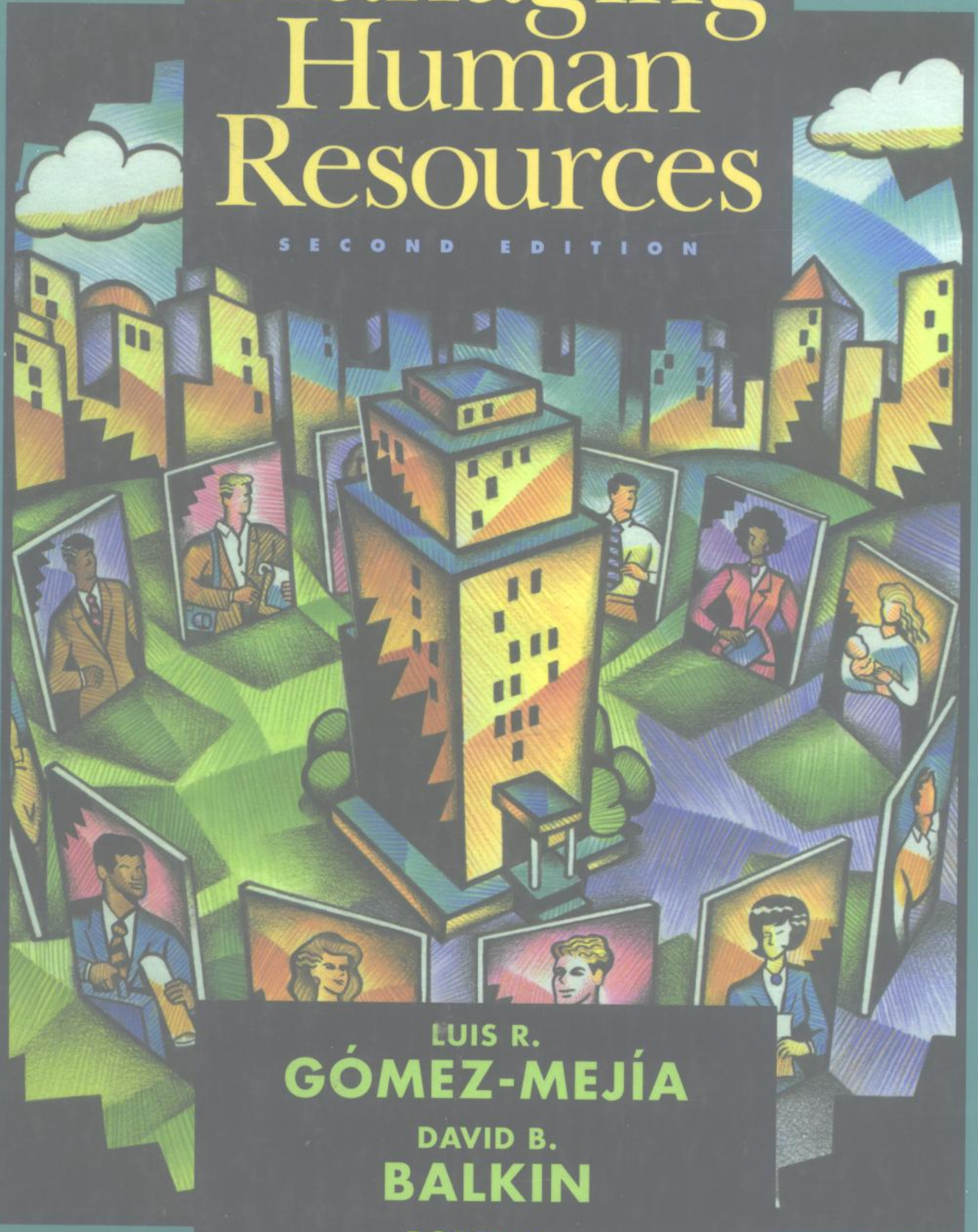


Managing Human Resources

SECOND EDITION



LUIS R.
GÓMEZ-MEJÍA

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Second Edition

MANAGING HUMAN RESOURCES

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PRENTICE HALL
UPPER SADDLE RIVER, NEW JERSEY 07458

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A Simon & Schuster Company
Upper Saddle River, New Jersey 07458

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Library of Congress Cataloging-in-Publication Data

Gómez-Mejía, Luis R.

Managing human resources / Luis R. Gómez-Mejía, David B. Balkin, Robert L. Cardy.—2nd ed.

p. cm.

Includes index.

ISBN 0-13-270943-0

1. Personnel management. I. Balkin, David B. II. Cardy, Robert L.

III. Title.

HF5549.G64 1988

97-2384

658.3—dc21

CIP

Prentice-Hall International (UK) Limited, London
Prentice-Hall of Australia Pty. Limited, Sydney
Prentice-Hall Canada, Inc., Toronto
Prentice-Hall Hispanoamericana, S.A., Mexico
Prentice-Hall of India Private Limited, New Delhi
Prentice-Hall of Japan, Inc., Tokyo
Simon & Schuster Asia Pte. Ltd., Singapore
Editora Prentice-Hall do Brasil, Ltda., Rio de Janeiro

Printed in the United States of America

10 9 8 7 6 5 4

▶ *To my wife, Diane, and my two sons,
Vince and Alex
—L.G.M.*

▶ *To my parents, Daniel and Jeanne
—D.B.B.*

▶ *To my parents, Ralph and Dorothy; my wife, Laurel;
and my two daughters, Lara and Emery
—R.L.C.*

PREFACE

The Plan of the Second Edition

Success in today's competitive business environment is increasingly a function of effective human resource management. Structure and technology can be easily duplicated. The factor that can set apart an organization—whether in manufacturing or services, or in the private or public sector—is its people. The quality of the organization's employees, their enthusiasm and satisfaction with their jobs, and their sense of fair treatment all impact the firm's productivity, level of customer service, reputation, and survival. In short, people make the difference.

Because all business students need to understand human resource issues, we adopted a managerial perspective in our first edition of *Managing Human Resources*. The managerial perspective means presenting and dealing with HR issues in a manner that is relevant to all students of business. We believe this approach works best because managers in all departments and functions confront HR issues daily. This means that an important part of the supervisor's job is dealing with people issues. Very few issues regarding the management of people can, or should, be routinely delegated to the HR department. For this reason, textbooks that approach HRM solely from the perspective of the HR department misrepresent how organizations deal with their HR issues. Such texts do not make the dynamic field of HRM relevant to students who do not plan to become HR specialists.

Since the first edition of *Managing Human Resources* was published in 1995, the general management perspective has become much more prevalent among practicing managers. Recent environmental and organizational forces have contributed greatly to this trend. Organizations are becoming flatter, and managers are expected to be generalists with a broad set of skills, including HRM skills. At the same time, fewer and fewer firms have a highly centralized and powerful HR department serving as a monitor, decision maker, and controller of HR practices throughout the organization. Indeed, international competition and a rapidly changing environment have made this type of organization almost obsolete.

The growing importance of a general management perspective to HRM has not lessened the importance of HR specialists, however. Many tools and techniques for selection, training, compensation, performance appraisal, and other traditional HR functions can greatly enhance the quality of hires, the skills of the work force, job satisfaction, and employee motivation. But HR specialists' focus has shifted from one of control to one of advice and support to line managers. The forces reinforcing this trend include downsizing, outsourcing of the HR function, and the inclusion of HR courses in masters', undergraduate, and executive education programs designed for the general manager (rather than the HR specialist).

Our goal for the second edition of *Managing Human Resources* is to emphasize general management applications even more than we did in the first edition. Among the innovative features of the second edition:

- ▶ A greater practical orientation—new material in every chapter on “Building Managerial Skills” and more Manager's Notebooks.
- ▶ Dozens of new examples, new art, and data updated using the most recent numbers available.
- ▶ The most up-to-date research from academic journals and the business press.
- ▶ An Internet site of interest to managers at the beginning of each chapter.

- ▶ A computer-based HRM simulation tied to each chapter's content.
- ▶ Almost 30 completely new minicases and case studies.

The response to the first edition has been very gratifying. Based on feedback we received, we have shortened the text to focus more tightly on general management issues. The second edition is 128 pages shorter than the first. We have preserved the core content of the HRM course, but some technical details and functional concerns (such as evaluation of the HR function and quality control) now appear in the Instructor's Manual.

Organization

Managing Human Resources includes an introductory chapter followed by 16 chapters. The book is divided into six parts.

Part One provides an overview of emerging challenges in the strategic management of human resources. We identified these challenges through an extensive analysis of the HR issues appearing in the business press over the past five years. We address these challenges in detail in later chapters. Part One also addresses the respective roles of and necessary collaboration between managers and the HR department.

Part Two considers the contexts in which HRM takes place. The contextual factors include work structures and work flows, the legal environment, and work force diversity. The chapter on work flows (2) discusses how a company can organize its business and its human resources to achieve its objectives. The chapter on legal issues (3) addresses the legal challenges and constraints facing organizations. The last chapter in this part (4) explores the challenges of effectively managing an increasingly diverse work force.

Part Three presents staffing issues and considers how organizations can effectively recruit, select, socialize, and phase out employees. The chapter on recruitment, selection, and socialization (5) examines the process by which organizations attract human resources and then effectively select among the applicants. The chapter on employee separations, downsizing, and outplacement (6) discusses the process of terminating the employment relationship, exploring alternatives to layoffs and different approaches to downsizing the work force.

Part Four addresses the development of human resources. The chapter on appraising and managing performance (7) focuses on the manager as both a judge and a coach. The chapter on training (8) presents training as an ongoing process and as a critical part of maintaining HR effectiveness. The chapter on career development (9) identifies the roles of the employee and the organization in the career development process.

Part Five examines compensation issues. The chapter on managing compensation (10) explains the important choices managers face when designing a compensation system and covers different approaches to salary management. The chapter on rewarding performance (11) examines the challenges of tying employees' pay to their performance. The benefits chapter (12) explains the significance of employee benefits programs and how managers are containing costs in this area.

Part Six looks at the governance of the workplace and the employer-employee relationship. The employee relations chapter (13) looks at how managers and the HR department can improve the quality of communications within the organization. The chapter on employee rights (14) examines the challenges of balancing those rights with the rights of managers. The chapter also offers guidelines for managing discipline and dealing with difficult employee problems such as chronic absenteeism and alcohol abuse. The organized labor chapter (15) examines why employees seek to be represented by unions and how unions alter the employer-employee relationship. The workplace safety and health chapter (16) explains the regulations that govern health and safety in the workplace and emerging health and safety issues. Finally, Chapter 17 focuses on how firms can meet global HR challenges. (Global issues are discussed throughout the book, but this chapter provides an integrated treatment of these issues.)

Two supplementary chapters, one on managing quality with human resources and the other on conducting an HR audit, are available in the Instructor's Manual.

Features

Managing Human Resources contains a number of innovative pedagogical features.

Chapter Organization

Each chapter contains a number of teaching tools:

- ▶ A set of learning objectives phrased as management challenges
- ▶ An opening vignette that draws students into the chapter
- ▶ A running marginal glossary of key terms
- ▶ A “Building Managerial Skills” section outlining critical HRM skills
- ▶ A summary and conclusions section
- ▶ A list of key terms with page references
- ▶ Two minicases based on the experiences of small, medium-sized, and large businesses, with discussion questions
- ▶ Two case studies with critical thinking questions and cooperative learning exercises
- ▶ An exercise to accompany the computer-based *Human Resources Management Simulation* by Jerald R. Smith and Peggy Golden
- ▶ Notes and references

In addition, each chapter includes numerous examples of HRM practices at a wide variety of companies, from small, service-providing organizations to huge megacorporations. A concise dictionary of HRM terminology is provided at the end of the book, along with a subject index and a name, company, and product index.

Themes

In addition to the managerial perspective, we thread several themes throughout this book. These themes include:

- ▶ The need for proactive human resource management and cooperation between line managers and the HR department
- ▶ The importance of operating within the legal framework
- ▶ HRM in small businesses
- ▶ The effects of reorganization, outsourcing, and downsizing on HRM
- ▶ Work force diversity as a source of competitive advantage in the global economy
- ▶ The changing forces of technology and their implications for HRM
- ▶ The role of human resources in total quality management

A comprehensive, chapter-by-chapter list of the examples related to each of these themes appears after the detailed table of contents.

HRM on the Web

In just a few years, the Internet has become an essential component of business courses. Each chapter of the second edition begins with a description of a World Wide Web site maintained or sponsored by an HRM-oriented organization. Students should visit these sites at some point while studying the chapter. For example, Chapter 3 (on work force diversity) provides the URL for the Americans with Disabilities Document Center. Chapter

16 (on workplace safety and health) sends students to the home page of the Occupational Safety and Health Administration.

“Questions of Ethics”

Each chapter contains several questions aimed at generating classroom discussion of ethical issues. These are placed in the margins close to the text discussions of these issues.

Manager’s Notebooks

To emphasize our managerial perspective, we’ve included at least one Manager’s Notebook per chapter. These notebooks provide management tips on a variety of issues that managers confront daily, from reducing potential liability for sexual harassment, to managing telecommunications successfully, to conducting exit interviews.

Issues and Applications

Students enjoy reading additional examples and stories about HRM practices both in the United States and around the globe. They also enjoy sinking their teeth into current debates. To provide more information on hot topics in HRM, we’ve sprinkled “Issues and Applications” features throughout the text. For example, an Issues and Applications feature in Chapter 14 examines whether or not employers should have the right to deny jobs to people who smoke.

Building Managerial Skills

Because students want to take a set of skills into the workplace, each chapter includes a “Building Managerial Skills” section that provides detailed suggestions for the practice of HR management. For example, Chapter 14 provides suggestions for managing difficult employees, and Chapter 15 provides guidelines for managing integrative bargaining in a union setting.

Minicases

Each chapter includes two minicases based on the experiences of real-world companies. The discussion questions that accompany these brief exercises give students the opportunity to apply what they’ve learned in each chapter.

Case Studies with Critical Thinking Questions and Cooperative Learning Exercises

All chapters end with two case studies. We’ve developed these cases over the years and tested them in our classes, where they’ve generated excellent discussion. Critical thinking questions ask students to analyze the facts and situations presented in the case. Cooperative learning exercises ask students to work together, in pairs or in groups, to brainstorm ideas and arrive at solutions. Approximately 40% of the minicases and case studies are new to this edition.

HR Simulation Tie-In

Each chapter concludes with a tie-in to the *Human Resources Management Simulation*, by Jerald Golden and Peggy Smith. This computer simulation package and its accompanying workbook give student teams the opportunity to practice managing a company’s HR functions in a dynamic business environment. After the team makes its decisions, the computer simulates the reaction of the firm and the labor market, then produces a report. Each team needs to consider the report’s results and adjust its policies accordingly, if necessary, through several iterations.

Video Cases

Each of the six parts of the book concludes with a video case and discussion questions. The accompanying videos are included in the ABC News/Prentice Hall Video Library.

The Teaching and Learning Package

Each component of the teaching and learning package has been carefully crafted to ensure that the HRM course is rewarding for both instructors and students.

Instructor's Resource Manual with Video Guide

The IRM includes one chapter for every chapter in the student text. Each chapter includes:

- A chapter overview/lecture launcher
- Annotated outline (including all text features)
- Answers to all questions
- In-depth analysis of all in-text discussion questions, cooperative learning exercises, minicases, and case studies

The video guide includes for each clip:

- General information (title, source, air date, running time)
- A brief synopsis
- Tie-in to the text
- Suggestions for using the clip in class

The Instructor's Manual is also available on disk in ASCII format for instructors who would like to tailor the materials for their classroom needs.

Test Item File

The test item file includes 1,700 questions. Each chapter includes multiple choice, situational multiple choice, true/false, and essay questions. All questions are rated by level of difficulty (easy, moderate, challenging) and page-referenced to the text.

PH Custom Test

The test item file is designed for use with PH Custom Test, a computerized package that allows users to custom design, save, and generate classroom tests. Available in 3.5", Windows version, PH Custom Test also permits professors to edit and add or delete questions from the test item file and to export files to various word processing programs, including WordPerfect and Microsoft Word.

For those with limited access to computers or clerical support, Prentice Hall's Telephone Testing Service allows instructors to order customized tests by calling a toll-free telephone number a few days before the test is to be administered. Please contact your Prentice Hall representative for more information.

Human Resources Simulation

The *Human Resources Management Simulation*, by Jerald R. Smith and Peggy Golden, is the first interactive, competitive business simulation game for HRM. The software and manuals realistically portray the HR department of a moderate size organization, focusing on the issues of daily HR work and asking students to make decisions that optimize the HR function. They are available as stand-alone items or shrinkwrapped to the text at a nominal fee.

Transparency Resource Package with Electronic Transparencies

There are more than 200 charts and figures in the second edition of *Managing Human Resources*. Of these, 100 have been prepared as full-color 8 1/2" x 11" acetates. Over 200 PowerPoint slides of figures and outlines are also available on disk.

Managing Human Resources Web Site

The Prentice Hall World Wide Web site devoted exclusively to this text, <http://www.prenhall.com/gomez>, is full of current examples relevant to each chapter of the book. Also visit Prentice Hall's unique PHLIP (Prentice Hall Learning on the Internet Partnership) Web site at <http://www.phlip.marist.edu> for links to "Management Web Site of the Week" and other HRM-related materials. This site has been developed by professors for professors and their students.

ABC News/Prentice Hall Video Library for Human Resource Management/Wall Street Journal/Wall Street Week in Review

ABC News and Prentice Hall have combined their experience in academic publishing and global reporting to provide a comprehensive video ancillary for the text. The library contains six news clips which correspond to the six parts of the text, from such ABC news programs as *Nightline*, *World News Tonight*, and *20/20*. Each clip has been chosen to illustrate the video cases that conclude each part of the text. A Video Guide is included in the Instructor's Resource Manual.

The New York Times "Themes of the Times" Program

The *New York Times* and Prentice Hall are sponsoring "Themes of the Times": a program designed to enhance student access to current information of relevance in the classroom.

Through this program, the core subject matter provided in the text is supplemented by a collection of time-sensitive articles from one of the world's most distinguished newspapers, the *New York Times*. These articles demonstrate the vital, ongoing connections between what is learned in the classroom and what is happening around us.

A new edition of the mini-newspaper is available semiannually. In addition, a reduced subscription rate to the *New York Times* is available in deliverable areas. For more information, call 1-800-631-1222.

Study Guide

Available to students, the Study Guide enhances and reinforces the text material. Each chapter corresponds to a text chapter and includes chapter objectives, study outline for notetaking, key terms for review, study questions, and important Internet sites.

Acknowledgments

The contributions of many people made this book possible. Steven Rigolosi, managing development editor, provided us with direction and expertise and, when needed, motivation to complete this project. He threw himself into this book and exhibited total commitment to this project. His effort and editing contributions were outstanding. We would also like to note the support and enthusiasm of Natalie Anderson, Crissy Statuto, Lisamarie Brassini, and Stephanie Johnson.

The production staff at Prentice Hall deserves special mention. Cynthia Regan did an expert job of turning the manuscript into a finished product. Teri Stratford's photo research skills greatly enhanced the book's visual appeal. We are also indebted to Ann France and Pat Wosczyk for supervising the design process.

Our experience in working with everyone at Prentice Hall has been superb. Everyone at PH approached this book with commitment and enthusiasm. We were partners with the PH staff and feel that we are part of a high-performance work team. We appreciate the commitment they displayed and would like to thank them for the experience.

We would also like to thank the many colleagues who reviewed the manuscript. Their comments were pivotal in the development of the text:

Uzo Anakwe—Pace University, New York, NY
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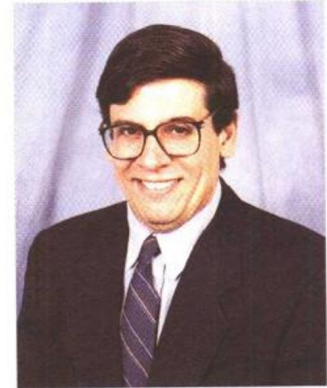
John Kohl—University of Nevada, Las Vegas, NV
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Mark Wesolowski—Miami University, Oxford, OH
Carolyn Wiley—University of Tennessee, Chattanooga, TN

Finally, this book would not have been possible without the indulgence of family and friends. We sincerely appreciate the patience and tolerance that were extended to us as we wrote the second edition.

Luis R. Gómez-Mejía
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Robert L. Cardy

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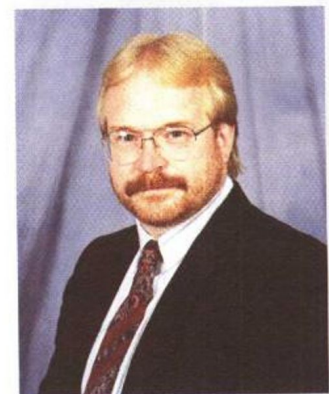
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