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# Personnel Practices in Georgia Manufacturing Companies—The Personnel Manager

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This article is the last in a series of four articles which examine various aspects of personnel practices in Georgia manufacturing companies.

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THE PERSONNEL manager in any organization is occupied with the performance of a variety of activities. The present research focuses on an investigation into the activities of the personnel managers of Georgia's largest manufacturing firms. To acquire the necessary data, questionnaires were mailed to Georgia's 50 largest manufacturers. Methodological considerations employed throughout the survey are described in the first of these articles.

Personnel responsibilities of the Georgia firms surveyed are generally placed in the hands of a personnel man-

ager or industrial relations director. Educational and experience requirements for the person heading up the personnel function vary widely (Exhibit 1). A college degree is required by 69% of the firms, and previous experience is required by 69% of the firms. Company service and enrollment in periodic training courses are also common requirements. As a specialist, the personnel manager must maintain a level of proficiency in his field. This consideration is reflected in the representative number of firms requiring that their personnel managers attend periodic training programs and hold memberships in professional organizations.

An examination of the structure of the various personnel departments investigated reveals that their average size is slightly more than 16 employees per company (Exhibit 2). This figure may have a slight upward bias; at least one firm included security and fire protection personnel in its personnel department. The average ratio of personnel employees to total employees per company is found to be .77. One national study found the median ratio of .66 to be the most characteristic for single plant companies and .74 for multiplant companies.<sup>1</sup> A similar study

of 44 companies, varying in size from 52 to 2,600 employees, reported an average ratio of 1.4%.<sup>2</sup>

Each survey participant was asked to judge the degree of *final* decision-making influence that the personnel manager of his company exerted in eight preselected areas. As indicated in Exhibit 3, hiring and collective bargaining processes are the two areas in which the personnel managers of Georgia's largest firms are afforded the most influence. Their influence in the area of collective bargaining can be explained partly by the fact that 55% of the firms surveyed deal with organized labor unions (see *Atlanta Economic Review*, July-August 1975, p. 52, Exhibit 4). Perhaps for the same reason the personnel managers studied have the least influence in the area of wages. These findings parallel those of a 1966 study of 25 firms: the personnel managers investigated were also found to be most influential in the area of hiring and least influential in the area of wages.<sup>3</sup> Georgia personnel managers also exert considerable influence in the areas of training and promotion.

Personnel research and analysis is a continuing need in the field of personnel management. It has been estimated

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**Exhibit 1: Percent of Firms With Specified Educational and Experience Requirements For Personnel Managers (N=29)**

Requirement	Percent of Firms
High school diploma	21
College degree	69
Previous experience	69
Company service	59
Periodic training	55
Professional organization membership	31
Other	7

**Exhibit 2: Total Employment and Personnel Employment (N=29)**

Number of personnel employees	467
Total number of employees	60,188
Average number of personnel employees per company	16.10
Ratio of personnel employees to total employees	.77

**Exhibit 3: Rank Order of Areas of Personnel Manager Influence (N=29)**

Rank by Averages	Area	Average Rank Order
1	Hiring	1.69
2	Collective bargaining	2.38
3	Training	2.48
4	Promotion	3.07
5	Salary determination	3.72
6	Health and safety	3.83
7	Merit rating	3.86
8	Wages	3.97

that only approximately 80 companies in the United States have specialized personnel research units.<sup>4</sup> Each of the Georgia firms responding to the present study indicated that its personnel department performs some form of personnel research (Exhibit 4). Predictably, the most widespread areas in which research is performed are turnover, absenteeism, and accidents. A majority of firms also report conducting research into employee attitudes, working conditions, training effectiveness, and manager development. Consistent with the large number of Georgia companies indicating no use of employment tests (*Atlanta Economic Review*, March-April 1975, p. 36, Exhibit 9), fewer firms

**Exhibit 4: Percent of Firms Conducting Personnel Research in Specified Areas (N=29)**

Personnel Research Areas	Percent of Firms
None	—
Absenteeism	97
Tardiness	45
Turnover	100
Testing	48
Manager selection	41
Manager development	55
Employee attitudes	62
Hours of work and productivity	52
Working conditions	62
Accidents	93
Training effectiveness	59

**Exhibit 5: Percent of Firms Having Developed Cost Information in Specified Areas (N=29)**

Cost Analysis Areas	Percent of Firms
None	—
Recruitment and placement	31
Training and education	52
Accidents and illness	69
Fringe benefits	100
Union-management relations	31
Other	7

**Exhibit 6: Percent of Firms Using Data Processing in Personnel Areas (N=29)**

EDP Applications	Percent of Firms
None	14
Payroll and wage scales	86
Manpower utilization analyses	41
Personnel searches	24
Seniority rosters	48

conduct research in the areas of testing and manager selection.

Each survey respondent was asked to indicate areas in which specific personnel cost information had been developed (Exhibit 5). All of the firms indicated having developed cost information in the area of fringe benefits, and a majority had done so in the areas of accidents and illness and training and education. On an average, the personnel departments of the firms surveyed reported having developed cost information in two to three areas.

Of the firms responding to the survey, 86% indicated the use of computerization in at least one aspect of their personnel program—computing

payroll and wage scales. Approximately half of the firms use EDP techniques for compiling seniority rosters; less than half for manpower utilization analyses; and roughly a fourth for personnel searches (Exhibit 6). A 1967 study of 333 firms, ranging in size from 250 to 5,000 employees, indicated that 56% were using EDP applications in their personnel departments.<sup>5</sup> A similar 1969 study of 210 firms ranging in size from 500 to roughly 25,000 employees reported 74% were using EDP applications in their personnel operations.<sup>6</sup> The Georgia firms surveyed compare quite favorably with findings of the earlier studies.

A majority of Georgia firms require a college degree, and a majority of the firms require previous work experience as a prerequisite for the office of personnel manager. The average number of personnel employees per company surveyed was 16.1. The ratio of personnel employees to total employees was found to be .77%. Georgia personnel managers exert most influence in the areas of hiring and collective bargaining and least influence in the area of wage determination. Personnel research is most prevalently conducted in the areas of turnover, absenteeism, and accidents. Cost information for personnel departments is most commonly computed in the areas of fringe benefits, accidents and illnesses, and training and education. Computerization is used in at least one personnel application in all but 14% of the firms surveyed.

1. Roberta J. Nelson, G.W. England, and Dale Yoder, "Personnel Ratios and Costs—1962," *Personnel*, January-February 1963, p. 19.

2. Thomas L. Wood, "The Personnel Staff: What is a Reasonable Size?" *Personnel Journal*, March 1967, p. 166.

3. Wendell French and Dale Henning, "The Authority-Influence Role of the Functional Specialist in Management," *Journal of the Academy of Management*, September 1966, pp. 187-203.

4. Dean F. Berry, *The Politics of Personnel Research* (Ann Arbor, Michigan, Bureau of Industrial Relations, University of Michigan, 1967), p. 55.

5. Elizabeth Lanham, "EDP in the Personnel Department," *Personnel*, March-April 1967, p. 17.

6. Frederick H. Black, Jr., "The Computer in the Personnel Department," *Personnel*, September-October 1969, pp. 67-68.