Fundamentals of Human Resource Management 8th edition Noe Solutions Manual

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Chapter 2
Trends in Human Resource Management

This chapter continues to provide the foundation for the textbook, as it now explores the environment in which HRM operates. Trends in the labor force are discussed as well as the internal labor force (an organization's workers) and the external labor market (individuals who are actively seeking employment).

Chapter Outline

Change in the Labor Force

- U.S. labor market is aging and becoming more racially and ethnically diverse.
- Organizations must:
  - **Recruit** from a **diverse** population.
  - Establish bias-free HR systems.
  - Help employees **understand and appreciate cultural differences**.

High-Performance Work Systems

- HRM can help organizations find and keep the best possible fit between their social and technical systems.
- **Job design** and appropriate systems for assessment and rewards have a central role in supporting employee empowerment and teamwork.
- **Employee empowerment** means giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service.
- HRM must design jobs to give employees latitude for **decision-making and interpersonal skills**.

Focus on Strategy

- HR professionals should be familiar with the **organization's strategy** and may play a role in developing the strategy.
- Organizations with **international operations** hire employees in foreign countries where they operate, so they need knowledge of differences in culture and business practices.

Technological Change in HRM

- Many organizations have a **human resource information system (HRIS)**, a computer system used to acquire, store, manipulate, analyze, retrieve, and distribute information related to an organization's human resources.
- Using computers to analyze large amounts of data and offer information to guide decisions is often called people analytics.
  - AI

Change in the Employment Relationship

- Organizations and employees need to be flexible and open to change.

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Learning Objectives

LO 2-1: Describe trends in the labor force composition and how they affect human resource management.

LO 2-2: Summarize areas in which human resource management can support the goal of creating a high-performance work system.

LO 2-3: Define employee empowerment, and explain its role in the modern organization.

LO 2-4: Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.

LO 2-5: Summarize ways in which human resource management can support organizations expanding internationally.

LO 2-6: Discuss how technological developments are affecting human resource management.

LO 2-7: Explain how the nature of the employment relationship is changing.

LO 2-8: Discuss how the need for flexibility affects human resource management.

Society for Human Resource Management Body of Competency & Knowledge

This chapter contains content, which may be identified within the following content areas:

- Talent Acquisition & Retention
- Learning & Development
- Total Rewards
- Structure of HR Function
- Business & HR Strategy
- Organizational Effectiveness & Development
- Workforce Management
- Risk Management

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Human Resource Certification Institute's A Guide to the HR Body of Knowledge

This chapter contains content, which may be identified within the following content areas:

- Business Management & Strategy
- Workforce Planning and Employment
- Human Resource Development
- Compensation and Benefits
- Employee and Labor Relations

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Question Guidance to Vignettes and Discussion Questions

Best Practices

Helping Panda Express Workers Communicate

1. What business reasons might support Panda Express's practice of hiring many workers whose first language is not English?

   Answer: The main business reason would be the increased diversity of American consumers. Even if the main language used by customers is English, customers will want to see themselves reflected in the workforce.

2. What advantages do you think Panda Express gains from offering English-language instruction as an employee benefit?

   Answer: While the language instruction has business metrics that it will need to achieve, this effort is more focused on the development of skill sets that will help employees now and in the future. Employees see this as an investment in the skills that will make them marketable in other careers and industries.

HRM Social

Glassdoor Reviews Foster Better Communication

1. In what ways is knowledge a source of power for workers in this example? In what ways does the knowledge shared on Glassdoor empower Purina?

   Answer: 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)?

   Answer: Discussion should identify all aspects of working conditions, including pay and benefits. Focus intently on specific occurrences, the reaction of management, and how that impacts company perception as a whole.

HR Oops!

HRM Barely Gets a Passing Grade

1. Imagine that you work for a manufacturing company where the HR department's performance on providing the necessary talent is just "adequate." From a business standpoint, what might be the consequences of this less-than-excellent performance?

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Answer: Students may identify aspects of performance, retention, and motivation—all impacting the business's bottom line. Going deeper, students should be able to cite specific examples on how this "mistake" could take place.

2. Imagine you run the HR department in that same manufacturing company. What is one step you could take to improve your department's performance?

   Answer: Students may identify many steps, but each step should reflect aligning HRM with the strategy, while measuring HRM results. Back to Question 1, have student take the outlined negatives and turn them into positives.

HR How To

Handling HR Implications of Artificial Intelligence

1. Based on the information given here, suggest a problem that could cause an AI system to give poor results.

   Answer: Responses will vary, but a majority of them will focus on the quality of information going into the AI software and what the AI is being asked to solve. If the information is faulty or not thought out by management, then AI will only accelerate the poor decision making.

2. What should an HR department consider besides cost savings when evaluating the use of artificial intelligence?

   Answer: Assessing the job inventory that a company currently has would be one of the first steps to a decision. If a company has a majority of standardized positions where AI could be used to accelerate and make the decision making process more efficient, then that would be one consideration. If positions are focused on creativity or ethical intuition, then those jobs would not be performed better by AI.

Did You Know?

Half of U.S. Employees Looking to Change Jobs

1. What challenges and opportunities do employers face in a climate where half of an organization's employees feel ready to leave?

   Answer: Responses will vary, but may balance the challenge of losing internal talent with the opportunity to gain external talent. Further, it may provide employers the opportunity to retain employees if they are offered better opportunities when compared with competitors' offers.

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End of Chapter Questions and Cases

Thinking Ethically

How Solid Is Your Digital Footprint?

1. Which of the following would you include in your social-media networks? Current co-co-workers? Past co-workers? Current supervisor? Competitors?

   Answer: This topic should be discussed openly in class and current events (scandals) used for exampling. There is no right or wrong answer to this question as the focus should be on how social media is used and discussion on boundaries.

2. What standards do you apply to your own social-media conduct? Which of these, if any, would you consider ethical standards?

   Answer: Responses will vary based on a number of student criteria. Again, application to real world situations is recommended.

Review and Discussion Questions

1. How does each of the following labor force trends affect HRM? *(LO 2-1)*
   a. Aging of the labor force.
   b. Diversity of the labor force.
   c. Skill deficiencies of the labor force.

   Answer: An organization's internal labor force comes from its external labor market—individuals who are actively seeking employment. In the United States, this aging labor market is becoming more racially and ethnically diverse. The share of women in the U.S. workforce has grown to nearly half of the total. To compete for talent, organizations must be flexible enough to meet the needs of older workers, possibly redesigning jobs. Organizations must recruit from a diverse population, establish bias-free HR systems, and help employees understand and appreciate cultural differences. 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. Organizations facing a skills shortage often hire employees who lack certain skills, then train them for their jobs.

2. At many organizations, goals include improving people's performance by relying on knowledge workers, empowering employees, and assigning work to teams. How can HRM support these efforts? *(LO 2-2)*

   Answer: Employing knowledge workers, empowering employees, and assigning work to teams are current trends that are indicative of a high-performance work system in action. Human resource management can support these efforts, respectively, through modification of the recruiting and selection processes—recruiting and hiring those individuals with the necessary knowledge; utilization of human resource practices such as

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performance management, training, work design, and compensation to ensure success of employee empowerment; and increasing the employees' responsibilities and control via work assigned to teams.

3. How do HRM practices such as performance management and work design encourage employee empowerment? *(LO 2-3)*

Answer: Performance management systems and work design give the employees the information needed to understand their job and its responsibilities, and to be held accountable. When employees are trained properly and understand their job, they have more latitude in making decisions.

4. Merging, downsizing, and reengineering all can radically change the structure of an organization. Choose one of these changes and describe HRM's role in making the change succeed. If possible, apply your discussion to an actual merger, downsizing, or reengineering effort that has recently occurred. *(LO 2-4)*

Answer: Human resource management's role in these endeavors is a significant one. For instance, in a merger situation, differences between the businesses involved in the deal make conflict inevitable. Therefore, training efforts should include development of skills in conflict resolution. HR professionals have to sort out differences in the two companies' practices with regard to compensation, performance appraisal, and other human resource systems. Settling on a consistent structure to meet the combined organization's goals may help to bring employees together. In a downsizing scenario, human resource management must "surgically" reduce the workforce by cutting only the workers who are less valuable in their performance while boosting the morale of employees who remain after the reduction. In a reengineering situation, the way the human resource department itself accomplishes its goals may change dramatically. The fundamental change throughout the organization requires the human resource department to help design and implement change, so all employees will be committed to the success of the reengineered organization.

The student responses will vary as to the example selected; however, for an actual merger, the formation of Citigroup would be an excellent example.

5. When an organization decides to operate facilities in other countries, how can HRM practices support this change? *(LO 2-5)*

Answer: Organizations with international operations hire employees in foreign countries where they operate, so they need to know about differences in culture and business practices. Even small businesses serving domestic markets discover that qualified candidates include recent immigrants, as they account for a significant and growing share of the U.S. labor market. This means human resource management must have a working knowledge of different cultures. Additionally, organizations must be able to select and prepare employees for overseas assignments. This task requires preparation in order to provide the support and training needed by the expatriate.

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6. Why do organizations outsource HRM functions? How does outsourcing affect the role of human resource professionals? Would you be more attracted to the role of HR professional in an organization that outsources many HR activities or in the outside firm that has the contract to provide the HR services? Why? *(LO 2-6)*

Answer: HRM functions are outsourced to afford the company access to in-depth expertise and is often more economical for the organization as well. The utilization of outsourcing provides human resource managers more time to study and work on the strategy and vision of the organization. Human resource management's responsibilities can then focus on responsibilities that add value to the business.

The responses provided by the students will vary depending upon their personal viewpoints. However, each response provided should discuss rationales for why such a decision was made.

7. What HRM functions could an organization provide through self-service? What are some of advantages and disadvantages of using self-service for these functions? *(LO 2-6)*

Answer: The concept of self-service is indicative of the way employees can now receive information that they consider vital. This means that employees have online access to information about HR issues such as training, benefits, compensation, and contracts; go online to enroll themselves in programs and services; and provide feedback through online surveys. While it is advantageous to have immediate access to information, it has the disadvantage of losing the one-on-one contact with the HR professional.

8. How is the employment relationship typical of modern organizations different from the relationship of a generation ago? *(LO 2-7)*

Answer: The employment relationship takes the form of a psychological contract that describes what employees and employers expect from the employment relationship. It includes unspoken expectations that are widely held. In the traditional version, organizations expected their employees to contribute time, effort, skills, abilities, and loyalty in exchange for job security and opportunities for promotion. Today, modern organizations' needs are constantly changing so organizations are requiring top performance and longer work hours but cannot provide job security. Instead, employees are looking for flexible work schedules, comfortable working conditions, greater autonomy, opportunities for training and development, and performance-related financial incentive. For HRM, the changes require planning for flexible staffing levels.

9. Discuss several advantages of flexible work schedules. What are some disadvantages? *(LO 2-8)*

Answer: Some advantages include having an option to be nimble with staffing needs by having a temporary or contract worker only when needed. Flexible work schedules

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reduce payroll and benefit costs; this flexibility also allows for hiring people with special skills and abilities as needed.

Disadvantages include not having employees available at all times—especially those with certain skills, and employees who are not as engaged in the culture and lack loyalty to the organization.

Taking Responsibility

Paychex Keeps People by Helping Them Retire

1. What business benefits might result from Paychex's efforts to make its benefits more valuable by helping employees get the most out of using them?

   Answer: Students should connect areas such as productivity, impacted by employee morale, retention, and motivation. All of these areas are exampled in the reactions of Paychex employees.

2. How do the principles of a new psychological contract apply to the situation described in this case?

   Answer: Students should connect financial knowledge, understanding, awareness, and stability as some of the areas described within the new psychological contract at Paychex.

Managing Talent

Employee Engagement Helps Bank's Business

1. Why is employee engagement valuable to PeoplesBank? What trends in human resource management contribute to the value of employee engagement?

   Answer: Employee engagement allows PeoplesBank to compete with larger banks by attracting and keeping the best talent available. Students should identify the characteristics of the workers (purpose, desire to develop and learn, community) as met by the approach of PeoplesBank.

2. Think about what you have learned so far about HR functions. Based on that information, what are some general efforts the HR department of PeoplesBank could make to promote employee engagement?

   Answer: Student should identify events such as the Employee Fest as opportunities to really promote the quality work being done at all levels and locations of PeoplesBank. By aligning the stated needs of employees and then developing/implementing programs based on those needs, PeoplesBank would be directly impacting employee engagement.

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HR in Small Business

New Belgium Brews Success through Employee Ownership

1. What principles and practices of employee empowerment are illustrated by the way New Belgium uses an employee stock ownership plan?

   Answer: Students should identify how employees are engaged in understanding the overall financial performance of the organization and further supported through transparency, so they can conduct their own research. In addition, there is the committee that helps answer questions on the ESOP.

2. How do training programs at New Belgium support the company's strategy?

   Answer: The training programs are meant to help financial literacy, which leads to an understanding of the compensation plan, helping employees see the connection between their work (performance), organizational success, and their compensation.

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Recommended Connect Activities

HRM and Alternative Work Arrangements

Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Activity Summary: In this case analysis, students demonstrate their understanding of the performance appraisal process by aligning examples of each step and placing them in the appropriate order.
Follow-Up Activity: Additional classroom activities can be done individually, in small groups, or as a class. Students can document specific people in their networks that have different career paths and then name advantages/disadvantages of each path. The same process could work for current career and/or desired career. Emphasis should be placed on aligning course content to the examples.

People Operations at Google

Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Activity Summary: The video case encourages students to apply course content to actual high-performing organizations.
Follow-Up Activity: Have small groups pick an average or poorly performing company and then make recommendations on how HR could improve the organizational outcomes.

HRM–Strategy Linkage

Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Activity Summary: The case analysis provides students with the understanding of how strategy formulation and implementation are critical to achieving organizational success.
Follow-Up Activity: Introduce some case studies that detail a specific link between HRM and corporate strategy to make this discussion come alive. Another classroom discussion could be focused on the following article from *The Economic Times*, The Future is now: The Changing role of HR. The article discusses factors such as AI, employee engagement, and strategy.

CHRO Conversations: Ellyn Shook, Accenture

Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Activity Summary: The video case improves student understanding of factors that must be considered when evaluating changes in the workplace.
Follow-Up Activity: Upon completion of the video and multiple-choice questions, have students take content from the chapter and apply it directly to what they experience in their own work

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environments. Terms such as AI, learning, re-skilling, blockchain, mobile/classroom/training centers, and the various forms of technology could all be discussed. To further the exercise, have students make implementation plans based on the terms they previously identified.

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Classroom Exercises

Students may benefit from exercises that illustrate the concepts of the chapter. Use these along with CONNECT activities.

1. Labor Force Trends

   Instructors may engage students in a general discussion meant to support the understanding of labor force trends. Review and Discussion question #1 may be used to begin the conversation. Instructors may then follow up by asking students to identify methods that organizations may use to handle these trends.

2. Outsourcing Functions

   Students may be asked to discuss outsourcing by first posing Review and Discussion question #6. Instructors may then ask students to respond to Review and Discussion question #7. Students may then be asked to discuss the *Best Practices* vignette.

3. Employee Expectations

   Instructors may facilitate a discussion on employee expectations by asking students to discuss the *Did You Know?* vignette. Instructors may also ask students if they relate or agree with the results. Then, instructors may have students discuss Review and Discussion questions #8 and #9. To close the discussion, instructors may have students discuss the *Taking Responsibility* vignette.

4. HRM Career Considerations

   Instructors may wish to have students identify components in Chapter 2 within both the *Society for Human Resource Management Body of Competency & Knowledge* and the *Human Resource Certification Institute's A Guide to the HR Body of Knowledge*. Discussion could be focused on how these chapter concepts are important to the development of their careers and potential certification.

5. Vignette Discussions

   Any of the vignettes (see above) may be employed for classroom discussion. Students could be asked to respond as individuals or placed into groups for discussion. Individuals and/or groups may then be asked to defend their responses and rationale when comparing and contrasting other responses.

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