Part 1 Introduction  1
Chapter 1  The Strategic Role of Human Resource Management  1
Chapter 2  Equal Opportunity and the Law  25

Part 2 Recruitment and Placement  59
Chapter 3  Job Analysis  59
Chapter 4  HR Planning and Recruiting  89
Chapter 5  Employee Testing and Selection  126
Chapter 6  Interviewing Candidates  160

Part 3 Training and Development  184
Chapter 7  Training and Developing Employees  184
Chapter 8  Managing Strategic Organizational Renewal  216
Chapter 9  Appraising and Managing Performance  240
Chapter 10  Managing Careers and Fair Treatment  273

Part 4 Compensation  301
Chapter 11  Establishing Strategic Pay Plans  301
Chapter 12  Pay for Performance and Financial Incentives  333
Chapter 13  Benefits and Services  363

Part 5 Labor Relations and Employee Security  395
Chapter 14  Labor Relations and Collective Bargaining  395
Chapter 15  Employee Safety and Health  427

Part 6 Global HRM  464
Chapter 16  Managing Global Human Resources  464

Notes  489
Glossary  527
Photo Credits  536
Name and Organization Index  537
Subject Index  543
Equal Pay Act of 1963 27
Age Discrimination in Employment Act of 1967 27
Vocational Rehabilitation Act of 1973 28
Vietnam Era Veterans’ Readjustment Assistance Act of 1974 28
Pregnancy Discrimination Act of 1978 28
Federal Agency Guidelines 28
Sexual Harassment 29
Early Court Decisions Regarding Equal Employment Opportunity 31

**Equal Employment Opportunity 1991–Present** 33
The Civil Rights Act of 1991 33

**The New Workplace: Enforcing the 1991 Civil Rights Act Abroad** 34
The Americans with Disabilities Act 34
State and Local Equal Employment Opportunity Laws 37

**Defenses Against Discrimination Allegations** 39
Adverse Impact 39
Bona Fide Occupational Qualification 41
Business Necessity 42
Other Considerations in Discriminatory Practice Defenses 43

**Some Discriminatory Employment Practices** 43
Discriminatory Recruitment Practices 43
Discriminatory Selection Standards 44
Sample Discriminatory Promotion, Transfer, and Layoff Practices 45

**The EEOC Enforcement Process** 45
Processing a Charge 45
Conciliation Proceedings 46
How to Respond to Employment Discrimination Charges 47
Mandatory Arbitration of Discrimination Claims 49

**Diversity Management and Affirmative Action Programs** 50
Managing Diversity 50

**Strategic HR: Longo Toyota’s Competitive Advantage** 51
Boosting Workforce Diversity 51
Equal Employment Opportunity Versus Affirmative Action 52
Affirmative Action: Two Basic Strategies 52

**HR.NET: Recruiting Minorities Online** 54

**Summary** 54

**Tying It All Together** 55

**Discussion Questions** 55

**Individual and Group Activities** 56

**Experiential Exercise: Too Informal?** 56

**Application Case: A Case of Racial Discrimination?** 57

**Continuing Case: LearnInMotion.com, A Question of Discrimination** 57

### PART 2 RECRUITMENT AND PLACEMENT 59

**Chapter 3 Job Analysis** 59

**Strategic Overview: U.S. Bank** 59

**The Nature of Job Analysis** 60
Uses of Job Analysis Information 60
Steps in Job Analysis 61

**Methods of Collecting Job Analysis Information** 63
The Interview 63
Questionnaires 67
Observation 67
Participant Diary/Logs 67
Quantitative Job Analysis Techniques 68
Using Multiple Sources of Information 71

**Writing Job Descriptions** 71
Job Identification 73
Job Summary 73
Relationships 74
Responsibilities and Duties 74

**The New Workplace:** Writing Job Descriptions That Comply with the ADA 75
Standards of Performance and Working Conditions 75
HR.NET: Using the Internet for Writing Job Descriptions 76

**Writing Job Specifications** 76
Specifications for Trained Versus Untrained Personnel 77
Specifications Based on Judgment 77
Specifications Based on Statistical Analysis 79

**Entrepreneurs + HR:** A Practical Job Analysis Approach 79

**Job Analysis in a “Jobless” World** 82
From Specialized to Enlarged Jobs 82
Why Managers Are Dejobbing Their Companies 82

**Strategic HR:** Implementing the New Strategy at U.S. Bank 85

**Summary** 86
Tying It All Together 86
Discussion Questions 86

**Individual and Group Activities** 87
Experiential Exercise 87

Application Case: Tropical Storm Allison 87
Continuing Case: LearnInMotion.com, Who Do We Have to Hire? 88

**Chapter 4 HR Planning and Recruiting** 89

**Strategic Overview:** Sutter Health 89

**Employment Planning and Forecasting** 90
How to Forecast Personnel Needs 91
Forecasting the Supply of Inside Candidates 93
Forecasting the Supply of Outside Candidates 96

**Effective Recruiting** 97
The Recruiting Yield Pyramid 97

**Internal Sources of Candidates** 98
Finding Internal Candidates 99
Hiring Employees—the Second Time Around 99
Succession Planning 100

**Outside Sources of Candidates** 101
Advertising 101
Employment Agencies 103
Temp Agencies and Alternative Staffing 104
Executive Recruiters 107

**Entrepreneurs + HR:** Expanding the Management Team 108
College Recruiting 109
Referrals and Walk-Ins 111
Recruiting on the Internet 112

HR.NET: Recruiting Online 113

**Strategic HR:** Using an E-Recruiting ASP 115

**Recruiting a More Diverse Workforce** 116
Recruiting Single Parents 116
Older Workers As a Source of Candidates 117
The New Workplace: “Supervising the Graybeards” 118
   Recruiting Minorities and Women  118
   Welfare-to-Work  118
   The Global Talent Search  119
Developing and Using Application Forms  119
   Purpose of Application Forms  119
   Equal Opportunity and Application Forms  120
   Alternative Dispute Resolution  122
   Using Application Forms to Predict Job Performance  122
Summary  122
Tying It All Together  123
Discussion Questions  123
Individual and Group Activities  123
Experiential Exercise: Creating a Recruitment Ad  124
Application Case: Finding People Who Are Passionate About What They Do  124
Continuing Case: LearnInMotion.com, Getting Better Applicants  125

Chapter 5 Employee Testing and Selection  126
Strategic Overview: City Garage  126
Why Careful Selection Is Important  127
Basic Testing Concepts  127
   Validity  128
   Reliability  129
   How to Validate a Test  129
   Equal Employment Opportunity Aspects of Testing  132
   Test Takers’ Individual Rights and Test Security  133
   The Issue of Privacy  134
   Using Tests at Work  134
   Computer-Interactive Testing  136
Types of Tests  136
   Tests of Cognitive Abilities  136
   Tests of Motor and Physical Abilities  137
   Measuring Personality and Interests  138
Entrepreneurs + HR: Testing  138
   Achievement Tests  140
HR.NET: Using the Web for Testing and Screening  141
Work Samples and Simulations  141
   Work Sampling for Employee Selection  141
   Management Assessment Centers  142
   Video-Based Situational Testing  143
   The Miniature Job Training and Evaluation Approach  143
Other Selection Techniques  144
   Background Investigations and Reference Checks  144
Preemployment Information Services  148
   The Polygraph and Honesty Testing  149
   Graphology  151
   Physical Examination  152
   Substance Abuse Screening  152
Strategic HR: City Garage’s New Hiring Process  154
   Complying with Immigration Law  154
Summary  155
Tying It All Together  156
Discussion Questions  156
Chapter 6 Interviewing Candidates 160

Strategic Overview: Staples, Inc. 160

Basic Features of Interviews 161
   Types of Interviews 161

Strategic HR: Staples's IT Employees 166
   Administering the Interview 166

HR.NET: Online Interviews 168
   Are Interviews Useful? 169

What Can Undermine an Interview's Usefulness? 169
   First Impressions 169
   Misunderstanding the Job 170
   Candidate-Order (Contrast) Error and Pressure to Hire 170
   Nonverbal Behavior and Impression Management 171
   Effect of Personal Characteristics: Attractiveness, Gender, Race 171

The New Workplace: Employment Discrimination Testers 172
   Interviewer Behavior 172

Designing and Conducting the Effective Interview 173
   The Structured Situational Interview 173
   How to Conduct an Interview 174

Entrepreneurs + HR: A Streamlined Effective Interview 177

Summary 179

Tying It All Together 180

Discussion Questions 180

Individual and Group Activities 181

Experiential Exercise 181

Application Case: The Out-of-Control Interview 182

Continuing Case: LearnInMotion.com, The Better Interview 182

PART 3 TRAINING AND DEVELOPMENT 184

Chapter 7 Training and Developing Employees 184

Strategic Overview: Channel 4, UK 184

Orienting Employees 185
   Why Orientation Is Important 185
   Using Orientation to Reduce Stress 187

The Training Process 187
   Why the Training Business Is Booming 187
   The Five-Step Training and Development Process 188
   Training and Learning 188
   Legal Aspects of Training 189
   Analyzing Training Needs 189
   Task Analysis: Assessing New Employees' Training Needs 190
   Performance Analysis: Assessing Current Employees' Training Needs 190

Traditional Training Methods 192
   On-the-Job Training 192
   Apprenticeship Training 193
   Informal Learning 194
   Job Instruction Training 194
Lectures 194
Programmed Learning 195
Audiovisual Tools 195
Simulated Training 196

**Electronic Training 196**
- Computer-Based Training 196
- Electronic Performance Support Systems (EPSS) 197
- Distance and Internet-Based Training 197

**HR.NET: GTE's Technology-Based Training** 199

**Strategic HR: Channel 4 Becomes Competitive** 200

**Training for Special Purposes 200**
- Literacy Training Techniques 200
- AIDS Education 201
- Training for Global Business 202
- Diversity Training 202
- Customer Service Training 203

**The New Workplace: Training Employees to Please Customers** 203
- Teamwork Training 203
- Providing Lifelong Learning 204

**Managerial Development and Training 204**
- What Is Management Development? 204
- The New Leadership Development Methods 205
- Managerial on-the-Job Training 205
- Off-the-Job Training and Development Techniques 206
- Executive Development in Global Companies 209

**Evaluating the Training Effort 210**
- Designing the Study 210
- Training Effects to Measure 210

**Summary 212**
- Tying It All Together 212
- Discussion Questions 213

**Individual and Group Activities 213**
- Experiential Exercise 213

**Application Case: Reinventing the Wheel at Apex Door Company** 214

**Continuing Case: LearnInMotion.com, The New Training Program** 214

---

**Chapter 8 Managing Strategic Organizational Renewal 216**

**Strategic Overview: Signicast 216**

**HR’s Role in Organizational Change 217**

**Managing Organizational Change and Development 217**
- What to Change 217
- Leading Change: Lewin’s Process 219
- A 10-Step Change Process 219
- Using Organizational Development 221

**Instituting Total Quality Management Programs 224**
- What Is Quality? 224
- Total Quality Management Programs 225
- HR’s Role in Quality Management 225

**Creating Team-Based Organizations 227**
- The Nature of Self-Directed Teams and Worker Empowerment 227

**Entrepreneurs + HR: Lois Melbourne of Time Vision 228**
- How HR Helps to Build Productive Teams 228

**Strategic HR: Creating Teams at Signicast 230**
- HR and Employee Involvement Programs 230
Chapter 9 Appraising and Managing Performance 240

Strategic Overview: Ford Motor Co. 240

The Appraisal Process 241
- The Supervisor’s Role 241
- Steps in Appraising Performance 242
- How to Clarify Your Expectations 243

Appraisal Methods 243
- Graphic Rating Scale Method 243
- Alternation Ranking Method 245
- Paired Comparison Method 245
- Forced Distribution Method 247

Entrepreneurs + HR: Appraisals at Glenroy 247
- Critical Incident Method 248
- Narrative Forms 248
- Behaviorally Anchored Rating Scales 250
- Management by Objectives (MBO) 251
- Computerized and Web-Based Performance Appraisal 252
- Mixing the Methods 253

Appraising Performance: Problems and Solutions 253
- Dealing with Rating Scale Appraisal Problems 253
- How to Avoid Appraisal Problems 256
- Legal and Ethical Issues in Performance Appraisal 256
- Who Should Do the Appraising? 258

HR.NET: Avoiding 360-Degree Paperwork 260

The Appraisal Interview 261
- Types of Interviews 262
- How to Conduct the Appraisal Interview 262
- Current Practice 264

Strategic HR: Ford Gets Tough 264

The Role of Appraisals in Managing Performance 265
- Do Appraisals Really Help to Improve Performance? 265
- The Performance Management Approach 265

The New Workplace: Performance Management Abroad 266
- TQM-Based Appraisals 266

Summary 269
Tying It All Together 269
Discussion Questions 269
Individual and Group Activities 270
Chapter 10 Managing Careers and Fair Treatment 273

Strategic Overview: Crystal Gateway Marriott 273

The Basics of Career Management 274
  Career Development Roles 274
HR.NET: Career Planning and the Web 275
  The Employer’s Role in Career Management 275
Managing Promotions and Transfers 277
  Making Promotion Decisions 277
The New Workplace: Promotion and Career Management for Women 278
  Handling Transfers 279
Career Management and Commitment 280
  Career Development Programs 280
  Career-Oriented Appraisals 281
  Career Records/Job Posting Systems 281
Managing Fair Treatment 282
  Creating a Better Environment 283
  Build Two-Way Communications 283
Strategic HR: Communicating Financial Information at Gateway Marriott 285
  Emphasize Fairness in Disciplining 285
  Manage Employee Privacy 287
Managing Dismissals 288
  Grounds for Dismissal 288
  Avoiding Wrongful Discharge Suits 290
  The Termination Interview 292
  Layoffs and the Plant Closing Law 293
  Adjusting to Downsizings and Mergers 295
  Retirement 296
Summary 297
Tying It All Together 297
Discussion Questions 298
Individual and Group Activities 298
Experiential Exercise 298
Application Case: The Mentor Relationship Turns Upside Down 299
Continuing Case: LearnInMotion.com, The Career Planning Program 300

PART 4 COMPENSATION 301

Chapter 11 Establishing Strategic Pay Plans 301

Strategic Overview: IBM 301
Determining Pay Rates 302
  Legal Considerations in Compensation 302
  Union Influences on Compensation Decisions 304
  Corporate Policies and Competitive Strategy 304
The New Workplace: Compensating Expatriate Employees 306
  Equity and Its Impact on Pay Rates 306
Establishing Pay Rates 307
  Step 1. The Salary Survey 307
HR.NET: Doing an Internet-Based Salary Survey 309
  Step 2. Job Evaluation 310
Chapter 12 Pay for Performance and Financial Incentives 333

Strategic Overview: AmeriSteel 333

Money and Motivation 334

Performance and Pay 334
Types of Incentive Plans 334

Incentives for Operations Employees 335

Piecework Plans 335
Team or Group Variable Pay Incentive Plans 336

Incentives for Managers and Executives 337

Short-Term Incentives: The Annual Bonus 338
Long-Term Incentives 339

The New Workplace: Long-Term Incentives for Overseas Executives 342
Strategy and Executive Compensation 342

Incentives for Salespeople 343

Salary Plan 343
Commission Plan 344
Combination Plan 345

HR.NET: Online Award Programs 346
Setting Sales Quotas 346
Strategic Sales Incentives 347

Incentives for Other Professionals and Nonmanagerial Employees 348

Merit Pay As an Incentive 348
Merit Pay Options 348
Incentives for Professional Employees 349

Organizationwide Variable Pay Plans 350

Profit-Sharing Plans 350
Employee Stock Ownership Plans (ESOP) 350
Scanlon Plans 351
Gainsharing Plans 352
At-Risk Variable Pay Plans 354
Strategic HR: AmeriSteel's New Incentive Plan 354

Developing More Effective Incentive Plans 355
   Why Incentive Plans Don’t Work 355
   How to Implement Incentive Plans 356

Entrepreneurs + HR: Incentive Plans in a Small Business 357
   Incentive Plans in Practice 358

Summary 359
Tying It All Together 359
Discussion Questions 360
Individual and Group Activities 360
Experiential Exercise 360

Application Case: Bringing the Team Concept into Compensation—or Not 361
Continuing Case: LearnInMotion.com, The Incentive Plan 362

Chapter 13 Benefits and Services 363

Strategic Overview: Patio Enclosures, Inc. 363

The Benefits Picture Today 364
Pay for Time Not Worked 364
   Unemployment Insurance 364
   Vacations and Holidays 365
   Sick Leave 368
   Parental Leave and the Family and Medical Leave Act 369
   Severance Pay 370
   Supplemental Unemployment Benefits 370

Insurance Benefits 373
   Workers' Compensation 373
   Hospitalization, Health, and Disability Insurance 374
   Life Insurance 377
   Benefits for Part-Time Workers 377

Retirement Benefits 377
   Social Security 378
   Pension Plans 378

HR.NET: Managing 401(k) Plans Online 379
   Pension Planning 380
   Pensions and the Law 380
   Pension Trends 380

Strategic HR: Patio's Better Benefits Program 382

Employee Services 383
   Personal Services 383
   Job-Related Services 384

The New Workplace: Family-Friendly Benefits 386
   Executive Perquisites 388

Flexible Benefits Programs 388
   The Cafeteria Approach 389
   Flexible Programs: Pros and Cons 390
   Computers and Benefits Administration 390

Entrepreneurs + HR: Benefits and Employee Leasing 390

Summary 391
Tying It All Together 392
Discussion Questions 392
Individual and Group Activities 392
Experiential Exercise 393

Application Case: "Benefits? Who Needs Benefits?" 393
Continuing Case: LearnInMotion.com, The New Benefits Plan 393
PART 5   LABOR RELATIONS AND EMPLOYEE SECURITY  395

Chapter 14 Labor Relations and Collective Bargaining  395

Strategic Overview: Amazon.com  395

The Labor Movement  396
   A Brief History of the American Union Movement  396
   Why Do Workers Organize?  397
   What Do Unions Want?  398
   The AFL-CIO  398

Unions and the Law  399
   Period of Strong Encouragement: The Norris-LaGuardia (1932) and National
      Labor Relations or Wagner Acts (1935)  399
   Period of Modified Encouragement Coupled with Regulation:
      The Taft-Hartley Act (1947)  400
   Period of Detailed Regulation of Internal Union Affairs:
      The Landrum-Griffin Act (1959)  402

Entrepreneurs + HR: Dot-Coms and Unions  403

The Union Drive and Election  404
   Step 1. Initial Contact  404
   Step 2. Obtaining Authorization Cards  405
   Step 3. Hold a Hearing  406
   Step 4. The Campaign  408
   Step 5. The Election  408
   How to Lose an NLRB Election  409
   The Supervisor's Role  410
   Rules Regarding Literature and Solicitation  410

The New Workplace: Unions Go Global  411
   Decertification Elections: Ousting the Union  412

The Collective Bargaining Process  412
   What Is Collective Bargaining?  412
   What Is Good Faith?  412
   The Negotiating Team  413
   Bargaining Items  414
   Bargaining Stages  414
   Bargaining Hints  415
   Impasses, Mediation, and Strikes  415
   The Contract Agreement  417

Strategic HR: Amazon.com and Unionization  418

Grievances  418
   Sources of Grievances  418
   The Grievance Procedure  419
   Guidelines for Handling Grievances  420

The Future of Unionism  421
   Why Union Membership Is Declining  421
   What's Next for Unions?  421

HR.NET: Unions and the Internet  422
   Employee Participation Programs and Unions  422

Summary  423
Tying It All Together  424
Discussion Questions  424
Individual and Group Activities  425
Experiential Exercise  425
Application Case: Disciplinary Action  425
Continuing Case: LearnInMotion.com, Keeping a Watchful Eye Out for the Union  426
Chapter 15 Employee Safety and Health  427

Strategic Overview: Con Edison  427

Why Employee Safety and Health Are Important  428

Occupational Safety Law  428
- OSHA Standards and Record Keeping  429
- Inspections and Citations  430
- Responsibilities and Rights of Employers and Employees  433
- The Changing Nature of OSHA  434

Entrepreneurs + HR: Getting Workers to Comply  434

Management Commitment and Safety  435

Strategic HR: Con Ed and “Safety First”  435

What Causes Accidents?  436
- Unsafe Conditions and Other Work-Related Factors  436
- What Causes Unsafe Acts? (A Second Basic Cause of Accidents)  438

How to Prevent Accidents  439
- Reducing Unsafe Acts by Emphasizing Safety  440
- Reducing Unsafe Acts Through Selection and Placement  440
- Reducing Unsafe Acts Through Training  441

HR.NET: Using the Web to Promote Safety  441
- Reducing Unsafe Acts Through Motivation: Posters, Incentive Programs, and Positive Reinforcement  441
- Behavior-Based Safety  443
- Conduct Safety and Health Inspections  443
- Safety Beyond the Plant Gate  443

The New Workplace: Safety at Saudi Petrol Chemical  444
- Controlling Workers’ Compensation Costs  444

Employee Health: Problems and Remedies  445
- Alcoholism and Substance Abuse  445
- Job Stress and Burnout  448
- Asbestos Exposure at Work  450
- Computer-Related Health Problems  450
- AIDS and the Workplace  451
- Workplace Smoking  452
- Violence at Work  452

Summary  456

Tying It All Together  457

Discussion Questions  457

Individual and Group Activities  457

Experiential Exercise  457

Application Case: The New Safety Program  461

Continuing Case: LearnInMotion.com, The New Safety and Health Program  462

---

PART 6 GLOBAL HRM  464

Chapter 16 Managing Global Human Resources  464

Strategic Overview: Siemens  464

HR and the Internationalization of Business  465
- The HR Challenges of International Business  465
- How Intercountry Differences Affect HRM  466

Improving International Assignments Through Selection  468
- Why International Assignments Fail  469
- International Staffing: Home or Local?  469
Training and Maintaining International Employees 473

- Orienting and Training Employees on International Assignment 473
- International Compensation 474
- Performance Appraisal of International Managers 477
- International Labor Relations 477
- Safety and Fair Treatment Abroad 478

HR.NET: Human Resource Information Systems 479

- Repatriation: Problems and Solutions 479

Strategic HR: Siemens Global HR Management 480

A Final Word: Strategic HR 481

- Strategy and Strategic HR 481
- Management Values and Philosophy 482
- Auditing the HR Function 483

Summary 484

Tying It All Together 485

Discussion Questions 485

Individual and Group Activities 485

Experiential Exercise: Compensation Incentives for Expatriate Employees 486

Application Case: "Boss, I Think We Have a Problem" 486

Continuing Case: LearnInMotion.com, Going Abroad 487

Notes 489

Glossary 527

Photo Credits 536

Name and Organization Index 537

Subject Index 543