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THIRD EDITION

Human Resources Management

H.T. Graham



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PREFACE TO THE THIRD EDITION

Human Resources Management is a subject which under various titles appears to an increasing extent in many professional and technical courses. It combines elements of industrial psychology, personnel management, training and industrial relations, therefore raising difficulties for the student because he is referred to a large number of textbooks, nearly all including much more detail than he needs and some not easily available or accessible. This HANDBOOK brings together in concise form the essential points he requires, and relates the various parts of the subject to each other by cross-references between chapters and sections. The book therefore provides a framework for the study of the subject and an aid to examination revision. In addition it may also be useful to managers who wish to have a convenient reference book covering the human aspects of their work.

In this third edition the sections concerning the law of employment (particularly dismissal, redundancy, safety and discrimination) have been revised to take account of the extensive legislation that has come into force since 1974 with particular reference to the Employment Protection (Consolidation) Act 1978 and, more recently, the Employment Act 1980. The opportunity has also been taken to add a section on management development and to bring up to date those dealing with participation, appraisal and company pension schemes. The chapter on industrial relations has been rewritten to take account of the very extensive changes in the law since the first edition appeared.

For convenience, the term company has been used to denote any kind of employer, public or private, large or small, in preference to such words as undertaking, enterprise or organisation. The words employee or worker refer to any employed person, whether paid by wage or salary.

Further reading on this subject is, of course, essential and Appendix VI lists books which, at the time of writing, are easy to obtain and comparatively inexpensive. Some of the examinations for which this book should be found useful are:

Diploma in Management Studies
Fellowship of the Chartered Insurance Institute

Institute of Management Services
Royal Institute of Chemistry—endorsement in Industrial
Administration
London Chamber of Commerce and Industry—Private
Secretary's Certificate
National Examinations Board for Supervisory Studies
(N.E.B.S.S.)
Institute of Administrative Management
Institute of Personnel Management
Institute of Chartered Secretaries and Administrators
Certificate in Distributive Management Principles
BEC National and Higher National Diplomas

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PART ONE

INDUSTRIAL PSYCHOLOGY



CHAPTER I

ELEMENTARY INDIVIDUAL PSYCHOLOGY

INTRODUCTION

1. Definition. The purpose of human resources management is to ensure that the employees of a company, *i.e.* its human resources, are used in such a way that the employer obtains the greatest possible benefit from their abilities and the employees obtain both material and psychological rewards from their work. It is based on the findings of industrial psychology summarised in the first part of this book and uses the techniques and procedures known collectively as personnel management which are described in the second part. Everyone who has control over others shares in human resources management; it is not a function which he can avoid and leave to specialists. Human resources are much more difficult to manage than material resources partly because conflict often occurs between the employer's and the employees' wishes and partly because to an increasing extent employees try to share in making decisions about their working environment.

2. Psychology and the manager. The above definition implies that the manager, to be successful, must understand and be able to use personnel management techniques and in addition have some knowledge of the principles of industrial psychology on which they are based. He must be aware of the results of psychological studies of the employee as an individual, as a member of a working group and as a person whose behaviour is influenced to some extent by his technological environment. No one can lay down precise laws of psychology; we have to be content with tendencies, principles or theories rather than laws. It is possible to predict how the majority of people will behave in certain circumstances but almost impossible to foresee whether an individual will belong to the majority or the minority. The reason for this is the nature of psychology itself.

3. Psychology as a science. In their investigations into natural phenomena, scientists try to follow accepted rules in order to reach well-founded conclusions. Scientific method, as these rules are called, requires:

(a) *Facts which are impersonal, i.e. independent of any particular observer.* Impressions or opinions should be avoided.

(b) *Objective observations, i.e. separate observers will agree when observing the same phenomenon simultaneously, or when it is repeated on different occasions.* Subjective observations, i.e. those which depend on interpretation, surmise or judgment by an individual, should not be used.

(c) *Investigation into all aspects of the problem,* rather than making assumptions; every possible fact should be collected and considered.

(d) *Experimental controls,* so that changes in one factor (the subject of the experiment) are observed, while other factors are kept unchanged.

(e) *Quantitative measurements and descriptions.* The need to provide measurements improves the design of an experiment, and numerical results can be classified and analysed, if necessary by statistical methods.

A study of these rules of scientific method will show how difficult it is to carry out truly scientific investigations into human behaviour. Taking the rules in order:

(a) *Behaviour is very often interpreted according to an observer's own experience and personality (see 10).*

(b) Human behaviour has a quality which on any occasion *may please some judges and displease others*, or the same observer may form a different opinion of the same behaviour when it is repeated. Completely identical judgments rarely occur.

(c) Investigation of all aspects would include, for example, *complete knowledge of a person's heredity and environment (see IV, 2).* This is never possible with human beings.

(d) *It is very difficult to control experiments with human beings*, because it is impossible to know that all factors (except the one being investigated) are really stable. There may be unknown influences at work (e.g. dislike of the experimenter) and interference by various factors in the environment cannot in practice be eliminated.

(e) *Many aspects of human behaviour cannot be measured*, for example personality traits (see IV, 9-13).

4. **Improving the quality of experiments.** Psychological investigations can never therefore be truly scientific, though every effort should be made to follow scientific method as far as possible. The following methods are often used to improve the quality of experiments:

(a) *Animals instead of humans* are sometimes the subjects of experiments, because their heredity and environment can be closely controlled and because they are available in large numbers. Obviously, it should not be assumed that animal behaviour is necessarily a true guide to human behaviour.

(b) *Large groups of experimental subjects* are used instead of individuals or small groups. Results from large groups will indicate a statistical probability of certain behaviour. For example, an experiment regarding a selection test might show that out of every 100 people reaching a score of X, about 75 will be successful in a certain occupation—but the identities of the successful and unsuccessful candidates in any group cannot be shown.

(c) As far as possible, people are studied in their *normal environment* and not in a laboratory or some other artificial situation which would make their behaviour untypical.

Psychology therefore does not give us infallible laws of behaviour, but instead suggests a series of principles, theories or tendencies which predict with a fair degree of accuracy how most people will behave in various situations, and can explain behaviour after it has occurred. In this and the following chapters the principles of psychology most relevant to industry and commerce will be considered.

ATTENTION AND PERCEPTION

5. **Sensation.** People, like the police, act on the basis of information received. The information coming from a person's environment reaches him through his *senses*, by messages called *sensations*. The following are the most important senses, nearly all of which need no explanation:

(a) Sight.

(b) Hearing.

- (c) Smell.
- (d) Taste.
- (e) Skin (pressure, heat, cold, pain, etc.).
- (f) Balance.
- (g) Kinaesthesia (means of knowing the position and movement of limbs by messages received from muscles and tendons).

Therefore at any time a variety of information regarding the outside world is reaching a person's brain through his senses. The amount of information would be overwhelming and baffling unless some arrangement, called *attention*, was made to deal with the relevant and necessary part of it, discarding the rest.

6. Attention. The selection of certain sensations to be dealt with by the conscious mind may be:

(a) *Deliberate*—by an effort of will irrelevant, useless or distracting sensations are shut out. A student may in time develop the power of reading a textbook in a room where others are watching television, or a worker may concentrate on a job disregarding conversation going on round him. Certain sensations are only recognised if they are searched for deliberately, for example the ticking of a clock.

(b) *Involuntary*—a person, even though he is attempting to concentrate, may find that certain sensations are forced on his attention by the subject matter of the information, or the form in which it is presented. The factors which govern involuntary attention are divided into two groups: subjective and objective.

7. Subjective and objective factors of attention. Subjective factors of attention are the elements in sensations which carry a personal message; the sound of a long-awaited bus, or one's name mentioned in a conversation at the other side of a crowded room. Sensations which have a personal interest, or comply with current moods and needs, are likely to take precedence for our conscious attention over sensations which are impersonal, neutral or relevant to others rather than ourselves.

Objective factors of attention are those which lie outside the personality of the receiver; they are likely to have the same

effect on everyone. They chiefly concern the form in which the sensation is presented, rather than its subject matter. The objective factors are:

(a) *Intensity*—the loudness, brightness or size of the sensation. Shouted words are more likely to receive attention than a whisper, vivid colours more than pastel shades, a stench more than a faint odour.

(b) *Change or movement*—constant variety in the shape, size or position of an object will cause it to be noticed. This factor applies particularly to the sense of sight.

(c) *Repetition*—something seen, heard, etc., over and over again is likely to receive conscious attention providing the repetition does not become monotonous and accepted as customary, like the lamp-posts along a road.

(d) *Systematic arrangement into patterns*—sensations presented in an orderly way, for example a notice set out with headings and sections, is more likely to receive attention than an untidy and confused arrangement. The completion of a pattern is also significant; for example after a flash of lightning people usually listen to see if a clap of thunder will follow, or a speaker may hold the attention of his audience by saying he will make five points and delaying his exposition of the fifth until the end of his speech.

(e) *Novelty*—the unusual or unexpected event is always likely to receive more attention than the familiar. A person normally dressed quietly and conventionally will be noticed if he wears bright-coloured bizarre clothes; a speaker, to obtain his audience's attention, may begin with an outrageous assertion which he then knocks down.

8. The relevance of attention in management. The advertising profession makes use of the subjective and objective factors of attention when devising advertisements and publicity campaigns (see *Marketing* by G. B. Giles, M. & E. HANDBOOK series). Managers should also bear these factors in mind when communicating with employees (see IX). Some of the factors are less relevant than others to managers (for example, change or movement), and in the work situation subjective factors tend to be more important than objective, but the use of the appropriate principles of attention is vital if communications within an organisation are to be effective.

9. Perception. Sensations are by themselves no more than colours, shapes, sounds, pains, pressures, etc. Something must be added to them before they have meaning and their source is identified. The mental function of giving significance to sensations is called *perception*; for example, one *perceives* black marks on white paper as words and sentences. The process of perception appears to follow these principles:

(a) *The brain relates incoming sensations to its store of past experiences*, and associates them with events or objects which in the past have provided the same or similar sensations.

(b) *A meaning is then perceived*; for example, a sound may be recognised as a train, another as a bus (perhaps mistakenly—it may be a lorry).

(c) *If the sensation does not appear to provide evidence*, confirmation may be sought by looking for other sensations to support the first. For example, if someone is not sure whether the sound he hears represents a bus or not, he may look among the approaching traffic to see if a bus is there.

(d) *Perception may be made confidently and sometimes wrongly* on the basis of little sensory information. A slight change of facial expression is sometimes perceived as meaning approval, disapproval, interest, indifference, etc.

(e) *Perception may be influenced by suggestion*. It is difficult for one individual to perceive a sensation in a different way from a group or an influential person, because a certain perception is suggested to him. Pre-conceptions can affect perception by suggestion; for example in a firm where industrial relations are poor, practically any action or statement by management may be perceived as hostile to the employees. Sometimes one sense may influence the perception of another sense; for example, a voice may seem to emerge from a ventriloquist's dummy.

(f) Perception is also influenced by a person's *motives* (see II) and attitudes (see VII, 12). He tends to perceive sensations in ways which conform to his general outlook, are welcome rather than unwelcome, and are familiar rather than unfamiliar.

10. The importance of perception. Since every individual is different, it is possible for one set of sensations to be perceived

in different ways by different people, because they all interpret sensations through their own experiences, motives and attitudes. In the management of people, differences in perception can be the source of many difficulties and conflicts, for example:

(a) *Communication*—a quite sincere and well-meaning communication from management to employees, or vice versa, may be perceived as a threat or a deprivation. Before the communication is made it may be necessary to reduce suspicion and allay fears so that the message may be correctly perceived (see IX).

(b) *Judgment of people*—the assessment of candidates for employment (see V) or the appraisal of subordinates (see XVIII) is affected by the assessor's own preferences and prejudices. An interviewer tends to perceive favourably a candidate whose background is similar to his own. Manager A, when appraising a subordinate who frequently comes to him with suggestions for changing work procedures, may rate him as outstanding in initiative. Manager B might rate the same sort of person as unco-operative. It is much easier to gain agreement on the perception of a *ranking* of some quality (i.e. in what order individuals in a group should be placed for their possession of that quality—height, initiative, co-operation, etc.) than on the perception of the absolute degree to which one individual shows that quality. If several managers who knew a group of employees well were asked to rank them in order of dependability quite close agreement would be obtained between the rank-orders, but if the managers were asked to say how dependable one person was there would be considerable disagreement between them.

(c) *Training*—in manual tasks particularly, the object of a large part of the training is to teach the trainee to perceive certain cues or signals in the process to which he must make an appropriate response (see XX, 6). The training officer will not be successful unless he first identifies these “perceptual cues” and devises exercises to facilitate their recognition.

(d) *Motivation*—people with the same need to satisfy may not perceive the same means of satisfaction (see II). There may be different perceptions as to what motives are likely