In Practice

Working Families–Do(n't) Employers Care?

By Helen Axel, director of the Work and Family Information Center at The Conference Board. Reprinted by permission of Family Resource Coalition Report, Chicago, Ill.

A task force is created by senior management in one company to provide for employee input on ways to change company policies so that they can be more responsive to the needs of working parents; employees in another firm are given the clear understanding that their personal concerns belong at home.

A working mother in one major corporation is allowed a one-year personal leave of absence to care for her newborn child and can return to a protected job; in another firm, new mothers who want to stay with their employers are expected back at work as soon as a doctor certifies that they are no longer "disabled."

The spouses and children of one firm's transferred employees are offered counseling services to help them cope with the disruptive experience of moving and to make a smooth adjustment to their new community; another firm confines its relocation assistance to financial matters.

The above examples show that employer support for working families is far from universal. Business's perceptions of its responsibilities to working parents, combined with recent changes in family structure, scant knowledge about the business implications of work-family relationships and lack of widespread corporate experience with family-supportive programs, help to explain differences in response.

New demographics at the work place

Parents have always been well represented in the labor force. Until recently, however, they have typically been fathers; mothers stayed at home to raise the children. This division of responsibilities kept the interference between work and family activities at a minimum. Today, traditional working families are in a minority; fathers as solo breadwinners are outnumbered two-to-one by dual-earner and single parents. Mothers and fathers no longer manage the demands of jobs and family as separate assignments but often juggle both simultaneously—and with difficulty. Family concerns frequently affect performance on the job, just as work requirements intrude at home.

Companies that are aware of the changing demographics of their work forces are likely to be more sensitive to the family needs of their employees. This is particularly true if "new families" can be found in the front office. A chief executive who has a working wife and children still at home, or an executive woman who is a dual-career partner or a single parent, will have firsthand experience in coping with a complicated work-family schedule. Vicarious experience can also be effective—some corporate policies have been changed because secretaries in the executive suite (or other valued subordinates known to top management) have had sick children, become pregnant or been asked to relocate.

On the other hand, senior executives who have nurtured traditional families—a common characteristic of many corporate top managements—are often oblivious to their employees' family circumstances. Some chief executives recently attending a seminar at Harvard University, for example, were asked to guess what proportion of their employees were men whose wives did not work outside the home. Their estimates, ranging from 40 to 70 percent, reflected their own marital experiences, and were not even close to the 10 percent average recorded nationwide. These top-level (and generally older) executives are not necessarily unsympathetic to working-parent issues; they are not aware that large-scale changes in living patterns have occurred. Their perceptions, however, are critical ingredients in corporate policy.

Companies as problem-solvers

A problem-solving approach has introduced some employers to programs and policies considered beneficial to working families. Not all problems that are being addressed were identified with family issues. Flextime, for example, was adopted in a number of firms to solve community and parking problems. Childcare assistance was originally provided at some firms to improve the company's recruiting capability. Employee counseling services often were initiated to combat alcohol and drug abuse problems at the work place. Corporate relocation policies began to be overhauled when employees began to refuse transfers—or renege on them—because of working spouses, children's schools, community preferences and other personal considerations.

Many firms appear to be better equipped to solve problems than to take preventive action in anticipating them. But such an approach tends to focus on short-term results that are readily visible on the bottom line. As a result, there may be little interest in programs that have long-term—and vaguely defined—payouts. Many of the benefits attributed to family-supportive policies and programs cannot be easily measured. An evaluation of a new program that touts "improved employee morale" or consists of anecdotes about employees who report "less stress" offers little concrete evidence of the cost-effectiveness of that program to a data-conscious executive.

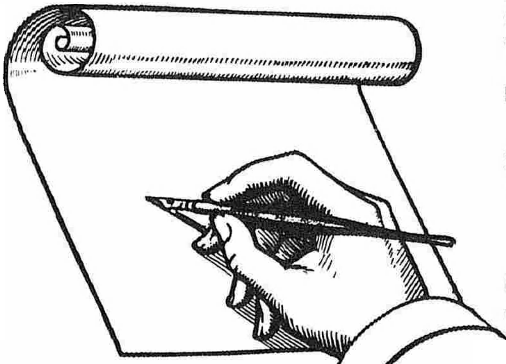
Corporate social responsibility

Companies concerned about meeting their responsibilities to society are also likely to be attentive to working families, particularly in their outreach programs. Corporations located in the Minneapolis area, for example, regard families as a community resource. They have invested heavily in a variety of community-based programs and services that serve their needs. A computerized childcare information and referral network is one noteworthy example. Similarly, firms that remain close to the traditions of their founders tend to perpetuate the family orientation of their origins and build on their identification with the community. Firms such as these are likely to employ many members (and generations) of the same family—a situation that reinforces the ties binding employer, employee and community.

Employers, however, draw limits to the corporation's social role—and some deny it altogether. Companies may be constrained by a reluctance to intrude on the private lives of their employees. These firms reject many types of family-supportive benefits and services because they are perceived to make decisions that appropriately belong to families. Other employers see business primarily as an economic, not social, institution. From their perspective, successful companies are in business to produce products or services, generate income and make profits that can keep the economy growing. These employers say that business demonstrates its support to families by providing people with jobs and income.

Because of these varied perceptions and motives, changes in corporate policies designed to improve the quality of work and family life will probably spread slowly and unevenly within organizations, although structural changes in the economy and in business organizations may provide the stimulus needed for many firms to become more responsive to their environments. While some firms will undoubtedly continue to define their responsibilities to families in narrow terms, many companies are showing increasing responsiveness to the needs of the employee, family and community—and recognize that it is in their self-interest to do so. At this point, however, business still needs to learn more about other corporate experiences, community resources that can be tapped and costs and benefits of innovative programs. The educational process continues.

Editor's Note: The Family Resource Coalition acts as both resource and catalyst for the parent education and family support movement. A national network of people and organizations promoting the development of programs to strengthen families, the coalition reflects its grassroots members in advocacy, public education and publishing activities. For more information, contact them at 230 N. Michigan Ave., Suite 1625, Chicago, IL 60601.



Dugan Laird HRD Writing Award

The Woodlands Group recently announced their establishment of the Dugan Laird Award for Excellence in Writing in the Field of Human Resource Development. Regarded by many as "the trainer's trainer," Laird, who died last year, was the author of numerous articles and the popular *Approaches to Training and Development*.

The Woodlands Group, of which Laird was a member, meets four times a year for professional support and to explore matters of mutual interest. Through the award, they intend to "recognize outstanding HRD writing by selecting the article from one of the three publications most associated with Laird (*Training & Development Journal*, *Training News* and *Training*) which best meets the high standards Dugan promoted and practiced in his own teaching and writing."

At the end of each year, the three publications will submit three articles each. The nine articles will be reviewed blind by a selection committee of at least five current members of the Woodlands Group. The winning author will receive a plaque, recognition in the three publications and a cash reward. The size of the annual cash award will be based on the amount of interest accrued to the Dugan Laird Memorial Fund the preceding year. ASTD has volunteered to help administer the fund.

Initial contributions to the fund have been made by Woodlands members. Tax deductible, additional contributions are also welcomed and should be sent to the American Society for Training and Development, 1630 Duke Street, P.O. Box 1443, Alexandria, VA 22313. Checks should be made payable to "ASTD—Dugan Laird Memorial Fund."

American Work Force Underused by Management

A majority of American workers feel they can increase the quantity of their output—and believe they are capable of improving the quality of their work, according to research data collected by McBer and Company, a human resources management consulting firm in Boston.

"Fifty-one percent of the 79 percent who thought that they could improve the quantity of their output said they could increase it by 20 percent or more, if conditions were better," said Richard E. Boyatzis, president and chief executive officer of McBer. He added, "The basic message that people are sending out is that companies aren't doing much with the talent they have.

"The most significant challenge facing management today, regarding productivity, is tapping its underutilized manpower resource. The key to tapping this unused resource," he said, "is understanding what makes employees work well.

"A few years ago," explained Boyatzis, "we noticed a trend in the difference between employees' commitment to their jobs, careers or professions, and their organizations. People were committed to their jobs, etc., but were not committed to their organizations. Most of the time, this lack of organizational commitment was because they felt that their managers were not doing a good job. In fact, the decline in organizational commitment, or lack of respect for management, dropped as fast as employees' commitment to their jobs and careers rose. Our most recent national survey indicates that this trend is stronger than ever.

"People want to work, but not necessarily for the person they work for. They are committed to the strategic will to win, and need a sense of belonging to something that they feel proud of. They are looking for a theme or sense of what the organization is—a way of identifying with it, so they can feel proud of belonging to it. However, they want to belong *only* to a company that is winning.

"When we examined distinguishing characteristics of superior performers, we found that there was no difference in the level of intelligence between superior and average performers. However, superior performers showed three common characteristics. They demonstrated an ability to discern other-than-verbal content of messages. Secondly, they held positive expectations, which was exactly the opposite of average performers. The third outstanding trait was a highly developed skill level in learning political networks.

"If managers identify the characteristics of a person that lead to or cause superior or effective performance, they would have the key to rejuvenating their organizations. Job competencies can be the 'DNA' of the organization, because these competencies enable workers to respond to the demands, functions, responsibilities and requirements of the job, and to do so in the context of the organizational environment. The most effective behavior leads to maximum performance."

Boyatzis has conducted research and consulted in organization and management development for industrial and government clients. He is the author of a recent book, *The Competent Manager*.

Incentives Tied to Youth Learning & Employment

"Employers get a much more productive worker when they hire a youth with good communication and reasoning skills," according to John Bishop, associate director of research at the National Center for Research in Vocational Education, "but they do not pay such youth comparably high wages, and this has the unfortunate effect of reducing student incentives to study hard in high school." Bishop spoke at the center's recent Education and Employment Policy Forum that was sponsored by the National Institute of Education.

The purpose of the forum was to examine the youth employment issue and its future direction. One of the major problems, according to Robert E. Taylor, the center's executive director, is that "recent data from the Bureau of Labor Statistics indicate that the unemployment rate was 25 percent for young people who graduated from high school the previous June and who were not enrolled in college. Among black high school graduates, the unemployment rate was even worse at 54 percent." Taylor added that "this high rate of youth unemployment is explained somewhat by the fact that high school youth lack the basic skills and competencies required on the job." Further, Taylor said, "Youth are showing a lack of positive attitudes and behaviors that will enable them to succeed on the job. And they are not correcting these deficiencies in the early employment years."

Youth must be motivated to gain these basic skills and attitudes, yet, according to the experts, the labor market provides only limited wage rewards for developing these abilities. John Hunter, professor of psychology at Michigan State University, pointed out that "the worker with 100 points higher verbal and math SAT scores will on average be 15 to 20 percent more productive." Wages are not comparably higher, however. Bishop reported that "high school graduates who do not go on to college receive at most 5 to 7 percent higher earnings when verbal and math SAT scores are 100 points higher, and this is after 10 years in the labor market. As a result, employees' achievement in high school benefits a youth's employer by more than it benefits the youth."

Youth also lack incentives to accumulate vocational training and training on a job because employers again offer only limited rewards for their better preparation. Bishop explained this is because employers have difficulty getting information from high schools about the abilities and character of recent graduates. Ray Mason, director of management placement at Nationwide Insurance Co., verified this when he reported that of 1,000 releases signed by job applicants asking that transcript information be sent to his firm, high schools responded in only 93 cases.

A poor match can lead to high turnover, according to William J. Dennis, senior associate at the National Federation of Independent Business. And, "when there is high turnover, there is not an incentive to train the employee." Taylor explained that "the job turnover problem is perpetuated by employers when they consequently offer recent high school graduates employment in jobs that are relatively undesirable—jobs that offer very little on-the-job training, involve no promotion opportunities and pay only the minimum wage. This practice perpetuates the problem by contributing to the lack of motivation prevalent among youth."

Overall, these problems affect our nation's economic productivity. "In fact," stated Taylor, "the excellence-in-education movement in part draws its justification from our need for productivity and our ability to compete in the world market as well. Literally, there is a relationship between quality and relevance of education and our economic productivity."

Recommendations for solving these problems were posed by center experts for schools, students and employers. One recommendation to schools was to offer classroom incentives to learn. Robert Slavin, professor of sociology at Johns Hopkins University, said, "You have a situation where one student's success often reduces the chance that another student will succeed so that kids have norms against doing well academically because. . .this hurts your peer group." Slavin called for classroom recognition of student improvement, as well as use of cooperative strategies in the classroom where students work in teams—capturing sports-like motivational dynamics that will carry over to the work place.

George Washington University professor of sociology Amitai Etzioni illustrated a recommendation that called for encouraging closer student-teacher relationships that can help motivate students: "The personality is the basic foundation on which everything is grafted. The point is, if you don't have the capacity to mobilize yourself, to apply yourself to the task, what we call self-discipline, nothing else will work." Etzioni cited his study showing that homework is the single most important factor to fostering self-discipline, "not because it gives you a few more hours of learning, but because the school can encourage young persons to do work when they're not supervised." A closer relationship between teacher and student allows teachers to give meaningful assignments and timely feedback, a set-up that mirrors work-place relationships. Etzioni criticized the system calling for schools to "shuffle students from class to class every 45 minutes or so." Teachers are responsible for too many students, and it "prevents. . .any deeper relationship from developing between teacher and student." Etzioni emphasized the idea that teachers are teaching more than subject matter—they're helping to build character traits that are required for students to succeed in the work place.

Other recommendations to the schools emphasized methods of sharing information with employers about student accomplishments. Beatrice Reubens, a senior research specialist at Conservation of Human Resources, Columbia University, emphasized that "youth leaving secondary school in other countries receive considerably greater assistance in seeking employment, and this is partly a function of their ability to send detailed records on student performance to prospective employers." One possible solution is to establish a close referral relationship with employers.

One recommendation to employers was to develop training certification standards. David Holscott, director of the National Screw Machine Products Association, gave a good example of how such standards could be used by explaining them in relation to the precision metal-working industry. His industry is developing a test that would be used to certify workers at a given skill performance level. Employers could use the test scores to determine the skills the potential employee has already developed. "The other interesting factor," according to Holscott, "is if we can get performance standards developed and employers to adopt them, schools would have a level to train to."

Employers were also urged to be sure they get complete information to make the best hiring decision. Hunter pointed out that aptitude tests are three times more valid a predictor of job performance than the job interview. Dennis advised employers to make greater use of aptitude tests and to invest more in information for the hiring decision to reduce employee turnover.

For information from the National Center for Research in Vocational Education, call its Program Information Office at 800/848-4815 toll free outside Ohio and inside the continental U.S., or 614/486-3655.

Winning Government Contracts: A Resource

For the past six years, the little-known Federal Procurement Data Center (FPDC) has been collecting—and supplying—detailed information on every item the government buys with appropriated funds. By making use of the FPDC's comprehensive data base, an organization can pinpoint the impact of federal procurement on its industry, competitors and city. (Last year alone, federal contracts amounted to more than $182 billion, a large pie indeed.)

FPDC offers two basic products. As an overview to contracting activities in the government, the FPDC can send you a free quarterly standard report of procurement data. It includes a list of the top 100 contractors who sell to the government, as well as several charts and graphs that compare procurement activities by state, by major products and services, and by federal agency.

For many businesses, however, this is not enough. Many need a more detailed analysis to assess their own chances of winning government contracts, to identify their competitors, to target new markets for their products or services, or to develop marketing plans for themselves or their clients. To meet these specific needs, the FPDC can also provide, for a fee, a special report tailored for your needs. For example, the FPDC can tell you:

- Who your competitors are and the volume of business they do with the federal government. (Your company could request a special report on the volume of business your competitor did with the federal government last fiscal year, broken down on an agency-by-agency basis.)
- Which agencies are buying the products or services offered by your company and from whom. The FPDC system has more than 5,000 codes for services and products and can compile contracts by product in a given geographical area. This information can be further broken down by agency, contract number and purchasing office that made the award.
- The amount and percentage of contracts awarded to small, minority, women-owned or nonprofit businesses.

- Whether a contract was formally advertised or negotiated, competitive or noncompetitive, and which statutory requirements apply.
- Extent of competition in negotiation (e.g., small business or labor-surplus set-aside).

Thousands now use FPDC data—and the list is growing. In addition to the special report, the FPDC also provides, on a reimbursable basis, other useful information such as mailing lists of contractors who sell to the government sorted by region, product and service code, and mailing lists of government purchasing offices and their addresses.

For information, call 703/235-1326, or write Dept. GB, Federal Procurement Data Center, Suite 900, 4040 N. Fairfax Drive, Arlington, VA 22203.

Corporate Sales Stifled by Training Dilemma

Optimistic projections that 40 million Americans will be using computers in their daily jobs by 1990 will not be met because the PCs that have already been sold into corporations aren't being used. According to Steve Roden, president of the Digital Controls Video Group, hardware and software sales to corporations have been stifled by lack of training.

"Corporations are looking outside their own walls for computer training," Roden says, "and computer dealers should take advantage of what is being called the third wave (after hardware and software) of retail sales. Historically, training has not been profitable for retailers. Most often, user training has been a losing proposition and a painful chore, a loss leader dealers knew they had to provide somehow to get the sale.

"But a good learning program can turn the pain to profit, and be as profitable as it is useful." To solve their training dilemmas and to take advantage of a growing training market—projected to be $1 billion annually by 1990—Roden proposes that dealers look at self-contained training tools. "Portable training tools enable retailers to offer one-on-one, on-site training to corporations," he says. "The training is consistent and provides employees the opportunity to learn and get the most out of their computers—at their own pace and convenience."

Computer Homework an Organization Plus

Lack of trust sometimes underlies office productivity problems that are mistakenly attributed to factors such as job structure, work flow or lack of technology. Now, a new study declares that the increasing importance of telework is causing management to ask more questions about employee trust.

In response comes *The Human Resource Management Dimensions of Telework,* a study of the organizational and personnel issues raised when companies allow work to be done from a remote location, including employees' homes. It is published by Electronic Services Unlimited (ESU), a New York research and consulting firm that specializes in telecommuting and guides firms in setting up pilot programs. ESU's latest study is designed for executives interested in using new electronic work methods to enhance productivity: human resource managers, DP managers, MIS and other technical planners, and marketers of high-tech products and services.

"Managers of prospective telecommuters often ask us whether they can trust their staff to work at home because we're all conditioned to believe: 'out of sight, out of mind'," says Marcia M. Kelly, president of ESU. "But our latest work convinces us telework does not call for more trust, so much as it calls for the redistribution of discipline, to borrow a phrase from Peter Drucker. If you get good results from employees in the office, you should trust that you'll get good results if they telecommute. All the evidence supports this conclusion."

"This report," says Kelly, "Shows how telework is fitting into traditional as well as more contemporary organizational styles. And it illustrates how any work group can become more competitive through the adoption of telework, since it makes people—managers, professionals and support workers—more responsive, flexible and productive."

Telework is defined as the practice of substituting telecommunications for work-related travel and is usually associated with the use of personal computers. It offers the twin advantages of allowing work to be accomplished from any location and at any time of the day or night. This flexibility can lead to high-performance work methods, HR management benefits and employees' opportunities to gain more control over their work lives. The benefit to the organization is usually increased productivity from highly motivated workers who value their jobs because telecommuting permits a freer lifestyle.

Thomas E. Miller, ESU's research director, under whom the study was prepared, says, "Increasing the personal autonomy of the worker is a key factor behind the 20 to 30 percent gains in productivity reported in early telecommuting surveys." He notes that "Some of these telework methods are so productive that results-oriented organizations won't be able to do without them. And the companies that are the first to investigate and use these new forms of worker organization will have many competitive advantages . . . in the recruitment of key, hard-to-find, specialized personnel and in being able to provide better customer service."

Miller cites the rapid rise in use of portable computers by sales teams, technical teams and customer service representatives as examples of how telework can improve familiar work methods. "The new study," he says, "identifies three categories of specific telework applications and illustrates how they fit the organizational structures and policies that have evolved over the years. These include: part-time telecommuting to catch up on projects (or for maternity leave or short-time training needs); more permanent data entry, word processing or remote tele-services, often tapping specialized labor pools or for peak-load periods; permanent work options that emphasize performance benefits, such as research teams, emergency task groups, new product development or marketing teams, and similar types of work groups.

"Of particular interest to planners," according to Miller, "is clarification of the hidden role of communications choices in how we organize ourselves for work. 'The network organization' is the term we are using to describe dynamic work groups that take advantage of the competitive edge now available via telework methods. Networking best describes the changing patterns of insight and influence that occur when people use interconnected computers to speed the flow of information in an organization."

The Human Resource Management Dimensions of Telework is available as a separate report or as part of ESU's Telecommuting Research Program, which supplies current research on telework-related topics. ESU also publishes a monthly newsletter, the *TeleCommuting Report*.

For information, or a free Executive Briefing booklet about telework, contact: Thomas E. Miller, Director of Research, Electronic Services Unlimited, 142 West 24th Street, New York, NY 10011; telephone 212/206-8272; electronic mail to SourceMail Box BBB091 and CompuServe ID 75106, 137.

Rehiring the Disabled Employee

Not long ago, disabled workers who could no longer do their jobs promptly were let go. But times—and laws—have changed. Many companies see the advantages of helping return disabled employees to full- or part-time work. One company, Minnesota Mining and Manufacturing in St. Paul, has taken the concept even further, according to an article in *Employee Relations and Human Resources Bulletin*, published by the Bureau of Business Practice (Waterford, Conn.).

"We have had a rehabilitation program since the early 1970s," says rehabilitation placement counselor Deborah Beaudway, "but it was never fully coordinated with the other disability benefit areas until 1982, when 3M instituted its Disability Management Program." The program was designed to bring all related disability programs—workers' compensation, long-term disability, short-term disability, and rehabilitation—under one umbrella, "disability management." Now when someone is receiving disability benefits from 3M, one department handles the whole process.

3M's three disability program coordinators (one for each of 3M's regions) assume the responsibility for getting disabled employees back to work within their new limits (as defined by their personal physicians). The coordinators conduct training seminars on-site for plant and human resources management and also phone various 3M sites to discuss what can be done to bring disabled employees back to work in safe and personally rewarding capacities.

"We encourage managers to maintain contact with employees who are out on disability," says Beaudway, "talking with them by phone, visiting them if they're hospitalized, and inviting them to plant picnics and other company functions. We want to show these employees that the company is still concerned and wants them back."

To further encourage manager support, 3M launched one of its most innovative solutions to the problem of helping disabled employees fit back into the company—the Corporate Rehabilitation Program, a temporary employment agency for the disabled that offers on-the-job training.

The program makes it possible for other departments to employ disabled workers, unable to work at their previous positions, for one year without hiring them on a formal basis. The department pays the employee's salary, but he or she is not included in its head count. During this one-year period, the manager evaluates the person's job performance; if well rated, the employee will probably be hired permanently. Everyone wins with this system, points out Beaudway: "We're not putting employees into make-work situations. These are actual jobs that need to be filled, and the disabled worker gains valuable job experience."

3M uses job modification and job accommodation to get disabled employees working again. "If an employee has a hearing impairment, for example, an amplifier on the phone may allow the employee to return to his or her former position," says Beaudway.

In some cases, rehabilitation expertise may be needed. "A production employee who can no longer work in a plant because of a back injury may need a transfer to a completely new job," she explains. "In such a case, I meet with the employee, evaluate his or her work history, interests and transferable skills that could be used elsewhere in the company, and conduct a job search to find a position within his or her medical limitations and skill areas."

In other cases, employees are referred to local rehabilitation centers for a formal evaluation of skill areas and physical capabilities. Employees who could benefit from short-term training may enter an external training program.

For example, if a visually impaired employee is having problems on the job, Beaudway might contact a state agency for the visually impaired and request that one of its counselors work with 3M and the employee. On occasion, the company uses private rehabilitation consultants, especially in locations that the disability management staff can't easily reach. "This makes sense because we can hire someone who knows the community and its services better than we do," points out Beaudway. "We contract with them to provide their services and we monitor their progress."

Many companies around the country consider this a top-notch program. But according to Beaudway it is simple common sense. "The secret to our success is bringing all of the related services under one umbrella," she adds. "As more and more states consider rehabilitation legislation, programs like ours will become the norm rather than the exception."

The Double-Breasted Company

For an ambitious employer to survive and prosper in today's marketplace, it must take every opportunity to use labor resources efficiently and innovatively. Many employers in highly unionized industries, such as steel and automobiles, stagnate because of their inability to streamline and redirect labor resources, among other reasons. These businesses have suffered during times of recession, finding themselves ill-positioned to take advantage of economic recovery.

The emerging concept of "double-breasting," the simultaneous operation of both a union and a nonunion business, could enable the unionized employer to regain a competitive position in the national and international marketplaces. In an article in the Spring 1985 issue of *Employment Relations Today*, "Double-Breasting—an Intriguing Approach to Business Revitalization," Robert C. DeMoss traces the emergence of double-breasting to the construction industry in the 1960s, when most contractors operated according to costly and burdensome collective bargaining agreements.

Double-breasting offers the employer an opportunity to penetrate new markets and compete profitably on both a union and nonunion basis. The nonunion operation may be able to produce a product or service more efficiently and at a lower cost because it is not bound by the restrictive terms of some collective bargaining agreements. At the same time, the employer may use the union branch of its operation to secure or retain business not readily accessible to the nonunion employer.

The most critical factor in the operation of a double-breasted enterprise is maintaining a sufficient degree of separation between its union and nonunion branches. In determining whether a sufficient degree of separateness has been maintained, the courts and the National Labor Relations Board have applied tests: the single employer and alter ego tests.

Double-breasting requires the commitment of resources, including the capital, personnel, equipment, business contacts and time to oversee implementation of the plan. Additionally, the employer should recognize that a double-breasted plan that works well today may not be appropriate for tomorrow.

For more information concerning the article and where it was published, call 212/489-5911; or write to *Employment Relations Today*, 33 West 60th Street, New York, NY 10023-7988.

Raises Middle Managers Got This Year (And Can Expect in 1986)

Middle-management salaries at U.S. companies rose by an average of 6.8 percent in the past year, rebounding slightly from last year's 10-year low of 6.4 percent, according to a study released by Executive Compensation Service, Inc. (ECS), a subsidiary of The Wyatt Company. ECS is a leading publisher of compensation studies with a data base of information on over 800,000 employees in 650 job categories.

The most comprehensive research in the field, the ECS middle-management survey has been conducted annually for more than 30 years. This year it includes the salary data of 21,140 employees at 1,403 companies rep-

Table 1—Ten-Year Comparison: Middle-Management Salary Increases vs. Consumer Price Index

Year	Salary Increase as % of Base Pay	Consumer Price Index
1985	6.8	4.3
1984	6.4	3.2
1983	6.6	6.2
1982	9.4	10.3
1981	9.7	13.5
1980	8.5	11.4
1979	8.4	7.6
1978	8.2	6.5
1977	8.4	5.7
1976	8.4	9.2

Table 2—Compensation Trends by Occupation

Occupation	Annual Salary Growth in 1984/85 (%)	Actual 1984 Bonus (% of Salary)	Managers Paid Bonuses (%)
Human Resources & Public Relations	7.3	13.1	22.1
Financial & Legal	7.1	13.3	27.2
Manufacturing	6.9	12.5	28.9
Marketing	6.2	17.2	36.6
Engineering & Research	6.1	13.0	27.3

resenting a cross section of American industry. Middle managers are defined as employees with the title of "manager" or "director" who report directly to a vice president or other top functional executive.

The study indicates that, although salary growth for middle managers has stabilized since the sharp drop experienced last year, companies are proceeding carefully, reflecting a cautious economy. Table 1 tracks the movement of middle-management salaries and the consumer price index during the past decade.

The survey's findings on merit increases also reflect caution on the part of management. Merit increases granted to middle managers during 1984 averaged 6.4 percent of base salary, but companies set aside only 6.0 percent in this year's budgets, with projections for 1986 averaging 6.1 percent.

Compensation trends for middle managers in specific occupations were also examined. Those in human resources and public relations gained the largest salary increases, averaging 7.3 percent of base salary. The highest bonuses, at 17.2 percent of salary, went to marketing managers, while manufacturing managers received the lowest, at 12.5 percent. Table 2 shows a complete breakdown.

For information on this report, call Executive Compensation Service, Inc., at 201/585-9808. The report contains compensation data broken by manufacturing, service, utilities, retail and wholesale trade, transportation, petroleum and financial service companies.

Please send items of interest for In Practice to Robert Bové, Training & Development Journal, 1630 Duke St., Box 1443, Alexandria, VA 22313.