
Human and Financial Capital

For several decades now, the useful but vague concept of *resources* has been used to describe and categorize the topics discussed in this section. Indeed, the concept of *human resources* has become so well established that it is now commonly used to describe what was formerly known in most large organizations as “the personnel department.” At schools of social work, courses in financial management and personnel management (or human resource management) are perhaps the most commonly offered courses in social administration after a general introduction to management.

This section, the largest in the book, consists of five chapters devoted to personnel and financial matters. Chapter 19 offers a general introduction to understanding the topics of personnel management. It begins with a discussion of organizational hierarchy and the division of labor, and examines job design as it relates to agency purpose, technology, employee talents, personnel policies, and staff development and training.

Chapter 20 is a further exploration of major elements of the cycle of major personnel actions, including recruitment, hiring, supervision, evaluation, and termination of employees. The emphasis here is on those topics

that are typically most complex and challenging for the social administrator. Other, equally interesting topics like promotion and retirement of employees are not emphasized. Although it might be more rewarding to focus on the vast majority of successfully working employees, the reality is that human resources concerns for social administrators are often inordinately related to the more unusual situations. The adage about the administrator spending 80 percent of her time on 20 percent of the organization's employees is often correct.

Chapter 21 approaches the technical topic of financial management from the vantage point of the strategic perspectives offered in earlier chapters—an approach that has been largely ignored in much of the existing financial management literature. Particular attention is paid to the nonprofit QUANGOs (quasi nongovernmental organizations). A brief case study of Hull House shows that the multifunded agency has been part of social administration for many decades.

Chapter 22 unravels the increasingly complex web of financial inflows—revenues and public support—coming into the social agency from various sources. A key conceptual feature of this chapter is the concept of the “soft” revenue base of the contemporary nonprofit social agency and its implications for the future.

Chapter 23 is about budgeting. Although a strictly logical approach would seem to suggest that this chapter should be about financial outflows, to offset the emphasis of chapter 22, the reality is that the planning associated with budgeting makes actual expenditures a rather mundane topic in social administration. The real action in social administration is deciding where (and when) resources should be committed. What follows—the actual expenditure of funds according to the plan—is usually left in the hands of lower-level, technical personnel such as accountants and bookkeepers.