

Personnel Study Conducted on Winchester Alarm Company Inc.  
Muncie, Indiana

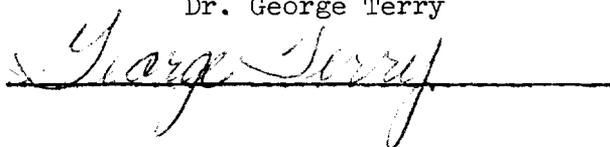
An Honors Thesis (ID 499)

by

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Winchester Alarm Company, Inc.

Selection of the Company

After failing to win approval to do a personnel study on a local medical laboratory, the accountant with whom I was negotiating to do the study, Mr. David Robinson, suggested that he would, on my behalf, find a company which would be willing to have a personnel study done. After thanking him, he came up with Winchester Alarm Co., Inc. whose president agreed to have such a study done. The president and Mr. Robinson knew each other from their membership in a local businessman's club.

I contacted the president and set up a meeting with him where I explained the details of what I wanted to do. He, in turn, pointed out certain problem areas in the personnel area which he thought were good areas to explore. The president asked me to liase with the Night Shift Supervisor during my study. I was to get all of the relevant information pertaining to the working and history of the company.

Because the Winchester Alarm Company deals with very sensitive information and their customers depend on the company's discretion not to divulge this information, a security check was run on me. After two weeks the security check was cleared and I proceeded with the study.

Purpose of the Study

The purpose of the study was to find and study an area or areas of the personnel function which could be better managed, personnel practices which are deemed counter-productive to the company's aims.

Methodology

The methodology followed consisted of conducting

- (a) In-depth interviews with key members of the company's staff,
- (b) Questionnaire results from the supervisors and top management members of the company.

The reasons for using these methods are as follows:

- 1) In-depth interviews seemed the best way of obtaining the information needed to make a study. Because the main job consisted of monitoring a vast array of instruments, obtaining data through observation would have proved difficult. The maintenance and installation are done on private premises which would be difficult to access. Further, it would be difficult to observe relationships between the employees. Being an outsider, and with everyone putting on their best face, it would be an unnatural environment for observation.
- 2) Getting the story from one side and not the other would probably have led to a biased conclusion. For this reason, both management and staff had in depth interviews. They were told that the interview was confidential and that it should not be discussed with anyone until the study was over. This last stipulation was to prevent a "ganging up" effect which may have occurred if each interviewee knew what questions I was going to ask him or her.
- 3) The questionnaires offered a standard from which to work. Each member of management had the same questionnaire and thus the results could be compared.

According to the president, no such study had previously been done on the company. This study was therefore the first

the company had encountered. Bracken library was used to find out whether any similiar study had been carried out and submitted to the Honor's program. The search proved negative.

#### History of the Company

The company was started by the president five years ago. It has since then grown by leaps and bounds. The company started with only ten accounts and now has several hundred such accounts.

There are plans for expansion, not only in equipment, but also in manpower, to take care of the ever increasing amount of business.

#### Function and Activities of the Company

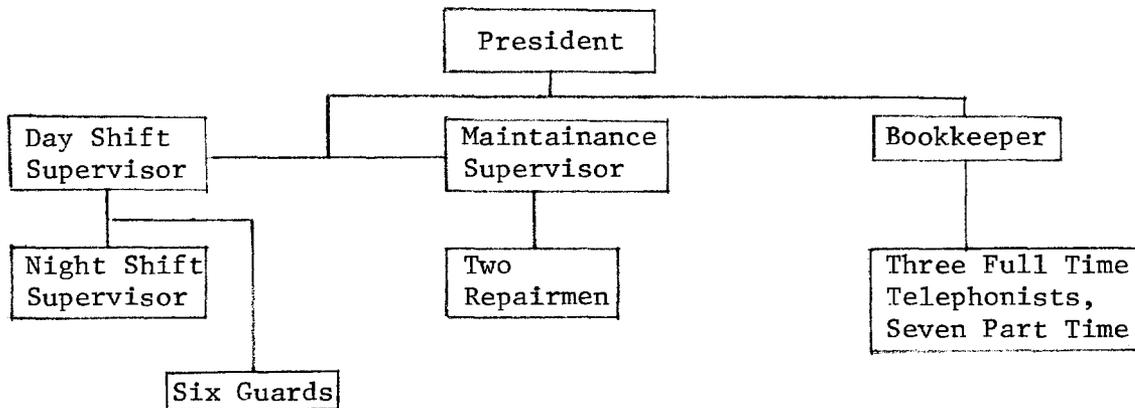
The company installs alarms and monitoring devices on the private or business premises of its customers for the purpose of detecting unauthorised entries and fire. The company installs, repairs, and maintains these alarm systems.

The company monitors several hundred of these alarms in their control room. The employees who do the monitoring (called guards) are able to notify the police, the customer, and the fire department in the event of an alarm situation existing on any of the monitored premises either for entry or fire.

In some cases, if the premise is nearby, the guard may leave the control room to investigate an alarm situation. The guard is expected to try and apprehend a suspect if he gets there before the police. He is given a handgun and handcuffs (no mace) to help him complete this task. If he succeeds he is given a reward of \$25.00. This task is usually carried out in groups of two with the result that a reward is split between them.

## The Organizational Structure

### (A) The Formal Structure



### Duties of Management Members and Staff

- 1) The President: He deals mostly with sales; customer relations, finances of the firm for expansion and maintenance and long-term planning.
- 2) The Bookkeeper: She pays the company's wages; collects payment from customers; keeps the books of the company. She also supervises the running of the answering service which is another company owned by the president, but is included here because the two companies' personnel do interact with each other. For example, the switch board for the answering service is in the control room and works a 24 hour shift. The personnel of the answering service, at midday lunch, double as guards while the guards are at lunch. They are given no formal training in this particular area.
- 3) The Day Shift Supervisor: This person is in charge of final selection and termination of staff members. He supervises the training of new personnel; checks all cards that are sent

to customers; supervises the guards and handles customer's complaints.

- 4) The Night Shift Supervisor: He carries out the same duties as the Day Shift Supervisor but has no authority over the men.
- 5) The Maintenance Supervisor: This person is in charge of installation, repair, and maintenance of the alarms and detectors. Besides supervising the two repairmen under him, he is also able to perform the selection and dismissal function.
- 6) The Guards: Their duties consist of:
  - A) Open and close alarms (a manual switch operation) which clock people in and out of buildings.
  - B) Leave the control room, if alarm is nearby, to investigate an alarm or to fix a minor fault with the alarm.
  - C) Interpret whether an alarm is an actual alarm or a fault.
  - D) Make out work orders for repairs to be effected.
  - E) Take all messages (except those directed at the answering service) to do with the business.
  - F) To check their own cards at the end of the shift for mistakes that might have been made.

Note: Every time there is an alarm, a time card is punched. If the alarm goes off again the card should again be punched. The guard interprets whether this is a real alarm situation or not. The card is sent to the customer to show him when people are coming and going. If there is an entry punched on the card, but no exit punched, it is considered a mistake on the part of the company's management which does not want such a mistake sent out to the customer. It is for this

reason that the cards are checked out by everyone. Mistakes are deemed important.

The degree of skill needed to be a guard is not high, but training is needed in both repair and interpreting of the alarm systems, as well as training in apprehension of possible suspects.

(B) The Informal Structure

The following details were obtained from the in-depth interviews conducted with the staff and managers.

- 1) The President: He tends to blow up too easily when things go wrong. He also tends to go through the informal chain of command, which results in his by-passing the supervisors to reprimand members of the staff. Company employees feel that he tends to make promises to customers which he can't keep, e.g. promises to install alarm equipment by a certain date, causing customers to complain. He allows staff members to come to him with their problems and complaints instead of receiving them through the formal lines of communication, i.e. the supervisors. He backs his supervisors in their decisions dealing with selection, training, and dismissal of staff.
- 2) The Bookkeeper: Although the bookkeeper has nothing to do with the supervision of the guards, she does wield a great deal of influence. This is mainly because she is a part owner in the business and she is the wife of the president of the company. She does not, however, go out of her way to supervise the men, but rather interferes with the formal structure of authority by giving orders here and there and

thereby confusing the staff by giving conflicting orders.

She is a little abrasive when giving these orders.

- 3) The Day Shift Supervisor: He has had long experience in the security business and tends to be more sympathetic towards his men than any of the supervisors and is thus very popular amongst the men. He feels that mistakes are human, difficult to stop, and too much importance is attached to them. Hence, he is well liked and fits in with his job well.
- 4) The Night Shift Supervisor: There doesn't seem to be anyone who likes this man. It is mainly because, as interviewees expressed, of his authoritarian and fault finding attitude towards his men. His lack of authority frustrates him into this attitude. He feels he should be given the same authority as the Day Shift Supervisor because he already has the title of Night Shift Supervisor which presently means nothing without formal authority .

He is regarded as the "pet" of the bookkeeper and derives a great deal of influence from her. Because he has no authority and she has, he will report to her any staff member who has stepped out of line. He has the habit of posting the mistakes of the men on the notice board which causes a great deal of consternation amongst the men. This has caused to undermine the unity of the men with the result that there is presently a "fault find war" going on which is a very unhappy state of affairs.

- 5) The Maintenance Supervisor: He gets on well with his men and tends to get on with the job rather than get involved in office politics. He is usually under great pressure to get jobs done on time.

The Present State of Affairs

1) Selection and Recruitment

- A) The company does not try to hire men from other alarm companies.
- B) The company has tried to avoid hiring friends of employees which was the practice up until a year ago.
- C) The applicant has a security check run on the man and also he is given a lie detector test.

2) Training and Development

- A) The training period consists of 80 hours on the control panel.
- B) No training in the field of alarm systems and maintenance is given.
- C) No firearm training is given, yet the men are required to carry and use a gun. The gun permit is supplied by the firm.
- D) Training is carried out by the Day and Night Shift Supervisors.

3) Wage and Salary Administration

- A) Wages are too low according to the majority of the employees. Wages provide no source of motivation to perform effectively.
- B) Raises are given every three months for the first two increments, then every six months from then on.
- C) Wage level increases by \$1.00 per hour over two years, i.e. it takes two years to get a one dollar hourly increase.
- D) There are no merit raises given.
- E) There is no performance appraisal practice to help with raises.

F) The wage system is explained to employees when they start.

4) Leadership

As part of this study each member of management was given a "Leadership Opinion Questionnaire" (by Edwin A. Fleishman, 1969 Revision) to fill out. The questionnaire is intended to show whether the supervisor is either "consideration oriented" or "structure oriented".<sup>(1)</sup>

Each category is rated from 0-80, thus a possible result could be C=67; S=42, which would show the person to be more consideration oriented than task oriented. Each management member's leadership score is indicated below, under results of questionnaires.

Results of the Questionnaires

- A) The President: (C=41; S=51) He is almost in the "middle of the road". He is equally concerned with tasks and people.
- B) The Bookkeeper: (C=56; S=35) She is much more concerned with people than task.
- C) The Day Shift Supervisor: (C=57; S=49) He shows about the same orientation as the bookkeeper. The interviews with managers and staff, however, did not indicate this.
- D) The Night Shift Supervisor: (C=45; S=57) He is a little more task oriented than the other members.
- E) The Maintenance Supervisor: (C=54; S=58) He is very much a "middle of the road" manager: he is orientated in both directions.

(1) a) Consideration Orientated Type: One who is interested in people, relates to them; he has a human relations perspective to management,  
b) Structure Orientated Type: One who is task orientated and thinks of the work to be done, not the people doing it,

They are "middle of the road" leadership tendencies, as set forth by the type of questionnaire used. This may suggest areas other than leadership, for improving the personnel function of the company.

Leader - Group Relations

From the in depth interview it was found that most of the managers practice "management by exception", that is, "If you don't hear from me, you know you're doing O.K."

Very little praise was leveled at the employees, they are never told they are doing a good job. The only time they really hear from the managers it is either an order or a reprimand for a mistake. This treatment has affected the morale of the company.

(5) Labour Relations

There is no unionization or plan to unionize the company's employees.

(6) Benefits

- a) The company pays half of the medical insurance which covers the employees.
- b) One week's paid leave and one week without pay is the total vacation given by the company to each employee.
- c) There is no pension provided by the company.
- d) There is no group life insurance offered by the company

(7) Working Conditions

- a) Control room is shared with the Answering Service which can be distracting to the guards.
- b) During slack times guards are not allowed to play games (cards, chess), but are allowed to read.
- c) Answering Service personnel double as guards during lunch

break which can lead to mistakes.

d) No break is given to night shift to fetch a hot meal from outside the building while the day shift is given a break.

e) There is no shift rotation.

f) There is no suggestion box.

g) There is no logbook in which information is formally passed on from one shift to another.

Additional Personnel Functions Requiring Correction or Adjustment

Morale pertains to the general feeling of well-being satisfaction, and happiness of the people, with their work and environment, at the company. Many of the following items contribute to the lack of morale.

a) A high turnover rate of the staff reflects the morale level of the company. The company loses about two staff members, (usually guards), every year which is about a third of the guards and about 18% of the total staff.

Ex-employees, mainly guards, were contacted and asked why they left the employ of Winchester Alarm. The main reasons they gave for leaving were: 1) low pay, 2) No future prospects, 3) Not enough training.

b) Managers make promises to customers they can't keep, resulting in customer complaints to staff members.

c) Managers tend to reprimand employees without going through the proper lines of authority.

d) The job tends to be routine and boring, especially for the guards.

e) Employees view the job as having few, if any, prospects.

f) There is too much fault-finding and criticism of the staff without any positive feedback by way of praise for a job well done.

- g) Guards are not allowed to help answering written complaints by customers.
- h) Training in all areas of the job are insufficient.
- i) The employees don't feel as if they are making any decisions on the job. They don't feel they are making any important contribution to the success of the company.
- j) There is no participation by subordinates in decisions that effect their work.
- k) Wage increments are too low.

#### The Main Problems

From the information revealed above, several main problems seem evident. They are as follows:

- 1) Morale is low.
- 2) Turnover is high.
- 3) Leader - Group relations are not effective.
- 4) Benefits are too few.

#### Recommendations

- (1) Increase paid vacation from one to two weeks.
- (2) Get a pension fund for the company. If the company can't afford to make half the contribution at least part contribution will do for the time being.
- (3) The employees should have some sort of group life insurance benefits, especially the guards. Again, part contribution by the company is preferable to nothing at all.
- (4) A log book should be supplied to the control room to avoid the present mix-ups and break down of communication which occurs now.
- (5) Do away with publishing the mistakes of the guards on the notice

board. It would be better to make a game of it instead e.g. for each mistake levee a fine of say 25¢ which is put into a kitty and at the end of the month the money is used to buy the chaps beer. A scheme of this nature would do away with the present humiliation which is associated with mistakes.

(6) A program for performance appraisal should be put into action. The employees should be asked for their opinion of what they consider their performance should be based on. In this way one can get their ideas and co-operation with as little resistance to the new move as possible. This program would serve for the basis of future merit raises and merit promotions.

(7) Bigger raises should be given and the raises should be on merit. The employee should be told why or why not he is getting a raise. A livable wage is clearly needed by the employees to keep them there. The more benefits given the employees the more reasons they have for not leaving for another job. The increased benefits would greatly reduce the chance of unionization.

(8) Increased training in all areas is needed by the employees. This includes technical training - maybe let the new employee (or old) ride with a repair man for a weeks arms training.

(9) The company, to show it's appreciation for a job well done, should try to provide some token of this appreciation e.g. a cake or candy every so often. It should look as if it is a spontaneous gesture - not planned but must be a surprise to highten the effect.

(10) The Answering Service should be relocated outside the control room as it does interfere with the guard's work.

(11) A Suggestion Box should be installed immediately. Not only does it give management a good supply of ideas but it also serves

as a feedback system for what is going on in the company's employee's minds. It also serves as a safty vave for grievances which will be submitted through this medium (anonymous or otherwise) as there is presently no grievance handling process. Having some sort of grievance outlet helps to keep the men happy thus keeping out formal grievance handling by unionization.

(12) Install a microwave oven so hot meals can be prepared by guards.

It has occured to me that if a guard shot someone while he was on duty, the company would be liable for actions which could result in serious legal complications. Again, the employer should recognize the importance of a full and comprehensive training program for the company's employees. And should not offer a reward for any apprehension the guards might make.

#### The Cost of Recommendations

Because of the discrete nature of this study no mention of wage rates can be made, therefore, direct labor hours will be used as a measure.

- 1) Vaction: An increase of one weeks paid vacation will increase the total direct labor hours (DLH), to be paid, by 2.89% per annum. This amount includes the overtime needed to be paid while the employee is on vacation.
- 2) Training: With an average turnover in staff of two employees per annum, an increase of one week's training will increase the total DLH to be paid, by 0.52% per annum. It is hoped that this cost decreases as the extra training takes effect. Arms training can be arranged with the local police at not cost.
- 3) Pension Fund and Group Life Insurance: This cost depends entirely

on the contribution made by the company. It may elect to contribute nothing and let the employees foot the bill until such time it is able to contribute.

(4) The cost of isolating the Answering Service from the control room is difficult to calculate with a professional builder's help. A wall and a door need to be installed, the cost of which can be capitalized and depreciated over a number of years as a lease hold improvement.

(5) The cost of a microwave would be about \$400 and could be treated as a capital cost.

It can not be emphasized enough that attractive benefits and good working conditions increase the chances of retaining employees.

