Human Resource Management (Canadian) 5th edition Steen Solutions Manual

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1 STRATEGIES, TRENDS, AND OPPORTUNITIES FOR HRM

CHAPTER LEARNING OBJECTIVES

What Do I Need to Know*? After reading this chapter, you should be able to:*

1. Define human resource management and explain how HRM contributes to and supports an organization's strategies and performance.
2. Summarize competencies, careers, professional accreditation, and ethics in human resource management.
3. Explain the role of supervisors and managers in human resource management.
4. Describe trends in the composition and expectations of the labour force.
5. Discuss how technology is impacting HRM



POWERPOINT® SLIDES

Human Resource Management, Fifth Canadian Edition includes a complete set of Microsoft PowerPoint® files for each chapter. In the lecture outline that follows, a thumbnail illustration of each slide for this chapter is placed beside the corresponding lecture material. The slide number helps you to see your location in the slide show sequence and to skip slides that you don't want to show to the class. (To jump ahead or back to a particular slide, just type the slide number and hit the Enter or Return key.)

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LECTURE OUTLINE (with PowerPoint® slides)

Prepared by: Sandra Steen, University of Regina



Strategies, Trends, and Opportunities for HRM
Slide 1



Learning Objectives
Slide 2



Earning a Reputation as a Great Employer: Shopify
Slide 3



HRM Practices
Slide 4

STRATEGIES, TRENDS, AND OPPORTUNITIES FOR HUMAN RESOURCE MANAGEMENT

LEARNING OBJECTIVES

LO1: Define human resource management and explain how HRM contributes to and supports an organization's strategy and performance.
LO2: Summarize competencies, careers, professional accreditation, and ethics in human resource management.
LO3: Explain the role of supervisors and managers in human resource management.
LO4: Describe trends in the composition and expectations of the labour force.
LO5: Discuss how technology is impacting HRM.

EARNING A REPUTATION AS A GREAT EMPLOYER: SHOPIFY

Organizations strive to create an employment brand that attracts top talent and earns a reputation as a great place to work

- Headquartered in Ottawa, e-commerce software solutions and web builder Shopify has been rated as the best place to work in Canada by Glassdoor and was recently ranked third of global tech employers by Hired.com
- The 'trust battery' is central to our culture." Trust battery is a metaphor key to the high-performance culture and employee experience at Shopify. CEO Tobi Lütke explains, "It's charged at 50 percent when people are first hired. And then every time you work with someone at the company, the trust battery between the two of you is either charged or discharged, based on things like whether you deliver on what you promise."

HRM PRACTICES

Human resource management (HRM) centres on the policies, practices, and systems that influence employees' behaviour, attitudes, and performance

- Important HR (people) practices include:
  - **Analysis and design of work**
  - **Workforce planning** (determining how many employees with specific knowledge and skills are needed)
  - **Recruiting** (attracting candidates) and **Selection** (choosing employees)
  - **Training, learning, and development** (preparing employees how to perform their jobs and for the future)
  - **Performance management** (supporting performance)
  - **Total rewards** (rewarding employees)
  - **Employee and labour relations** (creating a positive work environment)

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Why are People So Valuable?
Slide 5

WHY ARE PEOPLE SO VALUABLE?

Managers and economists traditionally have seen HRM as a necessary expense, rather than a source of value to their organizations

- **Human capital**—an organization's employees, described in terms of their training, experience, judgment, intelligence, relationships, and insight
- **Organizations need resources that provide competitive advantage and human resources have these qualities:**
  -- Valuable, rare, cannot be imitated, and have no good substitutes
- **Employee engagement** refers to the degree to which employees are fully involved in their work and the strength of their commitment to their job and the organization.



Impact of HRM
Slide 6

IMPACT OF HRM

HRM contributes to measures of an organization's success such as quality, profitability and customer experience



What are the Responsibilities of HR Departments?
Slide 7



What are the Responsibilities of HR Departments? (cont'd)
Slide 8



What are the Responsibilities of HR Departments? (cont'd)
Slide 9

WHAT ARE THE RESPONSIBILITIES OF HR DEPARTMENTS?

HR as a business within the organization with 3 product lines:

1. Administrative services and transactions

- Handling administrative tasks e.g. processing tuition reimbursement applications and employee queries
- Requires efficiency and commitment to quality
- Requires expertise in the particular tasks

2. Business partner services

- Developing effective HR systems to meet organizational goals
- HR people must understand the business to understand what the business needs

3. Strategic partner

- Contributing to the company's strategy
- HR professionals must understand the business, industry, and competitors

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Employee Experience
Slide 10

EMPLOYEE EXPERIENCE

- Perceptions that employees have about their experiences at work in response to their interactions with the organization
- Providing a positive employee experience is critical for keeping employees engaged and committed to the organization
- Encompasses all of the elements that influence an employee's perception of the work environment and becomes an important focus for the employee's entire journey—from first contact with a potential employer to retirement (and even beyond)



Responsibilities of HR Departments
Slide 11

RESPONSIBILITIES OF HUMAN RESOURCE DEPARTMENTS

1. Analyzing and Designing Jobs

- **Job analysis** is the process of getting detailed information about jobs
- **Job design** is the process of defining the way work will be performed and the tasks that a given job requires

2. Workforce Planning

- Identifying the number and types of employees the organization needs

3. Recruiting and Hiring Employees

- **Recruitment** is the process through which the organization seeks applicants for potential employment
- **Selection** is the process by which the organization attempts to identify applicants with the necessary knowledge, skills, abilities, and other characteristics that will help the organization achieve its goals

4. Training, Learning, and Development

- **Training** is a planned effort to enable employees to learn job-related knowledge, skills, and behaviour
- **Development** involves acquiring knowledge, skills, and behaviours that improve employees' ability to meet the challenges of new or existing jobs

5. Performance Management

- **Performance management** is the process of ensuring that employees' activities and outputs match the organization's goals

6. Total Rewards

- Planning pay and benefits involves many decisions including understanding legal requirements; administering pay and benefits requires systems and extensive record-keeping and reporting; and ensuring compliance with laws

7. Maintaining Positive Employee and Labour Relations

- Provide for satisfying and engaging work environments and maintaining positive relations with employees and positive labour relations

8. Establishing and Administering Human Resource Policies

- HR helps establish policies to provide for fair and consistent decisions

9. Managing and Using Human Resource Data

- **People (human capital) analytics**—use of quantitative tools and scientific methods to analyze data from human resource databases and other sources to make evidence-based decisions that support business goals

10. Ensuring Compliance with Federal/Provincial/Territorial Legislation

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Focus on HR Strategy
Slide 12

FOCUS ON HR STRATEGY

The strategic role for HRM has evolved gradually

- **Talent management**—systematic, planned effort to train, develop, and engage the performance of highly skilled employees (and managers)
- **Evidence-based HRM**—demonstrating that human resource practices have a positive influence on the company's profits or key stakeholders
- **Change and sustainability requires agility**
  - -- **Sustainability**—an organization's ability to profit without depleting its resources, including employees, natural resources, and the support of the surrounding community
  - -- **Stakeholders**— the parties with an interest in the company's success (typically, shareholders, the community, customers, and employees)
  - -- **Organizational agility**--ability of a firm to sense and respond to the environment by intentionally changing
- **Productivity improvement**—companies need to enhance productivity to compete in a global economy
  - -- Productivity—the relationship between an organization's outputs (products, information or services) and its inputs (e.g. people, facilities, equipment, data, and materials)
- **Mergers and acquisitions**
  - -- HRM should have a significant role
- **Non-traditional employment and the gig economy**
  - -- **Non-traditional employment**—use of independent contractors, freelancers, on-call workers, temporary workers, and contract workers
  - – Companies that rely primarily on non-traditional employment to meet service and product demands are competing in the *gig economy*
- **Outsourcing & expanding into global markets**
  - – **Outsourcing** is the practice of having another company (a vendor third-party provider, or consultant) provide services
  - -- **Offshoring**—moving operations from the country where a company is headquartered to a country where pay rates are lower but the necessary skills are available
  - -- **Expatriates** are employees who take assignments in other countries



HR Functional Competencies
Slide 13

HR FUNCTIONAL COMPETENCIES

With such varied responsibilities, human resources professionals need to bring together a large pool of competencies. The Human Resources Professionals Association's (HRPA) *Professional Competency Framework* consists of nine functional areas, groupings, and underlying competencies as shown in Figure 1.4



Careers in HRM
Slide 14

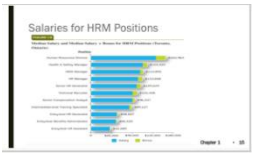
CAREERS IN HUMAN RESOURCE MANAGEMENT

- Some HRM positions are *specialists* e.g. recruiting, training, etc., however other positions are *generalists* who perform a full range of HRM functions
- **CPHR** (Chartered Professional in Human Resources) is the designation that recognizes achievement and capability for HR professionals in all provinces and territories, except Ontario

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-- National Knowledge Exam (NKE) tests HR knowledge, professional experience (3+ years), bachelor's degree, and membership in a professional HR Association is required
-- CPHR Canada represents members in 9 provinces and 3 territories

- **HRPA (Ontario)** works independently and has a tiered certification framework that includes an entry level designation—CHRP (Certified Human Resources Professional); professional designation—CHRL (Certified Human Resources Leader) and executive designation—CHRE (Certified Human Resources Executive)
- Developments are underway across Canada to move the HR profession from an unregulated profession to a self-regulated profession



Salaries for HRM Professions
Slide 15

SALARIES FOR HRM PROFESSIONS

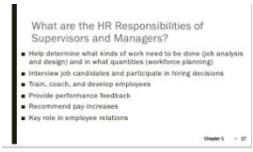
- Figure 1.5 shows selected HRM positions and their median salaries and bonuses. The salaries vary according to education and experience, as well as the type of industry in which the person works



CPHR Canada's Code of Ethics
Slide 16

ETHICS IN HRM

- **Ethics** refers to the fundamental principles of right and wrong—ethical behaviour is consistent with those principles
- **CPHR Canada's Code of Ethics requires duties to:**
  -- **Public**: Members have a duty to discharge all of their Professional responsibilities honourably, competently, and with integrity
  – **Profession**: Members have a duty to protect and promote the profession and to cooperate with their Association
  -- **Clients & Employers**: Members have a duty to act in the best interest of their clients and employers
  -- **Individuals**: Members must at all times act in a manner that advances the principles of health and safety, human rights, equity, dignity, and overall well-being in the workplace



What are the HR Responsibilities of Supervisors and Managers?
Slide 17

WHAT ARE THE HR RESPONSIBILITIES OF SUPERVISORS AND MANAGERS?

Many organizations have HR departments with specialists that develop effective HR practices, however *implementing* these practices resides with the organization's supervisors and managers

- Help define jobs i.e. what kind of work needs to be done
- Forecast HR needs
- Interview and select candidates
- Train, coach, and develop employees—some or all parts of the job
- Set goals, provide performance feedback, and appraise performance
- Recommend pay increases and promotions
- Communicate policies and comply with legal requirements
- Provide motivational environment

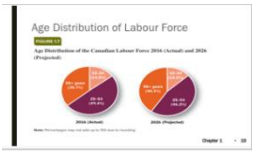
HOW IS THE LABOUR FORCE CHANGING?

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How is the Labour Force Changing?
Slide 18

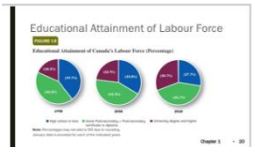
- **Aging of the workforce**—Canada's labour force is aging quickly and there is a widening gap between the number of younger people entering the labour force and the number of people preparing to exit the labour market
- **Multi-generational workforce**—because employees are working longer, the workforce now has five generations, each one with unique characteristics as well as similarities
- **Diverse workforce**—Immigration is an important force in population and labour force growth and diversity
- **Shift to knowledge workers**—employees whose main contribution to the company is specialized knowledge such as knowledge of customers, a process, or a profession



Age Distribution of Labour Force
Slide 19

AGE DISTRIBUTION OF LABOUR FORCE

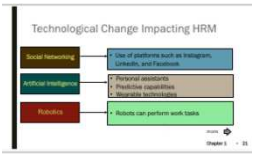
- From 2016 to 2026, the only growing age group in the labour force is expected to be workers 55 years and older; 15–24 and 25–54-year-old groups' share of the total workforce are expected to decrease between 2016 and 2026.
- By 2026, 4 in 10 working-age Canadians could be aged 55+. This is a steep increase from 30% in 2007 and an average of 25% during the 1990s.



Educational Attainment of Labour Force
Slide 20

EDUCATIONAL ATTAINMENT OF LABOUR FORCE

- The educational attainment of Canada's labour force is increasing—almost 1 in 3 people in Canada's labour force had a university degree or higher in 2018, up from approximately 1 in 4 people in 2008 and less than 1 in 5 in 1998



How is Technological Change Impacting HRM?
Slide 21

TECHNOLOGICAL CHANGE IMPACTING HRM

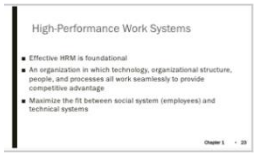
- **Social networking**—use of platforms such as Facebook, Twitter, Instagram, LinkedIn, and wikis and blogs that facilitate interactions between people, usually around shared interests
- **Artificial intelligence**—technology that simulates human thinking. It works through queries that allow it to learn from data over time to identify trends and patterns (predictive capacity); *Wearables* are also being used for applications including training and performance support
- **Robotics**—can help companies save money because they can work more efficiently and lower labour costs (but still can't perform many important tasks)
- **Human Resource Information System (HRIS)**—computer system used to acquire, store, analyse, retrieve, and distribute information related to an organization's human resources i.e. supports decision making; provides data for evaluating programs



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How is Technological Change Impacting HRM? (cont'd)
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- **Mobile devices**—increasingly being used to provide employees with anytime and anywhere access to HR processes and other work-related information
- **Cloud computing**—computing system that provides information technology infrastructure over a network in a self-service, modifiable, and on-demand model (many organizations have moved their HRIS to the cloud)



What is a High-Performance Work System?
Slide 23

WHAT IS A HIGH-PERFORMANCE WORK SYSTEM?

An organization in which technology, organizational structure, people, and processes all work seamlessly to provide competitive advantage

- High-performance work systems have the best possible fit between their social system (employees and how they interact) and technical system (equipment and processes)
- Maintaining a high-performance work system may include development of training programs, recruitment of people with new skill sets, and establishment of rewards for behaviours such as teamwork, flexibility, and learning



Summary
Slide 24

SUMMARY

- HRM consists of "people practices" that influence employees' behaviours, attitudes, and performance.
- HR professionals require substantial and varied competencies.
- Supervisors and managers have an important role in managing people and implementing HRM.
- Canada's labour force is aging, multi-generational, diverse, and characterized by increasing levels of knowledge and a shift to knowledge workers.
- Technologies influence many aspects of HRM.

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THINKING ETHICALLY: USING DATA ANALYTICS RESPONSIBLY

Case Summary:

As more organizations use people (human capital) analytics to enhance performance, potential ethical considerations must also be addressed.

Questions:

1. Do you think it is appropriate for organizations to monitor employee behaviour with sensors and surveillance that monitor how they work and collaborate? Would you trust an employer that collected this type of information?

   Student responses will vary.

2. Why is it important to not rely exclusively on quantitative data when making decisions about people?

   Student responses will vary but should reflect chapter concepts including the use of people (human capital) analytics as well as the importance of providing a positive employee experience. It may also be helpful to consider the roles and responsibilities of HR professionals as well as managers and supervisors to consider what decisions about people are likely to benefit from human judgment.

EXPERIENCING HR – HOW IS HRM IMPACTED?

This chapter described trends shaping human resource management, including the aging of the workforce, the multi-generational workforce, diversity, and the impact of technology. Alone or with a partner, list two or three of the trends that interest you. Then select a manager or employee who would be willing to talk about these trends for about 15 minutes—someone in human resource management or in a different field that interests you. With your partner if you have one, interview the person. Summarize each trend you listed, and ask your interviewee to describe any impact of that trend that they have observed at work. Take notes. In a paragraph, summarize what you learned. In a second paragraph, analyze the impact on human resource management. If your interviewee noted specific opportunities (or challenges), suggest how HR professionals might help the organization achieve its strategy.

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ANSWERS TO CRITICAL THINKING QUESTIONS

1. How can human resource management contribute to a company's success and sustainability?

   Human resource management consists of an organization's "people practices" such as the policies, practices, and systems that influence employees' behaviour, attitudes, and performance. HRM influences who works for the organization and how people work. These human resources, if well managed, have the potential to be a source of sustainable competitive advantage, contributing to basic objectives like quality, profits, and customer experience.

2. Consider a job that you have (or had). What moments or critical events were most influential in contributing to your employee experience? How does (did) your employee experience impact your level of engagement? Discuss.

   Student responses will vary. Look for demonstration of students' understanding of chapter concepts including connections to HR professionals, managers, and people processes that shape an employees' perceptions about their experience at work e.g. recruitment; selection; training, learning, and development; performance management; and total rewards.

3. Does a career in human resource management, based on this chapter's description appeal to you? Why or why not?

   Student responses will vary. Look for demonstration of the students' acquisition of chapter concepts including HR careers, roles, and responsibilities.

4. How does implementing evidence-based HRM including the use of people (human capital) analytics change the role and competency requirements of human resources department professionals?

   Evidence-based HRM refers to demonstrating that human resource practices have a positive influence on the company's profits or key stakeholders. This practice helps show that the money invested in HR programs is justified and that HR is contributing to the company's goals and objectives. As a result, the human resources department is more likely to be viewed as a strategic partner in the organization in contrast to fulfilling more traditional human resource administrative responsibilities. These evidence-based decisions increasingly rely on people (human capital) analytics i.e. the use of quantitative tools and scientific methods to analyze data from HR databases and other sources. As a result, the competency requirements of HR will need to fulfill these quantitative and analytical requirements.

5. What skills are important for success in human resource management? Which of these skills are already strengths of yours? Which would you like to develop further?

   The HRPA's professional competency framework (Figure 1.4) and the supporting textbook descriptions provide a useful framework for a focused discussion.

   The student responses will vary as to which skills are their current strengths and which skills they would like to develop.

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6. Why do all managers and supervisors need knowledge and skills related to human resource management?

   Although many organizations have human resource departments, non-HR managers and supervisors must be familiar with the basics of HRM and their own role with regard to managing human resources. Supervisors and managers typically have responsibilities related to all HR functions. Supervisors and managers help analyze work, interview job candidates, participate in selection decisions, provide training, conduct performance appraisals, and recommend pay increases. On a day-by-day basis, supervisors represent the company to their employees, so they also play an important role in employee relations.

7. How does each of the following labour force trends affect HRM?
   a. Aging of the workforce
   b. Diversity
   c. Shift to knowledge workers
   d. Increasing levels of education of the workforce

   An organization's internal labour force comes from its external labour market—individuals who are actively seeking employment. In Canada, this labour market is aging and becoming more diverse. (A) Organizations will need to address issues such as career plateauing, retirement planning, retraining, and controlling health benefit costs as well as consider how to be flexible enough to meet the needs of older workers, who may wish to defer retirement, reduce work hours, or begin work again after an initial retirement. (B) Organizations recruit from a diverse population which requires establishing bias-free HR systems, and supporting employees to understand and appreciate cultural differences. In addition, organizations need to consider how to be authentically inclusive to engage the full potential of the workforce's innovative and creative capacity. (C) Organizations also need employees with skills in decision making, customer service, and teamwork, as well as technical skills. The competition for such talent is intense. (D) Organizations will need to provide meaningful work and ongoing opportunities for learning and development to meet expectations of a workforce with higher levels of education.

8. Review the description of each of the generations in the workforce. Does this information match your understanding and experience? What additions or changes do you suggest to the narrative on the generation you associate most closely with?

   Student answers will vary but should reflect connections to each of the 5 generations described in the textbook. Discussion about the similarities (and/or differences) between Millennials and Generation Z may be particularly engaging.

9. Why does HR need technology and data?

   Technology is changing the way we play, shop, communicate, live, and work as well as the way HRM is practiced. Student responses will vary but should demonstrate connection to the three product lines of HR (administrative services and transactions; business partner services; and strategic partner) in the context of the various technologies discussed in the chapter e.g. social networking, artificial intelligence, robotics, etc. Alternatively, students can be encouraged to explore and examine how the various technologies discussed in the chapter could be applied to each of the HR functions to enhance efficiency and/or effectiveness.

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CASE STUDY EVIDENCE-BASED HRM: QUANTIFYING THE EXPLOYEE EXPERIENCE

Case Summary:

This case discusses how IBM is using extensive research to understand, enhance, and measure employee experience and how enhanced employee experience translates to organizational profitability.

Answers to Questions:

1. What is your reaction to IBM's approach to "co-creating the employee experience" by bringing employees into the design process for HR programs?

   IBM's approach illustrates chapter concepts including evidence-based HRM, the use of big data, and how enhancing employee experience through effective HR practices results in quantifiable desired organizational outcomes, including increased profitability. It will be helpful to encourage students to consider how creating a positive employee experience connects to employee engagement and commitment. Bringing employees directly into the design process for HR programs is likely to strengthen employee engagement and commitment to the organization and HR practices. Students' discussion about the value of personalizing employee experience and measuring employee experience using net promoter score is also likely to facilitate a stimulating conversation relatable to other disciplines as well e.g. marketing (customer experience).

2. How could smaller organizations adapt IBM's approach to evidence-based HRM to support strategy and decision making?

   Responses will vary, but instructors should be sure to help students first understand that although HR responsibilities will vary among larger and smaller organizations, creating a positive employee experience is equally relevant to achieving desired and measurable organizational outcomes—even if the data available data for analysis is "small" rather than "big."

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CASE STUDY HRM SOCIAL: GLASSDOOR OPENS THE WAY TO BETTER COMMUNICATION

Case Summary:

This case discusses how HR professionals at Purina use information provided on job website Glassdoor, to enhance communication and people practices.

Answers to Questions:

1. In what ways does the knowledge sharing on Glassdoor impact Purina's human resources professionals? Managers and supervisors?

   Students should identify how informed workers have better bargaining power; knowing a company's reputation, for instance, may lead someone not to work for Purina. The knowledge sharing, however, gives Purina the opportunity to mitigate or rectify any issues they find discussed.

2. Besides opinions about their company, what other kinds of knowledge could employees constructively share on social media (Glassdoor and other tools)?

   Discussion should identify all aspects of working conditions, including pay and benefits.

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CHAPTER 1: VIDEO CASE NOTES

Video Case: Pros and Cons of New HR Graduates (3:36)

https://www.hrreporter.com/video/820-the-pros-and-cons-of-new-hr-graduates/

Video Case Summary:

The Canadian job market is competitive for HR graduates. New HR graduates are well educated but lack the required work experience. Although a first choice may be to hire someone with experience, there are opportunities to hire a new graduate in a more junior role. For example, it may be more appropriate to hire a new HR graduate if the company is already established and looking to refresh the HR department with new ideas.

Strong communication skills are required. A key part of the job is communicating with various departments, employees, and external partners. Technology is important—not only the basic skills but also skills for technology used for HR. Some of the other skills for new HR grads are critical thinking and problem solving. HR is a rewarding profession and it is recommended to utilize avenues such as networking opportunities, establishing mentors, internships, and volunteer roles to build experience.

Questions & Answers:

1. **What are the organizational pros and cons of hiring a new HR graduate?**

   Pros: A new HR graduate provides the organization with someone who has very current information as well as a fresh perspective. New HR graduates from colleges and universities are well-educated and will be flexible to adapt to the culture of the organization.
   Con: Lack of work experience.

2. **Do you think it is reasonable for employers to check job candidates' social media presence as part of background screening? Why or why not?**

   Student responses will vary but should reflect a connection to necessary skills of HR professionals e.g. critical thinking and problem solving, strong communication skills, and having a solid grasp on technology. Students should be encouraged to reflect on the opportunities provided in their college or university's HR program e.g. access to mentoring, volunteer and networking opportunities, and availability of internships (or other work placements e.g. cooperative education programs).

   Source: *Based on "Pros and Cons of New HR Graduates," Canadian HR Reporter TV, October 29, 2018. Reprinted by permission of Canadian HR Reporter. © Copyright Thomson Reuters Canada Ltd., Toronto, Ontario, 1-800-387-5164. Web: www.hrreporter.com*

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