RETHINKING CORPORATE FINANCIAL DISCLOSURE OF HUMAN RESOURCE VALUES FOR THE KNOWLEDGE-BASED ECONOMY

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An important aspect of the debate over corporate governance is the need to focus on developing standards for corporate financial disclosure of human resource values.[1] I have already written about the employees' role in corporate governance,[2] but I had not considered the accounting piece of the puzzle until last year when I read the following article in the New York Times stating:

> We often evaluate companies as if human capital doesn't matter. And so a company like AT&T can lay off 40,000 knowledge workers, and the market will respond positively because expenses are trimmed. If corporations booked their investments in workers as capital assets, as I believe they should, AT&T would not have been able to eliminate those jobs without writing down \$4 billion to \$8 billion of assets. Then the market response would be different. Instead of applauding the company's executives, we'd be looking to give them the boot.[3]

I was an accountant in a former life, so I knew that because workers walk out the door every day, it did not make sense to try to put them on the balance sheet. Only an accountant could suggest that the downsizing

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1. For recent publications discussing intellectual capital, see ANNIE BROOKING, INTELLECTUAL CAPITAL (1996); LEIF EDVINSSON & MICHAEL S. MALONE, INTELLECTUAL CAPITAL (1997); ROBERT S. KAPLAN & DAVID P. NORTON, THE BALANCED SCORECARD (1996); SECURITIES & EXCH. COMM'N, FINANCIAL ACCOUNTING & REPORTING OF INTANGIBLE ASSETS (1996); THOMAS STEWART, INTELLECTUAL CAPITAL (1997); Thomas Stewart, *Brainpower*, FORTUNE, June 3, 1991, at 44.

2. *See* Marleen A. O'Connor, *A Socio-Economic Approach to the Japanese Corporate Governance Structure*, 50 WASH. & LEE L. REV. 1529 (1993); Marleen A. O'Connor, *Restructuring the Corporation's Nexus of Contracts: Recognizing a Fiduciary Duty to Protect Displaced Workers*, 69 N.C. L. REV. 1189 (1991); Marleen A. O'Connor, *The Human Capital Era: Reconceptualizing Corporate Law to Facilitate Labor-Management Cooperation*, 78 CORNELL L. REV. 899 (1993).

3. Tom DeMarco, *Human Capital, Unmasked*, N.Y. TIMES, Apr. 14, 1996, at F13.

phenomenon was driven by bookkeeping practices. The article, however, led me to begin thinking about the intersection of securities regulations and labor law, and particularly, corporate disclosure of human resource values.

The distinctive feature of the emerging economy is an increasing emphasis on human capital—the knowledge of employees—rather than physical capital.[4] For many companies, such as Microsoft, the value of human capital far exceeds that of tangible assets. This contrast is reflected in the significant differences in stock prices and book values of many companies. Indeed, many presidents' letters which are included in corporate reports include the cliché that "employees are our most valuable asset." These reports say little else about the human beings who produce substantial revenues for the firms. Financial disclosures showing revenue growth and few hard assets tell a story, but it is not a clear one. These reports provide insufficient information to explain high market-to-book ratios for three reasons. First, generally accepted accounting principles ("GAAP") do not adequately capture the market-to-book ratio. Second, federal securities laws do not require disclosure of human resources. The Securities and Exchange Commission treats employment-related matters as a social concern that is outside of its jurisdiction. Third, firms are reluctant to reveal voluntarily this type of data to external users in the absence of disclosure guidelines. Thus, readers of financial statements lack adequate information concerning the rates of return that are derived from firms' investments in human capital.

The knowledge-based economy calls for a new conception of the American corporation that facilitates better evaluation of human resource practices in strategic corporate decision making. The new economy requires a fundamental mind shift in the way we manage and invest in business because human capital creates new valuation and reporting issues. Substantive regulation of the employment relationship is unlikely, however, because the new economy favors labor market flexibility which allows firms to make rapid adjustments to dramatic technological innovations.[5] As a result, many academics who once strongly advocated reforms adopting German-style labor practices recognize that such regimes

4. For a thorough review of this topic, see BRIAN QUINN, INTELLIGENT ENTERPRISE (1995). Quinn estimates that even in manufacturing, three-fourths of the value added to companies derives from knowledge. *See id.* at 5.

5. The traditional analysis of distributive justice (questions concerning workers) assumes that the nation-state could provide equitable and efficient transition policies to ease the adjustments that workers need to make fundamental changes in the economy. Recent thinking, however, suggests that this is no longer the case. In the new era of open economies and global capital flow, multinational corporations freely engage in regulatory arbitrage in a world without boundaries. *See, e.g.*, WILLIAM GREIDER, ONE WORLD, READY OR NOT: THE MANIC LOGIC OF WORLD CAPITALISM (1997); Bob Jessop, *Post-Fordism and the State*, *in* POST-FORDISM: A READER 251 (Ash Amin ed., 1994).

are currently under pressure to make changes that were difficult to predict just a few years ago.[6] Firms need flexibility in the new economy, thus casting doubt on the viability of time-consuming institutional arrangements that seek broad consensus from various corporate stakeholders before making changes.[7] On the other hand, reform of disclosure practices is more politically acceptable than substantive regulation because the United States has strong cultural norms that favor transparency.[8]

Part I of this article describes how our current accounting and disclosure practices do not reflect the significance of human capital for firm performance in the new economy. Part II presents an overview of voluntary disclosures concerning human capital. Part III reviews how current accounting practices for human capital are increasingly at odds with managers' internal performance measures. Part IV provides an overview of the issues involved in creating a model for disclosure of human resources and presents a proposal for disclosure of quantifiable ratios and leading indicators which reveal information concerning the nature of workplace practices. Part IV also addresses the evolution of particular disclosure practices that give significance to the statement "employees are our most valuable asset." Part V recommends that union pension funds use the shareholder proposal rule in an effort to encourage firms to test and implement innovative methods of disclosing human resource values.

I. THE NEED FOR NEW PERFORMANCE MEASURES FOR THE NEW ECONOMY

A. *Knowledge Workers and Tobin's Q*

One surrogate measure of a firm's intangible assets is referred to as the "Tobin's q." This ratio refers to the difference between a company's market value and the replacement value of its physical assets.[9] High-

6. *See* Colin Crouch & Wolfgang Streeck, *The Future of Capitalist Diversity*, *in* POLITICAL ECONOMY OF MODERN CAPITALISM 1, 6 (Colin Crouch & Wolfgang Streeck eds., 1997) ("[T]he socio-economic model of a high-wage economy with relatively egalitarian wage dispersion and effective democratic participation, in the political system and the workplace, appears on the defensive.").

7. *See id.*

8. *See* Louis Lowenstein, *Financial Transparency and Corporate Governance: You Manage What You Measure*, 96 COLUM. L. REV. 1335, 1344 (1996).

9. This ratio is named after James Tobin, a Nobel Prize winning economist at Yale. *See* Thomas A. Stewart, *Your Company's Most Valuable Asset: Intellectual Capital*, FORTUNE, Oct. 3, 1994, at 68. As a result of higher "q," Baruch Lev suggests that the relevance of financial reports to investors in high-technology industries is substantially lower than in the traditional, stable sectors. *See* Baruch Lev, The Boundaries of Financial Reporting and How to Extend Them (unpublished manuscript presented at SEC Conference

technology companies have a higher "q" than basic industries. For example, Microsoft's "q" is nearly ten to one, while Ford Motor Company's "q" is two to one. This ratio reflects many intangible aspects of the business including human capital, customer loyalty, research and development, and brand names. Thus, performance measures focusing on the workplace are just one set of crucial methods used to evaluate firm performance. Human capital disclosure needs to be accompanied by information regarding its relationship to other measures such as customer satisfaction, product quality, supplier relations, and innovativeness.[10]

Disclosure of human resource practices is an important corporate governance tool. Specifically, under the theory that a company manages what it measures, a change in the rules concerning financial disclosure of human resources could lead to different corporate and societal perceptions about human resources invested in firm performance. In addition, disclosure of the qualitative and quantitative nature of human resources would allow investors and creditors to make more accurate evaluations of potential firm values. Thus, disclosure would provide a closer correlation between external reporting practices and internal measurement processes leading to improved dialogue among managers, directors, long-term investors, and employees. Such enhanced communication among corporate stakeholders may generate greater support for human capital investments which are necessary to sustain national competitiveness.[11]

Apr. 11-12, 1996, on file with author).

10. This article focuses on measuring human capital and leaves questions concerning other types of intangibles to subsequent research. Employees themselves should not be viewed as assets; rather, it is necessary to rethink firms' investment disclosure of human capital practices. The most important reason for not talking about employees as assets does not involve accounting, but morality. Specifically, the firm does not *own* its workers. Rather, employees should be thought of and used as a resource. In this regard, Skandia, for example, does not evaluate human capital as an asset; rather, the firm views human resources as more of a debt issue. The firm views itself as borrowing human capital from employees in an effort to leverage it into financial returns. *See* Stewart, *supra* note 9, at 68 (discussing how to manage and measure knowledge).

11. The federally legislated U.S. Competitiveness Policy Council initiated a major inquiry into ways to improve the U.S.'s ability to compete in world markets. *See* COMPETITIVENESS POLICY COUNCIL, A COMPETITIVENESS STRATEGY FOR AMERICA, SECOND REPORT TO THE PRESIDENT AND CONGRESS (1993). The Subcouncil on Corporate Governance and Financial Markets suggested that non-financial measures of corporate performance be used to supplement more traditional financial measures. *See* COMPETITIVENESS POLICY COUNCIL, REPORT OF THE SUBCOUNCIL ON CORPORATE GOVERNANCE AND CAPITAL MARKETS, THE WILL TO ACT (1992). In 1994, the Subcouncil on Capital Allocation was formed to consider ways to improve information for assessing long-term shareholder value. This Subcouncil reported that "[a]nachronistic [accounting] rules suppress the overall level of business investment, and investment in long-term and intangible business assets, such as R&D and workforce training, in particular . . . by restricting the amount of capital available per worker and capital in a way that undermines growth in worker productivity and company revenues." COMPETITIVENESS POLICY COUNCIL,

B. *The Information Gap Concerning Human Resources*

Many people recognize that the present accounting system is not doing its job. The purpose of accounting is to communicate the economic activity of a business.[12] The function of audited financial statements is to assist outside investors in allocating capital to the most profitable ventures while incurring the lowest possible transaction costs.[13] Yet, there is a weak statistical link between corporate earnings and stock returns.[14] The Financial Accounting Standards Board ("FASB") and the Securities Exchange Commission ("SEC") support the idea that a changing economy calls for changes in external reporting.[15]

While businesses prefer to expense human resource costs immediately for specific tax purposes,[16] this practice presents a distorted picture in external reports. By immediately expensing training costs, firms show lower earnings and book values for the immediate period. In subsequent periods, however, firms report the benefits derived from their investments-in-training without declaring the corresponding costs. Thus, this accounting treatment fails to reflect economic reality, making it more difficult for investors to assess the return on human capital investments.

Although the SEC could require firms to provide data to correct this misleading picture, the current regulations do not compel disclosure concerning the value of human resources. In 1975, the SEC conducted extensive hearings to determine whether disclosure forms should require

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SUBCOUNCIL ON CAPITAL ALLOCATION, LIFTING ALL BOATS: IMPROVING AMERICA'S RETURN ON PRIVATE INVESTMENT IN THE INFORMATION ECONOMY (1994).

12. *See* DONALD E. KIESO & JERRY J. WEYGANDT, INTERMEDIATE ACCOUNTING 5 (8th ed. 1995) (explaining essential characteristics of accounting).

13. *See* Financial Accounting Standards Board, Statement of Financial Accounting Concepts No. 1 (1978) ("Financial reporting should provide information to help present and potential investors and creditors and other users in assessing the amounts, timing, and uncertainty of perspective cash receipts from dividends or interest and the proceeds from the sale, redemption, or maturity of securities or loans.").

14. *See* Baruch Lev, *On the Usefulness of Earnings and Earnings Research: Lessons and Directions from Two Decades of Empirical Research*, 27 J. ACCT. RES. 153 (Supp. 1989).

15. *See* Robert J. Swieringa, *Challenges to the Current Accounting Model*, CPA J., Jan. 1997, at 26.

16. For a more detailed discussion of the tax implications of human capital, see Russell W. Coff & Eric G. Flamholtz, *Corporate Investments in Human Capital: How Financial Accounting Standards Undermine Public Policy*, 5 STAN. L. & POL'Y REV. 31 (1993); Louis Kaplow, *Human Capital Under an Ideal Income Tax*, 80 VA. L. REV. 1477 (1994); Matthew A. Melone, *The Information Revolution: Organizational Knowledge and the Capital Expenditure Question*, 50 TAX LAW. 73 (1996); Lawrence Zelenak, *The Reification of Metaphor: Income Taxes, Consumption Taxes and Human Capital*, 51 TAX L. REV. 1 (1995).

information about several social issues including employment.[17] The Commission concluded that disclosure should focus on economic information, rather than on social concerns.[18] The SEC asserted that it did not have authority to require disclosure for the sole purpose of promoting social goals.[19]

Firms do not voluntarily provide much information about workplace practices. Part II of this article reviews the 1996 Annual Reports of the Fortune 500 companies to see what types of voluntary disclosures companies reveal about employees. The article concludes that disclosure concerning human resource values is not a well-established practice and that the existing disclosure that exists is weak on comparable, quantitative data. Further research will analyze what distinguishes disclosing from nondisclosing firms. Factors such as the size of the company, profitability, number of employees, industrial sector, unionization, and employee ownership may explain differences in reporting practices for human resource values.

Although securities laws do not specifically require information about the nature of labor relations, shareholders can request this information using Rule 14a-8.[20] The SEC recently reversed its position that prevented shareholders from obtaining information about workplace practices.[21] In the 1992 *Cracker Barrel Old Country Stores* no-action letter, the SEC stated that management could exclude a proposal asking it to change its practice of discriminating against homosexuals during hiring.[22] Prior to *Cracker Barrel*, shareholder proposals involving substantial policy considerations could not be omitted from proxy materials pursuant to the ordinary business exception. In *Cracker Barrel*, however, the staff stated that it had become "increasingly difficult to draw the line between includable and excludable employment-related proposals based on social policy considerations."[23] As a result, for six years the SEC treated

17. *See* Securities Exchange Act of 1934, Exchange Act Release No. 11236, 6 SEC DOCKET 257 (Feb. 11, 1975).

18. *See id.*

19. *See id.*

20. 17 C.F.R. § 240.17a-8 (1998).

21. *See* Amendments to Rules on Shareholder Proposals, Exchange Act Release No. IC-22828, 65 SEC DOCKET 986 (Sept. 18, 1997).

22. *See Cracker Barrel Old Country Stores, Inc.*, SEC No-Action Letter, *available in* 1992 WL 289095, at *18-19 (Oct. 13, 1992).

23. *Id.* The District Court for the Southern District of New York issued an injunction against the Commission which prohibited the issuance of any ruling at variance with the court's construction of the 1976 Interpretive Release until the Commission amended Rule 14a-8(c)(7) in a rule-making proceeding in accordance with the requirements of the Administrative Procedures Act ("APA"). *See* NYCERS v. SEC, 843 F. Supp. 858 (S.D.N.Y. 1994). Upon appeal, the Second Circuit reversed the district court, holding inapplicable the notice and comment requirements of the APA. *See* NYCERS v. SEC, 45

proposals raising employment matters as exempt from the ordinary business rule, even if they raised social policy issues.

The reversal of the *Cracker Barrel* policy evokes issues concerning which employment-related shareholder proposals raise significant public policy issues. Under the direction of former Labor Secretary Robert Reich, the Department of Labor placed tremendous emphasis on high-performance workplace practices. Specifically, in 1994, the Labor Department listed "investment in training to develop [a company's workforce] as well as other workplace practices" as issues for shareholder activism.[24] This article argues that the SEC should not engage in merit regulation in an age of institutional shareholder activism, and the securities laws should allow shareholders to request information about workplace practices.

C. *Does Corporate Disclosure of Workplace Practices Matter?*

The accounting treatment for training expenses is significant because studies show that American firms invest in substantially lower levels of workforce education than their German and Japanese competitors.[25] This difference may reflect the obstacles that American managers face when conveying information about the long-term value of intangible investments in human capital to the stock market.[26] Specifically, information asymmetries exist regarding the value of human resource expenditures. Differences in information may lead capital markets to undervalue expenditures that reduce current earnings but promise long-term returns. Investors who do not have reliable information about intangibles will discount the stock price.[27] In turn, corporations will tend to minimize the funds allocated to intangibles because they lack a way to communicate the merits of these expenses to shareholders under current accounting and disclosure norms. Viewed in this light, financial reporting standards that

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F.3d 7 (2d Cir. 1995). The court emphasized that the plaintiffs had an alternative to suing the SEC because they could sue to enjoin the company to include their proposal in its proxy materials. *See* NYCERS, 45 F.3d at 7.

24. Pension and Welfare Benefits Administration, Interpretative Bulletins Relating to the Employee Retirement Income Security Act of 1974, 29 C.F.R. 2509.94-2 (July 29, 1994), *reprinted in* 59 Fed. Reg. 38863. For further discussion, see Jayne Elizabeth Zanglein, *High Performance Investing: Harnessing the Power of Pension Funds to Promote Economic Growth and Workplace Integrity*, 11 LAB. LAW. 59 (1995).

25. *See* John Paul MacDuffie & Thomas A. Kochan, *Do U.S. Firms Invest Less in Human Resources? Training in the World Auto Industry*, 34 INDUS. REL. 147 (1995).

26. *See* THOMAS KOCHAN & PAUL OSTERMAN, THE MUTUAL GAINS ENTERPRISE 67 (1994); Coff & Flamholtz, *supra* note 16.

27. *See* George A. Akerlof, *The Market for "Lemons": Quality Uncertainty and the Market Mechanism*, 84 Q.J. ECON. 488 (1970); P.K. Chancey & C.M. Lewis, *Earnings, Management and Economic Valuation Under Asymmetric Information*, 1 J. CORP. FIN. 319 (1995).

ignore the existence of human assets interfere with the ability to make accurate and efficient business decisions, thus hindering the United States' long-term ability to sustain competitiveness.

Some critics of human resource accounting assert that if a company does not believe in training, then changing the accounting rules will not change this philosophy. Others maintain that measuring and reporting human resource information communicates the belief that workers are essential to the production process. With respect to internal management, proponents of human resources accounting emphasize the familiar attention-directing function of measurement systems. Mandatory external reporting of human capital values may deter managers from attempting to increase net income in the short term, either by downsizing the workforce, eliminating training, or driving people too hard. In this way, mandatory disclosure of workplace practices may lead to changes in cultural perceptions about the value of human resources that will allow managers to focus on long-run organizational effectiveness to a greater degree.

Measuring and disclosing human resource values would help investors evaluate the costs and benefits of corporate restructuring. Under one view, the results of downsizing are recorded incorrectly. Firms report the reduction in salary expense as a cost savings, but this accounting practice fails to recognize the destruction of human capital that reduces shareholder value. Supporting this view, econometric studies show that layoff or other downsizing announcements typically produce a small and otherwise unexpected increase in stock prices.[28] However, evidence indicates that most companies suffer more than they gain from this strategy. One recent study of downsizing over the past five years conducted by the American Management Association concluded that fewer than half of the downsizing firms subsequently increased profits; only a third reported higher productivity. Stephen Roach, chief economist at Morgan Stanley, recently reversed his long-standing position on downsizing, stating that in an effort to cut costs, many firms have destroyed human capital and compromised their ability to innovate.[29]

III. ASSESSING THE STATE-OF-THE-ART FOR CORPORATE REPORTING OF HUMAN RESOURCES INFORMATION

This part analyzes the current practices for corporate reporting of human resource information by examining the contents of the Fortune 500 Annual Reports for 1996 to track the following categories: number of

28. *See* Dan Worrell, *Layoff Announcements and Stockholder Wealth*, 34 ACCT. MGMT. J. 662 (1991).

29. *See* David Sapstsed, *Economist Downsizes Claims for Panacea*, THE DAILY TELEGRAPH, May 13, 1996, at 4.

employees, training, safety, diversity, productivity measures, labor relations, pay-for-performance schemes, turnover, employee ownership, and employee surveys.[30] The range of information provided by corporations varies considerably from those that provide no information on these topics to those that disclose extensive data about their employees. Ten percent of the firms gave no information regarding the categories of human resource information that I tracked. The results of my survey are as follows:[31]

CONTENT ANALYSIS OF DISCLOSURES CONCERNING HUMAN RESOURCES
1996 ANNUAL REPORTS FOR THE FORTUNE 500 COMPANIES

SUBJECT OF DISCLOSURE	YES (COMPANY PROVIDED DISCLOSURE)						NO DISCLOSURE	
	INFORMATIVE (✓)		VAGUE (x)		TOTAL YES			
1. Number of Employees	51%	(273)	29%	(145)	85%	(418)	15%	(75)
2. Training	6%	(33)	27%	(135)	33%	(168)	66%	(325)
3. Safety	7%	(34)	8%	(39)	15%	(73)	85%	(420)
4. Diversity	3%	(14)	16%	(78)	19%	(92)	81%	(401)
5. Productivity Measurement	11%	(53)	0%	(3)	11%	(56)	89%	(437)
6. Labor Relations	14%	(70)	6%	(31)	20%	(101)	80%	(392)
7. Pay for Performance	3%	(16)	12%	(56)	15%	(72)	85%	(421)
8. Turnover	1%	(6)	7%	(32)	8%	(38)	92%	(455)
9. Employee Ownership	8%	(39)	5%	(25)	13%	(64)	87%	(429)
10. Employee Surveys	1%	(4)	2%	(11)	3%	(15)	97%	(478)

30. For a listing of the Fortune 500 companies and more information, see *The Fortune 500*, FORTUNE, Apr. 28, 1997, at F-1.

31. No data were available for the seven companies that are private. These percentages are calculated using a base of 493 companies. For a detailed listing of types of disclosures provided by company, see Appendix A. For a list of examples of disclosures, see Appendices B through J.

For those firms providing disclosure, a broad divergence exists on the nature of information disclosed. Many content-based surveys contain a major drawback because merely indicating whether or not a company has disclosed certain categories of information does not reveal anything about the quality of the disclosure. Consider the following statement from Dell Computer's Annual Report: "During the year, we significantly reduced employee turnover, enhanced compensation and profit-sharing programs, and increased training requirements for all employees."[32] Most content-based surveys would give this statement credit for disclosing information regarding turnover, pay for performance, and training, even though it does not.

In order to provide a more accurate picture of the state-of-the-art corporate disclosure practices concerning human resources, I distinguish those disclosures involving trivial statements from those that provide a more comprehensive profile of the activities reported upon. This raises the issue of how to measure the information content of particular types of disclosures. Generally, "vague" disclosures are those that did not go beyond cursory statements and "informative" ones are those that included specific qualitative or quantitative data. Although those definitions are somewhat subjective, it was not difficult to distinguish between the two types of disclosures in the great majority of cases. For each topic considered, I provide examples of what I categorized as "vague" versus "informative."

A. *Number of Employees and Diversity*

Seventy-nine percent of the firms provided information about the number of their employees. A wide variety of methods were used to describe the number of employees: full-time employees, employees at year end, full-time equivalents, and regular employees.

"Vague" statements (29%) include those that only report the number of employees for the current year. Fifty-five percent went beyond this to provide "informative" disclosures including breakdowns of employee numbers by geographic region, position, full-time versus part-time employees, business sector, salaried versus hourly, and production versus support. Many firms provided data for the last two years, five years, ten years, and over ten years.

Bruno's exemplifies one of the more informative disclosures concerning the number of employees:

The Company is one of the leading private employers in

32. DELL COMPUTER CORP., 1996 ANNUAL REPORT 5 (1997).

> Alabama. As of February 1, 1997, the Company employed approximately 25,000 persons, of whom approximately 48% were full-time employees and approximately 52% were part-time employees. Approximately 23,500 of the Company's employees are assigned to supermarkets, approximately 1,200 work in the the Company's distribution facility, and approximately 300 are employed in the Company's business office. Approximately 90% of the Company's employees are paid on an hourly basis, and the remaining employees are salaried. The Company currently employs, on average, approximately 107 employees in each store.[33]

Another example of one of the more informative disclosures came from Merrill Lynch:

> Full-time employees totaled 49,800 at year-end 1996, compared with 46,000 a year ago. Selective hirings, which consisted primarily of revenue producers and sales assistants in Private Client and non-U.S. business areas, were responsible for approximately 70% of the increase. The remainder of the increase resulted from business acquisitions and additional technology support personnel. As a result, the ratio of support employees and sales assistants to producers increased from 1.43 to 1 in 1995 to 1.50 to 1 in 1996.[34]

As far as providing information about diversity, although 19% of the companies mentioned diversity, most of the disclosures on this issue (16%) were "vague," providing only a superficial reference to the issue.[35] For example, consider the statement found in the Annual Report for Philip Morris: "Most of all, we have the people—154,000 diverse, dedicated employees . . . ."[36] Informative disclosures provided numerical data about the diversity of their employees and described efforts to increase employee diversity. As an example, the following disclosure from Fleet Financial is informative:

> We are also proud of the solid progress of our continuing diversity initiative. Fleet is committed to building a work environment throughout the company that supports and nurtures a diverse workforce. In that regard, 1996 was a foundation year. Accomplishments to date include the participation of more than 800 employees—among them 90% of Fleet's senior managers—in diversity awareness workshops; ongoing meetings of the Corporate Diversity Council devoted to providing direction, reviewing progress, and discussing issues; and the hiring of a

33. BRUNO'S, INC., 1996 ANNUAL REPORT 4 (1997).
34. MERRILL LYNCH & CO., INC., 1996 ANNUAL REPORT 9 (1997).
35. For more information, see Appendix B.
36. PHILIP MORRIS, INC., 1996 ANNUAL REPORT 5 (1997).

> full-time ombudsman. Further reflecting Fleet's strong commitment to employee diversity, all executive management bonuses are now linked to the success of our diversity efforts as well as our business results.[37]

B. Training

My analysis reveals that 33% of the firms mentioned training.[38] Most of these (27%) provided only "vague" references to training such as that found in the Annual Report of ConAgra: "A companywide focus on training is well under way. We expect the fiscal 1997 results to begin to reflect these initiatives. Earnings should increase strongly."[39] The Annual Report of St. Paul is another illustration of a vague training disclosure: "In 1997, training costs will increase."[40] Similarly, the Annual Report of Nash Finch is vague in respect to training: "We will continue to invest in training our associates so that this organization remains able to adapt, change and grow."[41] The reader of these Annual Reports would find the information content of these disclosures to be fairly minimal.

Six percent of the corporate reports provided "informative" disclosures on training by discussing the time spent in training, employee training costs, the number and/or types of employees involved, the purpose of these activities, and the outcomes of the training programs. The following three excerpts present examples of the more informative disclosures concerning training.

First, Genuine Parts stated:

> Motion's emphasis on formalized training began in 1988 in response to market demand for stronger technical support. Today, Motion offers the most comprehensive and extensive training programs in the MRO (Maintenance, Repairs and Operation products) industry with a curriculum of four specialized schools: technical product training, industry-specific process training, internal company training (underscoring leadership, operations, selling, continuous service improvement techniques, computer/technical literacy), and an introduction to industrial distribution.
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> In 1995, Motion Industries dedicated a new corporate training facility equipped with classrooms, a hands-on working lab, 2

37. FLEET FINANCIAL GROUP, INC., 1996 ANNUAL REPORT 2 (1997).

38. For more information, see Appendix C.

39. *ConAgra, Inc., 1996 Form 10-K* (visited Nov. 30, 1998) <http://www.sec.gov/Archives/edgar/data/23217/0000023217-96-000029.txt>.

40. ST. PAUL COS., INC., 1996 ANNUAL REPORT 25 (1997).

41. NASH FINCH CO., 1996 ANNUAL REPORT 3 (1997).

> large conference rooms, 4 full-time instructors, 18 part-time instructors, and an expanded curriculum toward this effort. These resources, coupled with an investment of over $6 million, served over 1,900 students in 1995 and 2,300 students in 1996.[42]

Another example of an informative disclosure concerning training comes from Bethlehem Steel:

> In 1996, various educational programs provided more than 550,000 employee training hours, an average of over 30 hours per employee. For example, more than half of our employees have already completed a custom financial management program that includes financial concepts, measurements and business fundamentals. This program is designed to help our employees focus their efforts on increasing our return on net assets and stockholder value.[43]

Finally, we can turn to Dana:

> Dana is preparing for the future by focusing its employees on education and continuous improvement. Looking ahead, Dana expects every employee to get forty hours of classroom education each year. Dana University, the company's in-house education program, has twenty-seven full-time instructors with a total staff of forty. And every plant has its own education center.[44]

To help readers appreciate companies' investment in training programs, some firms gave indications of the outcome of training programs. For example, General Electric stated:

> The momentum of the Six Sigma initiative is unprecedented. From launching this initiative in late 1995, with 200 projects and massive training, we moved to 3,000 projects and even more training in 1996; and we will undertake 6,000 projects, and still more training, in 1997. The $200 million we invested in 1996 has already returned nearly that much in quality-related savings. The additional $300 million we will invest in 1997 will deliver some $400-500 million in savings, producing an additional $100-200 million in incremental margins.[45]

For another example, Prudential's 1996 Annual Report stated: "As a result of our new training initiative, which we launched in 1992, a full 40 percent of our financial advisors are home-grown."[46]

There are not many references to return on investments ("ROI") in

42. GENUINE PARTS CO., 1996 ANNUAL REPORT 11 (1997).
43. BETHLEHEM STEEL, INC., 1996 ANNUAL REPORT 4 (1997).
44. DANA CORP., 1996 ANNUAL REPORT 17 (1997).
45. GENERAL ELEC. CO., 1996 ANNUAL REPORT 5 (1997).
46. PRUDENTIAL INS. CO. OF AM., 1996 ANNUAL REPORT 13 (1997).

workforce training. This fact is not surprising since a recent Conference Board Report revealed that "[m]any companies make no effort at evaluation as long as desirable effects appear to exist. Only forty-four percent of the T&D executives and twenty-four percent of the human relations executives said that their companies measure the ROI in training. Measures used for ROI are not financial measures."[47]

C. *Safety Information*

Fifteen percent of the firms provided references to safety issues.[48] Disclosures related to safety issues are generally found in the reports of firms in high-risk, accident-prone industries. Seven percent of the firms provided "vague" references—merely stating that safety is important or that they were undertaking measures to minimize accidents. An example of a vague reference comes from the Annual Report of Occidental Petroleum: "Occidental values safety and realizes that fewer accidents translate into less downtime, lower insurance premiums and a more productive workforce."[49]

Eight percent of the firms gave "informative" disclosures by providing quantitative data on accident rates or days lost to accidents, and fairly detailed descriptions of specific projects undertaken to improve working conditions. One generally recognized measure of workplace safety is the Lost Workday Injury Rate ("LWDI"). This index represents the number of injuries or lost workdays related to a common exposure base of one hundred full-time employees working a forty-hour work week for fifty weeks per year. In many cases, this information was provided for several years. For example, Fluor Corporation disclosed a bar graph showing eight years of "Lost Workday Incidence Rates."[50] In some cases, firms such as Alcoa provided benchmarking information: "Our incidence rate as compared with U.S. industry has moved from 1/3 the U.S. rate to 1/10 for all of 1996 and, at the end of 1996, we were operating close to 1/20 of the U.S. rate."[51]

D. *Productivity Measures for Employees*

Eleven percent of the firms provided disclosures concerning employee productivity. For the most part, these disclosures were "informative," that

47. Brian Hackett, The Value of Training in the Era of Intellectual Capital, Conference Board Report 1199-97-RR (1997).

48. For more information, see Appendix D.

49. OCCIDENTAL PETROLEUM CORP., 1996 ANNUAL REPORT 18 (1997).

50. FLUOR CORP., 1996 ANNUAL REPORT 1 (1997).

51. ALCOA, 1996 ANNUAL REPORT 2 (1997).

is, they provided some type of quantitative measure such as revenue per employee or other generally accepted measure of worker productivity. For example, Sun Microsystems provided the revenue per employee for the last ten years.[52] Other firms did not provide numerical data, but indicated that productivity was increasing. For example, the Annual Report for Lear contains the following statement: "Measured by sales-per-employee and total income per employee, our 'people-asset-productivity' has steadily increased over the past five years."[53]

Some firms provided only selective disclosure. That is, they provided statistics, but the content and relevance is not easily comprehended because they relate only to selected activities. For example, US West Communications Group's Report discloses: "Our productivity continued to climb, both through continued reductions in the workforce (2,800 jobs in 1996), and—to cite just one example—our network technicians cutting 7 percent off the time they spent on various scheduled tasks."[54]

One of the more informative disclosures comes from Ameritech, which provides the revenue per employee for the last five years in a bar graph and states: "Employee productivity reached yet another record high in 1996. Our number of phone lines per network employee, already the best in the industry, increased to 392 from 373 a year ago."[55] Dow Chemical provides another example of an informative disclosure:

> Employees at Dow's manufacturing facilities are responding to the challenge to reach new heights by changing the way they work—removing management layers, creating empowered teams and leveraging global resources and "know-how." The results are higher productivity—as evidenced by the 34 percent reduction in conversion costs at Dow's manufacturing sites worldwide since 1992—improved customer service and greater employee satisfaction.[56]

For a final example, Phillips Petroleum states:

> From 1991 through 1996, GPM's raw gas throughput increased 33 percent. At the same time, GPM's workforce was nearly cut in half—from about 2,000 to just over 1,100 employees at year-end 1996. This increased productivity was achieved by streamlining operations and improving information handling and business processes.[57]

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52. *Sun Microsystems, Inc., 1996 Annual Report* (visited Nov. 30, 1998) <http://www.sun.com/corporateoverview/investor/ar/1996/wholear.html>.

53. LEAR CORP., 1996 ANNUAL REPORT 21 (1997).

54. US WEST COMMUNICATIONS GROUP, 1996 ANNUAL REPORT 2 (1997).

55. AMERITECH CORP., 1996 ANNUAL REPORT 5 (1997).

56. DOW CHEM. CO., 1996 ANNUAL REPORT 10 (1997).

57. PHILLIPS PETROLEUM CO., 1996 ANNUAL REPORT 17 (1997).

Some companies gave numerical data on the "ideas" generated by their workers.[58] For example, the Annual Report for Norwest contains the following disclosure:

> We expect and encourage all our employees to take part. The fun part is, when it comes to "Best Practices," we throw hierarchy out the window. Titles don't matter. Nothing's sacred. If any employee finds the single best way to do something, she or he can challenge anything. The response has been terrific. Using this process, our employees in 1996 alone submitted almost 2,000 "Best Practices" ideas.[59]

In addition, the Mellon Bank report states: "In 1996, an internal Corporatewide process improvement initiative succeeded in generating nearly 8,000 ideas from individuals and teams of employees. Implementation of many of the ideas to streamline workflows and improve efficiency is under way—ensuring that Mellon will remain successful in the years ahead."[60] A final example comes from Dana: "Dana's growth is dependent on People Finding a Better Way™ to improve continuously through concentration on idea generation (minimum of two ideas per person per month, 80% implemented) [and] education (minimum of forty hours per person per year)."[61]

E. Labor Relations

Twenty percent of the firms provided information regarding labor relations.[62] "Vague" reports (6%) are those disclosures that commented on the condition of employment relations without providing any other information. An example of a "vague" disclosure is found in the Annual Report for Whitman: "Whitman regards its employee relations as generally satisfactory."[63] On the other hand, an "informative" disclosure (14%) provided more detailed information. The Annual Report of Millennium Chemicals exemplifies the typical "informative" disclosure: "Approximately 15% of the Company's employees are represented by various labor unions. Of the Company's fifteen collective bargaining agreements, eleven expire in 1997 and four expire in 1998. The Company believes that the relations of its operating subsidiaries with employees and

58. For more information, see Appendix E.
59. NORWEST CORP., 1996 ANNUAL REPORT 11 (1997).
60. *Mellon Bank, Inc., 1996 Annual Report* (visited Nov. 30, 1998) <http://www.mellon.com/corp/investor/finrepts/1996/annual/toshare.htm>.
61. DANA CORP., 1996 ANNUAL REPORT 14 (1997).
62. For more information, see Appendix F.
63. WHITMAN CO., 1996 ANNUAL REPORT 3 (1997).

unions are generally good."[64] However, Ameritech's report provides an even more informative disclosure:

> Approximately 70% of the company's employees are represented by either the International Brotherhood of Electrical Workers ("IBEW") or the Communications Workers of America ("CWA"). In September 1995, memberships of the two unions ratified three-year contracts with Ameritech, expiring on June 28, 1998, for the IBEW and August 8, 1998, for the CWA. The contracts included basic wage increases and signing bonuses, and addressed such issues as wages, benefits, employment security, training and retraining and other conditions of employment. In addition, beginning with the year ended December 31, 1995, union employees receive their annual bonuses in the form of Ameritech stock instead of cash.[65]

I found that thirteen companies specifically mentioned that their workers did not have union representation. The report of Quantum is a typical disclosure of this type: "Quantum believes that a great part of its future success will depend on its continued ability to attract and retain qualified employees. None of the Company's employees is represented by a trade union, and the company has experienced no work stoppages. Quantum believes that its employee relations are favorable."[66]

F. *Pay for Performance*

Fifteen percent of the firms made reference to "pay for performance" schemes.[67] Most of these firms (12%) provided "vague" references to this issue. An example of a vague reference comes from Banc One: "We now measure sales performance for every contact person in exactly the same way. Compensation programs will be tied to this measurement system and based on performance."[68] Another example comes from Honeywell: "Everyone should have a personal stake in the organization's success, so we've redesigned our compensation systems to reflect the contributions people make to business results."[69]

Only three percent of the firms made "informative disclosures" concerning pay-for-performance schemes, providing references to either the type of employee covered, how much compensation was contingent, or upon what events it was contingent. Chevron's report is an example of one

64. MILLENNIUM CHEM., INC., 1996 ANNUAL REPORT 14 (1997).
65. AMERITECH CORP., 1996 ANNUAL REPORT 30 (1997).
66. QUANTUM CORP., 1996 ANNUAL REPORT (1997).
67. For more information, see Appendix G.
68. BANC ONE CORP., 1996 ANNUAL REPORT 14 (1997).
69. HONEYWELL, INC., 1996 ANNUAL REPORT 10 (1997).

of the more informative disclosures:

> In January 1995, the company established a program that provides eligible employees with an annual cash bonus if the company achieves certain financial and safety goals. The total payout opportunity under the program is 8 percent of the employee's salary. In 1996, the payout ranged from 3.9 to 6.0 percent of employees' salaries. There was no payout under the program in 1995.[70]

Phillips Petroleum's disclosure is also "informative":

> Phillips also continued to tie pay to performance with the Performance Incentive Program (PIP). This program provides employees annual lump sum payments (based on corporate and work group performance) if key safety and financial objectives are met. Total payments to employees based on 1996 performance averaged more than 10 percent of pay.[71]

G. *Turnover*

Eight percent of the firms disclosed data about employee turnover rates or the average length of employee service.[72] The turnover rate is usually calculated as the number of employees who leave during a year divided by the number employed at the beginning of the year. Nucor provides an example of a "vague" disclosure: "Employee turnover in all mills is extremely low."[73] In contrast, Continental Airlines provides an example of a more "informative" disclosure—"compared to 1994, . . . turnover is down 34% . . . ."[74]

Some firms provided information about the length of service or employee tenure. Consolidated Stores reported: "Over sixty percent of our store managers and nearly ninety percent of our district managers were developed and promoted internally. We are gratified that the average tenure of our store managers is five years."[75]

H. *Employee Ownership*

Reflecting the concept of the employee-capitalists which developed through the 1990s, thirteen percent of the companies made reference to

70. CHEVRON CORP., 1996 ANNUAL REPORT 51 (1997).
71. PHILLIPS PETROLEUM CO., 1996 ANNUAL REPORT 29 (1997).
72. For additional information, see Appendix H.
73. NUCOR CORP., 1996 ANNUAL REPORT 8 (1997).
74. CONTINENTAL AIRLINES, INC., 1996 ANNUAL REPORT 19 (1997).
75. CONSOLIDATED STORES CORP., 1996 ANNUAL REPORT 11 (1997).

employee stock ownership.[76] Five percent of companies provided "vague" rhetoric about efforts to align the interests of shareholders and employees. Merck provides an example: "The Committee views stock ownership as a vehicle to align the interests of employees with those of the stockholders."[77] The others (8%) provided "informative" disclosures involving quantitative information regarding the number of employees owning stock, dollar value of holdings, or percentage of stock ownership. An example of an informative disclosure comes from Chevron:

> At Chevron, building commitment means aligning employees' job goals with the corporation's objectives. It also means recognizing and rewarding employees for their efforts so they benefit when Chevron's financial performance and stockholder return improve. For instance, Chevron Success Sharing and an employee stock option plan reward employees with incentive pay when the company meets financial and operational targets. In addition, more than ninety-five percent of eligible employees are members of Chevron's profit sharing and savings plans. Cumulatively, they own eighty million shares—or about twelve percent of total outstanding shares.[78]

Several firms made references to an increase in the amount of employee ownership. For example, AlliedSignal notes: "Since mid-1991, the value of AlliedSignal shares held by participants in the savings plan has increased by $1.6 billion to $2.1 billion."[79] In addition, Coca-Cola Enterprises similarly reports: "Direct employee ownership in Company stock increased from 15 percent in 1995 to 17 percent in 1996, reflecting a workforce that views increasing our market value as a personal objective."[80]

Most of the references concerning employee ownership were geared toward emphasizing that employee-ownership was good for other shareholders as well. Navistar provides an illustration:

> Management employees must now take at least forty hours of core business skills education per year including the technical training that's required to perform many jobs. We also partnered with the United Auto Workers to introduce a program, called "Joint Focus," to educate Navistar employees at all levels and locations about business realities. An important part of this course is helping employees see what drives our stock price, and how they as individuals play a role in the company's viability.

76. For additional information, see Appendix I.
77. MERCK & CO., INC., 1996 ANNUAL REPORT 55 (1997).
78. CHEVRON CORP., 1996 ANNUAL REPORT 10 (1997).
79. ALLIEDSIGNAL, INC., 1996 ANNUAL REPORT Inside Cover (1997).
80. COCA-COLA ENTERS., INC., 1996 ANNUAL REPORT 5 (1997).

> As approximately one-third of the company's common stock is held by our employees through the Supplemental Trust, this learning can help them understand how tightly their personal financial well-being is intertwined with company performance.[81]

I. Surveys

Three percent of the firms made references to the use of employee surveys; two percent were "vague."[82] Owens & Minor reports: "Inside Owens & Minor, we survey our teammates, our 'internal customers,' about leadership and business issues that impact their day-to-day jobs and dealings with our trading partners, customers and suppliers."[83] An "informative" disclosure can be found in American Express's Annual Report:

> We measure elements of our progress in achieving that vision through an annual survey of employees and financial advisors. Our 1996 results, the sixth year of gauging employee attitudes, showed marked improvement in many areas. Concerted efforts to address issues pinpointed in previous surveys are yielding results, particularly in areas of employee development and in our people's perception of the Company's commitment to them.

Diversity gaps, the differences in survey results for various groups throughout the company, are measured and tracked through the survey as well. Gaps in employee satisfaction measurements for racial minorities are closing. We continue to focus on ways to strengthen our commitment to meaningful diversity throughout our Company.[84]

Another example of an "informative" disclosure comes from Gateway 2000: "In Gateway's 1996 U.S. employee survey, 92% of employees said they cared about the success of the company."[85]

IV. THE "CATCH 22": NEW INTERNAL MEASURES VERSUS EXTERNAL INVESTOR EVALUATIONS

While pioneering scholarship offers insight into appropriate performance measures for workplace practices, much uncharted territory exists. Many assertions about the measurement and disclosure of human resources are not supported by statistical analysis. At least six fundamental issues need further research. First, more quantitative analysis is necessary

81. NAVISTAR INT'L CORP., 1996 ANNUAL REPORT 10 (1997).
82. For more information, see Appendix J.
83. OWENS & MINOR, INC., 1996 ANNUAL REPORT 8 (1997).
84. AMERICAN EXPRESS CO., 1996 ANNUAL REPORT 19 (1997).
85. GATEWAY 2000, INC., 1996 ANNUAL REPORT 4 (1997).

to link performance measurements, such as turnover and training hours per employee, to the bottom line.[86] The studies so far do not produce definitive conclusions. Even if this research can isolate quantitative effects and establish a mathematical correlation, causation remains uncertain in a dynamic economic environment. Second, we need to have knowledge of how many companies have implemented new performance measures to evaluate human resources. Third, further empirical research concerning the value of human capital must be conducted. Fourth, it is necessary to evaluate whether the nature and degree of current disclosure of human resource values differs for high-technology companies in the fields of chemicals, drugs, electronics, software, biotechnology, and telecommunications. Fifth, we need to learn how firms evaluate information concerning the new measures of the workplace when they formulate their strategic policies. Finally, we need to analyze how external reporting of this information will affect the market valuation of corporate stock. Hence, it is evident that the implementation of a human resource disclosure system is not without complications.

A growing number of major companies in the United States and abroad are enhancing their financial data by developing nonfinancial measures of workplace practices, customer satisfaction, and supplier relations.[87] Technology changed the economics of sharing knowledge and enhanced the ability to use such measures. Some firms focus managers upon these new performance measures by tying these measures to executive compensation and establishing competitive benchmarks.[88] One 1993 study reports that ten percent of Fortune 100 companies link executive pay with workplace issues such as diversity, people development, and high-performance workplace practices. Despite these efforts, managers will face obstacles implementing these measures inside the firm until investors incorporate this data into their calculations.

As managers begin to focus on new performance measures concerning the workplace, external users will eventually want access to this information to evaluate firms' long-term profitability and competitiveness. Managers are reluctant to give this information to investors for three reasons: 1) new performance measurements have not reached the appropriate stage of development to reveal to shareholders; 2) information

86. For a review of such studies, see OFFICE OF THE AMERICAN WORKPLACE, U.S. DEP'T OF LABOR, ROAD TO HIGH-PERFORMANCE WORKPLACES: A GUIDE TO BETTER JOBS AND BETTER BUSINESS RESULTS (1994).

87. *See generally* CAROLYN K. BRANCATO, INSTITUTIONAL INVESTORS AND CORPORATE GOVERNANCE (1997) (exploring shareholder and firm values); KAPLAN & NORTON, *supra* note 1 (discussing development of a new performance-measurement model); Robert G. Eccles, *The Performance Measurement Manifesto*, HARV. BUS. REV., Jan.-Feb. 1991, at 131.

88. *See* MARC-ANDREAS KLEIN, THE CONFERENCE BOARD, TOP EXECUTIVE PAY FOR PERFORMANCE 23 (1995) (discussing executive compensation and company performance).

may divulge competitive advantages; and 3) fear of liability from voluntary disclosure of human resource values.

Even if firms report human resource data, many investors express little interest in this information.[89] Investors are reluctant to use non-financial data because of its uncertain reliability and comparability.[90] Surveys reveal, however, that investors want much more disclosure about non-financial measures of performance concerning intangibles,[91] but investors do not express a strong desire for information concerning employee satisfaction, turnover, and training.[92] For example, with respect to employee training programs, the CEO of Cummins Engine reports:

> When I brief Wall Street analysts on our current earnings, sale projections, downsizing program, and capital spending plans, they busily punch all these numbers right into their laptops as I speak. When I then start telling them about our plans to invest in training and reform the workplace, they sit back in their chairs and their eyes glaze over.[93]

So far, empirical studies tend to support anecdotal stories such as those told about the investors' perceptions of the value of human resource data. Several prominent scholars suggest that institutional investors are entering a new stage of activism that focuses on these new performance measures.[94] In this stage, investors view proposals concerning the workplace as essential efficiency criteria rather than as social issues.[95] Institutional investors, however, are beginning to pressure firms to expand the amount and quality of performance data relating to human resources. Recently, CalPERS announced that it will target firms that engage in downsizing while paying executives excessive salaries, the so-called "reverse Robin Hood" scenario.[96] In 1994, CalPERS, announced that it

89. *See id.* at 19.

90. *See id.* at 16.

91. *See* Joseph Sargent, *Forward Looking Disclosures Fail to Meet Shareholder Needs*, ISSUE ALERT, Apr. 1997 (reporting on a 1996 survey by Shelley Taylor & Associates of 62 leading institutional shareholders entitled Full Disclosure 1996). The survey in Sargent's article revealed that companies are not providing shareholders with the information they seek in areas such as research and development, ethics, and comparison of company objectives with results; *see also* Robert G. Eccles & Sarah C. Mavrinanc, *Improving the Corporate Disclosure Process*, 36 SLOAN MGMT. REV. 11 (Summer 1995).

92. *See* Eccles & Mavrinanc, *supra* note 91.

93. KOCHAN & OSTERMAN, *supra* note 26, at 114.

94. *See* BRANCATO, *supra* note 87, at 43 ("[T]here is a pressing need to explore ways corporations can communicate with their current and potential investors concerning their key performance measures, strategic decisions, and plans to add value to their enterprise in the future.").

95. *See id.*

96. *CalPERS' Approves 1997 Corporate Governance Program*, BUS. WIRE, Sept. 18, 1996, at 5.

would begin to include aspects of human resource management and workplace practices in its analysis of firm performance.[97]

These empirical issues concerning human resource disclosure have a "catch 22" quality to them. Specifically, until we obtain better empirical support about how human capital values relate to the bottom line, it will be difficult to mobilize pressure from investors and the section, which is needed to make managers publish figures that might place them at a disadvantage. Instead of waiting for academics to complete studies of these empirical issues, the leaders of the Intellectual Capital ("IC") project are continuing to develop an initial system which, although far from perfect, will be immediately valuable and will permit gradual movement in the direction of the ideal. Further, while no one can predict how the IC project will evolve, we can seek to understand the process of this evolution. One promising direction for future scholarship is to analyze how an issue that is currently a matter for a few pioneering corporations and a handful of social scientists becomes highly visible in the public eye and appears on the agendas of politicians. We need to understand in greater detail the internal and external political pressures that affect new disclosure issues.

Leaders of the IC project suggest that pressure for development of new disclosure practices in the U.S. will likely intensify quickly, producing dramatic change during the next ten to fifteen years. There are four main reasons for this optimism. First, reform of disclosure practices is generally more politically acceptable because the United States has strong cultural norms that favor transparency. Second, the SEC sponsored a conference on the issue in 1996. Third, the Brookings Institution recently formed a task force that is working on these issues. Finally, the Organization for Economic Co-Operation and Development is currently formulating voluntary disclosure guidelines for human resource values which may prompt practitioners in this country to do the same.

V. RETHINKING DISCLOSURE OF HUMAN RESOURCES DATA

A. *What Human Resource Data Should Firms Report?*

When providing information about human resources to external users, quantitative data is preferable to qualitative information.[98] In deciding which quantitative measures to use, we do not have to limit our thinking in terms of placing dollar values on human resources. Investors are

97. *See* Asra Nomani, *CalPERS Says Its Investment Decisions Will Reflect How Firms Treat Workers*, WALL ST. J., June 16, 1994, at A5.

98. *See* EDVINSSON & MALONE, *supra* note 1, at 51 (stating that numbers "make the data more tangible and dynamic").

concerned with metrics that reveal changes over time and among firms. Indeed, Part I of this article reveals that many of the firms that disclose quantitative measures concerning human resources use non-monetary terms. Quantitative measures standing alone, however, are inadequate. Firms need to supplement the quantitative data with narrative explanations of key indicators and why these measures change.[99]

Disclosures should address the dramatic changes in the employment relationship that have taken place in recent years.[100] External disclosures should reveal the extent to which the firm has decentralized decision making. Firms should provide information regarding the number of management levels and the number of company managers assigned to full-time permanent employees. Investors need to know the extent to which firms empower workers in cross-functional teams. To evaluate these issues, firms should disclose information regarding policies on job rotation, job enrichment, and promotion. A good indicator of a networked organization is the number of employees in the firm compared to the total number of employees in the firm's alliances. Other important figures include the number of full-time permanent employees, full-time permanent employees who spend less than fifty percent of their time at corporate facilities, full-time temporary employees, part-time contractors, as well as full-time contractors. This information indicates the extent to which the firm leverages its human resources.

When evaluating human resources, investors need data about the quality of the workforce. To evaluate employee competence, investors need disclosures about the education and training of the workforce. Firms should disclose the percentage of managers with advanced business, science, engineering, and liberal arts degrees, as well as foreign language abilities. Reports about salary levels, classified by skill and type of employee, are important, as well as data about the average years of service with the firm broken down by various categories of the workforce.

Quality and quantity of training is especially important because companies have lower incentives to invest in long-term employee development, but new organizational practices depend more than ever on a well-trained workforce. As a result, disclosure about a firm's training program needs to reflect how the firm balances these competing considerations. To assess the firm's investment in training, investors need data concerning the training cost per employee as well as the number of hours employees spend in upgrading their skills. To evaluate the firm's return on these investments, investors need access to data concerning

99. When describing appropriate measures about human resources, I follow many of Skandia's guidelines. *See id.*

100. For an overview of the changing nature of the employment relationship, see PETER CAPELLI ET AL., CHANGE AT WORK (1997).

employee turnover. Investors should note that low turnover rates do not necessarily indicate high returns to the firm on investments in specific human capital. On the other hand, a high rate does indicate low returns to the firms on investments in specific training.

Although this list of measures is useful in assessing the value of human resources, it does not fully capture the nature of the workplace. Nonetheless, providing this information to investors would substantially sharpen the picture presented under current disclosure standards. Some investors may choose to ignore this data, but that is not a persuasive argument against providing this information. Many investors would prefer to make their own decisions regarding the usefulness of this type of disclosure, rather than not see it at all.[101] Eventually, investors need to link this information with specific line items, such as earnings, cash flow, and book value to make informed decisions. For the time being, providing this type of data will push firms and investors to continue to experiment with innovative disclosure concerning the workplace.

B. Where Should Firms Present Human Resource Data in Notes to Financial Statements?

Firms should include disclosure about human resource values in the notes to the financial statements for three reasons. First, disclosure in the notes would not sharply disrupt established convention by affecting the financial statements. Second, placement in the notes emphasizes that this information directly impacts the financial statements. Third, auditors review the notes to financial statements more thoroughly, thereby providing a higher degree of reliability than assertions made in managements' reports to shareholders.

C. The Need for Voluntary Disclosure Guidelines

The adoption of voluntary disclosure guidelines for workplace practices would be a crucial step in the process of creating pressure for mandatory regulation. The environmental movement has had much success in using shareholder proposals to encourage companies to follow voluntary disclosure guidelines. Several organizations concerned with environmental issues track these disclosures to benchmark the quality and quantity of the disclosures over time. The tracking organizations publicize examples of best practices and thereby encourage generally accepted practices to evolve over time. At this point, no organization systematically tracks corporate disclosures concerning human resource values with the

101. *See* BRANCATO, *supra* note 87, at 15.

exception of IRRC, which tracks diversity.[102] However, even this type of disclosure has decreased in recent years.

VI. HARNESSING LABOR'S PENSION POWER TO PROMOTE WORKER CAPITALISM

The IC project could be a "Trojan horse" for the labor movement.[103] Accounting information is becoming increasingly relevant under the new employment relationship in three ways. First, firms are trying to increase commitment by introducing profit-related pay and employee share ownership plans. Second, new human resource practices called "open-book management" urge employees to focus on the bottom line by sharing an increasing amount of financial information with them. Finally, many firms use the term "employability security" to describe the new employment relationship, but studies show that firms are not interested in providing this type of training.

So far, there has been limited union participation in the efforts to encourage more corporate disclosure of workplace practices. The AFL-CIO, for example, is beginning to focus on these efforts through its new "Center for Working Capital." The goal of this center is to harness labor's pension power to further workers' interests.[104] In 1994 and 1995, labor began to submit shareholder proposals to encourage firms to disclose information concerning high performance workplace practices. These proposals received on average a vote of twelve percent, which is high for a new issue. Importantly, NYCERS and CalPERS two major institutional investors, voted in favor of the proposals. Furthermore, many institutional investors have proxy guidelines that favor disclosure. The current controversy over the proxy reform proposals shows that eighty-five percent of shareholders thought that employment-related proposals should be included in proxy statements.[105] In addition, large public pension funds are subject to political pressure and may be inclined to push managers to disclose this information. A labor-shareholder's use of Rule 14a-8 to request information about these issues could attract media attention and facilitate the debate over the scope and structure of disclosure and whether it should be voluntary or mandatory. Internal endeavors to measure human

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102. *See* SUSAN WILLIAMS, EQUAL EMPLOYMENT AND DISCLOSURE: A REPORT ON U.S. CORPORATE PRACTICES 1 (1996).

103. *See* John Rutledge, *You're a Fool If You Buy into This*, FORBES ASAP, Apr. 7, 1997, at 43 ("At best, IC will bore you to death. At worst, IC is a potential Trojan horse for those who want stakeholders, not shareholders, to control our companies, and social agendas, not performance, to drive business decisions.").

104. *See* Marleen A. O'Connor, *Organized Labor As Shareholder Activist: Building Coalitions to Promote Worker Capitalism*, 31 U. RICH. L. REV. 1345 (1997).

105. *See* Amendments to Rules on Shareholder Proposals, *supra* note 21.

capital practices should be linked with external attempts to screen companies for workplace practices so that these efforts will gradually feed synergistically upon one another. To prompt this, union pension funds should use Rule 14a-8 to encourage firms to experiment with measuring and disclosing human resources. Once a prominent company demonstrates a long-term advantage by reporting this information, competitors will follow the lead.

VII. CONCLUSION

> It is human nature to assume that any important new innovation will simply improve upon what preceded it . . . and then be stunned when it breaks out into new territory of its own. So it is with Intellectual Capital. Even among the growing ranks of IC adherents the magnitude of the Intellectual Capital movement is often lost. In truth, this new model of measuring value will transform not just the economy, but society itself in its wealth creation and value extraction.[106]

Human capital is the decisive force driving growth in the new economy. Firms are using new performance measures to evaluate their workplace practices to better manage their human capital in the knowledge era. These new measures, for the most part, are used internally. American firms reveal little information about the workforce to shareholders.

In the future, we may see institutional investors requesting more data about firms' human capital assets. We need to explore new ways that corporations can communicate with investors regarding their human capital. Of course, changes in financial disclosure concerning human resources will not solve all the challenges confronting the education of the workforce in the new knowledge-based economy, but such changes are an important step in rethinking the value of human resources. Such disclosure may lead to other changes in corporate culture and thus, encourage investments in human capital such as providing employees access to information about strategic decisions affecting job security.

My goal in this article is to stimulate awareness, which is a precondition for bringing about a change in thinking. The pressure for development of new disclosure practices will likely intensify quickly, producing dramatic change during the next ten to fifteen years. Recent innovative practices in measuring human capital suggest methods for the reconstruction of our corporate disclosure system. But the implications are

106. EDVINSSON & MALONE, *supra* note 1, at 136. In Sweden, Skandia has prompted discussions with the government to provide insurance-based schemes to allow employees to take time away from work to learn new skills. *See id.* (stating that employees need to spend between 20% to 30% of their time re-investing in training).

far from clear. We have much to learn about the interrelationships among the evolution of disclosure conventions, corporate governance, workplace practices, and the securities markets. Labor scholars and industrial relations experts need to work with securities lawyers and accountants to quantify aspects of human capital that financial measures do not capture.[107] It is my hope that this article encourages additional research that seeks to align our corporate disclosure system with the knowledge-based economy.

107. Robert G. Eccles reports:

> Open-mindedness about the structures and processes [of the new performance measures] that will be most effective, now and in the future, is equally important. I know of a few companies that are experimenting with combining information systems and human resource departments. These experiments have entailed a certain amount of culture shock for professionals from both functions, but such radical rethinking is what revolution is all about.

Eccles, *supra* note 87, at 137.

✓ = Informative
x = Vague

CONTENT ANALYSIS OF HUMAN RESOURCE DISCLOSURE
FORTUNE 500 ANNUAL REPORTS FOR 1996
Appendix A

Fortune 500 Ranking	Company Name	Numbers of Employees	Training	Safety	Diversity	Productivity Measures	Labor Relations/ Union	Pay for Performance	Turnover	Employee Ownership	Employee Surveys
1	General Motors	yes✓	no	no	no	yes✓	yes✓	no	no	no	no
2	Ford	yes✓	yes^{x}	no	yes✓	no	yes^{x}	no	no	no	yes^{x}
3	Exxon	yes✓	no	yes✓	no	no	no	no	no	no	no
4	Wal-Mart	yes✓	no	no	no	no	no	no	no	no	no
5	General Electric	yes✓	yes✓	yes^{x}	no	no	no	yes✓	no	yes✓	no
6	I.B.M.	yes✓	no	no	no	no	no	no	no	no	no
7	AT&T	yes✓	no	no	no	no	no	no	no	no	no
8	Mobil	yes✓	yes^{x}	yes✓	yes^{x}	no	no	yes^{x}	no	no	no
9	Chrysler	yes✓	no	no	yes✓	no	yes✓	no	no	no	no
10	Philip Morris	yes✓	no	no	yes^{x}	no	no	no	no	no	no
11	Texaco	yes✓	no	no	yes✓	no	no	no	no	no	no
12	State Farm	no	no	no	no	no	no	no	no	no	no
13	Prudential	no	yes✓	no	no	no	no	no	no	no	no
14	Du Pont	yes^{x}	no	no	no	yes✓	no	no	no	yes^{x}	no
15	Chevron	yes✓	yes^{x}	yes✓	no	no	no	yes✓	no	yes✓	yes^{x}
16	Hewlett-Packard	yes✓	no	no	yes^{x}	yes✓	no	no	no	no	no
17	Sears Roebuck	yes^{x}	yes^{x}	no	no	no	no	yes^{x}	no	yes✓	no
18	Procter & Gamble	yes^{x}	no	no	no	yes✓	no	no	no	no	no
19	Amoco	yes✓	yes^{x}	yes^{x}	yes✓	no	no	no	no	no	no
20	Citicorp	yes^{x}	yes^{x}	no	no	no	no	no	no	no	no

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21	PepsiCo	yes✓	no	no	no	no	no	yes^{x}	no	no	no
22	Kmart	yes^{x}	yes^{x}	no	yes^{x}	no	no	yes✓	no	yes^{x}	no
23	American Int'l Group	yes^{x}	no	no	no	no	no	no	no	no	no
24	Motorola	yes✓	no	no	no	no	no	no	no	no	no
25	Chase Manhattan	yes✓	no	no	yes^{x}	no	no	yes^{x}	no	yes✓	no
26	Lockheed Martin	yes^{x}	no	no	no	no	no	no	no	yes✓	no
27	Dayton Hudson	yes^{x}	yes^{x}	no	no	no	no	no	yes^{x}	no	yes^{x}
28	Kroger	yes^{x}	no	no	no	yes^{x}	yes✓	no	no	no	no
29	Fannie Mae	yes^{x}	no	no	no	no	no	no	no	no	no
30	Merrill Lynch	yes✓	no	no	yes✓	no	no	no	no	no	no
31	ConAgra	yes✓	yes^{x}	no	no	no	no	no	no	no	no
32	Allstate	yes✓	yes^{x}	no	yes✓	no	no	no	no	no	no
33	J.C. Penney	yes✓	no	no	yes✓	no	no	no	no	no	no
34	United Technologies	yes✓	no	yes✓	no	no	no	no	no	no	no
35	Metropolitan Life	yes^{x}	yes^{x}	no	yes^{x}	no	no	yes^{x}	no	no	no
36	Boeing	yes✓	no	no	yes^{x}	no	no	no	no	no	no
37	United Parcel Service	yes✓	yes^{x}	no	no	no	no	no	no	yes✓	no
38	BankAmerica	yes✓	no	no	no	no	no	yes^{x}	no	yes^{x}	no
39	Johnson & Johnson	yes^{x}	no	no	yes^{x}	no	no	no	no	no	no
40	Travelers	yes^{x}	no	no	no	no	no	no	no	yes✓	no

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41	GTE	yes^x	yes^x	no	no	no	no	no	no	no	no
42	USX	yes✓	no	yes✓	no	no	yes^x	no	no	no	no
43	Intel	yes✓	no	yes✓	yes✓	no	no	no	no	no	no
44	International Paper	yes^x	no	no	no	no	no	no	no	no	no
45	Dow Chemical	yes✓	yes^x	no	no	no	no	yes^x	no	no	no
46	Loews	no	no	no	no	no	no	no	no	no	no
47	Columbia/HCA	yes^x	no	no	no	no	no	no	no	no	no
48	Merck	yes^x	yes✓	no	no	no	no	no	no	yes^x	no
49	Costco	yes^x	no	no	no	no	no	no	no	no	no
50	Home Depot	yes✓	yes✓	no	no	no	no	no	no	no	no
51	Xerox	yes✓	no	no	no	yes✓	no	no	no	no	no
52	Atlantic Richfield	yes✓	no	yes^x	yes^x	no	yes✓	no	no	no	no
53	BellSouth	yes✓	yes^x	no	no	yes✓	no	no	no	no	no
54	Cigna	yes✓	no	no	no	no	no	no	no	no	no
55	Walt Disney	yes^x	no	no	no	no	no	no	no	no	no
56	American Stores	yes^x	no	no	no	no	yes^x	no	no	no	no
57	Sara Lee	yes✓	no	no	no	no	no	no	no	no	no
58	Coca-Cola	yes^x	yes✓	no	yes^x	no	no	no	no	yes^x	no
59	MCI	yes✓	no	no	no	yes✓	no	no	no	no	no
60	Compaq	yes✓	yes^x	no	no	yes✓	no	no	no	no	no

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61	AMR	yes✓	yes^{x}	yes^{x}	yes^{x}	no	yes✓	no	no	no	no
62	NationsBank	yes✓	no	no	no	no	no	no	no	no	no
63	New York Life	no	no	no	no	no	no	no	no	no	no
64	American Express	yes^{x}	yes^{x}	no	no	no	no	yes^{x}	yes✓	no	yes^{x}
65	Safeway	yes^{x}	no	no	yes✓	no	no	yes^{x}	no	yes✓	no
66	RJR Nabisco	yes✓	no	no	no	no	no	no	no	no	no
67	Aetna	yes^{x}	no	no	no	no	no	no	no	no	no
68	Caterpillar	yes✓	no	no	no	no	no	no	no	no	no
69	Fleming	yes^{x}	no	no	no	no	no	no	no	no	no
70	Supervalu	yes^{x}	yes^{x}	no	no	no	no	no	no	no	no
71	UAL	yes✓	yes^{x}	no	no	no	no	no	no	yes^{x}	no
72	Eastman Kodak	yes✓	no	yes✓	no	no	no	no	no	no	yes^{x}
73	J.P. Morgan & Co.	yes✓	no	no	yes^{x}	no	no	yes^{x}	yes^{x}	no	no
74	Phillips Petroleum	yes✓	yes^{x}	yes✓	yes^{x}	no	no	yes✓	no	no	no
75	Federated Dep't Stores	yes✓	no	no	yes^{x}	no	yes^{x}	yes^{x}	yes^{x}	no	no
76	Bristol-Myers Squibb	yes✓	yes^{x}	yes^{x}	yes^{x}	no	no	no	no	yes^{x}	no
77	Ameritech	yes✓	no	no	no	yes✓	yes✓	no	no	yes✓	no
78	Digital Equipment	yes✓	yes^{x}	yes✓	no	no	no	no	no	no	no
79	Rockwell Int'l	yes^{x}	no	no	yes^{x}	no	no	no	no	no	no
80	Lehman Brothers	yes✓	yes^{x}	no	no	no	no	no	no	yes✓	no

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81	3M	yes✓	no	no	no	no	no	no	no	no	no
82	Sprint	yes✓	no	no	no	no	no	no	no	no	no
83	Am. Home Products	yes✓	no	no	yes^x	no	no	no	no	no	no
84	AlliedSignal	yes✓	yes✓	no	no	no	no	no	no	yes^x	yes^x
85	SBC Communications	yes✓	no	no	no	no	no	no	no	no	no
86	TIAA-CREF	no	no	no	yes^x	no	no	no	yes^x	no	no
87	McDonnell-Douglas	yes^x	yes^x	no	no	no	no	yes^x	no	no	no
88	Teachers Insurance	no	no	no	no	no	no	no	yes^x	no	no
89	Albertson's	yes^x	yes^x	no	no	no	no	no	no	no	no
90	McKesson	no	no	no	no	no	no	no	no	yes✓	no
91	NYNEX	yes✓	no	no	no	no	yes✓	no	no	no	no
92	Sysco	yes✓	yes^x	no	no	no	no	no	no	no	no
93	Archer Daniels	yes✓	no	no	no	no	no	no	no	no	no
94	Enron	no	no	no	no	no	no	yes^x	no	no	no
95	Kimberly-Clark	yes✓	no	yes^x	yes^x	no	no	no	no	no	no
96	Morgan Stanley	yes✓	yes^x	no	no	no	no	no	no	yes✓	no
97	Alcoa	yes✓	no	yes✓	no	no	yes✓	no	no	no	no
98	Goodyear	yes✓	yes^x	no	yes^x	no	yes^x	no	no	no	no
99	Bell Atlantic	yes✓	no	no	yes✓	no	yes✓	no	no	no	no
100	Georgia-Pacific	yes^x	no	no	no	no	yes^x	no	no	no	no

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101	Winn-Dixie	yes^{x}	no	no	no	no	no	no	no	no	no
102	US West	yes✓	no	no	no	yes^{x}	no	no	no	no	no
103	May Dep't Stores	yes^{x}	no	no	no	yes✓	no	no	no	no	no
104	IBP	yes^{x}	no	no	yes^{x}	no	no	no	no	no	no
105	ITT Hartford	yes^{x}	no	no	no	no	no	no	no	no	no
106	Delta Air Lines	yes✓	no	no	no	yes✓	yes✓	yes✓	no	no	no
107	Nationwide Insurance	yes✓	no	no	no	no	no	no	no	no	no
108	Raytheon	yes✓	no	no	no	no	no	no	no	no	no
109	Ashland	yes✓	yes^{x}	yes✓	yes^{x}	no	yes^{x}	yes^{x}	yes^{x}	yes✓	no
110	Federal Mortgage	no	no	no	no	no	no	no	no	no	no
111	Northwestern Mutual	yes^{x}	no	no	no	no	no	no	yes^{x}	no	no
112	Viacom	no	no	no	no	no	no	no	no	no	no
113	Ingram Micro	yes^{x}	no	no	no	no	no	no	no	no	no
114	First Union	yes✓	no	no	yes^{x}	yes✓	no	no	no	no	no
115	Coastal	yes✓	no	no	yes	no	no	no	no	no	no
116	Walgreen	yes	yes^{x}	no		no	no		no	no	
117	Texas Instruments	yes✓	no	no	no	no	no	no	no	no	no
118	Pfizer	yes	no	no	no	no	no	no	no	no	no
119	Deere	yes^{x}	no	no	no	no	no	no	no	no	no
120	Emerson Electric	yes✓	no	no	no	no	no	no	no	no	no

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121	IKON Office Solutions	yes$^{\checkmark}$	no	no	no	no	no	no	no	no	no
122	Weyerhaeuser	yes^{x}	no	yes$^{\checkmark}$	no	no	no	no	no	yes^{x}	no
123	Fluor	yes$^{\checkmark}$	no	yes$^{\checkmark}$	no	no	no	no	no	no	no
124	Abbott Laboratories	yes$^{\checkmark}$	no	yes^{x}	yes^{x}	yes$^{\checkmark}$	no	no	no	no	no
125	Tenneco	yes^{x}	yes^{x}	no	no	no	no	no	no	no	no
126	Liberty Mutual	yes^{x}	yes^{x}	no	no	no	no	no	no	no	no
127	Anheuser-Busch	yes$^{\checkmark}$	yes^{x}	no	yes^{x}	no	yes^{x}	no	no	no	no
128	McDonald's	no	no	no	yes^{x}	no	no	no	yes^{x}	no	no
129	Occidental Petroleum	no	no	yes^{x}	no	no	no	no	no	no	no
130	CSX	yes$^{\checkmark}$	no	yes$^{\checkmark}$	no	no	yes^{x}	no	no	no	no
131	Publix Super Markets	PRIVATE	p	p	p	p	p	p	p	p	p
132	Berkshire Hathaway	yes^{x}	no	no	no	no	no	yes^{x}	no	no	no
133	Southern	yes$^{\checkmark}$	no	no	no	no	no	no	no	yes$^{\checkmark}$	no
134	WMX Technologies	yes^{x}	yes^{x}	yes^{x}	yes	no	no	no	no	no	no
135	TRW	yes$^{\checkmark}$	no	no	no	no	no	no	no	no	no
136	Federal Express	yes$^{\checkmark}$	no	no	no	no	no	no	no	no	no
137	Banc One	yes$^{\checkmark}$	yes^{x}	no	no	yes$^{\checkmark}$	no	no	no	no	no
138	Marriott International	yes^{x}	yes^{x}	no	no	no	no	no	no	no	no
139	First Chicago	yes$^{\checkmark}$	no	no	no	no	no	no	no	no	no
140	United Healthcare	no	no	no	no	no	no	no	no	no	no

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141	Time Warner	no	no	no	no	no	no	no	no	no	no
142	Union Pacific	yes x	yes x	yes ✓	no	no	yes ✓	no	no	no	no
143	Johnson Controls	yes ✓	no	no	no	no	no	no	no	no	no
144	Bergen Brunswig	yes x	no	no	no	yes ✓	yes x	no	no	no	no
145	Toys 'R' Us	no	yes x	no	no	no	no	no	no	no	no
146	TOSCO	no	yes x	yes x	no	no	yes x	no	no	no	no
147	Northwest Airlines	yes ✓	yes x	yes x	yes x	no	yes x	no	yes x	yes ✓	no
148	Sun	yes ✓	no	no	no	no	no	no	no	no	no
149	CPC International	no	no	yes x	yes x	no	no	no	no	no	no
150	Apple Computer	yes ✓	no	no	no	no	no	no	no	no	no
151	Farmland Industries	no	no	no	no	no	no	no	no	no	no
152	Gillette	yes ✓	no	no	no	no	no	no	no	no	no
153	PG&E	yes ✓	no	no	no	no	no	no	no	no	no
154	Pacific Telesis	yes ✓	no	no	yes x	yes ✓	no	no	no	no	no
155	Bankers Trust NY	yes ✓	no	no	no	no	no	no	no	no	no
156	Westinghouse Electric	yes ✓	no	no	no	no	no	no	no	no	no
157	Principal Financial	no	no	no	no	no	no	no	no	no	no
158	Textron	yes ✓	yes x	no	yes x	no	no	no	no	no	no
159	Monsanto	yes ✓	no	no	no	no	no	no	no	no	no
160	Mass. Mutual	no	no	no	yes	no	no	no	no	no	no

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161	H.J. Heinz	yes✓	no	no	yes	no	no	no	no	no	no
162	Dean Witter	yes^{x}	no	no	no	no	no	no	no	no	no
163	Salomon, Inc.	yes✓	no	no	no	no	no	yes^{x}	yes^{x}	yes✓	no
164	Amerada Hess	yes✓	yes^{x}	no	no	no	no	no	no	no	no
165	Norwest	yes✓	no	no	yes^{x}	no	no	no	no	yes✓	no
166	Cardinal Health	yes^{x}	no	no	no	no	no	yes^{x}	no	no	no
167	Colgate-Palmolive	yes^{x}	yes✓	yes^{x}	no	no	no	no	no	no	no
168	John Hancock	yes✓	yes✓	no	no	no	no	no	yes^{x}	no	no
169	Wells Fargo	yes^{x}	no	no	yes	no	no	no	no	no	no
170	ITT Industries	yes^{x}	yes✓	no	no	no	no	no	yes^{x}	no	no
171	Whirlpool	yes^{x}	no	no	no	no	no	no	no	no	no
172	Microsoft	no	no	no	no	no	no	yes^{x}	no	no	no
173	Limited	yes^{x}	no	no	no	no	no	no	no	no	no
174	Lowe's	yes^{x}	yes✓	no	no	no	no	no	no	yes✓	no
175	Seagate Technology	yes✓	no	no	no	no	no	no	no	no	no
176	Unocal	yes✓	yes^{x}	no	no	no	no	no	no	no	no
177	Edison International	yes✓	no	no	no	no	no	no	no	no	no
178	CVS	no	no	no	no	no	no	no	no	no	no
179	Crown Cork & Seal	yes^{x}	no	no	no	no	yes✓	no	no	no	no
180	General Re	yes✓	yes✓	no	yes^{x}	no	no	yes✓	yes^{x}	no	no

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181	Ultramar Diamond	yes✓	no	yes^{x}	yes^{x}	no	no	yes✓	no	yes^{x}	no
182	Burlington Northern	yes^{x}	yes✓	yes✓	no	no	yes✓	no	no	no	no
183	US Airways	yes✓	yes✓	no	yes^{x}	no	yes✓	no	no	no	no
184	Woolworth	yes✓	no	no	no	no	no	no	no	no	no
185	Northrop Grumman	yes^{x}	yes✓	no	no	no	yes✓	no	no	no	no
186	Fleet Financial Group	yes✓	yes✓	no	yes^{x}	no	no	yes^{x}	no	no	no
187	Tele-Communications	yes✓	no	no	no	no	no	no	no	yes✓	no
188	Coca-Cola Enterprises	yes^{x}	yes✓	no	no	no	no	no	yes^{x}	yes✓	no
189	Dana	yes✓	yes^{x}	no	no	yes✓	no	no	no	no	no
190	Dell Computer	yes✓	yes^{x}	no	yes^{x}	no	no	no	yes^{x}	no	no
191	Campbell Soup	yes✓	no	no	no	no	no	no	no	no	no
192	PanEnergy	yes✓	no	no	no	no	no	no	no	no	no
193	Halliburton	yes^{x}	no	no	no	no	no	no	no	no	no
194	Eli Lilly	no	no	no	no	no	no	no	no	no	no
195	Honeywell	yes^{x}	yes^{x}	no	no	yes✓	no	yes^{x}	no	yes✓	no
196	Pharmacia	yes^{x}	no	no	yes	no	no	no	no	no	no
197	NGC	no	yes^{x}	yes^{x}	yes^{x}	no	no	no	no	yes^{x}	no
198	Warner-Lambert	no	no	no	yes^{x}	no	no	no	no	no	no
199	PPG Industries	yes^{x}	yes✓	yes^{x}	yes✓	no	no	no	no	no	no
200	Best Buy	no	no	no	no	no	no	no	no	no	no

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201	Entergy	yes^{x}	no	no	no	no	no	no	no	no	no
202	Aflac	yes^{x}	yes^{x}	no	no	yes✓	no	yes^{x}	no	no	no
203	Sun Microsystems	yes✓	no	no	no	yes✓	no	yes^{x}	no	no	no
204	Circuit City	yes^{x}	yes✓	no	no	no	no	no	no	no	no
205	Reynolds Metals	yes✓	no	yes^{x}	no	no	yes✓	no	no	no	no
206	American General	yes✓	yes^{x}	no	no	no	no	no	no	no	no
207	Eaton	yes^{x}	yes^{x}	no	yes^{x}	no	no	no	no	no	no
208	Consolidated Edison	yes✓	yes^{x}	no	no	no	yes^{x}	no	no	no	no
209	Unicom	yes✓	no	no	no	no	no	no	no	no	no
210	Guardian Life	no	yes^{x}	no	no	no	no	no	no	no	no
211	Lincoln National	yes✓	yes^{x}	no	no	no	no	no	no	no	no
212	USAA	no	no	no	no	no	no	no	no	no	no
213	Humana	yes✓	no	no	no	no	no	no	no	no	no
214	Ingersoll-Rand	yes✓	no	no	no	no	no	no	no	no	no
215	TJX	yes^{x}	no	no	no	no	no	no	no	no	no
216	Kellogg	yes✓	yes^{x}	no	yes^{x}	no	no	no	yes^{x}	no	no
217	R.R. Donnelley & Sons	yes✓	no	no	yes✓	no	yes✓	yes^{x}	no	yes✓	no
218	ITT	yes✓	yes^{x}	no	no	no	yes✓	no	no	no	no
219	Dresser Industries	yes✓	no	no	no	no	no	no	no	no	no
220	Texas Utilities	yes✓	no	no	no	no	no	no	no	no	no

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221	Arrow Electronics	yes✓	no	no	yes^x	yes✓	no	no	no	no	no
222	Chubb	yes^x	no	no	no	no	no	no	no	no	no
223	Nike	no	no	no	yes^x	no	no	no	no	no	no
224	Tyson Foods	no	yes^x	yes✓	no	no	no	no	no	no	no
225	Dillard Dep't Stores	yes✓	no	no	no	no	no	no	no	no	no
226	Unisys	yes✓	no	no	no	no	no	no	no	no	no
227	Continental Airlines	yes✓	no	yes✓	no	no	yes✓	yes✓	yes✓	no	no
228	PNC Bank	no	no	no	no	no	no	no	no	no	no
229	Tandy	yes✓	yes^x	no	yes^x	no	no	no	no	yes^x	no
230	Transamerica	yes✓	no	no	no	no	no	no	no	yes^x	no
231	Anthem Insurance	yes^x	no	no	no	no	no	no	no	no	no
232	Lear	yes✓	yes^x	no	no	yes✓	yes✓	no	no	yes^x	no
233	Bank of Boston	yes✓	no	no	no	yes✓	yes✓	no	no	no	no
234	Public Service Enter.	yes^x	yes^x	no	no	yes✓	yes✓	no	no	no	no
235	Aramark	yes✓	no	no	yes^x	no	no	no	no	no	no
236	Ralston Purina	yes✓	no	yes	yes^x	no	no	yes^x	no	no	no
237	Union Carbide	yes✓	no	yes✓	no	yes✓	no	no	no	no	no
238	St. Paul	yes✓	yes^x	no	no	yes✓	no	no	no	no	no
239	Manpower	yes^x	yes^x	no	no	no	no	no	no	no	no
240	Office Depot	yes^x	yes✓	no	no	no	yes✓	no	no	no	no

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Fortune 500 Ranking	Company Name	Numbers of Employees	Training	Safety	Diversity	Productivity Measures	Labor Relations/ Union	Pay for Performance	Turnover	Employee Ownership	Employee Surveys
241	KeyCorp	yes^{x}	yes^{x}	no	no	no	no	no	no	no	no
242	FPL Group	yes✓	yes^{x}	yes✓	no	yes✓	no	no	no	no	no
243	Champion Int'l	yes✓	yes^{x}	yes✓	no	yes✓	yes✓	no	no	yes^{x}	no
244	Am. Electric Power	yes✓	no	yes✓	no	no	no	no	no	no	no
245	American Standard	yes^{x}	yes^{x}	no	no	no	no	no	no	no	no
246	Browning-Ferris	yes^{x}	no	no	no	no	no	yes^{x}	no	no	no
247	American Brands	no	no	no	no	no	no	no	no	no	no
248	Borden	PRIVATE	p	p	p	p	p	p	p	p	p
249	Navistar	yes^{x}	yes✓	no	yes^{x}	no	yes✓	yes^{x}	no	yes✓	no
250	Genuine Parts	yes^{x}	yes✓	no	no	no	no	no	no	no	no
251	Bank of NY	yes✓	no	no	yes^{x}	no	no	no	no	no	no
252	Paine Webber	yes^{x}	yes^{x}	no	no	no	no	yes^{x}	yes^{x}	no	no
253	James River	yes^{x}	no	no	no	no	yes^{x}	no	no	no	no
254	Schering-Plough	yes✓	no	no	yes^{x}	no	no	no	no	no	no
255	Tenet Healthcare	yes^{x}	yes✓	no	no	no	no	no	no	no	no
256	AmeriSource Health	no	no	no	no	no	no	no	no	no	no
257	Merisel	yes^{x}	yes^{x}	no	no	no	yes^{x}	no	no	no	no
258	Ryder System	yes✓	no	no	no	no	yes✓	yes^{x}	no	no	no
259	Central & South West	yes^{x}	no	no	no	no	yes✓	no	no	no	no
260	Avatex	yes✓	no	no	no	no	no	no	no	no	no

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261	AMP	yes✓	no	no	no	no	no	yes^{x}	no	no	no
262	Rite Aid	yes✓	yes^{x}	no	no	no	no	no	no	no	no
263	Baxter International	yes✓	no	no	yes✓	yes✓	no	no	no	no	no
264	General Mills	yes✓	no	no	no	no	no	no	no	no	no
265	Case	yes✓	no	no	no	no	no	no	no	no	no
266	Vons	yes✓	yes^{x}	yes^{x}	yes^{x}	no	yes^{x}	no	no	no	no
267	Food 4 Less	yes✓	no	no	no	no	yes✓	no	no	no	no
268	Bindley Western	no	no	no	no	yes✓	no	no	no	no	no
269	Gap	yes✓	no	no	no	no	no	no	no	no	no
270	Cooper Industries	yes✓	no	yes^{x}	no	no	no	no	no	no	no
271	W.R. Grace	yes✓	no	no	no	no	no	no	no	no	no
272	Cummins Engine	yes✓	yes^{x}	no	no	no	no	no	no	no	no
273	Avnet	yes✓	yes^{x}	no	yes^{x}	yes✓	no	no	no	no	no
274	Quaker Oats	yes✓	yes^{x}	yes^{x}	yes^{x}	no	no	yes^{x}	yes^{x}	yes✓	no
275	Stone Container	yes✓	no	no	no	no	no	no	no	no	no
276	VF	no	yes^{x}	no	yes^{x}	no	no	no	no	no	no
277	Boise Cascade	yes✓	no	no	no	no	yes✓	no	no	no	no
278	FMC	yes^{x}	no	no	no	no	no	no	yes^{x}	no	no
279	Tyco International	yes^{x}	yes^{x}	no	no	no	no	no	no	yes^{x}	no
280	Revco	yes^{x}	no	no	no	no	no	no	no	no	no

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281	Lyondell	yes✓	yes^x	yes✓	yes^x	yes✓	no	yes^x	no	no	yes✓
282	Household Int'l	yes✓	yes^x	no	no	no	no	yes^x	no	yes^x	no
283	Millennium Chemicals	yes✓	yes✓	yes^x	no	yes✓	yes✓	no	no	no	no
284	Gateway 2000	yes✓	yes✓	no	no	no	no	no	no	no	yes✓
285	Eckerd	yes✓	no	no	no	no	yes✓	no	no	no	no
286	Illinois Tool Works	yes✓	no	no	no	yes✓	no	no	no	no	no
287	Valero Energy	yes✓	no	no	no	no	no	no	no	no	no
288	Bear Stearns	yes✓	no	no	no	yes✓	no	no	yes^x	yes✓	no
289	First Data	yes^x	no	no	no	no	no	no	no	no	no
290	National City	yes✓	no	no	no	no	no	yes^x	no	yes^x	no
291	Black & Decker	yes	no	no	yes^x	no	no	no	no	no	no
292	Dominion Resources	yes✓	no	no	no	no	no	no	no	no	no
293	Avon Products	yes✓	yes✓	no	no	yes✓	no	yes^x	no	no	no
294	MedPartners	yes✓	no	no	no	no	no	no	no	no	no
295	Thrifty Payless	yes^x	yes^x	no	no	no	no	no	no	no	no
296	Noram Energy	yes^x	yes^x	no	no	no	no	yes^x	no	no	no
297	Eastman Chemical	yes✓	no	no	no	no	no	no	no	yes^x	no
298	Norfolk Southern	yes✓	no	no	yes^x	no	no	no	no	no	no
299	Mellon Bank	yes✓	no	no	no	no	no	no	no	no	no
300	Duke Power	yes✓	yes^x	yes^x	yes^x	no	no	no	no	no	no

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301	Mead	yes✓	yes^x	yes✓	no	no	no	no	no	no	no
302	Bethlehem Steel	yes✓	yes✓	yes✓	no	yes✓	yes✓	yes✓	no	yes✓	no
303	Gannett	yes✓	yes^x	no	no	no	yes✓	yes^x	no	no	no
304	PacifiCare Health Sys.	yes✓	yes✓	no	no	no	yes✓	yes✓	no	no	no
305	Tech Data	yes✓	no	no	no	no	yes✓	no	no	no	no
306	Paccar	no	yes^x	no	yes^x	no	no	no	no	no	no
307	Inland Steel	yes✓	no	yes✓	no	yes✓	yes✓	no	no	no	no
308	SCI Systems	yes✓	yes^x	no	no	yes✓	yes✓	no	no	no	no
309	WorldCom	no	no	no	no	no	no	no	no	no	no
310	Nordstrom	no	no	no	no	no	no	no	no	no	no
311	Praxair	yes✓	no	no	no	no	no	yes^x	no	no	no
312	Quantum	yes^x	no	no	no	no	yes✓	no	no	no	no
313	Allegiance	yes✓	no	no	no	yes✓	no	yes^x	no	yes^x	no
314	Waban	yes✓	yes^x	no	no	no	yes✓	no	no	no	no
315	CMS Energy	yes✓	no	yes✓	no	no	no	no	no	yes✓	no
316	UtiliCorp United	yes^x	no	no	no	no	no	no	no	yes✓	no
317	PacifiCorp	no	no	no	no	no	no	no	no	no	no
318	PECO Energy	yes✓	no	yes^x	no	no	no	no	no	no	no
319	Computer Sciences	yes✓	no	no	no	no	no	no	no	no	no
320	Oracle	yes^x	no	no	no	no	no	no	yes^x	no	no

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321	Corning	yes✓	no	no	no	no	no	no	no	no	no
322	Mutual of Omaha	no	yes x	no	no	no	no	no	no	no	no
323	CoreStates	yes✓	no	no	yes x	no	no	yes x	no	no	no
324	Aon	yes x	no	no	no	no	no	no	yes x	yes✓	no
325	FHP International	yes✓	no	no	no	no	no	yes x	yes x	no	no
326	Wellpoint Health	yes x	no	no	no	no	no	no	no	no	no
327	Marsh & McLennan	yes x	no	no	no	no	no	no	no	no	no
328	Applied Materials	yes✓	yes x	no	no	yes✓	no	no	no	no	no
329	LTV	yes✓	yes x	yes x	no	yes✓	yes✓	no	no	no	no
330	Sherwin-Williams	yes✓	yes x	no	no	no	no	no	no	no	no
331	American Financial	no	no	no	yes x	no	no	no	no	no	no
332	Cisco Systems	yes x	no	no	no	no	no	no	no	no	no
333	Houston Industries	yes✓	no	no	no	no	no	yes x	no	no	no
334	Dover	yes✓	no	no	no	no	no	no	no	no	no
335	Supermarkets General	yes✓	no	no	no	no	yes✓	no	no	no	no
336	SunTrust Banks	yes✓	no	no	yes x	no	no	no	no	no	no
337	UNUM	yes x	no	no	no	no	yes✓	no	no	no	no
338	Foster Wheeler	no	yes x	yes x	no	no	no	no	no	no	no
339	Comcast	no	yes x	no	no	no	no	no	no	no	no
340	Air Products	yes✓	no	no	no	no	no	no	no	no	no

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341	Wachovia	yes[✓]	no	no	no	no	no	no	no	no	no
342	Union Camp	yes[✓]	yes[x]	yes[x]	no	no	no	no	no	no	no
343	Niagara Mohawk	yes[x]	no	no	no	no	yes[x]	no	no	no	no
344	Hershey Foods	yes[✓]	yes[x]	no	no	no	no	no	no	yes[x]	no
345	Rohm & Haas	yes[✓]	no	yes[✓]	no	no	no	yes[✓]	no	no	yes[✓]
346	Safeco	yes[x]	no	no	no	no	no	no	no	no	no
347	Owens-Illinois	yes[x]	no	no	no	no	no	no	no	yes[✓]	no
348	Staples	no	yes[x]	no	no	no	no	yes[x]	no	no	no
349	Service Merchandise	no	no	no	no	no	no	no	no	no	no
350	Hilton Hotels	no	no	no	no	no	no	no	no	no	no
351	GPU	yes[x]	no	no	no	no	yes[x]	no	no	no	no
352	Giant Food	yes[✓]	no	no	no	no	no	no	no	no	no
353	Pitney Bowes	yes[✓]	yes[x]	no	no	no	no	no	no	no	no
354	Dole Food	yes[x]	no	yes[x]	no	no	no	no	no	no	no
355	First Bank System	yes[✓]	no	no	no	no	no	no	no	yes[x]	no
356	Owens-Corning	yes[✓]	no	yes[x]	no	no	no	yes[x]	no	no	no
357	CompUSA	yes[✓]	no	no	no	no	yes[✓]	no	no	no	no
358	Barnett Banks	yes[x]	no	no	no	no	no	no	no	no	no
359	Allegheny Teledyne	no	yes[x]	no	no	no	yes[x]	no	no	no	no
360	Consol. Natural Gas	yes[✓]	no	no	no	no	yes[✓]	no	no	no	no

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361	Northeast Utilities	no	no	no	no	no	no	no	no	no	no
362	Phelps Dodge	yes^{x}	yes^{x}	yes✓	no	no	yes^{x}	no	no	no	yes^{x}
363	Mattel	yes^{x}	no	no	no	no	no	no	no	no	no
364	H.F. Ahmanson	yes✓	no	no	no	no	no	no	no	no	no
365	Fred Meyer	yes^{x}	no	no	no	no	yes✓	no	no	no	no
366	Conrail	PRIVATE	p	p	p	p	p	p	p	p	p
367	Morton International	yes✓	yes^{x}	no	no	no	no	no	no	no	no
368	CNF Transportation	yes✓	no	no	no	no	no	no	no	no	no
369	Harris	yes✓	no	no	no	no	no	no	yes	no	no
370	Micron Technology	yes✓	yes^{x}	no	no	no	no	no	yes^{x}	no	no
371	Nucor	yes✓	no	no	no	yes✓	yes^{x}	yes✓	yes✓	no	no
372	DTE Energy	yes✓	yes^{x}	yes^{x}	yes^{x}	no	no	yes^{x}	no	no	no
373	Providian	yes^{x}	no	no	no	no	no	no	yes^{x}	no	no
374	Litton Industries	yes✓	no	no	no	no	no	no	no	no	no
375	General Dynamics	yes^{x}	no	no	no	no	yes✓	no	no	no	no
376	Sallie Mae	yes✓	no	no	no	no	no	no	no	no	no
377	LG&E Energy	no	yes	yes^{x}	no	no	yes✓	no	no	no	no
378	Parker Hannifin	yes✓	yes^{x}	no	no	yes✓	no	yes^{x}	no	no	no
379	Universal	yes^{x}	no	no	no	no	yes✓	no	yes^{x}	no	no
380	Automatic Data	yes✓	no	no	no	no	no	no	yes^{x}	yes✓	no

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381	Great Western	yes^{x}	no	no	no	no	yes^{x}	no	no	no	no
382	Foundation Health	no	no	no	no	no	no	no	no	no	no
383	TWA	yes^{x}	yes^{x}	yes^{x}	yes^{x}	no	yes$^{✓}$	yes$^{✓}$	no	yes$^{✓}$	no
384	Intelligent Electronics	yes^{x}	no	no	no	no	yes$^{✓}$	no	no	no	no
385	W.W. Grainger	yes$^{✓}$	yes^{x}	yes	no	no	yes$^{✓}$	no	no	no	no
386	Williams	yes$^{✓}$	no	no	yes^{x}	no	yes^{x}	no	no	yes$^{✓}$	no
387	MicroAge	yes^{x}	no	no	no	no	yes$^{✓}$	yes^{x}	no	no	no
388	Computer Associates	yes$^{✓}$	no	no	no	yes$^{✓}$	no	no	no	no	no
389	USF&G	no	yes^{x}	no	no	no	no	no	no	no	no
390	Reebok International	no	yes$^{✓}$	no	no	no	no	no	no	no	no
391	Progressive	yes$^{✓}$	no	no	no	no	no	yes$^{✓}$	no	no	no
392	Mapco	yes$^{✓}$	yes^{x}	no	no	no	no	no	no	no	no
393	Temple-Inland	yes^{x}	no	yes^{x}	no	no	no	no	no	no	no
394	Servicemaster	yes^{x}	yes^{x}	no	no	no	no	no	no	no	no
395	Pacific Mutual	PRIVATE	p	p	p	p	p	p	p	p	p
396	Williamette	yes$^{✓}$	no	no	no	no	yes	no	no	no	no
397	Jefferson Smurfit	yes$^{✓}$	yes$^{✓}$	yes$^{✓}$	no	no	yes$^{✓}$	no	no	no	no
398	Washington Mutual	yes$^{✓}$	no	no	no	no	yes^{x}	no	no	no	no
399	Southwest Airlines	yes$^{✓}$	yes^{x}	yes^{x}	no	no	no	no	no	no	no
400	Times Mirror	yes$^{✓}$	no	no	no	no	yes$^{✓}$	no	no	yes$^{✓}$	no

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401	Sonat	yes^{x}	no	no	no	no	no	no	no	no	no
402	Olsten	yes^{x}	yes^{x}	no	no	no	no	no	no	no	no
403	American Family	yes✓	no	no	no	no	no	no	no	no	no
404	Nash Finch	yes✓	yes^{x}	no	no	no	no	no	no	no	no
405	Turner	yes✓	yes^{x}	no	no	no	no	no	no	no	no
406	Kelly Services	yes^{x}	yes^{x}	no	yes^{x}	no	no	no	no	no	no
407	Penn Traffic	yes^{x}	no	no	no	no	no	no	no	no	no
408	Harcourt General	no	yes✓	no	no	no	no	no	no	no	no
409	Beverly Enterprises	yes✓	yes^{x}	no	no	no	yes✓	no	no	no	no
410	Republic New York	yes^{x}	yes^{x}	no	yes^{x}	yes✓	no	no	yes^{x}	no	no
411	MBNA	no	no	no	no	no	no	no	no	no	no
412	Allmerica Financial	yes^{x}	no	no	no	no	no	yes^{x}	no	no	no
413	Columbia Gas System	yes✓	no	no	no	yes✓	no	no	no	no	no
414	Richfood Holdings	yes✓	no	no	no	no	no	no	no	no	no
415	Cinergy	yes✓	no	no	yes^{x}	no	no	yes^{x}	yes^{x}	yes✓	no
416	Masco	yes^{x}	yes^{x}	no	no	no	no	no	no	yes✓	no
417	Avery Dennison	yes✓	no	no	no	no	no	no	no	no	no
418	Florida Progress	yes✓	no	no	no	no	no	no	no	no	no
419	York International	yes✓	no	no	no	no	no	no	no	no	no
420	Health Systems Int'l	yes✓	no	no	no	no	yes✓	no	no	no	no

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421	Shaw Industries	no	yes✓	yesx	no	no	no	no	no	no	no
422	Estee Lauder	yesx	yesx	no	no	no	no	no	no	no	no
423	Alltel	yes✓	no	no	no	no	no	no	no	no	no
424	Darden Restaurants	yesx	yesx	no	yesx	no	no	no	yes✓	no	no
425	Engelhard	yes✓	no	no	no	no	no	no	no	no	no
426	OfficeMax	yes✓	yesx	no	no	no	no	no	no	no	no
427	Brunswick	yes✓	no	no	no	no	no	no	no	no	no
428	Alumax	yesx	no	no	no	no	no	no	no	no	no
429	Baltimore Gas	no	yesx	yesx	yesx	no	yesx	no	no	no	no
430	Long Island Lighting	yesx	no	no	no	no	no	no	no	no	no
431	Echlin	yes✓	yesx	no	no	no	no	no	no	no	no
432	Whitman	yesx	no	no	no	yes✓	yesx	no	no	no	no
433	Olin	yes✓	yes✓	no	no	no	no	yesx	no	no	no
434	Pittston	yesx	yesx	no	yesx	no	yes✓	no	no	no	no
435	Centex	yesx	no	no	no	no	no	no	no	no	no
436	Inacom	yesx	yesx	no	no	yes✓	yes✓	no	no	no	no
437	Hormel Foods	yesx	no	no	no	no	no	no	no	no	no
438	Reader's Digest	no	no	no	no	no	no	no	no	no	no
439	Reliance Grp. Holdings	no	no	no	no	no	no	no	no	no	no
440	Oxford Health Plans	yes✓	no	no	no	no	yesx	no	no	no	no

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x = Vague

Fortune 500 Ranking	Company Name	Numbers of Employees	Training	Safety	Diversity	Productivity Measures	Labor Relations/ Union	Pay for Performance	Turnover	Employee Ownership	Employee Surveys
441	McGraw-Hill	yes✓	yes[x]	no	no	no	no	no	no	no	no
442	Westvaco	yes✓	yes[x]	yes✓	no	yes✓	no	no	no	no	no
443	Yellow	yes✓	no	no	no	no	yes✓	yes[x]	yes[x]	no	no
444	Comerica	yes✓	no	no	yes[x]	no	no	no	no	yes[x]	no
445	U.S. Bancorp	yes[x]	no	no	no	no	no	no	no	yes[x]	no
446	Conseco	yes✓	yes[x]	no	no	no	no	no	no	yes✓	no
447	Mercantile Stores	yes[x]	no	no	no	no	no	no	no	no	no
448	Baker Hughes	yes✓	no	no	no	no	no	no	no	no	no
449	Owens & Minor	yes✓	no	no	no	no	no	no	no	no	yes[x]
450	El Paso Natural Gas	yes[x]	no	no	no	no	yes[x]	no	no	no	no
451	Hasbro	yes✓	no	no	no	no	no	no	no	no	no
452	Maytag	yes✓	no	no	no	no	no	no	no	no	no
453	Graybar Electric	PRIVATE	p	p	p	p	p	p	p	p	p
454	Carolina Power & Light	yes✓	yes[x]	yes✓	no	no	no	no	no	no	yes✓
455	IMC Global	yes[x]	yes[x]	no	no	no	no	no	no	no	no
456	Hannaford Bros.	yes✓	no	no	no	no	no	no	no	no	no
457	Peter Klewit Sons'	PRIVATE	p	p	p	p	p	p	p	p	p
458	Thermo Electron	no	no	no	no	no	no	no	no	no	no
459	Ald Ass'n for Lutherans	yes[x]	no	no	no	no	no	no	no	no	no
460	Silicon Graphics	yes✓	no	no	no	no	no	no	no	no	no

CONTENT ANALYSIS OF HUMAN RESOURCE DISCLOSURE
FORTUNE 500 ANNUAL REPORTS FOR 1996
Appendix A

✓ = Informative
x = Vague

Fortune 500 Ranking	Company Name	Numbers of Employees	Training	Safety	Diversity	Productivity Measures	Labor Relations/ Union	Pay for Performance	Turnover	Employee Ownership	Employee Surveys
461	Smith's Food & Drug	yes^{x}	yes✓	no	yes^{x}	no	yes✓	yes^{x}	no	yes^{x}	yes^{x}
462	Hamischfeger	yes✓	no	no	no	no	yes^{x}	yes✓	no	no	no
463	Bruno's	yes✓	no	no	no	no	yes✓	yes^{x}	no	no	no
464	Interstate Bakeries	yes^{x}	no	no	no	no	no	no	no	no	no
465	Newell	yes✓	no	no	no	no	no	no	no	no	no
466	Western Digital	yes✓	no	no	no	yes✓	no	no	no	no	no
467	Fleetwood Eterprises	yes^{x}	no	no	no	no	no	no	no	no	no
468	Cyprus Amax Minerals	no	no	yes^{x}	yes^{x}	no	yes✓	no	no	no	no
469	Longs Drug Stores	yes^{x}	no	no	no	no	no	yes^{x}	yes✓	yes✓	no
470	Solectron	no	no	no	no	no	no	no	yes^{x}	no	no
471	Dean Foods	yes✓	no	no	no	no	no	no	no	no	no
472	PP&L Resources	no	yes^{x}	yes^{x}	no	no	no	no	no	no	no
473	Sonoco Products	yes^{x}	yes^{x}	yes✓	yes^{x}	no	no	no	no	no	no
474	Knight-Ridder	no	yes^{x}	no	no	no	yes✓	no	no	no	no
475	Beneficial	yes✓	no	no	yes^{x}	no	no	yes✓	no	no	no
476	Becton Dickinson	yes✓	yes^{x}	no	no	yes✓	no	no	no	yes✓	no
477	State Street Boston	yes^{x}	no	no	no	no	no	no	no	no	no
478	Ace Hardware	no	yes^{x}	yes^{x}	no	no	no	no	no	no	yes^{x}
479	General American Ins.	no	no	no	no	no	no	yes^{x}	no	no	no
480	APL	no	no	no	no	no	yes✓	no	no	no	no

CONTENT ANALYSIS OF HUMAN RESOURCE DISCLOSURE
FORTUNE 500 ANNUAL REPORTS FOR 1996
Appendix A

✓ = Informative
x = Vague

Fortune 500 Ranking	Company Name	Numbers of Employees	Training	Safety	Diversity	Productivity Measures	Labor Relations/ Union	Pay for Performance	Turnover	Employee Ownership	Employee Surveys
481	Phoenix Home Life	yes^{x}	yes^{x}	no	no	no	no	yes^{x}	no	no	no
482	Caliber System	yes^{x}	no	no	no	no	no	no	no	no	no
483	Lutheran Brotherhood	no	no	no	no	no	no	no	no	no	no
484	Caldor	yes✓	no	no	no	no	yes✓	no	no	no	no
485	Asarco	yes✓	no	yes^{x}	no	no	yes✓	no	no	no	yes^{x}
486	General Instrument	no	no	no	no	no	no	no	no	no	no
487	Stanley Works	yes✓	no	no	no	no	no	no	no	no	no
488	Golden West	no	no	no	no	no	no	no	no	no	no
489	Northern States Power	yes✓	yes^{x}	no	no	yes✓	yes✓	no	no	no	no
490	Payless Cashways	yes✓	no	no	no	no	no	no	no	no	no
491	Consolidated Stores	yes^{x}	no	no	yes^{x}	no	no	no	yes✓	no	no
492	Omnicom Group	yes✓	no	no	no	no	yes^{x}	yes^{x}	yes^{x}	no	no
493	Nat'l Semiconductor	yes^{x}	no	no	no	no	no	no	no	no	no
494	New York Times	yes^{x}	no	no	no	no	yes✓	no	no	no	no
495	Witco	yes✓	no	no	no	no	no	no	no	no	no
496	USG	yes✓	yes^{x}	yes✓	no	no	no	no	no	no	no
497	Pacific Enterprises	no	no	no	no	no	yes✓	no	no	no	no
498	Roundy's	PRIVATE	p	p	p	p	p	p	p	p	p
499	Western Atlas	yes✓	no	no	no	yes✓	no	no	no	no	no
500	Vencor	yes^{x}	no	no	no	no	no	no	no	no	no

APPENDIX B

CONTENT ANALYSIS OF HUMAN RESOURCES DISCLOSURES 1996 ANNUAL REPORTS FOR THE FORTUNE 500 COMPANIES

DISCLOSURES ABOUT DIVERSITY

Companies providing numerical data about diversity:

2. FORD MOTOR CO., 1996 ANNUAL REPORT 21 (1997).
9. CHRYSLER CORP., 1996 ANNUAL REPORT 50 (1997).
11. TEXACO, INC., 1996 ANNUAL REPORT 11 (1997).
32. ALLSTATE CORP., 1996 ANNUAL REPORT 29 (1997).
33. J.C. PENNEY CO., INC., 1996 ANNUAL REPORT 41 (1997) (comparing 1996 to 1992 statistics).
461. SMITH'S FOOD & DRUG CTRS., INC., 1996 ANNUAL REPORT 40 (1997) (discussing its affirmative action program and making its records available for inspection).

Reports providing references to obtain data:

19. AMOCO CORP., 1996 ANNUAL REPORT 57 (1997) (describing how to get EEO-1 Report).
30. MERRILL LYNCH & CO., 1996 ANNUAL REPORT 70 (1997).
43. INTEL CORP., 1996 ANNUAL REPORT 40 (1997).
65. SAFEWAY, INC., 1996 ANNUAL REPORT 41 (1997).
99. BELL ATLANTIC CORP., 1996 ANNUAL REPORT 47 (1997).
198. WARNER-LAMBERT CO., 1996 ANNUAL REPORT Inside Back Cover (1997).

Other references to diversity:

186. Fleet Financial Group
"We are also proud of the solid progress of our continuing diversity initiative. Fleet is committed to building a work environment throughout the company that supports and nurtures a diverse workforce. In that regard, 1996 was a foundation year. Accomplishments to date include the participation of more than 800 employees--among them 90% of Fleet's senior managers--in diversity awareness workshops; ongoing meetings of the Corporate Diversity Council devoted to providing direction, reviewing progress, and discussing issues; and the hiring of a full-time ombudsman. Further reflecting Fleet's strong commitment to employee diversity, all executive management bonuses are now linked to the success of our diversity efforts as well as our business results."
FLEET FIN. GROUP, 1996 ANNUAL REPORT 2 (1997).

199. PPG Industries
"Also of note, three recent affirmative action reviews by the U.S. Department of Commerce found PPG in complete compliance and commended the Company's exemplary equal opportunity employment performance."
PPG INDUS., INC., 1996 ANNUAL REPORT 3 (1997).

263. Baxter International
"In 1996, nearly 42 percent of Baxter's management and professional positions in the United States were held by women, and 18 percent by minorities."
BAXTER INT'L, INC., 1996 ANNUAL REPORT 15 (1997).

APPENDIX C

CONTENT ANALYSIS OF HUMAN RESOURCES DISCLOSURES 1996 ANNUAL REPORTS FOR THE FORTUNE 500 COMPANIES

DISCLOSURES ABOUT TRAINING

Informative Disclosures

5. General Electric

"The momentum of the Six Sigma initiative is unprecedented. From launching this initiative in late 1995, with 20 projects and massive training, we moved to 3,000 projects and even more training in 1996; and we will undertake 6,000 projects, and still more training, in 1997. The $200 million we invested in 1996 has already returned nearly that much in quality-related savings. The additional $300 million we will invest in 1997 will deliver some $400-500 million in savings, producing an additional $100-200 million in incremental margins."

GENERAL ELEC. CO., 1996 ANNUAL REPORT 5 (1997).

13. Prudential

"As a result of our new training initiative, which we launched in 1992, a full 40 percent of our financial advisors are home-grown."

PRUDENTIAL INS. CO. OF AM., 1996 ANNUAL REPORT 13 (1997).

48. Merck

"3,000 Merck people [] were trained in leadership principles in 1996."

MERCK & CO., INC., 1996 ANNUAL REPORT 30 (1997).

50. The Home Depot

"To support The Home Depot's store growth during the next three years, over 400 of us will become store managers; 2,500 associates will become assistant managers; and another 7,000 associates will become department heads. In addition, we will hire an average of 425 new associates per week. Growth creates widespread opportunity for professional advancement and serves as a strong motivator for each of us."

HOME DEPOT, INC., 1996 ANNUAL REPORT 13 (1997).

58. Coca Cola

"As our Company grows and prospers, we need more quality people, people who are better equipped to deal with the realities of our global marketplace. That's why we've stepped up our efforts to bring in new talent and create developmental opportunities for the talent that already exists. In 1996, for instance, we placed 40 people in key management roles and another 200 in senior and mid-level marketing positions around the world.

. . . .

We're also bringing focus and discipline to the process of learning, which we define as an organization's capacity to create its future. In 1996, we took an important step in this regard with the formation of the Coca-Cola Learning Consortium. Its job? To work in tandem with our operating and functional units to accelerate

our system's capacity to learn, share knowledge and act on that knowledge in ways that create value for our share owners."
COCA-COLA CO., 1996 ANNUAL REPORT 15 (1997).

84. AlliedSignal
"In 1996, the company opened the AlliedSignal Learning Center. Some 30,000 employees--from the company's newest recruits to its most experienced leaders--will use the Learning Center each year, building the individual skills that collectively strengthen the company's competitiveness."
ALLIEDSIGNAL, INC., 1996 ANNUAL REPORT 18 (1997).

89. Albertson's
"One of the major strengths of Albertson's has come from our ability to 'grow our own leadership.' In other words, we develop managers from within our Company. Promoting form within encourages continuity and longevity as we continue to develop our management team for Albertson's exciting future."
ALBERTSON'S, INC., 1996 ANNUAL REPORT 9 (1997).

167. Colgate-Palmolive
"Formal training programs continually upgrade skills of Colgate people in such areas as sales, advertising and promotion. The new 'Colgate Consumer Insight' course trains marketing people to think like consumers in a three-day interactive program. Within the year, Colgate marketing people worldwide will be able to participate."
COLGATE-PALMOLIVE CO., 1996 ANNUAL REPORT 13 (1997).

174. Lowe's
"As an employer, Lowe's is proud to offer skills training and career development options that far exceed the norm in our industry. Our new 'Lowe's University' is putting employees on the fast track to promotion within our organization, encouraging them in the vision of a career where they might have seen only a job."
LOWE'S COS., INC., 1996 ANNUAL REPORT 2 (1997).

183. U.S. Airways
"A glimpse into the workings of one task force reveals how thoroughly the groups have been approaching their assignments. A key to customer satisfaction for a quality airline is consistency. Inflight services' Focus on Quality task force took an in-depth look at all areas of inflight operations, including service, appearance and safety through surveys and observations. More than 30 flight attendants observed over 180 of our own flights as well as those of competing airlines. After identifying our own strengths and weaknesses, a day-long 'Quality Through Compliance' forum was co-developed by flight attendants, the Association of Flight Attendants, inflight training, inflight services management, the Federal Aviation Administration, US Airways cabin safety partnership, inflight systems and customer services quality control. All of US Airways' 7,800 flight attendants are attending this special forum."
U.S. AIRWAYS GROUP, 1996 ANNUAL REPORT 4 (1997).

189. Dana
"Dana people are our most important asset. Dana's growth is dependent on People Finding a Better Way™ to improve continuously through concentration on idea generation (minimum of two ideas per person per month, 80% implemented) education (minimum of 40 hours person per year) and cooperation among Dana people globally.

. . . .

Ideas and quality are an outgrowth of Dana's commitment to employee education and development. In fact, Dana people at Chihuahua [a Dana facility in Mexico] average nearly 70 hours of classroom education annually."
DANA CORP., 1996 ANNUAL REPORT 14 (1997).

"Dana is preparing for the future by focusing its employees on education and continuous improvement. Looking ahead, Dana expects every employee to get 40 hours of classroom education each year.

Dana University, the company's in-house education program has 27 full-time instructors with a total staff of 40. And every plant has its own education center."
Id. at 17.

204. Circuit City
"New sales counselors complete a minimum two-week training program focused on product knowledge, customer service and store operations. Seven regional training facilities are utilized for classroom sessions taught by more than 40 professional trainers, and a state-of-the-art video facility produces audio, video and computer-based training materials. Formalized training for store, sales and operations managers focuses on human resource management, sales management and critical operating procedures. Individual development plans address personal training needs, giving employees advancement opportunity."
CIRCUIT CITY STORES, INC., 1996 ANNUAL REPORT 6 (1997).

249. Navistar
"Management employees must now take at least 40 hours of core business and skills education per year including the technical training that's required to perform many jobs. We also partnered with the United Auto Workers to introduce a program, called 'Joint Focus,' to educate Navistar employees at all levels and locations about business realities. An important part of this course is helping employees see what drives our stock price, and how they as individuals play a role in the company's viability. As approximately one-third of the company's common stock is held by our employees through the Supplemental Trust, this learning can help them understand how tightly their personal financial well-being is intertwined with company performance.

Helping to pilot the change to a performance driven culture are our top 450 leaders. We established a Leadership Council with regular meetings and communications as a means to involve all management in improving company performance. After our first leadership conference, 98% of the participants said they had gained a deeper understanding of the company's strategies, vision, and direction, and an appreciation for their role in helping Navistar achieve them."
NAVISTAR INT'L CORP., 1996 ANNUAL REPORT 10 (1997).

250. Genuine Parts
"Motion's emphasis on formalized training began in 1988 in response to market demand for stronger technical support. Today, Motion offers the most comprehensive and extensive training programs in the MRO (Maintenance, Repairs and Operation products) industry with a curriculum of four specialized schools: technical product training, industry-specific process training, internal company training (underscoring leadership, operations, sellings, continuous service improve-

ment techniques, computer/technical literacy), and an introduction to industrial distribution.

In 1995, Motion Industries dedicated a new corporate training facility equipped with classrooms, a hands-on working lab, 2 large conference rooms, 4 full-time instructors, 18 part-time instructors, and an expanded curriculum toward this effort. These resources, coupled with an investment over $6 million, served over 1,900 students in 1995 and 2,300 students in 1996."
GENUINE PARTS CO., 1996 ANNUAL REPORT 11 (1997).

255. Tenet Healthcare
"Tenet further supports its physicians by sponsoring continuing education programs and seminars. In fiscal 1996 our Medical Affairs department conducted training seminars for physicians in such areas as quality improvement and new medical technologies, including endoscopic minimally invasive cardiac and thoracic surgery. In December 1995 Tenet received provisional national accreditation from the Accreditation Council for Continuing Medical Education allowing the company to offer physicians Category I CME credits for ACCME-approved continuing education courses it sponsors through its Medical Affairs department."
TENET HEALTHCARE CORP., 1996 ANNUAL REPORT 15 (1997).

283. Millennium Chemicals
"EVA [Economic Value Added] challenges each and every Millennium employee to find a way, every day, to manage the revenue stream, costs, assets or the liabilities that he or she affects to achieve that goal and maximize wealth creation. Success at Millennium will not only be defined, but also rewarded, in terms of how well we improve our EVA. An introduction to EVA that was sent to all our employees accompanies this annual report, and I encourage you to review it."
MILLENNIUM CHEM., INC., 1996 ANNUAL REPORT 2 (1997).

284. Gateway 2000
"374 supervisors received values-based management skill training through Gateway Effective Management in 1996."
GATEWAY 2000, INC., 1996 ANNUAL REPORT 4 (1997).

293. Avon
"Since its inception in 1995, Avon's Global Executive Passport Training program has graduated 61 executives from 22 countries, giving Avon management international qualifications second to none."
AVON PRODS., INC., 1996 ANNUAL REPORT 12 (1997).

"Avon's approach to global management stresses building tomorrow's leaders. For example, the Global Executive Passport Training program brings together high potential executives from all over the world to participate in a comprehensive program covering all disciplines of Avon's business. The program is designed to enhance existing skills and build new ones through seminars, workshops, practical assignments and mentoring."
Id.

302. Bethlehem Steel
"In 1996, various educational programs provided more than 550,000 employee training hours, an average of over 30 hours per employee. For example, more than half of our employees have already completed a custom financial management program that includes financial concepts, measurements and business fun-

damentals. This program is designed to help our employees focus their efforts on increasing our return on net assets and stockholder value."
BETHLEHEM STEEL CORP., 1996 ANNUAL REPORT 4 (1997).

390. Reebok
"To improve the Reebok® product knowledge of retail sales associates, we have implemented training programs in major markets to introduce new Reebok® technologies, products and marketing programs. In the U.S., more than 2,000 sales associates took part in this training in 1996, and we plan to expand the program in 1997."
REEBOK INT'L LTD., 1996 ANNUAL REPORT 8 (1997).

397. Jefferson Smurfit
"Over 300 salespeople and sales managers received extensive training in all aspects of the sales process, from prospecting to selling across divisional lines. This effort will continue into 1997 and beyond. JSC believes it leads the industry in providing this degree of training to its sales force."
JEFFERSON SMURFIT CORP., 1996 ANNUAL REPORT 12 (1997).

433. Olin
"During the first quarter of 1997, every Olin employee will receive updated training in ethical business practices."
OLIN CORP., 1996 ANNUAL REPORT 5 (1997).

"An employee task force has designed a CD-ROM-based training and communication program to help individuals do their jobs better, relate their own performance to EVA [Economic Value Added] targets, and keep abreast of financial results and operational developments. Essentially, the goal is to have everyone feel and act like virtual owners of this business."
Id. at 9.

461. Smith's Food & Drug Centers
"As the number of stores continues to grow, so does the need for knowledgeable and capable employees. Our employees are constantly trained in customer relations to maintain courteous and efficient service. The Store Director Development training program offers extensive instruction in total store management and operating procedures to employees who have qualified themselves to enter the program. Candidates learn about store operations, accounting, data processing, personnel, management, warehouse operations and receive hands-on training in various store departments. Other employees receive training through in-store meetings and instruction, videos and seminars. Additionally, we produce a quarterly newsletter to communicate with our employees at all levels."
SMITH'S FOOD & DRUG CTRS., INC., 1996 ANNUAL REPORT 10 (1997).

Vague Disclosures

146. TOSCO
"New human resource initiatives have been developed to improve employee training responsiveness and retention." TOSCO CORP., 1996 ANNUAL REPORT 16 (1997).

234. PSEG
"We are committed to establishing an organization that fosters an environment of continuous learning; we have made a major investment in employee development

and technical training, as well as tuition reimbursement for college and post-graduate studies."
PSEG, INC., 1996 ANNUAL REPORT 3 (1997).

404. Nash Finch
"We will continue to invest in training our associates so that this organization remains able to adapt, change and grow."
NASH FINCH CO., 1996 ANNUAL REPORT 3 (1997).

410. Republic New York
"Education, also, is an important part of the process. In our consumer bank, for example, we have established our own learning center--Republic University--to instill the values we deem important. With classes conducted in branches, at headquarters and even in 'off-campus' locations, it is easy for employees to enhance the skills needed for appropriate service delivery."
REPUBLIC NEW YORK CORP., 1996 ANNUAL REPORT 23 (1997).

426. OfficeMax
"Introduced Computer Based Training (CBT) to ensure our associates continue to receive the training they need to keep pace with understanding the new technology products we sell and learn more effective methods of customer service and merchandising."
OFFICEMAX, INC., 1996 ANNUAL REPORT 5 (1997).

APPENDIX D

CONTENT ANALYSIS OF HUMAN RESOURCES DISCLOSURES 1996 ANNUAL REPORTS FOR THE FORTUNE 500 COMPANIES

DISCLOSURES ABOUT SAFETY

Informative Disclosures

3. Exxon
"Best-ever personnel safety performance as measured by lost- time incident rate, with record performance for all major worldwide functions: Exploration & Production; Refining & Marketing; Chemicals, and Coal, Minerals; & Power.

. . . .

Results there have been positive, as illustrated by the safety performance of Exxon's international drilling operations. In spite of the challenges associated with remote drilling in developing countries, there have been no Exxon employee lost time incidents in five years. In addition, contractors doing work for us have reduced their injury rate 80 percent from 1992-93 levels and continue to have injury rates much lower than their worldwide drilling counterparts."
Exxon Corp., 1996 Annual Report (visited Nov. 21, 1998) <http://www.exxon.com/exxoncorp/news/publications/annual_96/annual96_environment.html>.

8. Mobil
"They exceeded two million hours worked without a lost-time injury during 1996, a banner achievement for such a major industrial construction project. . . . Overall, Mobil employees continued a three-year-long reduction in days away from work due to injuries. The decline now stands at more than 35%."
MOBIL CORP., 1996 ANNUAL REPORT 17 (1997).

15. Chevron
"From 1993 to 1996, we cut our rate of recordable incidents in half. That statistic translates to 656 fewer injuries among our employees in 1996."
CHEVRON CORP., 1996 ANNUAL REPORT 5 (1997).

34. United Technologies
"To cite one accomplishment, frequency of employee lost time injuries in our US operations has dropped nearly 80% since 1991. And, once again, THE RIGHT BEHAVIOR IS THE PROFITABLE BEHAVIOR, with our workers' compensation costs in the US halving over the same period. Internationally, we have CUT EMPLOYEE LOST TIME INJURIES BY 71% since we began measurement outside the US in 1992."
UNITED TECHS. CORP., 1996 ANNUAL REPORT 3 (1997).

42. USX
"In safety, our employees registered another record year-- posting an all-time Marathon low lost-time incident (LTI) rate of .15 per 2000,000 hours worked (the criteria used by the American Petroleum Institute in ranking company safety performance.) Our four U.S. refineries operated the entire year without one LTI. Our stated goal is to rank within the top three in the industry, and our 1996 LTI rate was lower than that of 1991, when we rated No. 1 in safety."

USX CORP., 1996 ANNUAL REPORT 1 (1997).

43. Intel
"This was an outstanding year for Intel in reducing injuries to employees in the workplace. Over the past three years, Intel has reduced the recordable injury rate 68 percent and the lost-day case rate 75 percent. Injury rates for new-construction contractors during the same period have been reduced by 80 percent."
INTEL CORP., 1996 ANNUAL REPORT 40 (1997).

74. Phillips Petroleum
"Over the years, Phillips has significantly improved its safety and environmental performance. The recordable injury/illness rate has been reduced by 74 percent since 1980."
PHILLIPS PETROLEUM CO., 1996 ANNUAL REPORT 8 (1997).

"In 1996, Phillips had the lowest number of recordable injuries/illnesses in its history, as well as the lowest rate of chargeable vehicle accidents. The number of injuries/illnesses was 269 for the year, compared with 282 in 1995. The rate for chargeable vehicle accidents was 0.91 per million miles driven, down slightly from 1995."
Id. at 30.

78. Digital
"A copy of our Environmental Health and Safety Progress Report is accessible through DIGITAL'S EHS homepage: http://www.digital.com/info/ehs."
Digital Equip. Corp., 1996 Annual Report (visited Nov. 21, 1998) <http://www.digital.com/finance/annual96/info.html>.

97. Alcoa
"Our incidence rate as compared with U.S. industry has moved from 1/3 the U.S. rate to 1/10 for all 1996 and, at the end of 1996, we were operating close to 1/20 the U.S. rate."
ALCOA, 1996 ANNUAL REPORT 2 (1997).

109. Ashland
"SuperAmerica continues to lead the convenience store industry in employee safety and has a lost-time injury rate more than two times better than the industry average."
ASHLAND, INC., 1996 ANNUAL REPORT 23 (1997).

122. Weyerhaeuser
"Safety is a core value for Weyerhaeuser people; however, five employees and three contractors lost their lives working for the company in 1996.

. . . .

Lost-time accidents decreased 6 percent, from a rate of 0.86 per 100 employees in 1995 to 0.81 per 100 employees in 1996. Over the last five years, the lost-time accident rate has improved 72 percent, a tribute to the efforts of Weyerhaeuser employees everywhere."
WEYERHAEUSER CO., 1996 ANNUAL REPORT 40 (1997).

123. Fluor

Report contains a bar graph showing eight years of "Lost Workday Incidence Rates for Fluor Daniel 1989-1996," which are "70 times better than the National Industry Average." "Fluor Daniel remains the world's safest contractor."
FLUOR CORP., 1996 ANNUAL REPORT 1 (1997).

130. CSX
"Safety continues to be a top priority at the railroad. During 1996, the railroad reduced train accidents 3% over 1995, and the latest published figures from the Federal Railroad Administration place CSXT as the safest Class I freight railroad in the nation. Employee safety performance in 1996 dipped slightly compared with 1995's record year. While zero injuries continues to be the ultimate goal, employees have made tremendous gains by reducing personal injuries by 79% over the past seven years."
CSX CORP., 1996 ANNUAL REPORT 4 (1997).

142. Union Pacific
"Also playing a significant part in the railroad's successes was its attention to safety. UPRR lowered its number of reportable injuries by 34 percent over 1995, and lost work-day cases dropped by nearly 40 percent."
Union Pacific Corp., 1996 Annual Report (visited Nov. 21, 1998) <http://www.unionpacific.com/archives/96annual/arrop.htm>.

"Over the past 10 years work-related injuries have declined by more than 10% annually . . . ."
Union Pacific Corp., 1996 Annual Report (visited Nov. 21, 1996) <http://www.unionpacific.com/archives/96annual/arrop.htm>.

182. Burlington Northern Santa Fe
"We have continued this emphasis on safety and in 1996, less than 2 percent of our workforce reported an injury compared with 1992, when nearly 10 percent of our combined workforce was injured.

For all of 1996, we had 859 reportable employee injuries, a 29 percent reduction from 1995's total of 1,207."
BURLINGTON N. SANTA FE CORP., 1996 ANNUAL REPORT 2 (1997).

"In 1996, BNSF continued to make dramatic improvements in safety, reducing the frequency of employee injuries to 1.96 per 200,000 man-hours worked, a reduction of 29 percent from 1995. An equally important measure, the number of work days lost to injuries, declined by 33 percent in 1996."
Id. at 4.

199. PPG Industries
"Concerning safety, on a global basis the number of injuries to employees again declined--by 18% compared with 1995. Once again, we had fewer lost-time accidents than the averages for each of the industries in which we operate."
PPG INDUS., INC., 1996 ANNUAL REPORT 3 (1997).

227. Continental Airlines
". . . on the-job injuries improved (54%) versus 1994."
CONTINENTAL AIRLINES, INC., 1996 ANNUAL REPORT Inside Cover (1997).

237. Union Carbide

"We marked our fifth consecutive year without a fatality or major process related accident, and we reduced key spills by 16 percent and reduced work-day injuries by 32 percent compared to 1995."
Union Carbide Corp., 1996 Annual Report (visited Nov. 21, 1998) <http://www.unioncarbide.com/financial/1996/finchair.html>.

244. American Electric Power (AEP)
"In December, AEP workers at the Cook Nuclear Plant completed their 10 millionth hour worked without a lost-time accident, a record dating to March 1992."
AMERICAN ELEC. POWER CO., INC., 1996 ANNUAL REPORT 11 (1997).

301. Mead
"We are especially proud of the safety record established during the project--1.6 million safe work hours without a lost-time injury. Our safety as measured by the OSHA Incidence Rate improved 18 percent during 1996 and we are committed to extremely demanding safety goals and progress for the years ahead."
MEAD CORP., 1996 ANNUAL REPORT 3 (1997).

302. Bethlehem Steel
"We are committed to the safety and health of our employees and believe that safety is a fundamental corporate value which must not be compromised. During the past year we continued to improve our safety performance and expand safety training. Our total injury incidence rate was 21 percent better than 1995. Over the past two years, we reduced our disabling injuries by more than 40 percent. For the 16th time in the past 28 years, our Railroad subsidiary in Bethlehem, Pennsylvania, won a Harriman Institute Award for its safety performance. In a joint effort with the USWA, we began implementing a new 'employee safety process' to provide greater involvement of all employees in creating the best possible safety environment, both on and off the job."
BETHLEHEM STEEL CORP., 1996 ANNUAL REPORT 4 (1997).

307. Inland Steel
"The Company continued to effect improvements in operations during 1996. The Company had its safest year in history both in terms of the lowest number of injuries and lost time due to injury. At the same time, improvements were also produced in the shipment of prime products, product mix, raw steel tons produced, capability utilization, raw steel to prime product yield and productivity. The combined effect of these and other improvements resulted in both a lower level of purchased steel and a slight reduction in operating cost per ton. The Company operated at 92 percent of its raw steelmaking capability in 1996, compared with 90 percent in 1995."
INLAND STEEL CO., 1996 ANNUAL REPORT 12 (1997).

315. CMS Energy
"For the fourth straight year--and the tenth year in the last 12--the National Safety Council named Consumers Energy the safest utility of its size in the United States. And the American Gas Association praised both our employee safety and our community safety--awarding us benchmark status for our successful gas leak response strategies, including a more efficient, accurate and flexible computerized workload system that has lowered emergency response time."
CMS ENERGY CORP., 1996 ANNUAL REPORT 14 (1997).

345. Rohm & Haas
"The occupational injury and illness (OII) rate dropped to 1.5, a 24 percent improvement over 1995. In real terms, 58 fewer people were injured during the year, and employees at 31 facilities worked without any injury at all."
ROHM & HAAS CO., 1996 ANNUAL REPORT 20 (1997).

362. Phelps Dodge
"In 1996, the worldwide safety performance of Phelps Dodge improved 33 percent from 2.7 to 1.8 recordable incidents for every 200,000 employee hours worked, as compared to an industry average for recordable incidents of 10.2. While this positions Phelps Dodge as one of the safest companies in mining and manufacturing, the one fatality we experienced in 1996 serves as a sad reminder that safety is and will continue to be our most important job."
PHELPS DODGE CORP., 1996 ANNUAL REPORT 4 (1997).

397. Jefferson Smurfit
"JSC has reduced recordable case rates by 40 percent since the implementation of the SAFE training program."
JEFFERSON SMURFIT CORP., 1996 ANNUAL REPORT 17 (1997).

442. Westvaco
"Our total of all workplace injuries, which is consistently well below industry averages, declined 32 percent in 1996, capping a 47 percent decline over four years."
WESTVACO CORP., 1996 ANNUAL REPORT 10 (1997).

454. Carolina Power & Light
"As always, nuclear safety remained the No. 1 priority. Recently, the U.S. Nuclear Regulatory Commission identified CP&L's Harris Nuclear Plant for special commendation. The plant was recognized as one of two nuclear plants in the nation demonstrating 'a continued high level of safety performance that deserves formal NRC recognition.'"
CAROLINA POWER & LIGHT CO., 1996 ANNUAL REPORT 5 (1997).

473. Sonoco
Report contains a bar graph illustrating the personal injury rate for the last 10 years.
See SONOCO PRODS. CO., 1996 ANNUAL REPORT Inside Front Cover (1997).

496. USG
"As measured by the rate of lost-time and restricted-duty injuries, the corporation's U.S. manufacturing facilities have a safety rating that is almost seven times better than the average for all U.S. manufacturing plants. Of L&W's 161 distribution centers, 128, or 80 percent, operated without a lost-time injury for the year, up from 108, or 72 percent of the total, in 1995."
USG Corp., 1996 Annual Report (visited Nov. 21, 1996)
<http://www.usg.com/annual96/ar96or5.htm>.

Vague Disclosures

129. Occidental Petroleum
"Occidental values safety and realizes that fewer accidents translate into less downtime, lower insurance premiums and a more productive workforce."
OCCIDENTAL PETROLEUM CORP., 1996 ANNUAL REPORT 18 (1997).

318. PECO Energy
"An increased focus on safety throughout the Company produced the safest year in recent history."
PECO ENERGY CO., 1996 ANNUAL REPORT 2 (1997).

429. Baltimore Gas & Electric
"Last year our generation employees also set new records for working safely. In both our Fossil and Nuclear divisions, our employees had the lowest occupational injury rate in BGE generation history."
BALTIMORE GAS & ELEC. CO., 1996 ANNUAL REPORT 10 (1997).

485. Asarco
"Safety is everybody's business at Asarco and a great deal of management emphasis is placed on the Company's safety and health program. The Company's Safety and Health Policy Review Committee oversees an internal review process which examines safety processes, practices and results at all Asarco locations. At each operation, management, safety staff personnel and employees regularly meet and review safety and health matters."
ASARCO, INC., 1996 ANNUAL REPORT 18 (1997).

APPENDIX E

CONTENT ANALYSIS OF HUMAN RESOURCES DISCLOSURES 1996 ANNUAL REPORTS FOR THE FORTUNE 500 COMPANIES

DISCLOSURES ABOUT EMPLOYEE IDEAS

165. Norwest
"Another big reason for our earnings momentum is the continued success of our 'Best Practices' initiative. To make it truly a part of our culture, like sales, service, or profit growth, it can't be just another project. So we created a formal process for reporting new ideas throughout your company. We expect and encourage all our employees to take part. The fun part is, when it comes to 'Best Practices,' we throw hierarchy out the window. Titles don't matter. Nothing's sacred. If any employee finds the single best way to do something, she or he can challenge anything. The response has been terrific. Using this process, our employees in 1996 alone submitted almost 2,000 'Best Practices' ideas."
NORWEST CORP., 1996 ANNUAL REPORT 10-11 (1997).

183. US Airways
"The improved DOT rankings resulted in part from the work of two task forces, one for on-time departures and one for on-time arrivals. Each conducted several field surveys, bench-marked processes and procedures against other major airlines and made recommendations supported by fact-based analysis. The 18-person departure task force, made up of representatives from numerous departments and every labor group, identified 64 items involved in the departure process, and made quick changes to 15 items resulting in savings of one to three minutes per departure. Many others were acted upon over time. The arrivals task force, meanwhile, has found 57 issues central to good performance and is following a path similar to that of the departures task force."
US AIRWAYS, INC., 1996 ANNUAL REPORT 5 (1997).

189. Dana
"Dana's growth is dependent on People Finding a Better Way™; to improve continuously through concentration on idea generation (minimum of two ideas per person per month, 80% implemented) education (minimum of 40 hours per person per year) and cooperation among Dana people globally."
DANA CORP., 1996 ANNUAL REPORT 14 (1997).

299. Mellon Bank
"In 1996, an Internal Corporatewide process improvement initiative succeeded in generating nearly 8,000 ideas from individuals and teams of employees. Implementation of many of the ideas to streamline workflows and improve efficiency is under way--ensuring that Mellon will remain successful in the years ahead."
Mellon Bank Corp., 1996 Annual Report (visited Nov. 21, 1998) <http://www.mellon.com/corp/investor/finrepts/1996/annual/toshare.htm>.

APPENDIX F

CONTENT ANALYSIS OF HUMAN RESOURCES DISCLOSURES 1996 ANNUAL REPORTS FOR THE FORTUNE 500 COMPANIES

DISCLOSURES ABOUT LABOR RELATIONS

28. Kroger
"Kroger experienced a positive labor relations environment in 1996, except for strikes in our King Soopers and City Markets divisions. Overall, the Company continued to make progress by successfully negotiating more than 60 collective bargaining agreements. Several of these are extended 4-5 year contracts."
KROGER CO., 1996 ANNUAL REPORT 2 (1997).

42. USX
"U.S. Steel entered into a five and one-half year contract with the United Steelworkers of America ("USWA"), effective February 1, 1994, covering approximately 15,000 employees." USX CORP., 1996 ANNUAL REPORT 31 (1997).

56. American Stores
"In 1995, operating expense in the food store operations benefited from the renegotiation of a labor contract with the United Food and Commercial Workers International. The new contract will expire in 1999, and replaced a contract scheduled to expire in 1996."
AMERICAN STORES CO., 1996 ANNUAL REPORT 26 (1997).

75. Federated Department Stores
"Approximately 10% of the Company's employees as of February 3, 1996 were represented by unions. Management considers its relations with employees to be satisfactory."
FEDERATED DEP'T STORES, INC., 1996 ANNUAL REPORT 2 (1997).

77. Ameritech
"Approximately 70% of the company's employees are represented by either the International Brotherhood of Electrical Workers (IBEW) or the Communications Workers of America (CWA). In September 1995, memberships of the two unions ratified three-year contracts with Ameritech, expiring on June 28, 1998 for the IBEW and August 8, 1998 for the CWA. The contracts included basic wage increases and signing bonuses, and addressed such issues as wages, benefits, employment security, training, and retraining and other conditions of employment. In addition, beginning with the year ended December 31, 1995, union employees receive their annual bonuses in the form of Ameritech stock instead of cash."
AMERITECH CORP., 1996 ANNUAL REPORT 30 (1997).

97. Alcoa
"Our focus on safety has been an important contributor to positive working relationships. Evidence of this contribution is the landmark contract we signed in 1996 with more than 10,000 U.S. employees represented by the Steelworkers union.

This is the longest duration contract we know of—six years—which means all of us can concentrate on producing great results for customers instead of suffering

the usual twelve-month productivity slump as we approach the end of the traditional three-year contract."
ALCOA, 1996 ANNUAL REPORT 2 (1997).

127. Anheuser-Busch
"As of December 31, 1996, approximately 8,870 employees were represented by the International Brotherhood of Teamsters. Eighteen other unions represented approximately 1,567 employees. The current labor agreement between ABI and the Brewery and Soft Drink Workers Conference of the International Brotherhood of Teamsters, which represents the majority of brewery workers, expires February 28, 1998."
ANHEUSER-BUSCH COS., INC., 1996 ANNUAL REPORT 6 (1997).

144. Bergen Brunswig
"The Company considers its relationship with its employees and the unions representing certain of its employees to be satisfactory."
BERGEN BRUNSWIG CORP., 1996 ANNUAL REPORT I-4 (1997).

205 Reynolds Metals
"In 1996, the Company entered into new six-year labor contracts with the unions that represent a majority of our domestic hourly employees."
REYNOLDS METALS CO., 1996 ANNUAL REPORT 12 (1997).

218. ITT
"As of December 31, 1996, we and our subsidiaries employed on a full-time basis approximately 38,000 people. Of this number, approximately 60% are employed in the United States. Of this number, approximately one-third of the U.S. employees are represented by labor unions. Generally, labor relations have been maintained in a normal and satisfactory manner."
ITT CORP., 1996 ANNUAL REPORT 12 (1997).

232. Lear
"Approximately 30,000 of the Company's workforce worldwide are subject to collective bargaining agreements. 26% of the Company's workforce are subject to collective bargaining agreements which expire within one year. Relationships with all unions are good and management does not anticipate any difficulties with respect to the agreements."
LEAR CORP., 1996 ANNUAL REPORT 42 (1997).

283. Millennium Chemicals
"Approximately 15% of the Company's employees are represented by various labor unions. Of the Company's fifteen collective bargaining agreements, eleven expire in 1997 and four expire in 1998. The Company believes that the relations of its operating subsidiaries with employees and unions are generally good."
MILLENIUM CHEM., INC., 1996 ANNUAL REPORT 14 (1997).

371. Nucor
"Nucor has a strong sense of loyalty and responsibility to its employees. Nucor has not closed a single facility, and has maintained stability in its work force, for many years. During periods of slower economic activity, employees are not terminated or laid off, but the facilities may operate at less than a full work week. Everyone at the facility still has a job. Productivity is high and employee relations are good."
NUCOR CORP., 1996 ANNUAL REPORT 4 (1997).

377. LG&E Energy
"The Company and its subsidiaries had 3,069 full-time employees at December 31, 1996. LG&E's approximately 1,500 operating, maintenance, and construction employees are members of the International Brotherhood of Electrical Workers (IBEW) Local 2100. The current three year contract will expire in November 1998."
LG&E ENERGY CORP., 1996 ANNUAL REPORT 16 (1997).

379. Universal
"Universal believes that in the United States approximately 1,300 of the non-salaried employees of its consolidated tobacco subsidiaries are represented by unions. Most of these are seasonal employees. The Company believes that its labor relations have been good."
UNIVERSAL CORP., 1996 ANNUAL REPORT 8 (1997).

385. W.W. Grainger
"The Company has never had a major work stoppage and believes that its employee relations are good."
W.W. GRAINGER, INC., 1996 ANNUAL REPORT 6 (1997).

409. Beverly Enterprises
"Approximately 100 of the Company's facilities are represented by various labor unions. Certain labor unions have publicly stated that they are concentrating their organizing efforts within the long-term healthcare industry. The Company, being one of the largest employers within the long-term healthcare industry, has been the target of a 'corporate campaign' by two AFL-CIO affiliated unions attempting to organize certain of the Company's facilities. Although the Company has never experienced any material work stoppages and believes that its relations with its employees (and the existing unions that represent certain of them) are generally good, the Company cannot predict the effect continued union representation or organizational activities will have on the Company's future activities. There can be no assurance that continued union representation and organizational activities will not result in material work stoppages, which could have a material adverse effect on the Company's operations."
BEVERLY ENTERS., INC., 1996 ANNUAL REPORT 28 (1997).

432. Whitman
"Whitman regards its employee relations as generally satisfactory."
WHITMAN CORP., 1996 ANNUAL REPORT 3 (1997).

461. Smith's Food & Drug Centers
"We pay competitive salaries and wages and offer outstanding benefits. Responding to local labor conditions, approximately 47% of our employees are unionized. We feel we have a very positive relationship with our labor organizations."
SMITH'S FOOD & DRUG CTRS., 1996 ANNUAL REPORT 10 (1997).

463. Bruno's
"Approximately 76% of the Company's employees are represented by unions under various collective bargaining agreements. The Company is currently a party to a number of separate collective bargaining agreements with affiliates of either the United Food and Commercial Workers Unions or the Retail, Wholesale and Department Store International Union. The agreements are generally negotiated

in three- or four-year cycles. Pursuant to the collective bargaining agreements, the Company contributes to various union-sponsored multi-employer pension plans. In general, the company believes that its relationships with its employees are good."
BRUNO'S, INC., 1996 ANNUAL REPORT 4 (1997).

484. Caldor
"The company has never suffered a strike and believes that its relations with its Associates and their unions are good."
CALDOR CORP., 1996 ANNUAL REPORT 8 (1997).

References to Absence of Union or Collective Bargaining

240. Office Depot
"The Company has never experienced a strike or any other work stoppages, and management believes that its relations with its employees are good. There are no collective bargaining agreements covering any of the Company's employees."
OFFICE DEPOT, INC., 1996 ANNUAL REPORT 8 (1997).

285. Eckerd
"The Company believes that overall employee relations are good. None of the Company's employees are represented by unions."
ECKERD CORP., 1996 ANNUAL REPORT 9 (1997).

304. PacifiCare Health Systems
"None of the Company's employees are presently covered by a collective bargaining agreement and the Company has not experienced any work stoppage since its organization. The Company considers its relations with its employees to be good."
PACIFICARE HEALTH SYS., INC., 1996 ANNUAL REPORT 12 (1997).

312. Quantum
"Quantum believes that a great part of its future success will depend on its continued ability to attract and retain qualified employees. None of the Company's employees are represented by a trade union, and the Company has experienced no work stoppages. Quantum believes that its employee relations are favorable."
QUANTUM CORP., 1996 ANNUAL REPORT 10 (1997).

314. Waban
"None of BJ's team members is represented by unions. BJ's considers its relations with its team members to be excellent."
WABAN, INC., 1996 ANNUAL REPORT 6 (1997).

337. UNUM
"UNUM does not have collective bargaining agreements with employees."
UNUM CORP., 1996 ANNUAL REPORT 8 (1997).

357. CompUSA
"None of the Company's employees are covered by collective bargaining agreements."
COMPUSA, INC., 1996 ANNUAL REPORT 4 (1997).

384. Intelligent Enterprises

"No employee is represented by a labor union and the Company believes that its employee relations are good."
INTELLIGENT ENTERS., 1996 ANNUAL REPORT 7 (1997).

387. MicroAge
"No employees are represented by labor unions. The company considers its employee relations to be good."
MICROAGE, INC., 1996 ANNUAL REPORT 8 (1997).

429. Baltimore Gas & Electric
"I am thankful that our employees recognized that it is better to work with the forces of change rather than working against them by voting for a union. More than 70 percent of employees whose votes were counted chose to preserve the advantage BGE has as a nonunion company in a unionized industry. There is no doubt in my mind that we are a stronger, more focused company for having gone through this experience."
BALTIMORE GAS & ELECTRIC CO., 1996 ANNUAL REPORT 6 (1997).

450. El Paso Natural Gas
"The company has no collective bargaining arrangements."
EL PASO NATURAL GAS CORP., 1996 ANNUAL REPORT 9 (1997).

APPENDIX G

CONTENT ANALYSIS OF HUMAN RESOURCES DISCLOSURES 1996 ANNUAL REPORTS FOR THE FORTUNE 500 COMPANIES

DISCLOSURES ABOUT PAY FOR PERFORMANCE SCHEMES

Informative Disclosures

5. General Electric
"Forty percent of every managers' bonus is tied to his or her progress on quality results."
GENERAL ELEC. CO., 1996 ANNUAL REPORT 4-5 (1997).

15. Chevron
"In January 1995, the company established a program that provides eligible employees with an annual cash bonus if the company achieves certain financial and safety goals. The total payout opportunity under the program is 8 percent of the employees' salary. In 1996, the payout ranged from 3.9 to 6.0 percent of employees' salaries. There was no payout in 1995."
CHEVRON CORP., 1996 ANNUAL REPORT 51 (1997).

22. Kmart
"To ensure that job performance and pay are directly linked, in 1996 the company revised its management compensation programs. Store managers became eligible for stock options and an option exchange program was completed to ensure that these incentives had value. Also in 1996, the bonus plan for store managers was revised so that 50 percent of the award was based on customer service scores recorded by 'mystery shoppers'. On average, customer service scores increased by nearly 5 percent over the previous year."
KMART CORP., 1996 ANNUAL REPORT 15 (1997).

65. Safeway
"The Company has performance-based compensation plans that cover approximately 7,000 management employees. Performance-based compensation plans set overall bonus levels based upon both operating results and working capital management. Individual bonuses are based on job performance."
SAFEWAY, INC., 1996 ANNUAL REPORT 14 (1997).

74. Phillips Petroleum
"Phillips also continued to tie pay to performance with the Performance Incentive Program (PIP). This program provides employees annual lump-sum payments (based on corporate and work group performance) if key safety and financial objectives are met. Total payments to employees based on 1996 performance averaged more than 10 percent of pay." PHILLIPS PETROLEUM CO., 1996 ANNUAL REPORT 29 (1997).

106. Delta Air Lines
"During fiscal 1996, Delta people earned $144 million through the Company's profit sharing program. With the implementation of the new collective bargaining agreement for Delta pilots, substantially all Delta personnel now participate in a profit sharing or other incentive compensation program."

DELTA AIR LINES, INC., 1996 ANNUAL REPORT 10 (1997).

122. Weyerhaeuser
"Weyerhaeuser took another major step in 1996 to align shareholder and employee interests when the Board of Directors approved a new compensation program for selected key managers. Compensation is dependent on criteria that measure Weyerhaeuser's total return to shareholders against our industry peer group and Standard and Poor's 500, and on how we compare with our peer group in achieving return on assets."
WEYERHAEUSER CO., 1996 ANNUAL REPORT 7 (1997).

181. Ultramar Diamond Shamrock
"A Performance Incentive Plan has been adopted by Diamond Shamrock under which the Compensation Committee may grant cash awards to eligible employees. For the years 1996, 1995 and 1994, the Company paid $ 4.3 million, $2.4 million and $2.7 million, respectively, under this plan."
ULTRAMAR DIAMOND SHAMROCK CORP., 1996 ANNUAL REPORT 47 (1997).

227. Continental Airlines
"We accomplished all of this by Working Together and paying monthly bonuses for improved performance. Our co-workers received a $65 incentive bonus every month we finished in the top three in on-time performance and $100 for a first-place finish. Each participating employee, manager level and below, earned $695 in on-time pay, and received their share of 15% of our pre-tax profit. In total, our 38,700 co-workers received more than $97 million in profit-sharing payments and on-time bonuses, on average representing 8.3% of their base pay. We are proud of our pay-for-performance strategy, which is good for our company, good for our co-workers and good for our stockholders. . . . By working as a team, the employees of Continental have added more than $1.5 billion in shareholder value over the last two years."
CONTINENTAL AIRLINES, INC., 1996 ANNUAL REPORT 7 (1997).

302. Bethlehem Steel
"Under the terms of our 1993 labor agreements with the USWA, most employees at our steel operations received a bonus in 1996 of $.50 per hour worked (maximum payment of $1,000) based on our having achieved the required level of 1995 adjusted consolidated pre-tax income. Also, profit sharing of 8% of adjusted consolidated annual income before taxes, unusual items and expenses applicable to the plan plus 2% of adjusted profits of certain operations is paid to USWA represented employees in the following year."
BETHLEHEM STEEL CORP., 1996 ANNUAL REPORT 10 (1997).

304. PacifiCare Health Systems
"The Company has an employee profit-sharing plan (the "Plan") covering substantially all full-time employees which provides for annual contributions by the Company of 2 percent of the annual compensation of employees and additional amounts determined by the Board of Directors, which are generally based upon a percentage of pretax income. Employees may defer up to twelve percent of their annual compensation under the Plan, with the Company matching one-half of the deferred amount, up to a maximum of three percent of annual compensation. Amounts charged to expense applicable to the Plan were $13.7 million, $14.3 million and $10.3 million for the fiscal years ended September 30, 1996, 1995 and 1994, respectively."
PACIFICARE HEALTH SYS., INC., 1996 ANNUAL REPORT 35 (1997).

345. Rohm & Haas
"Early in 1997, we shifted the basis of our annual bonus system to return on net assets (RONA), a measure of how efficiently we make, sell and deliver product. We now tie long-term bonuses for senior managers directly to total return to shareholders, and require them to hold specified amounts of Rohm and Haas stock."
ROHM & HAAS CO., 1996 ANNUAL REPORT 4 (1997).

371. Nucor
"All employees have a significant part of their compensation based on their productivity. Production employees work under group incentives which provide increased earnings for increased production. This additional compensation is paid weekly."
NUCOR CORP., 1996 ANNUAL REPORT 8 (1997).

391. Progressive
"Performance-based Compensation pays our people very well for exceptional performance, makes contingent pay significant to everyone and fosters the achievement of our demanding objectives. In 1996, 10.8 percent of total compensation resulted from our Gainsharing program."
PROGRESSIVE CORP., 1996 ANNUAL REPORT 20 (1997).

462. Harnischfeger Industries
"[Economic Value Added] helps provide employees with a business ownership perspective and guides business decisions we make. EVA targets (based on a 12 percent after-tax return) are the basis for the variable portion of employee compensation."
HARNISCHFEGER INDUS., INC., 1996 ANNUAL REPORT 7 (1997).

Vague Disclosures

21. PepsiCo
"Historically we've hired bright, ambitious people and moved them into lots of challenging assignments. It's been a big part of our success. But I believe PepsiCo would benefit more by moving people a bit less frequently. . . . So we intend to keep our people in jobs longer, extending management assignments. We're even looking at ways to change our compensations systems, so managers feel the financial impact of their decision for years, even if they've changed jobs within PepsiCo."
PEPSICO, INC., 1996 ANNUAL REPORT 6 (1997).

137. Banc One
"We now measure sales performance for every contact person in exactly the same way. Compensation programs will be tied to this measurement system and based on performance."
BANC ONE CORP., 1996 ANNUAL REPORT 14 (1997).

195. Honeywell
"Everyone should have a personal stake in the organization's success, so we've redesigned our compensation systems to reflect the contributions people make to business results."
HONEYWELL, INC., 1996 ANNUAL REPORT 10 (1997).

274. Quaker Oats
"To achieve the goals the Company has set for itself, we have implemented a performance management process that defines specific, measurable goals and detailed interim milestones for all salaried employees."
QUAKER OATS CO., 1996 ANNUAL REPORT 24 (1997).

356. Owens Corning
"Fixed-cost benefit 'entitlements' have been replaced by variable rewards in the form of stock, stock options, profit sharing, a cash balance plan and flex credits. Our U.S. salaried employees and many of our primary employees earned their first awards under this program in 1996. Global expansion of Rewards & Resources to all employees is our goal."
OWENS CORNING, 1996 ANNUAL REPORT 3 (1997).

433. Olin
"Through [Economic Value Added], we are maximizing the potential of each Olin business by providing employees at nearly all levels of the company with a powerful decision-making tool for establishing value-based performance objectives. EVA establishes a framework for achieving operational excellence in every area--quality, productivity, safety, yields and above all, satisfied customers. . . . Annual bonuses are EVA based. We get paid only if we perform. . . . All employees may participate in our Contributing Employee Ownership Plan, in which a year-end performance match is based on EVA results."
OLIN CORP., 1996 ANNUAL REPORT 3 (1997).

443. Yellow
"Our middle managers and professional staff also now have reasonable bonus plans that are tied more directly to company performance. The bonus plan was introduced in the wake of a salary freeze for all managers during 1996."
YELLOW CORP., 1996 ANNUAL REPORT 9 (1997).

461. Smith's Food & Drug Centers
"In addition to very competitive pay rates, Smith's rewards management at all levels throughout the Company with incentive bonus programs based on sales and profitability."
SMITH'S FOOD & DRUG CTRS., 1996 ANNUAL REPORT 8 (1997).

463. Bruno's
"The company has an incentive compensation plan covering its key management employees. Incentive compensation for store operations managers is based upon the profitability of the operation within the scope of their management responsibility."
BRUNO'S, INC., 1996 ANNUAL REPORT 4 (1997).

APPENDIX H

CONTENT ANALYSIS OF HUMAN RESOURCES DISCLOSURES 1996 ANNUAL REPORTS FOR THE FORTUNE 500 COMPANIES

DISCLOSURES ABOUT TURNOVER

Informative Disclosures

64. American Express
"Keeping our advisors on the American Express team is a critical issue. Competitors are aggressive in their attempts to recruit successful financial professionals, and ours are particularly good. Nonetheless, the number of advisors leaving for the competition again decreased in 1996. We also saw strong improvements in our own recruiting efforts during the latter part of the year, helping us to increase our total number of advisors to 8,340."
AMERICAN EXPRESS CO., 1995 ANNUAL REPORT 8 (1997).

227. Continental Airlines
"In 1996, compared to 1994, our employee turnover is down 34% . . . ."
CONTINENTAL AIRLINES, INC., 1996 ANNUAL REPORT 19 (1997).

371. Nucor
"Employee turnover in all mills is extremely low."
NUCOR CORP., 1996 ANNUAL REPORT 8 (1997).

424. Darden Restaurants
"Nearly one-third of our restaurant managers began their careers as entry-level employees at Darden, and other top performers joined us from colleges, culinary schools, and within the restaurant industry."
DARDEN RESTAURANTS, INC., 1996 ANNUAL REPORT 9 (1997).

443. Yellow
"Nonunion employee turnover, which had been a significant problem, also improved dramatically to more reasonable levels."
YELLOW CORP., 1996 ANNUAL REPORT 11 (1997).

491. Consolidated Stores
"Over 60 percent of our store managers and nearly 90 percent of our district managers were developed and promoted internally. We are gratified that the average tenure of our store managers is five years."
CONSOLIDATED STORES CORP., 1996 ANNUAL REPORT 11 (1997).

Vague Disclosures

111. NORTHWESTERN MUTUAL LIFE INSURANCE
"Building on the recruiting results of 1996, and improving the retention of career agents, are important to this strategy. Recent changes in field management compensation were directed toward these objectives."
NORTHWESTERN MUTUAL LIFE INS. CO., 1996 ANNUAL REPORT 13 (1997).

320. ORACLE
"The Company's continued growth and success depends to a significant extent on the continued service of senior management and other key employees and the hiring of new, qualified employees. . . . There can be no assurances that the Company will be successful in continuously recruiting new personnel and in retaining existing personnel."
ORACLE CORP., 1996 ANNUAL REPORT 7 (1997).

410. REPUBLIC NEW YORK
"We attract motivated individuals who stay with us for the long term. This longevity has advantages for everyone: because we seek to promote from within, employees increase their opportunities for advancement in the organization. And the longer employees are with us, the more knowledgeable [sic] they become, and the more value they bring to their relationships."
REPUBLIC NEW YORK CORP., 1996 ANNUAL REPORT 23 (1997).

470. SOLECTRON
"The Company's business also depends upon its ability to continue to attract and retain senior managers and skilled employees. Failure to do so could adversely affect the company's operations."
SOLECTRON CORP., 1996 ANNUAL REPORT 18 (1997).

APPENDIX I

CONTENT ANALYSIS OF HUMAN RESOURCES DISCLOSURES 1996 ANNUAL REPORTS FOR THE FORTUNE 500 COMPANIES

DISCLOSURES ABOUT EMPLOYEE STOCK OWNERSHIP

Informative Disclosures

5. General Electric
"Stock options--formerly held by a few hundred, now by 22,000 GE employees--provide a powerful incentive to learn and share and work together."
GENERAL ELEC. CO., 1996 ANNUAL REPORT 2 (1997).

15. Chevron
"At Chevron, building commitment means aligning employees' job goals with the corporation's objectives. It also means recognizing and rewarding employees for their efforts so they benefit when Chevron's financial performance and stockholder return improve. For instance, Chevron Success Sharing and an employee stock option plan reward employees with incentive pay when the company meets financial and operational targets. In addition, more than 95 percent of eligible employees are members of Chevron's profit sharing and savings plans. Cumulatively, they own 80 million shares--or about 12 percent of total outstanding shares."
CHEVRON CORP., 1996 ANNUAL REPORT 10 (1997).

17. Sears
"We put more pay at risk for our people, extending incentive bonus opportunity and stock options to all 15,000 salaried associates. We believe that people who are owners behave differently from people who aren't."
SEARS, ROEBUCK & CO., 1996 ANNUAL REPORT 4 (1997).

26. Lockheed Martin
"Our employees are both committed and incentivized to maximize shareholder returns since they own approximately 17 percent of Lockheed Martin's outstanding shares."
LOCKHEED MARTIN CORP., 1996 ANNUAL REPORT 2 (1997).

65. Safeway
"In addition to their pay and benefits, many of our people share in the company's success as stockholders. More than 25% of eligible U.S. employees participate in our payroll- deduction stock purchase plan. A considerable portion of Safeway's shares are owned, or under option to be owned, by employees."
SAFEWAY, INC., 1996 ANNUAL REPORT 6 (1997).

77. Ameritech
"More than 9 out of 10 Ameritech employees are also shareowners, escalating a sense of mission throughout our workforce."
AMERITECH CORP., 1996 ANNUAL REPORT 4 (1997).

80. Lehman Brothers

"In 1996, we continued to expand the Restricted Stock Unit program, under which each employee receives a percentage of total compensation in stock equivalents. As a result, Lehman Brothers has significantly increased employee ownership of its outstanding shares and equivalents from four percent at the time of the spin-off to 22 percent, today."
LEHMAN BROS., INC., 1996 ANNUAL REPORT 9 (1997).

84. AlliedSignal
"Although we can't guarantee jobs, we do offer our employees opportunities to build financial security by sharing in the company's success. For the thousands of men and women who actively participate in our employee savings plan, Allied-Signal matches their contributions with company stock. Since mid-1991, the value of AlliedSignal shares held by participants in the savings plan has increased by $1.6 billion to $2.1 billion.

. . . .

The combination of the company match plus the appreciation in the stock price has provided a very attractive return on employees' contributions. Today, nearly 4,000 savings plan participants each have account balances which exceed a quarter of a million dollars. Seeing to it that our employees feel and act like owners is the most important thing we can do to reach our destination of being premier."
ALLIEDSIGNAL, INC., 1996 ANNUAL REPORT 4-5 (1997).

90. McKesson
"McKesson employees hold a significant stake in the company through the employee stock ownership plan, which owns 25% of McKesson's equity, as well as through management incentive plans, stock options and direct share ownership. By almost any reckoning of employee shareholding, McKesson Corp. ranks among the top dozen public companies in this country."
MCKESSON CORP., 1996 ANNUAL REPORT 2 (1997).

109. Ashland
"Employees represent the company's largest single shareholder group, holding approximately 20 percent of Ashland common stock."
ASHLAND, INC., 1996 ANNUAL REPORT Inside Back Cover (1997).

133. Southern
"Our employees own about 12 percent of our Company and are responsible for 100 percent of our results."
SOUTHERN CO., 1996 ANNUAL REPORT 13 (1997).

147. Northwest Airlines
"The employees of Northwest made a profitable investment in their Company over the past three years and now own 23 percent of it."
NORTHWEST AIRLINES CORP., 1996 ANNUAL REPORT 2 (1997).

163. Salomon
"In managing our business and planning for the future we shall of course continue to be guided by what we judge will ultimately provide the greatest value to our shareholders. In this regard it may be worth noting that 85 percent of our employees own our stock, with senior managers having a large part of their personal wealth tied to the future success of our firm."
SALOMON, INC., 1996 ANNUAL REPORT 9-10 (1997).

165. Norwest
"To thank our 53,000 associates for the success and momentum of 'Best Practices,' we awarded them Best Practices PartnerShares stock option grants on July 23, 1996. One hundred option shares to full-time employees. Fifty option shares to part-time employees."
NORWEST CORP., 1996 ANNUAL REPORT 11 (1997).

174. Lowe's
"Employee stock ownership has been a major part of Lowe's corporate culture for decades. Every new person we hire becomes eligible for ESOP membership following the completion of one year's work, and we closed 1996 with more than 30,000 employee-owners motivated and dedicated to Lowe's growth and progress, knowing that corporate success and personal success are intertwined."
LOWE'S COS., INC., 1996 ANNUAL REPORT 2 (1997).

188. Coca-Cola Enterprises
"Direct employee ownership in Company stock increased from 15 percent in 1995 to 17 percent in 1996, reflecting a workforce that views increasing our market value as a personal objective."
COCA-COLA ENTERS., 1996 ANNUAL REPORT 5 (1997).

195. Honeywell
"It's a return also enjoyed by the 23,000 employees who are Honeywell shareholders."
HONEYWELL, INC., 1996 ANNUAL REPORT 2 (1997).

"We use quality training and business seminars to help employees understand both the business itself and the processes they can personally affect to drive business performance. We reinforce this connection through success-sharing compensation which ties team and business results to individual pay. More and more, we see evidence that Honeywell employees are acting like owners; focused on creating value for themselves, for customers and for other Honeywell shareholders."
Id. at 3.

249. Navistar
"Management employees must now take at least 40 hours of core business and skills education per year including the technical training that's required to perform many jobs. We also partnered with the United Auto Workers to introduce a program, called 'Joint Focus,' to educate Navistar employees at all levels and locations about business realities. An important part of this course is helping employees see what drives our stock price, and how they as individuals play a role in the company's viability. As approximately one-third of the company's common stock is held by our employees through the Supplemental Trust, this learning can help them understand how tightly their personal financial well-being is intertwined with company performance."
NAVISTAR INT'L CORP., 1996 ANNUAL REPORT 10 (1997).

274. Quaker Oats
"To further align employee's interests with those of shareholders, we strongly encourage stock ownership. In addition to management bonus compensation tied to controllable earnings, over 80 percent of our U.S. employees participate in some form of compensation plan linked to Quaker stock. Today, more than 11 percent

of Quaker stock is owned by employees, giving them a strong incentive to pursue greater shareholder value."
QUAKER OATS CO., 1996 ANNUAL REPORT 15 (1997).

288. Bear Sterns
"Our employee ownership approached 37% at the end of fiscal 1996. At the same time, approximately 95% of our senior managing directors voluntarily participated in Bear Sterns' Capital Accumulation Plan, signaling their confidence in Bear Stearns. The CAP Plan, instituted in 1991, permits senior managing directors to invest a percentage of their annual compensation in Bear Stearns common stock, purchased for them at prevailing market prices. In fiscal 1996 participants in the CAP Plan deferred approximately $140 million of their compensation. By participating in this plan, senior managment is investing in the future of Bear Stearns, ensuring that our objectives are aligned with those of our shareholders."
BEAR, STERNS & CO., INC., 1996 ANNUAL REPORT 8 (1997).

302. Bethlehem Steel
"We issued approximately 61,000 shares of Series B Preference Stock in 1996 and approximately 40,800 shares in 1995 to a trustee for the benefit of employees for 1995 and 1994, respectively, and expects to issue about 35,000 shares in early 1997 for the 1996 plan year."
BETHLEHEM STEEL CORP., 1996 ANNUAL REPORT 8 (1997).

315. CMS Energy
"Our 10,000 employees around the world have played a major role in the success of this company. But perhaps that is not surprising, since 88 percent of them are also shareholders."
CMS ENERGY CORP., 1996 ANNUAL REPORT 5 (1997).

316. UtiliCorp United
"At the end of 1996, about 89 percent of our 4,746 employees were shareowners, holding more than 12 percent of the total shares outstanding. Each of the individuals listed below has been recognized as a UtiliCorp Partner in 1996 for having an especially significant level of ownership in relation to salary level."
UTILICORP UNITED, INC., 1996 ANNUAL REPORT 11 (1997).

347. Owens-Illinois
"One of our highest priorities has been to create among our employees a growing sense of ownership in the company--and at the same time to forage a closer alignment between their long-term interests and those of our investors. We are making remarkable progress. Today, more than 80% of our 15,000 U.S. employees have investments in Owens-Illinois stock, compared with just 13% at the end of 1992."
OWENS-ILLINOIS, 1996 ANNUAL REPORT 5 (1997).

380. Automatic Data Processing
"Currently, over 20,000 associates own ADP stock. I am most pleased by the fact that over the years our associates have shared in over one billion dollars of stock appreciation. . . ."
AUTOMATIC DATA PROCESSING, INC., 1996 ANNUAL REPORT 2 (1997).

386. Williams
"Collectively, our employees own the largest portion of Williams shares--about 12 percent. They link their personal compensation opportunities more closely than

ever before to stock performance, creating commitment to the shareholder in the purest sense."
WILLIAMS COS., INC., 1996 ANNUAL REPORT 5 (1997).

415. Cinergy
"Cinergy's management and employees have a real ownership stake in this company. Our interests are aligned with those of other owners--which is exactly how it should be. Over 95% of Cinergy employees own stock in the company, and we encourage employee ownership through our 401(k) plans and a special stock purchase plan. My share ownership is in the top 10% of electric utility CEOs."
CINERGY CORP., 1996 ANNUAL REPORT 15 (1997).

446. Conseco
"We increased the direct ownership of Conseco stock by directors and officers. Between May and September, 22 directors and officers purchased a total of 4 million shares in the open market. Employees now own or control nearly one-fourth of the company's fully diluted shares, and virtually all employees own stock."
CONSECO, INC., 1996 ANNUAL REPORT 3 (1997).

476. Becton Dickinson
"We have also introduced a number of share purchase programs to encourage employee participation in the ownership of Becton Dickinson. One of these programs is our Global Share Investment Program (GSIP). This programs allows our associates to withhold a portion of their pay, matched by Becton Dickinson contributions, to purchase shares of company stock. Over the next few years GSIP will be made available to all Becton Dickinson associates around the world. A similar program has been available to U.S.-based employees for many years."
BECTON DICKINSON & CO., 1996 ANNUAL REPORT 5 (1997).

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38. BankAmerica
"Our goal is to encourage employees to act like owners by rewarding them according to how well the corporation performs for its shareholders."
BANKAMERICA CORP., 1996 ANNUAL REPORT 13 (1997).

48. Merck
"The Committee views stock ownership as a vehicle to align the interests of employees with those of the stockholders."
MERCK & CO., 1996 ANNUAL REPORT 55 (1997).

166. Cardinal Health
"The company actively promotes an ownership mentality among its employees and directors to maximize their focus on creating long-term value for shareholders."
CARDINAL HEALTH, INC., 1996 ANNUAL REPORT Inside Front Cover (1997).

172. Microsoft
"Microsoft employees currently receive salaries, incentive bonuses, other fringe benefits, and stock options."
MICROSOFT CORP., 1996 ANNUAL REPORT 23 (1997).

181. Ultramar Diamond Shamrock

"A special thanks goes to our employees, most of whom are also shareholders . . . ."
ULTRAMAR DIAMOND SHAMROCK CORP., 1996 ANNUAL REPORT 3 (1997).

232. Lear
"Lear is also committed to encouraging its employees to have a stake in the Company's future through our employee stock purchase plan as well as other share ownership programs. From our assembly line workers to senior management, at Lear, our entire team of over 40,000 employees has a long term interest in the Company's future."
LEAR CORP., 1996 ANNUAL REPORT 21 (1997).

444. Comerica
"Employee ownership is vital to our success and we are committed to helping every employee become a shareholder."
COMERICA, INC., 1996 ANNUAL REPORT 11 (1997).

461. Smith's Food & Drug Centers
"In addition, we encourage stock ownership through payroll deductions at a discount. Currently, employees may purchase stock at price which is 15% below the then current market price."
SMITH'S FOOD & DRUG CTRS., 1996 ANNUAL REPORT 10 (1997).

APPENDIX J

CONTENT ANALYSIS OF HUMAN RESOURCES DISCLOSURES 1996 ANNUAL REPORTS FOR THE FORTUNE 500 COMPANIES

DISCLOSURES ABOUT EMPLOYEE SURVEYS

Informative Disclosures

64. American Express

"We measure elements of our progress in achieving that vision through an annual survey of employees and financial advisors. Our 1996 results, the sixth year of gauging employee attitudes, showed marked improvement in many areas. Concerted efforts to address issues pinpointed in previous surveys are yielding results, particularly in areas of employee development and in our people's perception of the Company's commitment to them.

Diversity gaps, the differences in survey results for various groups throughout the Company, are measured and tracked through the survey as well. Gaps in employee satisfaction measurements for racial minorities are closing. We continue to focus on ways to strengthen our commitment to meaningful diversity throughout our company."

AMERICAN EXPRESS CO., 1996 ANNUAL REPORT 19 (1997).

84. AlliedSignal

"Surveys show that our employees place job security at the top to their list of priorities, but they know we cannot guarantee jobs; only customers can. Our employees are therefore committed to winning as much business as we can . . . by making higher-quality products, marketing them better and delivering them on spec and on time."

ALLIEDSIGNAL, INC., 1996 ANNUAL REPORT 4-5 (1997).

284. Gateway 2000

"In Gateway's 1996 U.S. employee survey, 92% of employees said they cared about the success of the company."

GATEWAY 2000, INC., 1996 ANNUAL REPORT 4 (1997).

345. Rohm & Haas

"The results of a 1996 employee survey challenged us to find better ways to link pay with performance."

ROHM & HAAS CO., 1996 ANNUAL REPORT 4 (1997).

454. Carolina Power & Light

"1996 Employee Satisfaction Survey showed further improvement in empowerment, communications about company plans for the future and dealing fairly with employees."

. . . .

"1995 Employee Satisfaction Survey showed continued improvement in several key areas including empowerment, performance management and communications about company activities and future plans."
CAROLINA POWER & LIGHT CO., 1996 ANNUAL REPORT Inside Cover (1997).

Vague Disclosures

461. Smith's Food & Drug Centers
"We encourage the entrepreneurial spirit by freely exchanging ideas and evaluating and acting upon suggestions for improvement. Employees are periodically surveyed to obtain feedback on what we are doing well and where we need to improve. These surveys collect data on a variety of topics including customer service, working environment, compensation and benefits, training, job satisfaction, job security, and working relationships with other employees and supervisors."
SMITH'S FOOD & DRUG CTRS., 1996 ANNUAL REPORT 7 (1997).

478. Ace Hardware
"In 1996 growing numbers of retailers used the McGraw Hill/London House Personnel Selection Inventory test which is given to prospective applicants. Another important tool is the Retail Employee Opinion Survey which gauges the level of satisfaction of retail personnel."
ACE HARDWARE CORP., 1996 ANNUAL REPORT 11 (1997).