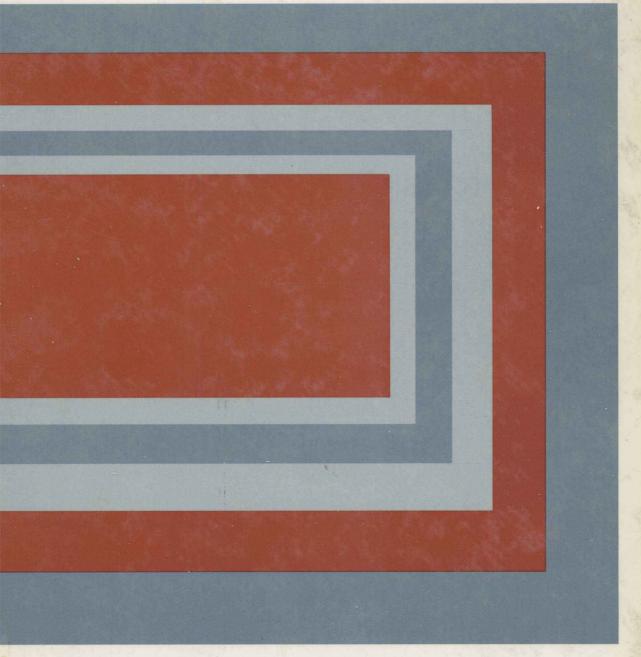
managing human resources



Sayles/Strauss

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SECOND EDITION

Library of Congress Cataloging in Publication Data

SAYLES, LEONARD R

Managing human resources.

Includes bibliographical references and indexes.

1. Personnel management. I. Strauss, George,

joint author. II. Title.

HF5549.S183 1981 65

658.3

80-16838

ISBN 0-13-550418-X

Managing Human Resources, second edition Leonard R. Sayles and George Strauss

© 1981, 1977 by Leonard R. Sayles and George Strauss Portions of this book appeared earlier in *Personnel: The Human Problems of Management,* 4th ed. © 1980, 1972, 1967, 1966, 1960 by George Strauss and Leonard R. Sayles. Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

This is a Special Projects book, edited, designed, and supervised by Maurine Lewis, director Ray Keating, manufacturing buyer Don Martinetti, cover designer

Prentice-Hall International, Inc., London
Prentice-Hall of Australia Pty. Limited, Sydney
Prentice-Hall of Canada, Ltd., Toronto
Prentice-Hall of India Private Limited, New Delhi
Prentice-Hall of Japan, Inc., Tokyo
Prentice-Hall of Southeast Asia Pte. Ltd., Singapore
Whitehall Books Limited, Wellington, New Zealand

managing human resources

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for our children

Emilie

Emily

Liz

Robert

preface

There is no more exciting, challenging field than that dealing with human resources, and the field is becoming more extensive and more complex. Hiring and promoting women and minority group members, conforming to protective and legally required health and safety standards, manpower planning in a highly uncertain economy, choosing among a broadening range of employee benefit programs—to name but a few of the more dynamic areas within the personnel field—all impose challenging responsibilities upon the manager, the personnel practitioner, and those seeking a career in this field.

The human resource function is like a lightning rod, attracting tensions and pressures from the community, the controls of government, and the anxieties and evergrowing demands of the workforce for equity and expression. The president of a billion-dollar, multinational corporation once told us that 90 percent of his time was spent on personnel matters. His may be an exceptional situation, yet few chief executive officers do not spend some significant amount of their time on personnel-related matters.

For managers or students of management, Managing Human Resources is a practical book that avoids excessive concentration on technical formulas and codified techniques. Instead, it emphasizes actual organizational problems that occur in designing and implementing constructive personnel programs. It shows interrelationships among traditional topics such as compensation and training and selection. We stress the behavior required of the personnel specialist who seeks to gain acceptance of his or her professional expertise among managers already coping with more job requirements than they can meet. Although knowledge of traditional personnel techniques like testing and job evaluation is still essential, we place more emphasis on systems and coordina-

PREFACE

tion—how hiring impacts training, career paths, seniority, and even benefit plan administration, for example.

Since it is no longer possible to consider the personnel function in a vacuum, we stress the importance of the social, political, legal, and economic environments. Every manager must be more sophisticated in interpreting laws and government agency regulations, and this renewed legal emphasis must be applied in a systems context, with understanding of how people react, how organizations function, and how policies are translated into practice or dissipated by inept administration.

The same systems emphasis can be seen in our treatment of organization development and job design. Rather than emphasize techniques and definitions, we provide many real life examples to show how individual problems must be dealt with in a larger organizational context.

Our discussion deals with a variety of settings: large organizations and small; factories, hospitals, universities, manufacturing plants, banks, retail chains; small, family businesses. Each type of organization has unique problems.

Most important, we have tried to avoid listing requirements for "good" this or that, patronizing the reader with statements about the ideal, rational system for solving people problems. We hope you will come to share with us the recognition that neither excellent technique nor good intentions alone successfully solve complex, resistant employment problems. Skillful human resource management involves a challenging admixture of technical knowledge, behavioral sophistication, and sound judgment. Through a wide variety of examples, of quotations from actual people—workers and managers at every level, of both sexes and many races—we hope to communicate the feel for the problem and the way solutions should be approached.

A decade ago the personnel field was declining in status. Many felt that the main problems in the field were solved. People-sensitive managers had made great strides in the 1950s and '60s, and it appeared that human—in contrast to marketing or financial or technological—problems would require less management attention. Many organizations concluded that too much time and money had been spent "making people happy," with too little productive return.

The last few years have taught us the naiveté of such assumptions. As a consequence, recognition and organizational status of the personnel field have been rising. To be sure, there is still a vast disparity in nomenclature. There are departments of manpower planning, organizational and personnel development, employee relations, and human resource management. But whatever the formal title, almost all organizations recognize the field's critical importance, and every manager must have reasonable familiarity with its major concepts.

Thus, we have tried to write a textbook for present and future managers and personnel specialists, a book that will match up to the profound needs of this demanding, changing, crucial management field.

LEONARD SAYLES GEORGE STRAUSS



Leonard R. Sayles

LEONARD SAYLES and GEORGE STRAUSS have been major contributors to the behavioral science, management, and industrial relations fields for almost thirty years. Their texts, scholarly monographs, and articles are widely used throughout the world. Many are classics in their respective subjects, frequently cited and reprinted.

The genesis of their work and this text was a relatively new doctoral program at M.I.T. shortly after World War II. Both men had been attracted by scholars such as Douglas McGregor, Kurt Lewin, and Charles Myers, who were building an interdisciplinary program in industrial relations and the social sciences. By chance, Strauss's and Sayles's dissertations were on related topics, and they created their first prize-winning book, *The Local Union* (Harper & Row. 1953).

That book and their succeeding publications were stimulated by another coincidence. Both got their first postdoctoral jobs at Cornell, where they worked with William Foote Whyte. Whyte encouraged and strengthened their research capabilities; and shortly, Sayles had published *Behavior of Industrial Work Groups*; Strauss finished *Unions in the Building Trades*. Both contributed to Whyte's *Money and Motivation*.

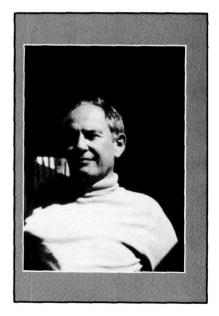
After leaving Cornell (Strauss to Buffalo, then to Berkeley; Sayles to Michigan, then to Columbia) both taught personnel. At that time, many texts described practices or formal procedures, but had little discussion of underlying organizational forces or the burgeoning behavioral science research. To aid their own teaching, Strauss and Sayles began writing major texts for the personnel/human resources field in 1960.

In recent years, Strauss has published benchmark review articles that summarize critically and creatively our knowledge about such diverse subjects as organization development, MBO, job satisfaction, worker participation and union-management cooperation, and supervisory styles. He was co-founder of the Organizational Behavior Teaching Society and has served on the executive board of the Industrial Relations Research Association, as chairman of the city of Berkeley's Personnel Board, and as Associate Dean of the School of Business, University of California at Berkeley. He is currently Associate Director of their Institute of Industrial Relations and co-chairperson of the board of editors of the journal *Industrial Relations*.

Sayles is perhaps best known for his book-length studies of managerial behavior in complex organizations: *Managing Large Systems* (with M. Chandler); *Managerial Behavior, The Measure of Management* (with E. Chapple); and *Leadership: What Effective Managers Really Do and How They Do It.* He has also served on the executive board of the IRRA, as a director of Columbia's Graduate School of Business MBA program, and as a corporate director. He has been elected to the National Academy of Public Administration and frequently has served as a consultant on human resource problems for companies and for government.

Currently, Strauss is a professor at Berkeley; Sayles, at Columbia. Their cross-country collaboration is carried out by mail and telephone, through countless revisions. They criticize each other's drafts and do almost all their own research and writing. They have also co-authored two other Prentice-Hall texts: Personnel: the Human Problems of Management and Human Behavior in Organizations.

George Strauss



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part 1

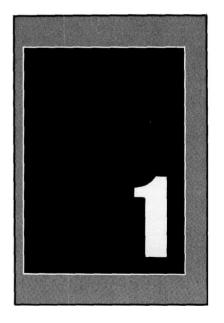
introduction: the the personnel function

personnel management: past, present, and future

Ninety percent of the Americans living around 1800 worked in agriculture. More recently, manufacturing dominated the economy. But just 35 years ago, more than one-quarter of the male labor force was also still self-employed—not only as farmers, but as shopkeepers, repairmen, lawyers. Today less than 10 percent are self-employed, most work in organizations, and 64 out of every 100 employees are engaged in service activities, not manufacturing: education, insurance, social welfare, and myriad professional and technical functions.

Automated factories, in which products are untouched by human hands, were commonly forecast for the 1990s; but as this time approaches without the forecast being realized, human hands still proliferate. There is continued demand for office and factory workers, and especially for more professionals—chemists, systems engineers, account managers, and technical personnel. Employees continue to be a critical resource. Committed, satisfied employees work much more effectively than do those who are bored, dissatisfied, or actively antagonistic.

Thus, since most employees work in organizations, at jobs where typically there is no easy measure of personal output (as there was on the farm or in the early factories), effective methods of personnel management are indispensable. In what is increasingly called our post-industrial society, employees are more sensitive to the



quality of work and supervision, and management often has a heavy investment in their technical training.

CHAPTER 1
personnel
management: past,
present, and future

Although most managers recognize the importance of the human dimension, they differ greatly in how they translate that recognition into action. A great deal of what is thought and practiced today—conceptions about people and the role of personnel—has been inherited from previous generations of managers. To understand the personnel field today, we need to know something about its antecedents.

The autocratic manager

Early managers felt little need for personnel administration. Workers were considered little more than machines; actually, they were considered less

worthy of attention, because machines were more expensive to replace. Authority—power over other people—was the key managerial element, unencumbered by concerns about employee motivation or satisfaction. At their crudest, managers forced people to work by threatening to fire them if they didn't. They assumed, of course, people worked only to earn money and that people will work only if driven to it by fear of losing their jobs.

Autocratic managers assumed that since no one likes work, people will try to work as little as possible. To prevent them from doing so, there must be close supervision. Management must tell every worker exactly what to do and how to do it, giving the worker the narrowest possible discretion. Rules were often promulgated just "to show who's boss." Individuals were kept busy "to keep them out of trouble."

This thinking was inherent in some of the less sophisticated versions of scientific management: people are hired to work rather than to think, and the smallest possible amount of human ability should be used on the job. This has been called the *commodity* or *contractual theory of labor*, in that it holds that labor can be bought and sold as if it were material supplies—and can be treated in the same way. (For most jobs then the proverbial "strong back" substituted for the agile mind.)

Autocratic managers felt sure that employees were expendable and interchangeable. This approach paid off fairly well in the early days of the industrial revolution, when workers and their families were so close to starvation that their material needs for food, clothing, and shelter were paramount. Nevertheless, this managerial attitude sowed the seeds of its own destruction by producing a frustrated and aggressive work force that eventually sought protection and revenge through unionization. Autocratic managers were also doomed by technological changes that required better trained and more adaptive employees who were motivated more by opportunity than by fear.

The paternalistic manager

In many organizations, the stern, punishing manager was later replaced by a more benign authority figure who believed that organizations were

just like families. The boss was the good father, and employees were dependent children who had to be taught obedience. The "good" children received special "parental" rewards, such as company housing, gifts at Christmas, a retirement