

# Employment Management in Banking

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The problem of human resources in any business organization requires as uniform and consistent a policy as the technical problems of production or service to the public. This is true whether the product of the firm is in the form of concrete material, such as manufactured articles, or in the form of service, as in banking. The personnel must be carefully chosen and adapted to their work. Each member of the working force must be placed and kept on the job where his special abilities will best serve production and the organization, and at the same time enable him to grow and develop.

It is a problem of mutual relationships. Both the organization and the individual have standards of attainment which must be met. The whole superstructure of the organization, however great or small it may be, rests upon the individual worker as the basic unit. If he does not work to the best advantage for all concerned, there will be break somewhere, sooner or later, which will make for a definite loss.

The task of meeting these demands requires a trained staff and specially adapted machinery, organized and equipped to deal with them. Co-ordination of effort under one head is as necessary in selecting and placing the worker as well as in continuing to care for his interest and the interest of the organization, as it is in handling the material or financial end of the enterprise. The most economical and effective means of handling these matters is through the maintenance of a centralized Employment Department.

There are at the present time a number of peculiar conditions that emphasize this necessity for the scientific handling of the problem of human resources. One of the most noticeable of these is the general economic and psychological unrest due to the war and particularly reflected in the instability of the working classes, as indicated in the general flux in change of positions, and in a more or less general desire for increased remuneration on the part of the worker. Again, a great reduction in the available supply of workers has been brought about by enlistment and draft for war service. Then, too, the rapid growth in the number of women and of untrained workers in business and in industrial organizations, and the general expansion of these organizations during this unsettled period increase the difficulties that have to be overcome.

All of these factors apply to banking and financial organizations as well as to other lines of business. The problem of human resources in banking is as important as the financial. The chief product of the bank is service, and its service is linked up most intimately with its personnel.

The Employment Department, now, functions as the primary force in building up and maintaining this personnel. In accomplishing this task, it has a number of very definite duties to perform.

First, it has to develop sources for securing an adequate number of competent employees. In doing this, consideration must be given to the past training and life conditions of the various types of workers and the probable length of time each may be expected to remain in the employ of the institution. Many of the larger banks have secured excellent results through establishing co-operative relations with universities and colleges to get the best material into their institutions for definite training in their methods and policies.

Second, it must select and place employees in the positions for which they are best fitted. A most important feature here is that the Employment Department must have the right to approve all new employees. It must bring together the experience and ability of the applicant and the requirements of the particular positions open. It is much more economical and expedient to spend an hour or more in properly placing the new worker than it is to spend a day or a week in trying to replace him.

Third, it must carefully follow up the worker after he has been placed. The Employment Department should handle questions of transfer, promotion, dismissal, and other adjustments affecting the employee relationships in the institution. It should analyze closely all complaints arising either from

the employees or from the heads of the departments. The necessity of the Employment Manager interviewing all employees proposed for dismissal cannot be over-emphasized. Although the employee may be judged undesirable by the department head for work in his own department, he may be well adapted for another type of work and should be interviewed to see if he is fitted for another position. The policy should be, of course, to prevent complaints from arising rather than to try to adjust them after they have become acute.

This program should have as one of its outstanding features regular interviews with all employees, sometimes with the employee at his work, sometimes in the Employment Managers' office. These should be held often enough to keep him in touch with the needs and the abilities of the employees and their working conditions. There should also be a constant exchange of judgment between the department heads and the Employment Manager to determine the need for new employees, and to help keep in close contact with the working force. Sympathetic understanding of conditions, recognized in time, will often prevent lack of interest, resignation, or discharge of valuable workers. It is a problem of developing possibilities in the employee not visible at the time of employment.

Several other factors that vitally affect these various phases of the Employment Manager's work should be given special mention. In the first place, the salary schedule should be carefully studied from time to time with the view of adjusting the salaries for the various types of work, as well as of standardizing salaries throughout the organization in so far as the nature of the positions permits. Standardization of salaries, however, must not be carried to the extent of stifling the initiative of capable and imaginative workers. It is an economic maxim that it is cheaper to pay a salary for a given type of work equivalent to the higher standard in general approval, than to fall slightly below these standards. The results come in longer tenure of office, a more contented working force, less time devoted to hiring and breaking in new employees, and consequently, in a general increase of efficiency. On the other hand, it is just as disastrous for a concern to try continually to outbid its neighbor employers either directly by salaries, or indirectly through bonuses, as such practice can end only in a distortion of salary rates for all concerned.

In the second place, it is necessary to provide a sufficient number of people of proven ability, or younger persons of high general ability and capable of being trained, to fill the more responsible positions from time to time. This policy makes provision for filling the better positions from among the only employees themselves instead of going outside of the organization except in special cases.

In the third place, it is highly desirable not to hold the number of employees on the roll too low. While it is just as bad to "overstock" as it is to "under-stock" in the number on the roll employees should not be held under a maximum tension and strain to carry the normal volume of work. There should be sufficient lee-way to accommodate the rise and fall of rush periods.

In the fourth place, it is often much better to employ younger and inexperienced persons of high general ability and train them for the particular position than to take on a large number of persons who have a certain degree of experience in the work, but who have only limited abilities. In this connection, however, it must be recognized that certain types of work do not offer immediately sufficient opportunities for the expression of imagination and initiative to hold a younger person of ability and ambition. Care must be taken, therefore, to place and train the persons of only routine ability for routine positions, and persons with initiative in positions requiring the use of imagination and initiative, or leading definitely toward them. These are points that become vital ones in banking, as there are many types of work that involve mechanical operation together with close concentration of mind on the part of the worker, as well as those that require the exercise of imagination.

In the fifth place, banking work is of such a nature that it requires the most careful scrutiny of the individual employee's honesty in every case. This involves an extensive inquiry of references, as well as other methods of checking up the employees' reliability. This phase of the work, of course, is much more necessary for the rank and file of workers.

There has been such a great increase in the number of women in banking work that special attention needs to be given to the woman employee. A carefully trained woman to assist in determining the types and working conditions of women applicants and women employees is therefore necessary. There should also be a trained nurse to assist in the employment and medical work.

One more feature in handling employee relationships in banking needs to be kept in mind. There should be a well-planned system of education in order to promote mutual helpfulness and keep the individual employee permanently interested in his work. This educational work should be designed to meet both the general needs of the employees and the particular requirements of each person in his special line of endeavor. The instruction, furthermore, should anticipate the needs of the employees in order to place them in line for promotion. It should embrace lectures on subjects of general interest, such as health habits, how to improve one's work, and similar topics, as well as a regular curriculum of study comprising courses on the functions, policies, relations, and regulations of the bank, page and messenger work, office practice, business organization, commercial geography, credits, loans, investments domestic and foreign exchange, and the personal elements in banking.

A special phase of this educational work is the correlation of the courses of instruction in the bank under the counsel and advice of those directing the employment and educational work, with instruction in other institutions and organizations, such as universities and colleges and the American Institute of Banking. The problem of just which of these courses should be given within the walls of the bank and which should be taken by the student on the outside is one that requires careful consideration. On the one hand, definite and full information in the bank's policies and methods in its special lines of endeavor must be observed, and on the other hand, broad points of contact that can be developed in the outside courses need to be cultivated.

Other points which will not be discussed in detail here, but which are of no less importance, are: Life and disability insurance and pensions for employees; a medical staff to give careful examinations to new and old employees, and to assist in correlating the results of these with the results of their mental examinations are with the type of work that they do; lockers for clothing; dressing rooms; lunches for employees; rest rooms and club rooms; mental recreation and physical relaxation at the noon-day period; vacations with pay; promotion of thrift organizations; and concerts and other entertainments.

These human factors are ones which, when not scientifically handled by persons whose special duties are to deal with them, constitute some of the main elements of loss in efficiency, and therefore in service, for the organization. This loss arises from unnecessary turnover, or losing valuable employees with consequent waste in time and expense to replace them; from absenteeism; from tardiness; from inability to replace employees who have left important positions; from needless shifting of employees within the various departments; and from lack of interest and effort and harmonious working spirit. On the other hand, they are the factors which, when properly handled, give vital energy and esprit de corps to the working force, and increased returns to the institution itself.

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