Part V

STABILITY OF EMPLOYMENT

The paper box industry is directly dependent on industries which use boxes to pack their products. Among these industries are clothing, millinery, shoes, and candy, all of them subject to marked seasonal variations. A large number of boxes are made for mercantile establishments, which also show seasonal fluctuations. It is evident that paper box manufacturers can attack seasonal irregularities only by having a sufficient variety of customers whose busy seasons will dovetail, thus ensuring a fairly regular flow of orders. This is difficult, since the peak seasons of the industries using paper boxes extensively tend to be concentrated in the pre-holiday, spring and fall seasons.

The present investigation has studied fluctuations in payroll for the year ending June 30, 1926. The weekly changes in number of employees and in amount of total payroll are given, the fluctuations representing the percentage deviations from the average number of employees and from the average payroll for the whole year (Figure 1, p. 22). The employment curve shows only percentage changes in actual number of employees and does not indicate to what extent these employees worked undertime or overtime. For this reason the payroll curve is undoubtedly a better index of seasonal variations, since it reflects the time actually worked by employees. Although this graph portrays conditions in one year only and does not, therefore, allow for tendencies peculiar to that year, it indicates, in a general way, the extent to which week-to-week employment in this industry varies.

The seasonal curve in the paper box industry follows the curve for all manufacturing, with a rise in the fall and spring and a drop in mid-winter and mid-summer. The fall season, as shown in the accompanying chart, started in September and rose to a peak in December, after which there was a sudden and decisive drop in the first week of January. The spring season, not nearly as pronounced as that of the fall, started about the middle of January and continued to the end of March when the summer depression began.

At the peak of the fall season the working force had been increased to 12 per cent, the payroll to 20 per cent above the average. In the drop which followed, the employees taken on during the fall season were laid off and not again reemployed. Work was very slack during the weeks following Christmas, for the payroll touched a point 19 per cent below the average. From January on to the summer depression there was a slight but fairly continuous dropping off in number of employees, until in June employment