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Wayne F. Cascio

Managing Human Resources

Productivity,
Quality of Work Life,
Profits

Third Edition

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Productivity,
Quality of Work Life,
Profits

THIRD EDITION

Wayne F. Cascio

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Productivity,
Quality of Work Life,
Profits

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About the Author

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To Dorothy
and Joe,

the choicest blessings life has provided;
constant reminders of what really counts.

Preface

■ **T**his book was not written for aspiring human resource management (HRM) specialists. It was written for the student of general management whose job inevitably will involve responsibility for managing *people*, along with other organizational assets. A fundamental assumption, then, is that all managers are accountable to their organizations in terms of the impact of their HRM activities. They also are accountable to their peers and to their subordinates in terms of the quality of work life they are providing.

As a unifying theme for the text, there is explicit linkage in each chapter of the three outcome variables—productivity, quality of work life, and profit—to the HRM activity under discussion. This relationship should strengthen the student’s perception of HRM as an important function affecting individuals, organizations, and society.

Each of the six parts that comprise the text includes a figure that illustrates the organizing framework for the book. The specific topics covered in each part are highlighted for emphasis.

Each chapter incorporates the following distinguishing features:

- A split-sequential vignette, often from the popular press, that illustrates Human Resource Management in action. Events in the vignette are designed to sensitize the reader to the subject matter of the chapter. The events lead to a climax, but then the vignette stops—like a two-part television drama. The reader is asked to predict what will happen next and to anticipate the impact of alternative courses of action.

In keeping with the general management orientation of the book, the vignette is then followed by a new section entitled, “Questions This Chapter Will Help Managers Answer.” This section provides a broad outline of the topics to be covered in the chapter. Then the text for the chapter appears, replete with concepts, theories, research findings, and company examples that illustrate current practices. Ultimately we are trying to teach prospective managers to *make*

decisions based on accurate diagnoses of situations that involve HRM issues. Their ability to do this is enhanced by familiarity with theory, research, and practice.

At the end of the chapter we continue the vignette introduced at the outset, to see what happened. This dynamic design allows the student to move back and forth from concept to evidence to practice—then back to evaluating concepts—in a continuous “learning loop.”

- Relevant research findings plus clippings from the popular press (Company Examples) provide real world applications of concepts and theories. It has often been said that experience is a hard teacher because it gives the test first and the lessons afterward. Actual company examples, plus numerous international applications, allow the student to learn from the experience of others.
- Near the end of the chapter, before the summary and discussion questions, there is a section called “Implications for Management Practice,” which provides concrete, no-nonsense advice on how to manage the issues that have been discussed.

HRM texts have sometimes been criticized for overemphasizing the HR practices of large businesses. There is often scant advice for the manager of a small business who “wears many hats” and whose capital resources are limited. To address this issue explicitly, I have made a conscious effort to provide examples of effective HRM practices in small businesses in almost every chapter.

This was no cosmetic revision. I examined every topic, every example, in each chapter for its continued relevance and appropriateness. Thus 11 of the 17 split-sequential vignettes are new, some topics that appeared separately in the previous editions are now combined (e.g., job analysis and human resource planning, employee and management staffing), and others that were combined now appear separately (e.g., recruitment and staffing, pay and benefits).

Above all, I have tried to make the text readable, neither too simplistic nor too complex.

New Topics in the Third Edition

- Key characteristics of the competitive environment of business, especially increasing cultural diversity at home and international issues overseas—how these are impacting the workplace and the management of people within it (Chapter 1).
- The development of global product and service market strategies, and how HR specialists and line managers can develop strategic partnerships to support them (Chapter 2).
- New social and organizational realities—more women, more older workers, more people of color—and recent laws and civil rights rulings by the Supreme Court that affect the management of people at work. International applications help students put U.S. requirements into perspective (Chapter 3).
- Succession planning in small, family-owned businesses is presented in the context of job analysis and human resource planning (Chapter 4).

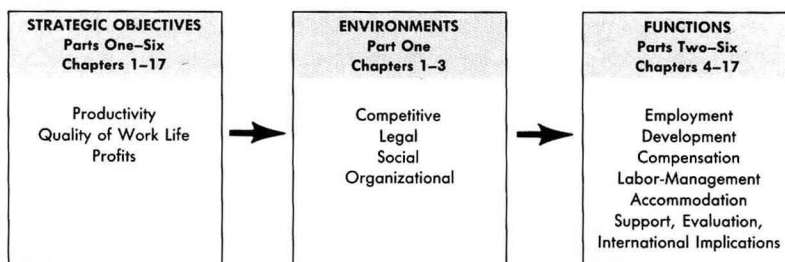
- Recruiting—internal, external, and as a long-term business strategy—as well as tips on job search (i.e., how to find a job, Chapter 5).
- The impact of organizational culture on staffing decisions, as well as much new information on the effectiveness of alternative selection methods. An international application highlights the Japanese approach to staffing decisions (Chapter 6).
- Impact of the changing work force on training activities, potential pitfalls in worker retraining, new research on team training, and the use of video at small firms (Chapter 7).
- The strategic side of performance appraisal—that is, “What do I want this process to accomplish?” as well as the interpersonal aspects of the feedback process (Chapter 8).
- New research findings on the costs and benefits of company-sponsored day care, alternative strategies for dealing with plateaued workers, and legally sound ways to handle layoffs (Chapter 9).
- Thorough discussions of internal, external, and individual equity, comparable worth, linkage of internal pay relationships to market data, and the development of policies with respect to pay secrecy, compression, pay raises, and the effect of inflation (Chapter 10).
- Strategic aspects of indirect pay (employee benefits), the Older Workers Benefits Protection Act of 1990, health insurance and the small business, and Social Security in other countries (Chapter 11).
- Expanded discussion of motivation theories, especially expectancy theory and goal setting, self-managed work teams at GM’s Saturn plant, and enhanced treatment of profit sharing, gainsharing, and employee stock ownership plans (Chapter 12).
- The changing nature of industrial relations in the U.S., a brief overview of industrial relations systems in other countries (especially Japan), forms of third-party involvement, and trends in labor-management cooperation (Chapter 13).
- Corporate due process in union and nonunion settings, including grievance procedures, discipline, termination, employee privacy concerns, employee searches, and whistle-blowing (Chapter 14).
- Policy choices for managers with regard to substance abuse, safety and health hazards of high technology work (video display terminals, exposure to chemicals, and repetitive motion injuries), and the costs and benefits of employee assistance and wellness programs (Chapter 15).
- The costs and benefits of HRM activities (Chapter 16) involve more than just methods and formulas. The chapter focuses on the reduction of controllable costs in areas most relevant to the competitive strategy of a business, for example, innovation, quality enhancement, or cost control.
- Greater emphasis on the role of cultural understanding in international management practice. Chapter 17 helps managers assess any culture in terms of 10 defining characteristics.

ORGANIZATION AND PLAN OF THE BOOK

The figure below provides an organizing framework for the book. It will appear again at the opening of each of the six parts that comprise the book. Each component of the organizing framework will be highlighted for the student as it is discussed. The organization of the parts is designed to reflect the fact that human resource management (HRM) is an integrated, goal-directed set of managerial functions, not just a collection of techniques.

The text is founded on the premise that three critical strategic objectives guide all HRM functions: productivity, quality of work life, and profits. The functions (employment; development; compensation; labor-management accommodation; and support, evaluation, and international implications) in turn are carried out in the context of multiple environments: competitive, social, legal, and organizational.

■ A CONCEPTUAL VIEW OF HUMAN RESOURCE MANAGEMENT ■ STRATEGIC OBJECTIVES, ENVIRONMENTS, FUNCTIONS



RELATIONSHIP OF HRM FUNCTIONS TO HRM ACTIVITIES

FUNCTIONS	ACTIVITIES
PART 2 EMPLOYMENT	Job Analysis, Human Resource Planning, Recruiting, Staffing (Chapters 4-6)
PART 3 DEVELOPMENT	Orientation, Training, Performance Appraisal, Managing Careers (Chapters 7-9)
PART 4 COMPENSATION	Pay, Benefits, Incentives (Chapters 10-12)
PART 5 LABOR-MANAGEMENT ACCOMMODATION	Union Representation, Collective Bargaining, Procedural Justice, Ethics (Chapters 13, 14)
PART 6 SUPPORT, EVALUATION, INTERNATIONAL IMPLICATIONS	Job Safety and Health, Costs/Benefits of HRM Activities, International Dimensions of HRM (Chapters 15-17)

Part 1, Environment, comprises Chapters 1, 2, and 3. It provides the backdrop against which to appreciate the nature and content of each HRM function. These first three chapters paint a broad picture of the competitive, social, legal, and organizational environments of HRM. They also describe key economic and non-economic factors that affect productivity, quality of work life, and profits. The remaining five parts (14 chapters) in the book are presented in the context of this conceptual framework.

Logically, Employment (Part 2) is the first step in the HRM process. Job analysis, human resource planning, and staffing are key components of the employment process. Once employees are “on board,” the process of Development (Part 3) begins with orientation and is sustained through continuing training, performance appraisal, and career management activities.

Parts 4, 5, and 6 are all concurrent processes. That is, Compensation (Part 4), Labor-Management Accommodation (Part 5), and Support, Evaluation, and International Implications (Part 6) are all closely intertwined conceptually and in practice. They represent a network of interacting activities, such that a change in one of them (e.g., a new pay system or collective bargaining contract) inevitably will have an impact on all other components of the HRM system. It is only for ease of exposition that they are considered separately in Parts 4, 5, and 6. Chapter 17 of Part 6, International Dimensions of HRM, is a capstone chapter. That is, each of the topics we considered throughout the book is addressed in the special context of international business practices. It forces the student to consider the broad spectrum of HR activities across countries, across cultures, and across economic systems. The need to “fit” HRM practices to the company and country cultures in which they are embedded, in order to achieve the strategic objectives of enhancing productivity, quality of work life, and profits, is an important concept for students to understand and to apply.

In teaching HRM courses at both graduate and undergraduate levels, I use this model as a “road map” throughout the course. I believe that it is important for students to grasp the “big picture”, as well as to understand how the topics in question fit into the broader scheme of HRM functions. I have found that by presenting the model frequently throughout the course, showing students where we have been and where we are going, students are better able to adopt a more systematic, strategic perspective in addressing any given HRM issue.

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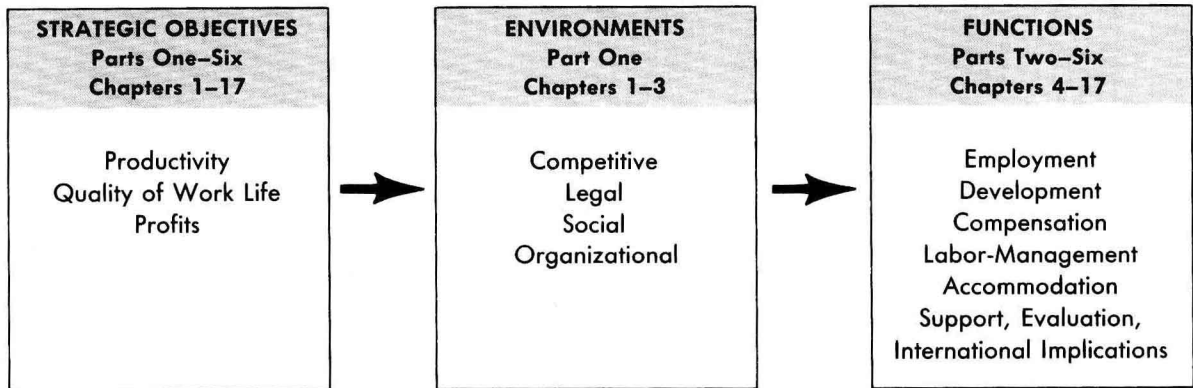
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Quality of Work Life,
Profits

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STRATEGIC OBJECTIVES, ENVIRONMENTS, FUNCTIONS



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