

# Industrial Relations and Social Security

## SOME PRESENT DAY PROBLEMS OF INDUSTRIAL RELATIONS

By J. H. BRACE

IT is obvious that in Canada the problems associated with employee relations in industry have in recent years become factors of national importance. They involve the contentment, the personal satisfaction of a multitude of individuals. The people producing and selling directly the products of their own toil, the farmers, the ranchers, etc., are reducing in numbers, through the development of mechanical aids—workers more and more are entering the industrial field. Between 25 and 30 per cent of the total working population of this country are dependent on manufacturing for their livelihood. When there are added to these numbers the people engaged in such businesses as insurance, banking, mining, public utilities, department stores, etc., it will be found that the majority of the available working forces of the country are reimbursed for their efforts through the pay envelope. Problems in industrial relations, therefore, affect a sizeable and continually increasing percentage of our people.

Recent figures from the Dominion Bureau of Statistics are indicative of growth in urban population and the size of the group employed in business and industry. As of June 1, 1947, the total number of people engaged in agriculture was 1,163,000, while 3,658,000 were active in other work. Of the total urban working population 3,111,000 are in the employee category. In other words, almost three times as many people get their remuneration through the pay envelope as those tilling the soil.

Looking at the Maritime Provinces and using 1939 as a base, these statistics show that for the eight major industries employment at the war-time peak had

increased 81% and is still 66% above 1939 figures.

Wherever there is a business or an industry there must be management, as well as the rank and file of workers. In the larger industries management runs through a number of levels in the organization — from President down through various ranks to the foreman. Top management covers that part of the group that is responsible for company policies, in matters relating to the product and its price, in matters relating to the production of adequate earnings on the money invested in the business, and in matters involving employee relations. Top management is the trustee responsible to the public for a good product at a fair price—responsible to the absent owner for the safety of the money invested in the business and for proper remuneration for the use of that money—as well, top management has a responsibility to the workers—to see that they share properly in the distribution of the monies received as a result of the operations of the business. Top management is a very small figure numerically in the overall producing force. In general it is drawn from the ranks. Of necessity, it must have a thorough knowledge of the problems facing those in the rank and file. There is no better way to gain this knowledge than by having had to face the same problems.

Good employee relations in industry involve three major factors:

1. security; 2. collective bargaining associated with wages and working conditions, and; 3. job satisfaction.

### Security

Industry has progressed a long way from the days when employees were merely persons without identity who performed a chore for so many hours per day. Some inspiration had to be provided, some incentive offered, to get the quality of workmanship that meant quality product.

EDITOR'S NOTE: J. H. Brace is a Vice-President of the Bell Telephone Company of Canada. The article is a summary of an address delivered at the recent Maritime Conference on Industrial Relations in Halifax.

Management's first attempts to build up employee morale were reflected in plans to emphasize security. All industrial history shows that workers have sought protection against the expenses involved in sickness, old age, accident, death and unemployment. The early business leaders who introduced plans to meet these problems set a pattern which has since been almost universally accepted, both by industry and the state.

Of the comprehensive programs of social security which has been evolved by modern industry, one plan may be singled out for closer examination, security against sickness. It may be illustrated by the system of medical services which my company, the Bell Telephone Company of Canada, has set up in recent years. When one realizes that this is only one of the many phases in human relationship to which management in Canada is to-day giving its serious attention, possibly we can feel justified in thinking that industrial leaders are really serious about accepting their full responsibilities in these matters.

The company operates from exchanges located in most of the cities and towns of Ontario and Quebec, with a staff at the present time of over 24,000 people. In the larger cities medical offices have been set up with a staff of doctors and nurses. Elsewhere, private physicians have been appointed to handle the medical work on a per case basis.

The company works under 400 roofs and has a large number of men moving about on streets and on highways. It will therefore be recognized that the provision of day-to-day health supervision presents some difficulties. Much has been accomplished and more remains to be done in instructing the supervisory personnel so that they will realize their responsibility for watching the health of those working under their direction and seeing that these people get proper medical care when this is needed.

Preplacement medical examinations are carried out at all points in which

the company operates before the applicant is accepted as an employee. Investigation is made of all special sickness and accident cases throughout the entire territory of the company. Special health courses—outside of working hours—have been developed and instructors have been trained to conduct them. The courses cover nutrition, home nursing, first aid, and allied subjects.

At London, Toronto, Ottawa, Hamilton and Montreal, where 65 per cent of our employees are located, well-equipped medical centres have been set up. Plans are under way to open yet another in Quebec City in the near future. The centres are at the present time staffed by 10 physicians—3 full time and 7 part time, and 19 qualified nurses.

Preplacement examinations are conducted to protect the applicant from doing work which is harmful to his health and also to protect our own employees from exposure to disease. The preplacement examination covers history of past illnesses, functional inquiries, chest X-rays, urinalysis and blood test as well as other routine tests.

The most important activities in the health program are performed by the Health Centres which were previously mentioned. There the services of doctors and nurses are available to our employees upon request. The number of employees who visit these centres voluntarily is remarkable. The opportunities such visits afford to give sound advice on nutrition, out-of-hour activities, rest and all other phases of health, fully justify the expense involved.

In the absence of the doctors, the nurses act as health educators, health counsellors, and they also perform minor diagnostic tests. In Toronto and Montreal, the company also employs, in addition to the foregoing, a travelling nurse who calls on employees absent due to illness. Special attention is given to those cases where the employee is not living at home—where he or she is

in a rooming-house or where the indications are that the services of the nurse would be helpful. However, the travelling nurse is not used as a truant officer. The Medical Department does not lend itself to checking up on delinquents; its responsibility is to provide a service to employees.

Recently a program of periodic health examination has been undertaken in our health centres, with the object of raising the health level of employees. Where defects are found, the employees are referred to their own doctors for treatment. This is another attempt to detect disease in its early stages so that suitable advice and treatment may be provided.

In all the activities of the Medical Department, the essential privacy that characterizes patient-physician relationship in daily life is rigidly followed. The company doctor does not break this confidence by discussing his findings at length with the supervisors. He will advise management of the employee's ability to continue work and to provide such information as may help the employee's reassignment to a job for which he is fit.

The function of the medical service is to promote health and prevent rather than treat disease. The job of the industrial physician is to act in an advisory capacity on health matters—to develop health education and to supervise conditions of work in order to raise the health level of the employee group. By early diagnosis of disease or defect he can encourage the employee to seek the advice of his family physician before undue delay has been occasioned.

During the current year monies disbursed to our employees to cover salaries and wages paid during sickness absence will be in the neighbourhood of \$40.00 per employee. During the same period the cost of operating the Medical Department together with fees paid to medical examiners will represent about \$6.00 per employee. This amounts in all to something over a million dollars a year.

While it is hoped that the health

program will, eventually, do something toward controlling the company's sickness expense, the main purpose in the program is to develop healthy employees in order that we may maintain loyalty and a keen desire to furnish the best possible service to the public.

### Collective Bargaining

In an effort to improve industrial relations following the first Great War, a certain number of larger industries adopted employee representation as a method of discussing problems of mutual interest to both management and employees. A basic feature of this relationship was that final authority rested with management in the settlement of the problems discussed. The two parties—management and the representatives of labour, both union and non-union—did not meet as equals, and generally there was no record of accomplishment in the form of a jointly signed agreement. Whether this method of management and labour settling their problems was the best, whether management should have been able to satisfy labour through this medium, is now not important. The fact is it has been superseded by the so-called Right to Bargain, and the new relationship of equality at the bargaining table now presents a major problem to management.

### Job Satisfaction

Experience indicates that if satisfactory relations are to be developed between management and employees, something is needed beyond security programmes and collective bargaining. Both of these tend to deal with the problems of the group. But management must also be concerned with the problems of the individual. Modern large scale production methods have resulted in work simplification. They have tended to minimize the satisfaction which the skilled artisan previously derived from his toil. Thus one of the major problems of management to-day is to devise ways and means of providing that satisfaction in the industrial situation which is essential not only to the individual but

to the very system of modern industry itself.

The individual employee has some very definite desires about his job. He finds satisfaction in a job where he is recognized as an individual different from others. He likes to feel that he has a significant part in the planning, in setting the objectives and in the determination of methods for the accomplishment of his work. He is both pleased and inspired when he knows how he fits into the whole picture of the company's activities. He wants to know what management thinks of his work and its plans for him. He has a very deep desire to develop and utilize his full range of capacities, both actual and potential.

This phase of employee relations is a very important one involving continuous attention on the part of management. It affects the individual from the day he applies for a job until the day of his retirement. Associated with it are such things as adequate employee training — employee education — employee placement, development of management and supervisory people in the field of human relations, etc.

We have a long way to go yet to instil in management and supervisory people an appreciation of human relations problems sufficient to insure satisfactory industrial relations. But I am confident that progress is being made with this phase of the problem. During the past two years, I have watched the results of research on this subject being applied to this form of training to a substantial number of middle management groups—that is, training on how to handle people in the day-to-day work relationship. The results have been uniformly the same. They all report: 1. that it has helped those who have taken the training, in their management job; 2. that it should be extended to the so-called foreman level; 3. and more important—that it should be given to the brass hats. This is not a small scale project. It is almost nationwide in its application,

and it is only one of a variety of honest efforts being made by management to reorganize and find a solution to a basic industrial relations problem.

Positive leadership on the part of management in providing security—bargaining with the representative of labour, and in attempting to provide job satisfaction to the individual—are conducive to good morale, efficient operations, and a successful enterprise to the extent that employee participation can make for success.

A group of business men who undertook to make a study of employees' attitudes, arrived at the following conclusions:

"From the standpoint of management, morale is the attitude employees have with respect to their jobs and the objectives of the business. It is as much self-discipline as it is pride in participation and unity of purpose and teamwork in action on the part of groups as well as individuals. From the management viewpoint morale is high when employee attitudes are favourable and all employees from the bottom to the top of the organization want to do what the management expects or the situation requires of them. Morale is not static. It may be good to-day and bad tomorrow. A slight disaffection can quickly develop into a major issue."

Management must set the tone of morale for the whole organization. By showing an appreciation of the economic and social outlook prevalent among employees, and an appreciation of the successful efforts of the individuals or groups working under management's direction, we can create a pattern of employee attitude that spells harmonious relations within an organization. We can give the individual this thing he needs—job satisfaction.

To do this job thoroughly requires the cooperation of a competent staff organization to assist in the development and execution of a program, and a persistent enquiry into improved techniques of human relations.



### Industrial Relations Conference at Dalhousie University

Almost a hundred persons gathered on Nov. 19 at Dalhousie University for the annual conference on Industrial Relations, the largest attendance ever experienced in the ten year history of the organization. Nearly all the major corporations of the province were represented, as well as many other firms, most of them members of the Maritime Bureau of Industrial Relations which sponsored the conference.

After Colonel K. C. Laurie, Chairman of the Board of Governors of Dalhousie University, had welcomed the gathering on behalf of the University, Premier A. L. MacDonald of Nova Scotia expressed the government's appreciation of the work done in the field of industrial relations. The Chairman of the morning session, D. R. Turnbull, greeted the distinguished speakers from the United States and Canada who were on the program. They included H. S. Fox, Commercial Attache of the American Embassy in Ottawa. He took the place of Hon. Ray Atherton, the American Ambassador, who, owing to a death in his family, was prevented from coming to Halifax. The other speaker in the morning session was J. H. Brace, Vice-President of the Bell Telephone Company in Montreal. The luncheon meeting was addressed by Prof. L. Richter of Dalhousie University, while speakers in the afternoon session were Hon. L. D. Currie, Nova Scotia Minister of Labour, and Dr. George F. Davidson, Deputy Minister of Welfare, Ottawa. At the dinner meeting, Dr. E. P. Weeks of the Department of Reconstruction, gave an address on the significance of Europe for Canada's future development.

Mr. Fox of the United States Embassy in Ottawa dealt with the close interrelations which exist between conditions of production and labour relations, discussing the international aspects of that problem. Only in a sound world economy can labour be prosperous and the trade agreements which have just been announced are therefore of profound im-

portance to both partners in industry—management as well as labour. The draft charter of the new World Organization which was enunciated in August, and the new multilateral trade agreements provide an example of constructive international co-operation which will demonstrate in the economic field, as well as in other fields, that the United Nations can function effectively, and that there exists a fundamental basis for the long term solution of the many difficult economic problems which are the present heritage of global warfare.

At the luncheon meeting which was under the chairmanship of J. H. M. Jones of the Mersey Paper Company in Liverpool, Professor L. Richter gave a report on the activities of the Bureau of Industrial Relations, of which he is the Director. He dealt especially with the research work undertaken by the Bureau in co-operation with the Institute of Public Affairs at Dalhousie University. A large part of it is at present devoted to the employment situation in the Maritimes where there are some pockets of unemployment. The Bureau is further instituting courses for personnel officers in industry and co-operates closely in that field with the Maritime Personnel Association.

Although his talk was titled "Canada's Program of Social Security," Dr. Davidson, Deputy Minister of Welfare, pointed out that the problem of federalism in Canada meant that Canada has no single "program" approved by the three levels of government, the private welfare organizations, and the people of the country. Since the Canadian Constitution gives no clear-cut guide as to the allocation of responsibility in that field, achieving social security in this country must be a slow process of working out the most efficient and effective intergovernmental relations possible through study and consultation, Dr. Davidson said.

The Dominion-Provincial difficulty has also meant that although Canada in some fields—notably workmen's com-