

Portions Of W. R. Murphy's Speech

(Continued From Page One)

"WE live in a world of change. The American system of competitive free enterprise thrives on it. Without it, the wheels of industry would grind to a standstill. And in our plant here it is safe to say that all the changes that have been made during the past several years, including the recent ones, will over the long period result in benefit for everyone concerned.

"Since I joined the Firestone organization in 1907, I have seen many changes in industry generally and particularly in the Firestone organization. During that time I have been involved in labor relations, in one way or another, and some of the most important changes have been made in the field of management—labor relations.

"When a man has been on one job for as long as I have been, he is sometimes asked 'If you had it to do over again, would you take up the same line?' That is a tough question. But I would answer it—yes.

"My job has always been an interesting one. But more important has been the fact that I had the good fortune to work under an eminently successful man who considered the best interests of his employees a basic element in running his business. Harvey S. Firestone, who founded the Company in 1900, was always deeply concerned, not only with the wages his men earned and the progress they made, although both these factors were necessarily of great importance. His concern went further than that. The general well-being of the employees on and off the job, mentally and physically was, in his estimation, as important as the wages they earned.

"He was years before his time in the belief that a man had to feel some dignity in his person on the job, and that he had to derive some satisfaction from the work he did before he became a satisfactory employee who would do a satisfactory day's work.

"His son, Harvey S. Firestone, Jr., Chairman of the Company, was trained for his duties by his father and was taught the same business philosophy. He, therefore, carries on in the same tradition.

"Because of that, my job, while it has never been an easy one, has been, on the other hand, one in which I never had to fight for what I thought was right, and by that I mean what was good for the employees as well as the company.

"THE front office in Akron has always been sensitive to the needs of its employees, whether they were on the clock card or management level. The management has been farsighted and progressive in carrying out measures to fulfill these needs. And in practically every instance where I made suggestions to better the working conditions of the employees, the founder and his son were always extremely co-operative.

"I have gone into this detail of my association with top management over a long period of time because I feel it is of the utmost importance. It is important because I want you men, the representatives in Gastonia of the executives of the Firestone Organization, to realize what is behind the changes which have taken place in your plant.

"I would, therefore, like to discuss with you briefly some of the

company's industrial relations policies and their reasons for being.

"It has been the policy of the Company from the beginning, 53 years ago, to keep abreast of the times and whenever possible ahead of them.

"The Company's slogan, 'Best Today, Still Better Tomorrow,' was not adopted merely because it sounded good. It indicated a basic policy upon which the Company conducts all its business.

"In just one phase of our operations, namely Research and Development, the Company spends millions of dollars every year to achieve what the slogan promises. In other aspects of the business the principle of the slogan holds true. It is, therefore, no idle boast or pretty promise. It means exactly what it says.

"The principle of the slogan is applied to our relationship with the employees of the Company just as it is applied to Research and the products we make.

"Throughout the entire Company, there has always been a basic policy upon which our industrial relations are based.

"The principle involved is a constant one. It does not change. It carries out Mr. Firestone's basic ideas. But since our business and, as matter of fact, the whole of American industry, operates in a climate of change, our industrial relations policies have from time to time undergone revisions to meet changed conditions.

"Some of these revisions are brought about as a result of our own independent thinking. Other revisions are made as a result of changes in other companies or in large segments of industry.

"For instance, we keep ourselves constantly informed on working conditions in other plants similar to ours. We do this so that we can maintain wages and working conditions in our own plants, which will compare favorably with any of the other plants.

"This is our practice not only in the Gastonia plant but in our other plants as well.

"In making this comparison I do not want you to think that Firestone is trying, in terms of wages and working conditions, to outstrip all other companies in the industry. That is not true. But what is true is this: We try to maintain an average in the working conditions of our plants that is at least the equal of any other and, whenever possible, better than average.

"THIS brings me to the recent changes made here in the Gastonia plant, and announced on the plant bulletin boards.

"The first of these changes which I would like to discuss is the one concerning our vacation program. The last issue of the Firestone News contained an article on the subject. It went into some detail to explain the manner in which it will be applied. But I would, nevertheless, like to go into the matter with you.

"According to the new vacation program, employees who were on the active payroll on October 31st of last year became entitled to vacations for 1953 according to their service.

"Employees who had completed 1 through 4 years were entitled to one week, 5 years through 14 years

two weeks, and 15 years or more three weeks. The most significant change applies to employees who complete their first, fifth or fifteenth year during the vacation period. Those employees who did not have a year's credited service on October 31 but who complete one year before next October 31 will qualify for a 1953 vacation upon the completion of the one year, at which time they will be entitled to one week's vacation. Employees who had 4 years service on October 31 last but who will complete 5 years before next October 31 will qualify for their second week's vacation on the date they complete the fifth year of service. Employees with 14 years service on last October 31, will qualify for their third week of vacation in the 1953 vacation period if they complete their 15th year before next October 31.

"Of course, next October 31 the 1954 vacation period will begin and employees will qualify for 1954 vacations in the same manner that I just mentioned.

"Those employees who were not on the active payroll on October 31, due to layoff or extended absence, may still qualify for a 1953 vacation by returning to the active payroll by May 1, 1953. As you know, we do not credit service to the employee for the period he is off the payroll, so the amount of vacation he gets by returning prior to May 1 will depend upon the credited service he has accumulated by time actually on the payroll.

"We have not changed the amounts of vacation pay, which is still computed on the basis of 2% of earnings for a 12-month period for each week of vacation to which the employee is entitled. The change in the vacation period makes it necessary to use a different 12 months to make the calculation. In order to have the vacation pays calculated ahead, we are using the preceding 12-month period ending on September 30. . . .

"THE idea of carrying extra help to come in each day to find out whether any work is available and to be sent home without pay in many cases is bound to create resentment because it not only subjects the employee to the costs of coming in but interrupts his chance of doing some other work that day. I do not think it unfair for the employee to expect there will be some work for him when he reports for work, otherwise he should have been told. You know they say the word 'management' when broken down means 'manage men', and that is your job, to manage men. . . .

"Probably I should say a few words on the change in crediting hours toward overtime in the week in which a holiday occurs. I suppose you understand that if an employee is scheduled to work on a holiday and does not do so, the holiday hours would not be counted toward the calculation of weekly overtime.

"There are six holidays, New Years, Memorial Day, July 4, Labor Day, Thanksgiving and Christmas, which even though the employee is not scheduled to work, he will be credited with his regular hours toward the computing of weekly overtime. It will work in this way; suppose the holiday shutdown is on Monday and the employee regularly works an 8-hour shift, and works his full shift on Tuesday, Wednesday, Thursday and Friday, he will

at the end of Friday have credited toward overtime, 40 hours and if he works on Saturday in that week it will be an overtime day. We do not expect to pay overtime for work on a Saturday if an employee has been absent during the week, as would be the case if he were scheduled on the holiday and simply failed to report.

"WE have made Christmas a paid holiday for employees—single time for those employees who qualify and are not scheduled to work and double pay for those who work. If an employee is scheduled to work part of the Holiday he will be paid double time for the part worked and single time for the remaining hours.

"Our policy of payment for the Christmas holiday contains the usual qualifying provisions. An employee who is scheduled to work on Christmas Day and fails to work except because of death in the immediate family or disabling personal injury or proven unavoidable illness will not receive holiday pay. . . . I think the meaning of 'disabling personal injury' is evident but when we speak of 'proven unavoidable illness' we mean bona-fide sickness that is not the result of the employee's own conduct. We're not opposed to a little celebrating around the holidays but we do think that an employee should think enough of his job and his responsibility to the company to keep himself available for work when he has been scheduled to work.

"Unfortunately, when you pay for a holiday not worked there are always a few who see a good reason for making a two-day holiday of it.

"The result is poor production and costly production the day before and the day after the holiday. For that reason all the holiday pay plans I know of require the employees to work his last full scheduled shift before the holiday and his first full scheduled shift after the holiday, except when he is prevented from doing so by death in the immediate family, disabling personal injury or proven unavoidable illness. These terms have the same meaning that I have explained in connection with the requirements of working on the holiday, if scheduled. It is not our intention to apply this in an unsympathetic manner but it is necessary to apply the same principles to every case. . . .

"I am sure that you understand when we talk about the last full scheduled shift prior to a holiday that would not, necessarily, mean the shift on the day before the holiday. It would mean the last day the employee was scheduled to work before the holiday occurred. Sometimes the employees ask to be excused before or after a holiday and if they are excused the day before a holiday, for example, the last scheduled shift would be the day previous to that. . . .

"If there is a compelling reason why a person should be excused, he should be excused, if at all possible. If the person does not have a real need for the day off, then he should not be given the day off, unless you can spare him and it will not require working someone overtime in his place.

"Remember that one of the reasons we are giving this paid holiday is to promote better attendance immediately before and immediately after the holiday. . . .

"It is important that you understand the administration of holiday pay, vacations, reporting pay and computing weekly overtime. . . .

"Ordinarily changes such as I mentioned would be made gradually but as you know for quite some time we have had government controls. Now that controls have been removed, we can go head.

"So much for these new subjects.

"WE are living in rapidly changing times, and it is management's responsibility to keep up with these changing times. Mr. H. S. Firestone, founder of the company, was a believer in this program. His son, Mr. H. S. Firestone, Jr., who is now Chairman of the Board, has the same sentiment. This is evidenced by the different things that we are doing in our various plants; our newspapers, our recreational programs, and the other contributions that we make to employee and community welfare.

"You men sitting here tonight are in the eyes of the people who work with you and in the eyes of the community, Firestone management. It is true there are, undoubtedly, a lot of people locally who know Mr. Firestone, they probably know Mr. Karl, but to the people who see you every day, you are the ones who tell them what to do and how to do it and if they are doing it right or wrong. To these people you are a representative of Firestone management. The corner grocer in your neighborhood has you listed in his book as a member of Firestone Management. To him the things you say and do have the endorsement of Firestone, and it is up to you to meet your responsibility as a member of management.

"In the small plants the owner or operator of the business could maintain personal contact with all his employees. He not only knew the employee but he knew his family and the intimate details concerning his life, and he adjusted his program as he went along. It is more difficult to do this where you have a large business. Possibly you do not realize that Firestone has 34 manufacturing plants scattered over the world. Firestone also has 700 retail outlets, which employ anywhere from 2 to 50 or 60 people at each of these locations, and that we employ nearly 50,000 in these various domestic operations. This does not include Liberia Plantations.

"To the employees in these various locations the men who occupy positions similar to yours are recognized as Firestone Management. We have a good reputation in the community if the people in your position are well accepted in the community. We have good products at these different plants if you in your capacity see that your employees produce a good product. Remember if we do not have a good product we will not stay in business. Our customers will see that we get out of business in that they will not remain our customers.

"This brings me to a point. I am not sure how often it occurs in the running of commercial yarns but I would think it might occur quite frequently, and that is the employees may resent the change in type or style of yarns which you are running on different machines. I am sure everyone in

(Continued on Page Six)