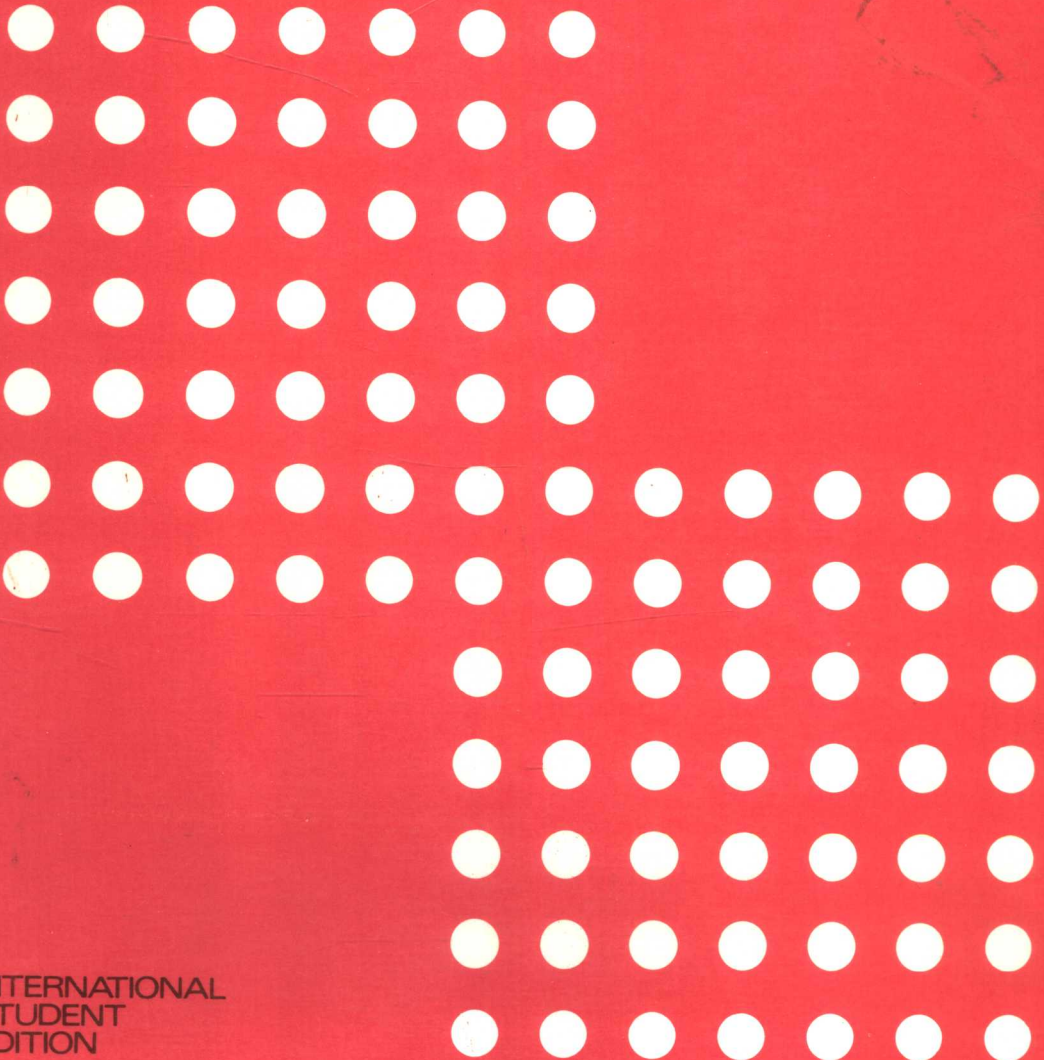


Pigors and Myers

# PERSONNEL ADMINISTRATION

A Point of View and a Method

Ninth Edition



INTERNATIONAL  
STUDENT  
EDITION

# **PERSONNEL ADMINISTRATION**

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**Paul Pigors**

**Massachusetts Institute of Technology**

**Charles A. Myers**

**Massachusetts Institute of Technology**

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# **PERSONNEL ADMINISTRATION**

## A Point of View and a Method

# About the Authors

PAUL PIGORS, Professor Emeritus, Industrial Relations, at Massachusetts Institute of Technology, received his Ph.D. in psychology (1927) after advanced study at Harvard University and Friedrich Wilhelm Universitaet, in Berlin. Teaching appointments have included Harvard University, the University of Rochester, Tufts College, and the Rensselaer Polytechnic Institute of Connecticut, Hartford Graduate Center. The following are a few of many professional and civic positions held: President, Industrial Relations Associates, Inc.; President, Social Workers' Club, Rochester, New York; board member, Community Workshops, Inc., Boston, Massachusetts; member of the Air Training Command Advisory Board; Consultant GS-15, U.S. Army Management Engineering Training Agency. He is a charter member of the National Academy of Arbitrators and a panel member of American Arbitration Association, Inc., and was listed as neutral arbitrator by the Federal Mediation and Conciliation Service. He has also served as lecturer and leader of discussion groups, not only throughout the United States but also in Britain, Belgium, France, Mexico, and Japan. In cooperation with his wife, he developed the Pigors Incident Process of Case Study and published many case studies in personnel administration and labor relations. These cases were presented over a period of many years at the American Management Association and, by the husband-and-wife team, at the John Hancock Mutual Life Insurance Company.

*Effective Communication in Industry* received the Lt. Rush Toland Award. The major text *Personnel Administration: A Point of View and a Method* is coauthored with Professor Charles A. Myers. This book and other publications have been translated into several languages.

CHARLES A. MYERS is Sloan Fellows Professor of Management (Emeritus) at the Sloan School of Management, Massachusetts Institute of Technology, and has been Director of the Industrial Relations Section there since 1948. He is a charter member of the National Academy of Arbitrators, and served as President of the Industrial Relations Research Association in 1962. He is author or coauthor of numerous books and articles; among the books are *Industrialism and Industrial Man* (with Clark Kerr, John T. Dunlop, and Frederick H. Harbison), *Management in the Industrial World* (with Harbison), *The Impact of Computers on Management* (ed.), and *The Role of the Private Sector in Manpower Development*. Professor Myers is a Fellow of the American Academy of Arts and Sciences; was Chairman of the National Manpower Policy Task Force in 1969–1971; and has been a consultant on personnel administration and industrial relations to a number of firms over the past 35 years. He has also lectured at many universities in this country and abroad.

# Preface

In the 34 years since the first edition of this book appeared, the staff function of personnel administration has moved into the front office of many corporate and nonprofit organizations. Moreover, managers at all organizational levels have become increasingly involved in the process of developing human assets of the organization. Many executives now recognize that personnel administration is an obligation to be shared by representatives of operating management and staff specialists. Yet much remains to be done so that both managers and students aiming for managerial careers may make the most of available opportunities to reexamine their ideas and assumptions about managing and developing people at work. This text is written for members of both groups, as well as for present and future personnel administrators.

This ninth edition retains the point of view and the descriptive method which characterized the first edition. We present a comprehensive and consistent point of view at the policy level. We also offer brief, general descriptions and evaluations of techniques and procedures which implement organization-wide personnel policies.

A new feature in this edition is greater emphasis, for personnel administration, on rapid changes and contemporary trends that are global in scope. Throughout the text, we consider and illustrate consequences and opportunities of change—within organizations and outside them—for managers, workers, and everyone who lives in today's world.

Two innovations, made years ago, have been retained—though updated in successive editions. Favorable responses from teachers and students have shown that the *introductions*, to each of the four main sections, are useful as a unifying preview of the chapters which follow. And a *list of cases* at the end of each section introduction indicates which cases (in Part 2) most specifically illustrate the ideas presented in Part 1 chapters. This aid to systems-minded reading is reinforced by references in chapters to cases in Part 2, and by questions, appended to cases, that are designed to stimulate analytical thinking. This system of cross-referencing helps to integrate the whole text. A change that is new to this edition is a list of major headings introducing each chapter. These headings provide a bird's-eye view of what is to come.

Selected references at the end of each chapter have appeared (updated) in all editions. We have retained some classics. These references provide students, teachers, and managers with suggested readings to stimulate their thinking about corporate policies and managerial practices. Many of these ideas are merely touched upon in the text. Supplementary reading can help students to deepen their understanding of the interrelationships among personnel policies, procedures, and practices.

Despite the addition of much new material, this edition retains the general form of the previous editions—with one notable exception. Chapter 1, "*Managing, Working, and Living in a Changing World*," is almost entirely new, although it contains some of the same ideas (updated) presented in Chapter 4 of the eighth edition. The "newness" of Chapter 1 consists primarily in developing, from the outset, a concept of interactive contemporary trends which have affected personnel administration. An advantage of starting with this material is the opportunity to *preview* topics considered in later chapters. We thus emphasize our view that personnel administration needs to be considered as an integrated whole in today's constantly changing world of work.

Personnel administration has continued to develop in response to changes inside and outside of organizations. No single book can cover the whole subject in depth. Nor, because of the interval between writing and publication, can a book on this subject remain up to the minute in every detail. But this time we have updated chapters written a few months earlier—some even in galley proof.

As in previous editions, we have been selective in emphasizing those developments which seem to us most important. We have drawn heavily on new findings in the behavioral sciences but have omitted details of controversies which have been raging in the professional literature. We continue the practice, embarked on in the eighth edition, of avoiding language which reflects sex stereotyping. (Some of this biased wording slipped into previous editions, as it has in most published literature, where "he" and "his" were—and often are—used extensively.) This change in style is the more timely because an increasing number of women have entered the work force and advanced in all job categories. However, in some case examples in Part 1 and some full-length cases in Part 2 the participants were men. We hope our readers will understand that "he" and "his" are appropriate in those instances.



In Section A of this edition, we have again revised Chapter 2 (formerly Chapter 1) to reflect the latest writing about the relevance of approaches by McGregor and Likert, and about the continuum over which managers may move in working with people in organizations. Chapter 3 has been revised and condensed to reflect the blurring of line-staff roles, especially in project or matrix organizations and under the pressures of the Equal Employment Opportunity Commission (EEOC) and the Occupational Safety and Health Act (OSHA), which may have the effect of putting more responsibility for control in the hands of personnel administrators. However, we continue to believe that personnel administrators can be most useful in a *staff role*. Yet we also note that vice-presidents of personnel (or human resources) have gained in status and now frequently participate with upper-level managers in strategic planning. Chapter 4 has been revised to reflect the latest concepts in management development and in managerial planning and forecasting. A new section has been added on women and minorities in management.

In Section B, Chapter 5 retains its former comparison between a mechanical communications system and the psychological process of person-to-person communicating. We also suggest reasons why authoritarian management tends to set up communication blocks, while participative management frees communication at and between all organizational levels. In this edition, the chapter ends with detailed case examples which illustrate what is required for effective two-way communication between managers and a large number of employees. Chapter 6 again begins with behavioral science theory about the various levels on which “motivators” affect behavior, and the consequences that come about when employees (1) are concerned chiefly with avoiding “dissatisfiers” or (2) find—in the work situation—stimulus to seek high-level “satisfiers.” Case examples at the end of the chapter illustrate highly motivated behavior. Chapter 7 has been revised to incorporate recent studies concerning the role of first-level supervisors. We point out the advantages of enriching their jobs so that they can function as first-level *managers*. New case examples have been added. Chapter 8 contains updated information on union and employee associations. There is increased emphasis on public-sector unions and public-sector collective bargaining, which has spread rapidly throughout cities and states in the United States. In addition, there is expanded discussion of strikes and of methods of dispute settlement in private and public sectors.

In Section C, Chapter 9 has again been condensed. But we have tried to clarify the idea that situation-oriented thinking—to size up a situation, pinpointing issues for action—characteristically includes and integrates factors which may often be overlooked or underestimated by a casual observer. Chapter 10 remains much the same, as to general ideas presented and recommendations made. But we have tried to write it more simply and clearly, highlighting an interviewer's obligation to listen and to do everything possible to ensure that each interview represents a genuine *interchange of views*. Chapter 11 has been revised to reflect newer ways of diagnosing organizational health. We again emphasize the role of personnel research in this effort. Chapter 12 continues with an analysis of

employee turnover—its values in opening opportunities to employees, as well as the problems that excessive turnover presents to management. Chapter 13, on analyzing complaints and grievances, has been updated and condensed. Expedited arbitration, sometimes used as an alternative to the traditional method of arbitration, is again considered, as is the role of ombudsmen and the “open-door policy.”

In Section D, which presents an integrated personnel policy system, all chapters have been revised. In Chapter 14 we have suggested the idea that opportunities for career development could be included in a standard job description. Another addition is use of position analysis questionnaires as a means to explore job dimensions and to implement an employee-oriented approach to job analysis. We also stress the role played by behavioral job descriptions to satisfy EEOC guidelines for valid selection tests. Chapter 15 now begins with evolving requirements for achieving Affirmative Action goals, and their impact on the subsequent discussion of recruitment, selection, and placement. Chapter 16 has undergone minor revision which emphasizes the limitations of traditional performance appraisals, and advantages of alternative ways to evaluate employee performance. Illustrative forms are included within this Chapter. Chapter 17 has an expanded section on the continuing conflict between seniority and equal employment opportunity for women and minorities, especially in periods of economic downturn and layoff. Chapter 18 presents an expanded discussion of a positive approach to employee discipline. We also explain first-level supervisors’ responsibility for prompt discipline of employees for willful noncompliance with legal requirements imposed by OSHA. Chapter 19 has an expanded section on flexible working hours, or “flexitime,” a way of adjusting working hours to individual needs and desires. Discussion of the shorter workweek, with longer shifts, has been added.

In Section E, Chapter 20 includes concepts of equity in pay that relate to performance and ways in which other aspects of wage and salary administration are affected. The section on executive compensation has been revised, and the data on fringe benefits have been updated. Case examples illustrate the spread of employee-choice benefit options. Chapter 21 has been revised to reflect changing developments in the Scanlon Plan, in other joint efforts of management and employees to increase productivity, and in profit sharing. The section on individual incentive pay systems has been condensed. A new feature of Chapter 22 draws attention to the importance, for policy decisions on health and safety of employees, of visualizing a multiple context which includes (1) the immediate work place, (2) the local community, (3) regional and national areas, and (4) the international scene. The HMO Act has been a positive factor in the trend away from “sickness care” and toward “health care” (by preventive medicine). Chapter 23 has been completely rewritten. Recent developments in personnel administration and predictions for changes in managing human resources are considered in some detail.

In Part 2, two full-length cases have been added: Case 16, “Turner Corporation: Salary Policy,” and Case 17, “What Price the Corporate Image?”

Two cases in the former edition have been dropped to make room for the new cases. We had planned to drop more, but many users of this text asked to have them retained. For minor changes in the presentation of case material, we refer readers to the Introduction to Part 2.

This ninth edition, like the others, has benefited from comments made by students and colleagues at MIT and also by teachers in other colleges and universities who have used the book. At the request of our publishers, some of these users reviewed our proposed outline for this edition and recommended changes from the eighth edition which seemed to them desirable. We adopted a number of these suggestions and appreciate the help of the following individuals: Professor E. Robert Livernash of the Harvard Business School, Professor Robert J. Agnew of the University of Pittsburgh, Professor Barbara J. Marting of Indiana State University, and Professor Robert J. Small of Fairleigh Dickinson University. We are also indebted to Dr. Richard C. Waters for providing expert advice on the computer section of Chapter 1 and to Dr. Lawrence J. Ackerman for reviewing parts of Chapter 20.

As in all earlier editions, we acknowledge our continuing great debt to Faith Pigors, wife of the senior author. She contributed substantially to many chapters, and her editorial suggestions made the whole text more readable. As an MIT Sloan Fellow remarked some years ago, "Greater uniformity of style is possible when one of the authors has Faith." In this edition, as in previous ones, Nancy Myers was also helpful in many ways. For this edition she has prepared the Name Index.

We are also glad to have this opportunity of expressing our keen appreciation for the special encouragement and cooperation of three outstanding McGraw-Hill editors, John F. Carleo, Kathi A. Benson, and Laura D. Warner. As before, we are greatly indebted to Laura Carchia, Librarian of the Industrial Relations Collection of Dewey Library, for expert assistance in checking references and keeping us up to date on recent publications. Thelma Norton, her assistant during most of the time when we were preparing the manuscript, provided similar help. We greatly appreciate not only the efficiency of their assistance, but also their unfailing graciousness. Both of them always offered their services cheerfully—often spontaneously.

We are also grateful for essential secretarial help, in various stages of this revision, from Susan Radley, Diane Eckel, and Dale Conway, all of them on the MIT Industrial Relations staff. They typed and retyped many parts of the manuscript. Without their faithful support successive deadlines could not have been met.

*Paul Pigors*  
*Charles A. Myers*

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# Section A

## Management and Personnel Administration

The central theme of this book is the personnel responsibility of line managers. Chapters 1 to 5 show interactive effects in a changing world, between managerial concepts, the personnel function, general organization planning, and career development.

Chapter 1 begins with an explanation of what we mean by our text title. First it presents *a viewpoint about managing*—with emphasis on personnel responsibilities—and then it outlines *personnel administration as an integrated method—a set of staff functions, but also a managerial responsibility*. That subsection ends with a list of managerial characteristics that are needed, now and in the future, to implement a positive approach to change.

Most of Chapter 1 consists in a consideration of interlinking contemporary changes. Topics touched on are population trends; economic trends; changing composition and caliber of the work force; values, expectations, and life-styles in transition; changes in cities and suburbs; rapidly advancing technology; changes in the physical environment; and human rights, civil rights, legislation, and government regulation.

In Chapter 2 we consider various managerial concepts: managing by centralized direction and control and managing by shared objectives and self-control. The relevance of behavioral science research to effective managerial thinking today is summarized, as are developments which raise questions. External pressures that affect managerial concepts are noted in addition to those mentioned in Chapter 1. Within any organization, top management's ideas and attitudes establish the climate for personnel relationships.