



HUMAN RESOURCE
MANAGEMENT

EIGHTH EDITION

JOHN M. IVANCEVICH

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E I G H T H E D I T I O N

HUMAN RESOURCE MANAGEMENT

JOHN M. IVANCEVICH

CULLEN PROFESSOR OF ORGANIZATIONAL BEHAVIOR AND MANAGEMENT

UNIVERSITY OF HOUSTON



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Executive editor: *John E. Biernat*

Editorial assistant: *Dana Dorn*

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Project editor: *Karen J. Nelson*

Production supervisor: *Gina Hangos*

Coordinator freelance design: *Keith McPherson*

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PREFACE

With the arrival of the new millennium, the role of human resources in organizations is at centerstage. Managers are aware that HRM is a function that must play a vital role in the success of organizations. HRM is no longer an afterthought, a limited service, or a unit to be tolerated. It is an active participant in charting the course an organization must take to remain competitive, productive, and efficient.

This Eighth Edition of *Human Resource Management*—like the earlier editions—takes a managerial orientation; that is, HRM is viewed as relevant to managers in every unit, project, or team. Managers constantly face HRM issues, challenges, and decision making. Each manager must be a human resource problem solver and diagnostician who can deftly apply HRM concepts, procedures, models, tools, and techniques. This book pays attention to the application of HRM approaches in real organizational settings and situations. Realism, currentness, understanding and critical thinking are important in each edition of this text.

Human resource management belongs in all organizations. Its focal point is people; people are the lifeblood of organizations. Without them, there is no need for computer systems, compensation plans, mission statements, programs, or procedures. Because HRM activities involve people, the activities must be finely tuned, properly implemented, and continuously monitored to achieve desired outcomes. The uniqueness of HRM lies in its emphasis on people in work settings and its concern for the well-being and comfort of the human resources in an organization. This edition focuses on (1) managers and leaders with the responsibility to optimize performance and do what is ethically correct; (2) HRM specialists who advise, support, and aid managers and nonmanagers in their work; and (3) employees (e.g., engineers, clerks, typists, machinists, chemists, teachers, nurses) who perform the work.

Students and faculty identify readability as a key strength of this book. It also has stayed current and thorough. But it was never intended to be an encyclopedia or a compendium of human resource management tools, laws, or ideas. Instead, the intent

was to provide a book that instructors and students could learn from and that would stimulate their own ideas, while keeping them up to date on HRM theory and practice.

Pedagogical Features

In order to make the book relevant, interesting, scholarly, and practical, a number of pedagogical procedures were adopted. Each chapter contains most of the following elements:

- Brief list of behavioral learning objectives and an outline of the chapter.
- Internet resources (more pronounced in this edition). Each chapter is linked to Internet general resources and addresses of companies used in the chapters. Since the Internet changes at a nano speed rate, addresses (URLs) may be changed or moved. Be patient and you will quickly find new addresses.
- Career Challenge—a short situation emphasizing applied HRM techniques and issues that introduces each chapter and is further developed at various points in the chapter and at its conclusion.
- A diagnostic model that serves as the integrative framework of the book.
- HRMemo—a margin item that highlights a statistic, fact, historical point, or relevant piece of information.
- HR Journal—a brief news story about an actual company, technique, or group of people.
- The most recent statistics and data available on topics covered in the chapter.
- Chapter summary—a handy, concise reference to the chapter's main points.
- List of key terms (plus a comprehensive glossary of key terms at the end of the book).
- Questions for Review and Discussion.
- HRM Legal Adviser (new)—a brief legal point, case, or fact tied to the content of the

chapter. Managers must be kept current in terms of legal factors and the law.

- Application case(s) and/or experiential exercises—reflecting HRM issues, concerns, and problems faced in organizations of various sizes and in a wide array of industries.
- Each of the five parts uses a video case and discussion questions to integrate material relevant to the participation section of the book.

Parts and Appendixes

The Eighth Edition consists of five parts, divided into 17 chapters, and three appendixes. Appendix A, “Measuring Human Resource Activities,” was originally prepared by Jac Fitz-Enz, Ph.D., president of the Saratoga Institute. It spells out the reasons why measurement is important and how a measurement system for the HRM unit can be developed and styled. Appendix B, “Sources of Information about Human Resource Management: Where to Find Facts and Figures,” was originally prepared by Paul N. Keaton of the University of Wisconsin, LaCrosse, and has been updated for this edition. This appendix provides valuable sources of information that are useful in HRM. Appendix C, “Career Planning,” was prepared by the author of the text. It examines important steps involved in career planning that each person must accept responsibility for and initiate at the appropriate time. Each reader of the book must become actively involved in his or her own career plan.

New and Strengthened Content Features

Each new edition involves major revisions, additions, deletions, and rewriting. Comments by instructors, students, practitioners, researchers, consultants, legal experts, and colleagues are each taken seriously so that the new edition is better, fresher, more valuable, and current. It is estimated that over two thousand changes were made in this edition. Instead of detailing these changes a select few mentions will set the tone for your own perusal.

- The Internet Web resource base is integrated in each chapter throughout the book.
- The end-of-chapter element called “HRM Legal Advisor” illustrates the importance of understanding the legal rights of employees and employers.

- The most up-to-date reference and illustrative material is incorporated. This is a book for the 21st century.
- The revision is shorter, with 17 chapters instead of 19. This reduction adds precision to the book.
- A greater emphasis on managerial responsibilities and actions pertaining to HRM activities is woven throughout the content and chapter elements.
- Common threads interwoven in the revision include technological change, the new economy, globalization, managing diversity, managing ethically and within the law, and optimizing quality of performance. These threads serve as the core font of knowledge, theory, empirical results, and practical application, fitting organizations of all sizes, in all industries throughout the world.

Students Guide to the Internet/World Wide Web

While most students are well acquainted with computers, a revolution is under way in how to use them. If you link computers together, each can have its own software and data, but can take advantage of the resources of the network. For any course or program you take, you have at your fingertips and at the convenience of a “click” information, data, statistics, historical factors, and an endless array of content.

You can increase your understanding of human resource management by using the tips and recommended address sites in each chapter to link to other pods of information that will further extend your understanding. The Internet and World Wide Web (WWW) have provided this wonderful opportunity to students.

The Internet

The Internet was created nearly 25 years ago as a project of the U.S. Department of Defense, specifically, the Defense Advanced Research Projects Administration, or DARPA. Its goal was to provide a way for widely separated computers to transfer information and data and to make these data communications as robust and reliable as possible. DARPA wanted to make a network that was smart enough to recover on its own from problems such as power failures and interruptions in communication lines.

Eventually, the government dropped the idea that its network was only useful for defense-related projects, and the network became known as *Arpanet*. The government then began connecting many of the country's universities to the network. Since then, generations of students have studied, used, and improved what we now call the *Internet*.

Although the Internet began as a government research project and was funded by tax dollars for years, the government is not involved in it anymore. It might still be one of the largest single users of the Internet, but it no longer funds new development or supports any of the costs associated with maintaining the network. The Internet is completely self-sufficient.

Only a few years ago, the Internet was still relatively unknown outside of scientific and technical communities. That has changed dramatically in just a short time. After two decades of development and improvements, the Internet has exploded into the mainstream.

People were initially attracted to the Internet because it connected them to the world at large. They could exchange electronic mail, participate in discussions (via Usenet newsgroups), and easily exchange programs and data with others around the world using the Internet's file-transfer facilities.

Technically, the Internet isn't a network of computers—it's a network of networks. Local networks throughout the world are tied together by wires, telephone lines, fiber-optic cables, microwave transmissions, and satellites in orbit. But the details of how data gets from one computer on the Internet to another are invisible to the user.

The Internet is dramatically different from online services such as CompuServe and America Online. These companies sell access to their computers; think of them as gigantic bulletin board systems owned and operated by a company. What you see and what you can do with them are limited to what they allow you to see and do. To avoid losing their entire memberships to the Internet, these services have found it necessary to offer access to the Internet and the World Wide Web. They determine which parts of the Internet you can access, however, and some of them charge extra for Internet access, even for sending email to an Internet address.

Until recently, using the Internet generally meant using programs and tools on Unix computers. Long after the personal computer craze was in full swing, the Internet was still an arcane concept to

many PC and Mac users—even to many people who considered themselves experts with personal computers, software, and networking.

All of this began to change, though, with the development of high-speed modems and a software hack called *Serial Line Internet Protocol (SLIP)*. When 14.4 Kbps modems entered the market, it suddenly became practical to connect PCs and Macintosh computers to the Internet, and SLIP software made it possible to extend the Internet from centrally located networks to the PC user at home or in the office.

High-speed modems and SLIP have resulted in a wave of new products—both hardware and software—that make it easy to connect a home or office computer to the Internet. As a result, excitement about the Internet has been snowballing for nearly three years and students, along with millions of other users, have become the beneficiaries.

The huge high-speed trunk lines that run between countries and major cities are usually owned and maintained by big telecommunications companies. For example, AT&T and Sprint own and maintain good-sized chunks of the trunk lines that snake around the country and the world. For the most part, it's not terribly important to these companies that their lines are being used for Internet traffic; that's just what a telecommunications company does. When there is demand for data communications, the companies try to meet that demand with service. When the demand is high enough, they lay another fiber trunk or launch another satellite.

The World Wide Web

For all its technological wonder, the Internet has suffered for years from a reputation of being difficult to learn, hard to use, and downright homely compared to the sexy interfaces of bulletin board systems, online services, and most of the software people use on personal computers.

The World Wide Web has changed all this. The Web has quickly become the graphical user interface to the Internet, and it stands unrivaled by any online service in terms of both aesthetics and flexibility.

To access the Web, you use a program called a *Web browser*. A Web browser is a program on your own computer that knows how to retrieve "pages" of text and graphics from other computers on the Internet. Embedded in these pages are symbols (called *links* or *hyperlinks*) telling your Web browser where

to find other related pages on the Internet. A browser displays links differently from the surrounding text. (For example, it may display links in blue, as underlined text, or as 3-D buttons.) When you click on a link, it loads another page of text and graphics. This is called *following a link*, and a concept of following links to related pages of information is called *hypertext*.

Part of the reason for the Web's huge and rapid success is that it's easy to use: It's as simple as clicking a mouse button. In the front of each chapter you will be provided with addresses that you can enter and then simply click to find the information you want or need.

Just as you need an e-mail address so people can communicate with you, files on the Internet need an address so people can access them. A file's address is known as its *Uniform Resource Locator* or *URL*. Each chapter has URLs that will link to specific information associated to human resource issues, concerns, challenges, or opportunities.

The first page of any site is called the *home page*. The "home page" is simply a starting point. You will need a browser, a program that permits you to visit different URLs on the Internet/World Wide Web. Two of the most widely used browsers are Internet Explorer or Netscape Navigator. They are the Coke and Pepsi of browsers. A browser displays a document from the Internet on your computer screen.

Another key to the Web's magic is its simplicity. Web "pages" are simply files residing on the hundreds of thousands of computers connected to the Internet. To "serve" the pages when they're requested by a browser, all a computer needs is another simple program called a *Web server*. The Web server just waits and listens for requests from Web browsers. When a request comes in, it finds the requested file and sends it back to the browser.

Search Engines

Getting information is made easier if you know the URL of the Web site that contains what you want. But what if you don't know the URL? Don't worry—all you need to use is a search engine. A *search engine* is a Web site that enables you to enter a query and provides a list of hyperlinks (text or graphics that when clicked takes you to a different page on the same site or to a completely different site). Some of the better known and used search engines are:

www.google.com
www.altavista.com
www.excite.com
www.lycos.com
www.hotbot.com
www.goto.com
www.yahoo.com

Type the URL of a search engine in the address bar of your Web browser (Explorer or Netscape) and press *enter*. You can take it from there by clicking and/or typing in some words that describe what you are looking for and then pressing *enter*. Don't be surprised if your search for human resource management information turns up hundreds or even thousands of Web pages. Since the Internet/World Wide Web is expanding and changing every day, you need to keep your favorite URLs current.

The Internet/World Wide Web will serve you well in this and in other courses. As you use this invaluable resource more you will become more comfortable and proficient. Think of the Internet/World Wide Web as your own personal tutor that can be used when you need to improve your understanding of an HRM issue, topic, subject, or situation.

Contributions of Two Colleagues

The importance of sharing ideas, debating issues, and comparing notes is what makes revision work on any text satisfying. In preparing this Eighth Edition, two colleagues played a special role. Jim Phillips, professor of management at the University of Houston, and Teri Elkins, assistant professor of management at the University of Houston, prepared chapter material, reviewed suggestions, and were involved in the development of the edition. Their contributions made the revision work more enjoyable, thorough, and rewarding for the author. Jim and Teri did an outstanding job of updating, modifying, and improving the text. The result of this entire effort is an even better product for the instructor and students.

Instructor's Resource Materials

A complete set of instructor's resource materials is available with this text. The instructional materials have been carefully updated and revised to complement the Eighth Edition.

Instructor's manual and test bank ISBN 0072312696

For each chapter, the instructor's manual contains a list of learning objectives; a chapter synopsis; a summary of the Career Challenge, presentation notes; teaching tips; answers to questions for review and discussion; suggestions for additional questions, term paper topics, and a group project; case and/or exercise notes; and answers to case questions. The test bank consists of approximately 1,600 true/false, multiple-choice, and essay questions. Each question is classified according to level of difficulty and includes a text page reference.

Computerized testing software (Windows) ISBN 0072312807

The most recent version of Irwin's test-generation software, this program includes advanced features such as allowing the instructor to add and edit questions on-line, save and reload tests, create up to 99 versions of each test, attach graphics to questions, import and export ASCII files, and select questions based on type, level of difficulty, or key word. The program allows password protection of saved test and question databases and is networkable.

Videos ISBN 0072312815

The text consists of 5 parts, each of which has a corresponding video clip.

Part 1—Learn how the success of Von Maur Department Stores is based on their exceptional HRM department.

Part 2—Check out MonsterBoard.com and the role of the internet for recruitment.

Part 3—Find out how Southwest Airlines achieves exceptional service by rewarding their employees for giving it.

Part 4—Learn why training and development is important to Arthur Andersen.

Part 5—See how Saturn has changed the way labor and management work together.

PowerPoint® Slides ISBN 0072312793

Nearly 150 PowerPoint slides are provided, complementing the 17 chapters in the text. These slides con-

sist of both original lecture materials and key textual material.

Website ISBN 0072402164

Students—Visit the Student Resources section for everything from up-to-date real-world HRM material to the Career Corner, which provides tips for finding a job and creating a resume.

Instructors—Access the website for the Instructor Resources section. Find updated teaching materials, a link to our MORE Supersite, and downloadable supplements.

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Teresa Brady Holy Family College	E. C. Hamm Tidewater Community College	Jonathan S. Monat California State University–Long Beach
John C. Bucelato Hampton University	Carol Harvey Assumption College	Charles Noty Roosevelt University
John F. Burgess Concordia University	Nancy Hess Bloomsburg University	Allen Oghenejobo Miles College
G. W. Bush Brandeis University	Paul E. T. Jensen Northwestern Polytechnic University	Michael W. Popejoy Palm Beach Atlantic College
Charles Cambridge California State University– Chico	Harriet Kandelman Barat College	Charles Rarick Transylvania University
Janelle Dozier Tulane University	George J. Karl III Southern College	Dennis Rhodes Drake University
Nilgun Dungan Minot State University	Paul N. Keaton University of Wisconsin– LaCrosse	Rajib Sanyal Trenton State College
Norb Elbert Bellarmine College	Kenneth A. Kovach University of Maryland	Michael Soltys Allentown College
Richard J. Erickson Southern College	Leo A. Lennon Webster University	Diane M. Stagg Parks College
Karl M. Everett Webster University	Barry University	David B. Stephens Utah State University
Michael Feldstein Peace College	Robert Lewellen Peru State College	Saia Swanepoel Tednikan Prekna–South Africa
Robert J. Forbes Oakland University	Daniel S. Marrone SUNY–Farmingdale	Dave Wilderman Wabash Valley College
Robert Gatewood University of Georgia	Norman Mermelstein Touro College	Carolyn Wiley The University of Tennessee–Chattanooga
C. Josef Ghosn Atlantic Union College	Linda Merrill SUNY–Stony Brook	
Perry Haan Wilmington College	Kenneth Mitchell Harris-Stowe State College	Douglas S. Woundy Virginia Military Institute

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