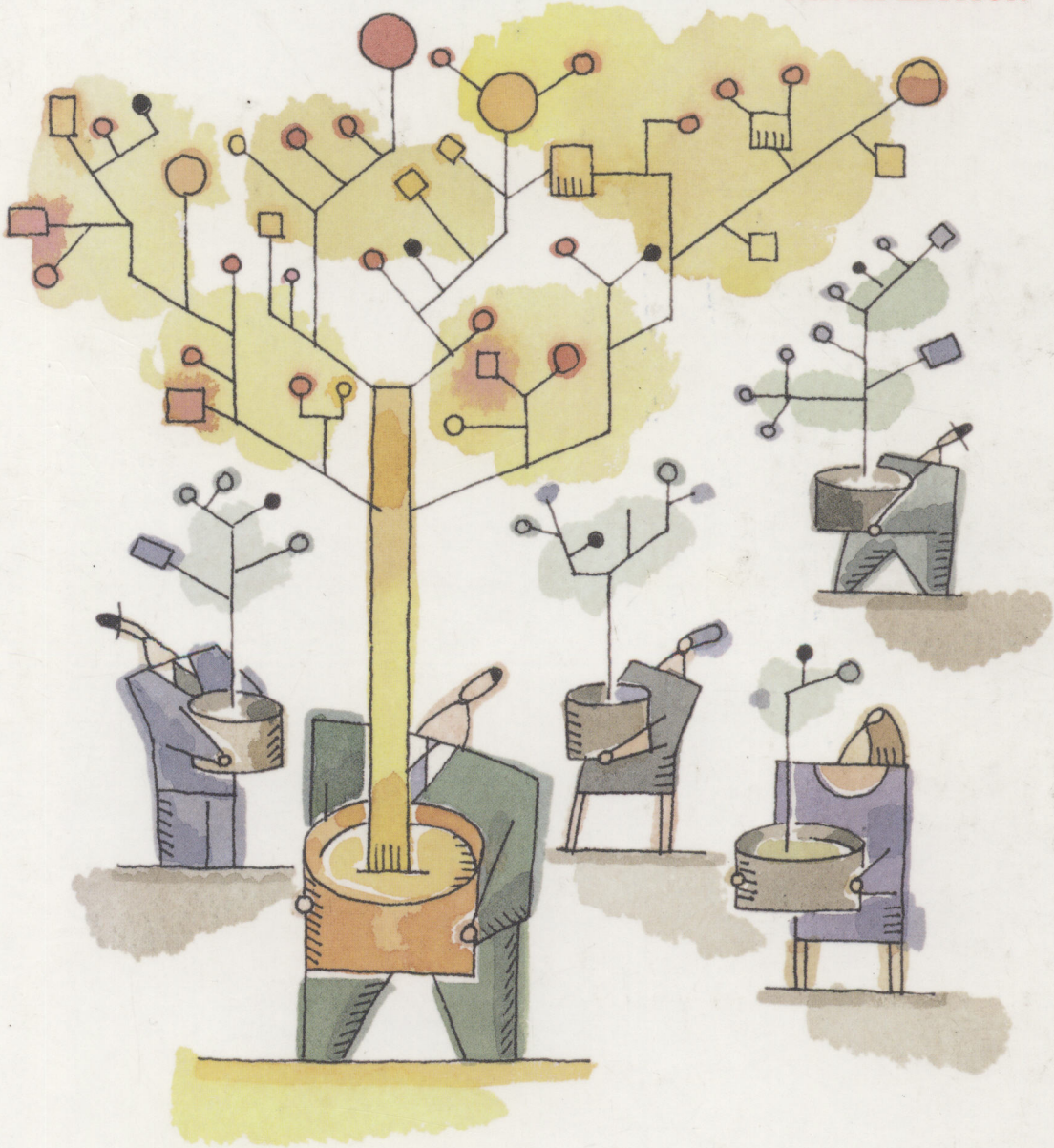


HUMAN RESOURCE MANAGEMENT

NINTH EDITION



GARY DESSLER

www.prenhall.com/dessler

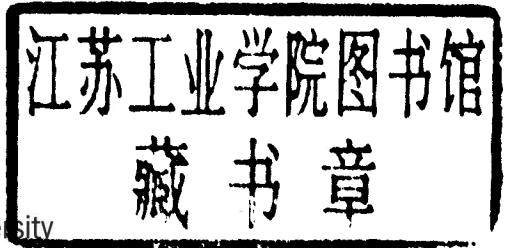
F240

w4=9

HUMAN RESOURCE MANAGEMENT

Ninth Edition

Gary Dessler
Florida International University



Prentice
Hall

Upper Saddle River, New Jersey 07458

Library of Congress Cataloging-in-Publication Data

Dessler, Gary

Human resource management / Gary Dessler.—9th ed.

p.cm.

Includes bibliographical references and index.

ISBN 0-13-066492-8

1. Personnel management. I. Title.

HF5549.D4379 2002

658.3—dc21

2001051376

Acquisitions Editor: Melissa Steffens

Editor-in-Chief: Jeff Shelstad

Managing Editor (Editorial): Jennifer Glennon

Assistant Editor: Melanie Olsen

Editorial Assistant: Kevin Glynn

Media Project Manager: Michele Faranda

Senior Marketing Manager: Shannon Moore

Marketing Assistant: Christine Genneken

Managing Editor (Production): Judy Leale

Production Assistant: Dianne Falcone

Permissions Coordinator: Suzanne Grappi

Associate Director, Manufacturing: Vincent Scelta

Production Manager: Arnold Vila

Design Manager: Patricia Smythe

Art Director: Janet Slowik

Interior Design: Craig Ramsdell

Cover Design: Janet Slowik

Cover Illustration: Robin Jareaux/Artville Stock Images

Illustrator (Interior): ElectraGraphics, Inc.

Associate Director, Multimedia Production: Karen Goldsmith

Manager, Print Production: Christy Mahon

Composition: UG/GGS Information Services, Inc.

Full-Service Project Management: Terri O'Prey/UG/GGS Information Services, Inc.

Printer/Binder: R. R. Donnelly/Willard

Credits and acknowledgments borrowed from other sources and reproduced, with permission, in this textbook appear on appropriate page within text. Photo credits appear on page 536.

Copyright © 2003, 2000, 1997, 1994, 1991 by Pearson Education, Inc., Upper Saddle River, New Jersey, 07458. All rights reserved. Printed in the United States of America. This publication is protected by Copyright and permission should be obtained from the publisher prior to any prohibited reproduction, storage in a retrieval system, or transmission in any form or by any means, electronic, mechanical, photocopying, recording, or likewise. For information regarding permission(s), write to: Rights and Permissions Department.

Pearson Education Ltd.

Pearson Education Australia PTY, Limited

Pearson Education Singapore, Pte. Ltd.

Pearson Education North Asia Ltd.

Pearson Education, Canada, Ltd.

Pearson Educación de México, S.A. de C.V.

Pearson Education—Japan

Pearson Education Malaysia, Pte. Ltd.

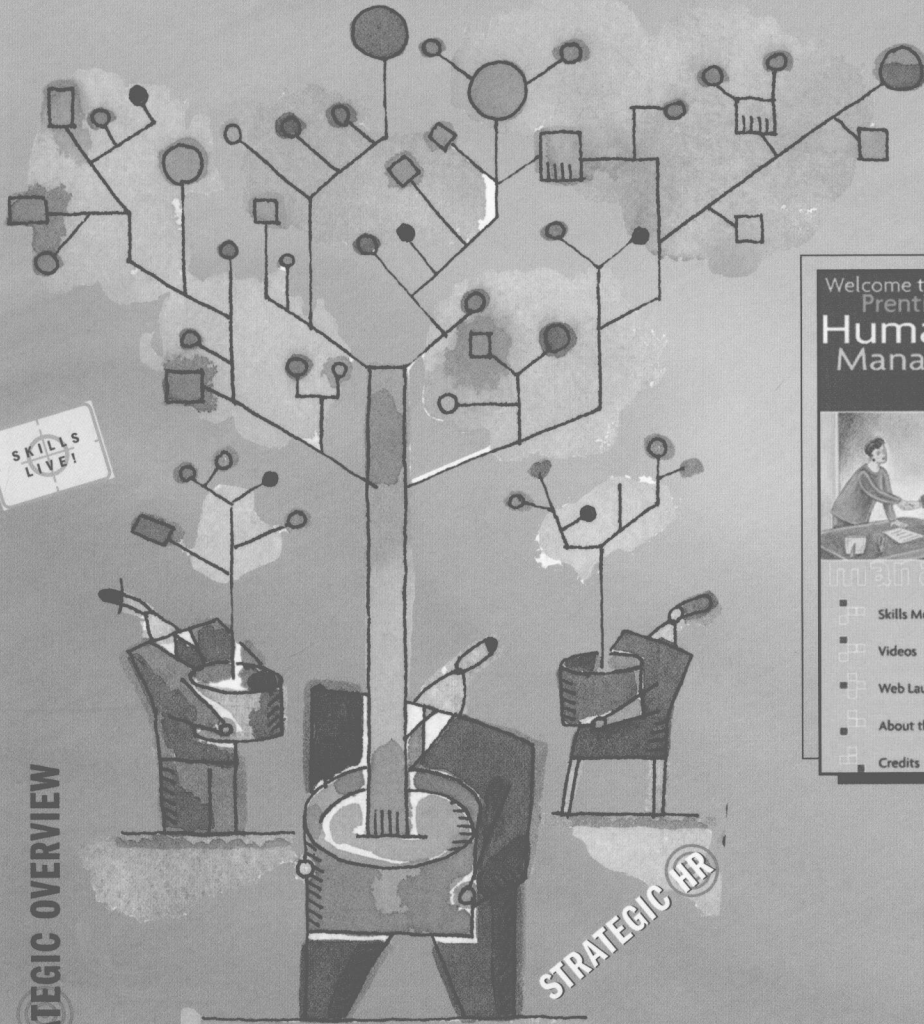
Prentice
Hall

10987654321
ISBN 0-13-066492-8

NEW!

Human Resource Management Skills CD-ROM

Developed by Mary Gowan, of the University of Central Florida, this student CD-ROM focuses on essential HR skills such as Strategic Planning and Recruitment, Job Analysis, and Total Rewards.



STRATEGIC OVERVIEW

STRATEGIC HR

Welcome to
Prentice Hall's
**Human Resource
Management Skills 1.0**
CD-ROM
by Mary Gowan



- Skills Modules
- Videos
- Web Launch
- About this CD
- Credits



- I Strategic Planning and Recruitment
- II Equal Employment Opportunity and the Legal Environment
- III Job Analysis
- IV Selection
- V Employee Training and Development
- VI Performance Management
- VII Total Rewards
- VIII Employee Relations

Employee Training and Development



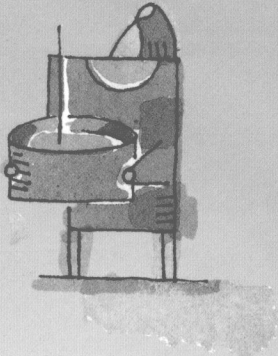
Introduction Skills Test Yourself Glossary

Sanjay is puzzled. He thought he had done a great job of selecting the employees for the new research and development project. All five of the employees had great resumes and had recently completed their degrees from reputable universities. In fact, given the low number of applicants, he was pleased to have found these five. The job market really favored applicants right now, not companies needing employees.

All five of the new employees had told him they could do the job if hired. Two of them had indicated on their resumes that they had actual experience in doing the same kind of work. The reality was, they just weren't cutting it. Sanjay had spent six hours last night trying to solve problems already created by this team, and they had only been hired three weeks ago. He had to admit that they just didn't have all of the knowledge, skills, and abilities (KSAs) to do what had to be done. All of them had some basic KSAs to perform their jobs, but were missing some critical pieces. Also, their attitude certainly left a lot to be desired.

What should Sanjay do?

- A Fire all five and start over with the selection process.
- B Give them a warning that they need to get their act together or else.
- C Provide training for the employees to bring them up to speed on what they need to know and, while he is at it, begin to socialize them to the culture of the company.



Total Rewards



Introduction Skills Test Yourself Glossary

You got 3 out of 10 questions correct

1. Offering employees performance-based pay increases is an example of indirect compensation since all employees are eligible for the pay increases but only if they meet specified criteria.

You answered correctly: False

Performance-based pay increases are an example of direct compensation since they come in the form of money paid directly to the employee based on work performed.

2. Employees who are categorized as non-exempt employees according to the Fair Labor Standards Act are entitled to

You answered incorrectly. The correct answer is: receive 1-1/2 times their normal hourly rate of pay for hours worked over 40 in a work week.

Start Over

Each module contains an introduction, a skills section that allows the student to apply his or her knowledge through interactive exercises, and finally a quiz that tests students on the material covered in the module. Also included on this CD-ROM is the HR Skills Video Series.

Job Analysis



Introduction Skills Test Yourself Glossary

The first decision that you have to make involves deciding how to go about preparing these job descriptions. Put the following steps in the order in which they should occur:

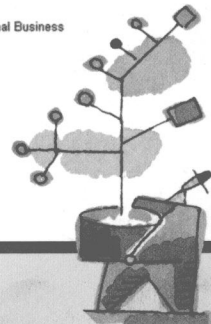
Review the information with job incumbents and supervisors	1
Identify the purpose for doing the job analysis	2
Collect the data	3
Prepare the job description	4
Review relevant background information	5
Select the positions to analyze	6
Please select step 1.	

Videos



Choose from the segments below:

- 1 A Case of Sexual Harrassment
- 2 Interviewing Job Candidates
- 3 Appraising Performance
- 4 Establishing Pay Plans
- 5 Labor Relations
- 6 Managing Human Resources In an International Business



HUMAN RESOURCE MANAGEMENT

Dedicated to my son, Derek

Brief Contents

Part 1 Introduction 1

- Chapter 1 The Strategic Role of Human Resource Management 1
- Chapter 2 Equal Opportunity and the Law 25

Part 2 Recruitment and Placement 59

- Chapter 3 Job Analysis 59
- Chapter 4 HR Planning and Recruiting 89
- Chapter 5 Employee Testing and Selection 126
- Chapter 6 Interviewing Candidates 160

Part 3 Training and Development 184

- Chapter 7 Training and Developing Employees 184
- Chapter 8 Managing Strategic Organizational Renewal 216
- Chapter 9 Appraising and Managing Performance 240
- Chapter 10 Managing Careers and Fair Treatment 273

Part 4 Compensation 301

- Chapter 11 Establishing Strategic Pay Plans 301
- Chapter 12 Pay for Performance and Financial Incentives 333
- Chapter 13 Benefits and Services 363

Part 5 Labor Relations and Employee Security 395

- Chapter 14 Labor Relations and Collective Bargaining 395
- Chapter 15 Employee Safety and Health 427

Part 6 Global HRM 464

- Chapter 16 Managing Global Human Resources 464

Notes 489

Glossary 527

Photo Credits 536

Name and Organization Index 537

Subject Index 543

HUMAN RESOURCE MANAGEMENT

NINTH EDITION

It's 3 AM, and the Delta mechanic, fresh off his shift, comes home and throws off his coat. He turns on his computer, and spends the next two hours taking a required FAA course, over the net.

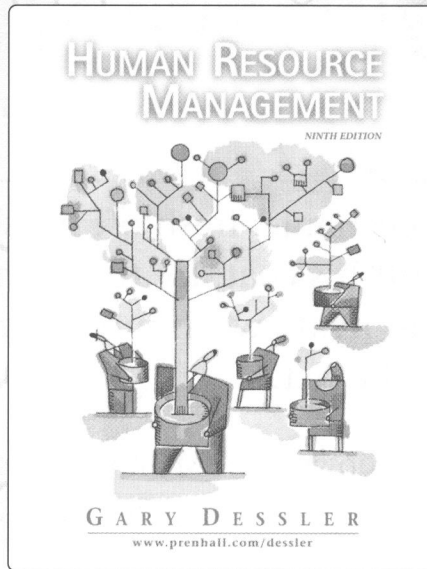
She walks through the door of Kinko's in downtown Miami. Ten minutes later, she's having her job interview — by net-based video conference—with a Cisco interviewer in San Diego.

It's December, and a handful of Pitney Bowes HR specialists are using their new benefits portal. They're helping thousands of their employees change their benefits plans, before the year-end deadline.

G A R Y D E S S L E R

www.prenhall.com/dessler

We all do business today in a networked world. Gary Dessler has always aimed *Human Resource Management* at providing students and practicing managers with a complete and applied review of essential HR concepts and techniques in a highly readable and understandable form. That certainly hasn't changed in this edition. It's still packed with the practical applications and high readability that make this book a best-seller. And, since all managers perform personnel-related tasks, it's still aimed at all managers, not just HR managers. But, one thing that has changed is the book's new emphasis on *connectivity*. It shows vividly, with dozens of new examples, how managers



use the Internet to improve their HR operations' functionality and efficiency.

Connectivity doesn't just mean the Internet. Managers today can't just pay lip service to thinking strategically. Your whole effort must be coherent, and integrated. The only way you can compete is by making sure you've linked your firm's HR and other activities with the firm's strategies. This book contains the most complete and specific coverage of strategy and HR in the market. All chapters start with a strategic overview focused on a real firm. It shows the firm facing a strategic challenge. And, it suggests how management might use HR to advance the firm's strategy. Strategy & HR features in the chapters then show what HR actually did. The net result—a student better prepared for success as a manager.

Key Features of The Ninth Edition

Text Features

New! Strategy and HR Coverage Chapter 1 contains a brief outline of strategic management and its relevance to HR. All chapters begin with a **Strategic Overview** focused on a real firm. It shows the firm facing a strategic challenge and suggests HR's possible role; a **Strategic HR** feature in the chapter then shows what the firm actually did. Some of these firms are large, well-known companies; others are small to medium-size operations. Features for each chapter include: Dell Computer and cost cutting

STRATEGIC HR

From its start in Michael Dell's college dorm room, Dell Computer's competitive strategy was always to be the PC industry's low-cost leader. While others like Apple competed based on differentiating features like multimedia software, Dell stripped away the retailers' profit and drove its costs down by selling direct and relentlessly slashing costs. That's why it was, and is, the industry's low-cost leader. But recently, with PC sales falling, it was aggressively slashing prices, and the executives of its various divisions had to make sure their own strategies were in sync with the firmwide strategy to further cut costs.

As at many firms in the same situation, Dell HR's first task was to manage Dell's downsizing. In the first half of 2001, 4,000 Dell workers were let go. HR had to manage the system for choosing those who would leave the firm, and then handle the thousands of details involved in the dismissals. Terminated workers got their yearly bonuses early, severance packages including two months' salary and health benefits, and job counseling, among other benefits.⁶⁹

Dell's HR managers have found a variety of other, ongoing ways to help Dell's top management execute the firm's low-cost leader strategy. For one thing—and as you might imag-

Dell

(Chapter 1); Sutter Health's IT shortage (Chapter 4); Longo Toyota's diversity program (Chapter 2); UK's Channel 4's world class training effort (Chapter 7); Crystal Gateway Marriott, winning employee commitment (Chapter 10); Con Edison and safety first (Chapter 15); Siemens, becoming a global company (Chapter 16).

New! HR.NET features show how managers use the Web to improve HR functions. Some HR.NET topics include: Using the Internet to Boost Diversity; Recruiting Online; GE's Technology-Based Training; Telecommuting; Doing an Internet-Based Salary Survey; Managing 401(k) Plans Online; Global HR Information Systems.

HR.NET

HR portals, usually hosted on a company's intranet, provide employees with a single access point or "gateway" to all HR information.⁶¹ They let the firm's employees, managers, and executives interactively (and selectively) access and modify HR information. They thereby streamline the HR process and enable HR managers to focus more on strategic issues.

The HR Portal

New! The New Workplace: Diversity Management and Global HR This feature highlights issues in diversity and global HR management. There is expanded coverage of diversity management in Chapter 2, and about half the New Workplace boxes provide examples and tips for managing diversity. About half illustrate global HR applications, such as training employees going abroad,

THE NEW WORKPLACE

Enforcing the 1991 Civil Rights Act Abroad

Federal legislation generally applies only within U.S. territorial borders unless specifically stated otherwise.⁴⁶ With the passage of CRA 1991, EEO coverage was greatly expanded. The law amended the definition of the term *employee* in Title VII to include U.S. citizens employed in a foreign country by a U.S.-owned or U.S.-controlled company.⁴⁷ At least theoretically, U.S. citizens working overseas for U.S. companies now enjoy the same equal employment opportunity protection as those working within U.S. borders.⁴⁸

Two factors limit the application of CRA 1991 to U.S. employees abroad. First, there are numerous exclusions to the civil rights protections. For example, an employer need not comply with Title VII if doing so would cause the employer to violate the law of the host country. (Some foreign countries, for instance, have statutes prohibiting the employment of women in management positions.)

A more vexing problem is the practical difficulty of enforcement. For example, the EEOC investigator's first duty is to analyze the finances and organizational structure of the overseas employer. But in practice, few investigators are trained for this duty and no standards exist for such investigations.⁴⁹ And one expert argues that U.S. courts "will be little help in overseas investigations, because few foreign nations cooperate with the intrusive enforcement of U.S. civil law."⁵⁰ Here, therefore, CRA 1991's bark will be worse than its bite.⁵¹

formulating salary plans for expatriates, dealing with labor unions in other countries, and other important topics. There is also a revised and expanded chapter on international HR practices (Chapter 16). It provides in-depth coverage of the international aspects of HR selection, training, compensation management, intercountry differences in personnel laws and requirements, and more.

Entrepreneurs + HR Managers in small and mid-sized businesses face unique challenges in managing human resources. The 9th edition continues our use of a special feature that illustrates how that chapter's material can be and is applied in a small-business context. This feature is found in about half of the chapters and includes topics such as Expanding the Management Team (Chapter 4); Empowering Employees: Lois Melbourne of Time Vision (Chapter 8); Incentive Plans in a Small Business (Chapter 12); Dot-coms and Unions (Chapter 14).

Research Insight As in the eighth edition, these special text sections illustrate recent research findings in areas like interviewing and appraisal, helping to provide a lively, real-life "picture" of that topic. You'll find one or two per chapter.

New! High-Performance Insights These text sections illustrate how firms use modern HR practices to build better, faster, and more competitive organizations. For instance, Chapter 4's shows how GE and Cisco Systems are responding faster and more competitively by using Internet HR techniques to recruit high-tech workers; Chapter 13's illustrates how Weirton Steel Corp. drives down costs with its workers' compensation methods; and Chapter 15's feature shows how Dayton Parts Corp. reduced expenses and boosted performance with a new safety management program.

New! WEBNOTES This feature uses actual screen shots to illustrate the many ways in which HR managers can use the Internet to carry out basic HR functions. WEBNOTES appear in each chapter of the text.

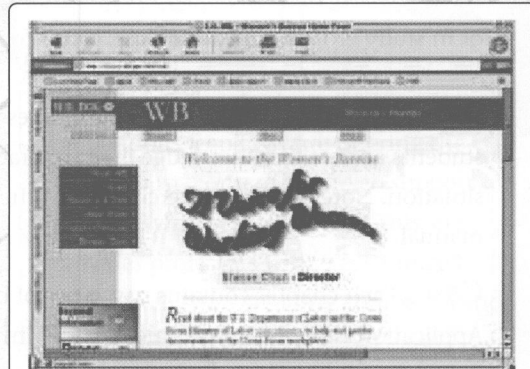
authority
The right to make decisions, direct others' work, and give orders.

line manager
A manager who is authorized to direct the work of subordinates and responsible for accomplishing the organization's goals.

staff manager
A manager who assists and advises line managers.

Margin Glossary

Key terms appear in boldface within the text, and with their definitions in the margin.



▲ WEBNOTE

The U.S. Department of Labor now has a Web site for working women from its Women's Bureau.
www.dol.gov

End-of-Chapter Features

Chapter Summaries

Each chapter contains a point-by-point chapter summary students can use to quickly refresh their memories and get an overview of what they've read in that chapter.

New! Tying It All Together

Each chapter also ends with a brief description of what precedes and what follows that chapter so that the topics covered in each chapter are related to one another.

Exercises and Assignments

Reviewers wanted more resources to aid and encourage experiential learning, and we've responded by strengthening the end-of-chapter exercises. In each chapter you'll find:

Discussion Questions

Each chapter has a set of discussion questions that can be used as the basis for class discussion or homework assignments.

1. Working individually or in groups, develop lists showing how trends like workforce diversity, technological innovation, globalization, and changes in the nature of work have affected the college or university you are attending now. Present in class.
2. Working individually or in groups, contact the HR manager of a local bank. Ask the HR manager how he or she is working as a strategic partner to manage human resources, given the bank's strategic goals and objectives. Back in class, discuss the responses of the different HR managers.

**Individual and
Group Activities**

Individual and Group Activities A set of 3 to 4 individual and group activities can be used in class or in study groups outside of class. Notes for each activity are in the instructor's manual.

Experiential Exercises These exercises help students apply their knowledge in an interactive group situation. Notes for these exercises are in the instructor's manual.

Cases Each chapter contains two types of cases: Application cases are longer, more in-depth, and provide the basis for class discussion or for written assignments. A new! Continuing case, LearnInMotion.com, appears at the end of each chapter and gives students an opportunity to solve the problems faced by a dot-com startup.

EXPERIENTIAL EXERCISE HRM As a Strategic Partner

Purpose: The purpose of this exercise is to provide practice in identifying trends important to HR today, and in understanding their impact on an organization's HR practices.

Required Understanding: Be thoroughly familiar with the material in this chapter.

How to Set Up the Exercise/Instructions:

1. Divide the class into teams of three to four students.
2. Read this.
3. You are a strategic planning task force at your university. You must identify trends and how they will affect the university and its human resource needs. The team has already identified a partial list of trends (see following table).

3. Expand the list of "Critical Issues" and complete the other two columns in the table.
4. Present your team's conclusions to the class.
5. When the teams have had time to discuss their responses, consider the following questions:
 - A. Which environmental trend would have the greatest impact on the human resource needs of the university?
 - B. What environmental change will be the most difficult for your HR group to manage?
 - C. Overall, how will this combination of trends affect your organization?

Causing Issues	Effect on Existing Employees	Potential HR Role(s)
(Example)	(Example)	(Example)
1. Distance learning technology	Need for better computer skills	Provide greater technical training
2. Government reductions in funding to higher education		
3. Greater workforce diversity		
4. More international students		
5. High percentage of faculty to retire		

CONTINUING CASE: LEARNINMOTION.COM Introduction

The main theme of this book is that HR management—activities like recruiting, selecting, training, and rewarding employees—is not just the job of some central HR group, but rather one in which every manager must engage. Perhaps nowhere is this more apparent than in the typical small service business. Here the owner manager usually has no personnel staff to rely on. However, the success of his or her enterprise (not to mention his or her family's peace of mind) often depends largely on the effectiveness with which workers are recruited, hired, trained, evaluated, and rewarded.

The idea the two came up with was LearnInMotion. The basic idea of the Web site was to list a vast array of based, CD-ROM based, or textbook-based business-related continuing-education-type courses for "free agents"—in other words, for working people who wanted to take a course in business from the comfort of their own homes. The idea was that users could come to the Web site to find and then take a course in one of several ways. Some courses could be completed interactively on the Web via the site; others were in a form that was downloadable directly to

APPLICATION CASE Jack Nelson's Problem

As a new member of the board of directors for a local bank, Jack Nelson was being introduced to all the employees in the home office. When he was introduced to Ruth Johnson, he was curious about her work and asked her what her machine did. Johnson replied that she really did not know what the machine was called or what it did. She explained that she had only been working there for two months. She did, however, know precisely how to operate the machine.

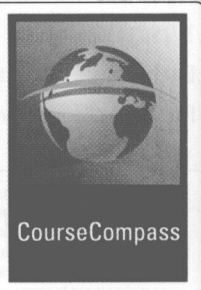
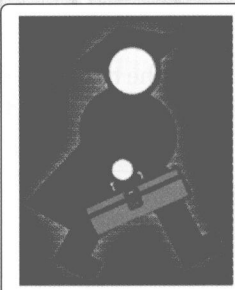
According to her supervisor, she was an excellent employee. At one of the branch offices, the supervisor in charge spoke to Nelson confidentially, telling him that "something was wrong," but she didn't know what. For one thing, she explained, employee turnover was too high, and no sooner had one employee been put on the job than another one resigned. With customers to see and loans to be made, she

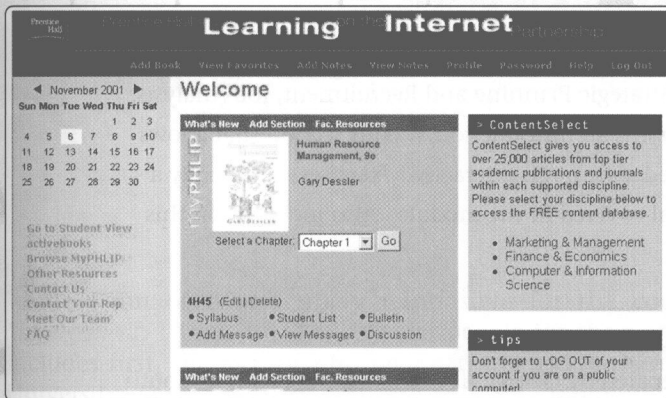
Teaching and Learning Package

Online support

In addition to the dozens of new technology-based text examples, such as how to recruit employees and conduct salary surveys on the Internet, we've achieved this expansion in technology in several ways:

New! This edition offers a fully developed online course for HRM in the following formats:





Companion Web Site (www.prenhall.com/dessler).

The 9th edition's Web site represents a tremendous leap forward, offering the most robust, content-rich Web support available with any HRM text. This site provides professors with a customized course Web site, including communication tools, one-click navigation of chapter content, resources such as current events

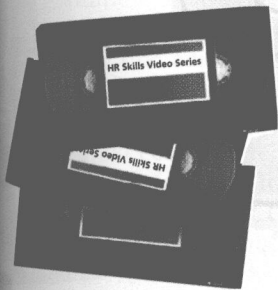
and Internet exercises, as well as the Video Guide for the On Location Video Series. For students, there is an interactive study guide (multiple-choice, true/false, and essays), an Internet Resource section that provides Web links for all of the companies and Web resources listed in the Dessler text, additional HR forms and figures, appendices to the 9th edition (Establishing HR Systems, Managing Your Career, and Quantitative Job Evaluation Methods), self-assessment exercises, a video tutorial, and an HRCI Certification Exam Guide.

A powerful new point-and-click syllabus creation tool that faculty can use for each course and section they teach. Additionally, faculty can annotate and link each resource on the Web site to their syllabi. **Faculty can even upload their own personal resources to our site** and have these resources available to their students via their personalized syllabus.

Check it out: www.prenhall.com/dessler

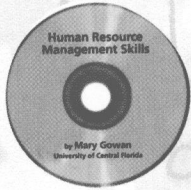
New! On Location! Video.

In these part-ending video segments, students will watch a panel of real-life HR executives from companies like BMG and hotjobs discuss current Human Resource issues like sexual harassment and discrimination, recruiting, the complexities of restructuring, incentives and benefits, labor relations, and the successes and failures of expatriate employees.



www.prenhall.com/dessler

New! Human Resource Management Skills CD-ROM.

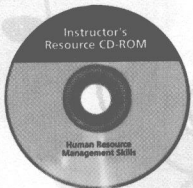


Developed by Mary Gowan, of University of Central Florida, this student CD-ROM focuses on essential HR skills such as Strategic Planning and Recruitment, Job Analysis, and Total Rewards. Each module contains an introduction, a skills section that allows the student to apply his or her knowledge through interactive exercises, and finally a quiz that tests students on the material covered in the module. Also included on this CD-ROM is the HR Skills Video Series.

Multimedia PowerPoint Presentation.

Available on the Instructor's Resource CD-ROM, and prepared by George A. Wynn, of University of South Florida, this comprehensive set of PowerPoints contains over 800 color slides, allowing professors the flexibility to create a presentation that will best suit their classroom needs. In addition to key chapter material, as well as text figures and tables, this presentation includes original content not found in the new edition, slide notes to aid instructors, and multimedia components such as video clips, audio, additional Web links and resources, and animated graphics.

Instructor's Resource CD-ROM.



On a single CD, professors can find the Instructor's Manual, PowerPoint presentation, and the Win/PH Test Manager. Containing all of the questions in the printed Test Item File, Test Manager is a comprehensive suite of tools for testing and assessment and allows educators to easily create and distribute tests for their courses.

Instructor's Resource Manual.

In the new edition of the Instructor's Resource Manual, instructors will find chapter summaries, annotated lecture outlines with PowerPoint references, key terms, and answers to all end-of-chapter and case material. Also included is a Video Guide that provides video cases and teaching notes.

Test Item File.

Over 100 questions per chapter including multiple-choice, true/false, short-answer and essays.

Acknowledgments

While I am of course solely responsible for the content in *Human Resource Management*, I want to thank several people for their professional assistance. This includes first, the faculty who reviewed this edition: Fred A. Ware, Valdosta State University; Larry Zachrich, Northwest State Community College; Lewis Lash, Barry University; and Mitchell A. Sherr, Purdue University. Thanks also to my colleagues Herman Dorsett and Ronnie Silverblatt at Florida International University.

At Prentice Hall, I am grateful for the support and dedicated assistance of several people. Senior editor Melissa Steffens worked with me to develop, rework, and rework again the new themes and design of this book and deserves much of the credit for the book's improvements, which I believe are considerable. The intelligence, editorial skills, and good humor of development editor Jeanine Ciliotta make this a far better book than it might have been. I am again very grateful to Judy Leale, managing editor, production, for working with me and for supervising with great skill all the intricacies involved in bringing a book like this to market. Thanks to Janet Slowik and her design team for their skill and patience in working with me on the design of this book. Even after nine editions, a book like this would likely just gather dust on someone's shelf without the dedicated efforts of all the professionals in the Prentice Hall sales force who have enthusiastically promoted this and the previous editions of this book. I want to thank Amy Wang, Jorge Thames, and the other Pearson International professionals for their efforts in managing the internationalization of this book: Because of them, it is now available and used in Chinese, Russian, Indonesian, Spanish, and Lithuanian and in numerous other international versions around the world. Thanks to Kevin Glynn at Prentice Hall for ably assisting with the book's review process and numerous other details.

I was particularly careful in this ninth edition to go back and review the book's very first edition to make sure the ninth was faithful to that first book's mission—"to provide a complete, comprehensive review of essential personnel management concepts and techniques in a highly readable and understandable form." When we published edition one, my executive editor, Frederick K. Easter, said that this book would "go on and on." To the extent that this book is now in its ninth edition and is a best-seller throughout the world, I owe much to Fred, a great editor, for all his advice, support and assistance.

At home, I again want to acknowledge the support and patience of my wife, Claudia. My son Derek, certainly the best people manager I know and a source of enormous pride, was always in my thoughts as I worked on these pages. My mother Laura was always a great source of support and encouragement.

Gary Dessler