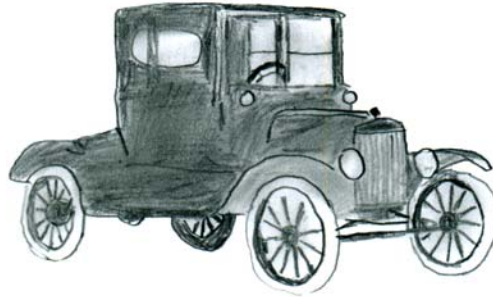


## **Great Employee Benefits**

**Henry Ford introduces minimum wage**



### ***The way it was...***

The fight for equal rights has been going on for centuries, though there have been many different participants. Minorities, women, religious groups, and other oppressed people have all sought equality at one time or another. However, there is one large group that has also struggled throughout the world, and sometimes with little recognition. That group, of course, consists of the common working man.

With the coming of the Industrial Revolution in the 1700's, the abuse of workers became a serious issue. They now needed more labor to keep up with the growing production of machinery. Even before that, the idea of reasonable work hours, good pay, and proper treatment was nothing more than wishful thinking. It became common for people, sometimes even young children, to work twelve or fourteen hour days, six days a week. The pay was literally pennies a day. The work was often dangerous and, if someone was injured, he was thrown out on the street and somebody else quickly took his place.

The best way to battle these harsh conditions was for workers to unite together and organize. Often, specific trades (*i.e. carpenters, printers, tailors, etc.*) would put together groups to look after each other. Just after the Civil War, the National Labor Union formed to look out for the best interest of all workers. This gave way to the Knights of Labor in 1869, which eventually joined with the American Federation of Labor and Congress of Industrial Organizations (AFL) at the beginning of the 20<sup>th</sup> century.

Still, there were uphill battles to be fought. Industry was spreading rapidly, giving rise to crowded factories filled with dangerous machines and unskilled labor. For example, Henry Ford opened his Ford Motor Company in

1903, and he built factories that focused on the assembly line. Each worker just had to do one specific task all day long. Obviously, Ford may try to take advantage of his employees by working them long hours and paying them very little. What's more, Henry Ford didn't particularly care for the unions.

Union organizers were worried that the growth of Ford Motor Company might be a setback for worker equality. Then, on January 5, 1914, Henry Ford surprised them all.

***The next 10 seconds...***

*On January 5, 1914, the Ford Motor Company announces a \$5 per day minimum wage and a 40-hour workweek for all employees. This shocks the nation and sets a new standard for employee management.*

***How it changed history...***

Henry Ford was a confusing man. He strongly opposed unionization in his factories, and he was often criticized for a condescending attitude towards his employees. Yet, he surprised everyone by paying his workers far more than any of his competitors paid, and he assured them that they wouldn't have to work unreasonable hours.

Ford certainly didn't lose anything in his generosity, however. His production skyrocketed, the Ford Motor Company continued to grow, and his employee turnover (*which had been a huge problem*) started to decrease. Whether or not his employee benefits were to help the workers, or for his own personal interests seemed insignificant – everyone benefited in the end.

The result of Ford's decision was that other organizations began to realize that taking advantage of workers was counterproductive. The employees will repay fair treatment (*in Ford's case, many times over*) with more effort and higher production.