

Preface

The last few years have been difficult for many businesses. The worst economic recession in over 50 years has forced many companies to rethink the way they do business. Only the best survive in such an environment. But what helps some companies survive, and even thrive, in difficult times? What gives these organizations an advantage over their competitors? One answer emphasizes the benefit of having the right people as members of the organization. It is often said that “the people make the place,” which tells us that employees are the most important asset of any organization. Practices that help obtain and motivate employees are the core focus of human resource management, which is the field of study presented in this textbook.

As you read this book, we hope you will agree that human resource management is an exciting field of study. In order to make ideas and concepts come to life, we include a number of examples from real companies that illustrate how effective human resource management is helping companies achieve success, even in difficult times. Each chapter explains how an organization can increase its effectiveness by improving its processes for hiring and motivating top-performing employees. We also specifically link human resource practices to competitive strategies. This linkage is critical, as it shows how a company can use human resource management to gain a competitive advantage over other companies.

WHY LINK HUMAN RESOURCE PRACTICE TO STRATEGY?

The field of human resource management has evolved a great deal during the past decade. Today, many practitioners and researchers argue that human resource management should extend beyond its traditional focus on legal compliance and adopt a more strategic perspective for managing employees. Perhaps more importantly, successful organizations are taking a more strategic approach to managing people. Many human resource textbooks have added material to reflect some of this change, but most books still lack a consistent strategic framework—even though this framework is rapidly becoming the norm within the field.

We have written *Human Resource Management: Linking Strategy to Practice, Second Edition* in order to more fully develop and integrate the strategic perspective. Throughout the book, we emphasize the theme that organizations excel when they have consistent human resource practices that align with their strategic direction. We begin by establishing a strategic framework that illustrates how different approaches to human resource management fit with basic competitive strategies. We then integrate this strategic perspective into our discussion of traditional human resource practices, such as work design,

staffing, performance management, training, compensation, and labor relations. At the same time, we clearly illustrate how these specific human resource practices help increase organizational effectiveness.

WHAT IS NEW IN THIS EDITION?

The practice of human resource management continues to evolve and improve. New research is being published at a rapid pace, and organizations are constantly innovating. This second edition of *Human Resource Management: Linking Strategy to Practice* reflects these changes. We have combed through research studies conducted since the first edition to identify and include new and updated ideas. We have also updated our case examples to reflect innovative ideas being carried out in contemporary organizations. The second edition assures that students are exposed to the latest ideas and innovative thinking.

One particular area of change in the revision concerns our treatment of diversity and affirmative action. Chapter 3 has been reworked to better reflect the competitive advantage that can be gained by developing a diverse workforce. This section is titled “How Can Organizations Increase Diversity?” and emphasizes research demonstrating the benefits of workforce diversity. It also includes research suggesting that discrimination continues to exist in many organizations, as well as ideas about what can be done to decrease unfair treatment.

We continue to emphasize the impact of globalization. The importance of thinking globally is emphasized in each chapter with specific examples of ways that human resource practices are similar and different across national boundaries.

The revision also continues to emphasize the strategic approach. New research supporting the benefits of aligning human resource practice with organizational strategy is included. Company illustrations are also used to describe how many of the companies that have performed well during the economic downturn did so largely because of their human resource strengths. In this way the second edition continues our unique approach to integrating strategy and practice.

HOW CAN STUDENTS BENEFIT FROM A STRATEGIC PERSPECTIVE?

A book designed around such a framework helps students not only to develop a set of human resource tools but also to know when each tool is most appropriate. The overall objective of *Human Resource Management: Linking Strategy to Practice* is thus to provide students with both an understanding of traditional human resource concepts and a framework for making decisions about when

specific practices can be most beneficial. This link between strategy and practice is necessary for students to be able to correctly apply human resource tools to improve organizations.

The strategic perspective is critical for students because most people enrolled in an introductory course will not spend their careers working as human resource professionals. A majority will, however, work someday as managers with the charge to lead and direct others. Understanding the strategic benefits of good human resource management can help future managers better secure and motivate talented employees. The strategic perspective also provides a valuable framework for the future study of those students who do choose to become human resource professionals. Information from additional courses that provide more in-depth coverage of topics such as staffing, training, and compensation will easily fit within the strategic orientation of this book and provide guidance for knowing when to use specific tools.

HOW IS THIS BOOK ORGANIZED?

Human Resource Management: Linking Strategy to Practice is organized to provide coverage of both strategic topics and specific practices, as illustrated in the accompanying schematic. We open the book in Chapter 1 by examining the value of aligning human resource practices with organizational strategies. Chapter 2 describes the strategic perspective in more detail. It discusses various ways in which organizations try to be more effective than their competitors, and it illustrates how human resource management can help organizations carry out their strategies. Chapter 3 discusses legal and safety issues. Laws and regulations drive many human resource practices, and knowledge of these legal realities is necessary for understanding several issues related to securing and motivating employees. Chapters 2 and 3 thus provide information that establishes a strategic perspective and provides a context for much of the material in later chapters.

Chapters 4 through 7 focus on the process of securing employees. Chapter 4 describes work design, which creates job descriptions that clarify who does what. The work design process also identifies the characteristics of people most likely to carry out tasks successfully. The result is a type of shopping list that defines the types of people most likely to succeed in specific jobs and organizations. Chapters 5 and 6 build on this information by discussing how to locate and identify people who have these characteristics. Chapter 5 gives details about recruiting and illustrates methods for attracting people to apply for jobs with the organization. Faced with a pool of applicants, the organization must decide which of them to hire. Chapter 6 develops several selection methods useful in carrying out this task. Chapter 7 then explains ways of keeping good employees, as well as removing low performers. Taken together, Chapters 4 through 7 provide information that helps guide efforts to get the right people doing the right tasks. These chapters combine a strategic perspective of securing employees with a review of specific activities associated with recruiting, hiring, and retaining workers.

Once the right people have been placed in the right jobs, the next step is to maximize their performance. Chapters 8 through 13 focus on this process. Chapter 8 describes performance management, which provides methods for measuring what individuals contribute to the organization. Performance assessments are used to create feedback that teaches employees how to improve. Chapter 9 discusses the training process. Chapter 10 emphasizes career development and offers guidance for planning how employees can continue to contribute to the organization over the long term. Through training, people learn new things and become more valuable employees. Chapters 11 and 12 focus on compensation and illustrate how pay and benefits can increase motivation. Chapter 13 emphasizes the need for good labor relations and discusses methods for working with labor unions and treating employees fairly. In sum, this set of chapters provides information about developing skills and increasing motivation to ensure that employees are reaching peak performance. The overall emphasis is on ensuring that employees have the skills and motivation necessary to carry out the organization's strategy for competing with other firms.

The final chapter, Chapter 14, describes strategic alignment. The human resource practices of successful organizations align with organizational strategies for doing things better than competitors. Good human resource practices also work together. Staffing practices, for example, combine with compensation practices to help the organization hire and motivate people with certain characteristics. Performance management measures areas where people need to improve, and training teaches them how to improve. The final chapter thus presents the “big picture” by illustrating how different pieces of human resource management fit together to create successful organizations.

human resource strategy. In turn, the human resource strategy chosen shapes the specific activities the organization uses to secure and motivate employees. Activities aimed at securing employees include work design, recruiting, selection, and retention; these are discussed in Chapters 4 through 7. Activities that relate to motivating workers, which include performance management, career development, training, compensation, and labor relations, are discussed in Chapters 8 through 13. All these activities must be coordinated with each other as well as with the overall human resource strategy. The importance of coordination is discussed in Chapter 14.

Human resource management is an exciting field that provides critical benefits to organizations. Studying human resource management can help you develop knowledge and skills that will make you more effective throughout your career. Even if you don't become a human resource specialist, knowing

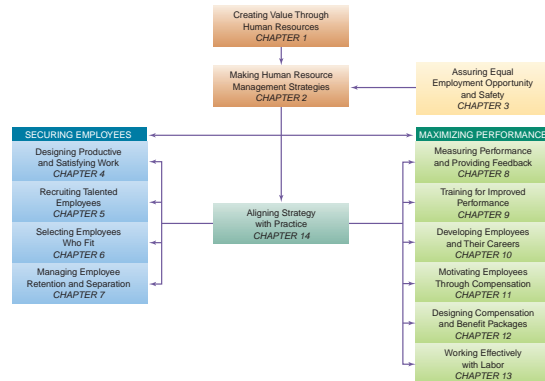


Figure 1.6 Framework and Chapter Outline Illustrating How Human Resource Management Practice Links to Strategy.