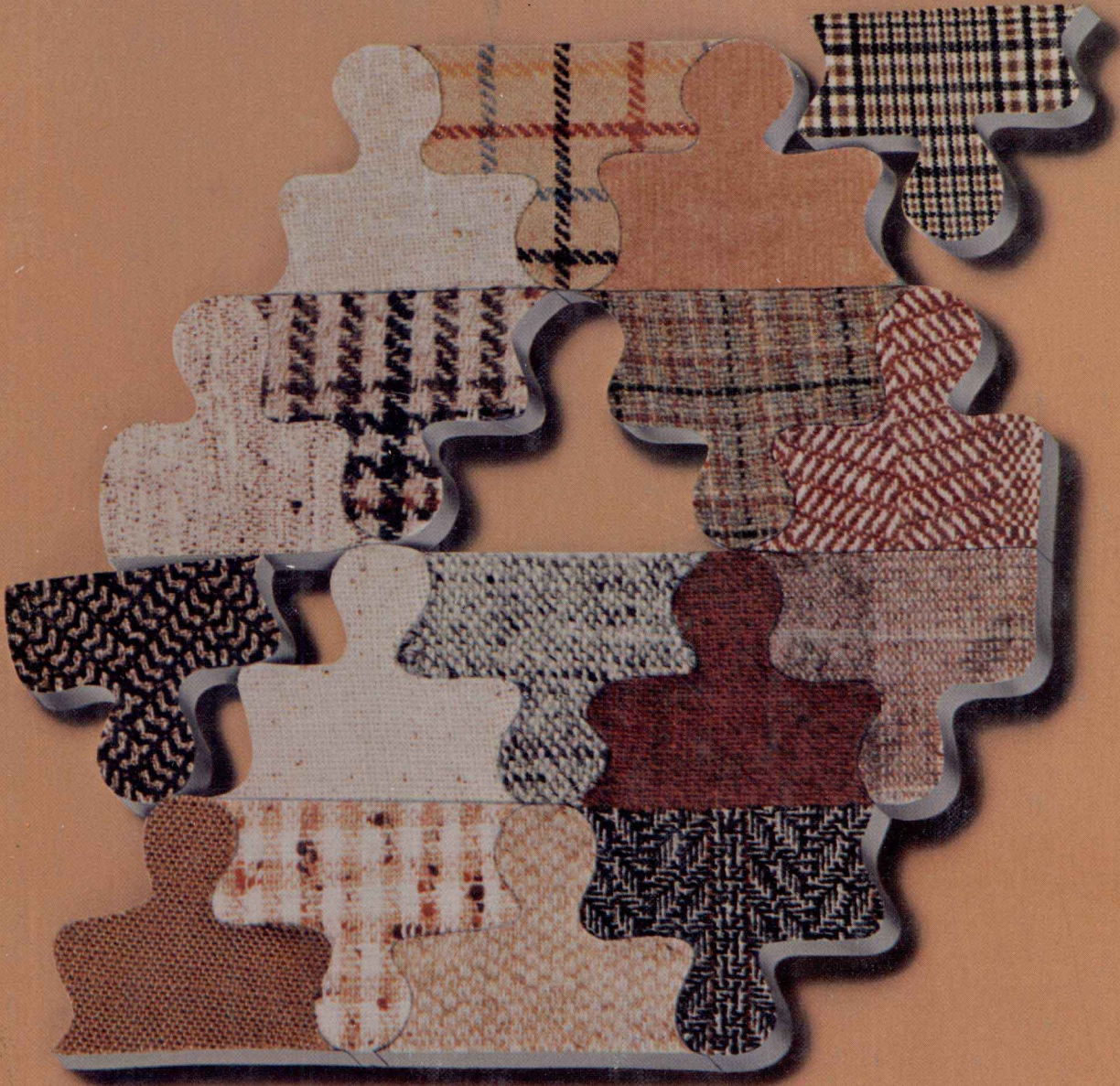


Personnel Management

The Utilization of Human Resources

H.J. Chruden/A.W. Sherman, Jr.



6th Edition

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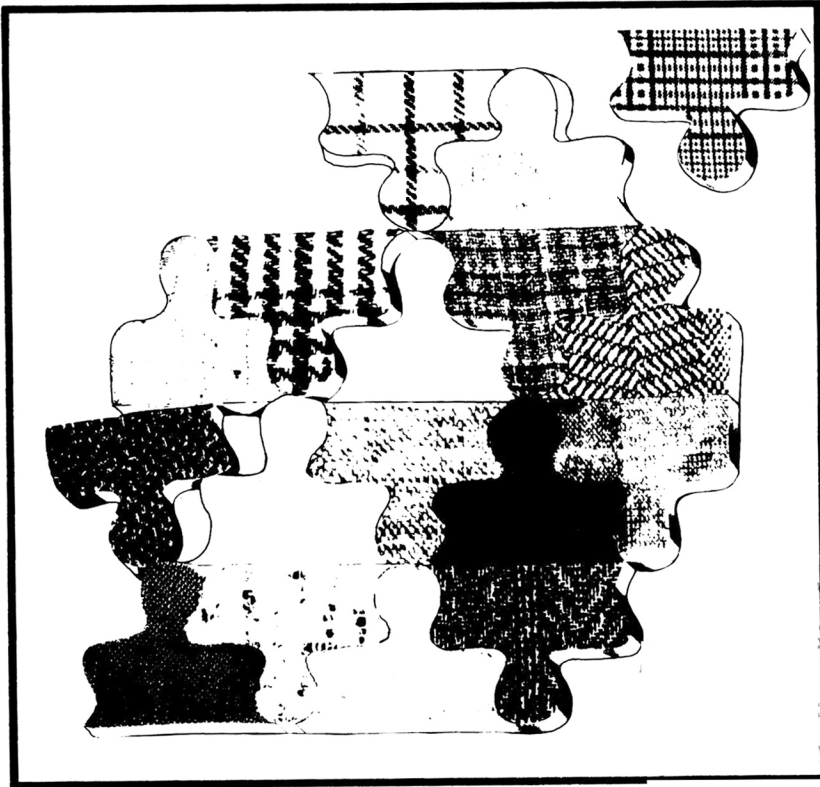
SIXTH EDITION

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Preface

We are most grateful to the professors and students whose use of this book over the years has made its development a challenging and satisfying endeavor for us. Your comments and suggestions have proven to be most helpful in making this edition a greater aid to learning than the previous one. To continue and to facilitate this type of feedback, we invite you to complete and mail the questionnaire we have provided in the *Instructor's Manual*.

Personnel Management—The Utilization of Human Resources, 6th Edition, constitutes the most extensive revision of any that we have prepared over the lifetime of this text. As reflected by its new title, we have given increased emphasis to the effective utilization of personnel. We feel that this approach is essential to the well-being of individual employees and to the organizations that employ them. Hopefully, the skillful merging of human talents, needs, and aspirations with the requirements of organizations will result in overall benefits to society.

With the students' interests in mind, material from the previous edition has been reorganized and condensed sufficiently to permit us to discuss new topics and important developments in personnel management. This has been accomplished by reducing the number of chapters from 24 to 21. Two chapters that formerly covered the personnel department organization in Part 1 were combined into one, as were the chapters on employee security and employee benefits in Part 6. The material on organizational behavior, including motivation, has been condensed from five to three chapters. This material is now integrated in Part 4, "Creating a Favorable Work Environment." (Where students have a

strong background in organizational behavior, instructors may choose to omit Part 4. With this possibility in mind, we have avoided cross references to the material in it. However, if time permits, Part 4 will serve as a valuable review of organizational behavior principles from the standpoint of human resource management.) Finally, we included a new chapter on Safety and Health to recognize the growing importance of this area of personnel management. This chapter covers the Occupational Safety and Health Act, the administration of this Act, problems of employee health, and a special section on coping with stress in the work environment.

To enable the student to study with understanding, every chapter in the 6th Edition has been organized according to the basic principles of programmed instruction. Thus, each chapter begins with a list of desired learning objectives. A review of these objectives prior to reading each chapter and after reading it should facilitate comprehension and retention of what is read. Then, to check the student's understanding of the key concepts of the chapter, a list of terms to identify is provided at the end of each chapter. Several discussion questions and one or more problems are given at the end of each chapter to give the student an opportunity to apply what is learned. Finally, eight of the fourteen cases at the end of the text have been specially written for this edition to cover many of the current problems that confront contemporary personnel managers.

Still another new feature of this edition is our attempt to interpret the functions of personnel management into an easily understood conceptual framework. Several illustrations have been especially prepared to help the student grasp the interrelations among these functions. Furthermore, a model has been developed to identify the various internal and external environments that affect the management of human resources.

Now, as in the past, we have tried to use the language of the personnel office and to emphasize current issues and problems of the "real world" with which managements must be concerned. To do this, we must depend upon the reported experiences and the published works of many individuals. We have tried to strike a balance in our references by citing those works that we believe are both timely and authoritative. Obviously there are many others that also meet these criteria but, in the interests of making this book primarily an aid to learning, we believe that students should not be overwhelmed with references.

In keeping with the changes and challenges confronting personnel management today, we have stressed various federal and state laws and regulations that influence the performance of virtually every function of personnel management. Also, throughout this text we have given special emphasis to affirmative action programs and to major laws and court decisions wherever they apply to the personnel function being discussed in a particular chapter.

Additional opportunities to apply the theories and principles presented in the text may be found in *Practical Study Experiences in Personnel Management*, 6th Edition. This is a project book designed to give students a variety of experiences similar to those they are likely to find on the job. It also contains review questions that can be used to check the student's understanding of each chapter in the text. Finally, our *Readings in Personnel Management*, 5th Edi-

tion, contains a selection of journal articles that elaborate on the theories and principles discussed in the text. Both the project book and the readings book have been designed to correlate closely with the material in the text.

Acknowledgments

In preparing the manuscript for this 6th Edition, we have drawn not only upon the current literature but also upon the current practices of organizations that have furnished information and illustrations relating to their personnel programs. We are indebted to the leaders in the field who have developed the available heritage of information and practices of personnel management and who have influenced us through their writings and personal associations. We have also been aided by students in our classes, by former students of ours, by the participants in the management development programs with whom we have been associated, by personnel managers, and by our colleagues. In particular, we would like to express our appreciation to the following individuals for their various contributions: Frank Davis, Pallo Defteros, Dr. Stephen A. Fuller, Cynthia Gorton, John Graff, Dr. Irving Herman, Robert E. Hill, Everett K. Hoffman, William R. Huston, C. Richard John, William A. Lee, Dr. Robert F. Mager, Dr. Melvin S. Majesty, J. A. Miller, Midge Moore, Leonard L. Morgan, James M. Prudhomme, Bob Rodman, Richard F. Schlecht, Dr. A. L. Simberg, Francis G. Stoffels, Robert B. Wall, and Thomas Young.

We are also grateful to Dr. George R. Carnahan, Dr. Ian McAndrew, Dr. Donald P. Schwab, and Dr. William L. Tullar who critically reviewed the previous edition and offered many constructive suggestions that we found to be most helpful in preparing this 6th Edition.

Our greatest indebtedness is to our wives—Marie Chruden and Leneve Sherman—who have contributed in so many ways to the development of this book over the past 25 years. Through their active participation in the preparation of the manuscript for this edition, as in the past, they have been a source of invaluable guidance and assistance. Furthermore, by their continued enthusiasm and support, they have made the process a more pleasant and rewarding experience. We are most grateful to them for their many contributions to this publication, to our lives, and to our families.

**Herbert J. Chruden
Arthur W. Sherman, Jr.**

January, 1980

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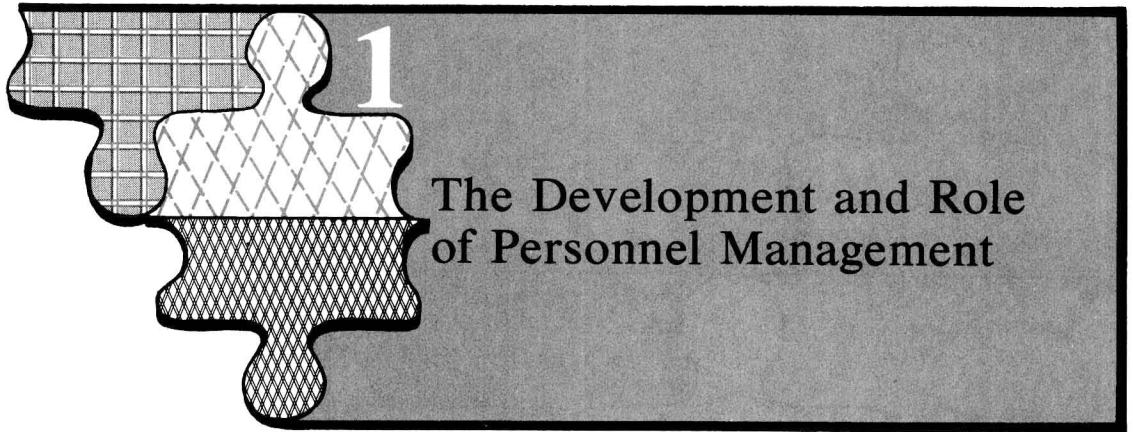
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one

The Personnel Management System

- Ch 1 The Development and Role of Personnel Management
- Ch 2 The Organization of Work
- Ch 3 Structure and Program for Managing Human Resources



The management of personnel today presents a greater challenge than ever before. Each generation of employees is better educated and more enlightened than the preceding one. They expect intelligent leadership and more considerate treatment. Because of the protection afforded them by their unions and by government legislation, the employees of today are able to reject arbitrary or unfair treatment that only a few decades ago they would have been forced to accept.

Meeting the growing challenges requires managers to have a thorough understanding of human behavior. They must know how to avoid behavioral problems with subordinates and be able to cope with those that do arise. If employees are unionized, managers need to possess an understanding of labor relations and be able to interpret and administer properly the agreement with the union. Most important, as a result of the growing body of law relating to personnel management, it is essential for managers to know what they legally can and cannot do in their relations with employees and their unions. Fortunately for managers, a growing body of knowledge relating to personnel management is continuing to evolve as a result of research and the shared experience of practitioners. This knowledge can be invaluable in helping managers to avoid mistakes of the past.

EARLY DEVELOPMENTS IN PERSONNEL MANAGEMENT

Ever since leaders have attained goals through organized group efforts, they have had to perform certain basic personnel functions, often of a primitive and informal nature. It was not until the beginning of this century that the functions of personnel management, as we know them today, began to emerge and evolve as areas requiring specialized and formal attention.

LEARNING OBJECTIVES OF THE CHAPTER

After you have read this chapter you should be able to:

1. Identify some of the highlights that have characterized the evolution of the personnel field.
2. Understand what scientific management involved and the effects it had upon personnel management.
3. Describe what behavioral science entails and how it differs from human relations.
4. Know what the basic functions of personnel management are and how they evolved.
5. Recognize the developments that have taken place within the field of personnel management during recent years.
6. Cite some of the population trends that are occurring within the nation and the possible implications of these trends for personnel management.
7. Describe what the criteria are for a profession and the extent to which personnel management meets these criteria.
8. Identify the various external and internal environments that have an impact upon personnel management and understand the nature of this impact.

The Guild System

While the field of personnel management has developed in relatively recent years, its roots can be traced back as far as the Middle Ages. It was this period that gave birth to apprenticeship training and trade unions.

Shop owners in a particular trade organized **guilds** for the purpose of protecting their mutual interests. They also served to regulate employment and apprenticeship training within their particular crafts.¹ These guilds were the forerunners of today's employer associations.

Since a lack of capital prevented many of those who had completed their apprenticeship training from establishing shops of their own, they were forced to work for other craft workers as employees. Eventually these employees, known in those days as journeymen, formed guilds of their own, called **yeomanry guilds**, to represent their mutual interests and to provide mutual assistance. These yeomanry guilds became the forerunners of the contemporary trade unions.

¹ Cyril Curtis Ling, *The Management of Personnel Relations* (Homewood, Illinois: Richard D. Irwin, Inc., 1965), pp. 21-23.

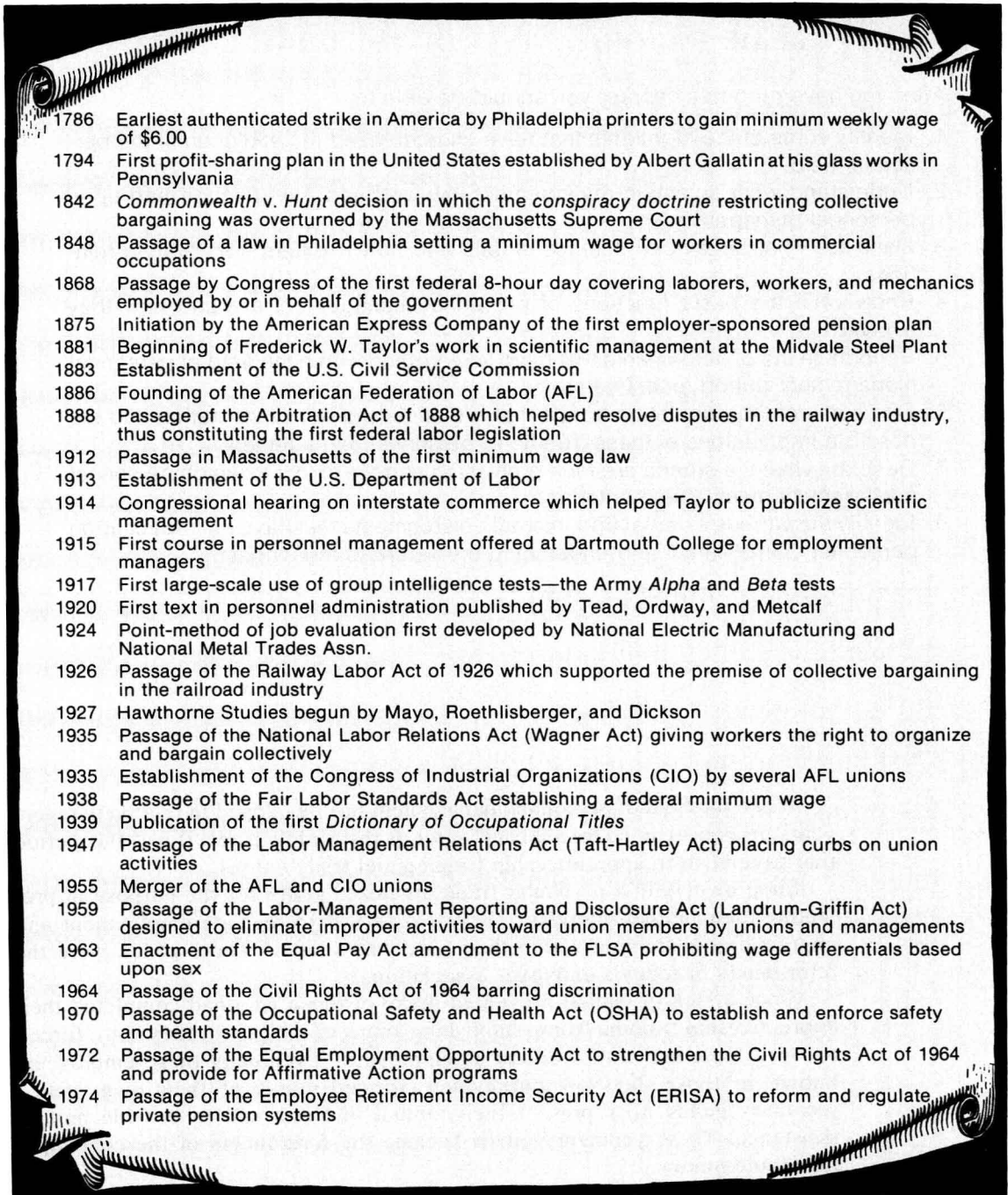


Figure 1-1 IMPORTANT EVENTS IN PERSONNEL MANAGEMENT

The Factory System

The expansion of trade and the growth of personal income during the Middle Ages helped to stimulate a demand for goods and services that was beyond the capacity of the existing handicraft production system to supply. The development of mechanical power, however, made possible the growth of a factory system of production. Power-driven equipment and improved production techniques made it possible for products to be manufactured more cheaply than had been possible previously.

The factory system, however, also created many jobs that were monotonous, unchallenging, and often unhealthy and hazardous. Unlike craft workers, the unskilled workers in the factories lacked salable skills with which to bargain for improved conditions or to provide a source of economic security. They could be replaced by other individuals who could be trained quickly to perform their jobs. The concentration of workers in factories did serve to focus public attention upon their conditions of employment, and it also enabled them to push collectively for better conditions. As a result, during the late 1880s some states passed laws to regulate hours of work for women and children. Some states also passed laws to establish minimum wages for male labor and to regulate working conditions affecting employee health and safety. Later, **workers' compensation laws** were passed to provide indemnity payments for injuries suffered through industrial accidents. Thus, state legislation and the gains achieved through collective bargaining brought about improved employment conditions.

The Mass Production System and Scientific Management

Mass production was made possible by designing parts that were standardized and interchangeable for production line assembly. With mass production came improvement of production techniques and the use of laborsaving machinery and equipment. This led to increases in overhead costs and wage rates, forcing management to seek ways of using production equipment facilities and labor more efficiently through the use of scientific management. **Scientific management** constituted an objective and systematic approach to improving efficiency based upon the collection and analysis of data. By using this method, operations were simplified and processes made more repetitive. In addition, work standards were developed to judge worker efficiency and to provide financial rewards. The scientific management movement was stimulated by the contributions of Frederick W. Taylor, who often has been referred to as the father of scientific management. Among his contemporaries who also contributed to the movement were such leaders as Frank and Lillian Gilbreth, Henry L. Gantt, Harrington Emerson, and Harry Hopf.

Taylor's Approach to Personnel Management. Taylor believed that work could be systematically analyzed and studied by using the same scientific

approach as that followed by the researchers in the laboratory.² In his words, scientific management constituted “the substitution of exact scientific investigation and knowledge for the old individual judgment or opinion, either of the workman or the boss, in all matters relating to the work done in the establishment.”³ Thus, Taylor relied upon time studies as a basis for establishing the methods and standards for performing a job, for training and supervising employees in the use of the proper methods, and for evaluating their work.

Taylor also believed that scientific management offered the best means for increasing the productivity and the earnings of the workers and for providing higher profits for owners and lower prices for customers. He regarded accurate performance standards, based upon objective data gathered from time studies and other sources, as constituting an important personnel management tool for rewarding the superior workers and for eliminating the inefficient ones. Furthermore, he believed that financial incentives, which permit workers to earn more by working harder and more efficiently, represented the best form of employee motivation. This concept was in sharp contrast to the prevailing practice, which has never disappeared completely, of attempting to gain more work from employees by threatening them with punishment including the loss of their jobs. It is in contrast also with current concepts of motivation which recognize that most employees seek psychological, as well as financial, rewards from their work.

Taylor's Views on the Planning Function. A most important contribution was Taylor's recognition that efficiency was also dependent upon good planning. However, as contrasted to today's prevailing philosophy of job enrichment in which workers are given the opportunity to participate in planning and decision making, Taylor considered the planning function to be primarily the responsibility of management. Although his approach may have been somewhat autocratic in comparison with today's emphasis upon soliciting employee participation and contributions, it was progressive in terms of the practices used by management at the time. In the area of personnel management, Taylor helped management to recognize the fact that employees differed in their abilities. Furthermore, many of them through lack of proper job placement and training did not have the opportunity to make maximum use of their abilities to the detriment of themselves and their employers.

Development of Industrial Psychology

At the time scientific management was gaining attention, the contributions being rendered by industrial psychology also were being recognized. By the early 1900s some of the knowledge and research from the field of psychology was beginning to be applied to the management of personnel. One of the best

² See Chapter 20 for a detailed résumé of the scientific approach to problem solving.

³ Frederick W. Taylor, “What Is Scientific Management?” as reprinted in Harwood F. Merrill (ed.), *Classics in Management* (New York: American Management Associations, 1960), p. 80.