Human Resource Management 16th edition Valentine Solutions Manual

SKU: 9781337916585-SOLUTIONS

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Chapter 1: Human Resource Management in Organizations

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Chapter Summary

Chapter 1 provides an overview of human resource management in today's organizations. The chapter defines human resource management and human capital. It describes how human resource management and employees can be core competencies for organizations. It explains the seven human resource management functions and the three roles of human resource departments. Challenges faced by human resource management are discussed next. The role of ethics in human resources is examined. Finally, the necessary competencies for human resource personnel are identified.

Learning Objectives

After students have read this chapter, they should be able to accomplish the following objectives:

- Understand human resource management and define human capital.
- Identify how human resource management and employees can be core competencies for organizations.
- Name the seven categories of HR functions.
- Provide an overview of four challenges facing HR today.
- Explain how ethical issues in organizations affect HR management.
- Explain the key competencies needed by HR professionals and why certification is important.

The chapter opens with a feature describing the current trends in human resource management. These trends include developing human capital, globalization and diversity, technology, and ethics.

Lecture Outline

HR Headline: Cool Commitment at Igloo

Igloo brand achieves its competitive advantage through the contribution of its employees. The CEO, Mark Parrish, adopted a servant leadership approach that focuses on building trust, withholding judgment, creating a dialogue, empowering employees, and instituting a culture of collective success. The company measures that collective success in four areas (in this order): people, quality, service, and cost. Igloo commits to its employees, who return that commitment through their personal dedication to the company's success.

1-1. What Is Human Resource Management?

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- **Human resource management** is designing formal systems in an organization to manage human talent for accomplishing organizational goals.

1-1a. Why Organizations Need HR Management

- Despite the obvious differences between large and small organizations, the same HR activities must take place in every firm.
- Larger organizations frequently have people who specialize in managing employees, and these professionals are organized into an HR function or department.
- HR departments have been viewed both positively and negatively by managers and employees.

Discussion Starter: Ask students how an HR department can foster a positive image.

- The need for HR increases as an organization grows until it evolves into a distinct function with specialists assigned to specific duties.

HR Perspective: Transforming HR at Popeyes Louisiana Kitchen

The HR department at Popeyes has grown and changed over time to meet the company's needs and focus on corporate strategy. Today, the department handles more issues than it ever has. Servant leadership requires leaders to believe that the needs of the company and the employees outweigh their own concerns. Although the HR personnel face challenges, corporate expectations are high.

1. Given the issues at Popeyes, how would you redesign an HR department in any organization to better tackle a company's needs?

   Students' answers will vary. They should determine the company's needs before changing the HR department's organization.

2. How might HR processes be redesigned to become more efficient? What technologies might be used to improve HR processes and provide better service to managers and employees?

   Students' answers will vary. They should consider technology that automates applicant tracking, facilitates reporting, and analyzes HR data. Tools such as online surveys that can provide details on the effectiveness of the HR processes can also be included. Care should be taken to balance technology and more personal ways to work with employees in multinational operations.

1-2. Managing Human Resources in Organizations

- Human resource management and employees can be core competencies.
- Managing HR activities is a major priority for all managers.

1-2a. Human Resource Management as a Core Competency

- A **core competency** is a unique capability that creates high value for a company.
- Many organizations have identified that their HR practices differentiate them from their competitors and that HR is a key determinant of competitive advantage.

1-2b. Employees as a Core Competency

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- Organizations must manage the following four types of assets to be successful:
  - Physical assets
  - Financial assets
  - Intellectual property assets
  - Human assets
- **Human capital** is the collective value of the capabilities, knowledge, skills, life experiences, and motivation of an organization's workforce.
  - Sometimes human capital is called *intellectual capital* to reflect the thinking, knowledge, creativity, and decision making that people in organizations contribute.
- A useful framework to understand how HR practices serve as the foundation for human capital is called the *ability-motivation-opportunity (AMO) model*.

Teaching Tip: Figure 1-2 provides details on the *ability-motivation-opportunity model*.

- **Productivity** is a measure of the quantity and quality of work done, considering the cost of the resources used.
- A useful way to measure the productivity of human resources is to consider **unit labor cost**, which is computed by dividing the average cost of workers by their average levels of output.

Teaching Tip: Figure 1-3 identifies four ways to increase organizational productivity and reduce unit labor costs: organizational restructuring, redesigning work, aligning HR activities, and outsourcing analysis.

- In addition to productivity, both customer service and quality efforts can significantly affect organizational effectiveness, making them key areas that HR can emphasize when developing employees as core competencies.
- **Innovation** is the process whereby new ideas are generated that create value for an organization.
- **Organizational culture** consists of the shared values and beliefs that give members of an organization meaning and provide them with rules for behavior.
  - Culture often requires considerable time to develop, but once it is established, it is relatively constant and enduring over time.

Discussion Starter: Ask students to describe the culture at different local or national companies. For example, some companies have reputations for being fun places to work.

1-3. HR Management Functions

HR Competencies & Applications: Building Healthy Organizations

Key Competencies: Leadership & Navigation (Behavioral Competency) and Organization (Technical Competency)

The HR department can help the company create positive organizational health to motivate employees and inspire customer loyalty. HR professionals function as leaders by developing policies, such as management development, performance feedback, and fair rewards.

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1. How would you determine the current state of the organization's health?

   Students' answers will vary. They should consider the characteristics of a healthy organization and the different factors that affect an organization's health.

2. What are some of the talking points you might use to encourage top leaders to invest in HR efforts that would improve the health of the organization? What evidence would you point out to show the value of having a healthy organization?

   Students' answers will vary. Some talking points could be the issues that deserve the most attention—increased profit for a for-profit company or meeting an organization's mission goals for a nonprofit organization. Increased employee motivation and customer loyalty could be evidence that can be used to show the value of having a healthy organization.

- HR management involves designing the *formal systems* that are used to manage people in an organization.
- The HR function is typically categorized into the following seven interlocking subfunctions:
  - Strategy and planning
  - Equal employment opportunity
  - Talent acquisition
  - Talent management
  - Total rewards
  - Risk management and worker protection
  - Employee and labor relations.
- In each organization, the seven subfunctions are carried out in that firm's unique format that is influenced by internal and external forces.
  - The external forces are as follows: global, environmental, cultural or geographic, political, social, legal, economic, and technological.

Teaching Tip: Use Figure 1-4 to help students visualize the relationship between HR functions and the external factors that affect them. Explain to students that each of the seven HR functions is covered in the forthcoming chapters.

1-4. Roles for Human Resource Departments

- If an organization has a formal HR department or group, there are typically the following three different roles these individuals might play in the organization.

1-4a. Administrative Role for Human Resources

- The administrative role of HR management involves processing information and recordkeeping.
- Two major shifts driving the transformation of the administrative role are greater use of technology and outsourcing.

1-4b. Operational and Employee Advocate Role for Human Resources

- HR personnel are often viewed as employee advocates because they must effectively balance the needs of employees with the needs of organizations.
- The operational role requires the HR function to cooperate with various managers and

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identify and implement needed programs and policies in the organization.

1-4c. Strategic Role for Human Resources

- HR is involved in *devising* and *implementing strategy*.
- To serve in the role of strategic partner, HR staff should have a broad business focus to help companies reach their strategic goals.

Teaching Tip: Use Figure 1-5 to explain that the strategic role has been growing over time and will continue to become more important in HR departments of the future.

1-5. Human Resources Management Challenges

- As the field of HR management evolves, a challenging employment environment creates pressure for greater and faster change.
- Jobs are seldom static; rather, they change and evolve as the organization changes.

1-5a. Competition, Cost Pressures, and Restructuring

- An overriding theme facing managers and organizations is the need to operate in a "cost-less" mode, which means continually looking for ways to reduce costs of all types, including financial, operational, equipment, and labor expenses.
- The growth in some jobs and decline in others illustrate that shifts are indeed occurring.
- Participation in the **gig economy**, an economy where most work is performed by freelance workers rather than full-time employees, has been growing dramatically.
- Figure 1-6 lists some of the fastest growing occupations by 2026.

Discussion Starter: Survey the students in the class to determine the most popular industries for work. Compare the results to the industries represented by the occupations in Figure 1-6.

- Various regions of the United States and different industries face significant workforce shortages because of an inadequate supply of workers with the skills needed to perform emerging jobs.

1-5b. Globalization

- The globalization of business has shifted from trade and investment to the integration of global operations, management, and strategic alliances, which has significantly affected how human resources are managed.
- Although individual companies do not respond to all HR challenges in exactly the same way, research suggests that all must face and overcome a common set of difficulties when an organization has a global presence.
    - The areas of difficulties are as follows: strategy, people, complexity, and risk.

1-5c. A Changing Workforce

- The U.S. workforce is more diverse racially and ethnically, has more women in it than ever before, and has older workers.

1-5d. Human Resources and Technology

- Many organizations are replacing some of their aging HR software with new technology that automates applicant tracking, facilitates reporting, and analyzes HR data.

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- The growth of the Internet has led to the creation of numerous platforms in which individuals can interact.
  - **Social media**, online communities where users create and share content and participate in networking, has grown exponentially in the past decade.
  - Figure 1-7 provides data on the number of users for different popular social media websites for the year 2017.

Discussion Starter: Discuss how information released to the public can affect a company's actions. For example, an employee's comment to a group of friends is released on social media and results in the termination of the employee.

1-6. Organizational Ethics and Human Resource Management

- Closely linked with the strategic role of HR is the way managers and HR staff influence the ethics of employees, as well as the ethical practices of organizations as a whole.
- Violating HR protocols can lead to negative organizational and individual consequences, while institutionalizing ethical practices can prompt many positive outcomes, as shown in Figure 1-8.

1-6a. Ethical Culture and Practices

- When the following programs exist, an ethical culture often develops, and ethical behavior is encouraged:
  - Written code of ethics and standards of conduct
  - Training on ethical behavior
  - Advice to employees on ethical situations they face
  - Systems for confidential reporting of ethical misconduct or questionable behavior
  - Public recognition and commendation when employees behave ethically

HR Ethics: HR Keeps Organization on Straight and Narrow

While most HR professionals are not trained as attorneys, there is a greater expectation that HR will serve a role as corporate conscience, helping the organization to avoid legal and ethical problems. Ensuring that compliance programs go beyond mandated requirements and reflect corporate values makes these programs more meaningful to employees and more sustainable. Unlike black-and-white legal compliance questions, ethical dilemmas are often more complex and rely on a philosophical approach rather than a compliance mindset. Having a code of conduct and ethics policy in place and consistently enforcing them are keys to setting a tone within the organization where employees are clear on how they should behave when working on the company's behalf.

1. How can HR staff ensure that top leaders are held to the same standards of behavior as line employees? What would you recommend HR staff do to demonstrate consistent enforcement and application of these standards?

   Students' answers will vary. They should consider the enforcement of a thorough code of conduct and ethics policy that will be applicable to all the individuals that are a part of the organization, irrespective of the hierarchy. HR staff can conduct frequent sessions on issues such as bribery, sexual indiscretions, insider trading, negligence, and misbehavior. This will create an awareness among employees on what is happening around them. HR staff can also incorporate ethics training.

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2. What would you recommend to an HR professional whose superior has asked him or her to comply with a request to act unethically?

   Students' answers will vary. The question can be used to have a discussion or a debate in the class.

1-6b. Ethics and Global Differences

- Variations in legal, political, and cultural values and practices in different countries often raise ethical issues for global employers that must comply with both their home-country laws and the laws of other countries.

1-6c. Role of Human Resources in Organizational Ethics

- HR management plays a key role as the keeper and voice of organizational ethics.
  - Figure 1-9 identifies some of the most frequently encountered ethical misconduct that involve HR activities.
- To help HR staff members deal with ethical issues, the Society for Human Resource Management (SHRM) has developed a code of ethics for its members and provides information on handling ethical issues and policies.

1-7. Human Resources Management Competencies and Careers

- A career in HR requires the understanding of necessary competencies and certifications.

1-7a. Human Resources Competencies

- HR professionals at all levels certainly need to have a basic understanding of strategic management; legal, administrative, and operational issues; and how technology is applied.
- SHRM, the leading professional association for HR, developed a list of competencies that are arranged in a comprehensive model.
  - Figure 1-10 provides a summary of the SHRM competency framework.

1-7b. Human Resource Management as a Career Field

- As an organization grows large enough to need someone to focus primarily on HR activities, the role of the **HR generalist** is needed—that is, a person who has responsibility for performing a variety of HR activities.
  - Further growth leads to the addition of **HR specialists**, or people who have in-depth knowledge and expertise in specific areas of HR.

1-7c. Human Resource Professionalism and Certification

- HR organizations include SHRM, the International Personnel Management Association for Human Resources (IPMA-HR), World Federation of People Management Associations (WFPMA), the WorldatWork Association, the Association for Talent Development (ATD), and the International Association for Human Resource Information Management (IHRIM).
- The most widely known HR certifications are the Professional in Human Resources (PHR) and the Senior Professional in Human Resources (SPHR), both sponsored by the

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Human Resource Certification Institute (HRCI).

Critical Thinking Challenges

1. Discuss several areas in which HR can affect organizational culture positively or negatively.

   Culture can facilitate high employee job performance. Excellent ideas can be enhanced by a culture that is compatible with the needs of the business. This is how culture can be used to create a competitive advantage.

   Culture affects service and quality, organizational productivity, and financial results. From a critical perspective, it is the culture of a company that affects the attraction and retention of competent employees. Aligning the culture with what management is trying to accomplish also determines the health of an organization by creating an environment that capitalizes on human capital strengths.

2. Give some examples of ethical issues that you have experienced in jobs and explain how HR did or did not help resolve them.

   Students' answers will vary. They might give examples that include illegal activities, such as employee theft, or other activities, such as favoritism or dishonesty. Whether HR helped to resolve such activities will vary based on the examples and the organizations.

3. Why is it important for HR management to transform from being primarily administrative and operational to a more strategic contributor?

   In for-profit companies, the HR group can develop policies that place the right people in the right jobs at the right times to ensure that goals are being met. In not-for-profit organizations, such as governmental and social service entities, HR leaders can manage employees in a business-like manner to accomplish other functional goals. Overall, instead of just understanding HR issues and concerns, HR staff should have a broad business focus to help companies reach their strategic goals.

4. Assume you are an HR Director with a staff of seven people. A departmental objective is for all staff members to become professionally certified within a year. Using the Internet resources of HR associations, such as www.shrm.org and www.WorldatWork.org, develop a table that identifies four to six certifications that could be obtained by your staff members and show the important details for each certification.

   Students' answers will vary depending on the certifications selected. Details of the certification can include the name of the organization, the name of the certificate, the requirements, the certification process, and the relevant web address for more information.

5. Your company, a growing firm in the financial services industry, is extremely sensitive to the issues surrounding business ethics. The company wants to be proactive in developing a business ethics training program for all employees, both to ensure the company's reputation as an ethical organization in the community and to help maintain the industry's high standards. As the HR Director and someone who values the importance of having all employees trained in the area of business ethics, you are in charge of developing the ethics training program. It needs to be a basic program that can be presented to all employees in the company. Resources for business ethics information can be found at www.business-ethics.org/.

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A. What legislative act prompted many U.S. companies to develop internal ethical policies and procedures?

The Sarbanes-Oxley Act (SOX) was passed in 2002 by Congress to make certain that publicly traded companies follow accounting controls that could reduce the likelihood of illegal and unethical behaviors.

B. What are key concepts related to business ethics that should be considered in the development of the ethics training program?

When the following programs exist, an ethical culture often develops, and ethical behavior is encouraged:

- *A written code of ethics and standards of conduct*
- *Training on ethical behavior for all executives, managers, and employees*
- *Advice to employees on ethical situations they face, often given by HR*
- *Systems for confidential reporting of ethical misconduct or questionable behavior*

Case: Organizational Culture Gone Wrong

Wells Fargo Bank pressured employees to cross-sell products to customers by setting unrealistic sales targets for each employee, which resulted in an outbreak of rampant fraudulent activities in the organization in an attempt to meet those targets.

1. How did the culture at Wells Fargo become so focused on growing sales through cross-selling? What might be done in the future to reduce the reliance on single outcomes for rewarding employees?

   Students' answers will vary. Students might say that it was primarily the "win at all costs" attitude endorsed by the organization, cutthroat competition, and the hunger for financial rewards that oriented the organizational culture to focus singularly on cross-selling. Students may further suggest that the HR department recognize other employee contributions apart from sales, revise incentive plans, and also incorporate intrinsic rewards, such as professional growth, that would be longer-lasting and more fulfilling for employees than extrinsic monetary rewards.

2. What steps should an employee take when faced with coworkers who are acting unethically in order to meet performance objectives? How could HR be informed and asked to help remedy such situations?

   Students' answers will vary. Some students may suggest that the employee first assess the situation and try to find out if the unethical behavior violates any laws or government codes. The employee should also evaluate if the unethical behavior violates organizational and professional standards of conduct. The employee should also analyze if the unethical behavior stems from a fault in management's planning or from the inherent nature of coworkers to engage in malpractice. Students may also ask the employee to speak to the appropriate people in the organization, especially HR personnel, about their ethics concerns. Students may also say that, in such situations, HR should be cooperative and, as a preventive measure, set up a strong code of conduct and ethics policy and enforce them at all levels of the organization without bias.

Supplemental Cases

Water Quality Association: Building Competencies with Technology

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This case describes a company that uses strategic training initiatives such as experiential and informal learning to ensure that its employees master important competencies and skills. The company's use of apprenticeships and technology approaches deliver content in user-friendly ways to engage employees. (For the case, visit MindTap® at **www.cengage.com/login**.)

1. How did the Water Quality Association's use of technology help enhance how employees acquired important work competencies? Can you think of any other mobile technology applications that might be used to enhance WQA's learning activities?

   Students' answers will vary. They should consider the value of reinforcing skills, tracking progress, rewarding activity completion, and the use of mobile technology in training.

   Suggestions for additional mobile technology applications will vary. One example could be a "help desk" that is available via mobile technology that suggests troubleshooting techniques for employees who go to customer sites.

2. What is your opinion of Apprenticeship 3.0? Is it an approach that you would consider using as an HR manager, or does it need further development?

   Students' answers will vary. A drawback could be the lack of interaction with another person, which could hamper an employee who learns best through interaction with other people rather than technology.

Rio Tinto: Redesigning HR

This case describes a company that must reduce its workforce due to the 2008 global recession. The approach used was global in nature, and downsizing efforts were highly coordinated and consistent across all areas of the business. (For the case, visit MindTap® at **www.cengage.com/login**.)

1. How did Rio Tinto's revamping of HR help with minimizing the potential problems with the reduction in force? What role would an HRIS (also called a Human Resource Information System) have to play in managing an RIF?

   By following a common approach using regional severance policies, a comprehensive database, and measurement tools to track the impact of the redirections, Rio Tinto managed to implement the RIF in an efficient, ethical, and sensitive manner. Having moved the HR professionals across product groups, locations, and assignments, the company fostered a more consistent culture, which helped the HR managers to recognize and follow consistent policies and standards for the whole company. Bringing together disparate HR departments across multiple business units increased speed and lowered costs.

   HRIS would play a very important role in the event of downsizing. The presence of HRIS improves the efficiency with which the data on employees and HR activities are compiled. It would help the HR department to administrate efficiently and communicate quickly to the employees. Also, while planning an RIF, strategic HR planning is required to carry out the downsizing ethically and to avoid facing any legal challenges later, for example, discrimination. Having accessible data enables HR planning and managerial decision making to be based to a greater degree on information rather than relying on managerial perceptions and intuition, making it more effective.

2. Without a consistent philosophy, policies, and approaches to reduction in force (or any

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other disruptions in the future) what would the likely reactions from employees be?

When a company is downsized without proper plans, philosophy, and policies in place, it might lead to increased workloads and loss of loyalty, morale, and motivation among the remaining employees. Employees who have been terminated may deem their termination unfair and unethical and may form a bad opinion about the company.

Phillips Furniture

This case describes a small company that has grown large enough to need a full-time HR person. You have been selected to be the HR Manager, and you have to decide what HR activities are needed and the role HR is to play. (For the case, visit MindTap® at **www.cengage.com/login**.)

1. On what activities would you tell Mr. Phillips you intend to focus? Why?

   Answers may vary. The issue that needs the most attention is the human capital of the organization. Not having enough quality workers is one of the major problems facing small US businesses. Employees must be fit into the right job, trained, and given feedback if they are to do well. Because there are multiple Philip Furniture stores, care must be taken to see that inventory matters are properly taken care of, and good customer service should be provided to earn future customers and retain current customers. The main tasks are recruiting and training workers to drive up the sales and maintain proper inventory control to keep the business running smoothly.

2. What would be your first actions, and why?

   Answers may vary. Because Mr. Phillips has also gained control of Martin Furniture, it is imperative to see that the transition of the employees from Martin Furniture to Phillips Furniture is a smooth one. Proper and adequate training should be provided to help them transition easily and adapt the culture at Phillips Furniture.

Comments

This case is quite useful in illustrating that personnel management is important in both small organizations and large corporations. A student should recognize that the interface concept emphasizes the need for the newly appointed personnel manager and the more experienced operating managers to cooperate. A younger and newer person would have to identify the appropriate “division” of personnel responsibilities that would be consistent with maintaining the cooperation and support of the other managers in the firm.

Identification of the correct state of personnel activities in each of the seven interfaces would be mandatory before definite actions and changes could be initiated. Winning acceptance as a valuable aide, not an adversary, would be critical if future problems are to be minimized.

Sysco

Large food services and distribution firm Sysco had to revise its HR management. Review this case and identify how the changes at Sysco modified HR’s importance. (For the case, visit MindTap® at **www.cengage.com/login**.)

1. How does the market-driven approach illustrate that HR has strategic, operational, and administrative roles at Sysco?

   The administrative role is heavily oriented to processing and record keeping. When

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Sysco's HR staff enters data into the Virtual Resource Center (VRC) and when they use technology to calculate cost/benefit analyses, they are performing the administrative role.

The operational role emphasizes support for executives, managers, and employees when addressing and resolving HR problems and issues. When Sysco's corporate HR identified ways it could assist regional operations, and then developed programs and services that met regional needs, they were performing the operational role. Sysco's HR was also performing the operational role when they worked with the operational managers of the warehouse workers and the truck and delivery drivers to reduce turnover in those operational areas.

The strategic role focuses on the long-term implications of HR issues and is closely linked to the strategic plans of the organization. When Sysco's corporate HR conducts workplace climate surveys of employees, they are involved in scanning the internal environment to provide data to help upper-level managers make strategic decisions.

2. Discuss what types of HR changes could have affected reductions in workers' compensation expenses, employee turnover, and increases in customer satisfaction.

The types of HR changes that could have affected reductions in workers' compensation expenses, employee turnover, and increases in customer satisfaction include:

- *Collection of better data to track workers' compensation claims*
- *Improvement in safety training to reduce workers' compensation claims*
- *Better recruitment and selection to match the job to the worker*
- *Better training and development efforts*
- *Better employee relations that makes the employee feel valued by the organization*
- *More competitive base pay and incentive programs*
- *More effective orientation programs for new employees*

HR, Culture, and Success at Google, Scripps, and UPS

This case describes HR's role in the culture of three different companies. HR's contribution to organizational success in each case can be identified and further researched. (For the case, visit MindTap® at **www.cengage.com/login**.)

1. How does the integration of HR with the organizational culture contribute to the success of Google, Scripps, and UPS? To find ideas, go to the appropriate corporate website for each of them and then search for additional insights.

Overall, HR departments at all three of these companies have integrated HR operations that are in sync with their culture and HR is considered a strategic partner that will help the organization meet organizational strategic objectives.

Google—the overriding key of HR at Google is its emphasis on organizational culture and business objectives. Google HR focuses on giving its employees flexibility to produce results, not just following core job requirements. HR at Google has established innovative efforts for its people and made the administrative part of HR efficient. Minimizing forms, data, and reports by using technology have occurred, which would be expected in a technology firm.

Scripps Network (a prominent TV and communications corporation)—HR at Scripps plays a core role in establishing strategic goals. HR has played a major role in getting multiple cultures to integrate when the organization has merged separate media firms. A pay-for-performance system that provides incentives is used to support the culture and core values.

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HR at Scripps also emphasizes leadership development and the firm has widely used work variability efforts such as work-life balance and telecommuting.

UPS—HR at UPS is linked with business objectives and uses communication and intranet programs to ensure employees are kept constantly informed on business objectives and workforce challenges. HR also plays a major role in promoting corporate integrity. Established codes of conduct are consistently reviewed with all employees and include specific examples of actual potential situations employees may face.

2. Discuss how some of the culture facets mentioned compare to ones in employers you have worked for and explain the difference in the views of those employers.

Students' answers will vary but most students probably have not had a chance to work for companies with the reputation of Google, Scripps, and UPS.

Extra Teaching Video

On the Job Video: Jet Blue—Intro to HR

This short video will help reinforce key points and may prompt additional discussion from the class.

Suggested Discussion Questions

1. What are the three roles typically assumed by Human Resource departments? Give an example of how each of those roles is played out at Jet Blue.

Human Resource departments take on three roles: administrative, operational, and strategic. The administrative role involves processing information and recordkeeping, and it is often outsourced in today's organizations. The operational role involves acting as an employee advocate with the organization, helping to ensure that employees are treated fairly by managers and that managers can handle problem employees. Finally, the strategic role occurs when HR managers interact with other senior managers to devise and implement strategies for the organization.

At Jet Blue, HR plays an administrative role in the recruiting and selection process, by keeping track of job applicants and their skills, knowledge, and abilities. This kind of record keeping is crucial so that they can pick the correct people to hire as they are needed to fill specific jobs. HR plays an operational role in handling performance management and diversity. Employees and managers will often encounter issues in these areas that HR can help to resolve. HR plays a strategic role in thinking about what kinds of employees are needed to meet the needs of their customers. As LaToya Ingram points out, they try to create an inclusive culture so that employees can perform really well and meet the needs of customers effectively.

2. Employees are a core competency for many companies. How does Jet Blue manage their human capital to become successful?

Lisa Borromeo, the Director of Brand Advertising and Market Planning at Jet Blue, says that "Our business is such a commoditized business that the only way to really differentiate us from our competitors is our people." Jet Blue manages their human capital by creating a culture in which employees can thrive and customers will be happy. They hire diverse employees to serve their diverse customers. They allow their employees to be individuals and to use their specific strengths to perform their jobs at an optimal level instead of requiring everyone to act in exactly the same way. Jet Blue helps their employees grow and

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develop in several ways, including performance management reviews and a mentoring program.

3. What challenge is Jet Blue facing with regard to Human Resources?

As Jet Blue becomes larger, it is harder to maintain their original culture. Captain Eric Scott says, "I believe we are now at almost 16,000 crew members, you know, it takes more effort to keep hold of who you are and, you know, what you stand for, because you have that many more people who are responsible for keeping your branding culture alive, and as it becomes more and more diverse, you know, you also have to help to kind of cultivate that even more and more, so I do think it gets harder." Growth is an interesting challenge for JetBlue because of their focus on diversity. On the one hand, the company is becoming more diverse as it grows, but on the other hand, that diversity means more different opinions about what the company should be. It is important to identify the key elements of the culture that must be maintained and to know which elements can change as the company grows.

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Human Resource Management 16th edition Valentine Solutions Manual