true concept of what our ports should be, and our own errors in observation and calculation, we have had an extremely difficult time in maintaining our courses.

So, tonight, let's spend the evening in taking a few observations, see if we can establish a "fix" so that we can, over the next few months on a newly computed, dead reckoning, proceed toward our respective ports, each with the reasonable assurance that he is not too far off the course.

Human Relations

Once many years ago I heard a learned discourse on the fundamental factors of industrial operation. In it industry was likened to a three legged stool with the legs

named Sales, Production and Finance, and it was earnestly pointed out that without one of the three legs the stool must fall—an obvious conclusion. I remember that in those days Employee Relations was a term which, if ever used, would have been thought to refer to the worker's dependents. The employment manager was the sole point of employee contacts other than those of routine operation and what a lordly, independent dispenser of job favors he often was.

But since those days the stool has grown at least one more leg and we are able to say that, while the stool might be able to stand with only the three legs which we formerly recognized, it is today, without the fourth leg, an extremely unstable stool and the slightest shifting of position will cause it to topple over. Need I say that the fourth leg is that of human relations—those relations which have to do with the maintenance of fair and friendly relationship in those human contacts which a company makes both within and without its four walls?

Early in industrial history it was recognized that machinery needed maintenance and maintenance departments were set up with the functions of keeping the machinery well oiled and in good condition. The factory owner did not own his workers and consequently did not feel the same responsibility for their maintenance that he did for the machines. In fact it did not occur to him that they did need maintenance. But enlightened management has now recognized this necessity and has recognized with it a social responsibility. At the same time has come recognition of the fact that human beings, in addition to being mechanisms for the production of work and, for that reason needing physical maintenance, have personalities and that these personalities need maintenance and that that maintenance is the most important factor in plant operation and that these all add up to the necessity of the recognition of personnel relations as a major phase in industrial operation.

Place of the Personnel Man

When there is a job to do you have to have someone to do it. That someone should have the knowledge, experience and aptitudes necessary to do the job. The more difficult and delicate the job, the better the man necessary to do it. That is all so elementary that it is foolish to say it but there are still plenty of companies with personnel problems which have no competent person designated to do the job.

The job of the personnel man has assumed top rank proportions in major organizations. In many companies (United States Steel for example) he has the rank of Vice President. He sits in on operating policy and no

decisions which may even remotely affect personnel are taken without consulting him. In addition to their own personnel executive, many companies have personnel advisors who keep in touch with labor conditions all over the country, watch trends, advise with their clients and make suggestions. Our company has found the services of these advisors invaluable.

But here let me issue a word of warning. The opportunities presented during the last eight years by the frightened employer who suddenly realizes that he is in trouble and grasps at the nearest straw for support has attracted the usual crop of would-be-advisors who want to cash in. Some of them don't know a pick from a lathe tool. For all they know, a job analysis requires the services of a chemist. Only trouble and woe follows in the wake of these would-be-advisors. A nationally operating organization of labor spies, when labor spying came under the ban, had new cards printed and blossomed out as full-fledged personnel relations advisors!

But the legitimate professional personnel relations counsel can be an extremely profitable investment for any company. The Personnel Relations Manager does not have, necessarily, to be a full time man in a company which employs only a few people but in such an event there is a great possibility that personnel functions will be overlooked. Consequently the responsible head must see to it that:

1. Some one person must have assigned to him definitely the functions of personnel management.
2. The man appointed must realize his responsibilities and what they involve.
3. He must take the time and effort necessary to ground himself in fundamentals.
4. He must keep abreast of trends and new techniques.
5. He must spend a definite amount of his time each week at the definite job of personnel relations and not treat it as something he can do when he has time from other duties.

Personnel Relations Fundamentals

As experience accumulates in any human activity certain principles evolve and take definite form so that they may be set aside and used as the mariner uses the sun, moon and major stars in determining his position on the seas. Likewise certain techniques evolve which enable us to work more quickly and more accurately.

Personnel relations, young as it is as a recognized distinct entity in business operation, has evolved its set of principles and techniques and it may be wise for us to pause to enumerate the most important of these.

Underlying the operating principles are the basic principles which aid in the forming of the policies which guide the conduct of the operations.

These basic principles of personnel relations are four: sincerity, honesty of purpose, definite policy, and a definite program.

Sincerity ranks high in any human activity but it transcends all other factors when human contacts and relations are involved. One might reasonably suppose that the mere willingness of a group of executives to instigate a personnel program would assure us of the sincerity of their acts. But is it necessary for me to point out to you the great number of cases, some known to each of us here, in which a personnel program is the result of fear or a desire to avoid or to get rid of a union? Only recently I heard of a case in which a union won an election in a manufacturing plant. The first response to this on the part of management was a wild scramble for a personnel man and one was found and hired. The union asked for a meeting and an appointment was made through the personnel man and with the president of the company for ten to twelve o'clock one morning.

It was an exceedingly uncomfortable and enlightening two hours for the personnel man. Promptly at twelve o'clock the president pulled out his watch, turned to the union organizer, said "You have taken up two hours of my time, the meeting is over."

Outside, the personnel manager invited the union organizer to lunch in the company cafeteria. The president heard that the organizer was still in the plant and sent him a note which read "You had an appointment which ended at twelve o'clock. Your presence is not desired further." This, in the year 1940.

When a project is started with an ostensible objective, that objective must be honestly conceived or the project had better not be started. You may ask, what difference does it make if the end be desirable? My answer is that this is something fundamental and that it will take but a short time for the entire organization to realize that honesty of purpose is lacking and that it will be a matter of luck if failure of the project is the only penalty for lack of honesty of purpose. The probabilities are good for a boomerang.

It seems almost superfluous to mention the matter of the necessity of a definite policy but it is amazing to know how many companies are operating their personnel relations on a day-to-day, opportunistic basis. Definite policy is necessary if only to clarify the executive's thinking. If a company has a personnel department and it does not have a definite *written* statement of policy, it is almost certain that the thinking of those responsible is hazy and unde-

fined and there is reason to suspect that whatever is done for personnel will be done in a wavering and discontinuous manner.

As soon as a company has had some experience with its written policy so that it has been tested and found sound, it should be posted. While it is dangerous to post a policy of which you are unsure, it is unwise to delay posting too long. There are several reasons for this. First, a personnel policy has to do with personnel—your workers—and it is only fair that they know the rules under which they work.

Second, a posted policy serves as an anchor against any employees' organization which may be trying, step by step, to gain unreasonable advantages. In such negotiations, without a posted policy, it is very easy in an unguarded or hard-pushed moment, for an executive to make a concession which is bad for all concerned. But if a well thought-out, posted policy has been maintained he is automatically fortified.

Third, a posted policy gives reasonable assurance that top management is setting the policy. Without it each superintendent and foreman and gang boss is setting his own policy. This can't be avoided.

If your policy won't stand posting it isn't a safe policy. If you believe in it you needn't fear posting it.

From the policy should evolve a program and it too should be definite and on paper. A program is merely a plan for future action and it serves to implement policy and make it definitely possible for the policy to be carried out. It is the chart against which the day-to-day observations are plotted and the courses set.

Basic Techniques

Basic techniques include first, a scientific accumulation of information; second, intelligent conclusions based on those accumulations; and third, education.

Scientific accumulation of information means simply in every day language, "Get all of the facts". This sounds simple, but is not. It connotes steady, patient, hard work: research; a striving accurately to know the conditions which underlie every subject for decision; a desire to understand the motivations of that obscure mechanism which is a man. There must be generated that strong desire to get all the facts to avoid the distressing number of decisions now being made by guess.

Prompt and intelligent action on all of the facts gained must, of course, follow accumulation of those facts.

This brings me to the third and most important of the basic techniques—education. True, before education must

come sincerity, honesty of purpose, definite policy, and a program. The facts must have been gathered scientifically and intelligent action instigated. But unless these result in education their objective cannot be fulfilled and unless there is education, all that has gone before becomes meaningless.

From the standpoint of the personnel man there are three classes of people to be educated and I name them in the direct order of their necessity for education. First, the officers and executives, second, the supervisors, and third, the workers.

I am not joking when I name the officers and executives first. Volumes have been written about the education of the supervisor of men or foreman. Let's not get confused about the definition of a foreman. A foreman from the standpoint of personnel policy is any man, whatever his title, who directs or supervises the activity in any degree of any other man or men.

If the officers, executives and supervisors of any company are properly educated, the education of our third classification, the workers, becomes easy. If not, it is a waste of effort.

Personnel Operation

As we have disposed, thus briefly, of the consideration of basic principles and techniques, we may pass to a brief review of the principles, policies and techniques governing the field of operations. In this field it is easy to list the subject matter on which we should define principles and policies but the definition of those principles and policies in a manner which will fit all cases is extremely difficult. Consequently, for our purposes, let us review, in question form, the details on which principles and policies should be defined and leave the definition for each of us to set in the manner best fitted to our respective businesses.

Let us first take up the subject of wages, for none of the classifications on which policy must be set is more important. How are you to set your wages, pay each man what you have to or on the basis of well-defined knowledge of what he should be paid? How shall you make the determination? What should be the relation of your scale of wages to those paid in your community? What recognition should you give to differences in skill? What to length of service? What to quantity of production? What to quality? To these and other questions on wages must definite answers be given and those answers must be set on paper.

The techniques of wage determination are generally known but none too generally used. They include: job analysis, job specification, job rating, skill rating, service rating, and, with all of these as a background, employee rating. With all of these, one is not finished. Rates and

techniques must be subjected to periodic, critical review in the light of change and new information.

What is to be the policy on working conditions? Charles R. Hook, President of the American Rolling Mills Company, has set for the policy of his organization "the safest most comfortable and most sanitary possible". That one makes you stop to think. It is a laudable goal, hard to obtain, but it should be the one for all of us. The best technique in this case is to post your policy, set up a committee of your workmen, give them the opportunity to educate themselves on the subject and work with them sincerely to the desired end.

What is your policy on change in employee status? When are they to get increases? Under what circumstances do they get promotions? What should you do about lay-offs? Should you give the men notice and an opportunity to look for another job or should you give them termination pay or just a blue ticket? What about termination because of lack of work or superannuation? What about demotions? Have you thought these out clearly and set the answers down on paper?

What about grievances? Are your employees given every opportunity through well-defined and known channels to get their troubles off their chests? Do they get prompt hearings, prompt adjustments and careful explanations of the reasons underlying the action taken on the grievance? I can never get out of my mind the story of a worker who was a member of a "flying squadron" which was arrested for breaking factory windows. When questioned as to his motives, he admitted that he had a grudge against the company. "Why?" They had once docked his wages thirty dollars in a month for an infraction of rules. "When was that?" "Oh, about fifteen years ago"! He had no channel through which to release the grudge so he waited until he had a chance to say it with bricks.

What is your policy on the selection and placing of employees? Do you set standards of quality? Do you give tests to determine fitness so that the employee may be saved the disgrace of a failure and the company the expense? Do you do anything to make him feel welcome?

And this leads me to the subject of personnel contact attitudes. Here is one of the most important factors of personnel relations and probably the one most neglected. Do your executives have a written policy on their attitude toward the rank and file employees? Are they supposed, for example, to speak to them as they pass in the aisles? Do your supervisors have a written policy on their daily contacts with their men? How, for example, to give orders to the men? Have your employees had any leadership given them on how you expect them to treat one another? And, while we are on the subject, how do your purchasing men treat the salesmen who come into your plant?

It is my studied opinion, which I share with many others that, if we assume a wage which permits a reasonable standard of living all circumstances considered, the workers first interest is recognition by his officers, supervisors and fellow workmen as a human being and not as a number.

One more thing: Don't forget your employee records. There should be kept a running inventory on every employee in the plant. His aptitudes, his performance, his suggestions, his reprimands, his failures. How can justice be done, wages set fairly, promotions made with intelligence if this information be not at hand. And what a refuge if you fire a man for cause and he runs to the labor board with a tale of discrimination!

Good personnel relations are merely a part of good corporate living. A wise man said that a public relations program was first and basically a way of corporate living and second and secondarily letting the public know about it. If your customers think kindly of you and your product; if the small merchants in your community, the filling station attendant on the corner and the small home owner across the street from your factory feel that your presence is a benefit and look on you as a friendly neighbor, then you must have good public relations and, through your advertising and publicity or personal contacts, must have told them about it.

So it is with personnel relations. A Personnel Program must have its conception and basis in the heart and mind of the head of the company. Without these he may hire a flock of personnel relations men and the wisest program which they could devise would have only a chance. But even with the best possible intentions on the part of the boss there is no chance for success unless he spreads it carefully through his supervisory organization.

Now don't get the idea that I think that I know all about personnel relations. And don't think that I could tell you exactly what to do so that you would have a permanent guarantee of industrial peace. About a year ago we had a strike. I didn't know why then and I don't know now. The union wanted a closed shop—we know that; but why a group of the working men, who always seem to maneuver themselves into the position of holding the bag, should allow themselves to be jockeyed into a losing strike which cost them \$35,000 of lost wages and won them nothing is more than I know. I went out on the picket line and asked some of the men I knew why they were striking. The only answer I could get was that they didn't know—the Union had called them out. You can't convince me that there wasn't something wrong with our personnel relations somewhere. If we had had the entire confidence of these men I don't believe that they would have struck. Maybe we are in the position of the boy who was asked if he knew how to dance. "Well," said he, "I don't know the steps but I know all the holds". We knew all the holds—we had the good intentions, we

had the written policies but somewhere we hadn't taken all the necessary steps. And that's the Hell of it! You may do earnestly all that you know how and still have something missing. However, I do know this: If we had not had a five year background of reasonably sound personnel procedure we would not have come out of the strike as we did.

Outside the Plant

So much for the main elements of internal policy. Is the personnel man's thinking confined to the boundaries of the company property? Can he, even if he wishes, confine the results of his acts within the four walls of his place of business? A moment of thought and the answer is "No". There must be a far greater circle of influence than may be readily realized. Let's look into that.

Industry, in any country, is an inseparable and indistinguishable part of that country's economy and society. The movement of goods from other parts of the economic structure through the conversions of industry and the counterflow of money are such a close part of the daily economics of a nation that it is impossible to lift industry from the total economy and say "Here it is without tie or encumbrance".

But industry is not the total economy nor is it the total society. In normal times the number of people gainfully employed in industry in the United States is slightly less than one fourth of all of those so employed. Agriculture, trade, commerce, government, finance, the professions and other services account for the remainder. So let's get the proper perspective. Industry forms a large part of our economy and our society but it is not a major part nor a controlling part. This significant fact must never be overlooked when thinking of our whole society and economy or any phases thereof such as, for example, unemployment.

But industry is a sufficiently large part of the whole that whatever it does as a unit exerts a profound influence on the whole. It has a closer integration, perhaps, than any other portion of our society or economy—loose and haphazard as that integration may be—and its further opportunity for closer integration for the common good is limited only by the capacity of its leadership. And here is the point to which I am leading: strong leadership in industry with a clear understanding of its social and economic responsibilities has the greatest opportunity for influence on the total society and economy of any of the factors. This is because of its size, its natural chances for integration and because, by its nature, industry reaches into and to a large degree coordinates all of the other factors of our society and economy.

Notice, please, that I have used the word opportunity. Opportunity which, so far, has not been generally grasped.

Nor is this opportunity to be grasped through the emergence of a great leader of industry who will direct the policies of industry as a whole. This leadership will only be realized when all business leaders, large and small, through a grand process of education, move toward a common goal. And you, individually, can't throw off the responsibility by saying "Here is something for the big boys—Ford, General Motors, United States Steel, the great chain store systems"—for here is another significant fact: Seventy-four percent of the workers in industry in 1938 were in plants employing less than a thousand men!

Importance of the Personnel Manager

I am, gentlemen, leading up to the importance of *you*. You personnel men who are shaping the policy for the day-to-day dealing with our fellow men. Each of you exerting an influence of a limited scope, but collectively exerting a decisive effect on one-fourth of the total of our population—an influence which, if for good, will spread throughout our total society through the force of its example as well as through the force of its size.

But before I elaborate on this topic, let us pause for a few moments to survey the problems which it is necessary that you solve in order that this influence may be exerted—those problems which have arisen through the currents, winds and waves, and errors in human instruments and judgments of which we spoke at the beginning.

We can glibly divide the problems into two classes. First, the long term and second, the short term. But when we come to ask about a particular problem, "Does this belong in the long or the short term classification?" then do we realize that the differences are indistinct and debatable. Also the exigencies of what we consider to be the short term problems are so great as to make difficult, though they do not eliminate the necessity of, long term planning and tend to obscure the long range implications of the short range problems.

Of course, the first and most pressing of our problems are those of the war. I do not use the term national defense as I believe that we are already in the war. I emphasize the problem of war as against that of national defense as it is far greater; places a far heavier burden on the nation; places a far huger responsibility on you and your business associates and has far more terrible possibilities for ultimate disaster.

Defense Period Problems

Preparation for the supply of the munitions of war and the supply of those munitions under war conditions involve a cataclysmic dislocation of industry; an unhealthy growth; a disease which might well be termed industrial elephantism for, like the similar human disease, it does

not alone create size but distorts form and feature and weakens the body it enlarges.

This gross enlargement which tends to make large industry larger and to destroy small industry through restriction of its material, labor supply and markets, unless the small industry can make itself satellite to a large one, carries a heavy dislocation of normal channels of commerce, the restriction or elimination of many normally required products, and the turning of efforts in new directions with its consequent loss of markets and skills. There must come the hiring of large numbers of men; the training of those men to single purpose usefulness; the training of the normal force to new skills; the lower plant standard of worker quality.

With all of these come the morale upsets attendant upon war. The threat of the draft upon both the prospective draftee and his working father or mother. The family dislocations due to sons and relatives in the service. These have direct depressing effects on production and quality and add much to the burden on the supervisor and on the personnel executive both of whom may be, in addition as directly affected as the men in their charge.

Then there come the changes in living conditions: higher costs; restriction and possible rationing; propaganda; the incessant headlines and excited jangling of the radio news bulletins; and slowly and inevitably, the lowered standard of living. For supplying a war must be done from the normal economy and cannot be done from a new and separate economy set up for its especial benefit.

Developments of Recent Years

The second problem is that of the special conditions which surround labor as a result of three new, strong influences which have impinged upon it within the last eight years. Without going into the history of the conditions which preceded the growth of these special surrounding conditions I shall enumerate them as they are.

The first condition arises out of the fact that the easiest of all persuasions is to persuade a man that he is being abused. Politicians throughout the ages have known this and capitalized upon it. But for the first time in history, politicians, for their own ends or what they believe to be desirable ends for the political structure, have instituted a campaign of persuasion on a mass-production basis and have largely succeeded in inducing in the wage earner a psychological state which is a combination of persecution and superiority complexes. Big strong men with chests resembling the filling of hair mattress have to be handled with the delicacy and finesse necessary in the case of a sick child.

In conjunction with this propaganda of persecution came the passing of the most one-sided set of laws known to the

history of our country and the establishment of a series of administrative-judicial agencies whose bias has often been the cause of newspaper and even congressional comment. Let's not let the unfairness of these laws confuse the desirability of their basic concept. But we cannot overlook the fact that their objective could have been reached with far greater dispatch, goodwill and economy if their framing had been accomplished with more justice and less venom.

On top of and enabled by the foregoing, there are what Dr. Leo Wolman calls "The objectives and strategy of organized labor". The primary objective, of course, is that of organization. Those of labor who have not accepted the idea of organization are being cajoled or coerced where possible into joining. Through promises of higher wages and other advantages the recruiting goes on. The stimulation of greater industrial activity and increasing employment give opportunity and boldness to the organizers. It is not my purpose to discuss the advantages and disadvantages of labor organization nor even to appear to take sides but only to mark another disturbing influence which is affecting our workmen, their attitude toward their employers and their jobs and is affecting the quantity and quality of their work.

Third on our list we can lump together all of those problems out of which the normal activities of the personnel man arise. With these we are perfectly familiar and most of them we have already mentioned tonight. Many of them you will study throughout the course of this institute. We need not enumerate them now but we will keep them in mind as a part of the whole which confronts us.

Problems of the Future

The problems of the future are many, indeterminate and obscure. It is almost an impossibility to foresee them with sufficient clearness adequately to cope with their solution. For the purposes of this, our summary, we can group them into two classifications: those coming with the end of war and those generated by a changing world.

The aftermath of the war will embrace a group of problems which may well make our present problems seem simple and we may then well be referring to these troublesome times as the good old days. If we may profit by the experience gathered from the periods following previous wars we may reasonably foresee first, a severe economic shock immediately following the cessation of hostilities. This shock is partly psychological during which people of short vision temporarily lose their judgment and perspective and is partly due to the readjustment involved in changing industry from the production of the tools of war to those of peace.

Then may follow a period of wild industrial activity

during which time the wants and needs of the people which have been restricted due to the demands of war will be filled and the accumulations of those who have earned and accumulated during the war will be spent. After that anything may happen.

Certain it is that at that time we can expect governmental controls and the imposition of governmental authority on a large scale. This is for three reasons: First, the human lust for power which has, through the ages, probably been the major factor in the shaping of history, mostly filling its pages with disaster and staining them with blood. Second, the convictions of those who believe that in centralized control can the maximum of human progress, comfort and happiness be achieved, and, third, the demands of the great mass of people who in the past few years have been educated to believe that the government both owes and can give them a living and who will be unwilling to go through the hardships of a basic readjustment for the simple reason that they believe it unnecessary.

The fifth problem or group of problems are those of the changing world . . . this world which changes continuously without regard to war or peace and which only allows war or peace to affect the speed with which those predestined changes take place. The one certainty in life is change and it is this which most of us fail to realize. Change is inexorable and tosses aside those who fail to go her way.

So there, in all too great brevity, are the problems which today confront us and here we may again take up the thread of the theme which we dropped a few minutes ago, "The Importance of You".

Who, insofar as industry is concerned, is to face and attempt to solve those multitudinous problems? Who is to take up the social responsibilities of industry and set the national example of which I previously spoke?

One thing is certain. It will not be successfully and permanently done by any great national leader who may set himself up as the great Poobah. It will not be successfully and permanently done by any group, authority or commission set up in Washington. For the task is too great in its detail to permit of the effectiveness of such persons or agencies. In large units of industry, almost infinitely small compared to government, centralization has proved disastrous and those large industries which are successful today could not have attained their success without decentralization.

No, if the problems are solved they will be solved by the units of industry acting in concert, striving toward a common end with the background, in their striving, of a profound realization of and respect for their social and economic responsibilities.

The Future Hope

This realization and respect must, of course, be first lodged in and even emanate from the active heads of industry—first its president, next its officers and boards of directors. This realization and respect must of necessity recognize the primary importance of proper personnel relations and must generate the inspiration, the insight and force necessary to carry them out. Granted the existence of these, we are then immediately brought to the consideration of You: . . . you who are the personnel managers of industry and in whom is lodged the tremendous responsibility of the carrying out of the active work of personnel relations and who must be responsible for the success or failure of the proper solution of the tremendous problems before you. If there are enough of you, if you have the vision and if you have the proper backing of farsighted management, there is hope. If these requirements are not fulfilled, we can only pray.

Your problems seem, as we look at them, almost insur-

mountable. Harold North, in an address before the recent Personnel Conference held by the American Management Association in Chicago said "Fortunately they (these problems) differ from those we have always had to face almost wholly in magnitude rather than in their essential nature". In this I agree with Mr. North but magnitude may make exceedingly difficult a simple problem. However, this fact cannot be allowed to stop us in our set course. The storm has to be ridden out.

The currents are strong and unpredictable; the winds are high and variable; the waves rage and break; the heavens are almost continuously overcast. But unless our ships make port we are lost and those who are awaiting the cargoes which we bring will face disaster.

Mariners, navigators, on the great seas of personnel relations, in whose capable hands are the instruments of observation, whose eyes have been taught to read the charts and in whose policies, decisions and actions rest the fate of our ships, I salute you.

