

FOURTH EDITION

PERSONNEL

AND

INDUSTRIAL

RELATIONS

A Managerial Approach

John B. Miner

Mary Green Miner

Personnel and Industrial Relations

A Managerial Approach

fourth edition

John B. Miner

Georgia State University

Mary Green Miner

The Bureau of National Affairs, Inc.

MACMILLAN PUBLISHING COMPANY

NEW YORK

COLLIER MACMILLAN PUBLISHERS

LONDON

Copyright © 1985, Macmillan Publishing Company, a division of Macmillan, Inc.

Printed in the United States of America

All rights reserved. No part of this book may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage and retrieval system, without permission in writing from the Publisher.

Earlier editions copyright © 1969, 1973, and © copyright 1977
by Macmillan Publishing Company

Macmillan Publishing Company
866 Third Avenue, New York, New York 10022

Collier Macmillan Canada, Inc.

Library of Congress Cataloging in Publication Data

Miner, John B.

Personnel and industrial relations.

Includes indexes.

1. Personnel management. 2. Industrial relations.

I. Miner, Mary Green. II. Title.

HF5549.M522 1985 658.3 84-7175

ISBN 0-02-381620-1 (Hardcover Edition)

ISBN 0-02-946450-1 (International Edition)

Printing: 1 2 3 4 5 6 7 8 Year: 5 6 7 8 9 0 1 2

Preface

In view of the variety of books written to provide an introduction to personnel management, it is important to indicate where within this dissimilar array the present volume falls. It is assumed that personnel management represents a relatively circumscribed field within the broader organizational framework and that a student will take other courses dealing with the more general managerial functions and organizational processes. Thus subject matter that is commonly identified with such fields as organization theory, management, administrative science, organizational behavior, and human relations is given scant attention here.

Organization theory has had an impact on this book almost entirely as it provides a framework for analysis and a method of defining the limits of the personnel management field. Used in this way, organization theory could perform the same function for books on other aspects of organizational operation—marketing, manufacturing, and accounting, for instance.

This emphasis on the organization as the unit of analysis yields some rather distinctive advantages. Among these the most significant appears to be the provision of a value system in terms of which the techniques and procedures of personnel management may be appraised. Throughout this book, reference to the fact that a personnel manager *should* do this or that means that doing so will in all probability contribute most effectively to the goals of the organization and thus to the fulfillment of managerial responsibilities. The frame of reference is the organization, the company, and not the individual employee or the total society. The values of the social system as a whole are reflected in what is described as the constraint and facilitator structure, but they do not provide a primary focus. It is this stress on the organization as the unit of analysis that leads to the subtitle "A Managerial Approach." The *manager's* job is to make the *organization* as effective as possible.

An additional feature is a major concern with managerial problem solving, rather than descriptions of existing practice. The goal is to provide the reader with sufficient knowledge of approaches and relevant considerations so that he

or she may develop appropriate strategies for solving a company's personnel problems. The chapter-end cases, under the title "Applying What You Know," are intended to further this same objective.

Because much of our current knowledge in the personnel area derives from behavioral science research, this research has been incorporated extensively in many parts of the book. Yet the intent is to deal with problems of human resources utilization in all their manifestations. The behavioral sciences of psychology, sociology, political science, and cultural anthropology have contributed solutions to these problems in an extremely uneven manner. In some areas, behavioral science research provides practically all that is known; in other areas, behavioral scientists have conducted almost no research at all. Knowledge in the field of personnel and industrial relations derives from a host of disciplines. In what follows, every effort has been made to present the best information available, irrespective of its disciplinary origin.

The preparation of a new edition provides an opportunity to incorporate legislative changes and advances in research. Furthermore, as fields of study evolve, there are inevitably new topics that emerge on the horizon and increases in the salience of certain already existing concerns. The topic areas that have seen major new developments are reflected in the chapters that have been revised most thoroughly and had the most new references added. The most pronounced changes are in the chapters dealing with recruiting, management and organization development, employee training and career development, and future needs for more effective personnel and industrial relations. Although to a somewhat lesser degree, there have been substantial changes in the chapters on legal influences, safety management and preventive medicine, and labor relations as well. In contrast, topic areas such as the historical development of personnel management, modeling the personnel function, individual differences and cultural contexts, management appraisal, and internal communications have been relatively quiescent since the last edition. This is not to say, however, that they have remained totally unchanged.

The chapter structure of this volume remains the same as in the previous edition. Users seemed pleased with that structure; it is entirely consistent with the systems-oriented organizational model set forth in Chapter 3; and the personnel field has not undergone the type of dramatic change in the past few years that would require the addition or deletion of chapters. Nevertheless, the sequence of chapters does depart in certain small respects from traditional ordering. Some readers may desire to combine parts of Chapter 5, dealing with labor relations law, with Chapter 19, which covers other aspects of labor relations. Other aspects of Chapter 5 might be read in conjunction with Chapters 10 through 13, 16, and 17, again to combine legislation with certain relevant subject matter. For some purposes Chapter 4, on individual differences, might well be taken up along with Chapter 13, on psychological testing. Some would argue for a sequence running from jobs (Chapters 6 and 7) through filling jobs (Chapters 10, 11, 12, and 13), to training (Chapters 14 and 15), then to evaluation (Chapters 8 and 9), and finally to compensation (Chapter 16). There is nothing

to prevent using the material in these varied ways. Yet, overall, the existing chapter sequence appears to be the most meaningful.

Although the chapter structure of the book has remained unchanged, the content of the chapters has been updated and reworked to produce what amounts to a major revision. On the average, roughly 45 percent of the material in each chapter is brand new. Over two-thirds of the references noted at the end of the chapters have been published in the 1980s, and the remainder are split almost equally between publications appearing in the second half of the 1970s and those appearing prior to 1975. These references have been selected to provide adequate documentation of statements in the text, but an attempt also has been made to provide an up-to-date list of good sources for further reading and study in the various topic areas.

This revision has been carried out entirely by the senior author. It has been a very pleasant experience to get back to the personnel and industrial relations field in this manner after spending several years writing in other areas. The members of a doctoral seminar in personnel management at Georgia State conducted in the Spring of 1983 were particularly helpful in this regard. So too were my wife, Barbara W. Miner, and my secretary, Martha Giardina, both of whom contributed in numerous ways. I appreciate the help of all.

J. B. M.

Contents

Part I The Nature and Emergence of Personnel Management

- 1 The Goals of Personnel and the Jobs of Personnel Managers** **1**
- The Goals of Personnel Management / 3 The Work of Personnel Management / 6 Personnel Management in the Organizational Context / 7 Careers in Personnel and Industrial Relations / 14 Chapter Summary / 22
Questions / 23 Applying What You Know / 24
References / 25
- 2 The Historical Development of Personnel Management** **27**
- The Beginnings / 28 Early Industrial Psychology / 32
The Interval Between the Wars / 33 World War II / 36
1945–1970: A Quarter Century of Growth / 38
The Recent Past / 42 Chapter Summary / 43
Questions / 44 Applying What You Know / 45
References / 46
- 3 A Model of the Personnel Management Function** **48**
- Goals, Constraints, and Facilitators / 49 Inputs and Outputs / 53 The Input–Output Mediators / 55
The Problem-Solving Approach to Personnel Management / 58 Chapter Summary / 63
Questions / 64 Applying What You Know / 65
References / 66

Part II Constraints and Facilitators for Personnel Decisions

- 4 Individual Differences and Cultural Contexts 70**
Individual and Group Differences / 71 Varying Cultural
Contexts / 85 Geographical and Industry
Characteristics / 93 Chapter Summary / 95
Questions / 95 Applying What You Know / 96
References / 97
- 5 Legal Influences 100**
The General Nature and Extent of Legal Influences / 101
Legal Aspects of Selection and Promotion Decisions / 104
Legal Aspects of Compensation / 111 Working-Hour
Constraints / 115 Legislation Affecting the Work
Environment / 116 Legal Influences on Separation / 118
Legal Influences on Labor Relations / 121
Consequences of Legislation / 126 Chapter
Summary / 128 Questions / 128 Applying What You
Know / 129 References / 130

Part III Role Prescriptions and Role Behavior: The Evaluation of Individual Outputs

- 6 Organization and Human Resource Planning 134**
Organization Planning as Establishing Managerial Role
Prescriptions / 135 Variables in Organization
Planning / 140 Human Resource Planning as
Establishing Personnel Role Prescriptions / 143
The National Labor Force / 150 Employee Information
Systems and Skills Inventories / 155 Chapter
Summary / 159 Questions / 159 Applying What You
Know / 160 References / 161
- 7 Job Analysis and Design 163**
Definitions and Uses / 164 The Scope of Job
Analysis / 168 The Methods of Job Analysis / 175
Developing Job Families / 182 Modifications Derived
from Job Redesign and Management by Objectives / 185

Variations in Hours of Work / 188 Alternative Job
 Analysis Strategies / 191 Chapter Summary / 192
 Questions / 192 Applying What You Know / 193
 References / 194

8 Management Appraisal 197

Judgmental Appraisal / 199 Objective Measures of
 Productivity and Profit / 214 Objective Indexes in the
 Maintenance Area / 217 Appraisal by Attitude
 Survey / 221 Career Appraisal / 222 Chapter
 Summary / 223 Questions / 223 Applying What You
 Know / 224 References / 225

9 Employee Evaluation Systems 227

Behavioral Specificity of Rating Systems / 228 Error and
 Bias in Ratings / 230 Types of Rating Methods / 234
 The Use of Simulations in Evaluation / 247
 Resistance to Evaluation / 248 Personnel Strategy and
 the Evaluation of Individual Outputs / 251 Chapter
 Summary / 254 Questions / 255 Applying What You
 Know / 256 References / 257

Part IV Screening and Selection: The Evaluation of Individual Inputs

10 The Logic of Selection 260

The Longitudinal Prediction Model / 261
 The Concurrent Model / 266 Other Approaches
 in Validation / 267 Special Aspects of Selection and Fair
 Employment / 271 The Limitations of Selection / 273
 Factors Influencing the Use of an Input-Oriented
 Strategy / 276 Chapter Summary / 280
 Questions / 280 Applying What You Know / 281
 References / 282

11 The Recruitment Process 284

Recruiting Strategy / 285 Recruiting Sources / 290
 Recruiting for Managerial and Professional Talent / 295
 Affirmative Action Recruiting / 301 Recruiting
 Effectiveness / 304 Chapter Summary / 306

Questions / 307 Applying What You Know / 308
References / 308

12 The Employment Interview and Related Techniques 311

The Interview / 313 Application Blanks and Biographical
Inventories / 322 References and Background
Checks / 328 Chapter Summary / 332
Questions / 333 Applying What You Know / 334
References / 334

13 The Physical Examination and Psychological Testing 337

The Physical Examination and Related Measures / 338
Employment Testing: Abilities / 342 Employment
Testing: Personality / 348 Employment Testing: Skills
and Achievements / 352 Pluses and Minuses in Using
Employment Tests / 355 Chapter Summary / 356
Questions / 357 Applying What You Know / 358
References / 359

Part V Input–Output Mediators: Techniques Fostering Productivity and Profit

14 Management and Organization Development 362

Evaluation of Change Models / 364 Classroom-Type
Development Techniques / 370 Development Outside
the Classroom / 382 Organization Development / 385
Views on the Merits of Different Approaches / 389
Chapter Summary / 389 Questions / 391
Applying What You Know / 392 References / 393

15 Employee Training and Career Development 396

Learning Theory and Industrial Training / 398
Establishing Training Needs / 403 Methods and
Approaches in Training / 406 Government Initiatives in
Training / 418 Career Planning and Development / 421
Chapter Summary / 426 Questions / 427
Applying What You Know / 428 References / 429

16 Monetary Compensation 431

Compensation and Motivation / 432 Wage Levels and
Wage Surveys / 434 Job Evaluation and Wage

Structures / 439	Individual Wage Progression / 451
Incentive Pay Systems / 455	Payments to
Management / 459	An Emerging Issue: Comparable
Worth / 462	Chapter Summary / 466
Applying What You Know / 468	Questions / 467
	References / 469

17 Safety Management and Preventive Medicine 471

Safety Management Procedures / 472	Accident
Proneness / 483	Preventive Medicine / 488
Stress Management / 492	Stress and
Chapter Summary / 494	
Questions / 495	Applying What You Know / 496
References / 497	

18 Performance Control 499

The Control Model and Human Performance / 500
A Schema for Performance Analysis / 504
Corrective
Procedures / 514
Productivity Mediators and Personnel
Strategy / 528
Chapter Summary / 529
Questions / 529
Applying What You Know / 530
References / 533

Part VI Input-Output Mediators: Techniques Fostering Organizational Maintenance

19 Approaches in Labor Relations 536

The Extent of Unionization / 538	Factors Related to a
Union's Conflict Potential / 540	The Unionization
Process / 544	Collective Bargaining / 551
The Labor-	
Management Agreement / 558	Administering the
Contract / 564	Union-Management Conflict and
Cooperation / 570	Chapter Summary / 575
Questions / 576	Applying What You Know / 577
References / 577	

20 Employee Benefits and Services 580

The Pattern of Growth / 582	Direct Monetary
Benefits / 586	Group Insurance / 591
Pensions and	
Retirement / 594	Employee Services / 598
Benefit	
Programs for Management / 599	The Benefit Program
as a Whole / 601	Chapter Summary / 606

Questions / 607 Applying What You Know / 608
References / 608

21 Internal Communications 611

Communications Downward / 614 Communications
Upward / 621 Attitude Surveys / 627 Maintenance
Mediators and Personnel Strategy / 636 Chapter
Summary / 638 Questions / 638 Applying What You
Know / 639 References / 640

Part VII Personnel Management in Perspective

**22 Future Needs for More Effective Personnel and
Industrial Relations 644**

Behavioral Science and Personnel Research / 645
The Evaluation of Personnel Activities / 648 Development
of Measures for Comparison Purposes / 652 Control over
Human Resource Activities / 654 Expanded Personnel
Roles in Small Business / 655 Personnel Needs in
Professional Contexts / 658 Public Personnel
Management / 658 The Personnel and Industrial
Relations Manager of the Future / 659 Chapter
Summary / 661 Questions / 662 Applying What You
Know / 663 References / 664

Author Index 667

Subject Index 675

Part I

The Nature and Emergence of Personnel Management

1

The Goals of Personnel and the Jobs of Personnel Managers

The Goals of Personnel Management

Task Goals

Maintenance Goals

The Work of Personnel Management

Personnel Management in the Organizational Context

Effects of Company Size and Growth

Structure of the Personnel Function

Organizational Level, Budget, and Size
of Staff

Shared Decision-Making Authority

Careers in Personnel and Industrial Relations

Occupational Outlook

Career Patterns

Salary Levels

Requirements for Success

Education

Work Experience

Other Requirements for Success

QUESTIONS TO KEEP IN MIND WHILE READING

What are the essential goals of personnel management and how do these tie into the goals of the total organization?

What activities do personnel and industrial relations managers perform and how may these activities be structured under different circumstances?

Has there been any change in the status, authority, and range of decision making among personnel managers in recent years? What measures are used in this area?

How have career opportunities in the personnel field varied over the years and what is their current status?

What different career patterns may one choose from in personnel and industrial relations?

Are there any particular factors that contribute to the attainment of a successful career in the personnel field?

On what basis should one candidate for a job be hired and another rejected? What factors should be used in determining the pay rate for a particular position? What is the best way of training employees so they can achieve high levels of performance? How can understanding and acceptance of organizational goals be increased? These questions are heard every day in all types of organizations. They have stimulated, concerned, and at times plagued managers from time immemorial; they persist because the success of any enterprise depends in large part on the way in which they are answered.

People are the essential ingredient in all organizations, be the organizations business, educational, governmental, or religious, and the way in which people are recruited and utilized by the leadership largely determines whether the organization will achieve its objectives. It is not too surprising, therefore, that management is constantly concerned with the company's human resources—with the way in which these resources are developed and utilized, with the assumptions made about them, with the formulation of personnel policy, with the methods and procedures used in dealing with the work force.

A company should find and utilize the best available manpower in as effective a manner as possible, and it must do so within the constraints of ever-increasing governmental regulation affecting employee relations policies. By providing future managers a solid background in human resources management, it is hoped that this book will assist in the achievement of this objective.

THE GOALS OF PERSONNEL MANAGEMENT ---

Personnel management may be defined as the process of developing, applying, and evaluating policies, procedures, methods, and programs relating to the individual in the organization. This definition applies whether the specific employee is a maintenance mechanic, a file clerk, a research chemist, or a financial vice president. Essentially, the personnel function is concerned with the management of the *human* resources of an organization, in contrast to the material or financial resources.

Another way to define personnel management is in terms of its goals, and in this sense the goals that personnel management seeks to achieve within the organization are the same as the goals of management in general. Although personnel managers carry out a unique set of activities having to do with the utilization of human resources, this work is done with a view to accomplishing exactly the same objective as is the work of other managers.

Task Goals ---

Two interrelated but distinct categories or types of organizational goals are involved here. The first of these is to maximize the productivity of the organization. This is not a new concept, of course; it has been generally recognized as a major goal of business and most other organizations for a long time. In the early

4 The Nature and Emergence of Personnel Management

years of industrialization, the maximization of productivity—and profit—often was the only goal worth mentioning.

In its most general sense, the productivity objective refers to the whole gamut of procedures and activities that management carries out to maximize the attainment of the stated purpose of the organization. This purpose may be to manufacture and sell automobiles, to provide a stock market investment counseling service, to administer a health-care center, or to collect federal income taxes. Some of the larger corporations have become so complex and their product lines or services so diversified that a full statement of the productivity objective can become quite lengthy. Yet, in all instances, the organization is devoted to producing or providing something that presumably is necessary or has value for other people. In this sense, there always is a task objective.

In the business world, productivity is considered in relation to earnings, and what is produced or provided must have some prospect of yielding a long-term net profit. In the nonprofit sector of the economy, too, in such areas as government, health care, and education, management is concerned with achieving task goals, and productivity may be measured in terms of output per man-hour worked, as it often is in business firms. But the final balance sheet is not as crucial a factor. A city police department may end the fiscal year with a big budget surplus, but if the crime rate and number of unsolved murders have gone up 20 percent during that year, the productivity objective is not being realized. Political and social pressures, rather than financial pressures, ultimately are likely to result in a change in leadership to bring about the achievement of the department's task goals.

Since the goals of personnel management are identical with those of the rest of the management team, the matter of productivity is a major concern of those engaged in carrying out the personnel function; it is their responsibility to develop and recommend policies and procedures that will contribute to this goal. For example, selection techniques can be devised that will result in the placement of people in jobs they can perform most effectively. Personnel managers also are frequently called upon to develop methods for measuring individual job performance, making it possible to obtain indexes of the contributions made by specific members to the productivity of the total organization. In situations where it is clear that performance needs improvement, the personnel department may design special training programs aimed at providing employees the skills they need to do a better job. Many of the personnel programs that will be discussed in later chapters obviously are tied to the achievement of the productivity goal.

Maintenance Goals

The second major type of organizational goal is one that is related to the first but can be distinguished from it quite clearly. It is of more recent origin and probably is still not nearly as likely to be given explicit statement as the pro-

ductivity goal. Nevertheless, it is of equal, and in some situations even greater, importance. Stated most simply, this objective is to maintain the organization as an ongoing unit in the face of internal and external pressures and stress. The term *organizational maintenance* often is used to refer to this particular type of goal.

The importance of maintenance goals began to be appreciated in the late 1930s with the rise of a strong and militant labor movement and in the period following World War II, when shortages of talent developed and there was strong competition for the talent that was available. During this latter period, management began to realize that in order to maintain a loyal work force, an active effort would have to be made to establish working conditions that would contribute to job satisfaction and thus facilitate talent retention. As a result, management became much more aware that increased effort must be devoted to problems of organizational maintenance if the organization were to remain intact under the impact of a changing labor force and sweeping technological change.

In more recent years, beginning in the mid-1960s, changing values among younger workers and demands for social responsibility have added to the stresses on organizations. While social responsibility sometimes is described as a goal in and of itself, it appears more and more to be related to organizational survival. Areas of social responsibility that formerly were optional, such as equal employment opportunity and safety, now are part of the legal framework within which organizations must operate. Whether or not social pressures have been formalized into law, if they are strong enough, an organization will have to be responsive to them in order to survive.

These changes have resulted in new organizational structures, and new employee groups have formed to demand positions within the existing hierarchy. At the same time, other groups, many with a declining role to play insofar as the company is concerned, have been striving to maintain their traditional status. As might be anticipated, personnel management has an extremely important role to play in creating conditions that will contribute to the stability of the organization. It is the responsibility of personnel managers more than any other group to recommend policies, procedures, and programs that will make the company an attractive place to work, that will create an environment conducive to assimilating new types of employees, and that at the same time will serve to minimize the internal conflict that could threaten the firm's very existence. When these efforts are successful and internal stability has been achieved, the organization will be in a better position to maintain itself against external stress also.

As noted in the beginning of the discussion of the two types of goals, they are interrelated. If the maintenance goal is not achieved, the organization will cease to exist, and there will be no achievement of productivity goals. It is possible for an organization to continue to survive for a period of time without achieving its productivity or task goals; during a recession, production may be halted for weeks or even months while the organization structure remains in-