

Humans -- 90% to the Good

How it Works as a Business Policy.

Is it true that men and women are 90% good? Ask that question of any man in the management of "the biggest shoe makers in the world", the Endicott Johnson Company near Binghamton, New York, and you will get an emphatic "Yes", and you'll be counted *ed* with this proposition, "Since we believe this, why should we not run our business on the confidence we have in the 90%, rather than on the suspicion we have in the 10%? Is it fair to penalize the first in order to "get" the second? We don't think so."

How does it work out, this policy of confidence? Does it alter the practices of shops and factories above whose doors it is written? Does it affect the earnings of the man at the bench, give him stimulus for the day and hope for the morrow? Does it make for homes and gardens and schools? For gaiety and health and temperance? What does it do to the communities where the workers gather? To the management that preach the thing? How about this pudding of confidence? Does it prove itself in the eating?

To satisfy curiosity on these points one must go to the two towns of Johnson City and Endicott stretched along the beautiful Susquehanna River, perhaps five miles apart at present, but rapidly running into one another's arms. Go to the towns and the factories which have given them birth, for Johnson City and Endicott are as much a part of the firm's output as their sturdy and durable workmen shoes.

You begin to see things you question as soon as you put foot inside the factory door.

Digital Image, 2011. The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pellerin Library.

"Why are these two men dropping their work in the middle of the forenoon without asking permission or punching a clock and going off together?"

"They are going to lunch."

"But the rest are at their machines. Don't you have a lunch hour?"

"A man's lunch hour here is when he is hungry. We don't blow people out and in by a whistle. They go and come as they like. Those men probably went to work at 6:30 and are hungry. They ought to eat."

It was a first glimpse of the policy of confidence in action, the "broken time" system on which ^{J.E.} as people in these parts familiarly speak of the concern, conduct as much as possible of their work. It grew out of a revolt of Harry L. Johnson against the rigidity of the old and the usual practice. "It worked such injustice," he says "Time and time again workers were delayed mornings, by a late car - bad weather - something wrong at home. They lost time and we gave them no chance to make it up. That wasn't a square deal. Then people are different in their working habits. We have men who naturally get up at daylight. They ~~like to go to work early~~. They work best in the early hours. They ~~do here~~ ^{here} ~~as soon as they like~~. Why men climb in the windows, sometimes to get at their machines. Best time of day for them. When it doesn't interfere with other people, why not?"

"Then there are people who hate to eat in a crowd - go and come in a crowd. Why not accommodate them? It relieves congestion just that much."

The habits of a life time rise up at this point. You can't get away from that 10% that you are accustomed to seeing control, ~~the business, the whole on account of it being guarded, inspected, locked.~~

"Don't they abuse the privilege? Don't you lose money by it?"

Ask the question and you will be treated to as much of an explosion as men who are operating business on the principle of the Square Deal are capable of.

"Privilege!" It isn't a privilege. It's a right. Why should you expect men to work freely without freedom? A man doesn't do his best every week. He's down in the mouth - wife sick - baby's sick - things all wrong. He can't work. Next week everything's all right. Why not give him a chance to take up his slack? It's as much to the advantage of the firm as to his ^{to} ~~do~~ it. ~~He'll do it,~~ and his bad week will be better because he knows he'll have a chance to make up."

"Well, that's all right for piece work maybe," your doubting mind suggests, "but how about day workers?"

"Same thing," insists Harry L. "They know how much they ought to do, so does everybody else. The work has to be done. They have too much satisfaction in being a bit free when they need to be to abuse it. ~~This is their business. They know that and they are not going to injure it or their fellows.~~"

^{that}
"Can you prove it, any figures?" One isn't long about E.J. without discovering that any attempt to prove the value of decent human relations by figures is as little relished as questioning a practice because there is a possibility that 10%

^{the} of people will abuse it.

"Figures! Nothing lies like figures - results are what tell."

"But don't you measure results by figures?"

"NO. We measure them by the health, the happiness, the satisfaction, the thrift of the people who are making the business; by the way they play, marry, raise families, buy homes, stay in Johnson City and Endicott. If we get these results, the boots and shoes are sure to follow."

It produces some queer doings, this attempt to actually practice trust in your fellow man. Take this eating when you are hungry. I sat one morning between 10 and 11 o'clock in the office of the head of the Sales Department, Chester Lord. Through the window I could see a continual stream of men and women passing through a long, glass-enclosed corridor running over the road into a small building. "Where are they going?" "To lunch."

Nobody is worried here by the irregularity of hours ^{Go to the} restaurant, and you run upon such a clean sweep of the ordinary practices in such undertakings that you are soon obliged to retire and think it out.

In the restaurants of the two towns ~~attached to the factories~~ some 10,000 meals are served daily six days a week. They begin at 6 a.m., and run until 6 p.m. 15 cents is the price for a meal of ^{such} quality, and quantity and balance that a visiting medical expert recently declared that a man could live forever on ^{the} food. ^{meal} The food is served not only at a minimum price, but with a minimum of noise, confusion and dirt. It is a marvel of simple efficiency, but it is the crowd that holds you, for to the long

tables come not merely the E.J. workers, but their families and guests. A mother coming from her machine at noon is joined by her children from school. They eat^t, go out for a walk and return to work. A young girl from the shop entertains her soldier lover just returned, and you'll see them after lunch sitting apart on the broad verandah. She'll make up later the lost time, and nobody will interfere and jibe, indeed at E.J. lovers and marriage are as popular as shoes.

They are visiting friends at the table. Scores of school children whose mothers are over-busy at home, rush in. Women who don't want to eat alone come in to eat with their husbands. There is a sprinkling of school teachers- and phenomenon that caps the climax, two hundred^{or} more men and women from a nearby factory which does not provide a ~~workers~~ lunch room pour in.

"You take in anybody that comes?" is your amazed question.

"Give it to them at the same price?"

"Yes, 15 cents to everybody. Why should we shut out people? If they are not actually in our factory, they are the friends or neighbors of our people. If we tried to do it, we would make mistakes, and spoil a lot of pleasure they now get. Moreover, it is good for this community that everybody should be able to get at least one square meal a day at ~~this price~~. Isn't it part of our business to make this town as happy and healthful for our people to live in as we can? Maybe five hundred people do come here every day that by strict interpretation should not be fed, but think of the good will that that builds up in these towns where our 13,000 people must live."

"But the money you lose!" You see you can't really believe

that money is not the first object of doing business, ~~and that~~
~~success is only to be proved by figures.~~

(Sitting at the table watching the stream of busy men, women and children flowing in and out, you insist on figures.

"Of course you lose." Yes, 7 cents a meal."

"7 cents on 10,000 meals a day means \$700 a day, \$210,000 a year. How can you justify that as a business proposition?"

We justify it as a human proposition and a community proposition. You couldn't buy for \$2,000,000 what we get here for \$200,000."

Not getting any consolation from my conductor, ^{for} my obsession that figures ought to be treated less carelessly, I sought the treasurer of the E.J. It has been my experience that treasurers can be relied upon to do proper homage to figures. He did nothing of the kind. There had been a look in the eyes of all the E.J. leaders that I had met so far that I had concluded meant seeing things that are not on the pages of ledgers. The treasurer had it in his eyes. But he produced figures, quite frankly and proudly he pointed out not only the \$100,000, but other unusual ^{sums} expenses, nearly a million in all - for "improvements" as he called them; libraries, insurance, amusements, medical care, some for investments like putting in a magnificent swimming pool and bath houses, a long strip of needed sewer that the town could not be expected to undertake for a long time, paving done for the same reason - a million at least to improve the community, ensure health and safety, to provide amusements and opportunities.

"How do you justify a business doing so much for workers?"
I asked Mr. Spaluding.

"They do it for themselves." I had heard the same thing

before in different words. "No man can get away here with the idea that the company does these things for him. He does them for himself". As a matter of fact you will find on the books this million is charged to the cost of shoes. It amounts to something like 2-1/4 cents a pair, but it is not taken out of the consumer, that is, it does not increase the price to him.

The sum is fully earned through by the increased efficiency and productivity of the workers, brought about by the improvements; one hand washes the other!

One can't say it comes out of wages, for drop the improvements and the million would disappear. But suppose it did come out of wages. It would amount to something like \$40 apiece, but what could a worker ~~do~~ with his \$40 compared with what he gets by pooling with his neighbors. His lunch alone for 300 days would easily absorb it, and he would have less nourishing food.

Personally I am ~~rather~~ of the opinion that the improvements ~~not~~ only pay for themselves, but that they will soon, if they do not this year, increase the surplus which under a plan adopted early in 1919 is hereafter to be shared by workers. E.J. has been a partnership until its conversion in April last into a corporation with a capital of 15,000,000 7% preferred and 34,000,000 (14,000,000 issued) of 100% cumulative common. After dividends are paid, the common and the workers are to share the surplus on a 50-50 basis. The half going to the workers is divided equally among all who have been in the concern continuously for a year.

At the present moment there is much eager anticipation of the amount of the coming ~~year~~ ^{disinflation}, as well as equally eager planning for its spending. I hope it is not true though I am afraid it is that more than one young girl has been tempted by a wily unscrupulous