

# **Solution Manual for Human Resource Management 3rd Edition Stewart and Brown 1118582802 9781118582800**

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## **Chapter 1 Creating Value Through Human Resources**

### **Chapter 1 Learning Objectives**

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1. Explain how human resource management, from the organizational life-cycle and stakeholder perspectives, can facilitate organizational success.
2. List the core functions of HRM.
3. Explain what human resource professionals do to help create successful organizations.
4. Identify important labor trends that are affecting organizations and their human resource practices.
5. Explain how effective human resource management requires a combination of strategic and functional perspectives.

### **Chapter 1 Outline**

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**1.1** Explain how human resource management, from the organizational life-cycle and stakeholder perspectives, can facilitate organizational success.

- **How Can Human Resource Management Make an Organization Effective?**
  - ✓ Field of study and practice that focuses on people in organizations. (page 4).
  - ✓ HR skills help organizations more effectively hire, manage, and motivate employees so that the organization itself becomes more effective.
  - ✓ A starting point for learning about the field of HRM is to explore the concept of organizational success.
- **How Is Organizational Success Determined?**
  - ✓ **Organizational Life-Cycle:** measures of effectiveness change as an organization moves through a series of four distinct stages during its lifetime. (pages 6-9).
    - **Entrepreneurial Stage:** effective HRM is very important for development of an organization's identity and for the survival and growth of newly formed organizations.
    - **Communal Stage:** marked by expansion, innovation, cooperation, and in developing and improving organizational processes.

- **Formalization Stage:** focus on improving efficiency and finding new and innovative ways to accomplish the organization's goals and objectives.
- **Elaboration Stage:** when organizations need to redefine objectives and identify new opportunities.
- ✓ **Success from Stakeholder Perspectives:** success is measured by the extent that organizations meet stakeholders' needs (e.g., employees, customers, owners, society). (pages 9-11).
  - **Stakeholders:** Individuals or groups of people who can affect or who are affected by an organization
  - **Employees:** HR practices protect the interests of employees by more effectively meeting their needs.
  - **Customers:** Research strongly supports the notion that good HRM improves customer satisfaction, largely through customers' interactions with employees.
  - **Owners:** Owners influence organizations by determining who leads and makes decisions; their chief concern is the return and retention of organizational profits.
  - **Society:** Organizations that are better community citizens are generally more profitable than organizations that ignore environmental and social concerns.
  - **Employee Turnover:** the process in which employees leave the organization and are replaced by other employees.
- ✓ **The Chain of Success (pages 11-12)**
  - Meeting the needs of one group can often help meet the needs of others; each group is referred to as stakeholders.
  - Properly managing people is therefore a critical part of the chain of excellence for successful organizations.
  - Obtaining and keeping excellent employees gives an organization an advantage in meeting customer needs, which translates into profitability and thereby provides organizations with resources to further improve HR practices.

### CONCEPT CHECK

1. What are the four stages of the organizational life cycle and what is the main goal of each stage? *Entrepreneurial Stage's main goals are survival and growth; Communal Stage's main objective is to gain a unique identity and overcome internal conflict; Formalization Stage's key goal is to make goods and services as efficiently as possible; and Elaboration Stage's main goals are adaptation and renewal.*
2. How does human resource management contribute to success at each stage? *Entrepreneurial Stage: Need to hire and maintain employees; emphasis on creating plans for measuring performance and deciding pay; Communal Stage: Need to develop clear communication channels; emphasis on building strong loyalty among employees; Formalization Stage: Need to create formalized practices for hiring, training, and compensating; emphasis on continual improvement of employee skills and motivation; and Elaboration Stage: Need to alter practices to meet changing demands; emphasis on new ways of organizing work tasks.*
3. What four primary groups make up an organization's key stakeholders? *Employees, customers, owners, and society.*

## 1.2 List the Core HR Functions (pages 13-16)

- **Core HR Functions:** The Society for HRM (SHRM) and its affiliated Certification Institute have identified six broad functional areas of HRM (people management activities).
  - ✓ **Business management and strategy** works with other parts of the organization to establish and provide quality goods and services
  - ✓ **Workforce planning and employment** designs jobs and places people in them.
  - ✓ **HR development** ensures that employees learn the knowledge, skills, and abilities required for current and future performance.
  - ✓ **Compensation and benefits** paying employees fairly; administering benefits such as insurance
  - ✓ **Employee and labor relations** build and maintain effective working conditions and relationships.
  - ✓ **Risk management** promotes the physical and mental well-being of people in the workplace.
- **Spreading Knowledge About HR Practices (pages 16-17)**
  - ✓ Many of the core HR functions require cooperation between the HR department and other parts of the organization.
  - ✓ Such cooperative efforts are improved and the value of people management increases when leaders throughout the organization know what HR specialists bring to the table.
  - ✓ Another potentially important contribution of human resources is to teach organizational leaders effective practices for attracting and keeping talented workers.
  - ✓ Another aspect of spreading human resource knowledge is building relationships of trust.

### CONCEPT CHECK

1. What are the six core HR functions? *Business management and strategy, workforce planning and employment, human resource development, compensation and benefits, employee and labor relations, and risk management.*
2. Why is it important for HR professionals to educate others in their organizations about HR functions? *Many of the core human resource functions require cooperation between the human resource department and other parts of the organization. HR inputs about workforce planning must be coordinated with operational plans for increasing or decreasing production. Efforts to develop new employee skills also must be coordinated with strategic and marketing plans. Such cooperative efforts are improved and the value of people management increases when leaders throughout the organization know what human resource specialists bring to the table. An important aspect of spreading knowledge is thus to help managers and others throughout the organization know the special capabilities that human resource specialists provide.*

## 1.3 What do HR Specialists Do?

- Administer compensation, benefits and performance management systems, and safety and recreation programs.
- Identify staff vacancies and recruit, interview, and select applicants.
- Allocate human resources, ensuring appropriate matches between personnel.

- Provide current and prospective employees with information about policies, job duties, working conditions, wages, opportunities for promotion, and employee benefits.
- Perform difficult staffing duties, including dealing with understaffing, refereeing disputes, firing employees, and administering disciplinary procedures.
- Advise managers on organizational policy matters such as equal employment opportunity and sexual harassment and recommend needed changes.
- Analyze and modify compensation and benefits policies to establish competitive programs and ensure compliance with legal requirements.
- Plan and conduct new employee orientation to foster positive attitude toward organizational objectives.
- Serve as a link between management and employees by handling questions, interpreting and administering contracts, and helping resolve work-related problems.
- **HR ROLES (pages 18-22)**
  - ✓ **Short-term** activities generally involve day-to-day projects and focus on conducting surveys, maintaining databases, counseling employees.
    - **Functional Expert:** focuses on providing technical expertise related to hiring and motivating employees. They do this by helping the organization build systems and practices to ensure that an organization is using state-of-the-art methods to manage people.
    - **Employee Advocate:** listens to employees, provides them with the resources they need to be effective, and makes sure the interests of employees are recognized when organizational decisions are made.
  - ✓ **Long-term** activities are more strategic in nature and include developing organizational strategies, managing change processes, and planning ways to create new skills.
    - **Strategic Partner:** works with other organizational leaders to put company strategy into action and to manage organizational change.
    - **Human Capital Developer:** adds value by helping employees build and maintain cutting-edge skills.
- **HR Competencies** represent characteristics and capabilities that human resource professionals need to succeed in their work assignments. There are six basic competencies.
  - ✓ **Strategic Positioner (page 22)**
    - Knowledge and skills associated with accurately placing an organization in its business context through understanding finance, strategy, stakeholders, and competitive context.
  - ✓ **Credible Activist (page 22)**
    - Knowledge and skills for influencing others through acting with integrity, sharing information, and building trust
  - ✓ **Capability Builder (page 22-23)**
    - Knowledge and skills related to understanding what the organization is capable of doing successfully.
  - ✓ **Change Champion (page 23-24)**
    - Knowledge and skills necessary to initiate and carry out change.
  - ✓ **HR Innovator and Integrator (page 24)**
    - Knowledge and skills that ensure HR practices such as work design, staffing, and compensation are aligned in ways to facilitate organizational success.
  - ✓ **Technology Proponent (page 24)**

- Knowledge and skills used to help organizations effectively adopt technology to manage information and connect individuals.

### CONCEPT CHECK

1. What are the four critical HR roles, and what are some key features of each? *The **functional expert role** focuses on providing technical expertise related to hiring and motivating employees. In this role, an effective human resource specialist helps build systems and practices to ensure that an organization is using state-of-the-art methods to manage people. Human resource specialists also serve as consultants who teach managers ways to improve their interactions with employees. Human resource professionals in the **employee advocate** role listen to employees and provide them with the resources they need to be effective. They help employees who are experiencing personal problems. They make sure the interests of employees are recognized when decisions are made and that employees are properly informed about organizational policies and procedures. They develop and enforce policies that protect employees from being taken advantage of by more powerful supervisors. In the **strategic partner** role, HR professionals work with other organizational leaders to put company strategy into action. To do this, they need to know about other business activities (e.g., finance, accounting, and marketing), the organization's products and services, and how these activities, products, and services fit with the company's strategic objectives. This builds credibility and trust with other employees. Finally, they apply concepts related to psychological reactions, power and influence, motivation, and group dynamics to facilitating change. The **human capital developer** role focuses on helping employees improve their skills. They teach formal classes, help employees make individualized plans for the future, and make frequent changes in work processes based on employee input. They add value to the organization by helping employees build and maintain cutting-edge skills.*
2. What is a competency, and what six competencies do HR professionals need to develop? *A competency represents the knowledge, skill, and ability needed to perform a desirable behavior. One recent model suggests that human resource professionals need six basic competencies. These competencies are shown in Figure 1.3 and include strategic positioner, credible activist, capability builder, change champion, HR innovator and integrator, and technology proponent.*

#### 1.4 How Will Current Trends Affect HRM?

- **Population Trends (pages 24-25)**
  - ✓ Organizations are interested in population trends for two main reasons:
    - to determine how the demand for their goods and services might change and
    - to provide insight into the number and type of workers that are likely to be available in the future.
  - ✓ The U.S. population grew at a rate of about 29 percent for the past ten years, and current projections indicate that the country's total population will continue to increase at a rate of 25 percent during the next decade.
  - ✓ The balance between young and old people in the U.S. population is also changing.

- By 2018 the number of people between the ages of 16 and 24 will increase slightly,
  - the number between the ages of 35 and 44 will stay about the same,
  - the number between the ages of 45 and 54 will decrease slightly, and
  - the number older than age 55 will increase by almost 30 percent.
  - The demand for goods and services desired by older people will increase.
  - The workforce will become older with more people nearing the end of their careers.
- **Labor Force Trends: (page 25-26)**
    - ✓ Labor force trends focus on the number and characteristics of people who will be working or looking for work.
    - ✓ By 2018 trends in overall population will lead to a greater proportion of older people in the workforce.
    - ✓ Racial proportions will also continue to change.
      - The percentage of non-Hispanic white employees is expected to decrease from 70 to 65 percent of the workforce.
      - The percentage of Hispanic workers will increase from about 14 to 18 percent of the workforce.
    - ✓ Another important trend concerns women in the workforce.
      - The number of female employees is expected to continue growing at a rate of 9 percent, faster than the number of male employees, which is at a rate of only 7.5 percent.
      - Attracting and keeping minority and women employees will become increasingly important.
    - ✓ Organizations will need to find better ways to meet the needs of minority workers.
      - Create ongoing groups of people with underrepresented backgrounds and needs who can meet together and discuss issues.
      - These groups provide important feedback and suggestions to help leaders understand the unique perspectives of minority workers.
  - **Employment Trends (pages 26)**
    - ✓ Employment opportunity trends identify the type of work opportunities that will likely be available in the future.
      - Shift from goods-producing to service-providing employment.
      - Most new jobs will be in areas that produce services, and the fastest growing industries will be health services, professional services, and education.
      - The need for health care services will continue to increase as the population ages, and the demand for childcare will grow as more women enter the workforce.
    - ✓ Organizations in growing industries often find it difficult to attract and retain enough quality workers.
      - Effective recruiting, hiring, and compensation are therefore expected to be particularly critical for high-growth occupations such as nurses, computer programmers, and teachers.
      - The outlook is bright for occupations such as data analyst and health aides but rather bleak for production workers who make and assemble goods such as clothing and for those in the farming industry.
  - **Trends in Education and Training (page 27)**
    - ✓ Education and training trends tell us about what competencies people will need to perform jobs in the future and how organizations can better focus their recruitment efforts.
      - Growth is expected for a number of jobs that require college education.

- For example, growth is expected in the area of information services, including network analysts, software engineers, and database administrators.
- Growth is also expected in the field of health care, so that more jobs will be available for physician assistants, registered nurses, physical therapist assistants, and dental hygienists.
- ✓ Training sometimes comes on the job rather than from formal education, and some jobs in high-growth areas will require this sort of training.
  - Healthcare aides, who perform tasks in areas such as physical therapy, home care, and social services, represent such jobs.
  - Organizations that need employees with these skills must develop on-the-job training programs that will ensure new employees learn the necessary knowledge and skills.
- **Globalization Trends (page 27)**
  - ✓ Globalization refers in part to a process in which companies move beyond their national borders to do business in other countries.
  - ✓ For global companies, the entire world represents not only their marketplace but also their place of production.
    - International trade is growing at nearly 10 percent per year, a sure indicator of globalization as an important force.
    - Numerous large corporations have operations in countries scattered across the globe; even many small companies are purchasing goods and seeking sales from people living in more than one country.
    - The globalization trend appears to be beneficial for organizations, as companies on average are more profitable when greater portions of their sales, assets, and employees are foreign.
  - ✓ Globalization increases the complexity of HR activities such as fairly compensating employees and in adopting standardized practices.

### CONCEPT CHECK

1. How are current population trends and labor force trends likely to affect organizations and their HR practices in the future? **Population Trends:** *The U.S. population grew at a rate of 29 percent over the past ten years and current projections indicate that the country's total population will grow by about 25 percent during the next decade. The balance between young and old people in the U.S. population is also changing. By 2018 the number of people between the ages of 16 and 24 will increase slightly, the number between the ages of 35 and 44 will remain constant, the number between the ages of 45 and 54 will decrease slightly, and the number older than age 55 will increase by almost 30 percent.* **Labor Force Trends:** *By 2018 trends in overall population will lead to a greater proportion of older people in the workforce. Racial proportions will also continue to change. The percentage of non-Hispanic white employees is expected to decrease from 70 to 65 percent of the workforce, whereas the percentage of Hispanic workers will increase from about 14 to 18 percent of the workforce. Another important trend concerns women in the workforce. The number of female employees is expected to continue growing 9 percent, faster than the number of male employees, which will grow at 7.5 percent. Attracting and keeping minority and women employees will become increasingly important.* **Employment Trends:** *Organizations will also need to find better ways to meet the needs of minority workers. One such way is to create ongoing groups of people with*

*underrepresented backgrounds and needs who can meet together and discuss issues. This provides important feedback and suggestions for their unique perspectives.*

2. *What do employment opportunity trends tell us? Employment opportunity trends identify the type of work opportunities that will likely be available in the future. Some trends include a shift from goods-producing to service-providing employment. Most new jobs will be in areas that produce services, and the fastest growing industries will be health services, professional services, and education. The need for health care services will continue to increase as the population ages, and the demand for childcare will grow as more women enter the workforce. Good human resource management is particularly beneficial to organizations in growing industries because it helps them win the war for talent. Effective recruiting, hiring, and compensation are therefore expected to be particularly critical for high-growth occupations such as nurses, computer programmers, and teachers. The outlook is also bright for occupations such as data analysis and health care but rather bleak for production workers in the clothing industry and for those in farming. Trends in education and training also indicate growth is expected.*
3. *How does globalization complicate HR management? Globalization increases the complexity of human resource activities. For example, fairly compensating employees who work in foreign countries requires a great deal of expertise, and legal issues across various countries can make it impossible to adopt standardized practices.*

### **1.5 How Do Strategic and Functional Perspectives Combine to Direct HR Practices? (pages 27-29)**

- Historically, HRM has emphasized functional skills, which represent day-to-day activities such as developing specific hiring methods, conducting pay surveys, and providing training.
- Today, HRM also requires strategic skills, which represent broader aspects of business and include activities such as planning and change management.
- To be effective, HRM must pay attention to both strategic objectives and taking care of people.

#### **CONCEPT CHECK**

1. *How do the functional perspective and the strategic perspective combine to create success? Historically, HRM has emphasized functional skills, which represent day-to-day activities such as developing specific hiring methods, conducting pay surveys, and providing training. Today, HRM also requires strategic skills, which represent broader aspects of business and include activities such as planning and change management.*



The following presents suggestions designed to help you utilize the special features and cases found in *Human Resource Management: Linking Strategy to Practice*.

### **Learning Objectives**

The chapter contains five learning objectives. Each is presented at the beginning of the concept being discussed and can be found on:

- Learning objective 1- Page 6
- Learning objective 2- Page 13
- Learning objective 3- Page 17
- Learning objective 4- Page 24
- Learning objective 5- Page 28

### **Concept Checks**

The chapter contains five concept checks. Each is presented at appropriate points in the concept being discussed and can be found on:

- Concept 1- Page 13
- Concept 2- Page 17
- Concept 3- Page 24
- Concept 4- Page 28
- Concept 5- Page 29

### **Tables and Figures**

The table and figures presented in the chapter help illustrate the concepts of the chapter. They should be brought to the attention of the students and perhaps, included in the exams where appropriate.

- Table 1.1 Human Resources Across the Organizational Life Cycle- Page 7
- Table 1.2 Core Human Resource Functions- Page 13
- Table 1.3 Typical Human Resource Specialists Tasks- Page 18
- Figure 1.1 The Chain of Success - Page 12
- Figure 1.2 What Do Human Resource Specialists Do?- Page 19
- Figure 1.3 Human Resource Competencies- Page 22
- Figure 1.4 Labor Force by Age- Page 26
- Figure 1.5 Trends in Service Industry Jobs Between 2010 and 2020- Page 27
- Figure 1.6 Framework and Chapter Outline- Page 29

### **A Manager's Perspective, What do you think?, and A Manager's Perspective Revisited**

The chapter starts with a short scenario where Miguel has just finished a job interview and is contemplating the position. Five true/false questions related to this scenario and the chapter topics are noted on page 2 and 3 and answered on page 30.

Discussion of the chapter could start by posing these questions and asking for the class to vote on which questions are true through a show of hands, thumbs-up/thumbs-down, clickers, or paper copies of the questions. To keep student interest, the methods for identifying true answers should be varied.

The activity could be repeated near the end of the chapter discussion. At that time, students could be asked if they agree with the answers. The students also could be asked to identify what additional questions Melissa should ask.

During the discussion of the chapter material, you could refer to these questions at appropriate points. This will add both variety in the instructor's presentation and more realistic application of the chapter concepts.

For some chapters, you may wish to address the questions at the end of discussing the chapter. In this case, you may want to bring the students' attention to these questions informing the students that they will be asked to answer the questions near the end of the chapter discussion. At that time, students (individually or in groups) could be asked to explain why the answers are true or false. Students also could add questions to the list and briefly explain why they think a new question should be asked. This could be done as a class or in smaller groups. If done in smaller groups, each group could be asked to briefly report on an aspect of their discussion.

Of course, one or more of the questions or more detailed versions of the questions could be included in an exam. If included in an exam, students should be warned that these questions might be part of the exam.

### **Building Strength Through HR: Trader Joe's**

This special feature (pages 4 and 5) highlights several issues noted in this opening case regarding Trader Joe's (refer to pages 4-5). This case illustrates how human resource management can help build an organization's competitive strength.

The inset box (refer to page 5) presents some of the HR practices mentioned in the case but not all. Therefore, you could ask the students what other HR practices appeared to contribute to Trader Joe's success (e.g., Hawaiian shirts, soliciting employee input, flexible work design, promotion from within). This discussion could be supplemented by students familiar with Trader Joe's and information found on Trader Joe's webpage: <http://www.traderjoes.com/>.

If internet access is available in the classroom, you could access Trader Joe's webpage at <http://www.traderjoes.com/> during class to further illustrate their HR practices. The

website is colorful and the “Careers” link has informative links to detailed job descriptions, benefits, career opportunities, detailed profiles of their crew, recruiting events, and fun tidbits about Trader Joe’s (e.g., Hawaiian shirts).

For future chapters, supplemental information also could be provided by a student responsible for updating the case and finding relevant information from the organization’s website or other sources. You should inform the students of any school policies that address contacting organizations.

Because this chapter typically is the first chapter of the school term, it is important that the instructor show the students how these opening cases will be addressed and whether it is important to read them before class. At this point in the term or semester, guided class or group discussion should serve this purpose or briefly mentioned in a mini-lecture to show relevance of the chapter topics. Additional ways to address the opening cases could include individual students or teams of students presenting the main points and how the case answers the opening question of that section. These opening cases also could be used as topics for a more comprehensive assignment due later in the term.

### **How Do We Know? Does Effective Human Resource Management Increase Organizational Success?**

This inset box (on page 8) is briefly mentioned in the chapter. This gives a good reason to elaborate on the information presented in the box. Rosemary Batt conducted a study to learn about the influence of HR practices on call center performance. As described in the inset box, the findings of her studies revealed that organizations are more successful when they have good HR practices. She concluded that good HR practices result in lower turnover which increase growth in customer sales.

The class could be encouraged to read the details in the inset box or read more by accessing the 2002 article. During the lecture or class discussion of the chapter, the study, conclusions, and recommendations could be summarized. This could be accomplished through your lecture (asking for student input) or by assigning the box to an individual student. You or the student could lead a brief class discussion after presenting the facts.

Regardless of who presents the information, the students could be asked who has experience with call centers, if they agree that these practices might help reduce turnover and increase sales growth, and what other HR practices might appeal to call center employees (e.g., flextime, training others, job titles, employee of the month).

Other ways to address this information could be through a short written assignment or a more in-depth research paper on the topic.

### **How Do We Know? Why Are Some Organizations more Effective than Others?**

The “Chain of Success” section ends with a reference to this inset box (found on page 12). Human resource specialists often claim that differences in employee skill and ability represent a primary source of competitive advantage for firms. In short, having skilled and knowledgeable employees is seen as a valuable resource that firms can draw on to outperform competitors. An important research question is thus whether organizations with better employees— those that have greater human capital—are indeed more effective than their competitors. Russell Crook, Samuel Todd, James Combs, David Woehr, and David Ketchen sought a clear answer to this question by summarizing the results of 66 different existing studies. Human capital was scored as higher when employees have more work experience, higher levels of education, more desirable traits such as greater intelligence, and more knowledge of work processes. Organizational performance was captured through financial measures such as profitability and return on assets. As predicted, organizations with greater human capital were found to have higher profitability.

### **Technology in HR: Using Web-Based Information to Manage People**

This inset box (refer to page 15) briefly addresses some forms of technology that can help HR departments. Some benefits and obstacles are also presented.

The information presented in this box could be referred to during a lecture. Students could be asked for their experiences with online learning or, if no experience, why they have elected not to take online courses. The students could be asked to assess the user-friendliness of their school’s website, registration system, etc., and how that affects their likelihood to fully utilize the website’s potential.

Some students may have experience with online HR systems (e.g., PeopleSoft, Oracle, SuccessFactors). If so, they could talk about their experiences.

The topics in this box could provide topics to be researched by students.

### **Building Strength Through HR: Edwards Lifesciences**

The strategic partner role is demonstrated at Edwards Lifesciences (refer to page 21).

You could briefly mention this inset as an example of how the strategic partner role is implemented, or you could ask the students to describe how Edwards Lifesciences benefits from the contributions due to the strategic partner role. You also could ask the students how the other HR roles might be necessary for the HR professional to be successful in the strategic partner role.

## **Building Strength Through HR: McDonald's**

As noted above the inset box (refer to page 23), the HR professionals at McDonald's are focused on more effectively recruiting, hiring, communicating with, and training employees.

You could briefly mention this inset as an example of how the change management competencies are utilized by HR professionals at McDonald's and have the students be responsible for reading the inset box. If you want to spend more time on this competency, you could ask the students to describe how change management competencies benefit the employees of McDonald's and contribute to its success. You also could ask the students how the other competencies and the HR roles might be necessary for the HR professional to be successful in the tasks associated with recruiting, hiring, communicating with, and training employees.

## **SUMMARY**

A short summary of each of the chapter's five learning objectives is presented on pages 30 – 31. Each learning objective question emphasizes the key points needed to understand each question and concept involved.

## **KEY TERMS**

Business management and strategy 14  
Capability builder competencies 22  
Change champion competencies 23  
Communal stage 7 Compensation and benefits 15 competencies 22  
Credible activist competencies 22 Education and training trends 27  
Elaboration stage 9  
Employee advocate role 19  
Employee and labor relations 16  
Employee turnover 10  
Employment opportunity trends 26  
Entrepreneurial Stage 6  
Formalization Stage 8  
Functional Expert 19  
Globalizations trends 29  
HR innovator and integrator competencies 24  
Human capital developer role 21  
Human resource development 14  
Human resource management 4  
Labor force trends 25  
Organizational life cycle 6  
Population trends 25

Risk management 16  
Stakeholders 9  
Strategic partner role 20  
Strategic positioner competencies 22  
Technology proponent competencies 24  
Workforce planning and employment 14

### **DISCUSSION QUESTIONS (page 32)**

1. Why might a newly formed organization be considered successful even if it is losing money? *Because survival is a key indicator of success during the entrepreneurial stage. (pages 7).*
2. Think of stores where you shop. Do employees of some stores seem happier than employees of other stores? What human resource practices might explain differences in employee happiness? *Student answers may vary.*
3. How can socially responsible organizations have high profits even though they spend money on things like environmental protection? *Interestingly, organizations that are better community citizens are generally more profitable than organizations that ignore environmental and social concerns. Although there are exceptions, expending effort to do things such as protect the environment and improve local communities usually lead to improved financial performance for organizations. This is further described by the chain of success. (pages 11-12).*
4. Why do managers and human resource specialists often do poorly on tests about the best ways of hiring and paying employees? *Due to common misconceptions about human resources. Many organizational leaders believe that good human resource management is 'common sense.' They think, in other words, that hiring and motivating workers requires no special knowledge. Managers generally are unfamiliar with many practices that provide clear direction for improving job performance. For instance, many managers resist using employment tests to select employees, even though evidence strongly shows that such tests can help them to make better hiring decisions. Unfortunately, even HR professionals often have misconceptions about good practices. This is shown by a recent survey that asked human resource leaders a number of questions about specific employment, staffing, and compensation practices. On average, these professionals knew the correct answer only about 60 percent of the time. Those with higher scores had been promoted more often, had received certification as human resource professionals, and read academic studies more frequently. (pages 16-17).*
5. What are some specific things that can be done to teach company leaders how human resource management can contribute to organizational success? *1) Help managers and others throughout the organization know the special capabilities that human resource specialists provide. 2) Teach organizational leaders effective practices for attracting and keeping talented workers. 3) Overcome common misconceptions about human resources (e.g., that good human resource management is 'common sense'). 4) Have knowledge before the HR professionals can share it. 5) Build*

*relationships of trust by listening to and understanding managers' problems and then providing solutions that work. 6) Need to be capable of doing a wide array of things that help managers do their jobs better. (pages 16-17).*

6. Which human resource role do you think is most important? Employee advocate? Functional expert? Strategic partner? Human capital developer? Explain your answer. *Student answers may vary dependent upon which aspects of the role are emphasized.*
7. Why do you think change is so difficult for organizations? What can human resource specialists do to make change easier? *Basically, people feel threatened by change that is proposed by others. To be effective in making change easier, HR specialists need to build trust and credibility. In part, they can do so by developing supportive relationships with many people throughout the organization. Managers of change must be creative, and they benefit from knowing how to encourage creativity in others. Skill in identifying and solving problems is also extremely helpful. (pages 23-24).*
8. What are some challenges you might face if you join an organization with a lot of older workers? *Student answers may vary. Text authors mention the following. More people will be near the ends of their careers and fewer in the middle. As a result, attracting and motivating older workers will become a more important task for human resource departments. (page 25).*
9. What are some things an organization could do to better meet the needs of women and members of minority groups? *Student answers may vary. Text authors mention the following. More programs that offer convenience to working mothers, such as flexible working hours and onsite daycare, would help meet the needs of women. Organizations could find better ways to meet the needs of minority workers. One such approach is to create ongoing groups of people with underrepresented backgrounds and needs who can meet together and discuss issues. These groups can also provide important feedback and suggestions to help leaders understand the unique perspectives of minority workers. (page 25).*
10. How do you think the field of human resource management will change in the next 10 years? *Student answers may vary. Text authors mention the following. HR departments will need to find ways to meet the needs of older people, women, and members of minorities. Job growth is expected in the fields of health care, education, and HRM. This will result in increased HRM challenges. Globalization will require HR departments to create processes that effectively manage people working in various foreign countries. (pages 25-27).*

### **EXAMPLE CASE: ZAPPOS (page 33)**

Hollie Delaney is a senior HR manager at Zappos.com, an intense, high energy, unique company. She is responsible for staff members in six HR functions. Delaney was interviewed by HR magazine about her career and how Zappos delivers happiness to its

customers and over 3000 employees. During the interview she explains how Zappos is a company where employees are able to be themselves, stating that one of Zappos core values for employees is to have fun. She also explained how Zappos offers new employees \$3000 to quit if they don't think Zappos is the right for them, and explains how for most that isn't even thought because everyone is so happy and invested in the company and that Zappos really is something special.

### **Questions (page 34)**

1. Does Zappos sound like a place you would want to work? Why?
2. Do you think it makes sense to offer new employees a \$3000 incentive to quit?
3. How do you think the role of HR might change as Zappos matures as a company?
4. How does the role of HR at Zappos differ from typical companies such as the casinos referenced in the article?

### **DISCUSSION CASE : CURT'S CO WBOY CORNER (page 35)**

#### **Note to instructor:**

**This recurring discussion case is an excellent classroom activity! Each chapter presents a real-life scenario and prompts individual or team discussion concerning the concepts discussed in the chapter. Completion of the discussion questions will generate a better understanding for the students of how the chapter concepts should be applied.**

### **Questions (page 35)**

1. What are some specific tasks that a human resource specialist could do for Curt? *Based on the case, an HR specialist or generalist could help with HR planning, recruiting, selection (including doing the initial interviewing), and doing exit interviews. The HR person could establish procedures for complaints and training supervisors in those procedures. This person also could serve as the EEO officer investigating allegations of discrimination and harassment. If lucky, that person also could help with the payroll, especially the benefits side. However, Curt also might want to hire an accountant to do the payroll, bookkeeping, taxes, etc. Other tasks for an HR person are almost unlimited in scope (assuming Curt understands how to delegate more tasks) but could start with job analysis and job evaluation to make sure decisions based on job descriptions are fair and well defined.*
2. Are there any financial benefits that might come from hiring a human resource specialist? *First, Curt should be focusing on more strategic issues especially with his plans for growth. He has to carefully plan and monitor the growth. Secondly, (theoretically) a specialist's or generalist's salary would be less than Curt's so money could be saved there. In addition, the HR person would have the knowledge that Curt has had to acquire (takes time which translates into money). This should reduce problems with recruiting and selection so that the right people are hired. Thirdly, lawsuits brought by employees who believe they have been treated wrongly*



*are costly and may bring unwanted publicity that may adversely affect sales. Other financial benefits include higher employee satisfaction which influences customer satisfaction, profits, etc.*

- 3. How might labor trends affect Curt's ability to continue expanding his stores? He most likely will be employing a more diverse workforce because of the trends associated with older, female, and minority workers. He may find that he needs to offer different benefits (e.g., flextime) to attract quality workers. As noted above, his employees and supervisors might need more training and awareness regarding diversity. A more diverse workforce should help attract and retain customers who also have become more diverse.*
- 4. What benefits and problems might result if Curt hires a human resource specialist to provide support to all stores? Would it be better to simply delegate all human resource activities to each store manager? Some benefits: Curt and the other managers would have one knowledgeable person to coordinate and advise on HR issues. Curt and the store managers can focus on accomplishing the mission of Curt's Cowboy Corner. Some problems: The HR person will need to learn about issues that may be specific to each store, spend time traveling to each store, and may feel role conflict and overwhelmed due to the various demands on his/her time and how much needs to be done.*

*No, it would not be better to simply delegate all human resource activities to the store managers for many reasons. For example, they need to focus on accomplishing the organization's mission rather than spending time on HR issues. Curt and the managers can still be involved in the various stages of hiring but do not have to do it all themselves. Moreover, Curt and the managers do not have the time to keep abreast of all the HR legal issues.*

### **EXPERIENTIAL EXERCISE: VISIT THE SHRM WEBSITE (page 36)**

#### **Questions:**

- 1. How many members are there in SHRM? As of January 2014, there are over 250,000 members in 157 countries.*
- 2. What types of careers are available in the field of human resource management? SHRM is an individual membership organization and members include HR professionals with the following titles: President, CEO, Chair, Partner, Principal; Chief HR Officer; Vice President of HR; Assistant/Associate Vice President of HR; Director of HR; Assistant/Associate Director of HR; Manager of HR; HR Generalist; HR Supervisor; Specialist; Consultant; and Legal Counsel. The SHRM careers website lists a variety of additional job titles including Benefits Coordinator, Compensation and Benefits Director, Compensation Analyst, Staffing Manager, Recruiting Specialist, HR Business Partner, Employee Relations Specialist, Manager Employee Relations Internal Review and Compliance, Director of Talent Strategy,*

*HR Systems and Process Analyst, Human Resource Specialist (Test Development), HRIS Analyst, and Workforce Planning Division Manager.*

3. What is the SHRM Code of Ethics, and how does it guide the efforts of human resource specialists? *It describes the professional responsibility of HR Professionals starting with the **Core Principle**: “As HR professionals, we are responsible for adding value to the organizations we serve and contributing to the ethical success of those organizations. We accept professional responsibility for our individual decisions and actions. We are also advocates for the profession by engaging in activities that enhance its credibility and value.” The code of ethics also outlines ethical conduct in relation to professional development, ethical leadership, fairness and justice, conflicts of interest, and use of information. Disciplinary procedures for violations of the Code of Ethical and Professional Standards are described in, Article 2, Section 5 of the SHRM Bylaws.*
4. What kind of resources does SHRM offer to help people learn new skills? *The resources include regional and local professional meetings (with speakers); regional, state, and national conferences; seminars, SHRM learning systems (to prepare for the PHR®/SPHR® and GPHR certification exams), SHRM webcasts, HR Management magazine, and various resources on the SHRM website (e.g., white papers, survey and benchmark findings). Furthermore, SHRM sponsors groups of college students, scholarships, lowered membership fees, etc.*
5. What are chapter/member groups? Who can join? *As of January 2014, there are more than 575 affiliated SHRM chapters offer local activities. “The purpose of chapters is to provide a local forum for [] personal and professional development; provide an opportunity to develop [] leadership, managerial, public speaking and group decision-making skills; provide a local networking arena; and to provide a focus for legislative attention to local, state, and national human resource management issues. Membership in an SHRM local chapter is separate and apart from membership in SHRM.” Anybody can join.*
6. What are some current news issues that relate to human resource management? *Of course, the answers to this question will depend on when the students access the website. In the first few weeks in January 2014 news articles relating to HR included:*
  - *NLRB Claims Wal-Mart Violated Strikers’ Rights-Wal-Mart has gotten into hot water for threatening to retaliate against some of its store employees in 13 states for going on strike.*
  - *OSHA 300A Forms Due Feb. 1-All employers required to keep Form 300, the Injury and Illness Log, must post Form 300A, the annual summary of job-related injuries and illnesses, in a workplace common area by Feb. 1, 2014.*
  - *Employees Unequipped to Seek Lower Health Costs- When it comes to health care costs, four out of five U.S. consumers indicate they would be comfortable approaching their doctor about the cost of services in order to find competitive pricing. Despite this, fewer than half of consumers have actually asked about the price of care.*

**INTERACTIVE EXPERIENTIAL EXERCISE: Building an HR Department at Mega Manufacturing** <http://www.wiley.com/college/stewart>

Students are encouraged to access the companion Web site in order to test their knowledge by completing a Mega Manufacturing role-play exercise.

**ADDITIONAL WEB-BASED ACTIVITIES**

**Overview of activity**

Students compare some of the HR practices utilized in the top ten companies listed in the 100 Best Companies to Work for in America. This and other chapter topics could be investigated through a review of the companies' websites.

**Exercise:**

Refer back to the How Do We Know?: Why Are Some Organizations more Effective than Others? inset box on page 12. Students could review two websites of the top ten companies listed as the 100 Best Companies to Work for in America OR compare a top ten company to one not on the list (e.g., Sears, Wal-Mart) or to the organization for which the student works.

The main purpose is to compare and contrast several of the HR practices for which at least one of the organizations was nominated. As noted below, additional chapter topics can be discussed by the students.

For each organization, the students also should explain the relevant life cycle stage(s) and which of the major stakeholders appear to be emphasized or focused upon. They could explain how the HR practices the students are addressing appear to enhance the organization's success and employee satisfaction. The students also could describe how both organizations appear to be addressing (or not addressing) at least two current trends described in the chapter (i.e., population, labor force, employment, education and training, and globalization). The students should be asked if the HR practices noted on the websites would appeal them so they would want to work (or continue working) for the organizations and why.

Of course, you may select any or all of the above questions depending upon how much time and how many points you want to allocate to this assignment.

**Alternate Approaches to the Exercise:**

A variation of this exercise could include selecting one of the best companies and comparing several of the HR practices to a company not included in the list (e.g., Sears, Wal-Mart) or an organization for which the students work. This could be an individual or group project.

Another variation that would not require a large written report would be to ask each student to report on one or two HR practices found on a different website of the top 100 best companies. In this case, a student only would be responsible for one company and one or two HR practices found on that website. This could be accomplished verbally (with internet access) or a short written report. Ideally, the whole class would hear about the various HR practices for which the organizations were nominated.

### **Links to relevant information**

Information about the top ten on the 2014 list and earlier lists of the top 100 companies in America can be found at [http://money.cnn.com/magazines/fortune/best-companies/2014/snapshots/1.html?iid=BC14\\_sp\\_lead](http://money.cnn.com/magazines/fortune/best-companies/2014/snapshots/1.html?iid=BC14_sp_lead). This website includes links to webpages for the top ten on the list, giving easy access to information about the companies.

In 2013, Google was #1. on the list. Extensive information on why Google is #1 is provided via the website noted above. In addition, you and the students can learn more about Google (e.g., their mission, culture, philosophy, social responsibility, HR practices, etc.) via their corporate website: <http://www.google.com/corporate/index.html>.