Human Resource management

john m. ivancevich

NINTHEDITION

HUMAN RESOURCE MANAGEMENT

JOHN M. IVANCEVICH

Cullen Professor of Organizational Behavior and Management

C.T. BAUER COLLEGE OF BUSINESS

University of Houston



Boston Burr Ridge, IL Dubuque, IA Madison, WI New York
San Francisco St. Louis Bangkok Bogotá Caracas Kuala Lumpur
Lisbon London Madrid Mexico City Milan Montreal New Delhi
Santiago Seoul Singapore Sydney Taipei Toronto



HUMAN RESOURCE MANAGEMENT

Published by McGraw-Hill/Irwin, a business unit of The McGraw-Hill Companies, Inc., 1221 Avenue of the Americas, New York, NY 10020. Copyright © 2004, 2001, 1998, 1995, 1992, 1989, 1986, 1983, 1979 by The McGraw-Hill Companies, Inc. All rights reserved. No part of this publication may be reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written consent of The McGraw-Hill Companies, Inc., including, but not limited to, in any network or other electronic storage or transmission, or broadcast for distance learning.

Some ancillaries, including electronic and print components, may not be available to customers outside the United States.

This book is printed on acid-free paper.

3 4 5 6 7 8 9 0 CCW/CCW 0 9 8 7 6 5

ISBN 0-07-252577-0

Publisher: John E. Biernat Executive editor: John Weimeister Editorial coordinator: Trina Hauger Executive marketing manager: Ellen Cleary Producer, Media technology: Mark Molsky

Project manager: Susanne Riedell Production supervisor: Gina Hangos

Designer: Kami Carter

Supplement producer: Betty Hadala Senior digital content specialist: Brian Nacik

Cover illustration: © The Stock Illustration Source, Artist: Jim Frazier

Typeface: 10/12 Sabon

Compositor: ElectraGraphics, Inc.

Printer: Courier Westford

Library of Congress Cataloging-in-Publication Data

Ivancevich, John M.

Human resource management / John M. Ivancevich.—9th ed.

p. cm.

Includes bibliographical references and index.

ISBN 0-07-252577-0 (alk. paper)

1. Personnel management. 2. Personnel management—Case studies. I. Title.

HF5549.I88 2004 658.3—dc21

2003052741

www.mhhe.com



PREFACE

The role of human resource management in organizations is at center stage. 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 strategic course an organization must take to remain competitive, productive, and efficient.

This Ninth 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 Advisor—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 Ninth Edition consists of six 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 Guidelines," 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 2,000 changes were made in this edition. Instead of detailing these changes a select few mentions will set the tone for your 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 still includes 17 chapters.
- 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, new HRM technologies, 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 30 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*.

PREFACE VII

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 e-mail 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 sud-

denly 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 truck 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 and 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 website 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 website that enables you to enter a query and provides a list of hyperlinks (text or graphics that when clicked take 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.northernlight.com www.altavista.com www.excite.com www.lycos.com www.hotbot.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 a Colleague

Robert (Rob) Konopaske, assistant professor of management at the University of North Carolina at Wilmington (UNCW), contributed significantly to the development and presentation of chapters, pedagogy, and revision work on this ninth edition. He made suggestions, introduced creative examples, worked on numerous chapters, responded to reviewers comments, and discussed with the author ways to improve the student and instructor friendliness of the book. As an accomplished and experienced educator, researcher, and practitioner, Rob was superb and meticulous in what he contributed to this edition. He certainly added value and improved the total book.

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 Ninth Edition.

Instructor's Resource CD

ISBN 0072525797

Contains the instructor's manual, test bank, computerized test bank, and PowerPoint.

Instructor's manual and test bank

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)

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 online, 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.

PowerPoint® Slides

Nearly 150 PowerPoint slides are provided, complementing the 17 chapters in the text. These slides consist of both original lecture materials and key textual material.

Videos

ISBN 0072525800

The text consists of 6 parts, each of which has a corresponding video clip.

Part 1—Southwest Airlines: Competing Through People

Part 2—Creative Staffing Solutions: A Pipeline of Human Assets

Part 3—Compensating Workers

Part 4—One Person at a Time: Building a Diverse Workforce

Part 5—Saturn Corporation and the UAW: A Test of Labor's Partnership with Management

Part 6—OSHA and Unions Versus Manufacturers: Is Workplace Ergonomics a Problem?

Website

www.mhhe.com/ivancevich9e

Students—Visit the Student Resources section for everything from up-to-date real-world HRM mate-

rial 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.

Acknowledgments

Helpful comments were provided for each edition by outstanding reviewers, many of whose ideas and recommendations were used. Their promptness, tact, and knowledge of HRM were certainly appreciated. The lead reviewers for the Ninth Edition were:

Wayne Buchanan Defiance College

Jacob Joseph University of Alaska–Fairbanks

Gerald J. Koppes Loras College

Robert W. Russell Portland Community College

Lynn Wilson Saint Leo University

The following faculty members also provided extensive market information on the HRM discipline in general. They are to be commended for their time and effort in providing us with feedback.

> David A. Ainscow National University

Benigno Alicea University of Puerto Rico

Barry Armandi SUNY-Old Westbury

Tim Barnett Louisiana Tech

Steven Bershire Alaska Pacific University

Vicky K. Black Oakland City University

Teresa Brady Holy Family College

John C. Bucelato Hampton University John F. Burgess Concordia University

G. W. Bush Brandeis University

Charles Cambridge California State University–Chico

Anne Cowden California State University–Sacramento

Janette Dozier Tulane University

Nilgun Dungan Minot State University

Norb Elbert Bellarmine College

Richard J. Erickson Southern College

Karl M. Everett Webster University

Michael Feldstein Peace College

Robert J. Forbes Oakland University

Robert Gatewood University of Georgia

C. Josef Ghosn Atlantic Union College

Perry Haan

Wilmington College

E. C. Hamm Tidewater Community

College

Carol Harvey Assumption College

Nancy Hess

Bloomsburg University

Paul E. T. Jensen

Northwestern Polytechnic

University

Harriet Kandelman Barat College

George J. Karl III Southern College

Paul N. Keaton University of

Wisconsin-LaCrosse

Kenneth A. Kovach University of Maryland

Leo A. Lennon Webster University Barry University

Robert Lewellen Peru State College

Jerry Madkins

Tarleton State University

Daniel S. Marrone SUNY-Farmingdale

Norman Mermetstein

Touro College

Linda Merrill SUNY-Stony Brook

Kenneth Mitchell

Harris-Stowe State College

Jonathan S. Monat California State University–Long Beach William Muller University of Northern

Charles Noty Roosevelt University

Allen Ogheneiobo Miles College

Michael W. Popejoy Palm Beach Atlantic

College

Charles Rarick Transylvania University

Dennis Rhodes Drake University

Rajib Sanyal

Trenton State College

Michael Soltys Allentown College

Diane M. Stagg Parks College

David B. Stephens Utah State University

Saia Swanepoet Tednikan Prekna-South

Africa

Dave Wilderman Wabash Valley College

Carolyn Wiley The University of Tennessee–Chattanooga

Douglas S. Woundy Virginia Military Institute

Ginger Roberts and Peggy Adams have been involved in this edition as administrative assistants, organizers of information, locators of data, word processing wizards, and interpreters of my work. This revision would be incomplete without Ginger's and Peggy's prompt, accurate, and creative work, patience, experience, and tolerance. They both make revision work pleasant, productive, and invaluable. They are professionals who have enabled the author to meet deadlines, complete thorough revisions, and provide top quality materials to the publisher. I sincerely thank them for being a part of my team and working so hard to complete the revision of this book.

CONTENTS IN BRIEF

PART

INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

- I HUMAN RESOURCE MANAGEMENT 2
- 2 STRATEGIC MANAGEMENT APPROACH TO HUMAN RESOURCE MANAGEMENT 33
- 3 EQUAL EMPLOYMENT OPPORTUNITY: LEGAL ASPECTS OF HUMAN RESOURCE MANAGEMENT 69
- **4** GLOBAL HUMAN RESOURCE MANAGEMENT 102

PART 2

ACQUIRING HUMAN RESOURCES 133

- 5 HUMAN RESOURCE PLANNING AND ALIGNMENT 134
- 6 JOB ANALYSIS AND DESIGN 155
- 7 RECRUITMENT 190
- 8 SELECTION 218

PART 3

REWARDING HUMAN RESOURCES 253

9 APPRAISING AND MANAGING PERFORMANCE 254

- 10 COMPENSATION: AN OVERVIEW 296
- COMPENSATION: ISSUES AND POLICIES 330
- 12 ADMINISTERING BENEFITS AND SERVICES 357

PART 4

DEVELOPING HUMAN RESOURCES 391

- 13 TRAINING AND DEVELOPMENT 392
- 14 CAREER PLANNING AND DEVELOPMENT 438

PART 5

LABOR MANAGEMENT RELATIONS 475

- 15 LABOR RELATIONS AND COLLECTIVE BARGAINING 476
- 16 EMPLOYEE RIGHTS AND JUSTICE 511

PART 6

PROTECTING HUMAN RESOURCES 541

17 PROMOTING SAFETY AND HEALTH 542

- A MEASURING HUMAN RESOURCE ACTIVITIES 577
- B SOURCES OF INFORMATION ABOUT HUMAN RESOURCE MANAGEMENT: WHERE TO FIND FACTS AND FIGURES 583
- C CAREER GUIDELINES 587
 GLOSSARY 596
 NAME INDEX 607
 COMPANY INDEX 617
 SUBJECT INDEX 621



CONTENTS

PART

INTRODUCTION TO HUMAN RESOURCE MANAGEMENT 1

CHAPTER I

HUMAN RESOURCE MANAGEMENT

2

A BRIEF HISTORY OF HUMAN RESOURCE MANAGEMENT 6

STRATEGIC IMPORTANCE OF HRM 8 HRM AND ORGANIZATIONAL EFFECTIVENESS 9 OBJECTIVES OF THE HRM FUNCTION 10

Helping the Organization Reach Its Goals 10
Efficiently Employing the Skills and Abilities of the Workforce 10

Providing Well-Trained and Well-Motivated Employees 11
Increasing Employees' Job Satisfaction and Self-Actualization 11

Achieving Quality of Work Life 12

Communicating HRM Policies to All Employees 12

Maintaining Ethical Policies and Socially Responsible Behavior 12

Managing Change 13

Managing Increased Urgency and Faster Cycle Time 13

WHO PERFORMS HRM ACTIVITIES 14

Outsourcing 14

The Interaction of Operating and HR Managers 15

HRM's Place in Management 15

HR DEPARTMENT OPERATIONS 16

HRM Strategy 16

Clarifying Meaningful HRM Objectives 18

HRM Policy 19

HRM Procedures 20

Organization of an HR Department 21

PLAN OF THE BOOK 22

SUMMARY 24

KEY TERMS 25

QUESTIONS FOR REVIEW AND DISCUSSION 25 NOTES 26

APPLICATION CASE 1-1

THE HUMAN RESOURCE MANAGER AND MANAGING MULTIPLE RESPONSIBILITIES 28

APPENDIX A

CAREERS IN HRM 31

CHAPTER 2

STRATEGIC MANAGEMENT APPROACH TO HUMAN RESOURCE MANAGEMENT

33

A DIAGNOSTIC HRM FRAMEWORK 34 HOW TO TAKE A DIAGNOSTIC APPROACH TO HRM 35

EXTERNAL ENVIRONMENTAL INFLUENCES 37

Government Law and Regulations 38

The Union 39

Economic Conditions 39

Competitiveness 41

Composition and Diversity of the Labor Force 41

Geographic Location of the Organization 45

INTERNAL ENVIRONMENTAL INFLUENCES 46

Strategy 46

Goals 47

Organization Culture 48

Nature of the Task 49

Work Group 50

Leader's Style and Experience 51

STRATEGIC HRM: AN IMPORTANT KEY TO SUCCESS 51

STRATEGIC CHALLENGES FACING HRM 52

Technology 53

Diversity: Building a Competitive Workforce 53

Caliber of the Workforce 57

Organizational Restructuring and Downsizing 57

Contingent Workers 58

PEOPLE AND THE HRM DIAGNOSTIC FRAMEWORK 59

Abilities of Employees 59

Employees' Attitudes and Preferences 60

Motivation of Employees 60 Personality of Employees 61

DESIRABLE END RESULTS 61

SUMMARY 63

KEY TERMS 63

QUESTIONS FOR REVIEW AND DISCUSSION 64
NOTES 64

EXERCISE 2-1

Dissecting the Diagnostic Model and Its Application 65

APPLICATION CASE 2-1

Towers Perrin and Hudson Institute Study—HR Executive 67

Voluntary Affirmative Action Plans 88

Involuntary Affirmative Action Plans 89

Update on Affirmative Action 90

SUMMARY 92

KEYTERMS 93

QUESTIONS FOR REVIEW AND DISCUSSION 93

HRM LEGAL ADVISOR 93

NOTES 94

EXERCISE 3-1

Dissecting the Diagnostic Model and Its Application 96

APPLICATION CASE 3-1

MEETING THE CHALLENGE OF SEXUAL HARASSMENT 98

CHAPTER 3

EQUAL EMPLOYMENT OPPORTUNITY: LEGAL ASPECTS OF HUMAN RESOURCE MANAGEMENT

69

HOW DID EEO EMERGE? 72

Societal Values and EEO 73

Economic Status of Minorities: Before 1964 73

The Government 74

EQUAL EMPLOYMENT OPPORTUNITY LAWS: CONTENT AND COURT INTERPRETATIONS 74

Title VII of the 1964 Civil Rights Act 74

Title VII and Sexual Harassment 77

Title VII and Pregnancy Discrimination 79

Title VII and Religious Minorities 79

Title VII and "English-Only" Rules 80

Civil Rights Act of 1991 81

Executive Order 11246 (1965) 81

Equal Pay Act of 1963 81

Age Discrimination in Employment Act of 1967 (ADEA) 82

Americans with Disabilities Act of 1990 (ADA) 83

State Laws 84

ENFORCING THE LAW 84

Equal Employment Opportunity Commission (EEOC) 84
Office of Federal Contract Compliance Programs (OFCCP) 85

The Courts 86

AFFIRMATIVE ACTION IN ORGANIZATIONS 88

What Is Affirmative Action? 88

CHAPTER 4

GLOBAL HUMAN RESOURCE MANAGEMENT 102

THE DIAGNOSTIC MODEL AND GLOBAL HUMAN RESOURCE MANAGEMENT 105

The Cultural Nature of Global HRM 107

The Concept of "Fit" in Global HRM 108

Multinational and Global Corporations 108

THE EXPATRIATE MANAGER IN THE MULTINATIONAL CORPORATION 110

Selecting the Expatriate Manager III

Culture Shock and the Expatriate Manager 113

Training the Expatriate Manager 114

Compensating the Expatriate Manager 116

HOST COUNTRY NATIONALS AND THE GLOBAL CORPORATION 118

A Note on Global Corporate Boards of Directors 119

THE LEGAL AND ETHICAL CLIMATE OF GLOBAL HRM | | | |

LABOR RELATIONS AND THE INTERNATIONAL CORPORATION 121

SUMMARY 123

KEY TERMS 124

QUESTIONS FOR REVIEW AND DISCUSSION 124

HRM LEGAL ADVISOR 125

NOTES 125

EXERCISE 4-1

Development of Global Managers 128

APPLICATION CASE 4-1

SOLVING THE LABOR DILEMMA IN A JOINT VENTURE IN JAPAN 129

VIDEO CASE

SOUTHWEST AIRLINES: COMPETING THROUGH PEOPLE 130

PART 2

ACQUIRING HUMAN RESOURCES 133

CHAPTER 5

HUMAN RESOURCE PLANNING AND ALIGNMENT 134

A DIAGNOSTIC APPROACH TO HUMAN RESOURCE PLANNING 135

STRATEGIC AND HUMAN RESOURCE PLANNING 137

THE HR PLANNING PROCESS 138

Situation Analysis and Environmental Scanning 138
Forecasting Demand for Employees 138
Analyzing the Current Supply of Employees 142
Action Decisions in Human Resource Planning 144

HUMAN RESOURCE INFORMATION SYSTEMS 146

A Note on Employees' Privacy and HRIS 148

SUMMARY 149

KEYTERMS 150

QUESTIONS FOR REVIEW AND DISCUSSION 150
HRM LEGAL ADVISOR 150

NOTES 151

APPLICATION CASE 5-1

Human Resource Planning and Virtual Human Resource Management 153

CHAPTER 6

JOB ANALYSIS AND DESIGN 155

THE VOCABULARY OF JOB ANALYSIS 157 THE STEPS IN JOB ANALYSIS 158

THE USES OF JOB ANALYSIS 159

X V

WHO SHOULD CONDUCT THE JOB ANALYSIS? 160

THE USE OF CHARTS 161

METHODS OF DATA COLLECTION 162

Observation 162
Interviews 165
Questionnaires 165
Job Incumbent Diary or Log 166
Which Method to Use? 166

SPECIFIC QUANTITATIVE TECHNIQUES 166

Functional Job Analysis 167
Position Analysis Questionnaire 168

Management Position Description Questionnaire 170

JOB DESCRIPTIONS AND SPECIFICATIONS 171

Job Analysis and Strategic Human Resource Management 175
Job Analysis and Employee Competencies 176

JOB DESIGN 177

Scientific Management and the Mechanistic Approach 177

Job Enrichment: A Motivational Approach 178

Work-Family Balance and Job Design 180

Job Design: The Next Challenge 181

SUMMARY 182

KEY TERMS 183

QUESTIONS FOR REVIEW AND DISCUSSION 183 HRM LEGAL ADVISOR 184

NOTES 185

APPLICATION CASE 6-1

JOB ANALYSIS: ASSISTANT STORE MANAGERS AT TODAY'S FASHION 188

CHAPTER 7

RECRUITMENT

190

A DIAGNOSTIC APPROACH TO RECRUITMENT 192 EXTERNAL INFLUENCES 193

Government and Union Restrictions 193
Labor Market Conditions 194

Composition of Labor Force and Location of Organization 196

INTERACTIONS OF THE RECRUIT AND THE ORGANIZATION 196

The Organization's View of Recruiting 196
The Potential Employee's View of Recruiting 197

METHOD OF RECRUITING 199

Internal Recruiting 199
External Recruiting 200

REALISTIC JOB PREVIEWS 207

ALTERNATIVES TO RECRUITMENT 208

Overtime 208

Employee Leasing 208

Temporary Employment 208

COST-BENEFIT ANALYSIS OF RECRUITING 209

SUMMARY 210

KEYTERMS 211

QUESTIONS FOR REVIEW AND DISCUSSION 211 HRM LEGAL ADVISOR 211

NOTES 212

APPLICATION CASE 7-1

SO LONG TO THE SUNDAY CLASSIFIEDS 215

CHAPTER 8

SELECTION

218

A DIAGNOSTIC APPROACH TO THE SELECTION PROCESS 220

Environmental Circumstances Influencing Selection 220

SELECTION CRITERIA 221

Categories of Criteria 222

Reliability and Validity of Selection Criteria 224

THE SELECTION PROCESS 227

Step 1: Preliminary Screening 228

Step 2: Employment Interview 229

Step 3: Employment Tests 232

Step 4: Reference Checks and Recommendations 238

Step 5: Physical Examinations 239

SELECTION OF MANAGERS 240

COST-BENEFIT ANALYSIS FOR THE SELECTION DECISION 241

SUMMARY 244

KEYTERMS 244

QUESTIONS FOR REVIEW AND DISCUSSION 245

HRM LEGAL ADVISOR 245

NOTES 246

APPLICATION CASE 8-1

BECHTEL POWER CORPORATION'S USE OF OBJECTIVE WELDING TESTS 249

VIDEO CASE

CREATIVE STAFFING SOLUTIONS: A PIPELINE OF HUMAN ASSETS 250

PART 3

REWARDING HUMAN RESOURCES

253

CHAPTER 9

APPRAISING AND MANAGING Performance

254

A DIAGNOSTIC APPROACH TO PERFORMANCE EVALUATION 256

A CASE FOR USING FORMAL EVALUATION 257

Purposes of Evaluation 257

Performance Evaluation and the Law 258

FORMAT OF EVALUATION 260

Establish Criteria 261

Set Policies on Who Evaluates, When, and How Often 261

SELECTED EVALUATION TECHNIQUES 263

Individual Evaluation Methods 264

Multiple-Person Evaluation Methods 271

Management by Objectives 273

Which Techniques to Use 275

POTENTIAL PROBLEMS IN PERFORMANCE EVALUATIONS 276

Opposition to Evaluation 276

System Design and Operating Problems 277

Rater Problems 277

Eliminating Rater Errors 280

Avoiding Problems with Employees 280

THE FEEDBACK INTERVIEW 281

SUMMARY 284

KEY TERMS 285

QUESTIONS FOR REVIEW AND DISCUSSION 285

HRM LEGAL ADVISOR 285

NOTES 286

EXERCISE 9-1

Selecting and Appraising Administrative Assistants at Row Engineering 288

APPLICATION CASE 9-1

EVALUATING STORE MANAGERS AT BRIDGESTONE/FIRESTONE TIRE & RUBBER 291

APPLICATION CASE 9-2

THE POLITICS OF PERFORMANCE APPRAISAL 293

CHAPTER 10

COMPENSATION: AN OVERVIEW

296

A DIAGNOSTIC APPROACH TO COMPENSATION 298

OBJECTIVE OF COMPENSATION 298

EXTERNAL INFLUENCES ON COMPENSATION 299

The Labor Market and Compensation 299

Economic Conditions and Compensation 301

Economic Influences and Compensation 301

Union Influences and Compensation 307

INTERNAL INFLUENCES ON COMPENSATION 307

The Labor Budget 308

Who Makes Compensation Decisions 308

COMPENSATION AND MOTIVATION 308

Pay and Motivation 308

Pay and Employees' Satisfaction 310 Pay and Employees' Productivity 311

COMPENSATION DECISIONS 312

The Pay-Level Decision 312

Pay Surveys 313

The Pay Structure Decision 316
Delayering and Broadbanding 321

The Individual Pay Decision 322

SUMMARY 322

KEY TERMS 323

QUESTIONS FOR REVIEW AND DISCUSSION 323

HRM LEGAL ADVISOR 324

NOTES 324

APPLICATION CASE 10-1

THE COMPARABLE WORTH DEBATE 327

CHAPTER II

COMPENSATION: ISSUES AND POLICIES 330

DETERMINATION OF INDIVIDUAL PAY 332

METHODS OF PAYMENT 332

Flat Rates 333

Payment for Time Worked 333

Variable Pay: Incentive Compensation 333

Ownership 345 People-Based Pay 345

Executive Pay 347

ISSUES IN COMPENSATION ADMINISTRATION 349

Pay Secrecy and Openness 349

Pay Security 350 Pay Compression 351

SUMMARY 352

KEY TERMS 352

QUESTIONS FOR REVIEW AND DISCUSSION 353

HRM LEGAL ADVISOR 353

NOTES 354

CHAPTER 12

ADMINISTERING BENEFITS AND SERVICES

357

BACKGROUND 359

Why Do Employers Offer Benefits and Services? 359 Who Makes Decisions about Benefits? 359

A DIAGNOSTIC APPROACH TO BENEFITS AND SERVICES 360

MANDATED BENEFITS PROGRAMS 361

Unemployment Insurance 362

Social Security 363

Workers' Compensation 365

VOLUNTARY BENEFITS 365

Compensation for Time Off 365

Sick Leave 368

Family Leave 369

Employer-Purchased Insurance 370

INCOME IN RETIREMENT 373

Retirement Income from Savings and Work 374 Individual Retirement Accounts (IRAs) 374

SEP (Simplified Employee Pension) IRAs 374

401(k) Plans 374

Private Pensions 374

EMPLOYEE SERVICES 376

Stock Ownership Plans 377

Education Programs 377

Preretirement Programs 377

Child Care 377

Elder Care 377

Financial Services 378

Social and Recreational Programs 378

FLEXIBLE BENEFITS PLANS AND REIMBURSEMENT ACCOUNTS 378

MANAGING AN EFFECTIVE BENEFITS PROGRAM 379

Step 1: Set Objectives and Strategy for Benefits 379

Step 2: Involve Participants and Unions 380

Step 3: Communicate Benefits 381

Step 4: Monitor Costs Closely 381

COST-BENEFIT ANALYSIS OF BENEFITS 381

SUMMARY 382

KEY TERMS 382

QUESTIONS FOR REVIEW AND DISCUSSION 382 HRM LEGAL ADVISOR 383

NOTES 383

APPLICATION CASE 12-1

THE AIRLINE TRIMS ITS WINGS 386

VIDEO CASE

COMPENSATING WORKERS 388

PART 4

DEVELOPING HUMAN RESOURCES 391

CHAPTER 13

TRAINING AND DEVELOPMENT 392

INTRODUCTION TO ORIENTATION 394

Goals of Orientation 394

Who Orients New Employees? 396

Orientation Follow-Up 397

INTRODUCTION TO TRAINING 397

Goals of Training 398

Learning Theory and Training 399

"Learning Organizations" 400

Training Activities 400

MANAGING THE TRAINING PROGRAM 402

Determining Needs and Objectives 402

Choosing Trainers and Trainees 406

TRAINING AND DEVELOPMENT: INSTRUCTIONAL METHODS 407

On-the-Job Training 407

Case Method 408

Role Playing 409

In-Basket Technique 409

Management Games 410

Behavior Modeling 411

Outdoor-Oriented Programs 411

Which Training and/or Development Approach Should

Be Used? 412

MANAGEMENT DEVELOPMENT: AN OVERVIEW 418

What Is Management Development? 418

DEVELOPMENT: INDIVIDUAL TECHNIQUES 419

Goal Setting 419

Behavior Modification 422

DEVELOPMENT: A GROUP TECHNIQUE—TEAM

BUILDING 426

DEVELOPMENT: AN ORGANIZATIONWIDE

TECHNIQUE 427

Total Quality Management (TQM) 427

EVALUATION OF TRAINING AND DEVELOPMENT 428

Criteria for Evaluation 428

A Matrix Guide for Evaluation 429

SUMMARY 430

KEY TERMS 431

QUESTIONS FOR REVIEW AND DISCUSSION 432

HRM LEGAL ADVISOR 432

NOTES 433

EXERCISE 13-1

Assessing Training Needs 435

APPLICATION CASE 13-1

DUNKIN' DONUTS AND DOMINO'S PIZZA: TRAINING FOR QUALITY AND HUSTLE 436

CHAPTER 14

CAREER PLANNING AND DEVELOPMENT

438

A DIAGNOSTIC APPROACH TO CAREER PLANNING AND DEVELOPMENT 440

THE CONCEPT OF CAREER 441

Career Stages 443

Career Choices 445