PERSONNEL ADMINISTRATION IN LARGE
ADVERTISING AGENCIES

Thesis for the Degree of M. A.
MICHIGAN STATE UNIVERSITY
James Kent Ellerbrake
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PERSONNEL ADMINISTRATION IN LARGE

ADVERTISING AGENCIES

By

JAMES KENT ELLERBRAKE

AN ABSTRACT OF A THESIS

Submitted to the College of Communication Arts
of Michigan State University in partial
fulfillment of the requirements
for the degree of

MASTER OF ARTS

Department of Advertising

1962

Approved _____

PERSONNEL ADMINISTRATION IN LARGE

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By James Kent Ellerbrake

Since the close of World War II advertising expenditures
have quadrupled from three billion dollars in 1945, to twelve
billion dollars in 1961. Consequently advertising agency
manpower requirements have increased. To fill these require-
ments agencies have recruited personnel from other industries,
and pirated needed employees from other agencies. Modern
personnel procedures are needed to bring order out of this
"musical chairs" dilemma. It was the purpose of this study to
ascertain the present status of personnel administration in
the nation's largest advertising agencies. The study was
divided into two areas: (1) the structure of the agencies'
personnel departments, and the characteristics of the person-
nel directors; and (2) the personnel policies and practices
followed by the agencies.

To obtain the desired information a mail questionnaire
was sent to the personnel director of each of the nation's
twenty-five largest advertising agencies. Fifteen returned a
usable questionnaire.

The findings revealed that most large agencies now maintain an organic personnel department. That this is a fairly recent development, is shown by the fact that few agencies had departments ten years ago.

The personnel directors were judged well-qualified for their position as chief personnel executive by virtue of education and experience in personnel administration. The majority of the directors were college graduates, most of whom had college backgrounds in psychology and personnel.

Primary sources for new salaried personnel were: (1) referrals from staff members, (2) voluntary applicants, (3) employment agencies, and (4) selective recruiting (pirating). College recruiting, although not yet a major procurement source, is gaining in importance. Following the initial contact, agencies employed resumés, mental tests, and extensive personal interviews to screen applicants for employment.

The majority of the agencies utilized organized training programs for new employees. The most popular programs were Department Routing, and Department Training. College internship programs were provided by one-third of the agencies.

More than half of the agencies have instituted some form of job analysis and description. All the agencies maintained central personnel records and have adopted health and benefit programs.

James Kent Ellerbrake

The larger agencies are beginning to adopt modern personnel practices in their approach to the critical problem of effectively utilizing their human resources.

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PREFACE

A major problem facing advertising agencies today is that of manpower. Advertising in the United States has undergone dynamic changes since World War II. Advertising expenditures have quadrupled, from three billion dollars in 1945 to twelve billion dollars in 1961. Agency operations have become vastly more complex. As a consequence, a manpower shortage evolved which, until recently, was solved largely by ad hoc measures. Today, many of the larger agencies are making an effort to effect a more orderly solution through the application of modern personnel procedures.

Little has been published concerning the personnel practices of agencies. Therefore, this study was designed to ascertain how many large agencies have personnel departments, the organization of the departments, the background of their directors, and the personnel policies and practices followed.

Exploratory discussion with several agencies resulted in the decision to restrict this study to those agencies most likely to have introduced some of the current corporate personnel practices. By industrial standards even the largest agencies are still small businesses; the average agency is economically unable to support a personnel department. A

General Motors, a Du Pont, or a General Electric agency hires more people in a single year than all agencies put together. Therefore, only the twenty-five largest agencies were surveyed. Fifteen returned usable questionnaires. The findings thus may be considered representative of the largest agencies but should not be generalized to the agency field as a whole.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF APPENDICES

CHAPTER I

INTRODUCTION

It is not uncommon to hear ad men remark that manpower

is among the most critical problems facing agencies today. A

recent publication by the American Association of Advertising

Agencies underlines the urgency of the problem: "The adver-

tising business in all its aspects will require about 18,000

new people every year for many years, of which advertising

agencies will absorb about 6,000."[1]

Dr. Samuel Stevens, of the consulting firm of Stevens,

Thurow, and Associates, Chicago, reports that "there is

scarcely an agency that has adequate manpower in the senior

level, adequate reserve manpower in the middle ranges, and

sufficient number of young persons in training who will inev-

itably become senior professionals in agencies in the years

ahead."[2]

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[1] The Advertising Business and Its Career Opportunities,
The American Association of Advertising Agencies, 1961, p. 21.

[2] Samuel Stevens, "Encouraging Creativity," Papers from
1961 Annual Meeting of the American Association of Advertis-
ing Agencies, p. 43.

Dr. Stevens submits that the prime cause of the manpower situation is a failure on the part of agencies and their personnel departments to utilize the modern tools of personnel administration: "In the last decade practically every large corporation has developed fairly complete systems and procedures for the procurement,the up-grading and the motivation of its manpower through the efforts of their personnel department. Only a relatively small number of AAAA members have carried out any systematic studies designed to improve the quality of agency performance, either in recruiting, in-service training, or in up-grading mature, senior staff personnel."[3]

According to Mr. Gordon Buck, former Vice President of Foote, Cone, and Belding, "the need for more and better people is going to become more acute in the years ahead. The popular prediction for total advertising volume in 1965 is fifteen billion dollars. . .national advertising placed through agencies may account for nine billion of this. This will necessitate additional personnel; furthermore they will have to be better educated and better trained to deal with the increased complexities of marketing and advertising. Such people are

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[3]_Ibid._

going to be hard to get from other businesses, and too few

agencies are prepared to develop such people."[4]

Stevens believes that part of the problem is a failure of

the agencies to follow through on recruiting efforts once

begun. "Responsible agency executives estimate that nearly a

million dollars will be spent this year in the securing, influ-

encing and preliminary training of young men and women for

advertising," he said, but "only a small percentage of those

sought after will be employed, and a smaller percentage of

those who are given first employment will develop into pro-

fessional ad men."[5]

The editors of Printer's Ink suggest that the reason for

the lack of competent young people is "a lack of college

recruitment programs by advertising firms, scarcity of bona

fide and adequate agency recruitment programs by advertising

firms, scarcity of in-service training programs, and a declin-

ing appeal of advertising as a profession to young people

today."[6]

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[4] Gordon Buck, "Recruiting Ad Men From College Ranks: Is Advertising Passing Up Good Talent?" Printer's Ink, April 12, 1958, p. 47.

[5] Stevens, op. cit., p. 43.

[6] "Agency Recruiting," Printer's Ink, April 22, 1960, p. 34.

Agencies raid one another to gain needed personnel. In a recent address to the American Association of Advertising Agencies, Professor John W. Crawford, Chairman of the Department of Advertising at Michigan State University, stated that "agencies are playing musical chairs to fill responsible job positions. 'This practice has become part of the tradition of advertising agencies; however, because it is a traditional practice does not mean it is a good one."[7]

Advertising Education

Dr. Stevens suggests that the deficiency of advertising education programs (there are only 39 accredited educational programs in advertising across the country), low starting salary, and lack of in-service training programs are reasons college graduates tend to shy away from agency work.[8]

In order to improve the present manpower situation, Dr. Stevens recommends a plan of action using as its main force the modern tools of personnel administration:

    1. Advertising must find ways of influencing educational institutions to do a more comprehensive job

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[7]John W. Crawford, Speech presented to the American Association of Advertising Agencies meeting in Detroit, Michigan, November 30, 1961.

[8]Stevens, op. cit., p. 44.

than it has done in preparing young men and women, both intellectually and psychologically, for creative participation in advertising and selling as a professional way of life.

2. Effective utilization of existing manpower within the agency. This would include personnel control, adequate position descriptions for various types of work which have to be done in the agency. In the second place, the personnel system should include effective performance review or job evaluation. In the third place counseling and motivating senior employees to improve their performance.

3. The third aspect would be setting up adequate manpower inventories on the basis of procurement policies so that additional personnel may be determined. This would be carried out by a sound realistic position description to work from, and a system of manpower inventory of present and future needs will make it possible for the recruiting of inexperienced personnel to be planned and carried through with the intelligence and thoroughness which it deserves. Above everything else, agencies will need an articulate in-service training program which can understand, train, and evaluate prospects.[9]

It is the purpose of this study to determine how far this nation's largest advertising agencies have moved in establishing adequate personnel facilities and direction to confront the manpower dilemma.

Study Design

To obtain the desired information, the survey used a mailed questionnaire (see Appendix). Preliminary discussion with several agencies revealed that only the largest

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[9] Stevens, op. cit., p. 45.

advertising agencies were likely to have introduced personnel

department practices. Therefore, it was decided to restrict

the survey to the nation's twenty-five largest agencies. The

twenty-five were selected on the basis of billings as pub-

lished in the February 22, 1961, issue of Advertising Age as

follows:

    1. J. Walter Thompson Company
    2. McCann-Erickson Advertising
    3. Young & Rubicam, Inc.
    4. Batten, Barton, Durstine & Osborn, Inc.
    5. Ted Bates & Company
    6. Leo Burnett Company, Inc.
    7. N. W. Ayer & Son, Inc.
    8. Foote, Cone, & Belding
    9. Benton & Bowles, Inc.
   10. Dancer-Fitzgerald-Sample, Inc.
   11. Lennen & Newell, Inc.
   12. Kenyon & Eckhardt, Inc.
   13. Compton Advertising, Inc.
   14. William Esty Company, Inc.
   15. D'Arcy Advertising Company
   16. Sullivan, Stauffer, Colwell & Bayles, Inc.
   17. Grey Advertising Agency, Inc.
   18. Erwin Wasey, Ruthrauff & Ryan, Inc.
   19. Needham, Louis and Brorby, Inc.
   20. Campbell-Ewald Company
   21. Campbell-Mithun, Inc.
   22. Doyle, Dane, Bernbach, Inc.
   23. Fuller & Smith & Ross
   24. Cunningham & Walsh, Inc.
   25. Ogilvy, Benson & Mather, Inc.[10]

The questionnaire and a cover letter were mailed to the

personnel director of each of the twenty-five agencies.

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[10]"Agency Billings Rank," Advertising Age, February 22, 1961, p. 54.

Seventeen agencies replied, fifteen of whom returned a completed questionnaire.

CHAPTER II

STRUCTURE OF THE PERSONNEL DEPARTMENTS

AND GENERAL CHARACTERISTICS

OF THE DIRECTORS

The first section of this chapter describes the organization of the personnel function of the agencies studied, including how many had established personnel departments, the number of years in operation, how the departments are staffed, and how the personnel function is handled by those agencies not maintaining a personnel department.

The second section discusses the characteristics of the director (e.g. sex, age, and education), and the directors' opinion as to the best education and experience for a position in agency personnel management.

SECTION I

Number of Agencies Maintaining Personnel Departments

Thirteen agencies (76%) of the responding agencies maintain an organic personnel department. In the remaining four agencies the personnel function is carried on as a supplementary operation by other agency departments.

TABLE II-1

NUMBER OF AGENCIES WITH ORGANIC
PERSONNEL DEPARTMENTS*

Does your agency maintain a personnel department?	Number of Agencies
Yes	13 (76%)
No	4 (24%)
Total	17 (100%)

*
The two agencies declining to answer the questionnaire
disclosed that one maintained a department while the
other did not.

Number of Years the Personnel Departments Have Been in Operation

The number of years the personnel departments had been

in operation varied considerably. The oldest personnel de-

partment was established in 1920. The most recent was founded

in 1961. Only two agencies had established personnel de-

partments prior to 1950, indicating that the organic personnel

department is a relatively recent addition to the agency

organization when compared to such traditional departments

as media or copy.

TABLE II-2

NUMBER OF YEARS THE PERSONNEL DEPARTMENTS
HAVE BEEN IN OPERATION

Years	Number of Agencies
Less than 1	1
1-3	0
4-5	1
6-7	1
8-9	1
10-11	1
12-13	2
14-15	0
16 and over	2
Total	9
Not Answered	6

Number and Type of Personnel
Department Employees

There was a direct relationship between the size of the agency and the size of the personnel department. The largest department maintained a staff of sixteen full-time employees, while the smallest department had only one part-time employee. The median was five. Four different classifications of employees were reported: full-time clerical, part-time clerical, full-time salaried, part-time salaried. The majority of agencies replying to this question maintained only full-time employees on their staff. In the remaining agencies, the

personnel department consisted of only part-time employees, with one exception, that being an agency which used a combination of full-time and part-time employees. A comparison between salaried and clerical employees disclosed a ratio of one clerical to one salaried employee.

TABLE II-3

SIZE OF THE PERSONNEL
DEPARTMENT'S STAFF*

Size of Staff	Number of Agencies
Less than 1	1
1-3	4
4-6	5
7-9	1
10-12	1
13-15	1
16 or more	1
Total	14
Not Answered	1

*Part-time employees are counted as one-half.

How the Personnel Function is Handled by Those
Agencies Not Maintaining a Personnel
Department

Three agencies did not maintain an organic personnel department. Their replies indicated that the personnel function is handled by the joint effort of a number of departments.

In one case, the employment and training were handled by a Vice President and an administrative assistant, while benefits and payroll were controlled by the agency's treasurer. In another, the personnel department was part of a coordinated effort with the office services department, while the recruitment of top personnel was carried out by the President and Chairman of the Board.

SECTION II

This section describes the characteristics of those directing agency personnel activities. The characteristics include age, sex, number of years in present position, position title, income, recent job experience, title of immediate superior, educational background and their opinions concerning appropriate backgrounds for entering agency personnel work.

Respondents' Characteristics

The average director's age was forty-five. All but two were men. The average income for the directors was $23,600 per year.

A wide variation was noted in the tenure of service of the various directors; the longest was twenty-four years, the shortest was three months. The average tenure was six years

(three years more than the tenure of service for the average agency employee).

TABLE II-4

RESPONDENTS' CHARACTERISTICS

Age	Male	Female	Total Number
30-35	3		3
36-40	1	1	2
41-45	3	1	4
46-50	2		2
51-55	3		3
56-60	1		1
Total	13	2	15
Mean Age	45 years		

Income Levels (000)	Number
Less than 10	2
10-13	3
14-17	2
18-21	1
22-25	-
26-29	-
30-33	1
34-37	1
38-41	2
42 or over	1
Total	13
Not Answered	2
Mean	$23,600

Years of Service	Number
1-4	9
5-8	3
9-12	1
13-16	-
17-20	1
21-24	1
Total	15
Mean 6 years	

Prior Job Experience of the Respondents

The background of the respondents reveals most to have had previous experience in personnel work. Ten respondents had worked in personnel prior to their present position. Of these, four had worked in a personnel position in the agency in which he is now personnel director, four had held a personnel position in a corporation, while two had been employed in personnel work in another agency. The remaining five held a non-personnel position in the same agency.

TABLE II-5

PREVIOUS JOB EXPERIENCE

Previous Position Held by Director	Number
Personnel Position in Present Agency	4
Non-Personnel Position in Present Agency	5
Personnel Position in a Corporation	4
Personnel Position in Another Agency	2
Total	15

Agency Officer to Whom Directors Report

One of the primary factors in determining the authority of the department head is his position in the agency's chain of command, and the degree to which he is influenced or controlled by other officials in the agency. All of the directors stated that they reported to a member of the agency's top management team (President, Vice President, Chairman of the Board, or other agency officers). Seven titles for the particular officer to whom the directors reported were mentioned. The fact that six directors reported either to the President or to an equivalent officer indicate that the activities of the personnel department are of major interest to the principal executive of advertising agencies.

TABLE II-6

AGENCY OFFICER TO WHOM DIRECTORS REPORT

Officer's Title	Number
President	4
Vice-President of Administration	4
Senior Vice President, General Manager	2
Treasurer	2
Chairman of the Board	1
Chairman of Executive Committee	1
Senior Vice President	1
Total	15

Title of Agency Director's of
Personnel Activities

This study reveals the variation in titles which have been assigned to the director of personnel activities. The most popular titles were Personnel Director, Director of Personnel, and Vice President and Director of Personnel. Each received three replies. If titles have any bearing on the responsibility of the position over twenty per cent of those replying to this question, who were Vice Presidents could be considered among the ranks of top management.

TABLE II-7

OFFICIAL TITLE OF DIRECTOR OF
PERSONNEL ACTIVITIES

Title	Number
Vice President and Personnel Director	3
Director of Personnel	3
Personnel Director	3
Vice President of Administration	1
Personnel Manager	1
Manager of the Personnel Department	1
Office Manager	1
Personnel Director and Assistant Secretary	1
Personnel Director and Corporate Secretary	1
Total	15

Educational Background of
Personnel Director

This section will concern itself with the educational background of the respondents, the undergraduate college attended and curriculum followed by those who attended college, as well as the curriculum followed by those who attended graduate school. The section concludes with the directors' recommendation as to the best education and experience for a person interested in agency personnel work.

A formal education background of the sample group is presented in Table II-8. It can be noted that the entire sample has graduated from high school, and that twelve attended and graduated from college. Five did graduate work, one of whom received an advanced degree.

TABLE II-8

EDUCATIONAL BACKGROUND OF
THE SAMPLE GROUP

Education	Number
Bachelors Degree Only	7
Bachelors plus Graduate Courses	4
Ph.D.	1
Total	12
No College Education	2
No Reply	1

Undergraduate Colleges and Universities
Attended by the Respondents

No single conference or group of universities (Big Ten, Ivy League, etc.) proved to be more popular than any other. It was anticipated that the Ivy League would make the strongest showing, in view of the allegation that Ivy Leaguers tend to dominate the agency field; however, this is not the case as far as agency personnel administration is concerned. The only school that was attended by more than one of the respondents was Northwestern.

TABLE II-9

UNDERGRADUATE COLLEGES AND UNIVERSITIES
ATTENDED BY THE RESPONDENTS

College or University Attended	Number
Yale	1
Dartmouth	1
University of California	1
University of Maryland	1
Baker University	1
Northwestern	2
Spanior College	1
Brooklyn College	1
University of North Dakota	1
N.Y.U.	1
Haverford College	1
Total	12
No Reply	3

Undergraduate Curricula Followed
by the Respondents

The undergraduate academic curricula followed by those
who attended college varied little, as seen in Table II-10. The
main areas of concentration were in Business-Commerce and
Liberal Arts. These two curricula included ninety-two per
cent of all curricula mentioned by those who attended college.
Fifty per cent majored in Liberal Arts, forty-two per cent in
Business, and eight per cent in Engineering. The specific
majors followed by the respondents receiving degrees in Lib-
eral Arts varied considerably. The opposite trend was noted
in those who received degrees in Business, nearly all the Bus-
iness respondents received a general businesss background,
rather than specific degrees in such areas as marketing or
personnel.

TABLE II-10

UNDERGRADUATE CURRICULUM FOLLOWED BY
THOSE WHO ATTENDED COLLEGE

Curriculum Followed	Number	
Liberal Arts	6	50%
Psychology	(2)	16%
Political Science	(1)	8%
English	(1)	8%
Sociology	(1)	8%
Economics	(1)	8%
Business-Commerce	5	42%
Engineering	1	8%
Total	12	100%
No Reply	3	

<u>Respondents Who Have Had College Courses</u>
<u>in Psychology and Personnel</u>

The term "curriculum" has a fairly wide meaning and does
not necessarily indicate specific courses taken at the college
level. Therefore, two questions were included to determine
whether or not any of the respondents had received course
credits in psychology or personnel. Six of the directors had,
at one time or another, taken college courses in personnel,
while eleven of the respondents received college credit for
courses in psychology.

TABLE II-11

RESPONDENTS WHO HAVE TAKEN COLLEGE
COURSES IN PERSONNEL
OR PSYCHOLOGY

<u>Courses</u>	<u>Number</u>
Psychology	11 (78.5%)
Personnel	6 (43%)

<u>Graduate School</u>

As noted in Table II-8, five of the respondents attended
graduate school, although only one received an advanced degree.
The curricula followed by those who attended graduate school

were all different: Personnel Administration, Banking and Finance, Advertising, and Law. The one graduate obtained a Ph.D. in Psychology.

General Advice on Education and Experience for Agency Personnel Work

The respondents were asked to give their opinion as to the kind of education and experience which would be most appropriate for agency personnel work. A large number of respondents took advantage of this opportunity and gave some very interesting comments. The attempt was made to select representative answers from the group and only those which elaborated on the general advice obtained from the survey.

> Experience in an agency (not necessarily personnel). To be able to understand the workings of an agency. Experience in handling people at an individual level, since placement and problems are individual rather than aggregate as a general rule. Experience (and/or training) in indoctrination and training procedures.

> Education: Personnel Orientation-Psychology. Experience: Job exposure to top management. Varied department background in Media/Research.

> I'm not convinced that education plays an essential role in successful agency personnel administration. . . believe following characteristics are important: sensitivity to people, objectivity, good business sense, good human relations, thoroughness, and imagination.

> Education: Business Administration with special courses in personnel and psychology.

Liberal arts undergraduate. At graduate level personnel and psychology. Experience: all phases of interviewing, employment, training, wage and administration.

I cannot help but feel that the composition of my own educational background is a most desirable one to recommend. It consisted of a general business administration major, with courses in advertising, psychology, sociology, marketing, accounting and economics. This provided the basic understanding I have needed to properly understand and serve the extreme variations in personalities and occupations that exist in agencies. I have added to this academic background the learning about specific areas of testing, systems, etc., required by the jobs I have held.

Experience-wise, the best teacher is a business that employs a lot of people, with a variety of positions. A progressive, aggressive marketing-advertising minded company like P&G is an example. This could also be a large reputable retailer. I'm not sure starting in an agency would be best. To survive in a business like an advertising agency, I think a personnel executive needs to come in with a good solid reputation that isn't watered down by the image of having learned the job there.

Education: A combination of psychology and economics or business will be most helpful.

Experience in all phases of personnel is a must. Direct agency experience is not necessary.

Education: Liberal Arts (broad cultural base) plus a number of technical personnel courses (salary administration, etc.).

Experience: Early part-time or summer sales experience four or five years over all agency training progressing to position of Account Executive.

Education: Should be a college graduate (minimum).

Experience: Background in administrative work.

a. Training in sales and marketing principles
b. Training in communications
c. Training in public and community relations
d. Experience in trade
e. Experience in personnel operations

There seems to be two schools of thought about this, both of which are supported by success. One is to get an MA degree in Personnel Administration, including substantial courses in Psychology and a course in Testing. The other school of thought is that practical experience is more important than theory. In this case, the man starts in a business and after substantial experience and with natural judgment, liking of people, and a sound though perhaps broad college education, moves into the Personnel Department.

A liberal education with emphasis on social sciences (especially Sociology) courses which develop skill in writing would be important. So would a course in Business Statistics. I think anyone in this field can benefit from having had a variety of jobs and exposure to people of all social and economic levels.

Professional training and experience outside agency field in manufacturing or major retailing highly desirable before an agency assignment.

Liberal Arts background. I believe the man should have a rather broad background in the agency business with supervisory experience in his background.

These comments indicate no uniformity of opinion as to the best background for an agency personnel director. Most of the respondents favored backgrounds similar to their own. Liberal Arts and Business Administration were favored as the best education for the position, while agency background and/or experience in personnel provide the best practical experience.

CHAPTER III

AGENCY PERSONNEL POLICIES

AND PRACTICES

This chapter presents the findings related to agency personnel policies and procedures in three broad areas: procurement, training, and administration.

The first section sets forth the practices of agencies in the vital area of manpower procurement: What are the characteristics desired in new employees? Where are they obtained? What procedures are followed?

In the second section, agency training policies are the focus of attention: Are training programs used? For what kind of employees? How long do the programs last? Are college internship plans worthwhile?

The last section concerns itself with the administrative functions normally carried on by personnel departments: job description, job evaluation, central personnel files, health and benefit programs, vacations, and compensation.

Procurement

Agencies utilize a variety of sources in their staffing function. In many of the large agencies, it is not uncommon

to find all of these sources being utilized to gain

personnel:

        a. friends of present employees
        b. former employees
        c. college recruiting
        d. employment agencies
        e. newspaper ads
        f. business and trade paper ads
        g. voluntary applicants
        h. professional associations
        i. selective recruiting

In order to determine the frequency and importance of the various sources, the directors were asked to rank the sources used in order of importance. Referrals from staff members within the agency seemed to be the most popular supplier of salaried personnel, voluntary applicants ranked second, while employment agencies filled the third position. These rankings may not reflect actual conditions for two reasons. The sources are not mutually exclusive, e.g., referrals from within the agency could also come under selective recruiting (pirating). Second, it is often the practice of various department heads to recruit their own specialists, and do their own training. The personnel department may only process the candidate and not be familiar with how he was obtained.

TABLE III-1

SOURCES OF SALARIED AGENCY
PERSONNEL*

Source	Total Points
Referrals from agency staff	26
Voluntary applicants	23
Employment agencies	18
Selective recruiting (pirating)	10
College recruiting	8
Newspaper ads	2
Former Employees	1

*Tabulation based on point system, three points
 for first place, two for second place, and one
 point for a third place rating.

College Recruiting

Many advertising leaders have strongly advocated that

college recruiting be utilized to a greater degree by adver-

tising agencies. Relevant questions concerning agency col-

lege recruiting were included in the survey. Do agencies

recruit from colleges? How many universities were visited

last year by agency representatives? Which universities?

What percentage of new salaried employees were gained through

college recruiting efforts last year?

Ten of the fifteen agencies responding do college

recruiting. These agencies made seventy-seven visits to

college campuses last year. The number of universities

visited per agency varied from two to thirteen.

TABLE III-2

NUMBER OF SCHOOLS VISITED LAST YEAR
BY AGENCIES DOING COLLEGE
RECRUITING

Number of Schools Visited	Number of Agencies
2	2
5	1
6	1
7	1
8	1
10	1
13	3
Total 77	10

Eight of the ten agencies who did college recruiting

listed the universities visited by their representatives last

year. Twenty-nine universities were visited. Harvard,

Columbia, Princeton, Dartmouth, Stanford, and Northwestern

were visited most, each playing host to recruiters from four

agencies.

Regional boundaries were not respected by the agencies.

Eastern and Mid-Western agencies visited college campuses in

the other's "area," (e.g. Princeton was visited by four

agencies, three of which were Mid-Western based, while Michigan State was visited by three agencies, two of which were Eastern based).

Two agencies reported visiting women's colleges. One stated that it did not visit campuses but did contact college placement bureaus.

TABLE III-3

UNIVERSITIES VISITED BY AGENCY
RECRUITERS

University	Number of Agencies Visiting*
Harvard	4 (BAAA)
Columbia	4 (AAAA)
Princeton	4 (BBBA)
Northwestern	4 (BBAA)
Dartmouth	4 (AAAB)
Stanford	4 (AAAB)
Michigan State	3 (BBA)
Michigan	3 (BBA)
Virginia	3 (AAA)
Chicago	3 (BBA)
Syracuse	2 (BA)
Yale	2 (BB)
Missouri	2 (AB)
Pennsylvania	2 (AA)
Texas	1 (A)
Colgate	1 (A)
N.Y.U.	1 (A)

Brooklyn College	1	(A)
Boston University	1	(A)
Pratt Institute	1	(A)
Pace College	1	(A)
Illinois	1	(B)
Notre Dame	1	(B)
Wisconsin	1	(B)
Miami of Ohio	1	(B)
DePauw	1	(B)
Purdue	1	(B)
C.C.N.Y.	1	(A)
Indiana	1	(B)
Total	77	

*
 A - Eastern Based Agency
 B - Mid-Western Based Agency

Of the ten agencies who did college recruiting, seven listed the percentage of their new salaried employees gained through this method last year. The percentages varied from two to twenty-five.

TABLE III-4

PER CENT OF NEW SALARIED EMPLOYEES GAINED
THROUGH COLLEGE RECRUITING

Per Cent	Number of Agencies
Under 10	3
10-25	4
Over 25	0
Total	7
No Reply	8

The attitudes of the respondents toward the value of college training, as well as specific curricula were also ascertained (e.g. Liberal Arts/Business Administration, Under-graduate/Graduate).

The directors are strongly in favor of a college degree as preparation for agency work. However, they expressed relative indifference as to whether the graduate majored in Liberal Arts or Business Administration. This finding is indicative of the specialized nature of large agencies, where both Liberal Arts and Business Administration graduates are necessary (e.g. Art and Copy-Liberal Arts, Account Management-Business Administration).

The reaction toward the holder of advanced degrees is mild indeed. Only three agencies indicated that they would give hiring preference to such degree holders, thus indicating the general indifference of the respondents toward graduate education.

TABLE III-5

OPINIONS OF THE RESPONDENTS CONCERNING HIRING
PREFERENCE TO POSSIBLE SALARIED APPLICANTS
ACCORDING TO THEIR EDUCATIONAL TRAINING

Would You Give Hiring Preference To:	Yes	No	No Reply	Total
College Graduates	11	2	2	15
Liberal Arts Graduates	5	3	7	15
Business Administration Graduates	4	3	8	15
Holders of Advanced Degrees	3	3	9	15

Respondents' Hiring Preferences

The respondents were asked to state their hiring preferences for salaried positions between men and women, married and single prospects, and applicants in various age groupings.

It would appear that women, even with "equal qualifications," have a difficult time entering the agency world. Six of the respondents stated they definitely preferred males when hiring employees for salaried positions; none of the respondents stated they preferred females, while nine stated they held no preference.

With regard to the marital status of candidates for salaried positions, twelve respondents stated they held no preference, two preferred married persons, while one said he preferred single prospects.

The question of the age characteristic was structured to include four age groups; under 25, 25-35, 36-45, and over 45. It was found that seven directors favored prospective salaried employees in the 26-35 age bracket, one preferred those from 36-45, and seven expressed no preference.

TABLE III-6

HIRING PREFERENCES OF THE RESPONDENTS

Hiring Preference Between Men and Women With
Equal Employment Qualifications

Would Give Preference in Hiring To:	Number
Male	6
Female	0
No Preference	9
Total	15

Preference Between Single and Married Prospects

Would Give Preference in Hiring To:	Number
Married Prospect	2
Single Prospect	1
No Preference	12
Total	15

Hiring Preference Between Various Age Groups

Would Give Preference in Hiring To:	Number
Under 25	0
25-35	7
36-45	1
Over 45	0
No Preference	7
Total	15

Desirability of Advertising Courses in the Background of Prospective Salaried Employees

The value of specialized courses in advertising is often discussed; however, no study has been undertaken to determine the opinions of those responsible for the hiring of agency employees. The directors were asked their opinions concerning specialized courses in advertising. All but one favored such "specialization" as indicated in the comments below:

> There is an advantage in hiring a man with specialized training in marketing. However, creative people with a good broad educational background seem to do as well as the person with a specialized advertising background.

> Yes, but are not as important as practical experience. For special positions, i.e. market research, courses in economics, psychology are important.

> In some fields; yes, such as art, research, and possibly copy. The M.B.A. degree is becoming more valuable to candidates for account executive jobs, but here the degree is secondary to ability and business experience.

No, experience has shown us that we must "unlearn" much which a new man has learned in these courses. We prefer to teach advertising our way. Our candidates must have a broad spectrum of education and understanding of marketing practice, not advertising techniques.

Yes, but not to the exclusion of other important educational preparation. The tendency I have noted in advertising curriculum is to provide such a broad and varied area of study that the student comes out so well-rounded he has difficulty fitting into the specialities of advertising, which is the reason he took a specialized course in the first place. I feel the advertising curriculum should be divided rather precisely into creative and non-creative course structure so that proper emphasis can be given to these two basic areas that are most apparent in the jobs that exist in agencies. With this dual course focus, better direction can be given to the types of courses that should be taken preparatory to the selection of a creative or non-creative advertising major.

O.K. if they do not take too much time away from liberal arts courses--we consider courses in literature, sociology, history, etc., of greater value.

Yes, an indication that an applicant probably made up his mind at an early age what he wished to do. He is not "vague" about opportunities in the field.

Yes, it denotes a basic interest in the advertising field.

Yes, if he also rounds out his education with cultural courses as well as the social sciences.

Additional Procurement Procedures

A concern of this study was to determine what steps were followed by the agency after the initial contact was made with the salaried prospect. The respondents were asked to compare their program to a standard program followed by many large corporations, as follows:

   a. A brief interview to determine quickly if the
      candidate is a likely prospect for hiring.

   b. Application form to provide pertinent personnel
      data.

   c. Issuance of mental examinations.

   d. Further interview to determine area of applicants'
      interest, qualifications, and background.

   e. Hiring or rejection.

   f. Induction to job or training program and prepara-
      tion of proper personnel payroll records.[1]

The majority of the responding agencies follow procure-

ment programs similar to those of industrial corporations.

The chief difference between the agency and corporate pro-

gram was the stress on multiple interviewing and approval by

the appropriate department head (e.g. art directors interview

applicants for positions in the art department, copy chiefs

interview applicants for the copy department).

   A typical example of an agency procedure is as follows:

   a. Application form or resumé.

   b. Brief interview by Personnel Director to determine
      if the prospect is a likely candidate.

   c. Issuance of mental exams.

   d. Interview by supervisor and department head.

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[1]George Terry, <u>Principles of Management</u>(Homewood, Illi-
nois, R. D. Irwin, 1950), p. 231.

e. Hiring or rejection.

f. Induction to job and preparation of records.

Four respondents varied the order of the procedure and did not use mental tests.

The number of persons involved in the hiring of an applicant varied considerably. One agency involves twelve persons when hiring candidates for high level positions, while all the agencies required at least two persons to pass a salaried applicant.

The personnel director, department heads, group supervisors, and senior account executives were named by many agencies as those who influence the decision as to whether an applicant will be hired or rejected. Of these the department heads make the final decision in most agencies.

In those agencies using mental testing it was discovered that two types of tests were given each applicant. However, there was little uniformity among the agencies in regard to the types of tests administered. Three agencies reported using a combination of intelligence and aptitude tests, two used personality plus aptitude, another used an attitude and interest test, etc. Apparently, the use of tests by agencies is still in an exploratory stage.

<u>Training</u>

Perhaps one of the primary reponsibilities of a personnel department is the establishment of a workable training program for new company employees. This section seeks to determine whether or not the responding agencies have instituted a training program for their employees, and if so what type of program is employed. It is also hoped to determine the directors' attitude toward a college internship program, and whether or not their agency is now employing one.

All but three of the responding agencies have instituted an organized training program.

TABLE III-7

NUMBER OF RESPONDING AGENCIES MAINTAINING
TRAINING PROGRAMS

<u>Does Your Agency Have a Training Program?</u>	<u>Number</u>
Yes	12
No	3
Total	15

To classify the programs, the questionnaire contained the training programs listed by Barton in <u>Advertising Agency Operations and Management</u>:

    a. <u>Master and apprentice</u>. Here the beginner is assigned to assist an experienced copy writer or account executive.

b. Department routing. The beginner spends several weeks or months in various departments such as production, research, traffic, media, and sometimes copy and art. He is indoctrinated in this process, and also has an opportunity to show what special inclinations he may have. He may be allowed to contribute ideas or prepare complete advertisements which he may submit to the creative executives.

c. Lecture series. The beginners meet periodically to hear talks by department heads about functions and operation of their department. A question-answer period usually follows the talk.

d. Junior discussion group. The beginners are organized into a group with a chairman or leader chosen from among their own number and meet periodically to discuss problems and operations, usually with an experienced executive to answer questions.

e. Junior project group. The group works on specific projects involving the solution of either actual or hypothetical agency problems, and the results are submitted to an executive for appraisal and criticism.

f. Department training. This is different from the system of departmental routing in that the beginner gets his preliminary training in only one department instead of several. Some agencies prefer the research department for this purpose, others production, others traffic. While in the department, he works as a member of the department, not as a trainee for another and different kind of job. He may stay in this department from six months to a year or more.

g. Reading course. A list of advertising books and business papers is made available to the beginners, who get specific reading assignments on which they are given oral or written tests by one or more executives.

h. Review Meeting. Beginners attend regular meetings, usually one a week, conducted under the leadership of an experienced executive, at which various aspects of

the agency's work are reviewed such as individual campaign plans for new accounts and new-business solicitations.[2]

Six agencies used two or more of the above training programs to fit their needs, while the remaining agencies used only one type. A combination of Department Routing, Department Training, and Lecture Series proved to be the most popular combination for the former group, while a program of Department Training was utilized most by the latter group.

TABLE III-8

COMBINATION TRAINING PROGRAMS VS.
SINGLE TRAINING PROGRAMS

Type of Training Program	Number
Combination of Training Systems	6
Single Training System	6
Total	12
No Reply	3

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[2] Roger Barton, _Advertising Agency Operations, and Management_ (New York: McGraw Hill, 1955), p. 212.

TABLE III-9

AGENCY TRAINING PROGRAMS

Type of Training Program	Number of Agencies Using
Department Routing	7
Department Training	7
Lecture Series	4
Junior Discussion Group	2
Master Apprentice	2
Review Meetings	2
Junior Project Group	1
Reading Course	1
Observation Without Participation	1
No Reply	3

The length of the training programs varied depending on the agency, and the program employed. The longest program lasted from two to three years; the shortest, three to nine months. Most of the agencies were not definite in replying to this question; either they listed a broad period or they stated that the training program time period varied with the type of work for which the person was being trained.

Five agencies follow a policy of sending their employees to colleges or professional schools for further training. Thus not all of the employee training takes place within the agency.

All of the agencies provided an introductory booklet
for prospective and new employees.

While these findings indicate nearly all large agencies
maintain organized, well-developed training programs, it is
interesting to note the results of an A.A.A.A. study conducted
in 1956 to find out how many member agencies had training
programs, and what kind of programs they had.

Only one-quarter maintained organized, well-developed
training programs. Another quarter used only informal train-
ing activities, while the remaining half reported no training
or educational activities at all.[3]

The personnel manager of a major agency which has had a
formal training program in operation for the past four years
explains that management decided on the training program after
the agency did a turnover study. The study indicated there
was fifty per cent greater turnover in people hired from the
outside than with people trained by the agency. The agency
proved to itself that in the long run, though the agency
training program is a heavy financial expenditure, the end
result saves the agency money in lower turnover and better
trained people.

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[3]"Training and Picking Ad Men," _Advertising Age_, August
3, 1956, p. 23.

Internship Plans

One means of aiding college students to acquire actual experience in their desired field of work is a system whereby the students attend college for a period of time and then work in their actual field for a period of time. This cycle may be repeated until the students complete their degree programs. The system may take many forms, including part-time guided work with a suitable firm, arranged summer employment, or some combination of these two. The arrangement is agreed upon by the school and the participating agency. This is commonly referred to as an internship plan.

The respondents were questioned concerning the desirability of such a program, how it could be carried out, and whether or not their agency is presently utilizing an intern program.

Six directors favored internship programs, seven doubted their value, and the remaining two did not feel such a program should be included in agency operations. Five agencies employ an internship program at this time.

Of the six agencies favoring an internship program, three felt that the summer was the most appropriate time, the rest stated an internship could be programmed at any time during the year.

TABLE III-10

RESPONDENTS' OPINIONS ON THE DESIRABILITY OF AN
INTERNSHIP PLAN FOR STUDENTS WHO HAVE
A VOCATIONAL INTEREST IN
ADVERTISING

Do You Think An Internship Plan is Desirable?	Number
Yes	6
No	2
Doubtful	7
Total	15

TABLE III-11

AGENCIES MAINTAINING INTERNSHIP
PROGRAMS

Does Your Agency Have An Internship Program?	Number
Yes	5
No	10
Total	15

TABLE III-12

OPINIONS OF THE RESPONDENTS WHO RECOMMEND AN
INTERNSHIP PLAN AS TO WHEN THE
TRAINING SHOULD TAKE PLACE

When Should the Training Take Place?	Number
During School Year	1
During Summer Vacation	3
All Year	2
Total	6
No Reply	7

Administration

What tools of personnel administration do agencies use? These tools include job analysis, job description, job evaluation, central personnel record file, health and benefit programs, and enlightened vacation and compensation policies. This section seeks to determine to what degree the agencies in the sample are utilizing these tools of personnel administration.

Job Analysis and Specifications

Job analysis consists of a detailed study of every task in the agency to find out just what is done, how it is done, and who does it. A job specification puts the results of the analysis in a form that agency management can use to improve the handling of personnel. They make it easier to select good

applicants, for the interviewer knows exactly what qualifications the new employee must have. They show just what training is needed for every job. The lines of promotion into and out of jobs are indicated or established and job specifications make possible job evaluation.[4]

Eight of the respondent agencies used job analysis and job descriptions as part of their personnel administration procedures, while seven did not. Indicating an approximate one-to-one ratio.

TABLE III-13

INCIDENCE OF JOB ANALYSIS AND JOB
SPECIFICATIONS IN AGENCY
PERSONNEL ADMINISTRATION

Technique Used	Yes	No	Totals
Job Analysis	8	7	15
Job Specifications	8	7	15

Central Personnel Record File

Another administrative tool that has proven to be of value to personnel operations is the central personnel record file. Such a file provides a running account of employment history, thereby giving the personnel department a clear picture of each employee's progress. All of the agencies maintain

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[4]Terry, op. cit., p. 238.

such a record, thus making the record a practical necessity

in agency personnel departments.

TABLE III-14

INCIDENCE OF CENTRAL PERSONNEL RECORD FILES
IN AGENCY PERSONNEL ADMINISTRATION

Does Your Agency Maintain a Central Personnel Record File?	Number
Yes	15
No	0
Total	15

These records usually include ten elements when employed

in large corporations, they are:

        a. Application form
        b. Interview results
        c. Mental and physical test results
        d. Training received
        e. Progress reports
        f. Wage advances
        g. Transfers and promotions
        h. Accident and sick leaves
        i. Disciplinary notations
        j. Result of exit interview[5]

Eight of the agencys' records included all of the ele-

ments mentioned above. In those seven agencies which did not

include all of the elements in their records, it was discov-

ered that the elements of training received, result of exit

interview, and disciplinary notation were excluded most.

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[5]Terry, op. cit., p. 239.

While the application form and transfers and promotions were found to be included in all of the personnel records.

TABLE III-15

ELEMENTS OF AGENCY PERSONNEL RECORD

Elements of Record	Agencies Having Element
Application form	15
Interview results	12
Mental test results	13
Training received	8
Progress reports	12
Wage advances	12
Transfers and promotions	15
Accident and sick leaves	14
Disciplinary notations	12
Result of exit interview	9

Health and Benefit Programs

The installation of various health and benefit programs in an organization has proven to be one of the best methods for lowering employee turnover. These programs also tend to foster employee initiative and provide an incentive for remaining with the company. There would seem to be a need for such programs in an industry such as advertising which has been plagued with high employee turnover. It was found that

all of the agencies maintain a health and benefit program in one form or another.

TABLE III-16

INCIDENCE OF HEALTH AND BENEFIT PROGRAMS
IN AGENCY PERSONNEL ADMINISTRATION

Does Your Agency Maintain A Health and Benefit Program?	Number
Yes	15
Total	15

Seven programs have proven themselves quite successful in other fields and have become standard in most large industries, they are as follows:

    a. Medical attendant on the premises
    b. Group insurance
    c. Profit sharing
    d. Hospitalization
    e. Pension plans
    f. Stock participation
    g. Bonuses[6]

Six of the agencies included all of the above in their Health and Benefit Programs. Three of the programs, profit sharing, hospitalization, and group insurance were utilized by all the agencies. Bonuses, pension plans, and medical attendant on the premises, were excluded in most of the nine agencies

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[6]Ibid., p. 240.

TABLE III-17

INCIDENCE OF VARIOUS ELEMENTS OF HEALTH
AND BENEFIT PROGRAMS

Programs	Number of Agencies
Medical attendants on premises	2
Group insurance	15
Profit sharing	9
Pension plans	15
Hospitalization	15
Stock participation	11
Bonuses	8

Vacation Policy

All of the agencies maintained a vacation program based
upon the length of tenure of the employee. The majority
divided the length of tenure in time periods of less than one
year, one year, and five years. After the fifth year the divi-
sions varied, some agencies placed the next division at ten
years, others twenty, and twenty-five. In terms of the length
of the vacations, all of the agencies gave one day for each
month of employment for those working less than one year, two
weeks for those employed from one to five years, and from three
to four weeks thereafter. All of the vacations were with pay.
By granting generous vacations with pay based on length of
tenure, these agencies provide an incentive for their employees
to remain with the agency.

Compensation

Relevant questions were included in the survey to ascertain the agencys' policies regarding compensation. What is the starting salary for recent college graduates entering agency work? Who determines the agencys' wage level? What method is employed in setting salaries?

The graduating college senior who seeks employment in advertising may expect to begin work at a minimum of $250 per month. In the opinion of the group, the starting salary which should be expected ranges from $376 to $400 per month. This latter range closely approximates the average starting salary for graduates in advertising at Michigan State University which is $411 per month.[7]

[7]"Four Jobs for Every Ad Graduate," Advertising Age, December 17, 1961, p. 61.

TABLE III-18

STARTING SALARY FOR COLLEGE GRADUATES
APPLYING FOR POSITIONS IN
ADVERTISING AGENCIES

Starting Salary Per Month	Number
250-275	1
276-300	1
301-325	0
326-350	1
351-375	2
376-400	3
401-425	1
426-450	3
451-476	2
Total	14
No Reply	1

In eight of the agencies the wage level for job categories was determined by the personnel director. In the remaining seven agencies, the level was structured through the coordinated efforts of the personnel director and other agency executives. These executives included the Vice President of Finance, department heads, general managers and special salary committees.

Twelve agencies used a combination of methods to determine agency wage levels, while the remaining four employed only one method. The prevailing wage level in the industry and the prevailing wage level in the area were most popular.

TABLE III-19

METHODS UTILIZED IN DETERMINING
AGENCY WAGE LEVELS

Method	Number of Agencies
Prevailing wage level in the industry	12
Prevailing wage level in the area	9
Job evaluation	5
Tradition in the agency	2
Arbitrary decisions	2
No Reply	1

What is the Status of Agency Personnel Management Today, and What Will it be in 1972?

The final question in the survey asked each respondent

to give his opinions concerning both the present status of

personnel management in agencies, and also, what it would be

ten years from now. The following replies were selected:

> The last six years has seen a notable increase in the
> number of accredited Personnel Departments in the agency
> field. Most have gained in status and participation. I
> believe this trend will be accelerated in the future.

> Varies considerably from agency to agency. In many,
> position carries title, little authority--in mine it's
> important because of support by top management. In ten
> years, more agencies should have the well-rounded per-
> sonnel operations we see in most large non-service
> organizations today.

Right now it goes all over the map. An agency personnel manager can be anywhere from a clerical placement service to office manager to Director of Personnel. As agencies grow larger it will undoubtedly become more important. Centralized control is a prerequisite to bigness.

Personnel Management in agencies is a vital function if management recognizes the long term objective of management and talent development. This can only be done if the target is enforced and if programs and procedures are created with this in mind. The agency business itself cannot progress within the next ten years unless a higher caliber and better qualified personnel management is introduced, encouraged and developed.

This depends entirely on agency size. The larger the agency, the greater the opportunity.

Very low status in most agencies (limited to clerical recruiting and record keeping). Much more influential in next ten years as authority in executive recruiting and formal personnel administration measures.

This depends upon size of agency. However, in a personal service business--the Personnel Department should continue to be a key factor in: selection, recruiting, and training of employees.

I think agency management expects genius results from non-career personnel staff, operating with too little management recognition and budget support.

Personnel Management is now occupying an important role in most large agencies. This has come about through the needs of the agencies and has won acceptance through the noticeable improvements it has brought to the process of better selection and better retention of better people. Personnel Management in agencies has a very bright future and will make noticeable strides in the advertising agency field in the next ten years.

In most, not good--should be better in ten years.

Personnel management is becoming more recognized as a
necessary part of agency management and is expanding
its role continuously. In ten years I think it will
be comparable to the position it now has in most
industries.

CHAPTER IV

SUMMARY

The purpose of this study was to ascertain the present status of personnel administration in the nation's largest advertising agencies. A review of recent literature in trade publications revealed that manpower is one of the most important problems facing agencies today. Advertising expenditures have quadrupled, from three billion dollars after World War II to twelve billion dollars in 1961. Agency operations have become vastly more complex. As a consequence, a manpower shortage evolved which manifested itself in the unhealthy game of "musical chairs," whereby agencies pirate each other to gain needed employees. Such practices are harmful to agencies as well as employees. To confront the dilemma there is a need for professional personnel management and application of modern personnel practices. The findings of this survey reveal that the management of the largest agencies are increasingly recognizing the value of the personnel function as indicated by the finding that twelve of the fifteen agencies studied now maintain an organic personnel department. Only four had such a department in 1950.

The size of these departments were directly related to
the size of the agency. The largest department maintained a
staff of sixteen full-time employees, while the smallest
employed only one. The average number of employees per
department was seven.

The directors of the agencys' personnel function seemed
well qualified for their position by virtue of previous expe-
rience in personnel work (more than two-thirds were employed
in personnel immediately before becoming the agencies' top
personnel administrator). Twelve of the fifteen directors
were college graduates, a large percentage of whom had courses
in personnel and/or psychology. Their position in the agency
is one of importance and responsibility, borne out by the
fact that all reported directly to top management.

A profile of the "average" director is a man aged forty-
five, married, a college graduate, earning $23,600 per year.
He is head of a department of six employees, and has held this
administrative position for a period of six years. His title
may be Vice President and Director of Personnel, Personnel
Director or Director of Personnel.

The directors expressed no consensus of opinion as to
either the "best" education or "best" experience for personnel
work. The majority favored college training in liberal arts

or business administration. Most felt that prior experience in personnel work, either in agencies or other firms was desirable.

The primary sources of new salaried employees, in order of importance were, referrals from agency staff members, voluntary applicants, employment agencies, and selective recruiting ("pirating"). College recruiting, although not yet a major procurement source, is gaining in importance. In 1961 ten of the agencies made seventy-seven visits to twenty-nine universities.

The directors were strongly in favor of a college background as preparation for agency work, preferably with course-work in liberal arts or business administration including courses in advertising.

The administrative steps following initial contact were similar in all the agencies and generally corresponded to procedures employed in large industries. The agency program is as follows:

    a. Application form or resumé.
    b. Brief interview by Personnel Director to determine if candidate is a likely prospect.
    c. Issuance of mental exams.
    d. Depth interview by appropriate department head.
    e. Introduction to job and preparation of records.

For most positions, this procedure provides adequate screening through the selective techniques of resumés, mental tests, and extensive personal interviews.

Perhaps one of the primary responsibilities of personnel departments is the establishment of a workable training program for new company employees. These programs tend to better employee morale and forestall employee turnover. It was discovered that all but three agencies maintained an organized training program. This is a definite step forward when compared to the finding of a study undertaken by the A.A.A.A. in 1956 at that time less than half of the A.A.A.A. members maintained an organized training program. The most popular programs employed by the agencies in this study were Department Routing and Department Training. Department Routing was utilized by four agencies, Department Training was employed by three, while four used a combination of both programs to fit their training needs.

The length of the programs varied, depending on the agency, the program employed and the trainee's needs. The longest program lasted three years, while the shortest lasted only three months.

College internship programs are now employed by one-third of the agencies, and it would appear that the concept is growing in popularity.

A comprehensive system of personnel control, which includes, among other things, adequate job analysis, position description, and central personnel records, is perhaps the best method for effective utilization of existing manpower within the agency. The findings of this study reveal that more than half of the large agencies have instituted programs of job analysis and position descriptions. All the agencies maintain central personnel records.

The installation of various health and benefit programs, adequate vacations plans, and just wages are excellent methods of attracting and keeping talented personnel in agencies. All of the large agencies have instituted health and benefit programs in one form or another. Such programs included pension plans, profit sharing, stock participation, hospitalization, group insurance, and employee bonuses.

The vacation policies of the agencies were remarkably similar; all offered vacations with pay based on tenure of employee service. Salaried personnel employed less than one year received one day's vacation for each month they were employed. Two week vacations for those employed from one to five years, and three to four weeks thereafter.

The starting salary for recent college graduates averaged from $376 to $400 per month. The primary methods used in

determining wage levels in all classifications of agency positions were the prevailing wage level in the advertising industry and the prevailing wage in the city in which the agencies were located.

Divergent views were expressed concerning the present state of agency personnel management. Some felt that personnel management had low status in agencies, being used only to recruit clerical employees and compile personnel records. Others expressed the view that personnel management was growing in importance and responsibility and would soon be on the same plane it holds in industry. Without exception, all of the directors felt that in ten years the position held by agency personnel management would be improved to the point of being responsible for all the agencies procurement, training and personnel administration.

Agencies appear to be making an effort to place the personnel function on a plane with major corporations in the development of a total personnel program; organic personnel departments staffed with competent employees, utilizing the tools of personnel management in recruiting, training, and administering the agencies' human resources. By adhering to such a program agencies are making an important step forward in solving the manpower problem.

APPENDIX

MICHIGAN STATE UNIVERSITY East Lansing

College of Communication Arts . Department of Advertising

July 27, 1962

Dear Sir:

We are making a study of how agency personnel people feel about agency
personnel practices, their own particular jobs, and a number of other
things. By means of this study, we aim to increase the general under-
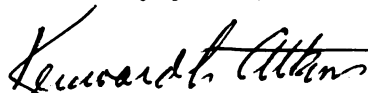standing of advertising personnel practices.

In order to do this successfully, we must have your help. You who work
in personnel administration are the only ones who can tell us accurately
what your reactions to this work are. And don't worry about being quali-
fied to help us--you are.

Enclosed you will find a questionnaire. We have tried to ask those
questions which will be most reliable and meaningful. Naturally, we hope
you will express yourself very frankly and fully. You are asked to identify
yourself; however, the reputation of the Department of Advertising depends
on our keeping your individual replies in strict confidence. The reports
issued on this study will deal only in terms of groups of people in which
no single individual or agency can be identified.

It is highly important that you answer every question. Preliminary testing
indicates that completion of the questionnaire will probably take less than
20 minutes.

We shall be very grateful to you for your cooperation in this work which
seems to us to have a valuable potential. Your assistance may provide
answers which will benefit all those who are in this vital and little
publicized area of agency operations.

Sincerely yours,

Kehward L. Atkins
Assistant Professor

James Ellerbrake
Graduate Assistant
Enclosure

P.S. A self - addressed envelope is attached for your reply.

SURVEY OF PERSONNEL PRACTICES OF SELECTED ADVERTISING AGENCIES

CONFIDENTIAL - The identity of persons responding to this questionnaire, and their agencies, will not be revealed to anyone. The study is conducted under the supervision of the Department of Advertising, College of Communication Arts, Michigan State University.

SECTION I - Personal data of the director of personnel activities:

What is your name and title? _____.

Who do you report to? (title) _____.

How long have you held your present position? _____..

What was your position immediately before becoming director of personnel
- activities? _____.

What is your age. _____ Marital Status? _____

Approximate yearly income; _____

Education:

1. Circle the last year of regular school you completed -
   High School 9-10-11-12   College 13-14-15-16

   What colleges did you attend? _____.

   What major curriculm did you follow (e.g. Liberal Arts-Psychology;
   Business and Economics-Marketing) _____.

   Did you take courses in personnel administration? Yes _____ No _____

   Did you take courses in psychology? Yes _____ No _____

2. Graduate Studies: Yes _____ No _____ School _____..

   In what area did you specialize? _____.

   Did you receive a degree? Yes _____ No _____ What degree? _____.

   Are you presently taking any graduate courses? Yes _____ No _____

   In what area? _____

Please state the kind of education and experience that you feel is most appropriate for an agency personnel director? _____

_____

_____

_____

_____

_____

_____

_____

SECTION II - The personnel department:

Does your agency maintain a personnel department as a separate entity?
Yes _____ No _____ Year organized? _____

If your agency does not maintain a separate personnel department where and how is the personnel function handled? _____

_____

_____

_____

How many persons are employed in personnel work?
Clerical part time _____ Clerical full time _____
Salaried part time _____ Salaried full time _____

SECTION III - Agency personnel practices:

Procurement:

1. Below are listed a number of sources of supply for salaried employees, check those utilized by your agency.

    ___ Friends of present employees   ___ Business and Trade Paper Ads
    ___ Former Employees   ___ Voluntary applicants
    ___ College recruiting   ___ Professional Associations
    ___ Employment agencies   ___ Selective recruiting (recruiting
    ___ Newspaper ads   employees from other agencies)

2. Please rank in order of importance as sources for <u>salaried</u> personnel.
1st _____ 2nd _____ 3rd _____

3. If you do college recruiting, how many colleges were visited last year? _____. Would you name them. _____

_____   _____   _____

_____   _____   _____.

4. What per cent of your new salaried employees were gained through your college recruiting efforts last year? _____ per cent.

5. Personal qualifications of prospective <u>salaried</u> employees:

   Assuming equal qualifications, which do you prefer?

   Male _____ Female _____ No preference _____
   Married _____ Single _____ No preference _____
   Age: Under 25 _____ 25-35 _____ 36-45 _____ Over 45 _____

   In hiring employees for salaried positions, do you give preference to:

   Non-College Grads.   Yes _____ No _____
   College Grads.   Yes _____ No _____
        Liberal Arts Grads.   Yes _____ No _____
        Business Adm. Grads.   Yes _____ No _____
   Applicants with Advanced
   Degrees   Yes _____ No _____

   Do you feel specialized courses in advertising are an asset in an applicant's background? Please comment. _____ _____

   _____

   _____

   _____

   _____

   _____

   _____

6. Additional procurement procedures:

After making initial contact with the prospect what planned policy policy program do you follow before the applicant is hired or rejected. (In order to aid you, below is a sample program followed by the personnel department of a large corporation in its screening of salaried applicants.)

   a. A brief interview to determine quickly if the candidate is a likely prospect for hiring.
   b. Application form to provide pertinent personnel data.
   c. Issuance of mental examinations.
   d. Further interview to determine area of applicants interest, qualifications, and background.
   e. Hiring or rejection
   g. Induction to job or training program and preparation of proper personnel and payroll records.

List your procedure in screening <u>salaried</u> applicants:

_____

_____

_____

_____

_____

_____

How many persons must pass upon a salaried applicant before hiring?
_____ Who are these people? (title) _____
_____

Who makes the final decision as to whether applicant will be hired or rejected? (title) _____

If mental tests are given what kind are they (e.g. Aptitude, I.Q., Personality, etc.) _____

Training:

1. Does your agency provide any organized training program for beginning salaried employees? Yes_____ No_____

2. (If yes,) which of the following does it most nearly approximate?

___ Master and Apprentice   ___ Observation without participation
___ Department Routing   ___ Department Training (concentration
___ Mail Room Orientation   in one department)
___ Lecture Series   ___ Reading Course
___ Jr. Discussion Group   ___ Review Meeting
___ Jr. Project Group

3. If your program defies classification within any of the above programs or is a combination of a number of them please describe its main tenets.

_____

_____

_____

4. How long does your training program last? _____

5. Do you follow a policy of sending some of your employees to colleges or professional schools for further training. Yes _____ No _____

6. Do you think that an internship plan (a plan whereby a student can leave the university for a certain period and gain practical experience in an agency, with the understanding that he will return to the university following this internship period) would be desirable.
Yes _____ No _____ Doubtful _____

7. When should the internship program take place?
During the school year _____ during the summer _____ all year _____

8. Does your agency have such a program? Yes _____ No _____

9. Does your agency provide any introductory booklet for prospective or new employees (e.g. Welcome to Young and Rubicam) Yes _____ No _____

Administration:

1. Does your department carry on job analysis (study the duties and operations of jobs?) Yes _____ No _____

2. Do you maintain a file of job descriptions (written descriptions of an individual job and includes duties, responsibilities, and work performed?) Yes _____ No _____

3. Does your agency maintain a central personnel record file which provides a running account of employment history? Yes _____ No _____

4. (If yes) check which of the following are included:

___ application form	___ wage advances
___ interview results	___ transfers and promotions
___ mental and physical test results	___ accident and sick leaves
___ training received	___ disciplinary notations
___ progress reports	___ result of exit interview

5. To which of the following health and benefit programs does your agency subscribe?

___ medical attendants on the premises	___ pension plans
___ group insurance	___ stock participation
___ profit sharing	___ bonuses
___ hospitilization	

6. What is your policy on vacations? (e.g. length, with pay, etc.)

_____

_____

_____

Compensation:

1. In your estimation what starting monthly salary should a person applying for a salaried position in your agency expect if he is a recent college graduate? _____ _____

2. Who determines the wage rates in your agency? (title) ___ _____
_____.

3. How are these wage rates determined? (Check influencing factors):

___ Prevailing wage level in the industry	___ Tradition in the agency
___ Prevailing wage levels in the area	___ Job Evaluation
___ Arbitrary decisions	___ ranking or grading
	___ factor comparison
	___ point system

SECTION IV - Concluding comments:

What do you think is the position of personnel management in agencies today? What do you think it will be in ten years?

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