# Human Resource Management



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# **Human Resource Management**

Fifth Edition

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To Susan, Elizabeth, and Lee Byars & Elizabeth Norris, Meggin, and Leslie Rue

# **Preface**

Since the publication of the fourth edition of this text, significant changes have occurred in the human resource management (HRM) field. Changing government and legal requirements, increasing frequency of work force reduction, escalating demands for a more skilled and better motivated work force, increasing attention to diversity in the work force, and intensifying global competition are just a few of the factors that have contributed to making HRM more complex and important to organizations.

This book emphasizes both the theoretical and practical aspects of HRM. The theoretical material is presented throughout the text and is highlighted via the marginal glossary. To help students learn the complex HRM terminology, we have presented concise definitions of the key terms and placed them in the margins.

The practical aspects of HRM are presented in examples which are placed throughout the text of each chapter at the end-of-chapter materials. In addition to review questions, the end-of-chapter materials provide several indepth discussion questions and two incidents, both of which require that the student apply the concepts presented in the chapter. Also included among the end-of-chapter materials in this edition is an experiential exercise for each chapter. These exercises are designed to illustrate major points made in the chapter and most can be done in class or assigned as homework. Furthermore, the text portion of each chapter contains several current examples called "HRM in Action," which illustrate how actual organizations have applied the concepts presented in the chapter. Additionally, several chapters are followed by a key feature called "On the Job," which offers practical examples such as a résumé and a sample job description. Finally, new to the fifth edition are the video cases which appear at the end of each section. All of these features make this the most readable and informative edition to date.

The book's content is arranged in five major sections. Section 1, "Introduction and Equal Employment Opportunity," is designed to provide the student with the foundation necessary to embark on a study of the work of human resource management. This section also explores how the legal environment and the implementation of equal employment opportunity influence all areas of human resource management. Section 2, "Staffing the Organization," discusses the topics of job analysis and design, human resource planning, recruitment, and selection. Section 3, "Training and Developing Employees," describes orientation and employee training, management and organizational development, performance appraisal systems, and career planning. Section 4, "Compensating Employees," presents an introductory chapter on organizational reward systems, and has separate chapters describing base wage and salary systems incentive pay systems, and employee benefits. Section 5, "Understanding Unions and Safety,"

explores the legal environment and structure of unions, the collective bargaining process, employee relations, and employee health and safety. An appendix is included that covers human resource information systems.

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> Lloyd L. Byars Leslie W. Rue

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# **Introduction and Equal Employment Opportunity**

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Human Resource Management Present and Future

# Chapter 2

**Equal Employment Opportunity**The Legal Environment

# Chapter 3

Implementing Equal Employment Opportunity

# Human Resource Management: Present and Future

# CHAPTER OUTLINE

**Human Resource Functions** 

Who Performs the Human Resource

Functions?

The Human Resource Department

Challenges for Human Resource Managers

Diversity in the Work Force

Challenges and Contributions of Diversity

Regulatory Changes

Structural Changes to Organizations

Technological and Managerial Changes within

Organizations

**Human Resource Management Tomorrow** 

Company Profits and the Human Resource

Manager

**Communicating Human Resource Programs** 

Guidelines for Communicating Human

Resource Programs

Human Resource Management and

**Organizational Performance** 

**Summary of Learning Objectives** 

**Review Questions** 

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and Professionals

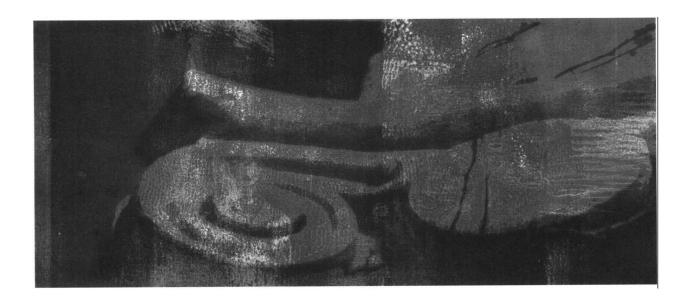
**Exercise: Justifying the Human Resource** 

Department

Incident 1-2 Choosing a Major

Exercise: Are You Poised for Success?

**Notes and Additional Readings** 



# LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- 1. Define human resource management.
- 2. Describe the functions of human resource management.
- 3. Summarize the types of assistance provided by the human resource department.
- 4. Explain the desired relationship between human resource managers and operating managers.
- 5. Identify several challenges currently facing today's human resource managers.
- 6. Outline several potential challenges and contributions presented by an increasingly diverse work force.
- 7. Discuss the role of human resource managers in the future.
- 8. Summarize several guidelines to follow when communicating human resource programs.
- 9. Explain, in general terms, how human resource managers can affect organizational performance.

# Human resource management

Activities designed to provide for and coordinate the human resources of an organization. Human resource management (HRM) encompasses those activities designed to provide for and coordinate the human resources of an organization. The human resources (HR) of an organization represent one of its largest investments. In fact, government reports show that approximately 73 percent of national income is used to compensate employees. The value of an organization's human resources frequently becomes evident when the organization is sold. Often the purchase price is greater than the total value of the physical and financial assets. This difference, sometimes called goodwill, partially reflects the value of an organization's human resources. In addition to wages and salaries, organizations often make other sizable investments in their human resources. Recruiting, hiring, and training represent some of the more obvious examples.

Human resource management is a modern term for what has traditionally been referred to as *personnel administration* or *personnel management*. However, some experts believe human resource management differs somewhat from traditional personnel management. They see personnel management as being much narrower and more clerically oriented than human resource management. For the purposes of this book, we will use only the term *human resource management*.

# **Human Resource Functions**

Human resource functions refer to those tasks and duties performed in both large and small organizations to provide for and coordinate human resources. Human resource functions encompass a variety of activities that significantly influence all areas of an organization. The Society for Human Resource Management (SHRM) has identified six major functions of human resource management:

- 1. Human resource planning, recruitment, and selection.
- 2. Human resource development.
- 3. Compensation and benefits.
- 4. Safety and health.
- 5. Employee and labor relations.
- 6. Human resource research.

Table 1–1 identifies many of the activities that comprise each major human resource function. Ensuring that the organization fulfills all of its equal employment opportunity and other government obligations is an activity that overlays all six of the major human resource functions.

Figure 1–1 presents a slightly different breakdown of the human resource functions. This breakdown, called the Human Resource Wheel, was developed by the American Society for Training and Development as part of an effort to define the field of human resource management.

In an attempt to cover each of the major areas of human resource management, this book contains five major sections and an appendix. Section 1 serves as an introduction and presents material that applies to all major human resource functions. It contains one introductory chapter and two chapters on equal employment opportunity. Section 2 explores those human resource functions specifically concerned with staffing the organization: job analysis and

Human resource functions
Tasks and duties human
resource managers perform (e.g.,
determining the organization's
human resource needs;
recruiting, selecting, developing,
counseling, and rewarding
employees; acting as liaison with
unions and government
organizations; and handling other
matters of employee well-being).

# Activities of the Major Human Resource Functions

#### Human Resource Planning, Recruitment, and Selection

- Conducting job analyses to establish the specific requirements of individual jobs within the
  organization.
- Forecasting the human resource requirements the organization needs to achieve its objectives.
- Developing and implementing a plan to meet these requirements.
- Recruiting the human resources the organization requires to achieve its objectives.
- · Selecting and hiring human resources to fill specific jobs within the organization.

#### **Human Resource Development**

- Orienting and training employees.
- · Designing and implementing management and organizational development programs.
- · Building effective teams within the organization structure.
- Designing systems for appraising the performance of individual employees.
- Assisting employees in developing career plans.

#### **Compensation and Benefits**

- Designing and implementing compensation and benefit systems for all employees.
- Ensuring that compensation and benefits are fair and consistent.

#### **Employee and Labor Relations**

- Serving as an intermediary between the organization and its union(s).
- Designing discipline and grievance handling systems.

# Safety and Health

- · Designing and implementing programs to ensure employee health and safety.
- Providing assistance to employees with personal problems that influence their work performance.

# **Human Resource Research**

- Providing a human resource information base.
- Designing and implementing employee communication systems.

design and human resource planning, recruiting, and selecting. Section 3 concentrates on those functions related to training and developing employees, such as orientation and employee training, management and organization development, performance appraisal, and career planning. Section 4 covers all aspects of employee compensation: motivation theory, base wage and salary systems, incentive pay systems, and employee benefits. Section 5 deals with unions, the collective bargaining process, employee relations, and employee safety and health. The appendix at the end of the book discusses human resource information systems.

TABLE I-I