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Personnel Practices in Georgia Manufacturing Companies—Employee Relations

This article is the third in a series of four articles which examine various aspects of personnel practices in Georgia manufacturing companies.

MANUFACTURING employment in Georgia has risen significantly during the last decade. Paralleling this growth, good employee relations have become increasingly important. How do Georgia manufacturers approach employee problems, and how do their solutions compare with those in other areas of the country?

This article will attempt to answer these questions while dealing with the basic functions of maintenance and integration of personnel within the organization. Integration here refers to the effort made to reconcile individual and organizational interests; maintenance is concerned with sustaining the effectiveness and willingness of the work force to do required work.¹ Prior articles in

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this series dealt with other fundamental functions of personnel executives in Georgia manufacturing firms.

Data on personnel practices were obtained through means of a detailed questionnaire sent to the top 50 manufacturing firms in the state. Usable results were obtained from 29 of the selected sample firms.

Communication channels used within firms provide an indication of company activity directed at achieving an integration of employee and company interests. There are at least two *basic* communications channels: upward from employees to management, and downward from management to employees. Broader, lateral and diagonal channels also are generally present in an organization, but they are not covered here as they are not pertinent to the present study. The upward channel allows management the opportunity to assess employee reaction and feeling, and the downward channel provides for the transmission of organizational orders and viewpoints.

As can be seen from Exhibit 1, Georgia manufacturing firms are unanimous in their reliance on supervisors for transmitting employee feelings and reactions. The second most used channel is the exit interview, indicated by 90% of the firms, closely followed by grievance procedures, used by 24 reporting firms

or 83%. Only 59% of the firms report the grapevine as a means of obtaining information about employee feelings. The striking fact regarding the upward flow of communications in these large firms is that the three most important channels are very formal, and one must wonder whether management can obtain a totally accurate and unbiased picture of employee positions. Alternative channels which protect the employee and yet provide valuable and needed information are less used by Georgia's top firms. However, Georgia's large manufacturing firms are more active in their use of exit interviews than was a sample representation of large manufacturing firms studied on a national scale.²

An analysis of the type and nature of employee complaints provides management with more tangible evidence of how well employee interests and company policies blend together. Results shown in Exhibit 2 portray the most common employee complaints in Georgia's largest firms, by employee classification. Pay is the most often voiced complaint by professionals (62% of the firms) and by skilled employees (69% of the firms). Unskilled workers are apparently more concerned with working conditions (69% of the firms). Opportunity for advancement is the second most common complaint by

Exhibit 1: Percent of Firms Using Specified Upward Communication Channels (N=29)

Channel	Percent of Firms
Supervisors	100
Grievance procedure	83
Ombudsman	7
Morale surveys	41
Group gripe sessions	10
Anonymous gripe boxes	7
Counselors	10
Exit interview	90
Grapevine	59
Other	7

professional and by skilled employees in more than half of the responding firms. These data appear consistent with the most often used upward communication channel, the supervisor. Other, more anonymous channels often bring to light more personal, subjective dissatisfactions.

An almost equal concern for advancement opportunities is evidenced by the three classes of employees. Work recognition is of significant concern only to professionals, which is in apparent conflict with currently accepted work in motivation theory. Professional

stantially greater utilization of group meetings (86% of the firms versus 45%) to disseminate the management side of issues.³ Evidence clearly indicates the use of multiple channels by Georgia firms for downward communication as was the case in upward communication. However, less than half of the respondents utilize annual reports, information racks, pay inserts, and union leaders as means of reaching employees with information.

Labor Unions

Slightly more than half of the firms, 16 of the 29, recognize and deal with a union (Exhibit 4). There were 3 firms which specified an independent union as the bargaining agent; the remaining 13 deal with an affiliate of the AFL-CIO. As far as providing for union security in the contract, 12 of the unionized firms only recognize and deal with the union, 2 provide maintenance of membership shops, and 2 allow union shops. (Union shops in the strict definition of the term are illegal in Georgia. Georgia was, in fact, one of the first states to enact a "right to work" law which protects the right of every citizen to work without the necessity of belonging to a union. While the authors recognize this fact, actual responses are reported. The respondents may have misinterpreted the term, since no definition of "union-shop" was provided, or their position may reflect bargaining practices existing on a national scale.) There appears to be a direct correlation between the use of union leaders as a communication channel (45% of the firms) and the recognition of an AFL-CIO affiliate (45% of the firms).

Exhibit 2: Percent of Firms Designating Common Employee Complaints By Type of Personnel (N=29)

Most Common Employee Complaint	Percent of Firms		
	Professional Personnel	Skilled Personnel	Unskilled Personnel
Opportunity for advancement	52	59	52
Job security	28	24	24
Pay	62	69	59
Fringe benefits	45	48	38
Working conditions	21	52	69
Employee associates	3	14	7
Recognition of work	45	17	14
Supervisors	10	21	34
Job requirements	24	45	48
Union leaders	3	10	10
Company management	24	24	10
Other	7	7	7

employees also tend to complain relatively less than do the other two employee classes regarding work conditions and job requirements. These findings, along with other complaint discrepancies, may reflect organizational status or position differences between work groups.

More of the responding firms rely on supervisors and bulletin boards as means of presenting management's side of issues to employees than on any other channel (Exhibit 3). Group meetings, a more personal form of communication, are also a favored device (86% of the firms) for disseminating information down through the ranks. House organs and policy manuals or handbooks are a rather distant third. However, Georgia's largest manufacturers place greater reliance on handbooks and manuals than do firms in the previously cited national survey (66% of the Georgia firms compared with 25%). There is also relatively less use of pay inserts by Georgia firms (45% of the firms versus 59%) and sub-

Employee Services

The maintenance personnel function within an organization is generally directed toward both the mental and physical condition of employees. A single question concerning services provided employees was included in the survey instrument as a means of determining the scope and variety of services offered. At least one authority has pointed out that employee services generally act as merely hygienic or maintenance factors with little evidence to show that services improve worker productivity.⁴ Others have shown, in

Exhibit 3: Percent of Firms Using Specified Downward Communications Channels (N=29)

Channel	Percent of Firms
Supervisors	93
Union leaders	45
Group meetings	86
House organ	66
Pay inserts	45
Information racks	34
Annual report	48
Bulletin board	93
Policy manuals/handbooks	66
Other	7

Exhibit 4: Percent of Firms With Designated Union Status (N=29)

Union Status	Percent of Firms
No union	45
AFL-CIO	45
Independent	10

documented studies, that where service programs exist within an organization, employees are aware of roughly half of those offered and indicate no desire to learn more about the other services provided.⁵

Exhibit 5: Percent of Firms Providing Specified Employee Services (N=29)

Employee Services	Percent of Firms
Counseling on personal problems	83
Recreational program	72
Award for exceptional work	34
Suggestion system	59
Child care	0
Cafeteria	66
House organ	66
Credit union	52
Employee store	28
Other	10

Exhibit 6: Percent of Firms With Specified Employee Safety Programs (N=29)

Employee Safety Programs	Percent of Firms
Safety supervisor	76
Full time	62
Part time	14
Safety meetings	100
Weekly	17
Monthly	72
Quarterly	10
Posted safety records	
Plant	76
Departmental	34
Safety contests	41
Awards for safety suggestions	41
Safety committees	86
Safety inspections	90

Exhibit 7: Percent of Firms With Specified Employee Health Programs (N=29)

Employee Health Programs	Percent of Firms
Health insurance	100
Fully paid	59
Contributory	41
Physical examinations	
Entry	76
Periodic	17
Company doctor	83
Full time	21
Part time	62
Company nurse	69
Full time	66
Part time	3

The data in Exhibit 5 suggest an extensive involvement in employee services by Georgia manufacturers. There are 24 firms which provide counseling concerning personal problems, and 21 provide some form of recreation program for employees. Two thirds of the firms maintain cafeteria services for employee use. One service which has appeared in the news recently is child care. None of the firms sampled were providing this service as yet. Compared where applicable with the previously mentioned national survey, Georgia's large manufacturers rank relatively well with respect to services offered: counseling (83% of the Georgia firms versus 52% of the national firms), recreation (72% versus 73%), work awards (34% versus 60%), and credit unions (52% versus 45%).⁶ Georgia firms lag behind national findings in the area of awards for exceptional work.

Health and Safety

Health and safety of workers in industry continues to be of national concern as evidenced by the passage of the Williams-Steiger Occupational Safety and Health Act of 1970. The act was signed into law in December 1970 and became effective during the latter part of April 1971. Its purpose is to assure safe and healthful working conditions for all employees. This same high concern is shown for the health and safety of Georgia workers (Exhibits 6 and 7). Exhibit 6 provides information pertaining to safety programs, and Exhibit 7 gives the provision of health programs by Georgia manufacturing firms.

All of the firms surveyed hold safety meetings at least quarterly, 90% conduct safety inspections, 86% have safety committees, 76% have a position of safety supervisor (62% maintain this position full time), and safety records are posted in the plants in 76% of the firms and in departments in 34% of the firms. This achievement is impressive. Only 41% of the firms conduct safety contests, and only 41% make awards for safety suggestions. Safety activity appears to be confined to a more formal or official role in a majority of the firms.

Data offered in Exhibit 7 show that all companies provide health insurance (either fully paid or on a contributory basis), 76% require entry physical exam-

inations, 83% maintain a company physician, and 69% retain a company nurse. Georgia manufacturers' commitment to the physical well being of their employees is impressive.

Summary

More Georgia manufacturing firms surveyed depend on immediate supervisors to identify and deal with employee problems and dissatisfactions than on any other channel of communication. The more anonymous information channels through which the employee is more protected are used by few firms. A vast majority of respondents also rely on supervisors and bulletin boards as vehicles for dispensing management ideas and decisions. This channel is supported through house organs and policy manuals. Generally, firms surveyed tend to employ multiple channels for communications.

Georgia manufacturers display a reasonable balance of activity in employee services offered and in health and safety programs. There is reason to believe that greater attention is given to the health and safety of employees than to other services. More emphasis seems to be placed on personal counseling and recreation than any of the other services generally offered by the firms. In the area of safety, the use of safety meetings, safety inspections, and safety committees predominates. All of the surveyed firms provide health insurance, and a large percentage provide other health services.

1. Edwin B. Flippo, *Principles of Personnel Management*, 3rd ed. (New York, McGraw-Hill Book Co., Inc., 1971), p. 7.

2. National Industrial Conference Board, *Personnel Practices in Factory and Office: Manufacturing*, Studies in Personnel Policy, no. 194 (New York, NICB, 1964), p. 20.

3. National Industrial Conference Board, *Personnel Practices in Factory and Office: Manufacturing*, Studies in Personnel Policy, no. 145 (New York, NICB, 1954).

4. Frederick Herzberg, *Work and the Nature of Man* (Cleveland, The World Publishing Co., 1966).

5. Arthur A. Sloane and Edward W. Hodges, "What Workers Don't Know About Employee Benefits," *Personnel*, November-December 1968, p. 32.

6. NICB, no. 194.