

The Employment Manager

The employment manager has justified his appointment

By J. W. MACMILLAN.

What is this new figure which has appeared upon the horizon of the industrial world? He is the man whose duty is to attend to the "hiring and firing" of employees. The need of such an official did not arise from any lack in the celerity with which jobs were either filled or emptied. There was no call for a standardized "chucker-out." It was exactly the opposite need which led to the invention of the employment manager.

I wrote an article for this column several years ago, when the first glimmering suggestion of the need of such an official began to work in the minds of the more intelligent employers of the United States. In the interval which has passed so many employment managers have been appointed and gotten to work that they have now held their third Conference. They do not hold annual conferences, at least, not yet. They have so much to discuss that they meet every few months.

It seems that the employment manager has justified his appointment. In the preceding article I told something of the unexpected disclosures which an examination into the labor turnover of the average industry elicited. Probably the most valuable portion of the published report of the third Conference of Employment Managers is that which deals, with greatly increased precision, with that same statistical question. It is obvious that all the work of this official must be based upon the facts concerning these vacancies, the making of them and the filling of them. How many times is a job vacant? Why should it be vacant so often? What are the inevitable and what the contingent reasons for these vacancies? How much does it cost to empty and fill a job? How may this cost be reduced? Will the reduction of the labor turnover cost help or hurt the labor force of the industry? These are the questions to be answered.

There is presented in the report a study of twelve typical industries. They are all factory establishments, scattered throughout the eastern and middle States, employing both men and women, some making heavy apparatus and some small wares. They were selected in order to display nothing unusual in respect to efficiency of management, availability of labor, rate of wages, or anything else.

In these twelve typical factories there were working at the beginning of the year 1912 some 37,274 persons. (The year 1912 was chosen in order to get back of the abnormal conditions which began with the slump of 1913 and have continued through the period of war.) At the end of that year there were 43,971 persons working in these factories. That is, there was an increase in the working force of 6,697 persons.

Now, observe, in order to make this gain of less than 7,000 it had been found necessary to hire 42,571 persons. And 35,874 had dropped out of the employment.

That is, in order to increase the force by one person it had been necessary to hire more than six persons and to release more than five persons.

Of course, a certain amount of this abortive engaging and dismissing of employees was inevitable. It is important to know how much. A very careful study was made on this point. The necessary and unavoidable part of the turnover was examined in respect of the following particulars: (1) Employees who die; (2) employees on long sick leave who must be replaced temporarily or permanently; (3) employees who leave because they are unsuited to the work or of their own choice; (4) employees engaged for short periods in the fluctuation of production.

It was easy to get an exact answer to the first of these questions from the mortality statistics. The other answers were not so readily found. Still, some pertinent and convincing evidence was unearthed, which, with allowances on the side of caution, justified the following percentages as fairly accurate. So it appeared that among all employees in a given normal year 1 per cent will die; 4 per cent will lose their jobs through sickness; 8 per cent are discharged for justifiable causes or leave of their own free will; and 8 per cent are but temporarily needed on account of fluctuation, seasonal or otherwise. That accounts for 21 per cent of the employed force being turned over, or, applying it to the twelve factories and keeping in mind the increase of about 6,700, the engagement of 20,540 could be justified.

Thus the problem is cut practically in two. Ra-

ther less than half of the new workers must need have been taken on. But still we have an army 22,031 strong to justify.

The next question is, What does it cost to "hire and fire" an employee? It was found that employers consulted gave widely different replies to this question. Some would place the figure as high as \$200. Some would place it as low as \$30. Many had no idea whatever of the cost. So these twelve industries were studied intensively. It was found necessary to classify employees in five groups. These were:—

- (1) Highly skilled mechanics.
 - (2) Mechanics of lesser skill, who could have acquired proficiency with a year or two of labor.
 - (3) Pieceworkers, who commonly attain proficiency in a few months.
 - (4) Unskilled laborers.
 - (5) The clerical staff in the shops and offices.
- Each of these five groups were studied in respect to the principal items of the cost of employment, which were taken to be:
- (1) Clerical work in connection with the hiring process.
 - (2) Instruction of new employees by foremen and assistants.
 - (3) Increased wear and tear of new machinery by new workers.
 - (4) Reduced rate of production during early period of employment.
 - (5) Increased amount of spoiled work by new employees.
 - (6) Greater accident rate among new employees.

To these might have been added, but were not because of the difficulty of making precise estimates, reduced profits due to a reduced production, nor investment cost of increased equipment caused by the decreased productivity.

It was found that the cost of "hiring and firing" varied greatly according to whether the new worker had ever worked in the plant before. The results arrived at were for the five groups:

(1) New employee	\$62.50;	re-hired \$10.00
(2) " "	76.80;	" 20.00
(3) " "	85.30;	" 35.00
(4) " "	11.50;	" 5.00
(5) " "	35.50;	" 10.00

Averaging all together, with the re-hired in the proportion of one to three of the new, the cost of each "hiring and firing" was \$44.44. The total loss for the twelve factories in respect of the 22,031 employees unnecessarily engaged during the year was just about one million dollars. The annual pay roll of the twelve factories was about \$20,000,000, so that the loss from faulty hiring and firing amounted to nearly 3½ per cent of the pay roll.

Assuming that the experience of these factories is typical of the whole of the United States the annual loss would amount to approximately \$172,000,000 each year.

Applying the results to Canada; the wages of employees given in the Postal Census of Manufactures of 1916 are \$225,580,998.00; if we take 3½ per cent of this we get \$7,895,335.00, as our national loss from inept and avoidable handling of the labor turnover problem in our factories. As it has been found in many investigations into labor conditions in different parts of the civilized world that the same results are forthcoming, it seems safe to conclude that we might save and are not saving a considerable part of this almost eight millions of dollars.

THE WORLD'S SUGAR CROP.

That there needs to be the utmost conservation of sugar during the coming year is demonstrated by the world's crop estimate by Messrs. Willet & Gray, the sugar trade statistical authorities, which is as follows:—

	Harvesting Period.	1917-18. Tons.	1916-17. Tons.	1915-16. Tons.
United States — Louisiana.....	Oct.-Jan.	225,000	271,339	122,768
Texas	Oct.-Jan.	2,000	6,250	1,000
Porto Rico	Jan.-June	475,000	448,567	431,335
Hawaiian Islands	Nov.-July	525,000	579,302	529,895
West Indies — St. Croix.....	Jan.-June	7,500	7,787	14,750
Cuba	Dec.-June	3,200,000	3,023,720	3,007,915
British West Indies — Trinidad.....	Jan.-June	70,000	70,891	64,231
Barbadoes, exports	Jan.-June	55,000	55,000	65,000
Jamaica, exports	Jan.-June	30,000	28,331	15,143
Other British West Indies	Jan.-June	35,000	30,000	35,371
French West Indies — Martinique, exports.....	Jan.-July	35,000	34,443	38,925
Guadeloupe	Jan.-July	35,000	36,160	34,110
San Domingo	Jan.-June	145,000	130,171	126,058
Mexico	Dec.-June	35,000	50,000	65,000
Central America	Jan.-June	25,000	25,000	35,000
South America — Demerra, exports.....	Oct.-Dec. & May-June	120,000	101,650	116,224
Surinam	Oct.-Jan.	15,000	15,000	13,000
Venezuela	Oct.-Dec.	15,000	15,000	7,000
Ecuador	Oct.-Feb.	8,000	8,000	7,567
Peru	Oct.-Feb.	265,000	250,000	262,840
Argentina	June-Nov.	150,000	84,069	149,299
Brazil	Oct.-Feb.	375,000	300,000	194,000
Total in America		5,847,500	5,570,680	5,336,432
British India—(consumed locally)	Dec.-May	2,750,000	2,626,000	2,634,000
Java	May-Nov.	1,800,000	1,596,174	1,198,567
Formosa and Japan	Nov.-June	450,000	436,026	405,227
Philippine Islands, exports	Nov.-June	273,250	210,000	332,158
Total in Asia		5,273,250	4,868,200	4,569,952
Australia	June-Nov.	265,000	192,831	159,681
Fiji Islands, exports	June-Nov.	100,000	100,000	90,000
Total in Australia and Polynesia.....		365,000	292,831	249,681
Egypt (consumed locally)	Jan.-June	100,000	101,832	98,964
Mauritius	Aug.-Jan.	224,000	209,169	215,528
Reunion, exports	Aug.-Jan.	45,000	45,000	45,000
Natal	May-Oct.	115,000	114,580	112,081
Mozambique	May-Oct.	50,000	55,000	50,000
Total in Africa		534,000	525,581	521,573
Europe—Spain	Dec.-June	6,000	6,000	6,359
Total cane sugar crops.....		12,025,750	11,263,292	10,683,997
Europe—Beet sugar crop.....	Sept.—Jan.	3,764,000	4,456,408	5,077,760
United States—Beet sugar crop.....	July-Jan.	750,000	734,577	779,756
Canada—Beet sugar crop	Oct.-Dec.	12,500	12,500	17,641
Grand total Cane and Beet sugar.....	Tons	16,552,250	16,468,717	16,559,154
Estimated increase in world's production.....	Tons	85,473