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Lane Tracy
Alan Cabelly

READINGS IN
SYSTEMATIC
MANAGEMENT OF
HUMAN
RESOURCES



READINGS IN

Systematic Management of Human Resources

Edited by

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PREFACE

As editors of this collection of readings in human resource management, we had two goals in mind when we set out to compile this volume. First, we were interested in offering a companion text to Peterson and Tracy's *Systematic Management of Human Resources* (Addison-Wesley, 1979). We felt it important to provide students with an opportunity to explore in more depth some of the new and continuing issues that face human resource management practitioners and academicians.

Our second goal was to select and organize readings and associated introductory material in a way that would permit the book to be used effectively independent of other personnel texts.

Several ideas guided our choice of material for this book. First, we wished to focus on the *current* situation in personnel or human resource management rather than selecting only classic articles in the field. Approximately three-quarters of the articles included have been published since 1974. Earlier works were chosen only when they were considered the best treatment of the topic to date.

Second, most of the readings center on improving managerial practice in the field. They discuss those problems and issues that challenge today's manager of human resources and convey some of the real excitement that persons preparing for, or already actively involved in, this field can expect to encounter.

Third, we decided to write short introductions to each section of readings, so that faculty and students alike can more readily perceive the connections between the various topics presented in a given section. These introductions also summarize the key points of each separate article.

Finally, the sections closely parallel the chapter format used in our text, *Systematic Management of Human Resources*. Thus, it is easy for an instructor to select those readings most appropriate for an individual chapter of the textbook.

The process of choosing articles for this book has proved to be a rewarding one. It has encouraged us to integrate the vast topic areas subsumed under the personnel or human resource management label. Thus, it has structured and disciplined our own thinking considerably.

Of course, the task has not been without its frustrations either. Just when we thought we had the final selections completed, one of us would come across a new article that treated the subject more effectively. For example, the articles by Schein and by Mahoney, Milkovich, and Weiner on human resource planning were late choices—a response to the emerging literature in our field on the need for integrating the various personnel subsystems.

We wish to thank a number of reviewers for their helpful comments on the initial reading selections. Specific persons involved in that process included I. B. Helburn, Ken Rowland, Herb Heneman III, Richard Beatty, and David Gray. Some of their suggestions led us to make additional changes prior to sending the material to the publisher.

In closing, we trust that our readers will find this book helpful in furthering their understanding of the dynamic and challenging field of human resource management.

Seattle, Washington

R. B. P.
L. T.
A. C.

Grid for linking *Readings in Systematic Management of Human Resources* to other personnel texts

Human Resources Texts	Beach	Burack & Smith	Chruden & Sherman	Crane	Dessler	Dunn & Stephens	Flippo
2. The Current Scene and Frame- work for View- ing Human Resources	1,2,3, 4	1,2	1,3,4	1,3	1,3	1	1,2,5
3. Supervisory Styles, Tech- nology, and Job Design	8,17,19, 20,21	9	2,11, 12,14	2,11	2,11	2,3,12, 15,17	4
4. Selection and Training	9,10,14, 15	5,6,7,8	5,6,8	4,5,6, 9,10,11	3,4,5,6, 15	5,6,7,8, 10,11,20	6,7,8,9, 10
5. Compensation	25,26,27, 29	11	19,20, 21,22	12,13, 14,15	7,8,9, 10,11	13,20,23, 24	14,15,16, 18,25
6. Career Progres- sion	11,12,13, 15,28	12,14,16	7,9,10, 12	7,11,16	12,13 16	11,14, 18,25	9,11,12, 13,21,24
7. Labor Relations	5,6,24	13	16,17, 18	17,18 19	17	13,20, 21,22	20,22, 23
8. Evaluation and Integration of Human Re- source Manage- ment	16,29	15,17	15,23	8	14	17,26	5,11,26
9. Human Re- source Manage- ment: An International Perspective						27	
10. Future Direc- tions	6,30	14,17	24	20	18	28	26

Frencesources	Texts	Klatt, Murdick, & uster	Mathis & Jackson	Megginson	Miner & Miner	Pigors & Myers	Robbins	Sayles & Strauss
1,3,7, 11	1,2	1,3	1,2	1,2,7	1,3,6	1,4	1,2,3	2
3,6,7, 9		12	2,3,4		4,7	2,7,9,14, 19	8,10	1,11
10,11,12, 13,16	4,5,6,7, 8,11,18	3,4,6	5,6,7,11	8,9,10, 11,12	4,5,10, 11,12,13, 15	3,15,16	4,5,6	7,8,9,10
19,20,21	13,14,15, 16	7,8	8,9	16,17, 18,19	5,16,20	20,21	8,11,12	15,16,17, 18
8,13,14, 15,17,18	9,10,12, 17,20	10,13, 14	10,12, 14	12,13,14, 15,23,24	8,9,14, 17,18	3,11,12, 16,17,22	7,9, 13	7,12,13, 14,19
22,23, 24,25	19	9	16,17	21,22	5,19	8,13	14	4,6
17,26		5,6, 10,15	13,15,18		18	11,19		3,14
4								
27	21	16	19	25	22	19,23	10,15	20

CONTENTS

	Preface	viii
	Grid for linking <i>Readings in Systematic Management of Human Resources</i> to other personnel texts	x
SECTION 1	Introduction	1
SECTION 2	The Current Scene and Framework for Viewing Human Resources	5
	Personnel Directors Are the New Corporate Heroes <i>Herbert E. Meyer</i>	9
	Increasing Organizational Effectiveness through Better Human Resource Planning and Development <i>Edgar H. Schein</i>	15
	Managers' Theories of Management <i>Raymond E. Miles</i>	35
SECTION 3	Supervisory Styles, Technology, and Job Design	51
	Management Styles and the Human Component <i>Rensis Likert</i>	55
	Women Becoming Managers <i>Eileen Kelly Burton</i>	65
	A New Strategy for Job Enrichment <i>J. Richard Hackman, Greg Oldham, Robert Janson, and Kenneth Purdy</i>	81
	Innovations in Job Design: The Union Perspective <i>Bernard J. White</i>	103
	Practical and Methodological Problems in Job Design <i>Richard B. Peterson</i>	115
SECTION 4	Selection and Training	131
	Elements of Manpower Forecasting and Scheduling <i>Glenn A. Bassett</i>	135
	Improvements in the Selection Interview <i>Robert E. Carlson, Paul W. Thayer, Eugene C. Mayfield, and Donald A. Peterson</i>	147
	Recent Trends in Management Selection <i>James R. Rawls and Donna J. Rawls</i>	159
	Reversing Discrimination: A Perspective <i>Gopal Pati and Charles W. Reilly</i>	165

	The Relative Effectiveness of Training Methods—Expert Opinion and Research <i>Stephen J. Carroll, Jr., Frank T. Paine, and John J. Ivancevich</i>	181
	Evaluating Training Programs: Evidence vs. Proof <i>Donald L. Kirkpatrick</i>	195
SECTION 5	Compensation	201
	New Approaches to Pay: Innovations that Work <i>Edward E. Lawler III</i>	205
	How to Ruin Motivation with Pay <i>W. Clay Hamner</i>	215
	Flexible Compensation Can Work! <i>Thomas H. Paine</i>	225
	Pay Policies: Secret or Open? And Why? <i>Mary G. Miner</i>	233
SECTION 6	Career Progression	241
	Performance Appraisal: Which Way to Go? <i>William J. Kearney</i>	247
	Appraisal of What Performance? <i>Harry Levinson</i>	255
	New Frontiers for Assessment Centers <i>Allen I. Kraut</i>	267
	Career Planning for Employee Development: A Primer for Managers <i>Donald D. Bowen and Douglas T. Hall</i>	275
	Planning for Career Growth <i>Stephen D. Anderson</i>	293
	The Four Stages of Professional Careers—A New Look at Performance by Professionals <i>Gene W. Dalton, Paul H. Thompson, and Raymond L. Price</i>	301
	Employing the Disadvantaged: Lessons from the Past Decade <i>James L. Koch</i>	325
	Compassion or Cover-Up: The Alcoholic Employee <i>Stanley E. Kaden</i>	339
	Managing Management Resources through Corporate Constitutionalism <i>Robert G. Wright</i>	345
SECTION 7	Labor Relations	359
	A Behavioral Theory of Labor Negotiations <i>Richard E. Walton and Robert B. McKersie</i>	363
	What Factors Encourage Problem-Solving in Labor Relations <i>Richard B. Peterson and Lane Tracy</i>	373
	Labor-Management Cooperation Today <i>William L. Batt, Jr. and Edgar Weinberg</i>	385
	Professional Employees Turn to Unions <i>Dennis Chamot</i>	395
	The Grievance Procedure in the Non-Union Setting: Caveat Employer <i>Richard L. Epstein</i>	409
SECTION 8	Evaluation and Integration of Human Resource Management	415
	The Control Process in Personnel Management <i>Lane Tracy</i>	419
	HRIS: Introduction to Tomorrow's System for Managing Human Resources <i>Albert C. Hyde and Jay M. Shafritz</i>	427
	A Stock and Flow Model for Improved Human Resources Measurement <i>Thomas A. Mahoney, George T. Milkovich, and Nan Weiner</i>	437
	To Move an Organization: The Corning Approach to Organization Development <i>William F. Dowling</i>	445

SECTION 9	Human Resource Management: An International Perspective	465
	<i>A Framework for the Comparative Analysis of Personnel Administration V. V. Murray, Harish C. Jain, and Roy J. Adams</i>	467
	<i>Made in America (under Japanese Management) Richard T. Johnson and William G. Ouchi</i>	481
SECTION 10	Future Directions	491
	<i>Toward New Freedom at the Workplace Irving Bluestone</i>	495
	<i>Alternative Work Schedules: Current Trends William Wager</i>	501
	<i>Public Sector Bargaining in 1985 James L. Stern</i>	509
	<i>The Emerging Personnel Function Edwin L. Miller and Elmer Burack</i>	521

SECTION 1

INTRODUCTION

The late 1970s have been a very exciting, dynamic, and challenging time for students and practitioners in the area of human resource management. Executives in a growing number of firms and governmental agencies are providing support and encouragement for innovation in the management of human resources. This area is, and is likely to continue to be in the foreseeable future, nearer to the center of action than ever before.

What are some of the signs of growing interest in personnel-industrial relations activities? There are several. First, according to a recent government publication, the job outlook over the next decade is very bright for people in the field of human resource management. Second, the American Society of Personnel Administration (ASPA), the largest professional society in the area, is encouraging specific programs to further professionalize the field by expanding its specialized knowledge base. Third, business leaders are increasingly aware of the financial and nonfinancial costs of inadequate management of human talent.

The present challenges demand that professionals in the field command a range of knowledge far beyond that required even fifteen to twenty years ago. In what ways has the field changed? While the personnel staff is still responsible for the traditional fields of selection, compensation, training and development, and labor relations, new laws and changing employee expectations call for new responses. Ineffective handling of such matters as affirmative action, pension plans, and health and safety can exact a heavy toll on a company—both financially and in terms of employee morale. In addition, more and more firms are experimenting with programs in job redesign, organization development, cafeteria-style benefit plans, and a host of other activities that were rare or unknown two decades ago.

One of the key lessons we have learned is the need for systematic management of human resources. Effective managing requires a multidimensional viewpoint, the ability to recognize the complexities inherent in any human resource problem. For example, a firm that wishes to improve employee performance and satisfaction through job design soon learns that the matter is not quite so simple as it may first

2 SECTION 1 Introduction

appear. The implementing of such a program is likely to have long-range implications for employee selection criteria, the type of compensation plan used, remedial or specialized training, and the union contract. Inadequate attention to any one of these areas may result in failure of the program as a whole. As shown in Fig. 1, the entire area of human resource management can be illustrated schematically from a systems viewpoint.

The articles in this volume have been chosen to answer such questions as:

1. How is the field of human resource management viewed at present by top management?
2. How can human resource planning improve our handling of people functions in organizations?
3. How does the managerial philosophy regarding human resources affect the personnel-industrial relations system?
4. How does supervisory style and job design impact human resource management?
5. What is the current state of the art in such areas as manpower planning, recruitment, selection, compensation, performance appraisal, training and management development, career planning, and labor relations?
6. What are the current problems and the managerial responses to them in the above-mentioned areas of human resource management?
7. How can organizations improve the control and integration functions relating to human resource management? How can the various human resource management programs be evaluated in terms of effectiveness?
8. Does managing of human resources vary across nations? If so, do we in the United States have anything to gain from studying human resource management in other countries?
9. What likely directions might the activity of human resource management take in the next ten to twenty years?

The sections of this book correspond to the chapters in Peterson and Tracy's *Systematic Management of Human Resources* in the following manner:

Section 2: covered in Chapters 1 and 2

Section 3: covered in Chapters 3 and 4

Section 4: covered in Chapters 5, 6 and 9

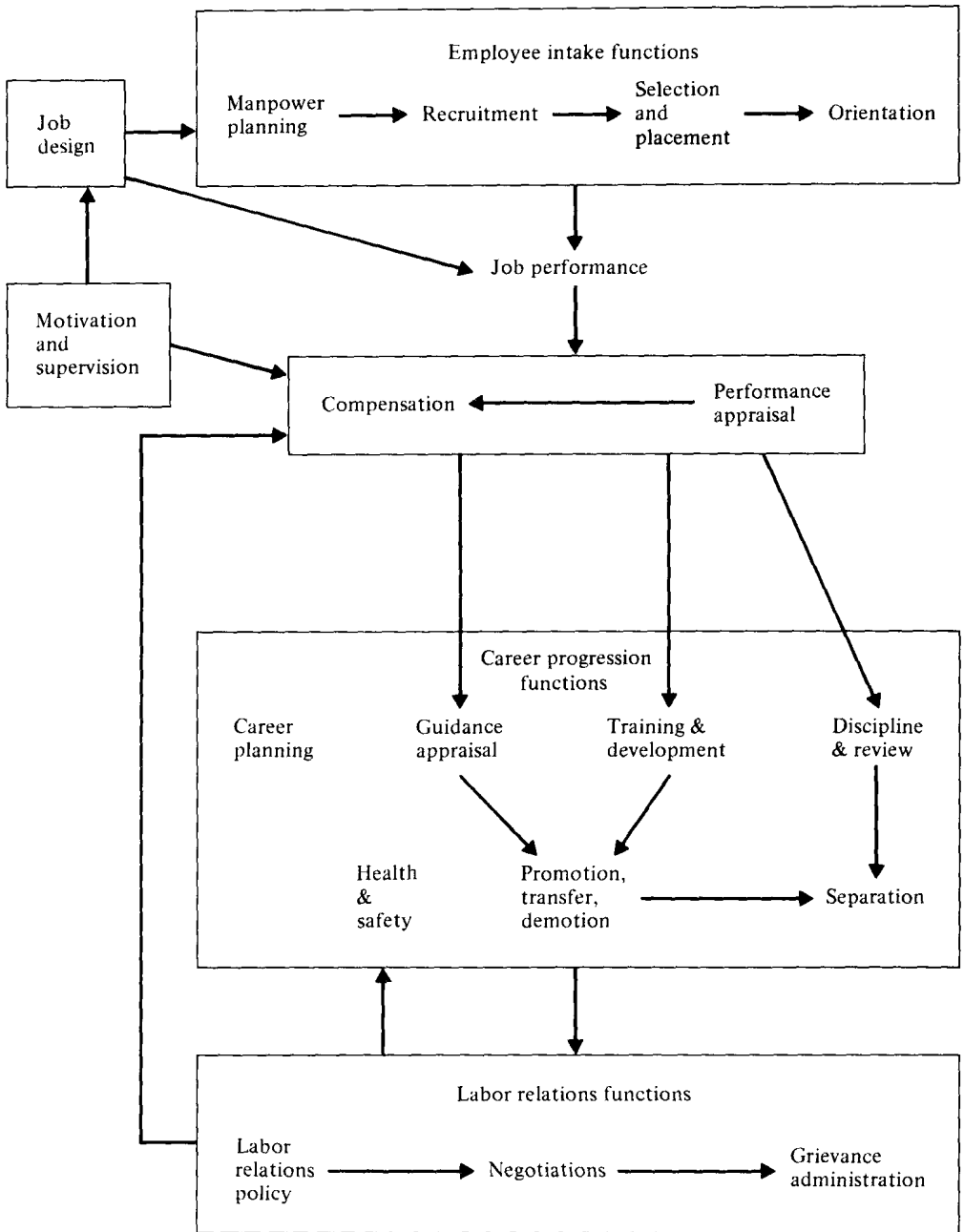


FIG. 1 Model of the human resource management system.

4 SECTION 1 Introduction

Section 5: covered in Chapters 7 and 8

Section 6: covered in Chapters 9 and 10

Section 7: covered in Chapters 11, 12, and 13

Section 8: covered in Chapters 14 and 15

Section 9: covered in Chapter 16

Section 10: covered in Chapter 17

Thus, it is quite easy to use *Readings in Systematic Management of Human Resources* in conjunction with the other text. Together, the text and its companion reader enable students to explore specific topic areas in considerable breadth and depth.

SECTION 2

THE CURRENT SCENE AND FRAMEWORK FOR VIEWING HUMAN RESOURCES

The role of the human resource manager is in a state of flux. One indication is the title itself: twenty years ago, the position was likely to be called personnel director; in the next twenty years, the title is more likely to include the words "human resources."

Employees are changing and social values are changing; thus, the tasks of the human resource manager must keep pace with evolving trends. The three articles chosen for Section 2 highlight some of these changes, describe the role of the human resource manager, and provide a framework for the integrated study of the human resource management system. They were selected because they reflect accurately and insightfully the current state of the field in human resource management.

Meyer's article examines many contemporary changes in the field in terms of how top management looks at the human resource function, as well as in terms of how the human resource staff regards its role. Schein examines the specific tasks of the human resource department. His article focuses on the unification of the tasks involved and is an excellent complement to Meyer, for it explains why the changes described by Meyer do occur. Finally, the Miles piece provides the theoretical glue that bonds the entire section together.

Our first selection, "Personnel Directors Are the New Corporate Heroes," dramatically points up changes in the human resources department. Today's personnel director is likely to be a highly respected individual in the organization, as evidenced by three major measures of corporate status. First, the salaries of human resource directors are rising faster than those of other executives in major corporations. Second, the title "Vice-President" is now being applied more frequently to the head of the human resources department. Finally, the executives in charge of personnel are recruited from all functional areas of the company, not just from the human resources staff.

Meyer suggests that three major changes in the corporate environment have created this new role for the human resource manager. First, there is increased recognition that rising productivity is closely linked to skillful coordination of the various parts of the company in terms of compensation plans, manpower planning, and

performance appraisal. Next, the legal environment is a constantly changing one; full-time, knowledgeable managers are necessary to keep abreast of the changes and advise line departments of their implications. Finally, there is a new desire to engage in career planning, from both a company and an individual standpoint. Career planning helps individuals decide how they may move ahead in the organization in the future, and also enables the organization to utilize its human resources more efficiently. Human resource departments are taking on more important and varied functions than in the past. Thus, its directors are aptly called the "new corporate heroes."

Edgar H. Schein's article, "Increasing Organizational Effectiveness through Better Human Resource Planning and Development," argues persuasively in favor of a highly proactive department of human resources. Schein examines the many functions of the personnel department and poses two basic questions: Why is human resource planning and development becoming increasingly important? What are the major components of a human resource planning and career development system?

In discussing the first question, Schein focuses on two major areas of change: the managerial job and social values. Managers are now managing people with increased decision-making responsibility—in other words, managers are delegating more than in the past. Further, as the social values of our entire society evolve, management must recognize and be responsive to these changes. Managers are not only managing more people, they are managing people with new outlooks and perspectives. For these people, work may not be as important as it has been to individuals in the past.

Schein's method of presentation is effective. He offers a clear and concise model of organizational and individual needs, and shows how the human resource manager must match these needs. Any current or prospective manager should be able to readily apply the model to his or her own particular situation.

The article also points out some of the changes in the field of human resources. There is a new, systems-oriented literature emerging that recognizes the highly interdependent nature of all the human resource subsystems and attempts to integrate them. Changing the performance appraisal subsystem, for example, requires that we also make changes in the compensation subsystem.

Planning is also becoming a major part of human resource management. There is a need to integrate human resource planning with corporate long-range planning. A new professional organization, The Human Resource Planning Society, publishes a journal entitled *Human Resource Planning* and is dedicated to advancing human resource planning activities in organizations.

Raymond Miles' article provides much practical information regarding the utilization of employees and managers. His thinking can be characterized as highly intuitive. In his introduction, he sets the tone for the entire discussion by suggesting that managers have their own theories of management, whether or not they can explicitly state them.

Miles examines three major managerial models that together provide a framework for the study of human resource systems: the traditional, the human relations, and the human resources models. By sketching the historical development of each, he enables the reader to see exactly how one model evolved from its predecessor. The various assumptions, policies, and expectations of each model are clearly outlined for both managers and workers.

Miles is not content, however, to offer merely a theoretical exposition. His article is both descriptive and prescriptive in its examination of real management situations. He explores the implications of each type of management theory and then asks what managers actually *do*. Managers, according to Miles, actually have two theories of management—one for the subordinates they manage and another for how they feel they themselves should be managed. Miles' message soon becomes clear: if we are to expect the human resources style of management from our superiors, we must use this theory of management on our subordinates as well to ensure a more effective total organization.

Finally, the theory of Human Resources offers a number of implications for management. First, the human resources within our organizations are quite valuable, and we must learn to use these resources properly. Firms should make every effort to examine their people and determine what they desire on the job in terms of responsibility, opportunities for growth, and decision-making authority. If this is done, organizations will benefit from a more satisfied and more effective work force.