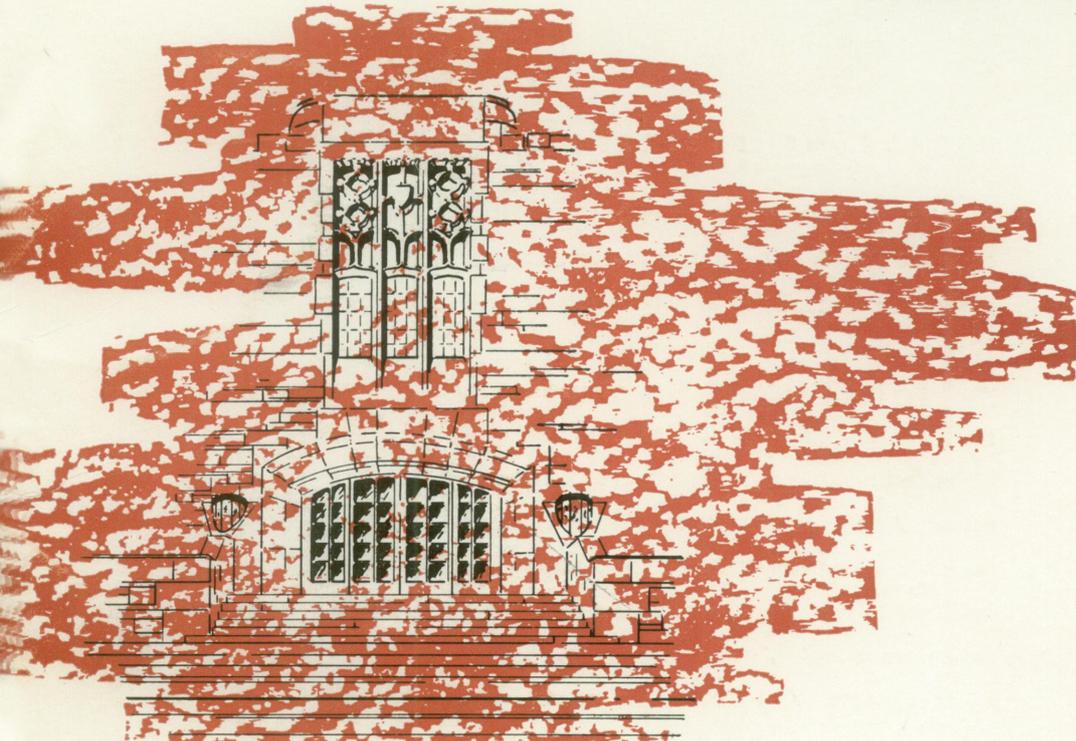


Personnel administration

V

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... *Managing a Successful  
Personnel Relations Program,*

by JOHN F. MEE and EDGAR G. WILLIAMS.

Bureau of  
Business Research,  
SCHOOL OF BUSINESS

INDIANA UNIVERSITY.

Σ Bloomington, 1958

V

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(*Indiana Business Information*  
*Bulletin no. 33*)  
*Number 33*

*Managing a Successful*  
*Personnel Relations Program*

*by*

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## FOREWORD

This publication has an interesting background that dates back over a decade to an address presented by Professor John F. Mee before the Indiana Chapter of the Society for the Advancement of Management as part of their 1947-48 School of Management. The response to the speech was highly enthusiastic, and the requests for copies was so great that Professor Mee was persuaded to put the materials in published form. On June 30, 1948, the Bureau of Business Research published "Management Organization for a Sound Personnel Relations Program" as *Business Information Bulletin No. 2*.

During the ten years that followed, the demand for this publication continued, and indeed the requests became greater with the passage of time. It was used extensively in classrooms, executive development programs, and personnel offices. After going through eight printings, and being reprinted in a number of other publications, the decision was made to revise and expand upon the original volume. Professor Edgar G. Williams undertook this task, and "Managing a Successful Personnel Relations Program" is the result. We trust that this new volume will continue to serve an important need in the field of personnel management.

SCHUYLER F. OTTESON  
Director, Bureau of Business Research

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# MANAGING A SUCCESSFUL PERSONNEL RELATIONS PROGRAM

JOHN F. MEE AND EDGAR A. WILLIAMS

## AN INTRODUCTION

PERSONNEL management involves the effective utilization of manpower in an organization. Business leaders who apply sound personnel management principles develop desirable human relationships that result in the achievement of organizational objectives. At the same time, individual employees and managers are able to receive their full measure of personal job satisfactions. In most instances, these productive human relationships do not occur by chance, but are often the result of a carefully conceived and executed personnel or industrial relations program.

Today more than ever before, American businessmen are diligently seeking ways and means of assisting their people to become more productive. Perhaps the acceptance of greater social responsibilities on the part of "professional managers" accounts in part for this development. However, profits and customer service in a highly competitive economy are still of supreme importance to every manager. These values are most directly dependent upon the intelligent utilization of manpower. In fact, the very perpetuation of the enterprise depends on the way human faculties are employed.

Each owner, manager, or supervisor in his day-to-day contacts with employees is constantly involved in one phase of personnel management or another. It makes little difference whether the organization is large or small. Neither does it matter a great deal whether the concern has a formal personnel relations program or has decided to handle personnel affairs on a more informal basis. It is impossible to divorce the responsibility for the proper and effective use of manpower from any position of managerial leadership. Personnel management is the responsibility of each manager or leader

AUTHOR'S NOTE: This presentation is made as a basis for either a successful personnel program or an effective operating personnel relations philosophy.

on any organizational level. Because of these and other comparable reasons, it may be said that at least 95 per cent of all so-called personnel work is done by those managers in line or operating assignments. The rest is left to the technical specialists usually assigned to personnel and industrial relations organizational units who can plan, organize, and control the personnel or industrial relations program. Yet the very vital managerial function of motivating, through which a program is activated, is reserved for the most part to those managers who have the largest numbers of employees—those in line and operating units, such as production, sales, or the general office.

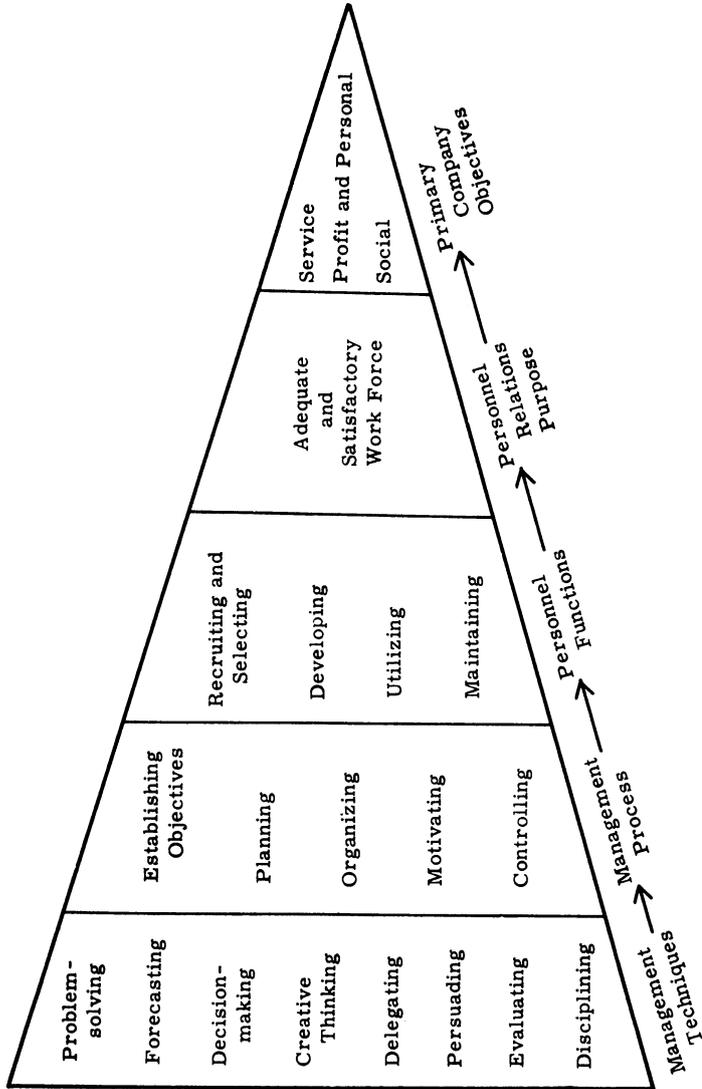
*Personnel management is the means by which personnel relations or industrial relations programs are converted from potential values into actual values in the form of reliable human relationships; they are conducive to cooperation and co-ordination and result in high productivity of the work force.*

#### THE SCOPE OF PERSONNEL MANAGEMENT

Personnel management involves the entire management process as it is applied to the essential personnel relations functions of recruiting and selecting, developing, utilizing, and maintaining an adequate and satisfactory work force. The personnel or industrial relations program is a course of planned action designed to embrace these essential functions, so that when they are performed in line with company policies they will contribute directly to the organization's success.

Perhaps the most vital element in a personnel program is leadership, the catalyst that must translate plans into practices. Skills in problem-solving, decision-making, creative thinking, communicating, and supervising are only a few of the techniques needed by leaders and managers to properly discharge their responsibilities. Figure 1 serves to illustrate the relationships among the functions in the management process, essential personnel relations functions, and certain managerial techniques. Together, these factors circumscribe modern personnel management. Managerial techniques are helpful devices in applying the management process to the

**FIGURE 1**  
**THE SCOPE OF MODERN PERSONNEL MANAGEMENT**



various functional areas of a personnel relations program, so as to provide for an effective work force that can accomplish company objectives in accordance with established policies.

### THREE BASIC CONCEPTS

All expenditures of money, time, and effort on a personnel relations program should be justifiable in terms of immediate, intermediate, or ultimate objectives of the organization that it is to support.

What is the nature of these objectives ?

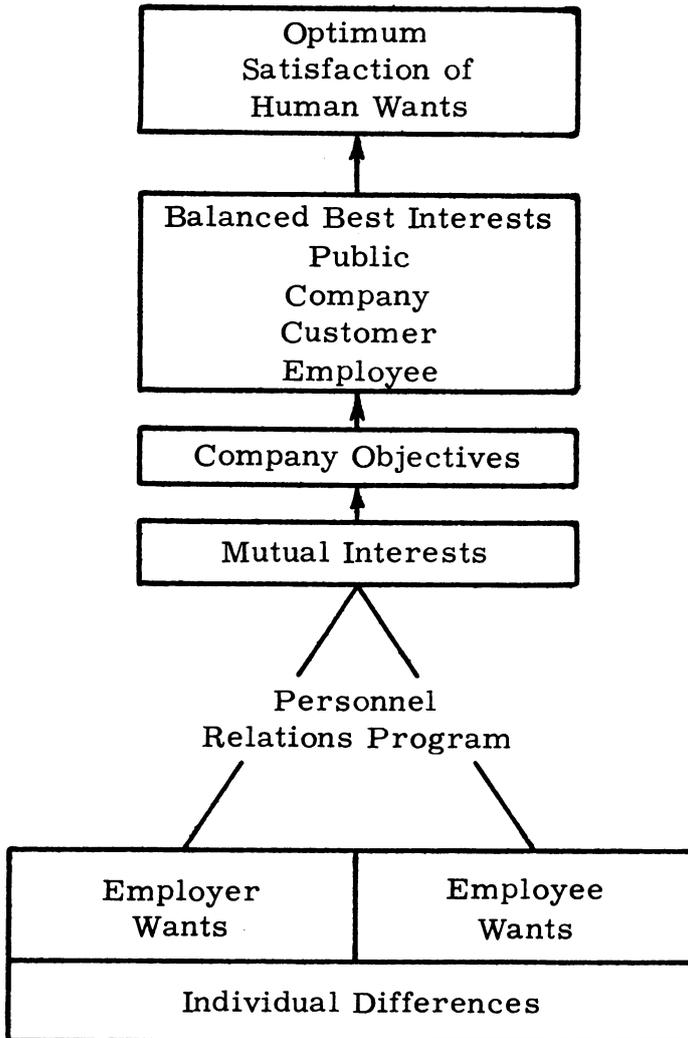
On what basis are they derived ?

What are their interrelationships ?

Objectives are *values that must be created, acquired, preserved, or distributed in order to justify an organization or any of its separate parts*. Some are economic values while others are social values; some refer to individual needs, wants, and desires; some pertain to group interests. They all culminate in the satisfaction of human wants in one way or another. Before the objectives of a personnel relations program can be established, attention must be given to understanding company objectives as they reflect the wants, needs, and desires of owners, customers, employees, and the general public as interest groups. Special consideration must be given to employee wants as compared to employer wants, and management must remember that individual differences exist among members of these groups. Objectives that will reflect the three basic concepts that underlie a sound personnel program may then be determined. They are (1) *balanced best interests*, (2) *mutuality of interests*, and (3) *individual differences*. Figure 2 illustrates some of the interrelationships among these interests and the objectives that are established from a careful analysis of them.

The objectives of a personnel relations program should be based on the wants of the employers as well as those of employees and should serve to unite these two groups in a strong bond of mutual interests. The personnel program then becomes the means whereby this mutuality of interests can be channeled toward the fulfillment of company objectives

**FIGURE 2**  
**BASIC CONCEPTS IN PERSONNEL RELATIONS**

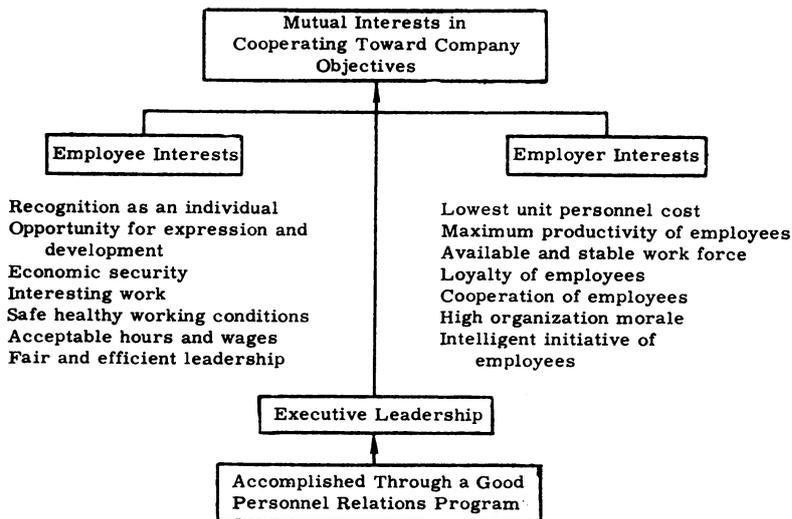


(profit and personal, service, or social in nature) that have been set up and balanced in the best interests of all parties concerned. Optimum satisfaction of individual human wants should then result.

It is well to remember that the objectives of even the best planned and organized personnel programs are dependent upon the availability and capacity of the leadership factor in an organization. Leadership of a positive nature in both line and operating organization units as well as in the personnel staff must provide the dynamic force necessary to obtain the support, confidence, and cooperation of all managerial and operative personnel, if the best possible human relationships are to be established and maintained.

An employer has certain self-interests that he expects to realize through his employees. Employees, too, have certain things they want from their employer in return for their services. A good personnel program establishes the means necessary to provide for integrating and satisfying these wants, *provided* there is qualified and capable leadership to carry out such a program successfully. Figure 3 illustrates typical employer-employee interests for which the immediate objectives of a personnel relations program can be determined.

**FIGURE 3**  
**MUTUAL INTERESTS CONCEPT**



Employees will follow the leadership that promises and provides the best means of fulfilling their desires and interests. A good personnel relations program is the best possible tool available to business leaders to secure the cooperation and support of all employees. If company leadership does not accept the responsibility for satisfying the need for such a program, it may fall to union leadership by default.

In the management and operation of a personnel relations program, managers must constantly keep in mind the fundamental human drives (hunger, sex, and mastery or rivalry) that, together with other required personal characteristics, are the bases of individual interests. These cannot be ignored or overlooked, or focal points of friction might develop to impair or to defeat the program. It is necessary, therefore, to recognize the concept of individual differences in effective personnel management.

#### **SPECIFIC PROGRAM OBJECTIVES**

The specific nature of the immediate objectives of a personnel program will vary somewhat according to (a) organization objectives, (b) the analysis of group and individual interests, and (c) management philosophy. Yet they must be determined by management before a program can be set up and an organization put together to make it work. Some typical personnel objectives might be:

To provide information and service to the line organization on personnel matters

To keep all managers imbued with a proper and healthy attitude toward effective personnel management

To place personnel relations on a businesslike basis through both individual and collective representation; that is, in the balanced best interests of all individuals and groups interested in the firm

To concede that people *do* have individual differences and manage accordingly by developing relationships that consider their dignity and preserve their individuality

To provide, use, and maintain adequate manpower, at least unit personnel costs consistent with company objectives and policies

To provide opportunities for personal self-development of individuals so that they may obtain satisfaction, status, and social approval

To provide proper health and safety measures

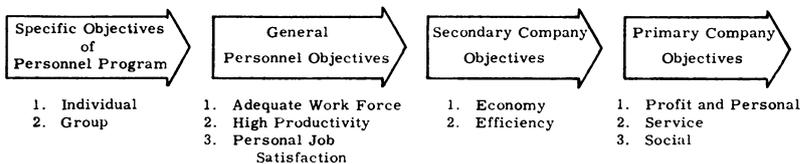
To provide the means whereby employees can achieve high productivity and good morale

To give ample consideration to the roles of the union and the government in everyday business affairs

To contribute to the community and public relations programs of the firm

The following arrows demonstrate the relationships between specific personnel objectives and company objectives.

**FIGURE 4**  
**RELATION OF PERSONNEL OBJECTIVES TO COMPANY OBJECTIVES**



Management may be defined as *the process of accomplishing desired results or objectives through the intelligent use of human effort*. That process consists of *planning, organizing, motivating, and controlling*. Now that specific personnel objectives have been determined, the application of each of these management activities to the problem of developing and maintaining a sound personnel relations program should be discussed.

**PERSONNEL POLICIES**

Personnel policies play an important part in the management of sound human relations as well as in the operation of the personnel program. Usually, they are statements or directives formulated by leaders and based upon sound management principles that serve to guide the organization toward its personnel relations objectives. Because they allow people to act or to decide within the prescribed limits of authority, they should be looked upon as enabling devices. Such guides to action may be recommended at any or all levels in the organization. They must be approved and supported by top management, however, because once established, they are

used by everyone as the basis for co-ordination, cooperation, decision, and action. Good personnel policies have certain characteristics. They are:

- 1 Direct relation to program objectives
- 2 Definite and clearly written
- 3 Known and understood by all
- 4 Honest and fair
- 5 Flexible yet stable
- 6 Sufficiently comprehensive
- 7 Complementary to other policies
- 8 Up-to-date

See Figure 5 for typical examples of personnel policies.

**FIGURE 5**  
**TYPICAL PERSONNEL POLICIES**

**TYPICAL GENERAL PERSONNEL POLICIES**

We shall pay fair and reasonable compensation for services rendered.  
We shall plan operations in advance to provide for continuous employment.  
We shall promote on basis of ability, efficiency, and length of service.  
We shall recognize long service personnel.  
We shall provide practical economic assistance through insurance and other benefit plans.  
We shall not discriminate on race or religion.  
We shall insist on compulsory vacations.  
We shall encourage active participation in community and civic affairs.  
We shall provide for the prompt consideration of all complaints and grievances.  
We shall provide and maintain the safest machinery and workplace possible for our employees.

### **PLANNING A PERSONNEL RELATIONS PROGRAM**

*A program is a course of planned action based on facts and well-founded assumptions designed to accomplish a purpose. Planning a well-integrated personnel program involves the determination of objectives and the formulation of personnel policies designed to aid in this accomplishment. The next logical question to consider is: What actions are necessary to reach the objectives according to general personnel policies?*

This part of the over-all plan is usually constructed around the essential personnel relations functions or activities and consists of a listing of contemplated actions such as the following material suggests.

- I. *What actions are necessary to accomplish the objectives?*
  - A. Reaffirm objectives and policies.
  - B. Determine basic and essential personnel functions on basis of needs as indicated by objectives and policies. The following functions are essential and are performed to some degree in every organization, regardless of its size, if adequate manpower is to be provided by managers and leaders: *Recruit, select, and place qualified personnel; develop skills and abilities to match job requirements; utilize manpower in the most suitable way; maintain adequate human faculties to get the job done properly.*
  - C. Establish a schedule for the installation of the specific policies, procedures, and practices that are to be included in the program.
  - D. Devise proper organizational setup necessary to operate the program.
  - E. Provide for an operating budget.
  - F. Inform top management and obtain its approval and support.
  - G. Arrange for communication of the program to all other managers affected (particularly supervisors and other operative managerial personnel).
  - H. Secure fullest possible employee cooperation.
  - I. Provide for periodic evaluation and control of the plans, policies, and practices in the program.
  
- II. *Why are these actions necessary?*
  - A. Objectives and policies must be clearly stated and understood if the person assigned the responsibility for setting up a program is to succeed. The entire program will ultimately be measured in terms of these basic yardsticks.
  - B. For executive leadership to achieve the objectives of an approved and accepted personnel relations program, the essential personnel functions must be established and proper authority and responsibility assigned to the person who is to be held accountable for their execution. As these functions are definite and follow one

another in a very logical sequence, care must be exercised in planning for them. The following areas of personnel work are the most readily recognized. (It should be noted that in establishing the logical sequence of these functions, the order of their occurrence is vital.)

1. *Research and Standards.* Before personnel can be employed intelligently and jobs filled with competent people, it is necessary to know the content of the jobs, the correct minimum man-qualifications required, and the wage and salary rates. This research helps leaders to set up personnel standards so that prospective employees can be gauged as to their potentialities.
2. *Employment.* This function is dependent upon information obtained through personnel research activities such as job analysis, job description-specification, job evaluation, wage and salary analysis, and testing. With this information, labor sources can be contacted and prospects interviewed, selected, and suitably placed.
3. *Education and Training.* When these new employees are inducted and properly oriented, their training begins if they are to reach maximum productivity for the mutual benefit of the company and themselves. Without proper training, employees represent potential capacity *only* and are usually not capable of efficient performance.
4. *Health and Safety.* By this time, these employees represent a sizable investment to the organization. It is good business to protect that investment by means of the safety, health, and employee service functions. In order to assure physical and mental well-being, various safeguards and regulations are included in the safety and health program. In fact, the existence of such measures is evidence that company leadership is observing one of its social responsibilities—that of safeguarding the nation's most precious resource—manpower.
5. *Employee Services.* Partly for competitive reasons, partly for social reasons, and partly for humanitarian reasons, various employee service plans are made available. These enable the individual to concentrate more on his work with a better mental attitude toward it. The result is more output per manhour worked.

6. *Wages and Salaries.* Wages, hours, and other conditions of work are sometimes provided for in a formal labor agreement, but very often they are handled on a more individualized basis, particularly in small concerns. At any rate, such factors have a direct effect on personal motivation and must be properly and equitably arranged.

(The performance of each of the personnel functions just discussed involves individual contacts and all types of human relationships among employees. The remaining function, employee relations, deals with operative personnel as a group.)

7. *Employee Relations.* In many firms, this function is provided for through collective bargaining between employee and employer representatives. The result is a formal labor agreement or contract that creates an umbrella of rules and policies covering wages, hours, and conditions of employment for day-by-day business life. Whether or not the employees are unionized, there still remains a collective or group relationship between manager and managed that necessitates this function. Employee relations as a major personnel relations function cuts across all other personnel functions and is dependent upon their successful performances. This function provides a control device for the top personnel executive.

It makes no difference whether the organization is large or small, unionized or not, these same personnel functions are essential. If there is no formal personnel program and organization to provide for them, they must be done solely by those people in positions of primary line authority. In smaller concerns this is the usual practice.

- C. A schedule must be provided for the installation of the program because of the costs, time, and effort involved as well as the dictum of "first things first."
- D. A proper organizational setup must be created in order to carry out the necessary functions in an efficient manner. Desirable relationships of work, authority, responsibility, and accountability will result, and the personnel organization will be assured of the status and manpower it needs.
- E. A budget is necessary to provide for space, equipment, salaries, and services needed to operate successfully.
- F. Top management must be given proof of the values to be realized from the prepared program in order to obtain:

1. Active participation in policy formulation
  2. Approval and necessary authority
  3. Assistance in organizational planning
  4. Approval of proper organization structure and system of personnel operations
  5. Cooperation in "selling" the program to other managers and employees and keeping it "sold"
- G. Operative managerial personnel are the key link in building and retaining good human relations in an organization because they are in closer contact with more people than any other managerial group. Unless they know, understand, and can apply sound personnel management in their jobs, no personnel program will succeed. The program must be communicated clearly, and acceptance of it must be forthcoming through proper educational devices.
- H. The management group must have the cooperation of employees if the "mutual interests" that are so vital to both company and personal aims are to be engendered. This is the most positive way of guaranteeing increased productivity.
- I. Evaluation of personnel activities is necessary to measure their effectiveness in contributing to both personal and company objectives and to justify further expenditures of time, effort, and money in that direction.

The answers to "Why are these actions necessary?" should add up to the values represented by the statement of personnel objectives. If they do not, either there is too much action, or there is not enough, or too much work is being contemplated. Each situation calls for executive decisions *before* the program is activated.

### III. *When shall the action(s) be taken?*

- A. Begin just as soon as authority is received from top management. Timing is a strategic element in the management of a personnel program, but keep in mind that there are right and wrong times to introduce a plan, program, or project.
- B. People can only absorb so much at a time, and their attitudes are conditioned by many pressures and influences. Intelligent scheduling can mean the difference between enthusiastic acceptance or downright rejection.

### IV. *Where shall the action(s) take place?*

- A. In the appropriate organizational units within the company.
- B. At other places selected by the personnel director with top management's approval.

V. *Who shall be responsible for taking the action(s)?*

- A. Personnel staff members *alone* cannot operate the program. They must have the cooperation of all operating executives, supervisors, and employees. The primary responsibility for sound personnel relations must rest on the shoulders of those managers who have operating authority.
- B. The personnel director and his staff recommend, counsel, and cooperate, while line managers actually adopt and use personnel relations policies, techniques, and procedures in their day-by-day operations. The personnel director can be held accountable for planning, organizing, and controlling the program, but the motivating function, to a larger degree, must be reserved for other leaders.

VI. *How shall the action(s) be taken?*

- A. This is a matter of determining the proper breakdown of the basic actions in the first part of the plan, clarifying their respective purposes, and establishing step-by-step methods and procedures for their accomplishment.
- B. Space will not permit a complete delineation of all the things that must be done in sequence if the objectives of this plan are to be reached. However, it might be of use to describe the sequence of functions and related procedures and techniques that constitute the "how" of a typical personnel program.

1. Personnel research and standards function

- a. The objective is to obtain facts and information concerning all personnel matters and to develop the best possible techniques for doing each phase of personnel work.
- b. Included are such areas as:

Job analysis	Forecasting personnel requirements
Job description	Wage and salary surveys
Job specification	Personnel audits
Job evaluation	Special research studies
Job classification	Opinion and attitude surveys
Design of tests and forms	Organizational planning
Preparation of manuals	
Preparation of statistical reports	

2. Employment function

a. The objective is to recruit, select, and place suitable and adequate manpower for the organization.

b. It involves:

Recruiting	Leaves and vacations
Interviewing	Terminal interviews
Testing	Vocational guidance
Selecting	Changes in status
Induction and follow-up	Personnel records
Personnel rating	Counseling

3. Education and training function

a. The objectives are to plan, prepare, and provide competent staff assistance to help employees develop the requisite skills and abilities demanded by their jobs; to stimulate personal self-development by increasing general knowledge and understanding; and to assist people to adjust rapidly and well to their work environment.

b. It includes:

Operative training	Preparation of training manuals
Supervisory training	Company library
Executive development	Reading racks
Preparation of training aids	Suggestion system liaison
Records and statistics	Communication
Visual aids	Company schools
Orientation	Training standards

4. Safety function

a. The objective is to prevent accidents and resulting injuries so as to protect the earning capacities of employees and the company's investment in them and their jobs.

b. It includes:

Safety standards	Mechanical safeguards
Safety education	Safety inspection
Safety engineering	Accident investigation
Safety enforcement	Safety contests
Safety records and statistics	Safety rules

5. Health function

a. The objectives are to provide a health maintenance service and to promote healthy working conditions so as to protect employees from losing time because of illness and to insure continuous productivity for the company.

b. Included are:

Health standards	Physical examinations
Sanitation control	First-aid rooms, dispensaries, and hospitals
Hygiene education	Case histories
Medical records	Workmen's Compensation investigation
Professional medical service	Emergency treatment
Professional nursing service	Industrial health research

6. Employee services function

a. The objective is to provide employees with essential and useful services so that they will consider their organization the best possible one in which to work and will develop a positive attitude toward cooperation and productivity.

b. The following services are very common:

Group insurance	Social Security
Workmen's compensation	Recreation programs
Credit unions	Suggestion systems
Savings plans	Mutual benefit associations
Unemployment compensation	Legal advice
Profit-sharing	Music
Company discounts	Housing assistance
Stock purchase plans	Self-development services
Retirement plans	Retirement preparation

7. Wage and salary function

a. The objective is to set up and administer an equitable program of remuneration designed to maintain a balance in order to provide employee incentive and satisfaction, and at the same time to contribute to the company's financial stability.

b. Included here are:

- Direct pay practices
- day work
- incentive plans

Job and wage stabilization

Indirect pay practices

allowance pay

premium pay

bonus pay

benefit pay

8. Employee relations function

a. The objective of this function is to create and to develop the highest possible organization morale by integrating the interests of employees and the employer.

b. It is related to all other personnel functions and specifically involves:

Collective bargaining                      Government relations

Grievance procedures                      Union relations

Employee communication                      Community relations

Public relations                      Morale control

Employee-employer                      Arbitration, media-

liaison                      tion, conciliation

Program evaluation                      Labor legislation

**ORGANIZING FOR OPERATION**

Organizing (*determining and establishing desired relationships among work activities, people, and the general work situation*) is the "make ready" function in management. It represents the practical extension of the planning function forward to the point at which people are motivated to perform and action can be started. What these relationships are depends upon what has to be done to accomplish the objectives in mind. Both the types and amounts of human faculties (skills and abilities) and the physical factors (materials, equipment, space, money) are determined by the nature and scope of the work contemplated as indicated in the "what" and "how" sections of the plan.

Once these needs are decided upon, an organization structure may be created that will serve to:

Set up individual job assignments

Specify organizational units

Provide for desirable authority-responsibility-accountability relationships

Serve as basis for staffing

Provide basis for effective allocation of inanimate resources

Establish the means for fusing the roles of the organization and the individual into harmonious relationships resulting in high productivity

When organizing for the personnel relations program, the manager in charge, often called a personnel manager or industrial relations director, must provide a structure that will make the best possible use of both operating and staff personnel. As the personnel function pervades the entire organization, it is apparently impractical to attempt the complete centralization of personnel activities. Consequently, the personnel department is constituted as a staff unit and manned by technical specialists. It is not an operating unit except within its own boundaries.

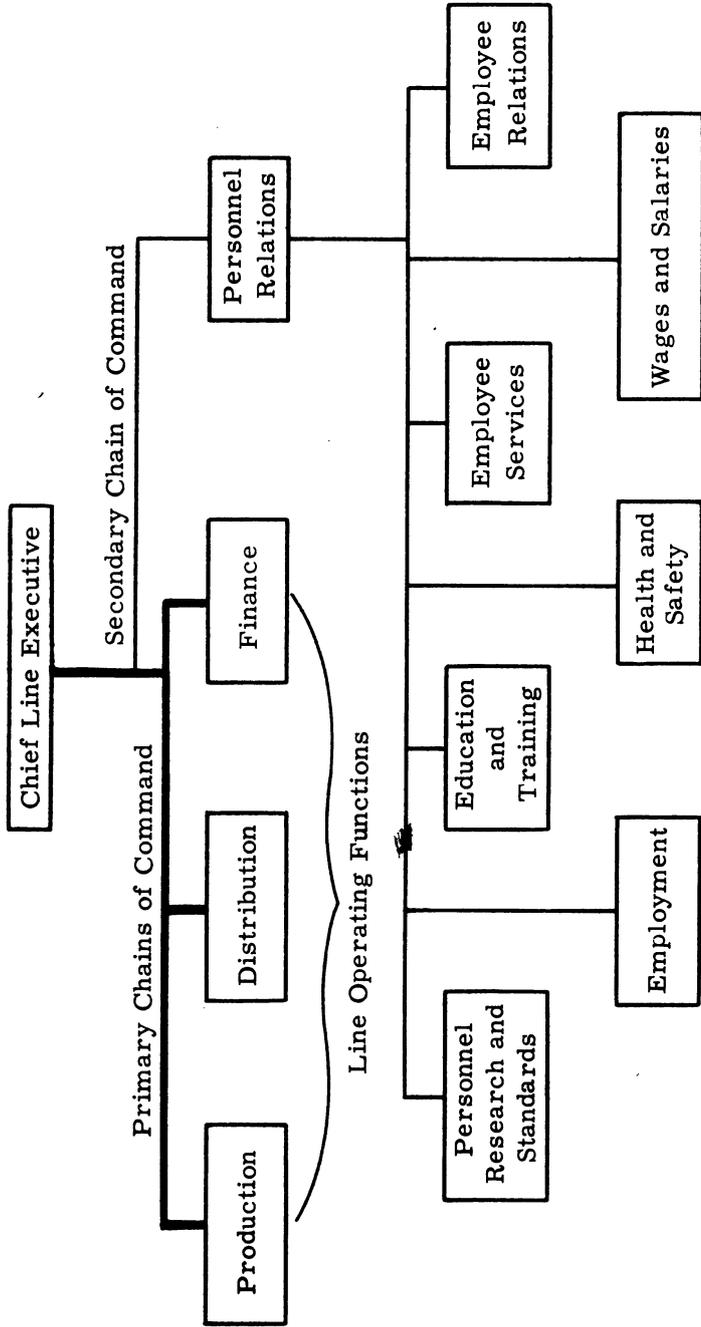
The personnel department depends upon the cooperation it can get from other organizational units. Its basic mission is to collaborate with these units through advice, counsel, research, and technical personnel "know-how." Without the support of top management and all other line managers who are in daily face-to-face contact with operative personnel, there is little chance that the personnel program can be effective.

As the personnel department is conceived of as a staff unit, there is seldom any operating or line authority for final decisions delegated to its people other than for internal personnel department affairs. There are exceptions, however, because top management may make a specific assignment to an individual who will then act as an agent. In that case, the executive affected would act on the authority of the individual who made the assignment.

Another exception exists when functional authority for personnel policies and procedures is invested in the personnel director and his staff where specific types of organizational decentralization have occurred. Except for these two rather significant exceptions, the personnel staff must work entirely through other managerial people to accomplish its aims.

The top executive in the personnel department should report directly to the chief operating executive of the concern or at least to another top executive who has company-wide power and authority. Experience has shown that best results are received from the personnel staff when this arrangement has existed for these reasons:

FIGURE 6  
LOGICAL ARRANGEMENT OF PERSONNEL FUNCTIONS

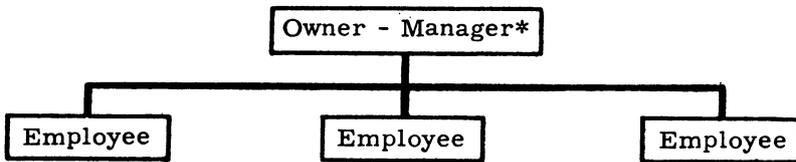


- Affords status to the personnel function, which stimulates managerial interest and cooperation throughout the organization
- Enables personnel director to get a broader and more objective outlook of company objectives, policies, and plans
- Improves communication and co-ordination among major functional divisions or departments
- Gives greater freedom to the personnel director in planning for long-range manpower eventualities

Figure 6 illustrates a logical functional arrangement for personnel relations. Just how these functions are staffed will vary from one company to another.

Company size, nature of industry, management philosophy, finances, available personnel, and the scope of the personnel program itself are several of the key factors to consider when actually assigning these functions to people. In small companies the entire personnel job will be retained by the owner or top executive (as shown in Figure 7).

**FIGURE 7**  
**PERSONNEL RELATIONS FOR SMALL ORGANIZATIONS**

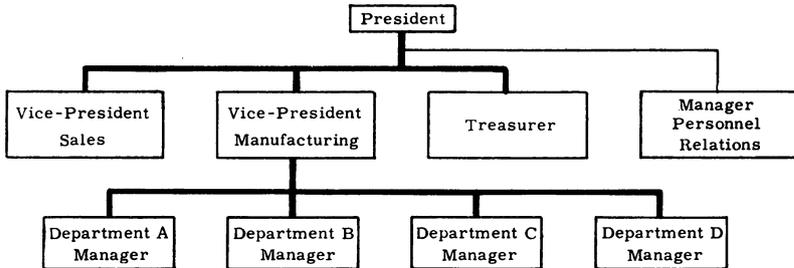


\* All personnel functions retained.

In a centralized personnel organization for a medium-sized business (Figure 8), the manager of personnel relations and his staff supports and assists all of the operating manufacturing departments through their respective managers.

The personnel authority that is centrally retained and delegated to lower units varies widely from company to company, although there seems to be a tendency to retain control of employee services, union relations, research, and wages and salaries in the central personnel staffs.

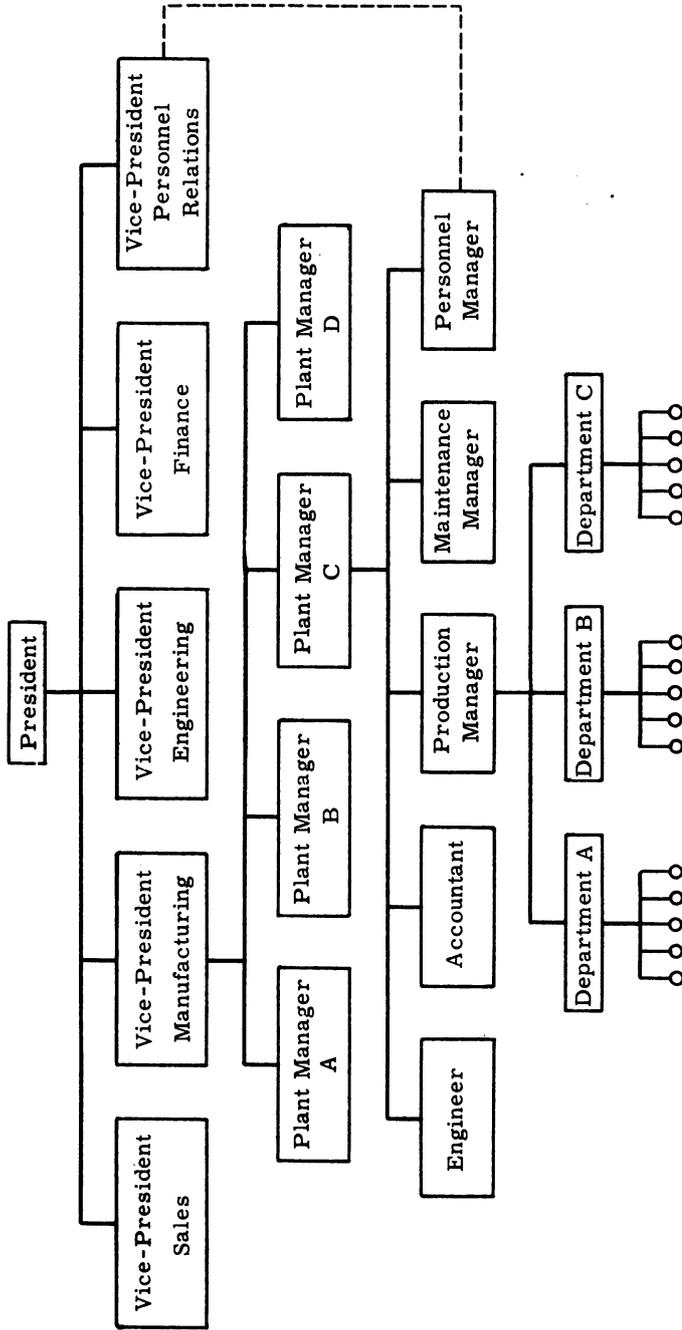
FIGURE 8  
CENTRALIZED PERSONNEL ORGANIZATION IN  
MEDIUM-SIZED CONCERN



The organizational relationship between a central personnel staff unit at a home office location and a decentralized personnel unit at a local plant is shown in Figure 9. The dotted line between the two personnel units indicates a functional relationship pertaining to personnel programs, policies, and procedures established to maintain uniformity in execution throughout all plants. The personnel manager, in this example, is under the direct authority of his plant manager. He looks to the vice-president, personnel relations, and his staff *only* for technical advice and guidance on personnel matters. It should be noted that in some companies this is not a functional relationship, but a direct one. In that case, the personnel manager at a local plant is under the direct administrative control of his functional counterpart in a higher organizational level. This is a more unusual case than the preceding one, however.

The number of people needed to staff the personnel organization properly also varies widely, although a generally accepted "rule of thumb" is that one personnel staff member can service anywhere from 100 to 125 other employees. Recent research studies on personnel ratios indicate this to be a fair yardstick for staffing purposes. Company size has a direct bearing on personnel ratios. In general, the larger the company, the greater the number of employees a personnel staff member is expected to assist and to support. Naturally, a very small company is the exception to this generalization.

**FIGURE 9**  
**FUNCTIONAL RELATIONSHIP BETWEEN CENTRAL PERSONNEL STAFF AND DECENTRALIZED PERSONNEL UNIT**



### MOTIVATING PEOPLE TO ACTIVATE THE PLAN

The people in the organization must be provided with reasons to act if the planned personnel program is to become operational. Anything that will arouse, direct, or sustain desired human behavior may be considered a motive. Motivating (*the process or activity of creating and maintaining the desire of all people in the organization to cooperate willingly toward the attainment of some set of purposes or objectives*) is accomplished by appealing to needs, wants, desires, and urges. Consequently, those who aspire to become effective managers must develop an understanding of such things if they are to be able to provide proper motivation for their people.

Although the basic human urges or needs were identified earlier, it is in order to restate them at this point. They may be classified into (a) innate needs, and (b) acquired or learned needs. Innate needs are basically physiological, while acquired ones are socially or ego-oriented. The leader who is cognizant of the existence of such needs, wants, urges, or desires, and understands them, is enabled to provide for effective motivation through the creation of proper attitudes and high interest. He does not have to be a trained psychologist to do this, nor should he believe that it is a necessary qualification for his success as a leader. Attitudes (*learned readiness to react in a certain manner*) are often indirectly causative elements in human behavior. Positive or negative, attitudes are manifested as feelings for or against something or somebody. Prejudices and biases can be examples of negative attitudes. Positive attitudes directed toward certain desired ends generate interest. It is this interest that is so essential in getting people to act in a required fashion or manner.

An accurate understanding of a man's attitude will provide a reliable basis for determining in advance what his behavior may be in various economic, political, and social situations. More than that, it will enable the intelligent leader to take proper corrective or disciplinary action in helping his people to overcome conflicts that deter them from receiving proper satisfaction from their work and that often result in frustration and maladaptive forms of behavior.

Conflict (*having a variety of needs, wants, urges, or desires, and being unable to satisfy them all at once*) is universal in human existence because of the attitudes we possess.

The inability to adjust to these conflicts that have arisen from physical environment, biological limitations, social milieu, or psychological sources usually results in frustration.

Frustration (*blocking the satisfaction of one of the motives causing an individual to act*) is often present in human beings. Fortunately, most people are able to adjust their behavior in order to overcome frustrating circumstances. Others, not so fortunate, find their internal conflicts are amplified; as a result, a sort of self-induced dread, usually called "anxiety," builds up within them. Being thwarted through the inability to overcome these conflicts by normal adjustments, these persons often seek recourse through various maladaptive human behavior patterns, not one of which in itself is abnormal. Aggression, regression, rationalization, projection, compensation, and fixation are recognizable behavior patterns that are abnormal only when too much emphasis is put on them by an individual.

Those persons in the business organization who are accountable for motivating others should be aware of these basic concepts if they are going to be successful in helping to develop desirable attitudes that will contribute to an acceptable degree of job interest by those individuals in the work group. The sum total of individual attitudes in an organization, taken as a positive or as a negative factor, constitutes the morale of that group. High morale is most desirable because of its relationship to high productivity.

*What bearing do these fundamental psychological beliefs have on the job of managing for a successful personnel relations program?* These ideas provide a basis upon which a practical approach to human motivation can be followed by any manager whether he is in an operating capacity or in a staff role.

Perhaps the starting point for building cooperation between the personnel staff and other organizational units is the sincere belief that the personnel department's role is one of providing service and advice in helping to make the most effective use of all human resources throughout the firm. The personnel staff must not usurp the authority of others. With this clearly in mind, the problem of motivating in the personnel director's area of responsibility involves (a) providing leadership for his own department; (b) being able to

motivate top management to accept a proper viewpoint in respect to personnel relations; (c) advising, counseling, and supporting all other managerial personnel as they seek the best in employee-employer relationships; (d) securing the cooperation of individual employees and their representatives in the best interests of everyone concerned.

Earlier it was noted that a large percentage of all so-called personnel work was done by people other than the technical specialists found in the personnel department. This means that the greatest number of motivational problems are to be found where the greatest number of people are. *How, then, do those in positions of managerial responsibility proceed to get others to put plans into practice?* At least four major processes by which this is accomplished are *effective leadership, sound human relations practices, proper instruction and development, and effective communication.*

Using the best known methods for these processes results in people's being properly motivated as to (a) their roles, (b) the role of management, and (c) the role of the union in a business situation. Individual needs and organizational needs can then be fused, and the interrelationships that result will be most conducive to harmony and group productivity.

In summary, motivation involves:

- Understanding reasons for human behavior
- Selecting proper motives and motivational tools
- Providing for adequate leadership, human relations practices, instruction and development, and effective communication
- Following up to assure desired results

## CONTROLLING THE OPERATION

The human body is constructed in such a way that opposing sets of muscles must perform specific functions if the movements of the limbs are to be controlled through the brain. An analogy exists in respect to the proper control of personnel relations activities. Managers accomplish their objectives through the intelligent use of human effort. This effort is directed in a logical sequence by conformance to established methods and procedures, usually referred to as "operating procedures," and the only way to reach stated objectives is

through such procedures. The actions required in the operating phases of a personnel relations program are accomplished through the performance of *personnel procedures*. In order to guarantee the economy and the effectiveness with which these procedures are followed, another set, *control procedures*, is required.

Personnel procedures acting in consonance with control procedures result in smooth personnel operations according to established personnel policies. These two sets of procedures are analogous to the two sets of anterior and posterior muscles found in human limbs. If either set is not performing its function properly, the individual is unable to control the movement of his legs or arms effectively.

Controlling (*the process involved in the regulation of performance*) begins as soon as an objective or desired result is decided upon because that objective or desired result becomes the ultimate standard by which all subsequent actions are measured. This is just as true in respect to the mental actions required in management as it is to the physical actions involved in the daily performance of operative functions.

The control of the personnel program necessitates the creation of various means of measurement, the bases of which are personnel standards (*any criterion that has been established as an official device for measurement*). Without these yardsticks, the control process cannot be effectively applied. Personnel standards are set up in reference to the following four factors that must be controlled, within certain limits, if the personnel program is to be a success.

- 1 Quantity of personnel activities
- 2 Quality of personnel policies and practices
- 3 Costs involved in the personnel program
- 4 Use of time in managing and operating the program

The process of control through which these four basic factors are regulated involves the following phases or steps:

- 1 Review the objectives and standards
- 2 Observe and gather data on performance
- 3 Compare actual performance to standards
- 4 Analyze and evaluate deviations to determine their significance
- 5 Report significant deviations to appropriate authority for corrective action
- 6 Follow-up

The process of controlling the operation of the personnel relations program is a part of every manager's responsibilities. All are expected to follow approved personnel policies and practices in their day-to-day work relationships with people. The personnel director is held accountable for doing all in his power to assist all company managers in controlling the best use of manpower. He discharges this obligation in part by setting up plans, policies, and procedures that will ultimately result in the maintenance of desired standards or levels of operation. Specific examples of these measuring sticks are (a) job and employment specifications, (b) safety rules and standards, (c) training standards, (d) health and house-keeping standards, and (e) wages, hours, and conditions of employment standards.

Control procedures designed to measure and to regulate the performance of personnel procedures are based upon these tools of measurement. Typical control procedures utilized in personnel relations are:

Suggestion procedures	Counseling procedures
Morale and attitude surveys	Communication programs and procedures
Grievance procedures	Budget procedures
Personnel record systems	Activities schedules
Personnel statistics	Personnel audits

(The personnel audit is designed to obtain a periodic over-all view of the entire personnel program, or the major functional areas covered by it. It is just as reasonable to make a periodic audit of the manpower conditions and resources of the company as it is to audit financial conditions and resources. Personnel executives place a considerable confidence in personnel audits because they provide much necessary information and data of primary value in planning for future personnel programs and operations.)

#### USING MANAGEMENT PRINCIPLES IN PERSONNEL RELATIONS

Managing a successful personnel relations program involves a definite sequence of steps and the effective application of several well-accepted management principles.

- I. Consideration must be given to three basic concepts—*balanced best interests, mutual interests, and individual*

*differences*—to establish definite needs for the program.

*Principle of the Objective.* Before starting any action decision or to solve a problem effectively, a good manager (a) gets the facts, (b) faces the facts, and (c) acts on the basis of those facts.

- II. Objectives of the personnel program should be determined.

*Principle of the Objective.* Before starting any action on a personnel program, the objectives must be clearly stated and understood.

- III. Provision must be made for competent executive leadership in order to plan, organize, motivate, and control the successful operation of the personnel program.

*Principle of Leadership.* Intelligent and dynamic leadership is the most important single factor in any personnel relations situation.

*Principle of Decision.* Executive decisions must be based upon correct personnel information.

- IV. A definite plan that will embrace the essential personnel functions and will conform to established personnel policies must be created to guide leaders in the performance of these functions.

*Principle of Planning.* To accomplish personnel relations objectives successfully, planning must precede doing.

*Principle of Opportunity Costs.* The cost of taking any one course of personnel action may be measured by that which was sacrificed to make the chosen course possible.

*Principle of Policy.* Definite, clearly established, and understood policies are essential to effective personnel management.

- V. A sound organizational structure based upon the work to be accomplished (the “whats” and “hows” in the plan) must be created. The organization structure of the company must be judged satisfactory before setting up the organization through which the personnel relations program is to operate. Approval and support

of top management is essential for a variety of reasons—financial and otherwise. Planning and operating responsibilities must be carefully delineated and the roles of individual managers clarified as to authority-accountability relationships.

*Principle of Functionalization.* The personnel organization should be built around the essential functions to be performed and not around individual personalities.

*Principle of Departmentation.* There must be a logical and clearly defined breakdown of all the functions and subdivisions of the personnel program and the organization set up to operate it in order to integrate them into a cooperative and co-ordinative whole.

VI. People must be motivated to act. This is accomplished by providing them with the opportunities necessary to satisfy their wants, needs, interests, and desires. Motivation involves creating proper attitudes so that job interest will increase and higher productivity and morale will result. We motivate through *effective leadership, good human relations practices, proper instruction and development, and effective communication.*

VII. When the personnel relations program is placed in operation, proper control procedures must be established in consonance with personnel operating procedures to assure accomplishment of the program objectives and proper evaluation of the results. Significant deviation of actual from planned performance may be detected and analyzed. Then corrective action, if indicated, may be taken.

*Principle of Control.* Planning is of little use if it is not followed by adequate control measures to assure proper performance.

*Principle of Exception.* Only those significant exceptions to official personnel policy and practice should be brought to the attention of higher management.

**PERSONNEL PROGRAM CHECKLIST**

Check your personnel program. Seventy points or more denotes an excellent program; 55 to 69 points is good; 40 to 54 points is fair; below 40 points indicates that some definite positive action is needed.

Item	In Operation Now (5)	Planned For Future (3)	Not Provided For (0)
1. Objectives, based on needs, are clearly established.			
2. Personnel policies are clearly written and understood by all.			
3. Top management approves and fully supports program.			
4. One executive is responsible for management of personnel program.			
5. Personnel research activities are incorporated into personnel program.			
6. Definite procedures are provided for recruitment, selection, and placement.			
7. Education and training programs are set up to service all employees.			
8. Safety education, engineering, and enforcement are included in safety program.			
9. At least a part-time medical staff provides for employee health.			
10. Well-rounded program is set up for employee services.			
11. Grievance procedure is in written form and understood by all.			
12. Competitive program is maintained for wage and salary administration.			
13. Provision is made for integrated employee-employer relations through individual and/or group representation.			
14. Periodic personnel audits are provided.			
15. Personnel budgets are established and maintained.			
16. Personnel department is adequately staffed (approx. 1:125).			

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