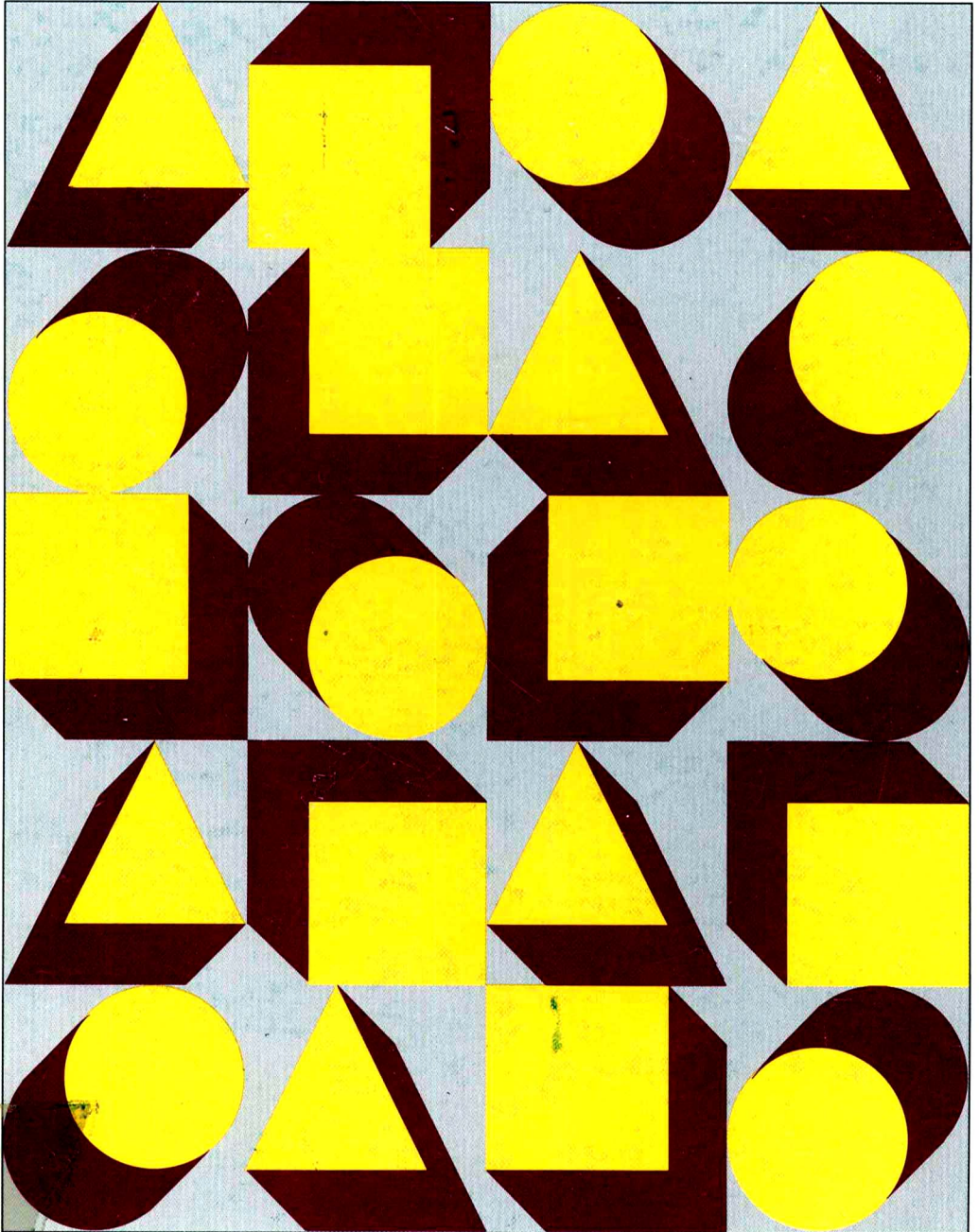


# **UNDERSTANDING PERSONNEL MANAGEMENT**



**THOMAS H. STONE**

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**THOMAS H. STONE**  
UNIVERSITY OF IOWA

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I dedicate this book to my parents and my wife.

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# **PREFACE**

The economic conditions of the 1980s pose a challenge for U.S. business and industry. For PAIR professionals, the 1980s represent a challenge: to contribute to the effectiveness, productivity, and profitability of the organization. PAIR professionals cannot meet this goal armed only with knowledge of the various personnel methods and techniques. Instead, they must understand how to contribute to organizational effectiveness. This requires a solid grasp of the economic, social, and legal environments, and of exactly how various personnel functions impact organizational effectiveness. *Understanding Personnel Management* was written to help students of personnel and industrial relations meet this challenge.

*Understanding Personnel Management provides a sophisticated but readable coverage of the essential areas of personnel and human resources. This text has a number of unique features that I have found important in over 12 years of teaching personnel courses.*

1. Terms, concepts, and theories are clearly and completely explained using "real-world" examples while avoiding excessive jargon.
2. Personnel and human resources management are presented in a context of how they contribute to organizational effectiveness. (It is essential that students understand the organizational context of personnel including economic, legal, and social factors.)
3. Discussion of the personnel function is integrated so that students can understand exactly how each separate function relates to all the other functions.
4. This book is written in a "lean" style covering only the essential functions of personnel and human resources management while omitting needless models or pedagogical devices.

*Understanding Personnel Management* is accompanied by an instructor's manual. The manual includes a test bank of objective and essay

questions; chapter outlines; an annotated bibliography; transparency masters; and other teaching aids.

### **Plan of the Book**

*Understanding Personnel Management* is organized so as to reflect the flow of employees into and through an organization. The book has five parts. Part 1, "The Personnel Management Context," discusses personnel management within the context of the personnel field, the human environment, and the legal environment. The next three parts correspond to major areas of personnel management responsibility. Part 2 describes planning and staffing functions (human resource planning, job analysis, recruiting, and selection). Part 3 focuses on functions related to employee development (orientation, training and development, performance appraisal, and career planning). Part 4 includes chapters on functions of importance to employee maintenance (compensation, benefits, safety and health, and labor relations). The reader should keep in mind, however, that personnel management is a dynamic field in which there is a large degree of interrelatedness and interdependency of functions. Part 5 addresses issues and challenges in personnel administration. Chapters are arranged as closely as possible in an order analogous to the flow of human resources into and through an organization. For example, the recruiting chapter precedes the selection chapter, which is followed by a chapter on orientation. Some variation in this arrangement may occur, due to the fact that certain personnel functions go on simultaneously (e.g., training and safety, performance appraisal and compensation), and the wide spectrum of operating procedure among organizations.

### **Chapter Content**

Chapter 1 introduces the student to personnel management, its major areas of responsibility, personnel functions, and professional requirements. The second chapter, entitled "The Human Asset," discusses the human environment in which PAIR professionals work. Chapter 3 examines the legal environment in which PAIR professionals work. This chapter presents major federal laws, executive orders, and Supreme Court decisions which have had implications for personnel practices. The chapter emphasizes legislation and affirmative action mandates.

Part 2, "Planning and Staffing," begins with human resource planning (Chapter 4). Human resource planning translates organizational goals into labor needs and determines programs to fill these needs. As

human resource planning integrates personnel programs with top management's goals, the methods of job analysis (Chapter 5) are used to provide detailed descriptions of jobs necessary to carry out personnel programs.

When organizational and human resource goals have been determined and the necessary information about jobs and their requirements gathered via job analysis, personnel programs can be implemented. Chapter 6, "Recruiting," discusses the methods and sources typically used to attract job applicants to vacancies in the organization. Principles and methods of selection are the subject of Chapter 7.

Part 3 deals with employee development. After a job applicant is hired, some type of orientation to the job and employer generally takes place. Chapter 8 describes orientation in theory and in practice. Training and Development, Chapter 9, describes methods used to provide employees with the skills and knowledge necessary to achieve and maintain acceptable levels of performance.

Chapter 10 discusses the theory of performance appraisal and methods used to measure levels of employee job performance. Performance appraisal provides information useful to the career planning function, which is designed to help the individual achieve his or her career goals and to help the organization achieve human resource planning goals. Chapter 11 discusses the career planning function.

Part 4 discusses employee maintenance functions. Compensation, a necessary component in maintaining a qualified labor force, is the subject of Chapter 12. The chapter discusses how organizations use pay to attract, retain, and motivate employees, while also controlling this major component of labor costs. Employee benefits (Chapter 13) are also a factor in maintaining a qualified labor force. Like pay, benefits and employee services are forms of compensation provided to employees in exchange for their services. Chapter 14, "Employee Safety and Health," deals with the employer's responsibility to provide a safe and healthy work environment. The final major functional area dealt with in the book is labor relations (Chapter 15). This chapter discusses major psychological and legal elements in the maintenance of good relations between employees and management. The union organizing process and employer responses to unionization efforts are also presented in this chapter.

Part 5 deals with the issues and challenges facing personnel management. In it, Chapter 16 examines some of the trends in the future

of the PAIR profession and provides an overview of personnel management.

### **Before You Begin**

As you begin the study of personnel management, bear in mind that the area is a rather eclectic, applied social science. That is, there are very few “grand theories” or principles that provide practical and insightful ways of organizing information in the field. The few theories and principles you *will* encounter are borrowed from psychology, sociology, economics, or statistics. PAIR professionals usually take courses in all of these areas to prepare themselves for their profession. Personnel management is the way it is simply because people are the profession’s “materials” and “products,” and people are highly variable in their behavior and underlying abilities and needs. Recognizing these characteristics of the field makes it easier to read and learn about personnel and industrial relations.

Each chapter offers Project Ideas to stimulate student interest in personnel-related issues within a “real-world” context. Project Ideas are found at the end of the chapter. For those wishing to learn more about a specific area discussed in the text, a number of selected journals are given in the Appendix at the end of the book.

### **Acknowledgments**

Many people have made invaluable contributions to the clarity and content of this book. I am indebted to Dr. Michael L. Murray of the University of Iowa, for coauthoring Chapter 13. The comments, ideas, and critiques of reviewers contributed substantially to the quality of this book. I extend my sincere thanks and gratitude to the following people: Kristina Banks, University of Texas; Cynthia Fischer, Texas A & M University; Charles Maxey, University of Southern California; Ken Rowland, University of Illinois; Richard Ward, Bowling Green State University; John Nolan, Western Carolina University; Randall Schuler, University of Maryland; and Edwin Miller, University of Michigan. Also, thanks go to the many personnel and industrial relations managers—members of the Eastern Iowa chapter of the American Society of Personnel Administrators (ASPA)—with whom I have spent many hours. Their sharing of “real-world” experiences has added immeasurably to the framework of this text.

I also wish to express my gratitude to the following people at The Dryden Press who worked very hard in editing and producing this book: Anne Boynton-Trigg, Paul Psilos, Jane Perkins, and Kathryn Jandeska. To the late William F. Glueck, I extend my gratitude for

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## PREFACE

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Thomas H. Stone

January 1982



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