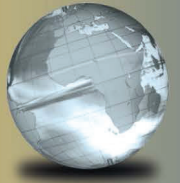


GLOBAL
EDITION

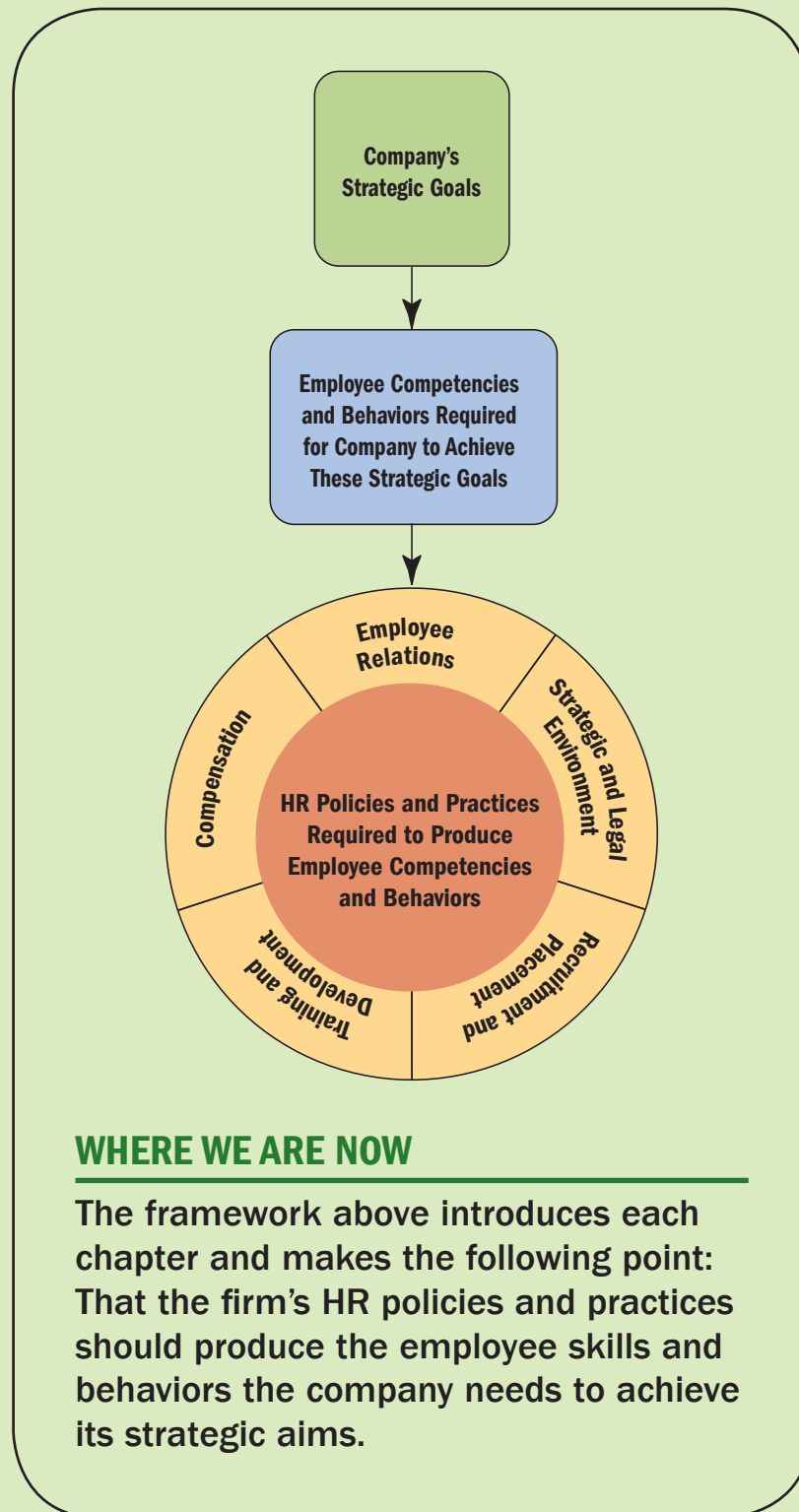


Human Resource Management

SIXTEENTH EDITION

Gary Dessler





WHERE WE ARE NOW

The framework above introduces each chapter and makes the following point: That the firm's HR policies and practices should produce the employee skills and behaviors the company needs to achieve its strategic aims.

This page intentionally left blank

Human Resource Management

Sixteenth Edition

Global Edition

GARY DESSLER

Florida International University



Pearson

Harlow, England • London • New York • Boston • San Francisco • Toronto • Sydney • Dubai • Singapore • Hong Kong
Tokyo • Seoul • Taipei • New Delhi • Cape Town • Sao Paulo • Mexico City • Madrid • Amsterdam • Munich • Paris • Milan

FOR CLAUDIA

Vice President, Business, Economics, and UK Courseware:

Donna Battista

Director of Portfolio Management: Stephanie Wall**Director, Courseware Portfolio Management:** Ashley Dodge**Senior Sponsoring Editor:** Neeraj Bhalla**Development Editor:** Kerri Tomasso**Editorial Assistant:** Linda Albelli**Content Producer, Global Edition:** Isha Sachdeva**Acquisitions Editor, Global Edition:** Ishita Sinha**Senior Project Editor, Global Edition:** Daniel Luiz**Manager, Media Production, Global Edition:** Gargi Banerjee**Manufacturing Controller, Production, Global Edition:** Kay Holman**Vice President, Product Marketing:** Roxanne McCarley**Senior Product Marketer:** Carlie Marvel**Product Marketing Assistant:** Marianela Silvestri**Manager of Field Marketing, Business Publishing:** Adam Goldstein**Field Marketing Manager:** Nicole Price**Vice President, Production and Digital Studio, Arts and Business:** Etain O'Dea**Director, Production and Digital Studio, Business and Economics:** Ashley Santora**Managing Producer, Business:** Melissa Feimer**Content Producer:** Yasmita Hota**Operations Specialist:** Carol Melville**Design Lead:** Kathryn Foot**Manager, Learning Tools:** Brian Surette**Learning Tools Strategist:** Michael Trinchetto**Managing Producer, Digital Studio and GLP:** James Bateman**Managing Producer, Digital Studio:** Diane Lombardo**Digital Studio Producer:** Regina Dasilva**Digital Studio Producer:** Alana Coles**Full Service Project Management:** SPi Global

Ann Pulido and Roberta Sherman

Interior Design: SPi Global**Cover Design:** Lumina Datamatics, Inc.**Cover Art:** winner58/Shutterstock

Microsoft and/or its respective suppliers make no representations about the suitability of the information contained in the documents and related graphics published as part of the services for any purpose. All such documents and related graphics are provided "as is" without warranty of any kind. Microsoft and/or its respective suppliers hereby disclaim all warranties and conditions with regard to this information, including all warranties and conditions of merchantability, whether express, implied or statutory, fitness for a particular purpose, title and non-infringement. In no event shall Microsoft and/or its respective suppliers be liable for any special, indirect or consequential damages or any damages whatsoever resulting from loss of use, data or profits, whether in an action of contract, negligence or other tortious action, arising out of or in connection with the use or performance of information available from the services.

The documents and related graphics contained herein could include technical inaccuracies or typographical errors. Changes are periodically added to the information herein. Microsoft and/or its respective suppliers may make improvements and/or changes in the product(s) and/or the program(s) described herein at any time. Partial screen shots may be viewed in full within the software version specified.

Microsoft® and Windows® are registered trademarks of the Microsoft Corporation in the U.S.A. and other countries. This book is not sponsored or endorsed by or affiliated with the Microsoft Corporation.

Pearson Education Limited

KAO Two

KAO Park

Harlow

CM17 9SR

United Kingdom

and Associated Companies throughout the world

Visit us on the World Wide Web at: www.pearsonglobaleditions.com

© Pearson Education Limited 2020

The rights of Gary Dessler to be identified as the author of this work have been asserted by him in accordance with the Copyright, Designs and Patents Act 1988.

Authorized adaptation from the United States edition, entitled Human Resource Management, 16th edition, ISBN 978-0-13-517278-0, by Gary Dessler, published by Pearson Education © 2020.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without either the prior written permission of the publisher or a license permitting restricted copying in the United Kingdom issued by the Copyright Licensing Agency Ltd, Saffron House, 6–10 Kirby Street, London EC1N 8TS.

All trademarks used herein are the property of their respective owners. The use of any trademark in this text does not vest in the author or publisher any trademark ownership rights in such trademarks, nor does the use of such trademarks imply any affiliation with or endorsement of this book by such owners.

ISBN 10: 1-292-30912-1

ISBN 13: 978-1-292-30912-5

eBook ISBN 13: 978-1-292-30918-7

Typeset in Times NRMT Pro by SPi Global.

BRIEF CONTENTS

Preface 27

Acknowledgments 35

PART ONE INTRODUCTION 37

1 Introduction to Human Resource Management 37

2 Equal Opportunity and the Law 67

3 Human Resource Management Strategy and Performance 105

**PART TWO RECRUITMENT, PLACEMENT, AND TALENT
MANAGEMENT 133**

4 Job Analysis and the Talent Management Process 133

5 Personnel Planning and Recruiting 166

6 Employee Testing and Selection 205

7 Interviewing Candidates 241

PART THREE TRAINING AND DEVELOPMENT 272

8 Training and Developing Employees 272

9 Performance Management and Appraisal 313

10 Managing Careers and Retention 347

PART FOUR COMPENSATION 384

11 Establishing Strategic Pay Plans 384

12 Pay for Performance and Financial Incentives 425

13 Benefits and Services 455

**PART FIVE ENRICHMENT TOPICS IN HUMAN RESOURCE
MANAGEMENT 489**

14 Building Positive Employee Relations 489

15 Labor Relations and Collective Bargaining 519

16 Safety, Health, and Risk Management 553

17 Managing Global Human Resources 598

**18 Managing Human Resources in Small
and Entrepreneurial Firms** 626

APPENDICES

APPENDIX A HRCI's PHR® and SPHR® Certification Body of Knowledge 650

Continued

APPENDIX B **About the Society for Human Resource Management (SHRM)
Body of Competency & Knowledge® Model and Certification
Exams** 656

APPENDIX C **Comprehensive Cases** 671

Glossary 687

Name/Organization Index 696

Subject Index 706

CONTENTS

Preface 27

Acknowledgments 35

PART ONE

1

INTRODUCTION 37

Introduction to Human Resource Management 37

WHAT IS HUMAN RESOURCE MANAGEMENT? 39

Why Is Human Resource Management Important to All Managers? 39

Line and Staff Aspects of Human Resource Management 41

Line Managers' Human Resource Management Responsibilities 41

The Human Resource Department 42

THE TRENDS SHAPING HUMAN RESOURCE MANAGEMENT 43

Workforce Demographics and Diversity Trends 43

Trends in Jobs People Do 44

■ **HR AND THE GIG ECONOMY: ON-DEMAND WORKERS** 44

■ **IMPROVING PERFORMANCE: HR AS A PROFIT CENTER: Boosting Customer Service** 45

Globalization Trends 46

Economic Trends 46

Technology Trends 48

IMPORTANT COMPONENTS OF TODAY'S NEW HUMAN RESOURCE MANAGEMENT 49

A Brief History of Personnel/Human Resource Management 49

Distributed HR and the New Human Resource Management 50

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA: Digital and Social Media Tools and the New Human Resource Management** 50

A Quick Overview 50

Strategic Human Resource Management 52

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT: Building L.L.Bean** 52

Performance and Human Resource Management 52

Sustainability and Human Resource Management 53

Employee Engagement and Human Resource Management 54

Ethics and Human Resource Management 54

THE NEW HUMAN RESOURCE MANAGER 54

HR Manager Certification 55

HR and the Manager's Human Resource Philosophy 56

THE PLAN OF THIS BOOK 57

The Basic Themes and Features 57

Practical Tools for Every Manager 57

Chapter Contents Overview 58

The Topics Are Interrelated 59

CHAPTER SECTION SUMMARIES 59

DISCUSSION QUESTIONS 60

INDIVIDUAL AND GROUP ACTIVITIES 60

EXPERIENTIAL EXERCISE 61

APPLICATION CASE: A HEALTHY WORKPLACE? 61

CONTINUING CASE: CARTER CLEANING COMPANY 62

KEY TERMS 62

ENDNOTES 62

2

Equal Opportunity and the Law 67**EQUAL OPPORTUNITY LAWS ENACTED FROM 1964 TO 1991 69**

Title VII of the 1964 Civil Rights Act 69

■ HR AND THE GIG ECONOMY: DISCRIMINATION IN THE GIG ECONOMY? 69

Executive Orders 70

Equal Pay Act of 1963 70

Age Discrimination in Employment Act of 1967 70

Vocational Rehabilitation Act of 1973 70

Pregnancy Discrimination Act of 1978 70

Federal Agency Guidelines 71

Early Court Decisions Regarding Equal Employment Opportunity 71

THE LAWS ENACTED FROM 1991 TO THE PRESENT 72

The Civil Rights Act of 1991 72

The Americans with Disabilities Act 73

Uniformed Services Employment and Reemployment Rights Act 74

Genetic Information Nondiscrimination Act of 2008 (GINA) 74

State and Local Equal Employment Opportunity Laws 75

Religious Discrimination 75

Trends in Discrimination Law 75

Sexual Harassment 76

■ IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES: How to Address Sexual Harassment 78**■ TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA 80****DEFENSES AGAINST DISCRIMINATION ALLEGATIONS 80**

The Central Role of Adverse Impact 80

Bona Fide Occupational Qualification 83

Business Necessity 84

■ KNOW YOUR EMPLOYMENT LAW: Examples of What You Can and Cannot Do 84**THE EEOC ENFORCEMENT PROCESS 87**

Voluntary Mediation 89

Mandatory Arbitration of Discrimination Claims 89

■ IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES 90**DIVERSITY MANAGEMENT 91**

Potential Threats to Diversity 91

■ IMPROVING PERFORMANCE: HR AS A PROFIT CENTER 92

Managing Diversity 92

Implementing the Affirmative Action Program 93

Reverse Discrimination 94

CHAPTER SECTION SUMMARIES 95**DISCUSSION QUESTIONS 96****INDIVIDUAL AND GROUP ACTIVITIES 96****EXPERIENTIAL EXERCISE 97****APPLICATION CASE: SEEKING GENDER EQUITY AT STARBUCKS 98****CONTINUING CASE: CARTER CLEANING COMPANY 98****KEY TERMS 99****ENDNOTES 99**

3

Human Resource Management Strategy and Performance 105**THE STRATEGIC MANAGEMENT PROCESS 107**

The Management Planning Process 107

What Is Strategic Planning? 108

The Strategic Management Process 108

TYPES OF STRATEGIES	110
Corporate Strategy	110
Competitive Strategy	111
Functional Strategy	112
Managers' Roles in Strategic Planning	112
STRATEGIC HUMAN RESOURCE MANAGEMENT	112
What Is Strategic Human Resource Management?	112
■ IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT: The Shanghai Ritz-Carlton Portman Hotel	113
■ IMPROVING PERFORMANCE: HR AS A PROFIT CENTER: The Zappos "WOW" Way	114
Sustainability and Strategic Human Resource Management	114
Strategic Human Resource Management Tools	114
HR METRICS, BENCHMARKING, AND DATA ANALYTICS	117
Benchmarking	117
Strategy-Based Metrics	118
What Are HR Audits?	118
■ TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA	119
■ TRENDS SHAPING HR: SCIENCE IN TALENT MANAGEMENT	120
HIGH-PERFORMANCE WORK SYSTEMS	121
EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS: EMPLOYEE ENGAGEMENT AND PERFORMANCE	123
The Employee Engagement Problem	123
What Can Managers Do to Improve Employee Engagement?	123
How to Measure Employee Engagement	123
How Kia Motors (UK) Improved Performance with an HR Strategy Aimed at Boosting Employee Engagement	124
CHAPTER SECTION SUMMARIES	126
DISCUSSION QUESTIONS	126
INDIVIDUAL AND GROUP ACTIVITIES	126
EXPERIENTIAL EXERCISE	127
APPLICATION CASE: A FAILURE OF STRATEGY AT BORDERS UK	127
CONTINUING CASE: CARTER CLEANING COMPANY	128
TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS	128
KEY TERMS	130
ENDNOTES	130

PART TWO**4****RECRUITMENT, PLACEMENT, AND TALENT
MANAGEMENT 133****Job Analysis and the Talent Management Process 133****TALENT MANAGEMENT PROCESS 135**

Talent Management Software 135

THE BASICS OF JOB ANALYSIS 136

What Is Job Analysis? 136

Uses of Job Analysis Information 137

Conducting a Job Analysis 137

■ **IMPROVING PERFORMANCE: HR AS A PROFIT CENTER:** Boosting Productivity
Through Work Redesign 138**METHODS FOR COLLECTING JOB ANALYSIS INFORMATION 140**

The Interview 140

Questionnaires 141

Observation 144

Participant Diary/Logs 144

Quantitative Job Analysis Techniques 144

Online Job Analysis Methods 145

WRITING JOB DESCRIPTIONS	147
Diversity Counts	147
Job Identification	148
Job Summary	148
Relationships	149
Responsibilities and Duties	151
■ TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA	152
■ KNOW YOUR EMPLOYMENT LAW: Writing Job Descriptions That Comply with the ADA	152
Standards of Performance and Working Conditions	153
■ IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES	153
WRITING JOB SPECIFICATIONS	156
Specifications for Trained versus Untrained Personnel	156
Specifications Based on Judgment	156
■ HR AND THE GIG ECONOMY: DO GIG WORKERS NEED JOB SPECIFICATIONS?	157
Job Specifications Based on Statistical Analysis	157
The Job-Requirements Matrix	157
Employee Engagement Guide for Managers	158
USING COMPETENCIES MODELS	158
■ IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT: Daimler Alabama	159
How to Write Competencies Statements	159
CHAPTER SECTION SUMMARIES	160
DISCUSSION QUESTIONS	161
INDIVIDUAL AND GROUP ACTIVITIES	161
EXPERIENTIAL EXERCISE	162
APPLICATION CASE: THE CHILLY BURGER JOINT	162
CONTINUING CASE: CARTER CLEANING COMPANY	163
TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS	163
KEY TERMS	164
ENDNOTES	164
5 Personnel Planning and Recruiting	166
INTRODUCTION	168
WORKFORCE PLANNING AND FORECASTING	168
Strategy and Workforce Planning	169
■ IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT: Deloitte	169
Forecasting Personnel Needs (Labor Demand)	170
Forecasting the Supply of Inside Candidates	172
Forecasting the Supply of Outside Candidates	173
Predictive Workforce Monitoring	174
Matching Projected Labor Supply and Demand with a Plan	174
Succession Planning	174
WHY EFFECTIVE RECRUITING IS IMPORTANT	175
Improving Recruitment Effectiveness: Recruiters, Sources, and Branding	175
The Recruiting Yield Pyramid	176
■ KNOW YOUR EMPLOYMENT LAW: Recruiting Employees	176
INTERNAL SOURCES OF CANDIDATES	177
Finding Internal Candidates	177
EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS	177
Promotion from Within	177
OUTSIDE SOURCES OF CANDIDATES	178
Informal Recruiting and the Hidden Job Market	178

Recruiting via the Internet 178

Using Recruitment Software and Artificial Intelligence 179

■ **TRENDS SHAPING HR: SCIENCE IN TALENT MANAGEMENT** 180

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA: LinkedIn and Beyond** 181

Advertising 182

Employment Agencies 183

Recruitment Process Outsourcers 184

On-Demand Recruiting Services 184

■ **HR AND THE GIG ECONOMY: TEMPORARY WORKERS AND ALTERNATIVE STAFFING** 184

■ **KNOW YOUR EMPLOYMENT LAW: Contract Employees** 185

Offshoring and Outsourcing Jobs 186

Executive Recruiters 187

■ **IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES: Recruiting 101** 188

Referrals and Walk-Ins 189

College Recruiting 189

Military Personnel 190

■ **IMPROVING PERFORMANCE: HR AS A PROFIT CENTER: Cutting Recruitment Costs** 190

RECRUITING A MORE DIVERSE WORKFORCE 191

Recruiting Women 191

Recruiting Single Parents 191

Older Workers 192

Diversity Counts: Older Workers 193

Recruiting Minorities 193

The Disabled 193

DEVELOPING AND USING APPLICATION FORMS 194

Purpose of Application Forms 194

Application Guidelines 194

■ **KNOW YOUR EMPLOYMENT LAW: Application Forms and EEO Law** 194

Using Application Forms to Predict Job Performance 196

Mandatory Arbitration 196

Building Your Management Skills: The Human Side of Recruiting 196

CHAPTER SECTION SUMMARIES 197

DISCUSSION QUESTIONS 197

INDIVIDUAL AND GROUP ACTIVITIES 198

EXPERIENTIAL EXERCISE 198

APPLICATION CASE: TECHTONIC GROUP 198

CONTINUING CASE: CARTER CLEANING COMPANY 199

TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS 199

KEY TERMS 200

ENDNOTES 200



Employee Testing and Selection 205

WHY EMPLOYEE SELECTION IS IMPORTANT 207

THE BASICS OF TESTING AND SELECTING EMPLOYEES 207

Reliability 207

Validity 208

Evidence-Based HR: How to Validate a Test 209

Bias 211

Utility Analysis 211

■ IMPROVING PERFORMANCE: HR AS A PROFIT CENTER: Using Tests to Cut Costs and Boost Profits	212
Validity Generalization	212
■ KNOW YOUR EMPLOYMENT LAW: Testing and Equal Employment Opportunity	212
Test Takers' Individual Rights and Test Security	213
Diversity Counts: Gender Issues in Testing	213
How Do Employers Use Tests at Work?	214
TYPES OF TESTS	214
Tests of Cognitive Abilities	214
Tests of Motor and Physical Abilities	215
Measuring Personality and Interests	215
■ IMPROVING PERFORMANCE: HR PRACTICES AROUND THE GLOBE: Testing for Assignments Abroad	216
Achievement Tests	217
Improving Performance Through HRIS: Computerization and Online Testing	217
■ TRENDS SHAPING HR: USING ANALYTICS, MACHINE LEARNING, AND ARTIFICIAL INTELLIGENCE IN EMPLOYEE SELECTION	217
WORK SAMPLES AND SIMULATIONS	218
Using Work Sampling for Employee Selection	218
Situational Judgment Tests	219
■ HR AND THE GIG ECONOMY: FREELANCE WORKERS	219
Management Assessment Centers	220
Situational Testing and Video-Based Situational Testing	220
The Miniature Job Training and Evaluation Approach	221
Realistic Job Previews	221
■ IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT: Internships at Flipkart	221
Choosing a Selection Method	222
■ IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES: Employee Testing and Selection	222
BACKGROUND INVESTIGATIONS AND OTHER SELECTION METHODS	223
Why Perform Background Investigations and Reference Checks?	223
■ KNOW YOUR EMPLOYMENT LAW: Giving References	224
■ TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA	225
Using Preemployment Information Services	227
Steps for Making the Background Check More Valuable	227
The Polygraph and Honesty Testing	228
Physical Exams	230
Substance Abuse Screening	230
Drug Testing Legal Issues	230
Complying with Immigration Law	231
CHAPTER SECTION SUMMARIES	232
DISCUSSION QUESTIONS	232
INDIVIDUAL AND GROUP ACTIVITIES	233
EXPERIENTIAL EXERCISE	233
APPLICATION CASE: THE INSIDER	234
CONTINUING CASE: CARTER CLEANING COMPANY	234
TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS	235
KEY TERMS	235
ENDNOTES	235

7

Interviewing Candidates 241**BASIC TYPES OF INTERVIEWS 243**

- Structured versus Unstructured Interviews 243
- Interview Content (What Types of Questions to Ask) 243
- How Should We Conduct the Interview? 246

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT:** Online Interviews at UEFA 247

AVOIDING ERRORS THAT CAN UNDERMINE AN INTERVIEW'S USEFULNESS 248

- First Impressions (Snap Judgments) 248
- Not Clarifying What the Job Requires 249
- Candidate-Order (Contrast) Error and Pressure to Hire 249
- Nonverbal Behavior and Impression Management 249
- Effect of Personal Characteristics: Attractiveness, Gender, Race 250
- Diversity Counts:** Applicant Disability and the Employment Interview 250

■ **IMPROVING PERFORMANCE: HR PRACTICES AROUND THE GLOBE:**

- Selection Practices Abroad 251
- Interviewer Behavior 251

HOW TO DESIGN AND CONDUCT AN EFFECTIVE INTERVIEW 252

- Designing a Structured Situational Interview 252

■ **IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES:** In Summary: How to Conduct an Effective Interview 253

- Competency Profiles and Employee Interviews 256

EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS 256

- Building Engagement: A Total Selection Program 256
- The Toyota Way 257

■ **TRENDS SHAPING HR: SCIENCE IN TALENT MANAGEMENT 258****DEVELOPING AND EXTENDING THE JOB OFFER 258****CHAPTER SECTION SUMMARIES 259****DISCUSSION QUESTIONS 260****INDIVIDUAL AND GROUP ACTIVITIES 260****EXPERIENTIAL EXERCISE 260****APPLICATION CASE: THE OUT-OF-CONTROL INTERVIEW 261****CONTINUING CASE: CARTER CLEANING COMPANY 262****TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS 262****KEY TERMS 263****ENDNOTES 263****APPENDIX 1 FOR CHAPTER 7 STRUCTURED INTERVIEW GUIDE 267****APPENDIX 2 FOR CHAPTER 7 INTERVIEW GUIDE FOR INTERVIEWEES 270****PART THREE**

8

TRAINING AND DEVELOPMENT 272**Training and Developing Employees 272****ORIENTING AND ONBOARDING NEW EMPLOYEES 274**

- The Purposes of Employee Orientation/Onboarding 274
- The Orientation Process 274

EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS: ONBOARDING AT TOYOTA 275**OVERVIEW OF THE TRAINING PROCESS 276**■ **KNOW YOUR EMPLOYMENT LAW:** Training and the Law 276

- Aligning Strategy and Training 276

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT:** Supporting AT&T's Strategy for a Digital Future 277

- The ADDIE Five-Step Training Process 277

Analyzing the Training Needs	278
Designing the Training Program	280
■ TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA	283
Developing the Program	283
IMPLEMENTING THE TRAINING PROGRAM	283
On-the-Job Training	284
Apprenticeship Training	284
Informal Learning	285
Job Instruction Training	286
Lectures	286
Programmed Learning	287
Behavior Modeling	287
Audiovisual-Based Training	287
Vestibule Training	287
Electronic Performance Support Systems (EPSS)	288
Videoconferencing	288
Computer-Based Training	288
Online/Internet-Based Training	289
Diversity Counts: Online Accessibility	291
■ HR AND THE GIG ECONOMY: ON-DEMAND MICRO LEARNING AT UBER	291
Lifelong and Literacy Training Techniques	291
Team Training	292
■ IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES: Creating Your Own Training Program	292
IMPLEMENTING MANAGEMENT DEVELOPMENT PROGRAMS	293
Strategy's Role in Management Development	294
Candidate Assessment and the 9-Box Grid	294
Managerial On-the-Job Training and Rotation	294
■ IMPROVING PERFORMANCE: HR PRACTICES AROUND THE GLOBE: Global Job Rotation	295
Off-the-Job Management Training and Development Techniques	296
Leadership Development at Cigna	297
■ TRENDS SHAPING HR: CUSTOMIZED TALENT MANAGEMENT-DIFFERENTIAL DEVELOPMENT ASSIGNMENTS	298
Characteristics of Effective Leadership Development Programs	298
MANAGING ORGANIZATIONAL CHANGE PROGRAMS	298
Lewin's Change Process	299
Using Organizational Development	300
EVALUATING THE TRAINING EFFORT	301
Designing the Study	301
Training Effects to Measure	302
CHAPTER SECTION SUMMARIES	304
DISCUSSION QUESTIONS	304
INDIVIDUAL AND GROUP ACTIVITIES	305
EXPERIENTIAL EXERCISE	305
APPLICATION CASE: REINVENTING THE WHEEL AT APEX DOOR COMPANY	306
CONTINUING CASE: CARTER CLEANING COMPANY	306
TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS	307
KEY TERMS	308
ENDNOTES	308

9

Performance Management and Appraisal 313**BASICS OF PERFORMANCE APPRAISAL 315**

The Performance Appraisal Process 315

Why Appraise Performance? 315

Defining the Employee's Goals and Performance Standards 316

■ **IMPROVING PERFORMANCE: HR AS A PROFIT CENTER:** Setting Performance Goals at Ball Corporation 316

■ **IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES:** How to Set Effective Goals 316

Who Should Do the Appraising? 317

TRADITIONAL TOOLS FOR APPRAISING PERFORMANCE 319

Graphic Rating Scale Method 319

Alternation Ranking Method 319

Paired Comparison Method 321

Forced Distribution Method 321

Critical Incident Method 321

Narrative Forms 323

Behaviorally Anchored Rating Scales 324

Management by Objectives 326

Appraisal in Practice: Using Forms, Installed Software, or Cloud-Based Systems 326

Electronic Performance Monitoring 327

Conversation Days 327

Using Multiple Methods 327

■ **TRENDS SHAPING HR: CUSTOMIZED TALENT MANAGEMENT 328**

■ **HR AND THE GIG ECONOMY: RATING UBER DRIVERS 328**

DEALING WITH RATER ERROR APPRAISAL PROBLEMS 329

Potential Rating Problems 329

Diversity Counts: The Problem of Bias 330

The Need for Fairness 331

■ **KNOW YOUR EMPLOYMENT LAW:** Appraising Performance 331

MANAGING THE APPRAISAL INTERVIEW 332

How to Conduct the Appraisal Interview 333

How to Handle a Defensive Subordinate 334

How to Criticize a Subordinate 334

How to Handle a Written Warning 334

EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS 336

Use the Appraisal Interview to Build Engagement 336

PERFORMANCE MANAGEMENT 336

Total Quality Management and Performance Appraisal 336

What Is Performance Management? 337

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA 337**

Performance Management in Action 338

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT:** Deloitte's New Performance Management Process 338

The Manager's Role in Performance Management 339

CHAPTER SECTION SUMMARIES 340**DISCUSSION QUESTIONS 340****INDIVIDUAL AND GROUP ACTIVITIES 340****EXPERIENTIAL EXERCISE 341****APPLICATION CASE: "RANK AND YANK" AT LUXCAR 341****CONTINUING CASE: CARTER CLEANING COMPANY 342**

TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS 342

KEY TERMS 343

ENDNOTES 343



Managing Careers and Retention 347

CAREER MANAGEMENT 349

Careers Today 349

The Psychological Contract 349

The Employee's Role in Career Management 350

■ **HR AND THE GIG ECONOMY: THE PORTFOLIO CAREER 350**

The Employer's Role in Career Management 351

Employer Career Management Methods 351

Improving Performance: Through HRIS: Integrating Talent Management and Career and Succession Planning 352

Diversity Counts: Toward Career Success 352

The Manager as Mentor and Coach 352

EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS 355

Career Management 355

Commitment-Oriented Career Development Efforts 355

■ **IMPROVING PERFORMANCE: HR PRACTICES AROUND THE GLOBE:**

Career Development at Medtronic 355

MANAGING EMPLOYEE TURNOVER AND RETENTION 356

■ **IMPROVING PERFORMANCE: HR AS A PROFIT CENTER:** Turnover and Performance 356

Managing Voluntary Turnover 357

A Comprehensive Approach to Retaining Employees 357

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA 358**

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT:** Fresh Thyme Farmers Market 358

Job Withdrawal 359

EMPLOYEE LIFE-CYCLE CAREER MANAGEMENT 360

Making Promotion Decisions 360

■ **KNOW YOUR EMPLOYMENT LAW:** Establish Clear Guidelines for Managing Promotions 360

Diversity Counts: The Gender Gap 362

Managing Transfers 362

Managing Retirements 363

MANAGING DISMISSALS 364

Grounds for Dismissal 364

■ **KNOW YOUR EMPLOYMENT LAW:** Termination at Will 365

Avoiding Wrongful Discharge Suits 366

Supervisor Liability 367

Security Measures 367

The Termination Interview and Exit Process 367

Layoffs and the Plant Closing Law 368

Adjusting to Downsizings and Mergers 369

CHAPTER SECTION SUMMARIES 370

DISCUSSION QUESTIONS 370

INDIVIDUAL AND GROUP ACTIVITIES 370

EXPERIENTIAL EXERCISE 371

APPLICATION CASE: RETAINING WORKERS PERFORMING "THE MOST BORING JOBS IN THE WORLD" 372

CONTINUING CASE: CARTER CLEANING COMPANY 372

TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS 372

KEY TERMS 373

ENDNOTES 373

APPENDIX FOR CHAPTER 10 MANAGING YOUR CAREER AND FINDING A JOB 377

PART FOUR



COMPENSATION 384

Establishing Strategic Pay Plans 384**BASIC FACTORS IN DETERMINING PAY RATES** 386

Aligning Total Rewards with Strategy 386

Equity and Its Impact on Pay Rates 386

Legal Considerations in Compensation 387

■ **KNOW YOUR EMPLOYMENT LAW:** The Workday 388■ **KNOW YOUR EMPLOYMENT LAW:** The Independent Contractor 390■ **HR AND THE GIG ECONOMY: ARE GIG WORKERS EMPLOYEES OR INDEPENDENT CONTRACTORS?** 392

Union Influences on Compensation Decisions 393

Pay Policies 393

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT:** Wegmans Food Markets 394■ **IMPROVING PERFORMANCE: HR PRACTICES AROUND THE GLOBE:** Compensating Expatriate Employees 394**JOB EVALUATION METHODS** 395

Compensable Factors 395

Preparing for the Job Evaluation 396

Job Evaluation Methods: Ranking 397

Job Evaluation Methods: Job Classification 398

Job Evaluation Methods: Point Method 399

Computerized Job Evaluations 399

HOW TO CREATE A MARKET-COMPETITIVE PAY PLAN 399

1. Choose Benchmark Jobs 400

2. Select Compensable Factors 400

3. Assign Weights to Compensable Factors 401

4. Convert Percentages to Points for Each Factor 401

5. Define Each Factor's Degrees 401

6. Determine for Each Factor Its Factor Degrees' Points 402

7. Review Job Descriptions and Job Specifications 402

8. Evaluate the Jobs 402

9. Draw the Current (Internal) Wage Curve 403

10. Conduct a Market Analysis: Salary Surveys 404

11. Draw the Market (External) Wage Curve 405

12. Compare and Adjust Current and Market Wage Rates for Jobs 406

13. Develop Pay Grades 406

14. Establish Rate Ranges 407

15. Address Remaining Jobs 408

16. Correct Out-of-Line Rates 409

■ **IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES:** Developing a Workable Pay Plan 409**PRICING MANAGERIAL AND PROFESSIONAL JOBS** 410

What Determines Executive Pay? 410

Compensating Executives 411

Compensating Professional Employees 411

Improving Performance: Through HRIS: Payroll Administration 412**CONTEMPORARY TOPICS IN COMPENSATION** 412

Competency-Based Pay 412

Broadbanding 413

Comparable Worth 414

Diversity Counts: The Pay Gap 415

Board Oversight of Executive Pay 415

EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS 416

Total Rewards Programs 416

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA 416**

Total Rewards and Employee Engagement 416

CHAPTER SECTION SUMMARIES 417

DISCUSSION QUESTIONS 417

INDIVIDUAL AND GROUP ACTIVITIES 418

EXPERIENTIAL EXERCISE 418

APPLICATION CASE: SALARY INEQUITIES AT ASTRAZENECA 419

CONTINUING CASE: CARTER CLEANING COMPANY 419

TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS 420

KEY TERMS 421

ENDNOTES 421

12

Pay for Performance and Financial Incentives 425

MONEY'S ROLE IN MOTIVATION 427

Incentive Pay Terminology 427

Linking Strategy, Performance, and Incentive Pay 427

Motivation and Incentives 427

■ **KNOW YOUR EMPLOYMENT LAW:** Employee Incentives and the Law 429

INDIVIDUAL EMPLOYEE INCENTIVE AND RECOGNITION PROGRAMS 429

Piecework 429

Merit Pay as an Incentive 430

Incentives for Professional Employees 431

Nonfinancial and Recognition-Based Awards 432

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA 432**

■ **IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES 432**

■ **HR AND THE GIG ECONOMY: RECOGNITION, NONFINANCIAL REWARDS, AND GIG WORKERS 433**

Job Design 433

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT 434**

INCENTIVES FOR SALESPeOPLE 435

Salary Plan 435

Commission Plan 435

Combination Plan 435

Maximizing Sales Results 436

Sales Incentives in Action 437

INCENTIVES FOR MANAGERS AND EXECUTIVES 437

Strategy and the Executive's Long-Term and Total Rewards Package 437

Short-Term Incentives and the Annual Bonus 438

■ **IMPROVING PERFORMANCE: HR PRACTICES AROUND THE GLOBE 440**

Some Other Executive Incentives 442

TEAM AND ORGANIZATION-WIDE INCENTIVE PLANS 442

How to Design Team Incentives 442

Evidence-Based HR: Inequities That Undercut Team Incentives 444

Profit-Sharing Plans 444

Scanlon Plans 444

Other Gainsharing Plans 445

At-Risk Pay Plans 445

Employee Stock Ownership Plans 445

Incentive Plans in Practice: Nucor 446

EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS 446

Incentives and Engagement 446

CHAPTER SECTION SUMMARIES 447

DISCUSSION QUESTIONS 448

INDIVIDUAL AND GROUP ACTIVITIES 448

EXPERIENTIAL EXERCISE 449

APPLICATION CASE: THE HUBSPOT.COM SALES INCENTIVE PLAN 449

CONTINUING CASE: CARTER CLEANING COMPANY 450

TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS 450

KEY TERMS 451

ENDNOTES 451



Benefits and Services 455

INTRODUCTION: THE BENEFITS PICTURE TODAY 457

Policy Issues 457

PAY FOR TIME NOT WORKED 458

Unemployment Insurance 458

Vacations and Holidays 459

■ KNOW YOUR EMPLOYMENT LAW: Some Legal Aspects of Vacations and Holidays 460

Sick Leave 460

■ IMPROVING PERFORMANCE: HR AS A PROFIT CENTER: Controlling Sick Leave 461

■ KNOW YOUR EMPLOYMENT LAW: Leaves and the Family and Medical

Leave Act and Other Laws 461

Severance Pay 463

■ IMPROVING PERFORMANCE: HR PRACTICES AROUND THE GLOBE: Severance

Pay in France 463

Supplemental Unemployment Benefits 463

INSURANCE BENEFITS 464

Workers' Compensation 464

Hospitalization, Health, and Disability Insurance 464

■ KNOW YOUR EMPLOYMENT LAW: Patient Protection and Affordable Care Act of 2010 and Other Laws 466

Trends in Employer Health-Care Cost Control 468

■ IMPROVING PERFORMANCE: HR AS A PROFIT CENTER: The Doctor Is on the Phone 469

Long-Term Care 470

Life Insurance 470

Benefits for Part-Time and Contingent Workers 470

■ HR AND THE GIG ECONOMY: GIG WORKER BENEFITS 470

RETIREMENT BENEFITS 470

Social Security 470

Pension Plans 471

■ KNOW YOUR EMPLOYMENT LAW: Pension Planning and the Law 472

Pensions and Early Retirement 473

Improving Performance: Through HRIS: Online Benefits Management Systems 474

■ TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA 474

PERSONAL SERVICES AND FAMILY-FRIENDLY BENEFITS 474

Personal Services 474

Family-Friendly Benefits 475

Other Personal Services Benefits 476

Diversity Counts: Domestic Partner Benefits 477

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT** 477

Executive Perquisites 477

FLEXIBLE BENEFITS PROGRAMS 478

The Cafeteria Approach 478

■ **IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL**

BUSINESSES: Benefits and Employee Leasing 479

Flexible Work Schedules 479

EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS 480

Costco's Compensation Plan 480

CHAPTER SECTION SUMMARIES 481

DISCUSSION QUESTIONS 481

INDIVIDUAL AND GROUP ACTIVITIES 481

EXPERIENTIAL EXERCISE 482

APPLICATION CASE: BLAME IT ON THE INCENTIVE PLAN 482

CONTINUING CASE: CARTER CLEANING COMPANY 483

TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING

PERFORMANCE AT THE HOTEL PARIS 483

KEY TERMS 484

ENDNOTES 484

PART FIVE

ENRICHMENT TOPICS IN HUMAN RESOURCE MANAGEMENT 489

14

■ **Building Positive Employee Relations** 489

WHAT IS EMPLOYEE RELATIONS? 491

EMPLOYEE RELATIONS PROGRAMS FOR BUILDING AND MAINTAINING POSITIVE EMPLOYEE RELATIONS 491

Ensuring Fair Treatment 491

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT:** A New HR Strategy at the Foxconn Plant in Shenzhen, China 492

Bullying and Victimization 493

Improving Employee Relations through Communications Programs 494

Develop Employee Recognition/Relations Programs 494

Use Employee Involvement Programs 495

■ **IMPROVING PERFORMANCE: HR AS A PROFIT CENTER:** The Cost-Effective Suggestion System 495

■ **HR AND THE GIG ECONOMY: EMPLOYEE RELATIONS AND GIG WORKERS** 496

THE ETHICAL ORGANIZATION 496

Ethics and Employee Rights 497

What Shapes Ethical Behavior at Work? 498

How Any Manager Can Create an Ethical Environment 498

How Human Resource Managers Can Create More Ethical Environments 499

■ **IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES:** Small Business Ethics 501

■ **KNOW YOUR EMPLOYMENT LAW:** Electronic Monitoring 502

MANAGING EMPLOYEE DISCIPLINE 504

The Three Pillars of Fair Discipline 504

Diversity Counts: Comparing Males and Females in a Discipline Situation 505

How to Discipline an Employee 505

Discipline without Punishment 506

EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS 507

How Companies Become "Best Companies to Work For" 507

The "Best Companies to Work For" 507

- SAS: Great Benefits, Trust, and Work–Life Balance 507
- Google: Happiness and People Analytics 508
- FedEx: Guaranteed Fair Treatment 508
- A “Best Company” Human Resource Philosophy? 509

CHAPTER SECTION SUMMARIES 510

DISCUSSION QUESTIONS 511

INDIVIDUAL AND GROUP ACTIVITIES 511

EXPERIENTIAL EXERCISE 512

APPLICATION CASE: ENRON, ETHICS, AND ORGANIZATIONAL CULTURE 512

CONTINUING CASE: CARTER CLEANING COMPANY 513

TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS 513

KEY TERMS 514

ETHICS QUIZ ANSWERS 514

ENDNOTES 515



Labor Relations and Collective Bargaining 519

THE LABOR MOVEMENT 521

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT:** Walmart’s New HR Strategy 521

Why Do Workers Organize? 521

■ **HR AND THE GIG ECONOMY: WILL UBER DRIVERS ORGANIZE?** 522

Employee Engagement and Unionization 522

What Do Unions Want? 523

The AFL–CIO and the SEIU 523

UNIONS AND THE LAW 524

Period of Strong Encouragement: The Norris–LaGuardia (1932) and National Labor Relations (or Wagner) Acts (1935) 524

Period of Modified Encouragement Coupled with Regulation:

The Taft–Hartley Act (1947) 526

Unfair Union Labor Practices 526

THE UNION DRIVE AND ELECTION 527

Step 1. Initial Contact 527

Step 2. Obtaining Authorization Cards 528

Step 3. Hold a Hearing 530

Step 4. The Campaign 530

Step 5. The Election 531

How to Lose an NLRB Election 531

Evidence-Based HR: What to Expect the Union to Do to Win the Election 532

The Supervisor’s Role 532

■ **KNOW YOUR EMPLOYMENT LAW:** Rules Regarding Literature and Solicitation 533

Decertification Elections: Ousting the Union 533

■ **IMPROVING PERFORMANCE: HR PRACTICES AROUND THE GLOBE:** France Comes to the Workers’ Aid 534

THE COLLECTIVE BARGAINING PROCESS 534

What Is Collective Bargaining? 534

What Is Good Faith? 534

The Negotiating Team 535

Costing the Contract 535

Bargaining Items 535

Building Negotiating Skills 536

Bargaining Guidelines 536

Impasses, Mediation, and Strikes 537

■ **IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES:** Strike Guidelines 539

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA:** Unions Go Digital 540
The Contract Agreement 540

DEALING WITH DISPUTES AND GRIEVANCES 541

- Sources of Grievances 541
- The Grievance Procedure 541
- Guidelines for Handling Grievances 542

■ **IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES:** How to Handle a Grievance Situation 543

THE UNION MOVEMENT TODAY AND TOMORROW 543

- What Are Unions Doing About It? 544
- Cooperative Labor–Management Relations 545

CHAPTER SECTION SUMMARIES 545

DISCUSSION QUESTIONS 546

INDIVIDUAL AND GROUP ACTIVITIES 546

EXPERIENTIAL EXERCISE 547

APPLICATION CASE: LABOR RELATIONS AT RYANAIR 547

CONTINUING CASE: CARTER CLEANING COMPANY 548

TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS 548

KEY TERMS 549

ENDNOTES 549



Safety, Health, and Risk Management 553

INTRODUCTION: SAFETY AND THE MANAGER 555

- Why Safety Is Important 555

■ **IMPROVING PERFORMANCE: HR AS A PROFIT CENTER:** Improving Safety Boosts Profits 555

- Top Management's Role in Safety 555

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT:** Deepwater Horizon 556

- The Supervisor's Role in Accident Prevention 556

MANAGER'S BRIEFING ON OCCUPATIONAL SAFETY LAW 556

- OSHA Standards and Record Keeping 557
- Inspections and Citations 558
- Responsibilities and Rights of Employers and Employees 561

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA:** Sitedocs Digital Workplace Safety 562

WHAT CAUSES ACCIDENTS? 562

- What Causes Unsafe Conditions? 562
- What Causes Unsafe Acts? 563

HOW TO PREVENT ACCIDENTS 564

- Reducing Unsafe Conditions 564

■ **TRENDS SHAPING HR: ROBOTS** 564

■ **TRENDS SHAPING HR: LOCATION BEACONS** 568

- Diversity Counts:** Protecting Vulnerable Workers 568
- Reducing Unsafe Acts 569
- Reducing Unsafe Acts through Screening 569
- Reducing Unsafe Acts through Training 569
- Reducing Unsafe Acts through Posters, Incentives, and Positive Reinforcement 570

■ **IMPROVING PERFORMANCE: HR AS A PROFIT CENTER:** Using Positive Reinforcement 570

- Reducing Unsafe Acts by Fostering a Culture of Safety 571
- Reducing Unsafe Acts by Creating a Supportive Environment 572

- Reducing Unsafe Acts by Establishing a Safety Policy 572
- Reducing Unsafe Acts by Setting Specific Loss Control Goals 572
- Reducing Unsafe Acts through Behavior-Based Safety and Safety Awareness Programs 572
- Reducing Unsafe Acts through Employee Participation 572

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA:** Conducting Safety and Health Audits and Inspections 572

EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS 573

- Milliken & Company—World-Class Safety through Employee Engagement 573
- Involvement-Based Employee Engagement 573

WORKPLACE HEALTH HAZARDS: PROBLEMS AND REMEDIES 574

- Chemicals and Industrial Hygiene 574

■ **KNOW YOUR EMPLOYMENT LAW:** Hazard Communication 574

■ **HR AND THE GIG ECONOMY: TEMP EMPLOYEE SAFETY 575**

- Asbestos Exposure at Work and Air Quality 575
- Alcoholism and Substance Abuse 576
- Stress, Burnout, and Depression 577
- Solving Computer-Related Ergonomic Problems 579
- Repetitive Motion Disorders 579
- Sitting 579
- Infectious Diseases 580
- Workplace Smoking 580

OCCUPATIONAL SECURITY AND RISK MANAGEMENT 580

- Enterprise Risk Management 580
- Preventing and Dealing with Violence at Work 581
- Securing the Facility 583
- Terrorism 584
- Cybersecurity 584
- Business Continuity and Emergency Plans 584

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA:** Twitter Notifications 585

CHAPTER SECTION SUMMARIES 585

DISCUSSION QUESTIONS 586

INDIVIDUAL AND GROUP ACTIVITIES 586

EXPERIENTIAL EXERCISE 586

APPLICATION CASE: IT'S ALL ABOUT THE DESK CHAIR 590

CONTINUING CASE: CARTER CLEANING COMPANY 590

TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS 591

KEY TERMS 592

ENDNOTES 592



Managing Global Human Resources 598

THE MANAGER'S GLOBAL CHALLENGE 600

- What Is International Human Resource Management? 600

ADAPTING HUMAN RESOURCE ACTIVITIES TO INTERCOUNTRY DIFFERENCES 600

- Cultural Factors 601
- Legal Factors 602
- Economic Systems 602
- HR Abroad Example: The European Union 603
- HR Abroad Example: China 603

STAFFING THE GLOBAL ORGANIZATION 604

- International Staffing: Home or Local? 604
- Internationalization Stage, Values, and Staffing Policy 604

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA:** Job Boards Abroad 605

■ **IMPROVING PERFORMANCE: HR AS A PROFIT CENTER:** Reducing Expatriate Costs 605

■ TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA: Using Global Virtual Teams	606
Selecting International Managers	607
Diversity Counts: Sending Women Managers Abroad	607
Avoiding Early Expatriate Returns	608
■ IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL BUSINESSES: Some Practical Solutions to the Expatriate Challenge	609
TRAINING AND MAINTAINING EMPLOYEES ABROAD	609
Orienting and Training Employees on International Assignment	609
Ethics and Codes of Conduct	610
Performance Appraisal of International Managers	610
Compensating Managers Abroad	611
Union Relations Abroad	613
Safety Abroad	613
■ IMPROVING PERFORMANCE: HR PRACTICES AROUND THE GLOBE:	
Business Travel	613
Repatriation: Problems and Solutions	614
EMPLOYEE ENGAGEMENT GUIDE FOR MANAGERS	615
Engagement around the Globe	615
MANAGING HR LOCALLY: HOW TO PUT INTO PRACTICE A GLOBAL HR SYSTEM	615
■ IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT: Hyundai Capital	616
Developing a More Effective Global HR System	616
Making the Global HR System More Acceptable	617
Implementing the Global HR System	618
CHAPTER SECTION SUMMARIES	618
DISCUSSION QUESTIONS	619
INDIVIDUAL AND GROUP ACTIVITIES	619
EXPERIENTIAL EXERCISE	620
APPLICATION CASE: SELLING SAND IN THE DESERT	620
CONTINUING CASE: CARTER CLEANING COMPANY	620
TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS	621
KEY TERMS	622
ENDNOTES	622



Managing Human Resources in Small and Entrepreneurial Firms 626

THE SMALL BUSINESS CHALLENGE 628

How Small Business Human Resource Management Is Different 628

Diversity Counts: Necessity and the Entrepreneur 629

Why HRM Is Important to Small Businesses 629

USING INTERNET, GOVERNMENT, AND OTHER TOOLS TO SUPPORT THE HR EFFORT 629

Government Tools for Complying with Employment Laws 630

Online Employment Planning and Recruiting Tools 632

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA** 632

Small Business Employee Selection Tools 633

■ **IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT:** Everlane 634

Small Business Training Tools 634

Employment Appraisal and Compensation Online Tools 635

Employment Safety and Health Tools 635

LEVERAGING SMALL SIZE WITH FAMILIARITY, FLEXIBILITY, FAIRNESS, AND INFORMALITY 635

Simple, Informal Employee Selection Procedures 635

■ IMPROVING PERFORMANCE: HR TOOLS FOR LINE MANAGERS AND SMALL

BUSINESSES: A Streamlined Interviewing Process 635

Flexibility in Training 636

Flexibility in Benefits and Rewards 637

Fairness and the Family Business 639

USING PROFESSIONAL EMPLOYER ORGANIZATIONS 639

How Do PEOs Work? 639

Why Use a PEO? 640

What Is the Alternative? 641

MANAGING HR SYSTEMS, PROCEDURES, AND PAPERWORK 641

Introduction 641

Basic Components of Manual HR Systems 641

Automating Individual HR Tasks 642

Human Resource Information Systems (HRIS) 643

Improved Transaction Processing 643

Online Self-Processing 643

Improved Reporting Capability 643

HR System Integration 643

HRIS Vendors 643

■ **TRENDS SHAPING HR: DIGITAL AND SOCIAL MEDIA:** HR on the Cloud 644

CHAPTER SECTION SUMMARIES 644

DISCUSSION QUESTIONS 645

INDIVIDUAL AND GROUP ACTIVITIES 645

EXPERIENTIAL EXERCISE 645

APPLICATION CASE: NETFLIX BREAKS THE RULES 646

CONTINUING CASE: CARTER CLEANING COMPANY 646

TRANSLATING STRATEGY INTO HR POLICIES AND PRACTICES CASE: IMPROVING PERFORMANCE AT THE HOTEL PARIS 647

ENDNOTES 647

APPENDICES

APPENDIX A HRCI's PHR® and SPHR® Certification Body of Knowledge 650

APPENDIX B About the Society for Human Resource Management (SHRM) Body of Competency & Knowledge® Model and Certification Exams 656

APPENDIX C Comprehensive Cases 671

Glossary 687

Name/Organization Index 696

Subject Index 706

This page intentionally left blank

PREFACE

NEW TO THIS EDITION

Adopters will find three main changes that are new to this edition:

Updated Chapters

To ensure a smooth transition for adopters from the 15th to this 16th edition, this edition's 18 chapter table of contents and the outline of all 18 chapters are basically as they were in the 15th edition, so in terms of teaching, the topic flow is about the same as the 15th edition. However, embedded in each chapter's paragraphs are dozens of new topics, practical examples, and research insights, all accompanied by hundreds of new endnotes from 2015–2018.

We've made sure to integrate the new text material into the book's accompanying PowerPoint slides, test banks, and other instructional supplements.

HR and the Gig Economy Features

It's not easy getting a handle on how many people are working in the gig economy, but the number is huge.ⁱ By some estimates, over 40% of all workers in America may soon be freelancers, and by another estimate about a third of all workers now do gig work on the side, such as teachers driving for Uber.ⁱⁱ

Whatever the exact number, the growth of the so-called gig economy has big implications for those who have to manage gig workers. New **HR and the Gig Economy** features show how companies manage gig workers' HR needs, for example how to recruit, screen, train, appraise, and manage the safety of gig workers.

■ HR AND THE GIG ECONOMY: DISCRIMINATION IN THE GIG ECONOMY?

Most companies use recruiters, supervisors, and/or HR professionals to do their hiring, so if an applicant suffers discrimination it's usually pretty clear who did it.⁸ But what do you do when you're a gig worker, doing work through a gig economy company like Uber, Task Rabbit, or Fiverr? Here the people doing the "hiring" are usually Task Rabbit, Uber, or Fiverr users, and they're hiring based on reviews compiled from previous users, or from photos in your profile. What stops customers from illegally discriminating?

Unfortunately, the answer may be, "not much." For example, in one study of labor markets like Task Rabbit and Fiverr, black service providers got more negative reviews than did white ones. Because the rating algorithms are then based partly on prior customers' reviews, the black service providers were usually less likely to get new gigs. It's therefore a problem that gig companies (and customers) need to address.

New Cases

Application Case

Techtonic Group

Written and copyrighted by Gary Dessler, PhD.

It's been estimated that there are more than 600,000 unfilled technical jobs (systems engineers, programmers, and so on) in the United

States.¹⁷⁸ Therefore, IT companies like Techtonic Group are continually battling for good applicants.

For many years, Techtonic outsourced app software development to Armenia; CEO Heather Terenzio flew twice a year to work with the people there. However, programmers' salaries in Eastern Europe were

Three new end-of-chapter cases (for Chapters 2, 5, and 12) on Starbucks, Techtonic, and HubSpot have been added to the text. They replace older cases in these chapters. All other application cases have also been updated, as necessary, and I wrote a new Experiential Exercise ("Pearson Urgent Care") for chapter 12.

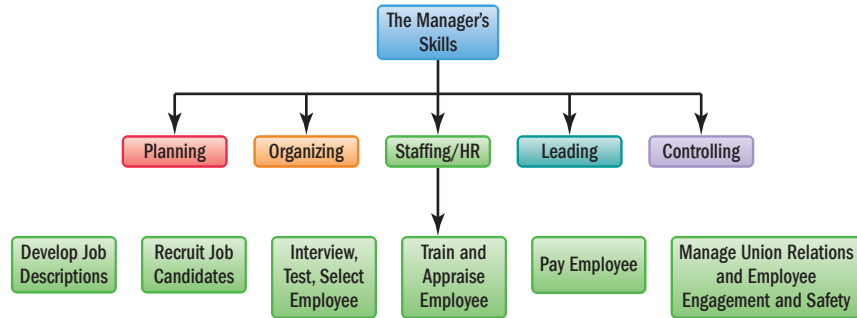
SOLVING TEACHING AND LEARNING CHALLENGES

Human Resource Management, 16th edition, provides students in human resource management courses and practicing managers with a complete and practical introduction to modern human resource management concepts and techniques in a highly readable form. This book has always emphasized giving all managers the

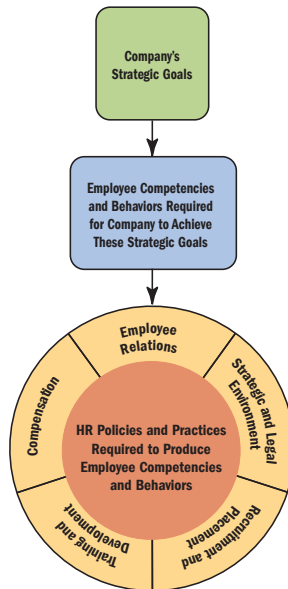
ⁱ <https://www.bls.gov/careeroutlook/2016/article/what-is-the-gig-economy.htm>, accessed June 29, 2018.

ⁱⁱ <https://www.forbes.com/sites/karstenstrauss/2017/02/21/what-is-driving-the-gig-economy/#11e46e81653c>; www.shrm.org/certification/pages/default.aspx#sthash.JRZQeAWR.dpuf, both accessed June 29, 2018.

skills they need to do their jobs. And today, with employers transferring more HR tasks to line managers, it's more important than ever that all managers—not just HR managers—be skilled in human resource management concepts and techniques. As the following figure sums up, you'll therefore find an emphasis here on the practical material you need to perform your day-to-day management responsibilities, even if you never spend one day as an HR manager.



The following tools especially help address teaching and learning challenges.



For example, tied to the chapter-opening scenarios, the **Strategic Context** features in Chapters 3–18 show how actual managers' HR actions produced the employee behaviors that were required to achieve the company's strategic aims.

The Strategic HR Features

This book's Strategic HR features give students a bird's-eye view of how all the topics in each chapter fit together, and a tool instructors can use to illustrate these interrelationships.

As more employers transfer HR tasks to line managers, those managers need a "line of sight" that shows them how their HR actions impact the company's goals. This 16th edition therefore continues the book's emphasis on strategic human resource management and on improving performance, productivity, and profitability at work. This 16th edition also provides a comprehensive fully integrated treatment of strategic human resource management.

IMPROVING PERFORMANCE: THE STRATEGIC CONTEXT

Wegmans Food Markets

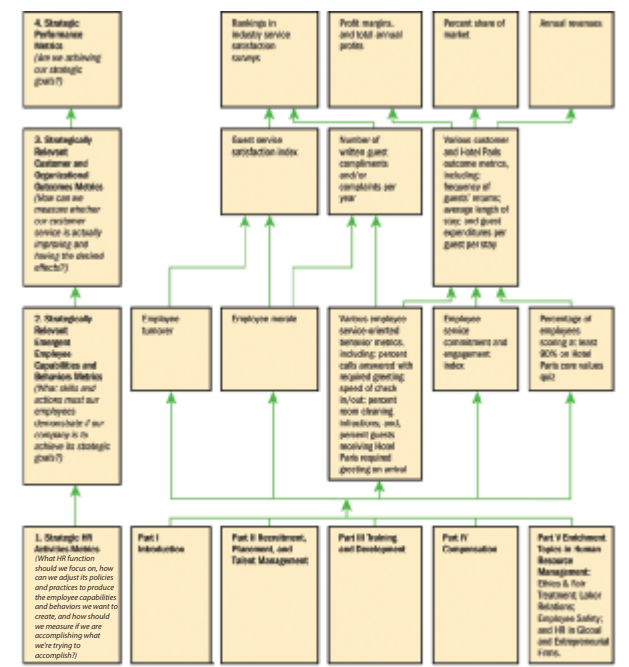
Strategic compensation management means formulating a total rewards package that produces the employee skills and behaviors that the company needs to achieve its strategic goals.

Wegmans exemplifies this. It competes in the retail food sector, where profit margins are thin and where online competitors and giants like Walmart drive costs and prices down. The usual competitor's reaction is to cut employee benefits and costs.⁵⁵ Wegmans takes a different approach. Number 2 on Fortune's 100 Best Companies to Work For,⁵⁶ Wegmans views its workforce as an integral part of achieving Wegmans's strategic aims of *optimizing service while controlling costs by improving systems and productivity*. For example, one dairy department employee designed a new way to organize the cooler, thus improving ordering and inventory control.⁵⁷ The firm offers above-market pay rates, affordable health insurance, and a full range of employee benefits.⁵⁸ Wegmans's pay policies thus aim to produce exactly the sorts of high-productivity employee behaviors the company needs to achieve its strategic aims.

It's likely that its pay policies are one reason for Wegmans's exceptional profitability. For example, its employee turnover (about 6% for full-timers) is well below the industry's overall average of about 47%.⁵⁹ Its stores (which at about 120,000 square feet are much larger than competitors') average about \$950,000 a week in sales (compared to a national average of \$361,564), or about \$49 million in sales annually, compared with a typical Walmart store's grocery sales of \$23.5 million in sales.⁶⁰ As Wegmans's human resource head has said, good employees assure higher productivity, and that translates into better bottom-line results.⁶¹

MyLab Management Talk About It 2

If your professor has assigned this, go to the Assignments section of www.pearson.com/mylab/management to complete this discussion question. If Wegmans does so well with a high-pay policy, why don't more employers do this as well?



HR Scorecard for Hotel Paris International
 Note: An abbreviated example showing selected HR processes and outcomes aimed at implementing the competitive strategy: "To use superior guest services to differentiate the Hotel Paris properties and thus increase the length of stays and the return rate of guests, and thus boost revenues and profitability and help the firm expand geographically."
 The specialized strategy map for each chapter's Hotel Paris case is in the chapter's accompanying MyLab Management.

In addition, a **Fully Integrated Strategy Case and Strategy Maps** help to provide the most comprehensive treatment of strategic human resource management in a HR survey text:

- Chapter 1 introduces and Chapter 3 presents the concepts and techniques of human resource strategy.
- Chapter 3 onward, every chapter contains a **continuing “Hotel Paris” case** (identified by an “Eiffel Tower” icon), written to help make strategic human resource management come alive for readers. The continuing case shows how this hotel’s HR director uses that chapter’s human resource management concepts and techniques to create HR policies and practices that produce the employee skills and behaviors the Hotel Paris needs to improve its service and thereby achieve its strategic goals.
- An overall **strategy map** for the Hotel Paris at the end of the book, and chapter-specific Hotel Paris strategy maps in the accompanying MyLab Management, help readers understand and follow the strategic implications of the hotel’s HR decisions.

Building Employee Engagement

Each chapter’s Building Employee Engagement features help to further integrate the chapter’s topics and to make the book a more coherent whole. *Employee engagement* refers to being psychologically involved in, connected to, and committed to getting one’s jobs done. You’ll find practical examples and advice on how managers build engaged employee work teams and companies. *Employee Engagement Guide for Managers* sections in Chapters 1–14 show how managers use human resource activities to improve employee engagement.

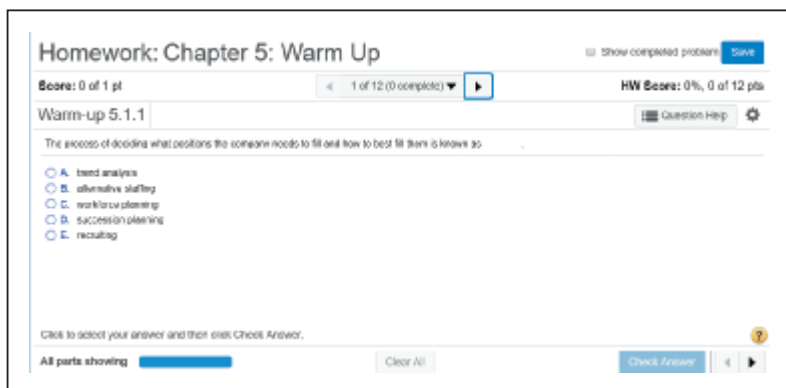
To improve student results, we recommend pairing the text content with **MyLab Management**, which is the teaching and learning platform that empowers you to reach every student. By combining trusted author content with digital tools and a flexible learning platform, MyLab personalizes the learning experience to help your students learn and retain key course concepts while developing skills that future employers are seeking in potential employees. From **Exercise Quizzes to Personal Inventory Assessments**, **MyLab Management** helps you teach your course your way. Learn more at www.pearson.com/mylab/management.

The **Chapter Warm-up** assessment helps you hold your students accountable for **READING** and demonstrating their knowledge on key concepts in each chapter before coming to class.

HOW TO EXECUTE AN EMPLOYEE ENGAGEMENT STRATEGY Actually executing Kia UK’s employee engagement HR strategy involved six steps (and these provide a roadmap for any such endeavor). First, Kia UK set *measurable objectives* for the program. These objectives included improving by at least 10% survey feedback scores for line managers’ behaviors in terms of communication, the quality of appraisal feedback they gave their direct reports, the recognition of work done, and the respect between manager and employee.⁷⁹ Other objectives included reducing employee turnover employment costs (e.g., recruitment costs) by at least 10% per year.

Second, Kia UK held an extensive *leadership development* program. For example, it sent all managers for training to improve their management skills. Kia then tested the new skills with “360-degree” assessment tools (having managers’ bosses, peers, and subordinates rate the managers’ new leadership skills).

Third, Kia UK instituted new *employee recognition programs*. These included, for instance, giving “Outstanding Awards” to selected employees quarterly, and “Kia thank you” cards for jobs well done.⁸⁰



Multiple opportunities to apply course concepts are found throughout the text and in **MyLab Management**. Each chapter references MyLab Management exercises such as **Apply It Videos** about real companies. **Engaging Videos** explore a variety of business topics related to the theory students are learning in class. **Exercise Quizzes** assess students' comprehension of the concepts in each video.



The author has recommended a **Personal Inventory Assessment** for most chapters, which is assignable in MyLab Management. These assessments help develop professionalism and awareness of oneself and others, skills necessary for future career success.

Personal Inventory Assessments is a collection of online exercises designed to promote self-reflection and engagement in students. It enhances their ability to connect with concepts taught in principles of management, organizational behavior, and human resource management classes.