

# Human Resource Management

FIFTEENTH EDITION

Joseph J. Martocchio







# Engage, Assess, Apply and Develop Employability Skills with MyLab Management



of students said it helped them earn higher grades on homework, exams, or the course

\*Source: 2016 Student Survey, n 490

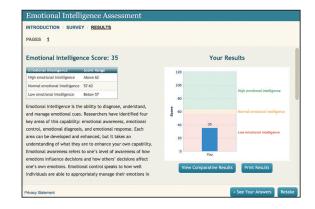
**MyLab**<sup>TM</sup> **Management** is an online homework, tutorial, and assessment program constructed to work with this text to engage students and improve results. It was designed to help students develop and assess the skills and applicable knowledge that they will need to succeed in their courses and their future careers.

See what more than 25,000 students had to say about MyLab Management:

"[MyLab Management] is great. I can access all of the information needed for the course under the home screen. It's easy to navigate and includes helpful videos and tips to help me better understand the course."

Sheena Dunio,
Student at Southern New Hampshire University

**Personal Inventory Assessments** is a collection of online exercises designed to promote **self-reflection** and engagement in students, enhancing their ability to connect with management concepts. These assessments help develop professionalism and awareness of oneself and others, giving students the skills necessary for their future career.





# **Human Resource Management, Global Edition**

## **Table of Contents**

1	$\cap$	$\sim$	١	,	Δ	r
ı		( )	١.	,	_	

Title Page

Copyright Page

**Brief Contents** 

Contents

**Preface** 

## Part One Setting the Stage

#### Chapter 1 Human Resource Management: An Overview

Human Resource Management: What It is and Why It is Important

Why Study HRM?

**Human Resource Management Functions** 

#### Who Performs Human Resource Management Activities?

Human Resource Management Professional

Line Managers

**Human Resources Outsourcing** 

**Human Resources Shared Service Centers** 

Professional Employer Organizations

More about HR Professionals

HR BLOOPERS: Staffing Stone Consulting

#### Human Resources as a Strategic Business Partner in a Dynamic Environment

Capital and Human Capital

Dynamic Human Resource Management Environment

#### The Role of HRM in Building Corporate Culture and Employer Branding

Corporate Culture

**Employer Branding** 

#### Human Resource Management in Small Businesses

Country Culture and Global Business

#### Developing Skills for Your Career

Communication

Critical Thinking

Collaboration

Knowledge Application and Analysis

Business Ethics and Social Responsibility



Information Technology Application and Computing Skills

**Data Literacy** 

Scope of This Book

Preparing for Exams/Quizzes

**Key Terms** 

Questions for Review

Preparing for My Career

Ethics Dilemma: Termination by Proxy

HRM Is Everyone's Business

HRM by the Numbers

Working Together: Team Exercise INCIDENT 1: HR After a Disaster

INCIDENT 2: Parental Leave at Yahoo

**Endnotes** 

#### Chapter 2 Business Ethics, Corporate Social Responsibility, and Sustainability

Defining Ethics and the Sources of Ethical Guidance

**Business Ethics** 

Sources of Ethical Guidance

Legislating Ethics

#### Creating an Ethical Culture and a Code of Ethics

**Ethical Culture** 

Code of Ethics

#### **Human Resource Ethics**

Linking Pay to Ethical Behavior

**Ethics Training** 

HR BLOOPERS: Sales Incentives at Pinser Pharmaceuticals

#### Corporate Social Responsibility and Sustainability

Corporate Social Responsibility

Corporate Sustainability

Conducting a Social Audit

Preparing for Exams/Quizzes

**Key Terms** 

Questions for Review

Preparing for My Career

Ethics Dilemma: A Selection Quandary

HRM is Everyones Business

HRM by the Numbers

Working Together: Team Exercise

INCIDENT 1: Is It Private and Confidential?



**INCIDENT 2: Illegal Hiring** 

**Endnotes** 

#### Chapter 3 Equal Employment Opportunity, Affirmative Action, and Workforce Diversity

#### Equal Employment Opportunity and the Federal Laws Affecting Eeo

Constitutional Amendments and the Civil Rights Act of 1866

Title VII of the Civil Rights Act of 1964, Amended in 1972

Equal Pay Act of 1963, Amended in 1972

Lilly Ledbetter Fair Pay Act of 2009

Pregnancy Discrimination Act of 1978

Civil Rights Act of 1991

Age Discrimination in Employment Act of 1967, Amended in 1978, 1986, and 1990

Age Can Actually Be a Bona Fide Occupational Qualification

Rehabilitation Act of 1973

Vietnam Era Veterans Readjustment Assistance Act of 1974

Vietnam Era Veterans Readjustment Assistance Act of 1974, as Amended

Americans with Disabilities Act of 1990

Americans with Disabilities Act Amendments Act of 2008

Immigration Reform and Control Act of 1986

Uniformed Services Employment and Reemployment Rights Act of 1994

Genetic Information Nondiscrimination Act of 2008

State and Local Laws

#### Whos Responsible for Ensuring Equal Employment Opportunity?

**Equal Employment Opportunity Commission** 

Office of Federal Contract Compliance Programs

**Employers** 

#### Illegal Discrimination and Affirmative Action

Uniform Guidelines on Employee Selection Procedures

Types of Unlawful Employment Discrimination

Affirmative Action

#### Uniform Guidelines on Preventing Specific Illegal Employment Discrimination

Guidelines on Sexual Harassment

Guidelines on Discrimination Because of National Origin

Guidelines on Discrimination Because of Religion

Guidelines on Caregiver (Family Responsibility) Discrimination

Discrimination Because of Disability

#### Diversity and Diversity Management

#### Elements of the Diverse Workforce

Single Parents and Working Mothers

Women in Business

Mothers Returning to the Workforce (on Ramping)

**DualCareer Families** 



Ethnicity and Race

Older Workers

People with Disabilities

**Immigrants** 

Foreign Workers

Young Persons, Some with Limited Education or Skills

Baby Boomers, Gen X, Gen Y, and Gen Z

HR BLOOPERS: Affirmative Action and Workforce Diversity

Multigenerational Diversity

Lesbian, Gay, Bisexual, and Transgender Employees

Preparing for Exam/Quizzes

Key Terms

Questions for Review

Preparing for My Career

Ethics Dilemma: How About Me?

HRM Is Everyone's Business

HRM by the Numbers

Working Together: Team Exercise

INCIDENT 1: Youre Not a Good Employee

INCIDENT 2: Gender Diversity: Change for the Better?

**Endnotes** 

## Part Two Staffing

#### Chapter 4 Strategic Planning, Human Resource Planning, and Job Analysis

#### HR Strategic Planning Process

Mission Determination

#### Human Resource Planning

Forecasting Human Resource Requirements

HR BLOOPERS: Workforce Planning at Master Cleaners

Forecasting Human Resource Availability

Shortage or Surplus of Workers Forecasted

Succession Planning: A Component of Strategic Planning

#### Job Analysis: Process and Methods

Reasons for Conducting Job Analysis

Job Analysis Methods

#### Job Descriptions

Job Identification

Date of the Job Analysis

Job Summary

**Duties Performed** 



Job Specification

Standard Occupational Classification (SOC)

The Occupational Information Network (O\*NET)

Competencies and Competency Modeling

Job Design Concepts

Preparing For Exam/Quizzes

Key Terms

Questions for Review

Preparing For My Career

Ethics Dilemma: Which of the Best Should Go?

HRM is Everyone's Business

HRM by the Numbers

Working Together: Team Exercise

INCIDENT 1: Competitive Strategy at Buddy Dog Foods

**INCIDENT 2: Competencies** 

**Endnotes** 

#### Chapter 5 Recruitment

Recruitment and the Recruitment Process

#### **Environment of Recruitment**

Labor Market Conditions

Active or Passive Job Seekers

Legal Considerations

#### Internal Recruitment Methods

**Human Resource Databases** 

Job Posting and Job Bidding

HR BLOOPERS: Recruiting Skilled Machinists

Employee Referrals

#### **External Recruitment Sources**

High Schools and Vocational Schools

**Community Colleges** 

Colleges and Universities

Competitors in the Labor Market

Former Employees

Unemployed

Military Personnel

SelfEmployed Workers

ExOffenders

#### **External Recruitment Methods**

Online and Mobile Recruiting



**Traditional Methods** 

Tailoring Recruitment Methods to Sources

#### Alternatives to Recruitment

**Promotion Policies** 

Overtime

Onshoring

Preparing for Exam/Quizzes

Key Terms

Questions for Review

Preparing for My Career

Ethics Dilemma: Unfair Advantage?

HRM is Everyones Business

HRM by the Numbers

Working Together: Team Exercise

**INCIDENT 1: Poor Choices** 

INCIDENT 2: I Am Qualified, Why Not Me?

**Endnotes** 

#### Chapter 6 Selection

Selection and Environmental Factors Affecting the Selection Process

The Selection Process

The Environment of Selection

#### Preliminary Screening and Review of Applications and RÉsumÉs

#### Selection Tests

**Preliminary Considerations** 

Advantages and Disadvantages of Selection Tests

Characteristics of Properly Designed Selection Tests

Test Validation Approaches

**Employment Tests** 

Unique Forms of Testing

Legal Considerations

#### **Employment Interview**

Interview Planning

HR BLOOPERS: The First Interview

Content of the Interview

Candidates Role and Expectations

General Types of Interviews

Methods of Interviewing

Potential Interviewing Problems

Concluding the Interview

PreEmployment Screening and Background Checks



Employment Eligibility Verification (Form I9)

Continuous Background Investigation

Background Investigation with Social Media

Remembering Hiring Standards to Avoid

#### Selection Decision and Evaluating the Effectiveness of Selection Decisions

Making the Selection Decision

**Evaluating Selection Decisions** 

Preparing for Exam/Quizzes

Key Terms

Questions for Review

Preparing for My Career

Ethics Dilemma: Hiring with Incomplete Information

HRM Is Everyones Business

HRM by the Numbers

Working Together: Team Exercise INCIDENT 1: A Matter of Priorities

INCIDENT 2: No Drama

**Endnotes** 

## Part Three Performance Management and Training

### Chapter 7 Performance Management and Appraisal

Performance Management, Performance Appraisal, and the Performance Appraisal Process

Performance Management

Performance Appraisal

Performance Appraisal Process

#### The Uses of Performance Appraisal and Performance Criteria

Uses of Performance Appraisal

Performance Criteria

Responsibility for Performance Appraisal

Performance Appraisal Period

#### Choosing a Performance Appraisal Method

Trait Systems

Comparison Systems

Behavioral Systems

ResultsBased Systems

HR BLOOPERS: Appraising Performance at Global Insurance

#### Assessing the Effectiveness and Limitations of Performance Appraisal Practices

Characteristics of an Effective Appraisal System

Limitations of Performance Appraisal

Legal Considerations



#### Performance Appraisal Interview

Scheduling the Interview

Interview Structure

Use of Praise and Criticism

**Employees Role** 

Concluding the Interview

Trends in Performance Appraisal Practice

Preparing for Exams/Quizzes

Key Terms

Questions for Review

Preparing for My Career

Ethics Dilemma: Abdication of Responsibility

HRM is Everyones Business

HRM by the Numbers

Working Together: Team Exercise

INCIDENT 1: These Things Are a Pain

INCIDENT 2: Good Job!

**Endnotes** 

#### Chapter 8 Training and Development

Training and Development and Related Practices

Training and Development Process

Determine Specific Training and Development Needs

Establish Training and Development Program Objectives

**Training Methods** 

Training and Development Delivery Systems

Implementing Training and Development Programs

Metrics for Evaluating Training and Development

Factors Influencing Training and Development

#### Human Resource Management Training Initiatives

#### Careers and Career Planning Approaches and Methods

Traditional Career Path

Network Career Path

Lateral Skill Path

**DualCareer Path** 

Adding Value to Your Career

Demotion

Free Agents (Being Your Own Boss)

Career Planning Approaches

Career Development Methods

Management Development



Mentoring and Coaching

Reverse Mentoring

HR BLOOPERS: Management Development at Trends Apparel

Organization Development and the Learning Organization

**OD Interventions** 

Learning Organization

Preparing for Exams/Quizzes

Key Terms

Questions for Review

Preparing for My Career

Ethics Dilemma: Consequences of Inadequate Training Design

HRM is Everyones Business

HRM by the Numbers

Working Together: Team Exercise

INCIDENT 1: Career Development at Meyers and Brown

INCIDENT 2 Training at the Top

**Endnotes** 

## Part Four Compensation

#### Chapter 9 Direct Financial Compensation (Monetary Compensation)

Total Compensation and the Environment of Compensation Practice

Direct and Indirect Financial Compensation

Structure of Direct Financial Compensation Plans

Contextual Influences

#### **Direct Financial Compensation Components**

Base Pay

CostofLiving Adjustments

Seniority Pay

PerformanceBased Pay

HR BLOOPERS: Motivating Software Development Teams

PersonFocused Pay

#### **Building Job Structures**

Ranking Method

Classification Method

Factor Comparison Method

Point Method

#### **Establishing Competitive Compensation Policies**

Pay Level Compensation Policies

Pay Mix

**Building Pay Structures** 



Pay Grades

Pay Ranges

Broadbanding

TwoTier Wage System

Adjusting Pay Rates

Pay Compression

Exceptions to the Rules: Sales Professionals, Contingent Workers, and Executives

Sales Professionals

Contingent Workers

**Executive Compensation** 

Preparing for Exams/Quizzes

Key Terms

Questions for Review

Preparing for My Career

Ethics Dilemma: Sales Tactics at Wells Fargo Bank

HRM is Everyones Business

HRM by the Numbers

Working Together: Team Exercise

INCIDENT 1: The Pay Gap at Barker Enterprise

INCIDENT 2: The Controversial Job

**Endnotes** 

#### Chapter 10 Indirect Financial Compensation (Employee Benefits)

Indirect Financial Compensation (Employee Benefits)

#### Legally Required Benefits

Social Security

Unemployment Insurance

Workers Compensation

Health Care

#### **Discretionary Benefits**

Retirement Plans

Life Insurance and Disability Insurance

Paid TimeOff

**Employee Services** 

#### Workplace Flexibility (WorkLife Balance)

Flextime

Compressed Workweek

Job Sharing

TwoinaBox

Telecommuting

PartTime Work



HR BLOOPERS: The JobSharing Problem at SunTrust Bank

**Customized Benefit Plans** 

Communicating Information about the Benefits Package

Preparing for Exams/Quizzes

Key Terms

Questions for Review

Preparing for My Career

Ethics Dilemma: A Poor Bid

HRM Is Everyones Business

HRM by the Numbers

Working Together: Team Exercise

INCIDENT 1: Is Flextime the Way Forward?

INCIDENT 2: Communicating Benefits at Seaview Property Management Company

**Endnotes** 

## Part Five Labor Relations, Employee Relations, Safety, and Health Chapter 11 Labor Unions and Collective Bargaining

The Role of Labor Unions

Why Employees Join Unions

Prevalence of Unions

#### Union Structure and Labor Strategies

Structure of Unions

Organized Labors Strategies for Promoting a Stronger Labor Movement

#### Laws Affecting Collective Bargaining

National Labor Relations Act

HR BLOOPERS: Stopping Unionization at Packer Industries

LaborManagement Relations Act

Antidiscrimination Laws and Executive Orders

#### Bargaining Unit Formation and the Collective Bargaining Process

Forming a Bargaining Unit

Collective Bargaining Process

Bargaining Issues

Preparation for Negotiations

Negotiating the Agreement

Overcoming Breakdowns in Negotiations

Reaching the LaborManagement Agreement

Ratifying the LaborManagement Agreement

Administration of the LaborManagement Agreement

**Public Sector Collective Bargaining** 

Grievance Procedure in a Union Environment



Union Decertification

Preparing for Exams/Quizzes

Key Terms

Questions for Review

Preparing for My Career

Ethics Dilemma: A Strategic Move

HRM is Everyones Business

HRM by the Numbers

Working Together: Team Exercise

**INCIDENT 1: Bargaining Process for Amico Holdings** 

**INCIDENT 2: Were Listening** 

**Endnotes** 

#### Chapter 12 Internal Employee Relations

**Employment at Will** 

Discipline and Disciplinary Action

**Disciplinary Action Process** 

Approaches to Disciplinary Action

Problems in the Administration of Disciplinary Action

#### **Employment Termination**

Just Cause as a Standard for Choosing to Terminate Employment

Considerations in Communicating the Termination Decision

Termination of Employees at Various Levels

HR BLOOPERS: Effective Discipline at Berries Groceries

Demotion as an Alternative to Termination

Downsizing

#### Ombudspersons and Alternative Dispute Resolution

Ombudspersons

Alternative Dispute Resolution

#### More Considerations for Internal Employee Relations

Transfers

Promotions

Resignations

Retirements

# Preparing for Exams/Quizzes375Key Terms376Questions for Review376Preparing for My

Ethics Dilemma: The Employee of the Year

HRM is Everyone's Business377HRM by the Numbers377Working Together: Team Exercise379INCIDENT 1: Employment at Will379INCIDENT 2: To Heck with Them!379Endnotes



#### Chapter 13 Employee Safety, Health, and Wellness

#### Nature and Role of Safety, Health, and Wellness

Occupational Safety and Health Administration

OSHA and WhistleBlowers

OSHA and the Small Business

HR BLOOPERS: Health and Safety Problems at XIF Chemicals

The Economic Impact of Safety

#### Workplace Safety Programs

Unsafe Employee Actions

**Unsafe Working Conditions** 

**Developing Safety Programs** 

Accident Investigation

**Evaluation of Safety Programs** 

Musculoskeletal Disorders

Ergonomics

#### Workplace Bullying and Violence

Workplace Bullying

Workplace Violence

Legal Consequences of Workplace Violence

#### **Employee Stress and Burnout**

Potential Consequences of Stress

Stressful Jobs

Burnout

#### Substance Abuse, Substance Abuse Free Workplaces, and Drug Testing Programs

Alcohol Abuse

Drug Abuse

SubstanceAbuseFree Workplace and Drug Testing

#### Employee Wellness and Employee Assistance Programs

Wellness Programs

Social Networking and Wellness

**Employee Assistance Programs** 

#### Preparing for Exams/Quizzes

Key Terms

Questions for Review

Preparing for My Career

Ethics Dilemma: In Confidence

HRM is Everyones Business

HRM by the Numbers

Working Together: Team Exercise

INCIDENT 1: Something Isnt Quite Right



INCIDENT 2: Doing More with Less

**Endnotes** 

## Part Six Operating in a Global Environment

#### Chapter 14 Global Human Resource Management

Evolution and Context of Global Business and Human Resource Management

**Evolution of Global Business** 

Context of Global Business

#### Global Staffing

Expatriate

HostCountry National

ThirdCountry National

Approaches to Global Staffing

Recruiting HostCountry Nationals

Selecting Expatriates

**Background Investigation** 

HR BLOOPERS: United Architects Expatriate Problems

#### Global Performance Management and Human Resource Development

Performance Management

Expatriate Human Resource Development

PreMove Orientation and Training

Continual Development: Online Assistance and Training

Repatriation Orientation and Training

Global Elearning

Virtual Teams in a Global Environment

#### Global Compensation

Compensation for HostCountry Nationals

**Expatriate Compensation** 

#### Global Safety, Health, and Employee and Labor Relations

Safety and Health

Global Employee Relations

Global Labor Relations

Globalization for Small to MediumSized Businesses

Preparing for Exams/Quizzes

Key Terms

Questions for Review

Preparing for My Career

Ethics Dilemma: Meeting Customer Demand at Any Cost

HRM is Everyones Business

HRM by the Numbers



Working Together: Team Exercise

INCIDENT 1: My Darling

INCIDENT 2: Expat in the Heartland

**Endnotes** 

Glossary

Name Index

Company Index

Subject Index