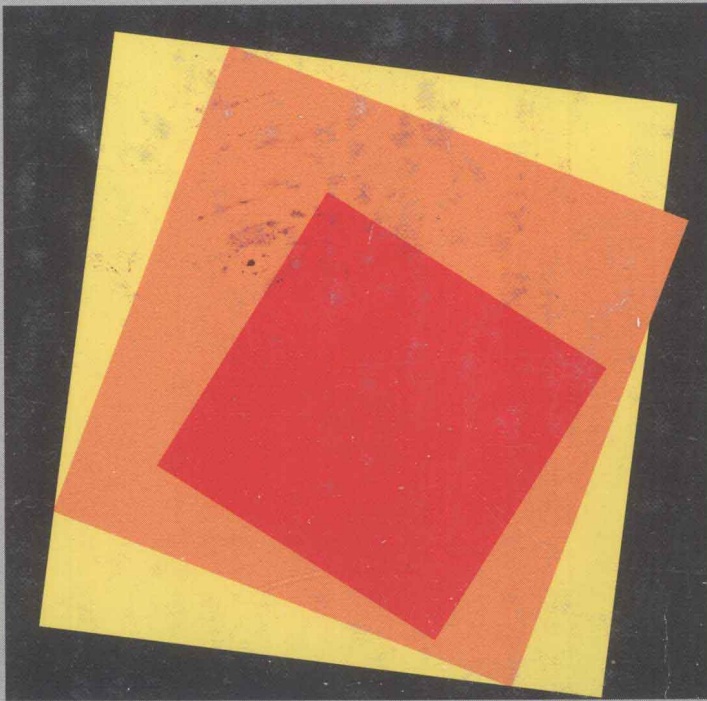


EDWIN B. FLIPPO

PERSONNEL MANAGEMENT

SIXTH EDITION



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PERSONNEL MANAGEMENT

Sixth Edition

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Preface

Though updated, this text continues to rely upon the basic framework that has characterized it from its first edition in 1961. It has proved to be sufficiently flexible and comprehensive to absorb the many changes occurring in the field during the last two decades. The basic framework consists of the following sequence of functions:

1. *Procurement* of personnel
2. *Development* through training and education
3. *Compensation* to insure equity and incentive
4. *Integration* to align interests of employees, management, and the union
5. *Maintenance* to insure continuation of this able and willing workforce
6. *Separation* to return personnel to society when no longer required

The text can be summarized in one somewhat lengthy sentence: *Personnel management is the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources, to the end that individual, organizational, and societal objectives are accomplished.*

Major new features of the current edition include a new chapter on Quality of Work Life and Quality Circles, as well as a new half-chapter on human resources planning. In addition, new emphasis is provided on the following subjects: sexual harassment, pregnant employees, Supreme Court decisions concerning Affirmative Action, behavior modeling in training, behavioral expectancy and observation scales in performance appraisal, dual career families, plateaued careers, comparable value in compensation, new services such as vanpooling and child care, attribution theory, path-goal leadership theory, concessionary bargaining with unions, grievance processing in nonunion firms, OSHA rule changes and Supreme Court decisions dealing with economics versus safety, and predictions for the coming decade.

A special attempt has been made to add more figures and tables, with over fifty new ones included. All supplementary readings have been changed and updated. Another feature is the addition of a brief case for each chapter as discussion starters. With respect to the longer cases and exercises, two new exercises have been added (weighted application blanks and promotion) and one new case (The New Engineer). A final additional feature is the insertion of major excerpts from popular business magazines and newspapers, particularly *Business Week*, *Fortune*, and *The Wall Street Journal*. Twenty of the twenty-four chapters have boxes for material from these sources.

I continue to recognize the impact and contributions of former colleagues such as Ralph Davis, Ohio State University; Keith Davis, Arizona State University; Michael Jucius, Ohio State and Arizona Universities; and William Voris, The American Graduate School of International Management. I acknowledge and welcome the comments of reviewers including: Professor George Beason, Wichita State University; Professor Joseph Crowley, Community College of Philadelphia; Professor Keith Davis, Arizona State University; Professor Thomas W. Faranda, Faranda and Associates; Professor Robert Howard, Loyola University of Chicago; Professor Richard J. Melucci, Adelphi University; Professor Leonard Rico, University of Pennsylvania; Professor Foster C. Rinefort, Eastern Illinois University; Dr. Nathaniel Stewart, Stewart and Associates Consultants; and Professor Jerry Wofford, The University of Texas at Arlington. I am indebted to many professors, managers, and students throughout the nation and the world who have submitted comments and suggestions. It is my continued hope that the framework for understanding the human resources field presented in this book will prove to be of value to students, teachers, and practitioners.

Edwin B. Flippo

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PART ONE

INTRODUCTION

The history of personnel management is short in one sense, but long in another. Modern personnel management dates back only to the 1940s; personnel problems requiring managerial attention date back to the time of the industrial revolution. In this part of the text we shall examine the managerial and operative functions of personnel. The status of the field will be analyzed in the light of its past as well as with reference to such modern challenges as are posed by changes in human values, technical demands of large corporations, increasing governmental controls, changes in the work force skill mix, and pressures toward social responsibility. It concludes with a look at the specialized unit, the personnel department, that is primarily responsible for dealing with these issues.

chapter 1

The Nature and Challenge of Personnel Management

At one time in our history, “liking people” appeared to be sufficient for choosing to work in the field known as personnel management. Preferring to work with humans rather than objects is still important, but it is grossly insufficient in these modern times. Personnel management is one of our most complex and challenging fields of endeavor. Not only must the firm’s requirements for an effective work force be met, the personnel manager must be greatly concerned with the expectations of both employees and society in general. Society at large has proclaimed its human resources to have vital needs that move beyond a “work force” status. The employee is simultaneously an instrument of the firm, a human being, and a citizen.

The role of the personnel manager has thus changed through time. At first, the dominant role was to satisfy top management in procuring and maintaining a work force that would be instrumental to organizational productivity. As knowledge expanded in executing this role, the manager began to understand the necessity for ascertaining and accommodating to the needs of the human beings who constituted that work force. He or she constantly searched for that program which would support the accomplishment of *both* organizational and individual objectives. The job was made more difficult by such factors as the rise of the modern labor union, the increasing educational level of societal members, the increasing size and complexity of the organization and its technology, and the insistent and sometimes violent demands of less privileged segments of our society. This last-named factor has led to the final major alteration of the personnel manager’s role. Though society “permits” and encourages the use of its citizens as means to organizational ends, the fact that they constitute an instrumental work force in no way detracts from the fact that they are (1) human beings with certain inalienable rights, and (2) society’s citizens with assigned rights and privileges. In this newly expanded role, the personnel manager will at worst act as the organization’s social conscience, and at best will work as an informed specialist, with all members of the organization in determining and meeting the demands of this social role.

The modern personnel manager therefore requires a broad background in such fields as psychology, sociology, philosophy, economics, and management. He or she must

deal with issues and problems that often do not have “right answers” obvious to all. There will be required an ability to understand that which is not logical, a capacity to project oneself into other positions without losing perspective, and a skill in predicting human and organizational behavior. Reading or studying a text such as this will not magically change one into an effective personnel executive. Study should be of material assistance, however, in giving a perspective from which to view the field, in suggesting possible answers to current problems, and helping to define the way toward further improvement and research. Certainly, in this text the technical content of the field will be thoroughly discussed. The personnel manager who does not meet the demands of this initially assigned role may not be around to worry about the other two. We shall also emphasize and attempt to define the nature of the forces brought to bear by individuals and society. As suggested in Figure 1-1, the personnel manager needs to keep his or her head above water while moving ahead in the confluence of these three major streams of influence.

DEFINITION OF PERSONNEL MANAGEMENT

It is appropriate and helpful to offer, at the beginning of the discussion, a definition of the subject to be covered. In the following definition we are presenting an outline of this entire text. In the first place, we are dealing with two categories of functions, managerial and operative. A manager is one who exercises authority and leadership over other personnel; the president of a firm is certainly a manager, and so also is the department head or supervisor. On the other hand, an operative is one who has no authority over others but has been given a specific task or duty to perform under managerial supervision. Thus, the personnel manager is a manager and as such must perform the basic functions of management. This is true no matter what the nature of the operative function. Yet a comprehensive definition of personnel management must include also the operative functions in the field. In outline form, the definition would appear as follows:¹

- 1 Management functions
 - a Planning
 - b Organizing
 - c Directing
 - d Controlling
- 2 Operative functions
 - a Procurement
 - b Development
 - c Compensation
 - d Integration

¹The listing of major management functions varies with the experts. Perhaps the original listing was that of Henri Fayol in *General and Industrial Management*. He proposed a sequence of planning, organizing, commanding, coordinating, and controlling. Others suggest (1) planning, organizing, and controlling, (2) planning, organizing, staffing, directing, controlling, innovating, and representing, and (3) just planning and controlling. The differences are in emphasis rather than in content.

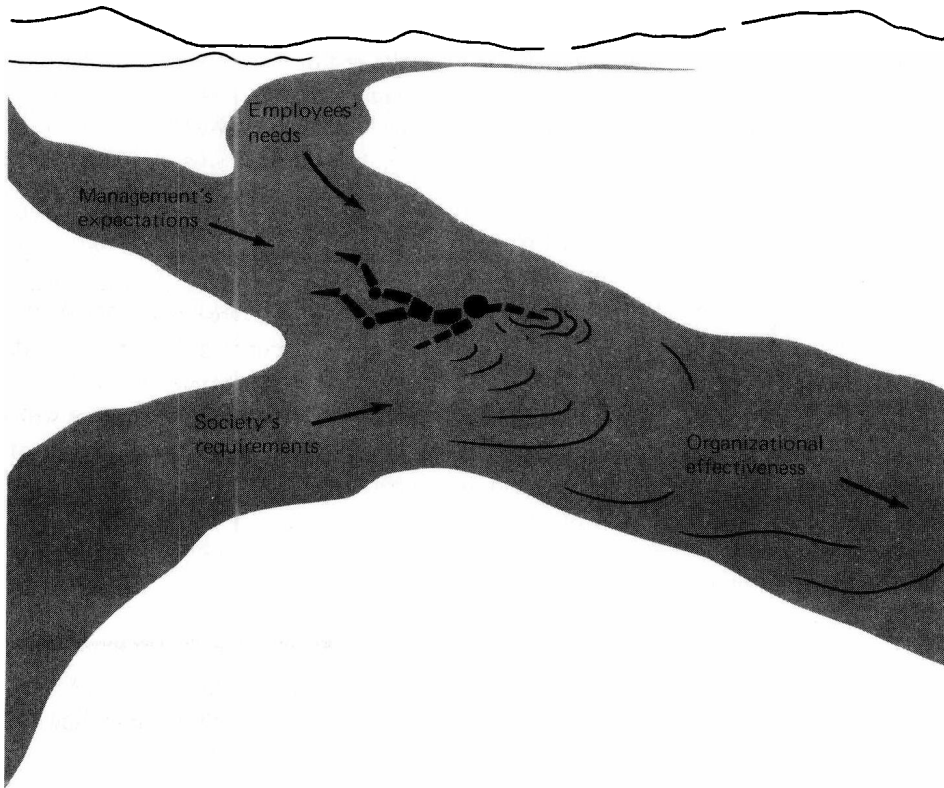


Figure 1-1 Confluence of forces on personnel manager.

- e Maintenance
- f Separation

It is therefore possible, as mentioned in the preface, to summarize this entire text into one sentence: *Personnel management is the planning, organizing, directing, and controlling of the procurement, development, compensation, integration, maintenance, and separation of human resources to the end that individual, organizational, and societal objectives are accomplished.* A brief elaboration of the component parts of this definition follows.

Planning Effective managers realize that a substantial portion of their time should be devoted to planning. For the personnel manager, planning means the *determination in advance of a personnel program that will contribute to goals established for the enterprise.* Presumably, the process of goal establishment will involve the active and enlightened participation of the personnel manager, with his or her expertise in the area of human resources.

Organizing After a course of action has been determined, an organization must be established to carry it out. An organization is a means to an end. Once it has been determined that certain personnel functions contribute toward the firm's objectives, the personnel manager must form an organization by *designing the structure of relationships*

among jobs, personnel, and physical factors. One must be aware of the complex relationships that exist between the specialized unit and the rest of the organization. Because of increasing expertise in this function, many top managements are looking to the personnel manager for advice in the general organization of the enterprise.

Directing At least in theory, we now have a plan and an organization to execute that plan. It might appear that the next logical function would be that of operation, doing the job. But it has been found that a “starter” function is becoming increasingly necessary. In our above definition, this function was labeled “direction,” but it may be called by other names, such as “motivation,” “actuation,” or “command.” At any rate, a considerable number of difficulties are involved in *getting people to go to work willingly and effectively.*

Controlling Now, at last, the personnel functions are being performed. But what is the management duty at this point? It is logical that its function should be that of control, that is, the observation of action and its comparison with plans and the correction of any deviations that may occur, or, at times, the realignment of plans and their adjustment to unchangeable deviations. Control is the managerial function concerned with *regulating activities in accordance with the personnel plan, which in turn was formulated on the basis of an analysis of fundamental organization goals.*

It is believed that the four above-named functions are basic and common to all managers. In Chapter 3, the personnel manager’s responsibilities for planning, organizing, and controlling will be discussed. The essence of the fourth function, direction, is so closely allied with the operative function of integration that its discussion will be delayed until later in this text. Though all managers must unavoidably direct their subordinates, the personnel manager should possess exceptional expertise.

There is a skill in managing that can be transferred to various operative areas, but no one will deny that an effective manager must know what it is that he or she is managing. The greater portion of this text is devoted to these personnel operative functions.

Procurement This first operative function of personnel management is concerned with the *obtaining of the proper kind and number of personnel necessary to accomplish organization goals.* It deals specifically with such subjects as the determination of human resources requirements and their recruitment, selection, and placement. The determination of human resources required must rest upon a prior design of job duties, a decision that is increasingly being affected by the personnel manager’s objective of meeting human needs. Some jobs are better left to robots than human beings. The objective of meeting society’s requirements often affects procurement programs in the forms of affirmative action and equal opportunity. The actual hiring process entails a multitude of activities designed to screen personnel, such as reviewing application forms, psychological testing, checking references, and conducting interviews. These activities are presented and analyzed in Chapters 4 to 8.

Development After personnel have been obtained, they must be to some degree developed. Development has to do with the *increase of skill, through training, that is necessary for proper job performance.* This is an activity of very great importance and will continue to grow because of the changes in technology, the realignment of jobs, and the increasing complexity of the managerial task. Discussion of operative, managerial, and organization development will be presented in Chapter 9, to be followed by performance appraisal and career development in Chapters 10 and 11.

Compensation This function is defined as the *adequate and equitable remuneration of personnel for their contributions to organization objectives*. Though some recent morale surveys have tended to minimize the importance of monetary income to employees, we nevertheless contend that compensation is one of the most important functions of personnel management. In dealing with this subject, we shall consider only economic compensation. Psychic income is classified elsewhere. The basic elements of a compensation program are presented in Chapters 12 to 14, with an emphasis upon such subjects as job evaluation, wage policies, wage systems, and some of the recently devised extra-compensation plans.

Integration With the employee procured, developed, and reasonably compensated, there follows one of the most difficult and frustrating challenges to management. The definition labels this problem "integration." It is concerned with the attempt to *effect a reasonable reconciliation of individual, societal, and organizational interests*. It rests upon a foundation of belief that significant overlappings of interests do exist in our society. Consequently, we must deal with the feelings and attitudes of personnel in conjunction with the principles and policies of organizations. This broad problem, as well as the narrower related problems, such as grievances, disciplinary action, and labor unions, will be covered in Chapters 15 to 20.

Maintenance If we have executed the foregoing functions well, we now have a willing and able work force. Maintenance is concerned with the perpetuation of this state. The maintenance of willingness is heavily affected by communications with employees, a subject discussed in Chapter 21. The physical condition of the employee should be maintained, and health and safety will be the subject of Chapter 22.

Separation If the first function of personnel management is to secure the employee, it is logical that the last should be the separation and return of that person to society. Most people do not die on the job. The organization is responsible for meeting certain requirements of due process in separation, as well as assuring that the returned citizen is in as good shape as possible. In Chapter 23, we shall discuss such types of separations as retirement, layoff, out-placement, and discharge. The final chapter is devoted to the subject of research in all personnel functions, and some consideration of the processes of introducing change should research findings demand it.

The purpose of all the activity outlined above, both managerial and operative, is to assist in the accomplishment of basic objectives. Consequently, the starting point of personnel management, as of all management, must be a specification of those objectives and a determination of the subobjectives of the personnel function. The expenditure of all funds in the personnel area can be justified only insofar as there is a net contribution toward basic goals. For the most part these are goals of the particular organization concerned. But as suggested earlier, society is tending to impose human goals upon the private business enterprise, goals that may or may not make an immediate contribution to an organization's particular objectives.

THE ROLE OF THE PERSONNEL MANAGER

Every organization has a personnel function whether or not a specific personnel manager has been so designated. Every organization must hire, train, pay, motivate, maintain, and ultimately separate employees. If a specialized personnel manager exists, he or she