

**VOLUME 1**

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**Henry Ford and the \$5 Workday -**  
**Part II**

**Lead: Faced with declining productivity Henry Ford stumbled upon a novel solution, he improved the working conditions of his workers.**

**Intro.: "A Moment in Time" with Dan Roberts.**

**Content: In 1914, despite a new factory, numerous new machines and carefully planned efficiency programs, the Ford still had problem with turnover. The pay was low and working conditions were less than ideal. Men had little incentive to remain on the job and would float**

**from job to job. Over that year for each 100 jobs in the plant, 963 men had to be hired.**

**With orders for 100,000 cars he could not fill, Ford and his associates met to review these dismal figures and come up with a solution. First to get more cars built they expanded the workday. For a half century workers had been agitating for an eight hour day. Now with a backlog of orders plain arithmetic demanded that Ford divide the day into equal parts: three eight-hour shifts.**

**The addition of another shift meant Ford needed 5000 more workers. At this point the company had to deal with the problem generated by a floating workforce. How do you get**

**stable, high quality workers who will stick to the job? Ford had already experimented with "profit-sharing" in the form of Christmas bonuses distributed to his best employees. One of the managers suggested that the Company expand the idea to a year-round sharing of profits with the workers. Unskilled workers made \$.26 per hour, skilled workers \$.54 per hour. Ford decided to drop the unskilled workers and pay most of his workers \$5.00 per day. The result was a flood of job seekers which meant he could pick and choose among the best. The eight-hour, \$5 profit sharing workday sent out a clear message: the unskilled, illiterate and unintelligent were no longer acceptable in the new factories of American industry.**

**Five dollars a day meant that Ford workers had a decent living in second decade of the twentieth century but the program had a down side. Ford's goal was a quiet docile, obedient, sober, happy workforce. He established a sociology department which investigated his workers lives, inquiring as to their marital relationships, drinking habits, and whether or not they had the recommended savings accounts. Women were not included in the five dollar a day. They were usually stable, did not work on the assembly line, were not likely to drink and miss work. Why included them?**

**Despite these deficiencies Ford's actions improved the lives of his**

**workers. Soon other companies were forced to follow his example.**

**Incidentally, it was one of the best cost-cutting measure he ever took. By 1915 85% of the workers employed by Ford stayed on the job. The pursuit of profits had driven Ford in the direction of the right thing.**

**At the University of Richmond, this is Dan Roberts.**

### Resources

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