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# HUMAN RESOURCE MANAGEMENT



R. WAYNE MONDY      ROBERT M. NOE

NINTH EDITION

# Human Resource Management

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# Human Resource Management



Ninth  
Edition



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*To my daughters, granddaughter, and grandson*

Alyson Lynn and Marianne Elizabeth,  
Madison Jon, and Matthew Bryce

RWM

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*To my grandchildren*

Michael, Lillie, Robert, Vaughan, and Anna

RMN



# Preface

HUMAN RESOURCE MANAGEMENT is arguably the most exciting area within the field of business. Much has changed in the world since the writing of the eighth edition of this book: the election of a new president, 9/11, two wars, and much more. The major technological changes that have occurred within the past few years continue to accelerate and no end appears in sight. The value of the human resource management function is gaining increasing importance in managing organizations. Today, with companies having access to the same technology, it is the human resources that make the real difference in achieving organizational goals. In fact, an organization's unique advantage has become increasingly dependent upon a firm's most valuable asset, its employees.

The ninth edition of Human Resource Management reveals this strategic function in a practical, realistic manner yet maintains its balance of pragmatism and theoretical concepts. The interrelationship of human resource management functions and the increasing utilization of technology is reflected throughout this book. And, the strategic role of HR in planning and operating organizations is apparent as each major human resource function is discussed. This book is designed primarily for students who are being exposed to human resource management for the first time. It will help to put them in touch with the field through the use of numerous examples and company material and will reinforce the notion that, by definition, all managers are necessarily involved with human resources. The book provides helpful insights for those students who desire to make human resource management their career choice and for all others who aspire to management positions.

## KEY FEATURES OF THE NINTH EDITION

**NEW**

**Chapter 2** New chapter on Social Responsibility and Business Ethics sets the stage for an integrated presentation of Ethical Dilemmas, which confront students in Chapters 2- 15.

**NEW**

**Ethical Dilemmas** These unique exercises are included in the body of chapters 2 - 15 to permit students to practice making ethical decisions regarding real-world situations. Instructors will find a debriefing guide in the Instructor Manual that accompanies this text.

CHAPTER TWO Human Resources: Social Responsibility and Business Ethics 13

### Ethical Dilemma

#### A Selection Quandary

You are being transferred to a new assignment with the company, and your boss has asked you to nominate one of your subordinates as a replacement. The possible candidates are Randy Carlton, who is obviously more qualified, and James Mitchell, who, though not as experienced, is much better liked by the workers. If Randy is given the promotion, you are uncertain if the workers will accept him as their leader. James, on the other hand, is a hard worker and is well liked and respected by the others, including Randy. As you labor over the decision, you think about how unfair it would be to Randy if the feelings of the other workers kept him from getting a deserved promotion. At the same time, you feel that your primary responsibility should be to maintain the productivity of the work unit. If your former division fell apart after your departure, it would hurt your reputation, not to mention the company.

*What would you do?*

#### Type I ethics

is the strength of the relationship between what an individual or an organization believes to be moral and correct and what available sources of guidance suggest is morally correct.

#### Type II ethics

is the strength of the relationship between what one believes and how one behaves.

suggest is morally correct is **Type I ethics**. For example, suppose an HR manager believes it is acceptable to not hire minorities, despite the fact that almost everyone condemns this practice. This person is unethical, but perhaps only in a Type I sense.

Simply having strong beliefs about what is right and wrong and basing them on the proper sources may have little relationship to what one does. Figure 2-3 illustrates that **Type II ethics** is the strength of the relationship between what one believes and how one behaves. For example, if an HR manager knows that it is wrong to discriminate, but does so anyway, the HR manager is being unethical in a Type II sense. If a board of directors considers it wrong to pay excessive salaries to the CEO, yet pays salaries that are outrageous, this behavior is unethical also. Generally, a person is not considered ethical unless the person possesses both types of ethics.

*As we move through the book, you will find ethical dilemmas to consider. Take a moment to determine how you would handle each dilemma. In all instances it should be readily evident what the ethical response should be. Decisions are so nice and neat in an academic environment that it is easy to see what the right answer is. In the real world, however, there are often other factors that must be considered.*

## Human Resources: Social Responsibility and Business Ethics

### CHAPTER

# 2

#### HRM in Action:

##### *Changing Attitudes Toward Social Responsibility and Business Ethics*

Harlan Teller, president of Hill and Knowlton's, said, "Corporate social responsibility (CSR) has moved from a 'nice-to-do' to a 'must-do.'" Apparently, socially responsible behavior pays off on the bottom line. That is the conclusion of new

research based on business ethics' 100 best corporate citizens list, which shows that the financial performance of these companies was "significantly better" than others in the Standard & Poor's 500. The research also found that these companies were more likely to provide service to the following categories of people: customers, employees, and the community.



#### OBJECTIVE

Describe the changing attitudes toward social responsibility and business ethics.

**NEW**

**HRM in Action** These new chapter-opening vignettes introduce students to current, stimulating topics that peak their interest in the materials that follow. Topics covered include: *Changing Attitudes Toward Social Responsibility and Business Ethics* (Chapter 2), *Internet Recruiting* (Chapter 5), *Credential Fraud* (Chapter 6), *Career Security* (Chapter 7), *Are Top Executives Paid Too Much?* (Chapter 9).

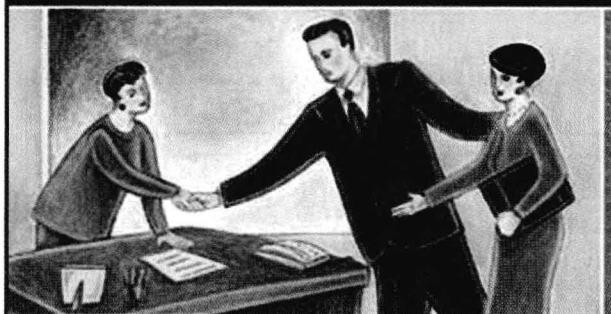
**NEW**

**Human Resource Management Skills** Skills modules at the end of appropriate chapters integrate the Gowan, Human Resource Management Skills CD-ROM with the chapter content. Each module contains an introduction, a skills section that allows the student to apply his or her knowledge and gain additional insights through interactive exercises, and finally a quiz that tests students on the material covered in the module.

# Welcome to Prentice Hall's Human Resource Management Skills CD-ROM

to accompany Mondy/Noe's *Human Resource Management, 9e*

Developed by Mary Gowan



## I Strategic Planning and Recruitment

## II Equal Employment Opportunity and the Legal Environment

Human Resource Management Skills



Skills Modules



Web Launch



About this CD



Credits

20 PART TWO HR Social, Ethical, and Legal Considerations

#### HRM Incident 1

#### An Ethical Flaw

**Amber Davis** had recently graduated from college with a degree in general business. Amber was quite bright, although her grades did not reflect this. She had thoroughly enjoyed school—dating, tennis, swimming—but few academic endeavors. When she graduated from the university, she had not found a job. Her dad was extremely upset when he discovered this, and he took it upon himself to see that Amber became employed.

Amber's father, Allen Davis, was executive vice president of a medium-sized manufacturing firm. One of the people he contacted in seeking employment for Amber was Bill Garbo, the president of another firm in the area. Mr. Davis purchased many of his firm's supplies from Garbo's company. After telling Bill his problem, Allen was told to send Amber to Bill's office for an interview. Amber went, as instructed by her father, and before she left Bill's firm, she was surprised to learn that she had a job in the accounting department. Amber may have been lazy, but she certainly was not stupid. She realized that Bill had hired her because he hoped that his action would lead to future business from her father's company. Although Amber's work was not challenging, it paid better than the other jobs in the accounting department.

It did not take long for the employees in the department to discover the reason she had been hired; Amber told them. When a difficult job was assigned to Amber, she normally got one of the other employees to do it, implying that Mr. Garbo would be pleased with that person if he or she helped her out. She developed a pattern of coming in late, taking long lunch breaks, and leaving early. When the department manager attempted to reprimand her for these unorthodox activities, Amber would bring up the close relationship that her father had with the president of the firm. The department manager was at the end of his rope.

#### Questions

1. From an ethical standpoint, how would you evaluate the merits of Mr. Garbo's employing Amber? Discuss.
2. Now that she is employed, what course would you follow to address her on-the-job behavior?
3. Do you feel that a firm should have policies regarding practices such as hiring people like Amber? Discuss.



**NEW**

**Global Perspectives** This new feature included in each chapter highlights for students the differences in the cultures of various countries and the need for recognizing the need for varying approaches to HRM. Some topics include: *When In Rome, Do As the Romans Do Does Not Work Today*, *A Database of Repatriate Skills*, *Outsourcing Goes Offshore*, and *One Type of Pay Plan Does Not Fit All*.

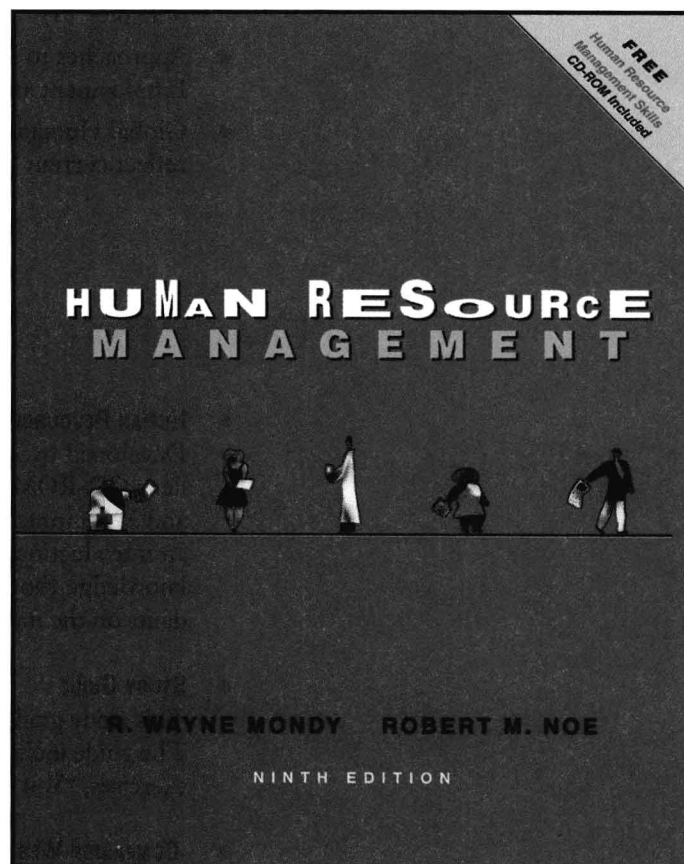
**NEW**

**HR Trends & Innovations** These sections highlight changing conditions and advancements in the field of human resource management. All of the Trends and Innovations are new to this edition. Some topics discussed include: *Dual-Career Families*, *Evolution of Jobs*, *Teaching Through Interactive Satellite Broadcasts*, and *Unique Benefits*.

**NEW**

**New and/or Updated Cutting-Edge Topics** The dynamic field of HR Management continues to create new and exciting concepts. In the ninth edition of Human Resource Management, we present students with the latest innovative topics to keep them abreast of developments in the field. Some of these avant-garde topics include:

- Accelerated Succession Planning: An Alternative to Traditional Approaches (Chapter 4)
- The Global Labor Market: Outsourcing Goes Offshore (Chapter 5)
- Credential Fraud (Chapter 6)
- Reverse Mentoring; Teaching Through Interactive Satellite Broadcasts (Chapter 7)
- Two Cultures' View of Performance Appraisal (Chapter 8)
- Top Executive Pay (Is it Too Much?); HR's Role in Executive Compensation; Cash Balance Plans (Chapter 9)
- Unique Benefits (Chapter 10)
- Safety and Security Strategies for a Post-September 11 World; OSHA's Changing Role; The Stress of an International Assignment (Chapter 11)
- Homeland Security Act of 2002; Unions Today (Chapter 12)
- Layoffs in Today's Environment (Chapter 14)



Other noteworthy topics that have been substantially updated in the ninth edition include:

- HR's Changing Role: Who Performs the Human Resource Management Tasks?; HR as a Strategic Partner (Chapter 1)
- Social Responsibility and Business Ethics as related to the field of human resource management (Chapter 2 – an all new chapter)
- Diversity and Diversity Management (Chapter 3)

- The Expanded Job Description; Strategic Planning and the Human Resource Planning Process (Chapter 4)
- Internet Recruiting; Outsourcing; Applicant Tracking Systems (Chapter 5)
- The Significance of Employee Selection; Personality Tests; Genetic Testing; Behavioral Interviews; Negligent Hiring (Chapter 6)
- Mentoring and Coaching; Management Development (Chapter 7)
- 360-Degree Evaluation; Forced Distribution (Chapter 8)
- Fair Labor Standards Act of 1938; Executive Compensation (Chapter 9)
- Health Care; Defined Benefit Plans; Defined Contribution Plans; Flextime; Telecommuting (Chapter 10)
- The Occupational Health and Safety Act; Repetitive Stress Injuries; Congress and OSHA; Workplace Violence (Chapter 11)
- The Public Sector; Union Growth Strategies (Chapter 12)
- Breakdowns in Negotiations; Collective Bargaining In the Public Sector (Chapter 13)
- Approaches to Disciplinary Action; Alternative Dispute Resolution; Employment at Will (Chapter 14)
- Global Human Resource Management, has been extensively revised to reflect current HRM challenges (Chapter 15).

## TEACHING AND LEARNING RESOURCES

- **HUMAN RESOURCE MANAGEMENT CD-ROM**  
Developed by Mary Gowan of George Washington University, this student CD-ROM focuses on essential HR skills such as Strategic Planning and Recruitment, Job Analysis, and Total Rewards. Each module contains an introduction, a skills section that allows the student to apply his or her knowledge through interactive exercises, and finally a quiz that tests students on the material covered in the module.
- **STUDY GUIDE**  
This study guide assists students in learning human resource management. The guide includes chapter descriptions, key terms, chapter study outlines, exercises, “You and HR” memos, and study quizzes.
- **COMPANION WEBSITE AT [WWW.PRENHALL.COM/MONDY](http://WWW.PRENHALL.COM/MONDY)**
- **INSTRUCTOR’S MANUAL**  
This helpful Instructor’s Manual includes sample syllabi, lecture outlines, Ethical Dilemma exercises, and answers to all end-of-chapter and case questions.
- **TEST ITEM FILE**
- **INSTRUCTOR’S RESOURCE CENTER CD-ROM**  
A brand new interface plus searchable database means accessing and finding resources has never been easier. Resources included on this CD: Instructor’s Manual, Test Item File, PowerPoints, and TestGen electronic test manager software.

- **HUMAN RESOURCE MANAGEMENT SKILLS VIDEO**

In these compelling part-ending video segments, students will watch a panel of real-life HR executives from companies like BMG and hotjobs discuss current human resource issues like sexual harassment and discrimination, recruiting, the complexities of restructuring, incentives and benefits, labor relations, and the successes and failures of expatriate employees.

- **COURSE MANAGEMENT CONTENT IN WEBCT, BLACKBOARD, AND COURSECOMPASS**



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