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工商管理经典教材·人力资源管理系列
BUSINESS ADMINISTRATION CLASSICS

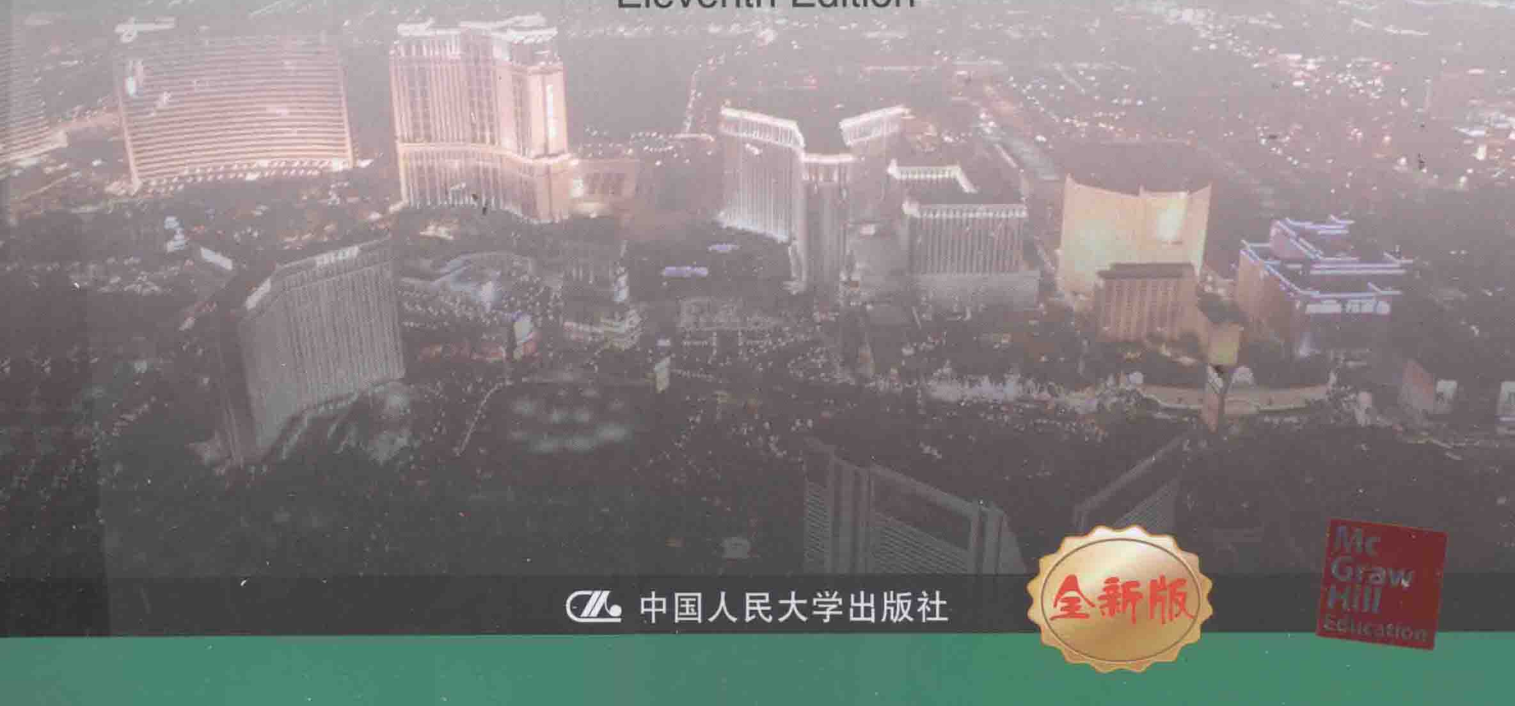
薪酬管理

英文版·第11版

乔治·米尔科维奇 (George T. Milkovich)
杰里·纽曼 (Jerry M. Newman) 著
巴里·格哈特 (Barry Gerhart)

COMPENSATION

Eleventh Edition



全新版

中国人民大学出版社

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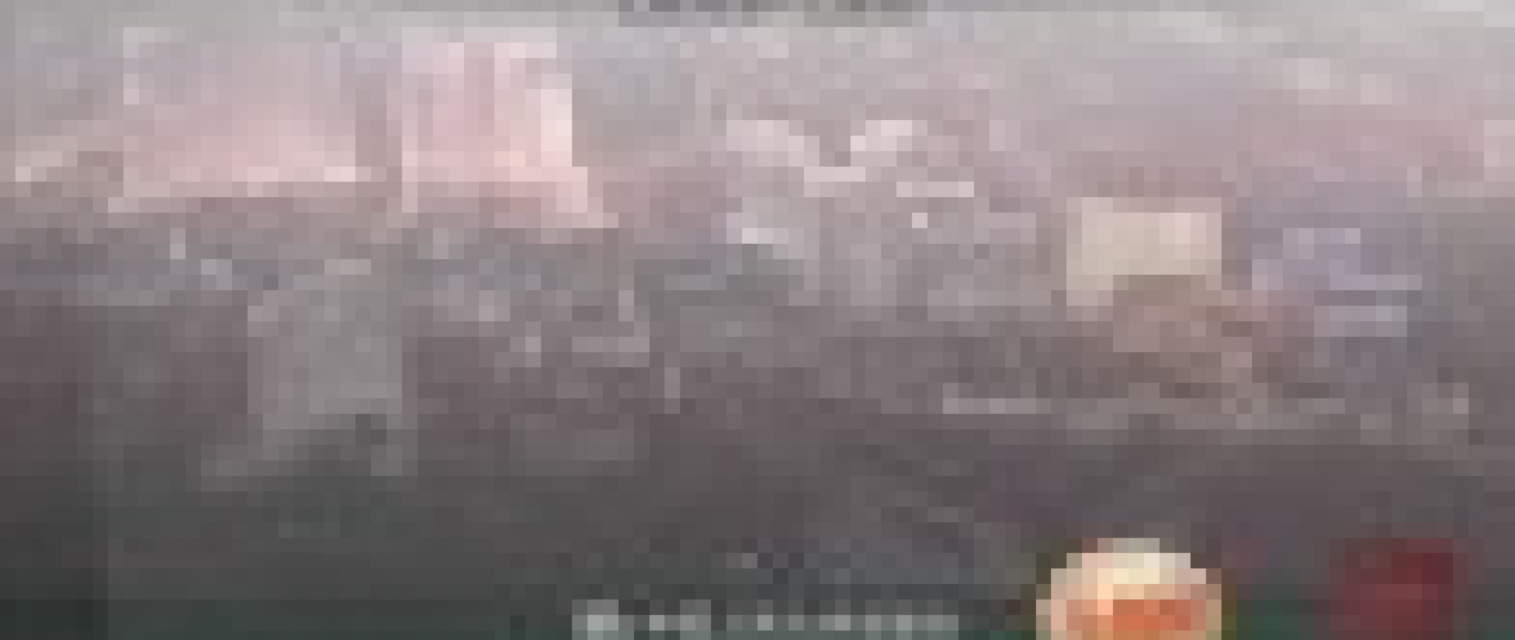

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总　　序

随着我国加入WTO，越来越多的国内企业参与到国际竞争中来，用国际上通用的语言思考、工作、交流的能力也越来越受到重视。这样一种能力也成为我国各类人才参与竞争的一种有效工具。国家教育机构、各类院校以及一些主要的教材出版单位一直在思考，如何顺应这一发展潮流，推动各层次人员通过学习来获取这种能力。双语教学就是这种背景下的一种尝试。

双语教学在我国主要指汉语和国际通用的英语教学。事实上，双语教学在我国教育界已经不是一个陌生的词汇了，以双语教学为主的科研课题也已列入国家"十五"规划的重点课题。但从另一方面来看，双语教学从其诞生的那天起就被包围在人们的赞成与反对声中。如今，依然是有人赞成有人反对，但不论是赞成居多还是反对占上，双语教学的规模和影响都在原有的基础上不断扩大，且呈大发展之势。一些率先进行双语教学的院校在实践中积累了经验，不断加以改进；一些待进入者也在模仿中学习，并静待时机成熟时加入这一行列。由于我国长期缺乏讲第二语言（包括英语）的环境，开展双语教学面临特殊的困难，因此，选用合适的教材就成为双语教学成功与否的一个重要问题。我们认为，双语教学从一开始就应该使用原版的各类学科的教材，而不是由本土教师自编的教材，从而可以避免中国式英语问题，保证语言的原汁原味。各院校除应执行国家颁布的教学大纲和课程标准外，还应根据双语教学的特点和需要，适当调整教学课时的设置，合理选择优秀的、合适的双语教材。

顺应这样一种大的教育发展趋势，中国人民大学出版社同众多国际知名的大出版公司，如麦格劳·希尔出版公司、培生教育出版公司等合作，面向大学本科生层次，遴选了一批国外最优秀的管理类原版教材，涉及专业基础课，人力资源管理、市场营销及国际化管理等专业方向课，并广泛听取有着丰富的双语一线教学经验的教师的建议和意见，对原版教材进行了适当的改编，删减了一些不适合我国国情和不适合教学的内容；另一方面，根据教育部对双语教学教材篇幅合理、定价低的要求，我们更是努力区别于目前市场上形形色色的各类英文版、英文影印版的大部头，将目标受众锁定在大学本科生层次。本套教材尤其突出了以下一些特点：

● 保持英文原版教材的特色。本套双语教材根据国内教学实际需要，对原书进行了一定的改编，主要是删减了一些不适合教学以及不符合我国国情的内容，但在体系结构和内容特色方面都保持了原版教材的风貌。专家们的认真改编和审定，使本套教材既保持了学术上的完整性，又贴近中国实际；既方便教师教学，又方便学生理解和掌握。

● 突出管理类专业教材的实用性。本套教材既强调学术的基础性，又兼顾应用的广泛性；既侧重让学生掌握基本的理论知识、专业术语和专业表达方式，又考虑到教材和管理实践的紧密结合，有助于学生形成专业的思维能力，培养实际的管理技能。

● 体系经过精心组织。本套教材在体系架构上充分考虑到当前我国在本科教育阶段推广双语教学的进度安排，首先针对那些课程内容国际化程度较高的学科进行双语教材开发，在其专业模块内精心选择各专业教材。这种安排既有利于我国教师摸索双语教学的经验，使得双语教学贴近现实教学的需要；也有利于我们收集关于双语教学教材的建议，更好地推出后续的双语教材及教辅材料。

● 篇幅合理，价格相对较低。为适应国内双语教学内容和课时上的实际需要，本套教材进行了一定的删减和改编，使总体篇幅更为合理；而采取低定价，则充分考虑到了学生实际的购买能力，从而使本套教材得以真正走近广大读者。

● 提供强大的教学支持。依托国际大出版公司的力量，本套教材为教师提供了配套的教辅材料，如教师手册、PowerPoint 讲义、试题库等，并配有内容极为丰富的网络资源，从而使教学更为便利。

本套教材是在双语教学教材出版方面的一种尝试。我们在选书、改编及出版的过程中得到了国内许多高校的专家、教师的支持和指导，在此深表谢意。同时，为使我们后续推出的教材更适于教学，我们也真诚地期待广大读者提出宝贵的意见和建议。需要说明的是，尽管我们在改编的过程中已加以注意，但由于各教材的作者所处的政治、经济和文化背景不同，书中内容仍可能有不妥之处，望读者在阅读时注意比较和甄别。

徐二明
中国人民大学商学院

Preface

A few books can change your life. Our book may not be one of them. However, if you read it, you will better understand that *pay matters*. After all, you can't pick up a newspaper, power up a computer, or read a blog today without someone talking about compensation. The Great Recession had major ramifications for pay. Some folks had their hours cut and/or their pay frozen or reduced. Why? Because it's a way to cut compensation costs (though not necessarily the benefits portion of compensation costs) without laying off workers. Others, of course, were laid off and lost their jobs, income, and benefits. The recession also focused attention on executive compensation. As the government bailed out the financial industry, newspapers were reporting large bonuses going to the very employees who helped cause the financial disaster. With the end of the recession, we have seen employers put less emphasis on cutting labor costs and more emphasis on hiring (sometimes even in the United States). However, job growth has been modest. Why? Employers have become increasingly careful about adding new workers because they want to keep costs under control and they don't want to have to reduce the workforce if they guess wrong about increasing product demand (and the need for more workers). But competition for some types of workers has increased and wages, salaries, and benefits have likewise increased for such workers, meaning that employers must continually evaluate and benchmark their pay to be competitive.

Pay also matters around the globe. For example, if you are a Russian cosmonaut, you can earn a bonus of $1,000 for every space walk you take (technically known as "extravehicular activity," or EVA), up to three per space trip. A contract listing specific tasks to be done on a space mission permits you to earn up to $30,000 above the $20,000 you earn while you are on the ground. (In contrast to the Russian cosmonauts, wealthy Americans are lining up to pay $15 million [plus an additional $20 million airfare] to the Russian Space Agency for their own personal EVA.) Conclusion: *Pay matters.*

If you read this book, you will also better understand that *what you pay for matters.* Many years ago, when Green Giant discovered too many insect parts in the pea packs from one of its plants, it designed a bonus plan that paid people for finding insect parts. Green Giant got what it paid for: insect parts. Innovative Green Giant employees brought insect parts from home to add to the peas just before they removed them and collected the bonus.

The Houston public school district also got what it paid for when it promised teachers bonuses of up to $6,000 if their students' test scores exceeded targets. Unfortunately, several teachers were later fired when it was discovered that they had leaked answers to their students and adjusted test scores.

Such problems are global. A British telephone company paid a cash bonus to operators based on how quickly they completed requests for information. Some operators discovered that the fastest way to complete a request was to give out a wrong number or—even faster—just hang up on the caller. "We're actually looking at a new bonus scheme," says an insightful company spokesperson. Conclusion: *What you pay for matters.*

If you read this book, you will also learn that *how you pay matters.* Motorola trashed its old-fashioned pay system that employees said guaranteed a raise every six months if you were still breathing. The new system paid for learning new skills and working in teams. Sound good? It wasn't. Employees resented those team members who went off for six weeks of training at full pay while remaining team members picked up their work. Motorola was forced to trash its new-fashioned system, too.

Microsoft employees were also grumbling. More were leaving; top recruits were going elsewhere. The lackluster performance of Microsoft stock was depressing the value of the eye-popping stock options the company routinely doled out. What to do?

Rather than stock options, Microsoft changed its pay system to give employees actual shares of stock with a value that was immediately known. This move increased the value of employees' pay and eliminated the risk they faced from the stock performance. What did Microsoft get? Happier, more expensive people. No word yet on product innovation, customer satisfaction, or even quality of new hires. Conclusion: *How you pay matters.*

We live in interesting times. Anywhere you look on the globe today, economic and social pressures are forcing managers to rethink how people get paid and what difference it makes. Traditional approaches to compensation are being questioned. But what is being achieved by all this experimentation and change? We have lots of fads and fashions, but how much of it is folderol?

In this book, we strive to cull beliefs from facts, wishful thinking from demonstrable results, and opinions from research. Yet when all is said and done, managing compensation is part science, but also part art.

ABOUT THIS BOOK

This book is based on the strategic choices in managing compensation. We introduce these choices, real-world issues that managers confront from New York to New Zealand and all points between, in the total compensation model in Chapter 1. This model provides an integrating framework that is used throughout the book. Major compensation issues are discussed in the context of current theory, research, and practice. The practices illustrate new developments as well as established approaches to compensation decisions.

Each chapter contains at least one *e-Compensation box* to point you to some of the vast compensation information on the Internet. Real-life *Your Turn* cases ask you to apply the concepts and techniques discussed in each chapter. For example, the Your Turn in Chapter 9 draws on Professor Newman's experience when he worked undercover for 14 months in seven fast-food restaurants. The case takes you into the gritty details of the employees' behaviors (including Professor Newman's) during rush hour, as they desperately work to satisfy the customers' orders and meet their own performance targets set by their manager. You get to recommend which rewards will improve employees' performance (including Professor Newman's) and customers' satisfaction. We tackle major compensation issues from three sides: theory, research, and practice—no problem can survive that onslaught!

The authors also publish *Cases in Compensation,* an integrated casebook designed to provide additional practical skills that apply the material in this book. The casebook is available directly from the authors' (e-mail: cases.in.compensation@gmail.com). Completing the integrated case will help you develop skills readily transferable to future jobs and assignments. Instructors are invited to e-mail for more information on how *Cases in Compensation* can help translate compensation research and theory into practice and build competencies for on-the-job decisions.

But *caveat emptor!* "Congress raises the executive minimum wage to $565.15 an hour," reads the headline in the satirical newspaper *The Onion* (www.onion.com, "America's Finest News Source"). The article says that the increase will help executives meet the federal standard-of-easy-living. "Our lifestyles are expensive to maintain," complains one manager. Although the story in *The Onion* may clearly be fiction, sometimes it is more difficult to tell. One manager told us that when she searched for this textbook in her local bookstore, store personnel found the listing in their information system—under fiction!

WHAT'S NEW

All chapters have been revised. Each includes updated comparisons of the pay strategies or practices used in specific, named companies. Some of these are well established and successful (Apple, IBM, Microsoft, Merrill Lynch, Nucor, Toyota), some face real problems (American Airlines, Best Buy, General Motors), and others are using unique practices (Google, Whole Foods). This edition continues to emphasize the importance of total compensation and its relevance for achieving sustainable competitive advantage. It reinforces our conviction that beyond *how much* people are paid, *how* they are paid really matters. Managing pay means ensuring that the right people get the right pay for achieving objectives in the right way. Greater emphasis is given to theoretical advances and evidence from research. Throughout the book we translate this evidence into guidance for improving the management of pay. For example, Chapters 12 and 13 have been heavily revised, reflecting the warp speed changes in benefits practices. Every day some new benefit, or delivery system, is being proposed. Changes in medical coverage and the entire health-care industry are evolving at an increasing rate. Executives pay attention to these high-cost issues, so we introduce you to the main issues governing decision making. Chapters 1, 7, and 16 consider the compensation issues faced by Apple in China, where most of its manufacturing is done (by its Taiwanese subcontractor, Foxconn). Chapters 1 and 2 also, for the first time, highlight Nucor, a manufacturing success story in the United States.

简明目录

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Part **One**

Introducing the Pay Model and Pay Strategy

Why do we work? If we are fortunate, our work brings meaning to our lives, challenges us in new and exciting ways, brings us recognition, and gives us the opportunity to interact with interesting people and create friendships. Oh yes—we also get a paycheck. Here in Part One of your book, we begin by talking about what we mean by "pay" and how paying people in different ways can influence them and, in turn, influence organization success. Wages and salaries, of course, are part of compensation, but so, too, for some employees, are bonuses, health care benefits, stock options, and/or work-life balance programs.

Compensation is one of the most powerful tools organizations have to influence their employees. Managed well, it can play a major role in organizations successfully executing their strategies through their employees. We will see how companies like Whole Foods, Nucor, the SAS Institute, Microsoft, Google, and others use compensation to attract, motivate, and retain the right employees to execute their strategies. We will also see how companies like Apple sell premium products at attractive price points, to an important degree by using suppliers that have low labor costs. Managed less well, as bankruptcies at General Motors, Chrysler, Lehman Brothers, and more recently, American Airlines (which states that it needs to reduce labor costs by $1.25 billion per year to be competitive), for example, might indicate, compensation decisions can also come back to haunt you. In Part One, we describe the compensation policies and techniques that organizations use and the multiple objectives they hope to achieve by effectively managing these compensation decisions.

Although compensation has its guiding principles, we will see that "the devil is in the details" and how any compensation program is specifically designed and implemented will help determine its success. We want you to bring a healthy skepticism when you encounter simplistic or sweeping claims about whether a particular way of managing compensation does or does not work. For example, organizations, in general, benefit from pay for performance, but there are many types of pay for performance programs and it is not always easy to design and implement a program that has the intended consequences (and avoids *unintended* consequences). So, general principles are helpful, but only to a point. Thus, in Part One, our aim is to also help you understand how compensation strategy decisions interact with the specific context of an organization (e.g., its business and human resource strategies) to influence organization success. We emphasize that good theory and research are fundamental to not only understanding compensation's likely effects, but also to developing that healthy skepticism we want you to have toward simplistic claims about what works and what does not.

Chapter One

The Pay Model

COMPENSATION: DOES IT MATTER? (OR, "SO WHAT?")

Why should you care about compensation? Maybe because you and yours find that life goes more smoothly when there is at least as much money coming in as going out. (Refer, for example, to lyrics for Beatles' song "Money.")[1*] Maybe you would like to solve the mystery of why you or someone you know gets paid the way they do. Maybe you are curious, too, about people in the news and their pay. Why did Johnny Depp earn \$50 million in one recent year, whereas "Snooki" earned \$1.6 million? [2] Why, until recently, did hourly workers at Chrysler get total compensation (i.e., wages plus benefits) of about \$76 per hour, whereas U.S. workers at Toyota received \$48 per hour and the average total compensation per hour in U.S. manufacturing was \$25 (and \$16 in Korea, \$3 in Mexico)? What steps did Chrysler take to bring its hourly labor costs down to about \$49 recently?[3] Why did Thomas W. Horton, chief executive at AMR (American Airlines) earn \$1.25 million, whereas Ralph Lauren, chief executive at Ralph Lauren, earned more than 50 times as much (\$67 million)? Why did James Simons, a former math professor and now hedge fund manager, earn \$2.1 billion?[4] (Wow, professors can make that much money? Oh, "former" professor. OK.)

More important, does it matter how much and how these people get paid? We'll certainly talk about employee and executive pay in this book. (Maybe not so much about actors or related occupations. Sorry.) Let's take a brief look at a few examples where pay does seem to have mattered.

General Motors (GM), like Chrysler, has, for decades, paid its workers well—too well perhaps for what it received in return. So what? Well, in 1970, GM had 150 U.S. plants and 395,000 hourly workers. In sharp contrast, GM now has 40 U.S. manufacturing plants and 48,000 U.S. hourly workers.[5] In June 2009, GM had to file for bankruptcy (avoiding it for a while thanks to loans from the U.S. government—i.e., you, the taxpayer). Not all of GM's problems were compensation related. Of course, building too many vehicles that consumers did not want was also a problem. But, having labor costs higher than the competition, without corresponding advantages in efficiency, quality, and customer service, does not seem to have served GM or its stakeholders well. Its stock price peaked at \$93.62/share in April 2000. Its market value was about \$60 billion in 2000. That shareholder wealth was wiped out in bankruptcy. Think of the billions of dollars the U.S. taxpayer has put into GM (and what the odds are of getting all of that money back). Think of the hundreds of thousands of jobs that have been lost and the effects on communities that have lost those jobs.

On the other hand, Nucor Steel pays its workers very well relative to what other companies inside and outside of the steel industry pay. But Nucor also has much higher productivity than is typical in the steel industry. The result: Both the company and its workers do well. Apple Computer is able to keep prices for its iPad and iPhone lower than otherwise by outsourcing manufacturing to China in facilities owned by the the Hon Hai Precision Industry Co., Ltd (Foxconn), a Taiwanese company. As we will

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* 全书注释见中国人民大学出版社工商管理分社网站（www.rdjg.com.cn）。

see later, doing so generates billions (yes, billions with a "b") of dollars in cost savings per year.

Wall Street financial services firms and banks used **incentive** plans that rewarded people for developing "innovative" new financial investment vehicles and for taking risks to earn themselves and their firms a lot of money.[6] That is what happened—until recently. Then, the markets discovered that many such risks had gone bad. Blue Chip firms such as Lehman Brothers slid quickly into bankruptcy, whereas others like Bear Stearns and Merrill Lynch survived to varying degrees by finding other firms (J.P. Morgan and Bank of America, respectively) to buy them.

Would greater expertise in the design and execution of compensation plans have helped? Congress and the president seemed to think so, because they put into place legislation, the Troubled Asset Relief Program (TARP), which included restrictions on executive pay designed to discourage executives from taking "unnecessary and excessive risks." Another commentator agreed. In an opinion piece in *The Wall Street Journal,* entitled "How Business Schools Have Failed Business," the former director of corporate finance policy at the United States Treasury wrote that "misaligned incentive programs are at the core of what brought our financial system to its knees."[7] He says that we "should ask how many of the business schools attended by America's CEOs and directors educate their students about the best way to design managerial compensation systems." His answer: not many. Our book, we hope, can play a role in helping to better educate you, the reader, about the design of compensation systems, both for managers and for workers.

How people are paid affects their behaviors at work, which affect an organization's success.[8] For most employers, compensation is a major part of total cost, and often it is the single largest part of operating cost. These two facts together mean that well-designed compensation systems can help an organization achieve and sustain competitive advantage. On the other hand, as we have recently seen, poorly designed compensation systems can likewise play a major role in undermining organization success.

COMPENSATION: DEFINITION, PLEASE

How people view compensation affects how they behave. It does not mean the same thing to everyone. Your view probably differs, depending on whether you look at compensation from the perspective of a member of society, a stockholder, a manager, or an employee. Thus, we begin by recognizing different perspectives.

Society

Some people see pay as a measure of justice. For example, a comparison of earnings between men and women highlights what many consider inequities in pay decisions. In 2007, among full-time workers in the United States, women earned 81 percent of what men earned, up from 62 percent in 1979. If women had the same education, experience, and union coverage as men and also worked in the same industries and occupations, they would be expected to earn about 90 percent of what men earn. Society has taken an interest in such earnings differentials. One indicator of this interest is the introduction of laws and regulation aimed at eliminating the role of discrimination in causing them.[9] (See Chapter 17.)

Benefits given as part of a total compensation package may also be seen as a reflection of equity or justice in society. Individuals and businesses in the United States spend $2.6 trillion per year, or 17.9 percent of its economic output (gross domestic product) on health care.[10] Employers spend about 44 cents for benefits on top of every dollar paid for **wages** and **salaries.**[11] Walmart reports that its health care costs have been