

## General contextual factors

- Population 250 million
- New York 18 million
- Los Angeles 14.5 million
- three quarters of population live in cities
- Ethnically diverse
- 20% poor and 20% Affluent



## General factors (continued)

- Country of origin to major multinationals
- vast natural resources
- regional diversity
- accepts large number of immigrants
- enormous manufacturing capacity
- ageing, but relatively young, labour force
- entrepreneurial culture- many start-ups/ shut downs.



## Hofstede's scores;

- Individualism- 91
- Uncertainty avoidance- 46
- Masculinity- 62
- Power Distance- 40



## 'Free market' principles

- relates to 'laissez-faire' economics
- combinations viewed as impediments to the market
- emphasises private ownership and enterprise, individual decision making
- preference for unregulated labour markets
- non- interference by government
- Discouragement/ antagonism towards of trade unions



# Labour market

- By the end of 20th century, average age of the workforce was around 36. Net additions to labour force mainly comprising of women, minorities and immigrants
- Service sector is dominant, comprising around 80% of total jobs- includes finance, transportation, health care, retail and government
- Part time/ temporary/ outsourced etc. work becoming more common



# recruitment

- Rigorous legislation on recruitment requires employers to act on a fair and objective basis. Discrimination unlawful on grounds of sex, race, colour, age, national origin or religion
- Selection methods etc therefore need to be properly validated
- Increasing use of 'internet'



## remuneration

- There is a large non- union sector, where pay is negotiated, collective bargaining important
- move towards flexible and cafeteria benefits
- pension plans/healthcare provided by many employers



# Training and development

- Viewed as priority area- with many companies providing own training centres
- Enhancement of company specific training to provide skills as well as academic education- e.g. 'alliance for growth and development between AT&T and communications workers
- Strong competence based/ psychological underpinning of much development activity
- Assessment centres in common usage- involving interactive and simulated work activity



## Current trends/issues

- Ethical considerations- alcoholism, drug abuse, violence at work etc.
- New forms of work- including 'flexiplace', flexitime
- Aftermath of September 11<sup>th</sup>- relief to distressed industries (e.g. airlines- extended time limits for unemployment benefits)
- 'CEO elite' - corporate scandals- anti globalisation



# Current trends (continued)

- 'High Performance workplaces' giving training and responsibility to 'front line' workers
- Fear of job shifts to Mexico, Asia etc. Union footholds in personal services
- 'Office of 21<sup>st</sup> Century' in Department of Labor to assist American workplace meet challenge of global IT economy



# Features of employment practice (e.g. IBM, Gillette, Hewlett Packard)

- **Wages in top quartile for industry with further fringe benefits worth up to 50% of the wage**
- **Sophisticated forms of direct communication between managers and workers**
- **High ratio of managers to managed employees e.g. 1 to 8 in IBM, 1 to 8 in HP**
- **Profit sharing and /or share ownership plans**
- **Single (staff) status agreements**
- **Employment security linked to training and the acquisition of additional skills**
- **Attention given to work design**
- **Career opportunities through internal promotion**
- **Careful selection of employees to fit in with organisational culture**

