

LESSON 1: THE HUMAN RESOURCE ENVIRONMENT

OVERVIEW

Lesson 1 consists of four chapters. The first chapter introduces basic terms and concepts of *human resource management (HRM)*. Chapter 2 introduces trends in HRM. Chapter 3 introduces what's involved in providing equal employment opportunity in a safe working environment. You'll learn about the government agencies and laws that regulate the workplace. Finally, Chapter 4 introduces what's involved in analyzing work and designing jobs.

SECTION 1.1: HUMAN RESOURCE MANAGEMENT

Read this section in your study guide. Then, read Chapter 1 in your textbook.

Keep in mind that this introductory chapter is an overview of HRM. Pack up the terms and concepts you find here. You'll need them again as you make your way through later sections.

Human Resources and Company Performance

At one a time, employers were inclined to think of HRM as an overhead expense like rent and utilities. That idea faded as thoughtful analysis determined that workers contribute in inherent value to the business of doing business. It's now accepted that human resource professionals contribute heavily to an organization's success.

The concept of HRM implies that human workers are an economic asset. They provide a critical resource that has no substitute. Even when a manufacturing process is mainly operated by robots, humans must build, program, and maintain the robots. You can think of it the following way.

Human resource management means getting the most from types of human capital, which include training, experience, judgment, intelligence, relationships, and insight, and the behavior of human capital, which includes motivation and effort, thereby contributing to organizational performance in terms of quality, profitability, and customer satisfaction. On page 3 of your textbook, Figure 1.2 illustrates this concept.

Now, actual people—including human resource managers—are sophisticated. The concept of *human capital* is abstracted from what it actually means to be human. That's understandable while thinking about balance sheets and profit-and-loss statements. Nevertheless, you'll see that the difference between a person as human capital and a multidimensional, often unpredictable real person presents a core challenge to human resource managers. For, as you'll see in this course, human resource professionals must balance the interests of employees and the interests of managers and shareholders.

Responsibilities of Human Resources Departments

Here's a concise list of the functions of HRM. Be prepared to think about them in depth as your course proceeds.

- Analyzing and designing jobs
- Recruiting and hiring employees
- Training and developing employees
- Managing performance
- Planning and administering pay and benefits
- Maintaining positive employee relations
- Establishing and administering personnel policies
- Ensuring compliance with labor laws
- Supporting the organization's strategy

Table 1.1 on page 5 summarizes HRM functions and responsibilities. Also, the "Did You Know?" feature on page 6 summarizes the reasons why most workers are satisfied with their jobs. Relations with coworkers are number one. In a world where most hours in an average day are spent in the workplace, coworkers become our second families.

Skills of HRM Professionals

The biggest four include:

Human relations skills. HRM people are, above all, mediators and facilitators of workflow in an organization. Without well-honed social and interactional skills, they're an impediment to that objective.

Decision-making skills. To hire or not to hire? To support for promotion or to recommend for termination? Decision-making is central to HRM.

Leadership skills. Being a leader doesn't mean bossing people around. Qualities of leadership include appropriate assertiveness, expressing respect for others, and being able to motivate people to be their best.

Technical skills. For human resource managers, technical skills include knowledge of HRM principles and techniques. In practical terms, you'll also need to be familiar with computer software to locate and analyze data.

HR Responsibilities of Supervisors

Supervisors have responsibilities that correspond to all of the HRM functions. If supervisors aren't fully aware of HRM policies and aims, there's no effective way for human resources people to implement best practices and achieve an organization's strategies.

Ethics in Human Resource Management

Ethical behavior might best be suggested by a principle that shows up in most of the world's religions, not to mention most philosophical treatises on ethics: treat others as you would like to be treated. Ethics identifies distinctions of right and wrong. Ethical behavior applies those distinctions in word and deed.

Employee rights include:

- The right of free consent
- The right to privacy
- The right to freedom of conscience
- The right of freedom of speech
- The right to due process

Standard of ethical behavior in the big wide world of commerce and business rest on four principles:

- Relations with employees, vendors, customers, and other stakeholders are based on mutual benefit.
- Employees accept responsibility for the actions of the organization.
- Companies maintain a mission that employees can value as they show up for work each day.
- Fairness is emphasized. Ideally, everyone's interests are equally important.

Careers in Human Resource Management

What you'll learn here may motivate you to think seriously about developing yourself in pursuit of a career in HRM. If so, you'll find Figure 1.6 on page 18 interesting. It shows income potentials for HRM occupational titles.

The final section of this chapter explains the organization of your text. Table 1.3 on page 19 gives a concise list of the topics you'll be studying throughout this course.

Homework Assignment 1.1

Complete the Review and Discussion Questions on page 21 of your textbook. When you're done, check your answers with those at the back of the study guide.

Note: These homework assignments are for your use only. While they won't be graded, they are required.



Self-Check 1.1

At the end of each section of *Human Resources Management*, you'll be asked to pause and check your understanding of what you've just read by completing a "Self-Check" exercise. Answering these questions will help you review what you've studied so far. Please complete *Self-Check 1* now.

1. One of the five top qualities employers seek in a job applicant is _____.
2. _____ have responsibilities that correspond to all of the HRM functions.
3. For HRM professionals, _____ apply to any kind of job, from loading dock worker to top manager.
4. HRM people are, above all, _____ of workflow in an organization.
5. Getting detailed information about a job is to job analysis as defining the way work will be performed is to job _____.
6. _____-based HR uses hard data to assess the extent to which human resource practices contribute to organizational performance.
7. The view that workers have basic _____ is reflected in the Bill of Rights of the US Constitution.
8. Human resources are thought of as _____ because high levels of skills needed by an organization are scarce.

Check your answers with those in the back of this study guide.

SECTION 1.2: THE WORKFORCE

Read this section in your study guide. Then, read Chapter 2 in your textbook.

Change in the Labor Force

Workforce characteristics are changing in the following ways

The workforce is aging. According to data gathered by the United States Bureau of Labor Statistics (BLS), the fastest-growing age group is among employees ages 55 or older. The percentage of workers aged 25 to 44 is expected to increase only slightly, and the percentage of workers aged 16 to 24 is expected to decrease. By 2010, more than half of US workers were 40 or older. HRM challenges due to this an aging workforce include

- Devoting more time and energy to retirement issues
- Retraining older workers
- Motivating workers whose careers have reached a plateau
- Accommodating increasing health-care costs and changing fitness needs

The workforce is becoming more diverse. In terms of percentages,

- There are and will be more women in the workforce
- Ethnic minorities are increasing, largely as an effect of immigration
- The percentage of men in the workforce is declining

HRM challenges due to workforce diversity include

- Communicating effectively with people from a variety of racial and ethnic backgrounds
- Providing ways and means of work and career training that accommodate people from a variety of racial and ethnic backgrounds
- Establishing even-handed approaches to employee appraisal
- Establishing work environments that foster creativity
- Managing compliance with immigration laws and regulations

Requisite worker skills are changing. Physical fitness and mastery of particular machines or work processes remain important in some kinds of industries. However, new technologies and a changing economy require an increased emphasis on mathematical, verbal, and interpersonal (social) skills. More often, employees will need to handle a variety of responsibilities, interact with customers, and think creatively.

HRM challenges due to changing skill requirements include:

- *Seeking out employees with advanced education.* Many positions in the present-day economy require a college degree, simply as a basic requirement. Many positions require advanced degrees in specific areas, such as marketing, information technology, and management.
- *Managing the intense competition for jobs among college graduates.* HRM professionals must find ways to appraise potential employees with appropriate concern for even-handed selection criteria.
- *Selecting people for specific jobs within certain industries.* In the global economy, many positions don't require a college degree. They do require the capacity to master specific job skills within an industry. For example, information technology (IT) skills specific to a position may best be provided by apprenticeship or ongoing on-the-job training.

High-Performance Work Systems

As economic and social conditions change, so do the demands on organizations. Organizations must adapt to changing internal and external environments to survive and prosper. Customers demand high quality. Workers search for jobs with flexible hours. Consumer demand shifts rapidly. All of these kinds of things must be taken into account and accommodated.

In this context, organizations are striving to create *high-performance work systems*, which means that organizations must make full use of the talents and skills of their employees. Three approaches are foremost:

Knowledge workers. The present global economy features a shift from manufacturing to service jobs. E-commerce has become a major aspect of marketing. Electronic communication, such as Twitter and Facebook, is transforming the ways we do business, get information, and socialize. As that happens, most new jobs will be in service occupations, especially those related to education and health care.

The fastest-growing occupations are in the field of IT network and data communications analysis, personal and home health aides, computer software engineering, and veterinary technologies. While many of these occupations require a college degree, about as many simply require on-the-job training. The point is, the fastest-growing job opportunities are all about acquiring and polishing knowledge-based skills. You're a knowledge worker if you provide specific, specialized knowledge to an organization. In that context, there's growing organizational trend toward hiring people who can think creatively and interact effectively with fellow workers and customers. Be sure to read the "Did You Know?" feature on page 33, which shows the occupations that are expected to grow the most.

When workers are given responsibilities for making decisions and exercising authority (generally within a work team), they're empowered. A corollary of this *employee empowerment* is expecting employees to share the benefits of productivity and

accept responsibility for setbacks or losses. Looked at another way, to empower an employees is to give them an immediate stake in the efficiency and effectiveness of organizational operations.

Teamwork is a key component of flexible, creative job design. In general, a *team* is an assembly of employees that share and coordinate different skills to produce a product or provide a service. In manufacturing settings, the traditional assembly line is radically modified as work teams assume responsibilities for assembling components and mastering several operational tasks. Typically, teams are empowered to make decisions about work procedures, quality control, and task scheduling. In that context, line supervisors tend to take on the role of facilitators.

Meanwhile, the revolution in electronic communications permits the creation of *virtual teams*. For example, sales managers can meet via phone or video conferences that link key personnel in Dublin, Ireland; Raleigh, North Carolina; Victoria, British Columbia; and Singapore.

Focus on Strategy

Once upon a time, managers viewed HRM people as serving administrative functions. These days, managers are more often interested in allowing human resource specialists to implement or support organizational strategies. The subtopics in this section address six areas wherein HRM can serve organizational strategies.

High Quality Standards

Total Quality Management (TQM) is a shared attitude, a dimension of an organization's culture. The main idea is simple if not easy: Strive to continuously improve people performance and infrastructure. In this sense, *infrastructure* refers to such things as machinery, communications networks, vehicles, vehicle maintenance, traffic layouts, time management, and routing systems, to name a few. The core values of TQM include the following:

- Methods and processes are designed to meet the needs of customers and other stakeholders.
- All employees must receive training in quality maintenance and improvement.
- Quality management is designed into products and services to sustain efficiency and eliminate errors or malfunctions.
- Cooperation with vendors, suppliers, and customers is encouraged to improve quality and reduce costs.
- Managers measure progress by monitoring feedback. Feedback must consist of measurable data.

Mergers and Acquisitions

Mergers occur when two or more companies are integrated into a single organization. *Acquisitions* occur when one company buys another company. For example, NBC is a subsidiary (acquired) company of General Electric. In the global economy, mergers are often *megamergers*. They integrate and combine companies within an industry in several different countries. The BP-Amoco merger is an example because both companies operate in several different countries.

The primary HRM challenge is easing the path toward either an acquisition or a merger. Businesses, even within the same industry, have different cultures and approaches to operations. Human resource managers can help mediate these differences when companies are joined.

Downsizing

Downsizing has a two paradoxical faces. As your text points out, during the 1990s, companies were busy trying to present themselves as ideal places of employment. They were engaged in a war for talent. However, what was actually happening was employee *churning*. Employees were being laid off as companies sought to hire the talent needed for new business models, missions, and strategies aimed at emerging markets. A lot of these reengineered businesses were spawned by the revolution in electronic communications and data management. Take a look at Figure 2.5 on page 39 to get a sense of layoffs related to downsizing.

The challenge for HRM people has been assisting the talent search while trying to manage the impact on the suddenly unemployed. You'll note here that presumably humane schemes involving early retirement haven't been cost-effective. The talents and skills of many who accepted early retirement had to be replaced by new employees—an expensive process. A humane solution for easing the pain of downsizing has been the establishment of placement agencies that can help laid-off people find new jobs.

Reengineering

As companies try to reinvent themselves for new markets, every major function of the organization has to be reengineered—sales, production, marketing, accounting, and the human resources department. In this context, HRM people must deal both with inevitable downsizing as well as retraining people as they're assigned to new jobs.

Outsourcing

Outsourcing happens when an organization hands over one or more of its functions to another organization. For example, the XYZ Toy Company may hand over its accounting department to an outside firm. The upside of outsourcing is attaining a depth of expertise.

Interestingly, outsourcing trends have had significant effects on human resource specialists. Even as HRM departments may assist a transition to outsourcing, HRM operations are increasingly outsourced to specialized firms. Indeed, according to one study, eight of ten US companies outsource at least one of their HRM functions.

Expanding into Global Markets

Offshoring is a major feature of globalization. As capital is allowed to freely cross national borders under free-trade agreements, companies have offshored operations to streamline their organizations and profit from reduced labor costs. Initially, offshoring mainly involved manufacturing. For example, factories in China produce most of the goods for sale in US Wal-Mart stores.

More recently, electronic communications technology has encouraged the offshoring of both professional and service functions. For example, several US companies employ South Asians in service and call centers. India, for example, participates in the global economy by way of call centers in Mumbai, India. However, multinational corporations are also increasingly hiring professional and regional managers in foreign countries. Your text cites the example of Office Tiger, which provides business services to banks, insurance companies, and other clients. The company has 200 employees in the United States and 2,000 in India. The company's profitability is linked to the much lower cost of labor in South Asia. A data analyst in India or Sri Lanka can complete a professional market report and quickly e-mail it to Omaha or New York.

HRM professionals must cope with problems associated with global markets, offshoring, and immigration. It takes special skills to recruit properly qualified applicants in Singapore or Dublin. Take a look at Figure 2.6 on page 43. It shows where immigrants to the United States came from as of 2006. Notice that nearly a third of them came from Asia. As you can imagine, HRM people engaged in this sort of work must have a rather cosmopolitan worldview, adequate familiarity with foreign cultures, and, often, considerable linguistic skills. Preparing domestic personnel for jobs in foreign countries is equally challenging.

Technological Change in HRM

This section is a brief introduction to the effects of computer-related technology on human resource operations. Salient features of the global economy, computers, and the Internet are shaping HRM operations. A few highpoints:

Human resource information systems (HRIS) have become central to managing and manipulating HR data. What used to be in manila file folders is now in computer files. Data of all kinds can be analyzed through statistical programs and spreadsheets. A manager who wants a personnel report can access it via the HRIS. In general, digitized HRM data analysis can better support decision making.

In the *Internet economy*, HRM professionals are expected to not only help motivate employees and ensure that company managers comply with labor laws, but also craft personnel policies that balance fairness to workers with employers' demands in a brutally competitive global economy.

Electronic human resource management (e-HRM) has become the norm. Increasingly HRM data can be accessed online by both managers and employees. Manager X can consult the e-HRM data to decide if hiring should focus on District A instead of District B. Employee Y can go online to check on his or her benefit package, look up available vacation time, or register for online HRM-sponsored training courses. HRM people now spend less time directly answering queries or fiddling with paperwork. An HRIS system encourages *self-service*. Meanwhile, recruiting—any place in the world—can now take place through online Web postings.

Privacy is threatened by networked computers and the Internet environment. Locally, for example, it isn't at all uncommon for managers to monitor employee workstations. A common HRM solution to this problem is restricting access to sensitive data through setting up an *intranet*. An intranet networks a firm's local computers. Properly authorized passwords can restrict access to particular subcategories of authorized users. Another solution is an intranet platform that includes portal access to the wider Internet.

Change in the Employment Relationship

A New Psychological Contract

Previously, there was an unwritten, tacit *psychological contract* between employees and management. Work hard, and remain loyal to the company. In exchange, you'll have a secure job and adequate benefits, including a rock-solid retirement plan.

That was yesterday. Today's world no longer ensures job security. The traditional eight-hour day isn't universal. Overtime is often expected, and a 60-hour week is common. In some places, 12-hour shifts are demanded. In short, employees are more or less on their own. The ambitious worker is to be creative and flexible while taking responsibility for his or her career development.

As more hours are expected of workers, wages in the United States have been flat or stagnant since the about 1973—even as worker productivity has increased. It takes two incomes to approach what was the standard middle-class lifestyle in the two or so decades following World War II.

Flexibility

The nature of the global economy being what it is, workers have two options: immigrate to another country, or adapt. Needless to say, most adapt. In exchange for fading job security and stagnant wages and salaries, workers are demanding and getting *flexibility*.

Flexible staffing amounts to *alternative work arrangements*:

- *Independent contractors* are self-employed individuals, often with multiple clients. They work on a job-to-job basis and are responsible for their own health care, retirement arrangements, and work schedules.
- *On-call workers* work for an organization only when they're needed.
- *Temporary workers* are generally represented by the thriving temp industry. Client organizations pay the agencies for the use of their temps.
- *Contract company workers*—as in the construction industries—work for a company for a specified time and purpose based on a written contract.

Flexible work schedules are sought by people directly employed by organizations. There are many companies striving to use flexible work schedules, including job-sharing, to motivate employees and, thus, improve their life-satisfaction and productivity.

All these aspects pose significant challenges for human resource professionals. You should give some time to the “Thinking Ethically” feature on page 49. What, in your view, should be the ethics of offshoring?

Homework Assignment 1.2

Complete the Review and Discussion Questions on pages 51–52 of your textbook. When you're done, check your answers with those at the back of the study guide.



Self-Check 1.2

1. According to Bureau of Labor Statistics projections, most new jobs between 2006 and 2016 will be in _____ occupations, such as education and health services.
2. _____ is when an organization hires another organization to do one or more of its functions.
3. Until recently, _____ had to do with shipping manufacturing jobs to countries with lower labor costs. However, that was before information technology made it feasible to hire engineers and other specialists in other countries.
4. In the traditional _____ contract, employers expected employees to contribute their time, effort, and loyalty to the organization in exchange for job security.
5. We're seeing employee _____ when workers are given more responsibility to make decisions related to job-task performance or customer service.
6. Many employers may take steps to protect employees' free time and make optimal use of their skills through implementing _____ work schedules.
7. _____ is a process in which employees with outdated skills are laid off, while hiring employees with appropriate skills.

Check your answers with those in the back of this study guide.

SECTION 1.3: REGULATION OF HUMAN RESOURCE MANAGEMENT

Read this section in your study guide. Then, read Chapter 3 in your textbook.

HRM Regulation

This chapter gives an overview of government regulatory bodies that are intended to provide equal hiring opportunities, fair labor practices, and safe working conditions. Here are some basics:

- All three branches of government affect human resource functions.
- The *legislative branch*, composed of the House and the Senate, is charged with enacting laws in response to society's needs. An example is Title VII of the Civil Rights Act.
- The *executive branch*, under the president, houses a large number of quasi-judicial regulatory agencies, such as the Securities and Exchange Commission (SEC). The term *quasi-judicial* refers to the legally sanctioned enforcement powers of such agencies.
- The *judicial branch*, consisting of federal district appellate (appeals) courts and the Supreme Court, may overturn legislative acts under the principle of judicial review.

Equal Employment Opportunity

Constitutional Amendments

The Fourteenth Amendment ensures equal protection to all citizens under law and forbids depriving individuals of life, liberty, or property without due process of law. Under due process, the accused has a right to know the nature of charges brought against him or her, a right to legal representation, and a right to a fair speedy trial. The equal protection clause has been successfully used in countering reverse discrimination related to affirmative action programs.

Legislation

- The Civil Rights Acts of 1866 and 1871 were meant to extend and specify implied legislation following Abraham Lincoln's Emancipation Proclamation of 1863. The 1866 act provides equal property rights and equal rights to enter into binding contracts. The 1871 act grants citizens the right to bring suit against the government in federal courts.
- Under the Equal Pay Act of 1963, men and women are entitled to equal pay for equal work. Here, the word *equal* refers to equivalent levels of skills and responsibilities.
- Title VII of the Civil Rights Act of 1964, passed under Lyndon Johnson, created the Equal Employment Opportunity Commission (EEOC). Employers are prohibited from hiring discrimination based on race, color, religion, sex, or national origin. The act applies to any organization with 15 or more employees. The act also forbids employers from retaliating against employees for opposing a perceived (alleged) violation of the stipulations of Title VII.
- The Age Discrimination in Employment Act (ADEA) of 1967 forbids discrimination against employees based on age (40 or older up to an accepted retirement age). In effect, a company's hiring, promotion, and firing policies shouldn't discriminate against older and, as a rule, better-paid employees simply on the basis of age.

Figure 3.1 on page 61 graphs the frequency of age discrimination complaints from 1991 to 2006. Looking over the graph, consider the fact that the acquired skills and experience of older workers are often critical to organizational success.

- The Vocational Rehabilitation Act of 1973 was passed to enhance employment opportunities for people with disabilities. The act is enforced by the Employment Standards Administration of the Department of Labor.
- The Vietnam Era Veteran's Readjustment Act of 1974 requires federal contractors to take affirmative action that favors veterans of the Vietnam War.
- The Pregnancy Discrimination Act of 1978 is an amendment to Title VII that applies to women. It forbids employer discrimination against women in relation to pregnancy, childbirth, or medical conditions associated with pregnancy or childbirth.
- The Americans with Disabilities Act (ADA) of 1990 created considerable challenges for human resource managers. Figure 3.2 on page 64 gives an overview of three problematic concerns for HRM people. The first is the wide range of physical, neurological, emotional, and psychological disorders covered under the act. The second concern has to do with legally establishing the existence or extent of disabilities in relationship to the demands of a specific position or job. Finally, the act requires employers to take reasonable steps to accommodate employees with disabilities.
- The Civil Rights Act of 1991 expanded relief to victims of discrimination. Table 3.2 on page 65 shows the relationship between damages allowed and the number of employees in an organization.
- The Uniformed Services Employment and Reemployment Rights Act or 1994 is intended to protect members of the armed services who are called to active duty. Above all, the act requires employers to reemploy workers who have been absent in fulfillment of active duty requirements. For example, reservists called to active duty are to be rehired into positions consistent with the responsibilities and pay of the jobs they left when called to active duty.

Table 3.1 on page 59 summarizes major EEO laws, what they cover, and the agencies responsible for enforcement.

Executive Orders

Two executive orders affect HRM policies: *Executive Order 11246* issued by Lyndon Johnson prohibits federal contractors from hiring discrimination based on race, color, religion, sex, or national origin. It also specifies that organizations that meet certain standards must submit and implement affirmative action plans. *Executive Order 11478* issued by Richard Nixon requires the federal government to hire people based on merit and fitness. The prohibition of discrimination based on race, color, religion, sex, or national origin is reaffirmed under this order.

The Government's Role in Providing for Equal Employment Opportunity

Two enforcement agencies oversee employer compliance with EEO laws.

The *Equal Employment Opportunity Commission (EEOC)* is responsible for enforcing most EEO laws. When individuals feel they've been discriminated against, they may file a complaint with the EEOC directly or with state-level agencies that mirror the federal EEOC. Complaints must be filed within 180 days of the alleged incident. In Figure 3.3 on page 66, a bar graph shows the relative number of complaints filed under different categories. The highest number of complaints is related to race, although proportional numbers of complaints related to sex or retaliation are also quite high. Your text outlines the ways by which the EEOC monitors employers. It also explains the importance of guidelines published by the EEOC and other executive-branch regulatory agencies that are taken under consideration in court actions. One of these is the EEOC's *Uniform Guidelines on Employee Selection Procedures*.

The *Office of Federal Contract Compliance Programs (OFCCP)* is responsible for enforcing executive orders that cover companies doing business with the US federal government. Businesses with contracts of \$50,000 or more must recognize prohibitions against discrimination based on race, color, religion, sex, or national origin. They must also submit an affirmative action plan with three basic components:

- *Utilization analysis*, which compares race, sex, and ethnic composition of the company's work force relative to the race, sex, and ethnic composition of the available labor force
- *Goals and timetables*, which specify the percentages of women and minorities the company plans to utilize. The percentages are intended to be more flexible than strict quotas.
- *Action steps*, which specify the ways by which the affirmative action plan will be implemented, not only for race, sex, and ethnic composition, but also for workers with disabilities and Vietnam veterans

Businesses' Role in Providing for Equal Employment Opportunity

Avoiding Discrimination

Disparate treatment refers to intended or unintended differential treatment of employees based on race, sex, ethnicity, national origin, age, or disability status. Examples might include refusing to hire women with school-age children, or choosing to promote someone over equally qualified candidates because he or she is white, black, Asian, Christian, or Muslim.

To avoid disparate treatment, employers can assess their hiring or promotion policies to seek out sensitive criteria. Companies can also focus on clearly specifying job requirements. In any case, questions often remain. Thus, the courts have maintained that sex and race may, in some circumstances, be a *bona fide occupation qualification (BFOQ)*. (*Bona fide* means “good faith.”) For example, perhaps a male sales rep will have an advantage over a female sales rep when a company is doing business in a foreign country. Maybe it’s OK to restrict locker-room attendant positions to whichever sex is using a locker-room. Overall, however, it’s difficult to identify genuine BFOQs. In your text, read about Johnson Controls’ decision to keep pregnant women away from manufacturing areas where they could be exposed to lead—which is known to cause birth defects. Before you get to your text, form an opinion on the matter. Then compare it with the actual court decision in that case.

Disparate impact refers to a workplace situations wherein neutral, good faith employment policies lead inadvertently to *de facto* (actual) discrimination. An example offered in your text has to do with faster pay increases among new hires than among older workers. The intent was increasing starting salaries to increase recruitment of qualified applicants. The presumably unintended result was pay-increase disparity between recent and long-term employees. A common test for disparate impact is the *four-fifths rule*. In effect, if the hiring rate for a minority group is less than four-fifths of overall hiring, we have evidence of disparate impact. Figure 3.4 on page 70 illustrates an example of disparate impact.

A company can avoid claims of discrimination by carefully adhering to EEO policy. HRM professionals are likely to bear the burden of policy implementation.

Affirmative action and *reverse discrimination* are the two poles of a dilemma. In general, the goal of affirmative action is hiring job applicants or admitting college students in such a way that the percentage of accepted minorities is consistent with their proportional representation in the eligible or relevant population. In general, reverse discrimination occurs when recruitment policies allow strict quotas to dictate hiring or admittance. The remedy seems to be sensible flexibility. The courts tend to tolerate treating race or some other kind of minority status as a factor, not a final determinant, in overall hiring or admittance policies.

Providing Reasonable Accommodation

Employer accommodation occurs most often in respect to religious practices and employee disabilities. For example, Islam requires women to wear a head covering, and observant Muslims are expected to recognize five prayer periods each day. Muslim women’s dress requirements aren’t likely to be much of an issue. However, workplace breaks and work schedules may have to be adjusted for observant Muslims. The varying situations of employees with disabilities may require redesigned workspaces and other kinds of accommodations. Study Figure 5.5 on page 73 to get an idea of the kinds of accommodations that may be necessary for disabled workers. In that context, recognize that EEO workplace accommodations may be waived if the cost of implementing them is excessive in light of a company’s resources.

Preventing Sexual Harassment

In general, *sexual harassment* includes unwelcome sexual advances, requests for sexual favors, and/or inappropriate verbal or physical contact. Sexual harassment exists when

- Submission to any of the above is an implicit or explicit condition of continued employment
- Submission or rejection to this sort of conduct is used as criterion for evaluating an employee's performance
- The inappropriate conduct interferes with an employee's capacity to do his or her job by creating an intimidating, hostile, or offensive work environment

Sexual harassment may be overt or subtle. The most obvious cases involve a *quid pro quo* situation. That means conditions of employment, such as promotion or pay raises, are contingent on a person's accepting or rejecting sexual advances. A subtler form of sexual harassment occurs when workplace conditions create a hostile working environment. Most often, women are the target of sexual harassment.

Valuing Diversity

An organization is responsible for creating its culture. As cultural, racial, gender, and ethnic diversity become more common in the workplace, employers can actively promote a culture that recognizes and honors diversity. Human resources departments can be instrumental in fostering such a culture.

Occupational Safety and Health Act (OSH Act)

The OSH Act was a comprehensive response to work-related deaths reported year-by-year in the 1960s. By 1970, the figure was roughly 15,000. The act established two agencies to oversee and enforce the act. Under the Department of Labor, the *Occupational Safety and Health Administration (OSHA)* is responsible for inspecting employers, applying safety and health standards, and assessing fines for violations—for businesses engaged in interstate commerce. The Department of Health conducts research to establish worker safety criteria for different kinds of jobs and industries, mainly through the National Institute for Occupational Safety and Health (NIOSH). The Department of Health is also responsible for training employers to comply with the act.

General and Specific Duties

The OSH Act's general-duty clause describes the overall mission of the act. Every employee under the jurisdiction of the OSH Act is to be provided a workplace free of hazards that may result in injury or death. Employers are required to keep records of work-related deaths and injuries over the period from February of a given year to April 30 of the following year. Figure 3.6 on page 76 shows OSHA Form 300A—a report form that summarizes information about work-related injuries and illnesses.

The act also specifies rights, including the right to

- Request an inspection
- Have a representative present during that inspection
- Have dangerous substances identified
- Receive prompt, accurate, timely reports on hazard risks and exposures
- Post employer violations at the work site

Enforcement of the OSH Act and Employee Rights and Responsibilities

OSHA regulations prohibit notifying employers of impending inspections in advance. OSHA's Hazard Communication Standards, as well as many states' *right-to-know laws*, require employers to fully disclose health risks associated with hazardous substances. Under OSHA standards, employers are required to provide *material safety data sheets (MSDSs)* for chemicals that employees are exposed to.

Because state standards may be tougher than OSHA standards, HRM departments must keep track of both kinds of standards to do their job and maintain worker health and safety.

Impact of the OSH Act

The OSH Act has made a difference. That isn't to say that employer compliance is always what it should be. Many large companies are cited for OSHA standards violations, year after year. Figure 3.7 on page 80 graphs the substantial decline in incidents of injuries and illnesses from 1992 to 2006. This data justifies the regulatory actions favoring safe and humane workplaces.

Employer-Sponsored Safety and Health Programs

Employer-sponsored safety and health programs should

- Identify and communicate job hazards to employees
- Reinforce safe practices through internal media (such as newsletters, memos, websites, and lunchroom posters)
- Promote safety internationally

The third ideal goal reflects the realities of work environments overseen by multinational corporations. In practical terms, effective control over safety and health programs may be quite limited in some place where companies do business abroad. Many foreign countries, including primary trade partners like Mexico and China, are lax when it comes to worker health and safety.

Homework Assignment 1.3

Complete the Review and Discussion Questions on pages 85–86 of your textbook. When you're done, check your answers with those at the back of the study guide.



Self-Check 1.3

1. For job hazards, an employer should talk directly to employees. However, _____ can also be used to document managerial actions intended to explain and reinforce safe behavior.
2. _____ occurs in respect to religious practices and employee disabilities.
3. _____ prohibit forewarning an employer of an impending inspection.
4. _____ requires federal contractors to take affirmative action that favors veterans of the Vietnam War.
5. _____ impact refers specifically to a situation in which employer practices may appear neutral yet disproportionately discriminate against a protected group, such as women or members of a racial minority.
6. The _____ Amendment to the US Constitution forbids states from taking, life, liberty, or property without due process.
7. The use of a/an _____ analysis technique involves breaking down a job into tasks or procedures and rating its potential for harm or injury.
8. The Equal _____ Opportunities Act is responsible for enforcing most EEO laws, including Title VII.

Check your answers with those in the back of this study guide.