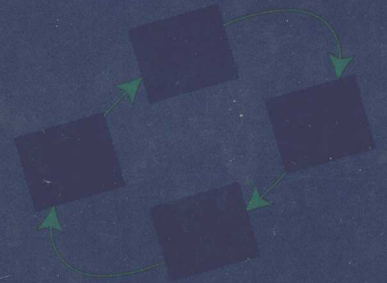
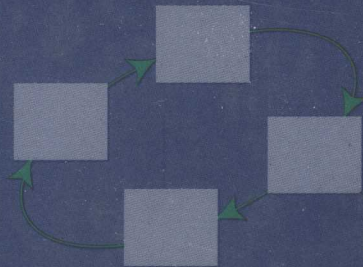
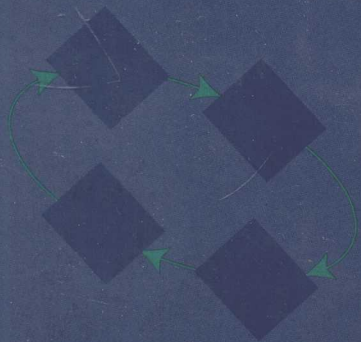


MILKOVICH / BOUDREAU

HUMAN RESOURCE MANAGEMENT



Eighth Edition

HUMAN RESOURCE MANAGEMENT

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JOHN W. BOUDREAU

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HUMAN RESOURCE MANAGEMENT

P R E F A C E



Record sales, successful globalizing ventures in China, Korea, the Czech Republic and other countries, and a one-day stock market price increase that raised the value of AT&T by \$10 billion. Sounds like a great year? It was also the year that saw the company's CEO vilified in the press for laying off 40,000 employees, above and beyond the 60,000 already laid off due to restructuring over the previous three years.

AT&T's experience shows that *decisions about managing people make a difference*. Your decisions will affect not only your own success but also your employees' behaviors and sense of fair treatment. And they affect society, too. As a manager, you will face intense pressures to achieve success through the people you lead.

We believe that what sets most successful organizations apart is how they manage human resources. The ability to achieve and sustain competitive advantage lies within the workforce. Ask executives what keeps them up at night. Without exception, they will tell you that decisions about human resources are the most difficult ones they face. How to select and develop future leaders? How to redesign the organization to better satisfy customers? How to reward good performance? How to lead a globally diverse workforce? How to control labor costs while still treating people fairly? The specific challenges depend on the pressures organizations face. But the greatest challenges involve managing human resources.

Faced with the pressures of global competition, social change, and accelerating technological advances, managers are urged to take action. Advice is plentiful and solutions appear simple. However, you will discover in this textbook that solutions are not so simple, nor are they unchanging. What works in one set of circumstances may not apply in another setting or with other employees. Thus, the search for "the answer" lies not in a book or magazine article, but in an analysis of the conditions and people involved. This book will help you understand what to consider in such an analysis so that you can make effective decisions. The potential returns from decisions about employees can match or surpass the returns from decisions on other organization resources. Rather than keeping you up at night, perhaps reading this book will even help you sleep!

ABOUT THIS BOOK

This book is largely based on the four phases of the diagnostic approach to managing human resources. As the model in Chapter 1 illustrates, these phases include: (1) assess the conditions, both external and internal to the organization, that managers face; (2) plan and set human resources objectives for the organization that are based on these

conditions; (3) choose the appropriate human resources actions that will achieve these desired objectives; and (4) evaluate the results. The major sections in the book examine these phases and discuss the human resource issues involved.

The heart of the book examines how to make effective decisions about human resources. It achieves this by analyzing the prevailing pressures and issues facing managers; discussing the concepts, theories, and research related to these issues; and describing the actions taken by leading organizations to achieve their objectives. Examples of the issues covered include: the effects of work-family pressures (Chapter 15); work force diversity (Chapter 2); global worldwide trends, such as the European Unions social charters and Asian expectations and cultural norms (integrated throughout the book); the use of high-performance work teams and new approaches to employee relations (Chapter 15); the explosion in the use of information and computers as decision aids (Chapter 16); college student recruiting (Chapter 6); workforce reductions and downsizing (Chapter 8); managing careers (Chapter 9); aligning business strategies and human resource decisions (Chapter 4); and more.

Many practices that now enjoy current popularity have potentially negative consequences. Too often attention is focused on improving the bottom line, while the potential downside for employees and their dependents is ignored. Examples include the use of contract workers, variable pay, and shifting health costs to employees; all of these actions increase the uncertainty and risk people face. These issues are discussed throughout the book.

Changes underway in the workplace are not cosmetic. We are in the midst of nothing less than a fundamental change in the employment relationship. And changes in this edition of the book are not cosmetic either. We examined every issue, reviewed the new research, searched for the emerging practices to insure the continued relevance of each chapter. Throughout every chapter you'll discover that significant developments in three areas; global impact on HR decisions, valuing and costing HR decisions, and using information systems and computers to aid decisions.

Our objective is to help you prepare to make effective decisions about human resources and to share our belief that these decisions are crucial. To achieve this objective, this book undertakes three basic tasks.

The first is to *examine the current theory and research* related to managing human resources and the workplace. We draw upon theory and research from organization behavior, psychology, economics, sociology, and the law. The emphasis is on relevance. This discussion is supported by extensive up-to-date references, which offer the opportunity to dig into topics beyond what is provided in the text discussion.

The *next task* is to examine the *rapidly changing state of practice* among employers. Here we draw upon practices actually used by a wide variety of employers; examples from public and private, large and small, as well as domestic and international firms, are included. We've drawn on our work across North America, Korea, Singapore, Japan, Europe, South America, Russia, Hong Kong, Australia, and China. These practices illustrate new initiatives, as well as established approaches, to human resource management.

To help you stay abreast of changes, we are introducing a new feature with this edition: a Web site for instructors who are using the book. The site offers assistance on (1) use of other relevant HRM interest sites; (2) suggestions for using internet material in the classroom; (3) "live" cases on up-to-the-minute issues; and (4) information on recent newspaper and magazine articles and legal developments that are relevant to the class. The address for this web site is <<http://www.interlakes.com/mil/milld.html>>. We think you will find the features there an intriguing addition to your coursework.

Finally, this book offers an opportunity *for you to develop your own decision-making skills through action-learning exercises based on actual events.* One option is

“Your Turn,” included in each chapter. “Your Turn” presents a short real-life human resource problem. You make your decision and compare it to the actions actually taken by managers in the real organization. Completing these exercises will help you better understand the concepts and issues discussed in the book and help as you develop skills readily transferable to future jobs.

In the end we hope to change the way you think about managing people and how you manage your own career. We hope you will discover that human resource management is vital and challenging.

George T. Milkovich
John W. Boudreau

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