

## Chapter 1: The World of Human Resources Management

### If nothing else, my students should learn that...

- Human resources management (HRM) involves a number of policies and practices (e.g., recruitment, selection, training, health and safety, etc.) that are designed to provide employees with the ability, motivation, and opportunity to perform their jobs well.
- Effective HRM requires a consideration of the organization's strategy, as well as the social and political landscape. This requires the HRM department to be a strategic partner and a champion of change. Further, human resources (HR) must partner with line management, who are often the conduits of HR policies.

### Learning objectives

1. Explain how human resources managers and other managers can have rewarding careers by helping their firms gain a sustainable competitive advantage through the strategic utilization of people.
2. Explain how good human resources practices can help a firm's globalization, corporate social responsibility, and sustainability efforts.
3. Describe how technology can improve how people perform their work and how they are managed.
4. Explain the dual goals HR managers have in terms of increasing productivity and controlling costs.
5. Discuss how firms can leverage employee differences to their strategic advantage and how educational and cultural changes in the workforce are affecting how human resources manager engage employees.
6. Provide examples of the roles and competencies of today's human resources professionals.

### Why is this chapter important?

The purpose of this chapter is to acquaint students with the importance of HRM and how it contributes to the achievement of an organization's overall objectives. In this chapter, we discuss how people can be a source of competitive advantage, the competitive challenges facing firms, and the concerns of employees themselves. Students are made aware of some of the important efforts that both large and small companies are making to develop and utilize the talents of their people as well as the changes taking place in the work environment. We end the chapter with a discussion of the competencies that HR managers and line managers need to possess in order to work together to make the most of employees' talents.

### Why should students care?

The answer to this question is much the same, regardless of whether students plan on a career in HRM. Organizations compete through people. Studying HRM gives students an understanding of the systems and processes needed to develop and utilize the talents and energies of employees in order for the firm to gain a competitive advantage. Staffing the organization, designing jobs and teams, developing skilful employees, identifying approaches

for improving their performance, and rewarding employee successes—all typically labelled HRM issues—are as relevant to line managers as they are to managers in the HR department. The HR professional supports managers as they manage their employees to achieve organizational goals. Because employee skills, knowledge, and abilities are among the most distinctive and renewable resources on which a company can draw, their strategic management is more important than ever.

## What can I do in this class?

This section includes ideas for how to start and finish the class. It also contains information from the textbook that can be used as a basis for a lecture. Moreover, it contains numerous suggestions for student engagement. Depending on your class size, the nature of the students, and your desire for classroom participation, choose from these activities to enliven the classroom.

### Getting started

Begin the class with a brief overview of the strategic role of the HRM function. For instance, emphasize these points:

- Studying HRM gives students an understanding of the systems and processes needed to develop and utilize the talents and energies of employees in order for the firm to gain a competitive advantage.
- Staffing the organization, designing jobs and teams, developing skilful employees, identifying approaches for improving their performance, and rewarding employee successes—all typically labelled HRM issues—are as relevant to line managers as they are to managers in the HR department.

Explain that this is because organizations “compete through people,” and the success of doing so depends on an organization’s ability to manage talent, or *human capital*, defined as the economic value of employees’ knowledge, skills, and capabilities.

Some ideas for getting students energized at the beginning of class include the following:

- **Connectivity Activity:** Ask students to think about a previous or current job. In small groups, discuss their interaction with the HRM department. Note the activities mentioned by students on the board or flipchart. Ask students whether all of the activities are the sole remit of HRM. There are likely to be shared responsibilities with management. Highlight some of the reasons why HRM is important for those who wish to be HRM managers, but also for those who wish to manage others, or even start their own business.
- **Connectivity Activity:** Go to websites for HR professional associations, such as the HRP, CIPD, or SHRM. Collect information on each of the topics to be discussed over the course of the semester (e.g., week-to-week breakdown of HRM activities, such as recruiting and training). Have students get into small groups, and give one topic per group. Ask students to develop a presentation on three of the most important or interesting elements in the reading, and then present their findings to one another. This can also be done at the end of the lecture as a preview for the rest of the course.
- **Call-Out Question:** Think of a firm you are familiar with that is facing dramatic changes in order to survive. (BlackBerry is an example.) How do you think the firm’s personnel can help it adapt? What role will the company’s HR staff play in helping with that goal?

- **Call-Out Question:** Ask students whether they can think of a situation in which, if a particular person left an organization, that organization's expertise would drop rapidly. There are many instances in which a single individual's expertise has an enormous influence on an organization. Some high profile names will jump out. Mark Zuckerberg of Facebook and Bill Gates at Microsoft are highly recognizable executives. If students have a difficult time coming up with easily recognizable people, ask them about small companies in their hometowns. What would happen at a mom-and-pop store if Mom or Pop decided to leave? In small businesses especially, the human capital may be almost completely tied up in one or two key individuals. The talent, service, and/or reputation of those key individuals "are" the business. Highlight that HRM programs are often the conduit through which knowledge is developed and transferred among employees, and that HRM can provide the systems and procedures so that if a star CEO leaves, he or she does not take the success of the company with him or her. To go outside the bounds of the textbook, it is possible to introduce "strong" cultures in this space (Bowen and Ostroff, 2004; see the full citation in the Recommended Reading section).

### Competitive Challenges and Human Resources Management

Professional organizations such as the Human Resources Professionals Association (HRPA) seek the input from chief executives and HR managers to identify the most important trends. They are listed here as challenges.

#### CHALLENGE 1: Responding Strategically to Changes in the Local and Global Marketplace

In order to meet this challenge, HRM professionals need to know the business strategy, and how to align its policies with it.

- **Call-Out Question:** Since 2008, the world has undergone a "Great Recession." How has this impacted business? What have organizations done in order to survive?  
Students may generate the following strategies:
  - *Downsizing*—the planned elimination of jobs
  - *Outsourcing*—hiring someone from outside the company to perform business processes that were previously done within the firm
  - *Offshoring*—involves shifting work to overseas locations
  - *Employee leasing*—the process of dismissing employees who are then hired by a leasing company, which handles all HR-related activities, and contracts with that company to lease back the employees
  - *Reengineering*—a fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and/or speed
  - *Six Sigma*—a set of principles and practices whose core ideas include understanding customer needs, doing things right the first time, and striving for continuous improvement
- **Note:** *This topic should be noted on the board for further discussion. Also, more details on some of these challenges are found in Challenge 5; this discussion can occur during Challenge 1 or Challenge 5.*
- See *Reality Check: Six Sigma* on page 8 for an example of how Six Sigma is used at Goodyear Canada.

Once this list is complete (you may need to probe students or teach some of this material, depending on the experience of students), highlight that a common denominator of all these

strategies is that they require companies to engage in change management. **Change management** is a systematic way of bringing about and managing both organizational changes and changes on the individual level. Although most employees understand that change is continuous—responsibilities, job assignments, and work processes change—people often resist it because it requires them to modify or abandon ways of working that have been successful or at least familiar to them. Successful change rarely occurs naturally or easily.

- **Think-Pair-Share:** Explain to students that organizations that fail to change do not survive. Provide students with a list of John Kotter's (1995) eight steps to managing change, and ask them how HRM might contribute to those activities. The steps are: (1) Not establishing a sense of urgency; (2) Not creating a powerful coalition to guide the effort; (3) Lacking leaders who have a vision; (4) Lacking leaders who communicate the vision; (5) Not removing obstacles to the new vision or motivating employees; (6) Not systematically planning for and creating short-term "wins"; (7) Declaring victory too soon; (8) Not anchoring changes in the corporate culture, or failing to maintain the momentum of the change. See the full citation in the Recommended Reading section.

Some of the strategic changes companies pursue are **reactive changes** that result when external forces, such as the competition, a recession, law change, or a crisis (such as BP's offshore oil spill in the Gulf of Mexico in 2010) have already affected an organization's performance. Other strategies are **proactive change**, initiated by managers to take advantage of targeted opportunities, particularly in fast-changing industries.

- **Making Links with Previous Learning:** Refer to the list generated previously about how organizations are dealing with change (downsizing, outsourcing, Six Sigma, process re-engineering, and the other ideas generated by students). Ask students which of those strategies are more likely to be reactive change, and which are more likely to be proactive change initiatives.
- **Small Group Exercise:** State instructions and expectations for a small group activity (5–6 students); the response should be done in PowerPoint if all groups have laptops; limit the number of slides (5–8). In each small group, ask for a volunteer who has a bad habit that he or she wants to get rid of (e.g., nail biting, procrastination, lack of exercise, poor eating habits, etc.). As a group, develop a change management program for the student volunteer while incorporating the key elements of change management from the text. Encourage groups to display their change management programs with their PowerPoint presentations. Comment on the merits of each group's presentation and also the difficulties in assessing whether the change management programs will produce lasting change; that is, that the bad habits will not return.

## CHALLENGE 2: Competing, Recruiting, and Staffing Globally

*How Globalization Affects HRM:* When managers talk about "going global," they have to balance a complicated set of issues related to different geographies, including different cultures, employment laws, and business practices. Human resources issues underlie each of these concerns.

- **Call-Out Question:** Ask students to imagine that they want to send a Canadian manager to Hong Kong for two years to give the manager developmental opportunities. The Canadian manager earns \$120,000 CAD/year. What would be some of the challenges this manager might face? Lots of different issues may arise, such as family issues, training in cultural sensitivity, performance management, and compensation. Some students will know that \$120,000 CAD does not go very far in

Hong Kong! Then, ask students to imagine taking the same manager and having him or her work in Mexico for two years. Ask them how far they think that \$120,000 CAD would get a person in Mexico! Reinforce the need to have a strategy for dealing with these issues, as perceptions of fairness serve as a bedrock of effective HRM.

- **Think-Pair-Share:** Use Discussion Question 2 on page 33 as a basis for a think-pair-share: *Suppose your boss asked you to summarize the major people-related concerns in opening an office in China. What issues would be on your list?* See the recommended response in Answers to End-of-Chapter Discussion Questions.

### CHALLENGE 3: Setting and Achieving Corporate Social Responsibility and Sustainability Goals

**Corporate social responsibility (CSR)**, or the responsibility of the firm to act in the best interests of the people and the communities affected by its activities, has become important both domestically and abroad to help the bottom line with job selection, HR leadership, and good corporate citizenship.

- **Making Explicit Real-World Links:** Introduce CSR as “the responsibility of the firm to act in the best interests of the people and the communities affected by its activities.” Sources of information about companies and their programs to promote corporate social responsibility can be found on the news service at <http://www.csrwire.com>. Introduce this challenge by copying pictures from websites of organizations’ career sites showing that they are committed to CSR. Ask students why organizations would do this, and generate a discussion about the benefits of engaging in CSR from both the employee and employer perspectives.
- **Debate:** Put students into groups of two. Assign one student the position “CSR has no business in business,” and assign the other student the position “CSR must be a priority for all businesses.” Given that this is the first lecture, it might be wise to ask the con-CSR group to meet with each other, and the pro-CSR group to meet with each other. This way, students can share ideas before the debate. After about five minutes, ask students whether their partner made any good points. Jot them on the board and take up with the class.
- **Think-Pair-Share:** Use the Discussion Question 3 on page 33 as a basis for a think-pair-share: *Name a company you hope to work for someday. What is its track record in terms of corporate social responsibility and sustainability? Are these factors important to you? Why or why not?* See the recommended response in the Answers to End-of-Chapter Discussion Questions. If you have access to the Internet in the classroom, you can look up some of the organizations on the Web to see if they have CSR agendas.

### CHALLENGE 4: Advancing HRM with Technology

**Collaborative software** allows workers to interface and share information with one another electronically (e.g., wikis, Google Docs, online chat, web and video conferencing).

- **Class Discussion:** Ask the students whether they use any of the aforementioned collaborative software when working in groups for their courses in university. Many students will have used at least one type of collaborative software. Ask the students the benefits and drawbacks of using such software for group projects. Then ask the students to compare their answers with what they believe occurs in the workplace.
- **Class Discussion:** *From Touch Labour to Knowledge Workers.* Discuss with students their experience with jobs that have moved from “touch labour” to “knowledge

workers,” or workers whose responsibilities extend beyond the physical execution of work to include planning, decision making, and problem solving. Ask them what kinds of skills these new jobs require. It may be the case that current employees can be retrained to assume new roles and responsibilities. Other times, new employees have to be hired. Discuss whether, as employees, they would prefer to learn via regular training, just-in-time learning, or virtual learning environments. You can also produce a copy of *Highlights in HRM 1.1* on page 12, which outlines a number of rather provocative predictions about the future of work. Ask the students whether they think that these events will happen, and the impact the changes will have for organizations and employees.

***Influence of Technology in HRM.*** A *human resources information system (HRIS)* is a computerized system that provides current and accurate data for purposes of control and decision making.

- Use *Highlights in HRM 1.2: Factors to Consider When Evaluating a Human Resources Information System* on page 14 to show the factors that should be considered when evaluating an HRIS system.
- **Think-Pair-Share:** Ask the students to collaboratively respond to Discussion Question 4 on page 33: *Will technology eliminate the need for HR managers?* At this point, this question may be best used for experienced students, rather than novice ones. See the recommended responses in the Answers to End-of-Chapter Discussion Questions.
- **Collaborative Team Project:** Put students into groups to compare, contrast, and evaluate two HRIS systems, using the guidelines presented in *Highlights in HRM 1.2* on page 14. Information can be sourced from the Internet. Take care to urge students to NOT get into contact with any provider, as this may have negative consequences for the university or college.

### **CHALLENGE 5: Containing Costs while Retaining Top Talent and Maximizing Productivity**

Stress to students that HRM professionals need to simultaneously focus on retaining top talent and maximizing productivity. Inform students that virtually every major corporation has undergone some cycle of downsizing.

- **Call-Out Question:** Do you think it is possible to maintain the morale of your firm’s employees in the face of shrinking budgets and benefits? How might you do so? The answers to this question may very well link back to the students’ knowledge of organizational behaviour if this is a prerequisite for this course in Human Resources Management. Inform the students that many of the theories underlying the study of human resources are rooted in organizational behaviour.
- **Linking Back to Previous Learning:** Refer back to reactive versus proactive change, and show that downsizing can be a response to both.
- **PBL:** Inform students about a study of 750 companies conducted by Watson Wyatt that showed that organizations with excellent recruitment and retention policies provide a nearly 8 percent higher return to shareholders compared to those that do not excel in these areas. Also, share that organizations with a strong commitment to job security earned an additional 1.4 percent for shareholders. Ask students to generate reasons for these counterintuitive findings. Advocates of a no-layoff policy often note that layoffs may backfire after taking into account such hidden costs, including



severance and rehiring costs, accrued vacation and sick day payouts, pension and benefit payoffs, potential lawsuits from aggrieved workers, loss of institutional memory and trust in management, lack of staffers when the economy rebounds, and survivors who are risk averse, paranoid, and political. Companies that avoid downsizing say they get some important benefits from such policies, such as a fiercely loyal, more productive workforce, higher customer satisfaction, readiness to snap back with the economy, a recruiting edge, and workers who are not afraid to innovate, knowing their jobs are safe.

## **CHALLENGE 6: Responding to the Demographic and Diversity Challenges of the Workforce**

- **Connectivity Question:** *Think about some of the teams you have been a member of. Which of them performed better— those that were diverse or those that were not? What challenges and opportunities did the more diverse teams present? How do you think they translate to human resources management?*

### **A. The Diversity/Immigration Challenge**

- **Share the Facts:** Use *Figure 1.2: Composition of the Population of Canada (Millions)* on page 19 to show the 2006 composition of the population of Canada. Ask the students whether they think that the composition has changed since 2006. Encourage them to return to class next time with the answer.
- **Link it to HRM:** To accommodate the shift in demographics, demand, and labour trends, businesses know it is absolutely vital to increase their efforts to recruit and train a more diverse workforce. They realize that immigrants are not only critical to their very survival, but also add to their strength and allow them to better attract and serve a larger customer base.

### **B. Aging of the Population and Generational Differences**

- **Share the Facts:** Canada's population was 35.7 million in January 2015. About 5 million are 65 or over, which is a 14.1 percent increase between 2006 and 2011. The number of seniors in the Canadian population is expected to double over the next 10 years. Seniors accounted for 14.8 percent of the population in 2011, up from 13.7 percent five years earlier.
- **Link It to HRM:** Some companies such as Home Depot and McDonald's are recruiting over-50 employees because, although their health care costs might be higher, their retention, absenteeism, and transition costs are lower. Older workers now are choosing to work longer. Good health and longer life expectancies play the biggest role in extended work lives. But some retirees have returned to the workforce because of economic needs.
- **PBL:** Use *Case Study 2: Intergenerational Issues* on page 35 to generate discussion among the students on how HR and line management may need to tailor their approach to suit the needs of an inter-generationally diverse workforce. See recommended responses to the discussion questions in the Notes for End-of-Chapter Case Studies.

### C. Gender Distribution of the Workforce

- **Share the Facts:** The percentage of women in the labour force is nearly 50 percent, although 61 percent of university graduates are women.
- **Link it to HRM:** Employers are taking measures to ensure that women are treated equally in the workplace in terms of advancement opportunities and compensation. They also need to accommodate working parents through parental leave, part-time employment, flexible work schedules, job sharing, telecommuting, and child and elder care assistance.
- **Collaborative Team Project:** Use Discussion Question 6 on page 33 as a basis for a collaborative team project: *What are the pros and cons of having a more diverse workforce? Is Canada in a better position to compete globally because of its diverse population? Find examples from a school or work project where having a diverse team made a difference.* See the recommended solutions in the Answers to End-of-Chapter Discussion Questions.
- **Think-Pair-Share:** The textbook emphasizes that harnessing a company's talent means being aware of characteristics *common* to employees while also managing these employees as *individuals*. Ask the students to take either gender or generation Y as an example. Ask the students what might be *common* to the group (either females vs. males, or generation Y versus others), and what factors may be more *individual* in managing either female or generation Y employees. For instance, women may have childbearing in common (most women have the ability to bear children), but they differ with regards to factors that motivate them at work.

## CHALLENGE 7: Adapting to Educational and Cultural Shifts Affecting the Workforce

### A. Education of the Workforce

- **Think-Pair-Share:** Use Discussion Question 7 on page 33 as a basis for a think-pair-share: *Why do HR managers need to stay abreast of the educational levels and work expectations of people in the workforce?* See the recommended solutions in the Answers to End-of-Chapter Discussion Questions.

### B. Cultural Changes

### C. Employee Rights

### D. Concern for Privacy

### E. The Changing Nature of the Job

- See *Ethics in HRM: Skywalkers and Groundworkers* on page 26.
- **Debate:** Ask the students to get into pairs to debate the merits of part-time work. Once you've given them about 5 minutes, ask the students to read *The Business Case: Advantages and Disadvantages of Part-Time Workers* (page 25) to determine whether they missed any important points and learned something new. Ask the students whether the information changed their mind regarding the merits of part-time work.

### F. Changing Attitudes toward Work

- **Clickers:** Using either clickers, or just a simple piece of scrap paper, ask the students to rank order the list of job characteristics that are most important to them personally. Then, show the actual rank order from *Figure 1.4: Work Is More Than Just a Paycheque* on page 27 to demonstrate the reported findings. A discussion that refers



back to generational differences or gender may occur, as many students often suggest that they are motivated by different things depending on the stage of their career or gender.

### **G. Balancing Work and Family**

- **Making Explicit Real World Links:** Use *Highlights in HRM 1.3: Work–Life Harmony* on page 28 to see how Nora Spinks, an expert in work–life harmony, consults her clients.
- **Think-Pair-Share for Challenges 6 and 7:** Provide students with a “What in the World” Fact Sheet. First individually, and then in groups, ask them to discuss how the facts may impact upon HRM professionals. The facts can be presented in written form, or you can provide copies of some of the figures to students. The latter option is preferable, since it will provide students with an opportunity to understand material that is presented graphically. Facts may also include the following:
  1. Minorities in Canada are increasing relative to the population. Between 2001 and 2006, minorities increased by 27.2 percent, compared to a 5.4 percent increase in the population of Canada in the same period.
  2. Canada’s population was 35.7 million in January 2015. About 5 million are 65 or over, which is a 14.1 percent increase between 2006 and 2011. The number of seniors in the Canadian population is expected to double over the next 10 years. Seniors accounted for 14.8 percent of the population in 2011, up from 13.7 percent five years earlier.
  3. Women make up nearly 50 percent of the workforce in Canada, and the educational attainment of women is also increasing relative to men. Today, 61 percent of university graduates are women.
  4. While the complexity of jobs has increased over time, the skills gap is widening. More than 3 million Canadians have problems reading printed material.
  5. Nearly half of all jobs created in the past two decades are nonstandard—part-time, temporary, or contract work. These types of jobs represent about 34 percent of all employment.
  6. Job attitudes have significantly changed in the past few decades. Many employees—especially younger ones—believe that satisfaction with life is more likely to result from balancing their work challenges and rewards with those of their personal life. Money isn’t everything! In fact, people are increasingly looking for meaningful work.
  7. The majority of employees have no children under the age of 18.

## **The Partnership of Line Managers and HR Departments**

### **Responsibilities of the Human Resources Manager**

The major activities of HR managers include the following: **(1) Advice and counsel;** **(2) Service;** **(3) Policy formulation and implementation;** **(4) Employee advocacy**

- **Think-Pair-Share:** Use Discussion Question 8 on page 33 as the basis of a think-pair-share: *In your opinion, what is the most important role of HR managers? Should HR professionals be the “voice” for employees or the “spokesperson” for managers? Explain your view. Should HR professionals be licensed, like accountants and lawyers? See the recommended solutions in the Answers to End-of-Chapter Discussion Questions.*

### ***Competencies of the Human Resources Manager***

Competencies of HR managers include **(1)** Business Mastery **(2)** HR Mastery **(3)** Change Mastery **(4)** Personal Credibility.

- **PBL:** Use *Case Study 1: New HR Strategy Makes Lloyds a “Best Company”* on page 34, and encourage students to answer the questions. See the recommended solutions in the Notes for End-of-Chapter Case Studies.
- **PBL:** Use *Case Study 3: Shell’s Top Recruiter Takes His Cues from Marketing* on page 36 to generate a discussion on the synergy between marketing and HRM, highlighting another important skill of HRM. See the recommended solutions in the Notes for End-of-Chapter Case Studies.

### ***Role of the Line Manager***

Reinforce the idea with students that managing people ultimately depends on effective supervisors and line managers. It may likely be the case that most of your students will be line managers and supervisors rather than HR specialists. Ask students about their career plans and have them indicate how they believe a course in HRM will help them become better managers.

- **PBL:** Use *HRM Experience: Balancing Competitive Challenges and Employee Concerns* on page 33 to encourage students to think about the different roles of HR professionals vis-à-vis line management.

## **FINISHING CLASS**

- Review the learning objectives.
- Create a multiple-choice style quiz based on the lecture material to reinforce learning. Use clickers if they are available.
- Ask students to respond to a Discussion Question to present to the class the following week.
- Provide students with a “one-minute” paper, and ask them to respond to the following questions: (1) What is the most important thing I learned today? (2) What question do I have that is left unanswered? Collect the one-minute papers and take up any unresolved issues in the following class.
- Provide each student with a sticky note, and ask them to write down anything that was unclear to them in class, or if there are any unanswered questions. Use this as a basis for discussion on the online discussion board for your class.

## **Additional Teaching Resources**

### **Recommended Reading**

- Baron, J.N., & Kreps, D.M. (1999). Consistent human resource practices. *California Management Review*, 41(3), 29–53.
- Bowen, D.E., & Ostroff, C. (2004). Understanding HRM-Firm performance linkages: The role of the ‘strength’ of the HRM system. *Academy of Management Review*, 29(2), 203–221.

- Kotter, J. (1995). Leading change: Why transformation efforts fail. *Harvard Business Review*, 50–67.
- Pfeffer, J. (2005). Seven practices of successful organizations. In W.L. French, C.H. Bell, & R.A. Zawacki (Eds.). *Organizational Development and Transformation: Managing Effective Change* (pp. 460–479). New York: McGraw-Hill.
- Ulrich, D. (1991). Using human resources for competitive advantage. In R. Kilmann, I. Kilmann, and Associates (Eds.). *Making Organizations Competitive*. San Francisco, CA: Jossey-Bass.

## Answers to End-of-Chapter Discussion Questions

1. *Are people always an organization's most valuable asset? Why or why not? Name other strategic or valuable assets of organizations.* Contrary to what many managers might say, people are not always an organization's most important asset. In fact, many times managers try to suppress the impact that employees can have on the organization (e.g., by designing jobs that do not let individual talents show, by not giving employees input into decisions, and so on). Employees can be the most important asset and directly impact the competitiveness of an organization under certain circumstances. When employees are managed in a way that adds value (via efficiency, innovativeness, and so on), when their skills and competencies are rare and difficult to imitate, and when they are organized in a way that takes advantage of their talents, they can be an enormously important asset to an organization. In addition to human capital, other strategic assets of an organization include its technology, its financial resources, and its capital.
2. *Suppose your boss asked you to summarize the major people-related concerns in opening an office in China. What issues would be on your list?* Some of the most basic concerns about opening up an office in another country include legal, cultural, and administrative differences. Students should be made aware of the options an organization has in terms of hiring people from the host country versus sending over expatriates. Depending on the people hired, training issues become important, as do issues related to pay, career development, and the like. Chapter 15 focuses directly on these concerns in international HRM.
3. *Name a company you hope to work for someday. What is its track record in terms of corporate social responsibility and sustainability? Are these factors important to you? Why or why not?* Sources of information about companies and their programs to promote corporate social responsibility can be found at <http://www.csrwire.com>.
4. *Will technology eliminate the need for HR managers?* Emphasize that technology has a number of benefits for the HRM professional. For instance, it automates routine activities, alleviates administrative burdens, reduces costs, and improves productivity internal to the HR function itself. It also has relational benefits by connecting people with each other and with HR data they need. Finally, it is changing the way HR processes are designed and executed. Technology frees up time for the HR professional to spend on more strategic aspects of the people side of business. Technology does not run on its own; instead, it must be managed and leveraged in such a way to contribute to the organization's goals. Hence, the need for HR will not be eliminated. Moreover, HR has been positioned as a coach for management, which requires the HR manager to help management solve unique problems, whereby the solutions cannot be provided by a computer.

5. *In groups, debate the proposition: Employees are an expense, and their numbers should be reduced. See The Business Case: Advantages of Part-Time Workers on page 25 for a list of advantages of part-time work, and for some advantages of employing on a full-time basis.*
6. *What are the pros and cons of having a more diverse workforce? Is Canada in a better position to compete globally because of its diverse population? Find examples from a school or work project where having a diverse team made a difference and explain that difference.* Diversity has its costs and its benefits. It is more difficult to create and manage a diverse workforce. Recruiting is harder to do, and getting people to work together is a challenge. All organizations are based on two design principles: variety and integration. Diversity equals variety, and out of variety comes creativity and innovation. But this only happens if variety/diversity can be integrated and coordinated. Otherwise, the organization will fall apart from differences among people. Because of the global nature of so much of Canadian business, a diverse workforce can provide a competitive edge. Diversity is not achieved without changes to attitudes that are often prevalent within an organization's culture.
7. *Why do HR managers need to stay abreast of the educational levels and work expectations of people in the workforce?* In predicting supply and demand of employees, understanding the population's educational levels and work expectations are crucial. Moreover, it is also imperative to understand people's expectations so that they can be met upon employment. Understanding educational levels may imply more or less training in either core or non-core job activities. For instance, if a group of employees are unable to read well, HR may need to assist them in understanding the Health and Safety procedures, as well as completing an employee satisfaction survey.
8. *In your opinion, what is the most important role of HR managers? Should HR professionals be the "voice" for employees or the "spokesperson" for managers? Explain your view. Should HR professionals be licensed, like accountants and lawyers?* It is probably impossible to answer this question definitively. It is meant to stimulate conversation about the complementary roles within HRM—how they fit together and support the business. Without any one of the roles, the pyramid topples. In today's organizations, it may be the case that personal credibility is the most *central* role. Without it, nothing else matters. HR managers must be the "voice" for employees in that they must understand the issues that employees face. At the same time, HR managers must be the "spokesperson" for managers since it is important to understand the strategic direction of the company and to match the right employees with the achievement of its objectives.

## Notes for End-of-Chapter Case Studies

### Case Study 1: New HR Strategy Makes Lloyds a "Best Company"

1. *What skills does Black think employees need to work successfully in the area of HR?* Black says that employees must be commercial, challenging, and focused on delivery and excellence. "They must understand change and transformation, excel at operations, and balance tactical and strategic thinking and acting." She adds, "They will have to be able to manage and navigate organizational complexity and ambiguities and not be afraid to say no occasionally in order to establish appropriate

boundaries with the business.” Encourage students to organize the skills according to the theory in the text: Business mastery. Black needs her employees to think strategically and to provide value to the business; this implies knowing the business. HR mastery. HR professionals are the organization’s behavioural science experts. The employees need to develop expert knowledge in the areas of staffing, development, appraisals, rewards, team building, and communication. Change mastery. Not only does Black hope that the perception of HR changes, but the host of other HR-related changes requires that HR professionals are able to manage change processes so that their firms’ HR activities are effectively merged with the business needs of their organizations. Personal credibility. Black needs her employees to establish personal credibility in the eyes of their internal and external customers.

2. *What are some of the outcomes of the company’s new HR strategy?* In 2011, Lloyd’s landed on the *Sunday Times* Top 100 Best Companies to Work For (in the United Kingdom) list and was hailed as one of the United Kingdom’s Top 40 Business Brands by an independent researcher. Other responses might include a new vision of the HR department, more rigorous HRM processes and policies, and a more nimble HRM function.
3. *What do you think might be some of the challenges of establishing HR policies for a global company?* HRM and senior management need to balance a complicated set of issues related to different geographies, including different cultures, employment laws, and business practices. Human resources issues underlie each of these concerns. They include such things as dealing with employees today who, via the Internet, are better informed about global job opportunities and are willing to pursue them, even if it means working for competing companies. Gauging the knowledge and skill base of international workers and figuring out how best to hire and train them, sometimes with materials that must be translated into a number of different languages, is also an issue for firms. Relocating managers and other workers to direct the efforts of an international workforce is a challenge as well. HR personnel are frequently responsible for implementing training programs and enhancing their firms’ managers’ understanding of other cultures and practices, as well as dealing with the culture shock these workers might experience and pay differentials that must be adjusted, depending upon the country.
4. *What types of situations do you think might require an HR manager to say “no”?* Issues related to ethics and ethical behaviour of employees or the organization. Also, issues related to maintaining the distinction between line management and HRM. Often, business partners are asked to perform line management duties, and at times the line can become blurred so that HRM becomes more of an administrator than a strategic partner. In these cases, HRM professionals may need to “push back” in order to restore their position.

## Case Study 2: Intergenerational Issues

1. *Based on your experiences working with students/colleagues of different ages, do you believe that there are generational differences in attitudes toward work? Do a search to see if there is any evidence for these beliefs.* All individuals work to satisfy many goals—to pay bills, to self-actualize, to socialize, to learn new skills, to innovate, to lead, to manage, and so forth. Irrespective of age, all generations have these desires and one

generation does not trump another as being better. However, much research has been conducted about the attitudinal and motivational differences with the Baby Boomers, Generations X and Y, Echo Boomers, and so on, to demonstrate these differences in work ethic, attitudes, motivation, trust, and so forth. What this research does is to polarize the generations, giving them reasons to generate conflict. It is top management's responsibility to generate a culture where all generations have merit, and seniority is not the only characteristic that is valued. Longevity in a company is meaningless if an employee is left to coast and contribute less and less each year, as in the case of Peregrine. There is very little empirical evidence that suggests that there are distinct generational differences. Most research shows that there is more intragenerational diversity compared to intergenerational diversity. Moreover, given the globalizing world, what makes a "generation" is different in different national contexts. Therefore, the classification may be too broad in today's business environment.

2. *As the demand for autos declined, and GM and Chrysler faced bankruptcy, the benefits given to auto workers were reduced. Check out the compensation packages for new auto workers and decide if the package is attractive enough for young workers to leave school, as these young workers did.* The wages for employees in the Big Three auto manufacturers (Ford, GM, and Chrysler) were originally more than twice the amount earned by those working for foreign manufacturers. When the restructuring of 2008–09 went into effect, the wages were dropped to be more in line with the other auto manufacturers. With massive layoffs and plant closures, the opportunities to work for the Big Three also became scarce. Therefore, young workers would not be inclined to leave school for jobs that did not exist, since only the most senior employees remained in these companies, as long as they did not accept buyout packages. There are numerous websites (e.g., <http://www.macleans.ca/economy/business/auto-workers-make-a-lot-of-money-but-not-that-much/>) that state the average auto worker salary in Canada. The average seems to be about \$35/hour, which amounts to over \$70K a year. The average manufacturing worker, on the other hand, earns about \$21/hour, amounting to about 42K/year.

### Case Study 3: Shell's Top Recruiter Takes His Cues from Marketing

1. *What functions of HRM are similar to marketing functions? How can thinking about "marketing" a company's jobs improve the strategic focus of HR personnel?* Recruitment is similar to marketing. At Shell, HR needed to brand the employment experience, and market to potential job applicants. It can improve the strategic focus of HR because it forces some important questions, such as these: What type of employee do we want? What are our values, and how can we demonstrate those in our brand? What is our employee value proposition? How can we best meet the needs of our employees?
2. *If you were planning to use marketing strategies to "brand" a company as an employer of choice, what are some of the factors you would consider?* Typical responses might include the types of employees required. For instance, it is important to know whether the organization is seeking creativity, risk-taking behaviours, team playing skills, or if it values on-the-job learning. These elements can be features in the branding. Moreover, it is important to know whether the recruitment pool is local, regional, or global, and whether and how the recruitment drive would be adapted as a result.



3. *Do you agree with Singh's statement that in the future, companies will have to apply for skilled people to work for them rather than candidates applying to work at an organization? Why or why not?* Refer to the discussion in the text on knowledge workers on page 12. Engineers are an example of knowledge workers, who are in high demand in the Canadian and global marketplace. Moreover, the case states that many engineers at Royal Dutch Shell will be retiring soon, exacerbating the issue. So, in this case, the power shifts toward the engineers, rather than the employer. In response to Singh's statement, it is important to recognize that he is speaking about engineers. Would he say the same thing about administrative assistants, janitors, or HRM professionals?