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FOURTH CANADIAN EDITION

Human Resource Management

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Human Resource Management

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HUMAN RESOURCE MANAGEMENT
Fourth Canadian Edition

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Dedication

In tribute to the lives of Walter and Alice Yung, and to my husband, Aaron, and our children, Matt and Jess

—S.L.S.

In tribute to the lives of Raymond and Mildred Noe

—R.A.N.

To my parents, Harold and Elizabeth, my wife, Patty, and my children, Jennifer, Marie, Timothy, and Jeffrey

—J.R.H.

To my parents, Robert and Shirley, my wife, Heather, and my children, Chris and Annie

—B.G.

To my parents, Patricia and Paul, my wife, Mary, and my sons, Michael and Matthew

—P.M.W.

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Preface

Welcome to the fourth Canadian edition of *Human Resource Management*. This book was created to provide you with a focused introduction to HRM in Canada that is rich in content and relevant in its strategic application. The 11 chapters balance theory and practical application, and present the material in a manner that is intended to be engaging as well as thought-provoking.

Whether you are a prospective or current employee, supervisor, manager, entrepreneur, executive, or HR professional, this fourth edition is even more focused on supporting your need for foundational Human Resource Management thought leadership and applied insight necessary to perform and thrive in organizations today.

New to this edition are additional resources designed to bring real-world relevance to the study of human resource management. New **Experiencing HR** in each chapter, provides experiential exercises to encourage students to explore real-world HR topics and situations in both individual and group settings.

Engaging, Focused, and Applied

Managing human resources is a critical component of any company's overall mission to provide value to customers, shareholders, employees, and the communities in which it does business. Value includes not only profits, but also employee growth and engagement, creation of new jobs, protection of the environment, and contributions to community programs. All aspects of human resource management including acquiring, preparing for, developing, and rewarding employees can help organizations meet their competitive challenges, create value, and provide competitive advantages in the global marketplace. In addition, effective human resource management requires being mindful of broader contextual issues such as economic conditions, legal issues, and globalization. Both the media and academic research show that effective human resource management practices result in greater value for stakeholders, including employees. For example, in this edition, you will find a broad range of examples featuring organizations throughout Canada that are leading the way in effective human resource management.

An important feature of this book is that it is rich with examples and provides practical applications. Regardless of the direction of your career aspirations, and whether or not you directly manage other employees now or will in the future, effective human resource management has never been more critical to achieving organizational success as well as personal success and satisfaction. As described in detail in the guided tour of the book, each chapter contains several features that encourage analysis and evaluation of human resource-related situations and applies the chapter concepts.

The author team believes that the engaging, focused, and applied approach distinguishes this book from others that have similar coverage of HR topics. The book has timely coverage of important HR issues, is easy to read, and provides the content, tools, and resources to demonstrate the relevance of HR from the perspective of future and current employees, managers, entrepreneurs, executives, and HR professionals.

Organization of the Fourth Edition

- **Part 1** (Chapters 1–2) discusses several aspects of the human resource environment. To be effective, human resource management must begin with an awareness of the trends and challenges shaping this field, including changes in the workforce, technology, and society as well as the profession of HR itself. Such trends and issues are the topic of *Chapter 1*. On a more detailed level, human resource management must also ensure that the organization's actions comply with and exceed legal requirements in the effort to meet goals such as diversity, protecting employees' human rights, privacy, and health and safety at work—the focus of *Chapter 2*.
- **Part 2** (Chapters 3–5) explores the responsibilities involved in preparing for and acquiring human resources. *Chapter 3* covers the topics of analyzing work and designing jobs. *Chapter 4* explains how to plan for human resource needs and recruit candidates to meet those needs. *Chapter 5* discusses the selection of employees and their placement into jobs or teams.
- In **Part 3** (Chapters 6–7), the discussion turns to managing the organization's talent. *Chapter 6* addresses various ways organizations stimulate learning by training and developing employees to perform their jobs, prepare for future jobs, and help establish career paths that take into account work interests, goals, values, and other career issues. *Chapter 7* describes the various requirements involved in managing performance, including establishing performance expectations, coaching and providing feedback, as well as making performance appraisals effective and meaningful.
- An important element of attracting, retaining, and engaging human resources is rewarding employees for the work performed and accomplishments achieved. **Part 4** (Chapter 8) addresses several topics related to compensation and rewards. *Chapter 8* explores decisions related to the organization's overall pay structure, discusses ways organizations can use pay to recognize individual and group contributions to the organization's performance, considers benefits and services—forms of total compensation other than pay—and looks at how to create a total rewards culture.
- **Part 5** (Chapters 9–11) addresses a number of important HR topics. *Chapter 9* discusses human resource management in organizations where employees have or are seeking union representation. *Chapter 10* explores issues that arise when the organization has people working globally. And *Chapter 11*, the last chapter, addresses HR's role in creating and maintaining high-performance organizations.

MARKET LEADING TECHNOLOGY



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McGraw-Hill Connect[®] is an award-winning digital teaching and learning platform that gives students the means to better connect with their coursework, with their instructors, and with the important concepts that they will need to know for success now and in the future. With Connect, instructors can take advantage of McGraw-Hill's trusted content to seamlessly deliver assignments, quizzes, and tests online. McGraw-Hill Connect is a learning platform that continually adapts to each student, delivering precisely what they need, when they need it, so class time is more engaging and effective. Connect makes teaching and learning personal, easy, and proven.

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The Connect Instructor Library is a repository for additional resources to improve student engagement in and out of the class. It provides all the critical resources instructors need to build their course.

- Access instructor resources.
- View assignments and resources created for past sections.
- Post your own resources for students to use.

Instructors' Resources

To ensure maximum consistency with the text material, all of the instructor resources have been prepared by the lead text author, Sandra Steen, making Connect a one-stop shop for quality instructor resources, including:

- **Instructor's Manual:** The Instructor's Manual accurately represents the text's content and supports instructors' needs. Each chapter includes the learning objectives, glossary of key terms, a chapter synopsis, complete lecture outline, and solutions to the end-of-chapter critical thinking questions, cases, and other exercises.
- **Computerized Test Bank:** This flexible and easy to use electronic testing program allows instructors to create tests from book specific items. The Test Bank contains a broad selection of multiple choice, true/false, and essay questions and instructors may add their own questions as well. Each question identifies the relevant page reference and difficulty level. Multiple versions of the test can be created and printed.
- **PowerPoint® Presentations:** These robust presentations offer high quality visuals from the text and highlight key concepts from each chapter to bring key HR concepts to life.
- **Video Presentations:** This video package contains exclusive videos from Canada's leading HR publication, the *HR Reporter*. It is an excellent supplement to lectures and useful for generating in-class discussion. Video summary information and teaching notes have been prepared to accompany the video package and that can be integrated with course planning using the Instructor's Manual.

MANAGER'S HOTSEAT ONLINE

The Manager's HotSeat allows students to watch over 14 real managers apply their years of experience to confront daily issues such as ethics, diversity, teamwork, and the virtual workplace. Students are prompted for their feedback throughout each scenario and then submit a reporting critiquing the manager's choices while defending their own. The Manager's HotSeat is ideal for group or classroom discussion.

CCH CANADIAN BUSINESSWORKS[®]

Use the tools the professionals use! **CCH Canadian BusinessWorks[®]**, available on Connect, provides a snapshot of the BusinessWorks information database. This online resource gives students and instructors access to laws, regulations, and developments in all major areas of human resource management, including health and safety, employment standards, and industrial relations.

Acknowledgments

The fourth Canadian edition of *Human Resource Management* represents the efforts of an extraordinary publishing team at McGraw-Hill Ryerson. Kim Brewster, our group product manager, guided the vision for the book, put the team and resources in place, and navigated all the strategic considerations in concert with Tracey Haggert, product developer. For all four editions, Tracey has guided the overall framework, orchestrating and managing the entire writing and review process. Tracey's wisdom, expertise, foresight, enthusiasm, good judgment, and commitment continue to inspire and focus our efforts and outcomes. We also appreciate the expertise and leadership demonstrated by Indu Arora throughout the photo research and permissions process. We could not be more delighted to have Erin Moore return once again as copy editor. Erin's keen eye, keen wit, and articulate good humour define this edition. Thank you to Katherine Strain for composing a compelling and crisp design for the book. Thank you to Cathie Lefebvre, marketing manager, for all of her great work to keep us current and connected to the higher education and learning community. For this edition, we are also very grateful for the contributions of Michelle Saddler, our supervising editor, who guided the production process.

We would also like to extend our sincere appreciation to all of the professors and students who shared their experiences, both teaching from and learning with, this product. Through focus groups, informal reviews, and conversations, their suggestions, insights, and comments helped us develop and shape this new edition.

Features

Each of these features has been designed to take human resource management into the real world—with either a practical exercise, a visit to the Web, a headline news feature, an example of a best practice, innovation, or even an awkward situation in the workplace.

WHAT DO I NEED TO KNOW?

Assurance of learning:

- Learning objectives open each chapter.
- Learning objectives are referenced in the text where the relevant discussion begins.
- The chapter summary is written around the same learning objectives.
- Quizzes and exercises in Connect are tagged to the learning objectives they cover.

WHAT DO I NEED TO KNOW?

After reading this chapter, you should be able to:

L01	Summarize how the growth in international business activity affects human resource management.
L02	Identify the factors that most strongly influence HRM in international markets.
L03	Discuss how differences among countries affect workforce planning at organizations with international operations.
L04	Describe how companies select and train human resources in a global labour market.
L05	Discuss challenges related to managing performance and rewarding employees globally.
L06	Explain how employers prepare employees for international assignments and for their return home.

HR OOPS!

Engages conversations about HR missteps. Discussion questions at the end of most examples encourage analysis of the situation. Examples include: “Hiring Clones,” “When a Contractor Isn’t a Contractor,” and “How to Recruit a Public Outcry.”

HR Oops!

Starbucks Brews Up Controversy with “Race Together” Campaign

“Here’s a venti caramel macchiato for Jake — and has anyone told you about our ‘Race Together’ initiative? Uh huh. Uh huh. No, I’m sorry sir. No, it’s not because you’re bi — No, I just have to give out 30 of these today and —No, you’re right, it’s stupid and I’m sorry. Oh, your drink is the wrong size? Sorry, I’m just so nervous. . . .” The following is a scenario of an awkward barista-customer exchange during Starbucks’ (www.starbucks.ca) controversial ‘Race Together’ campaign. Starbucks is well known for its commitment to social responsibility according to Manda Cuthbertson, director of operations and delivery at employer branding firm Blu Ivy Group (www.bluivygroup.com) in Toronto, however, the social campaign that had baristas writing the words, ‘Race Together’ on customers’ cups, was met with skepticism and criticism, particularly on social media. CEO Howard Schultz said the intent of the campaign was to “stimulate conversation, compassion, and actions around race.” However, in the wake of the response, senior vice-president for global communication, Corey duBrowa, even temporarily deleted his personal Twitter account. “I felt personally attacked in a cascade of negativity. I got overwhelmed by the volume and tenor of the discussion.”

Asking employees to start conversations around core values invited scrutiny around Starbucks own track record of limited diversity of senior leadership and racial diversity. In addition, questions were raised about how baristas were trained and prepared for the conversations. A spokesperson for Starbucks said the CEO “delivered a video through a retail portal to all the company’s employees on the initiative, but no formal training” was provided.

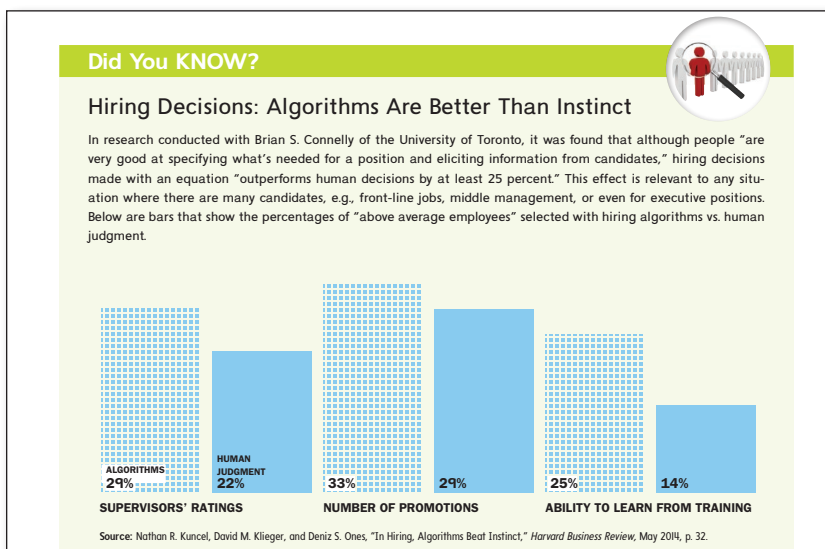
Questions

1. Why do you think Starbucks received such harsh criticism for its ‘Race Together’ campaign?
2. What advice do you have for CEO Howard Schultz about engaging and supporting employees in interactions with customers that extend beyond the usual duties and expectations of their jobs?

Sources: Liz Bernier, “Brewing Up Controversy,” *Canadian HR Reporter*, April 20, 2015, p. 1. I; Nancy Wartik, “Readers Respond to Starbucks ‘Race Together’ Initiative,” *New York Times*, www.nytimes.com/2015/03/21/business/readers-respond-to-starbucks-race-together-initiative.html?_r=0, March 21, 2015, retrieved May 12, 2015; and Sydney Ember, “What Was Starbucks Thinking? ‘Race Together’ Campaign Generates Hostile Responses,” *The National Post*, March 19, 2015, <http://news.nationalpost.com/news/what-was-starbucks-thinking-race-together-campaign-generates-hostile-responses>, retrieved May 12, 2015.

DID YOU KNOW?

Shares thought-provoking statistics related to chapter topics. Examples include: “Millenials & Gen X Prefer Praise to Corrective Feedback,” “Top Seven Dangers for Young Workers (in B.C.),” and “Telecomuters Viewed as More Productive.”



THINKING ETHICALLY

Focused on ethics. The “Thinking Ethically” feature at the end of each chapter offers challenging ethical issues about human resources that require making and validating decisions. Examples include: “Is Social Score Mixing Business and Pleasure?” and “What Boundaries, If Any, Should Employers Set for Social Media?”

Thinking ETHICALLY

The Ethics of Sick Leave

Ethical issues arise with paid time off for illness, from both the employer’s and employee’s perspectives. On the employer’s side, decisions about sick leave are generally influenced by costs. The employer is paying the employee while the employee is not working. In a large corporation, it may be relatively simple for the many well employees to keep projects moving ahead while some employees are ill. But in a small organization, the absence of a few employees—or even just one or two—can create significant backlogs, especially if some of those employees have no colleagues qualified to do their work. In a controversial effort to reduce absenteeism, the Toronto Transit Commission (TTC, www.ttc.com) negotiated a policy with workers that requires a doctor’s note after just one sick day and the note must be submitted within 72 hours of the absence.

From the employees’ perspective, ethical questions involve their impact on others at work and their needs for time to take care of themselves and their dependants. Going to work when sick takes a personal toll and can spread the illness to one’s co-workers and customers. Staying home can leave co-workers without support they need to carry out their work. In cases where the company does not pay for sick time, staying home to rest also may create a financial hardship. Low-wage workers are the least likely to have jobs that pay for sick leave.

These decisions are complicated for employees who have dependants. Typically, sick leave is meant for a worker’s own illness, but as a practical matter, parents with sick children use this time when a child is ill. This may be seen as an abuse of the policy—or as the employee’s only recourse for fulfilling personal duties when a policy does not recognize the realities of family life. But even employees without dependants feel tempted sometimes to take a “mental health” day when they are not actually sick but are mentally or physically worn out.

Questions

1. For an employee, what is the ethical choice to make about going to work when he or she is ill? How does your answer depend on whether the employee is paid for the time off? How does your answer change, if at all, when the sick person is the employee’s young child?
2. For an employer, does ethical conduct require providing employees with paid time off for illness? Why or why not?

Sources: Sarah Dobson, “Doctors Call in Sick on Notes,” *Canadian HR Reporter*, February 24, 2011, pp. 1, 10; Sarah E. Needleman, “Sick-Time Rules Re-emerge,” *The Wall Street Journal*, February 29, 2012; <http://online.wsj.com>; and Madeleine Gecht, “Should Every Worker Have Paid Sick Leave? The Ethics of Employee Benefits and Rights,” *Ethical Inquiry* (International Center for Ethics, Justice, and Public Life, Brandeis University), August 2011, www.brandeis.edu.

CHAPTER OPENING VIGNETTES

Each chapter opens with a look at events and people in real organizations to encourage critical evaluation and application of each situation to the chapter content.

Measuring Results of TELUS's Work Styles Program

TELUS (www.telus.com) is Canada's second largest telecommunications company with 13.9 million customer connections, and more than \$12 billion in annual revenues. TELUS offers a program called *Work Styles* that provides employees the ability to work in the office, at a mobile site, or at home. Sandy McIntosh, VP Human Resources for TELUS Customer Solutions explains the "goal is to have 40 percent of our team members working on a mobile basis, 30 percent working within TELUS buildings, and another 30 percent working from home full time." Benefits of the Work Styles program include increased engagement, productivity, and business results as well as significant cost savings for the company. Andrea Goertz, Chief Communications & Sustainability Officer, explains that at TELUS, employee engagement has gone from 53 percent in 2007 to 83 per cent in 2014—the highest score worldwide for a company of its size and workforce mix—according to global HR organization Aon Hewitt (www.aon.com/canada/). TELUS also reports that the Work Styles program has significant environmental sustainability and organizational benefits including a reduction of more than 5.6 million kg of carbon emissions since the program was implemented in 2010; projected net cash flow savings of \$63.5 million over the next 13 years for travel related expenses; as well as projected 20-year net cash flow savings of \$166 million for corporate real estate.¹

CHRP Competency Framework

HRC For those students pursuing the Certified Human Resources Professional (CHRP) designation, we have identified the **HR Competencies** linked to applicable content areas with an HRC icon. The Competency Framework, comprised of 44 discipline specific professional competencies, is the foundation on which the CHRP designation rests. We have followed the Canadian Council of Human Resources Associations' (CCHRA) grouping of nine functional knowledge areas and the HRC references appear in the text as follows:

HRC 1—Strategy

HRC 2—Professional Practice

HRC 3—Engagement

HRC 4—Workforce Planning and Talent Management

HRC 5—Labour and Employee Relations

HRC 6—Total Rewards

HRC 7—Learning and Development

HRC 8—Health, Wellness, and Safe Workplace

HRC 9—Human Resources Metrics, Reporting, and Financial Management

Outcomes of a High-Performance Work System

HRC2

Consider the practices of steel minimills (which produce steel to make a limited quantity of products for the construction industry). Some minimills have strategies based on keeping their costs below competitors' costs; low costs let them operate at a profit while winning customers with low prices. Other

KEY TERMS

Key terms and definitions appear in the text, so terms are highlighted where they are discussed for easy review and in order to introduce the language of HRM.

company that has a policy of not employing any part-time employees appears to have a policy that can be equally applied to all applicants and existing employees. However, the effect of this policy is not neutral—someone who has family responsibilities would be denied employment or denied the opportunity to reduce their work hours.

direct discrimination

Policies or practices that clearly make a distinction on the basis of a prohibited ground.

indirect discrimination

Policies or practices that appear to be neutral but have an adverse effect on the basis of a prohibited ground.

HR BEST PRACTICES

Real-world examples of what is working well in HRM. Examples include: “Reining in Rising Health Care Costs,” “The Forest Products Industry’s ‘Green Dream Contest,’” and “The YMCA of Greater Toronto: Competency Modelling.”

HR Best Practices

County of Wellington: Gold Winner in the Psychological Safety Category

County of Wellington is the gold winner in the psychological safety category for Canada's Safest Employers Awards

Through a range of programs and policies, the County of Wellington shows its employees that preserving their mental health is just as important as preventing slips and falls. “We really do put all our health and safety policies into action. We do walk the talk,” says Andrea Lawson, human resources director at the municipal government in southwest Ontario.

The County of Wellington is the winner of the very first Canada's Safest Employers Psychological Safety Award. Michele Richardson, health and safety co-ordinator, says the county puts a great deal of effort into education and communication on the importance of psychological safety. From the time they're hired, employees are trained in respectful workplace, verbal de-escalation, and workplace violence policies. Training, including online programs, continues on a regular basis. The county recently introduced a mental health tool kit, part of mandatory training for all staff.

While workers learn to report unhealthy psychological situations to their managers, managers are trained to investigate issues and, if required, take corrective action. At quarterly managers' meetings, they often discuss a topic regarding psychological health and safety. “We work hard to give them the skills they need to identify employees who may be struggling with mental health issues and the skills they need to initiate a conversation with them,” Richardson says. Consistency of manager training is important, says Melanie Shaye, human resources supervisor. The county's 800 employees work at 50 offices spread across 2,590 square kilometres. “We have people working in very remote locations and in different businesses—solid waste, roads, libraries. But because managers have this training and can deliver it to rural as well as urban staff all employees get the same message,” she says. Workers can go to Richardson for support, who is an occupational health nurse, or they can also consult trained mental health first-aiders who work on site.

Absenteeism reports, worker complaints, results of exit interviews and employee and family assistance program (EFAP) quarterly reports are used to set objectives when the health and safety team develops its psychological health and safety management system, Richardson says. It also promotes prevention in areas with high EFAP usage. The County of Wellington council, senior staff, and chief administrative officer, Scott Wilson, are extremely supportive of a psychologically healthy workplace, which is a central reason for the county's success, Lawson says.

Source: “Psychological Safety 2019: County of Wellington,” October 20, 2019, www.ccs.mcgill.com/safety/safety-stories/07/psychological-safety-2019-county-of-wellington.html, retrieved March 27, 2020.

E-HRM

Examples of how technology is used in HR on a daily basis. Each E-HRM feature is highlighted in the chapter and hotlinked as pop-up text when clicked within the ebook. Examples include: “Gamification in HR,” “Social Learning,” and “Social Networks Can Also be Career Networks.”

E-HRM

Is LinkedIn making the résumé obsolete?

HR HOW-TO

Specific steps and methods to implement HRM initiatives. This feature provides the context for understanding typical responsibilities of managers and/or human resources professionals. Examples include: “Writing a Job Description,” “Aligning Incentive Programs with Company Strategy,” and “Supporting Line Management.”

HR How-To

Developing Training Content for Mobile Devices

Workers are already using—or would like to use—a variety of mobile devices. Many carry a smartphone or other devices for listening to music and watching videos. Some download books and magazines onto e-readers; others have a tablet or a laptop computer. All of these devices have the potential to deliver effective training. The following tips can help trainers ensure that m-learning (mobile learning) and the associated apps are well developed and tailored to users' needs and the company's objectives.

- Keep the content brief and engaging. Text should get right to the point and consider combining both audio and visual cues to enable recall and recognition. For example, the mobile app, CPR Tempo, provides both audio and visual cues to assist with the timing of chest compressions in learning cardiopulmonary resuscitation techniques.
- Deliver “chunks” of content and make it easy to find that topic again, in case the learner wants to review it later. For example, the project manager professional certification, PMP ExamPrep, chunks learning by providing questions using mobile flashcards.
- Design screen displays to be as simple as possible so they download quickly and are easy to read. Use minimal graphics; avoid background images altogether.
- Include controls to pause, restart, and stop content. This enables users to cope with interruptions so they can give the training their full attention while it is in progress.
- Think about what kinds of content employees will want to access when they are on the go. A salesperson might welcome background information about clients or product specifications. Lessons that ask the learner to ponder a complex problem would be less effective.
- Be sure the content designers know about all the mobile devices that will be used. The design should use only programs that run on every device that is delivering the content. The Flash media player, for example, does not work as well on some devices. Also, different devices will lend themselves to different kinds of feedback and assessment. Many have touch screens or microphones; on others, typing is relatively easy.

Sources: Margaret Driscoll and Angelo von Barnekow, “Applying Learning Theory to Mobile Learning,” TD of Work, January 2015; Marisa Gerff, “Implementing M-Learning: Make the Dream a Reality,” T+D, January 2012, p. 14; Naomi Norman, “Mobile Learning Made Easy,” T+D, December 2011, pp. 52-55; Julie Brink, “M-Learning: The Future of Training Technology,” T+D, February 2011, pp. 27-29.

CHAPTER SUMMARIES

Recap the “What Do I Need to Know?” objectives from the beginning of each chapter with brief summary discussions.

SUMMARY

L^o1 Summarize the elements of work flow analysis and how work flow relates to an organization's structure.

The analysis identifies the amount and quality of a work unit's outputs (products, parts of products, or services). Next, the analyst determines the work processes required to produce the outputs, breaking down tasks into those performed by each person. Finally, the work flow analysis identifies the inputs used to carry out the processes and produce the outputs. Within an organization, units and individuals must cooperate to create outputs, and the organization's structure brings people together for this purpose. The structure may be centralized or decentralized, and people may be grouped according to function or into divisions focusing on particular products or customer groups.

L^o2 Discuss the significance, recent trends, and outcomes of job analysis.

Job analysis is the process of getting detailed information about jobs. Job analysis provides a foundation for carrying out many HRM responsibilities. To broaden traditional approaches to job analysis in support of talent management, organizations develop competency models. Because today's workplace requires a high degree of adaptability, job tasks and requirements are subject to constant change. Organizations are also adopting project-based structures and teamwork, which also require flexibility and the ability to handle broad responsibilities. Outcomes of job analysis include job descriptions and job specifications.

EXPERIENCING HR—NEW!

These experiential exercises encourage students to explore real-world HR topics and situations in both individual and group settings.

Experiencing HR

Divide into groups of about six students each. Visit the website for *Canada's Top 100 Employers* (www.canadastop100.com/national/). Scan the complete list of companies, and then choose a company that interests your group. Click the link for the company information. Read the reasons for selecting this company as one of the best, and take notes on what you learn. Next, visit the Glassdoor website (www.glassdoor.ca) and use its search function to look up company information for the company you selected. On the company page, use the Reviews link to read the information employees have posted about what it is like to work at this company. Look for patterns, and take notes on what you learn.

As a group, discuss what these two sources tell you about employee engagement and job satisfaction at the company you selected. What criteria does the Top 100 Employers list use for selecting organizations? What criteria do the reviewers on Glassdoor use for reporting their satisfaction or dissatisfaction? What criteria from this chapter are not mentioned? Imagine you work in HR at the company you evaluated. What would you do to address any dissatisfaction you observe in the Glassdoor reviews? Be prepared to summarize your discussion in class (or, if your instructor directs, write a one-page summary of your discussion).

CRITICAL THINKING QUESTIONS

At the end of each chapter assist in opening conversations and discussions about the concepts in the chapter.

Critical Thinking Questions

1. Why do employees join unions? Did you ever belong to a union? If you did, do you think union membership benefited you? If you did not, do you think a union would have benefited you? Why or why not?
2. Why do managers at most companies prefer that unions not represent their employees? Can unions provide benefits to an employer? Explain.
3. Can highly effective human resource management practices make unions unnecessary? Explain.
4. How has union membership in Canada changed over the past few decades? How does union membership in Canada compare with union membership in other countries? How might these patterns in union membership affect the HR decisions of an international company?
5. What legal responsibilities do employers have regarding unions? What are the legal requirements affecting unions?
6. “Management gets the kind of union it deserves.” Discuss.

CASES

In each chapter apply the concepts by looking at companies and how their practices illustrate chapter content. They provide external examples to bring into the classroom, along with questions for assignments or discussion.

Case Study 7.2:

How Google Searches for Performance Measures

If there's one thing Google knows, it's how to use software to wade through massive amounts of data and find what is most relevant. So it should come as no surprise that when the information

CRHA CASE

A CRHA Case is also featured. This case was used in Excalibur, the Canadian University Tournament in Human Resources.

CANADIAN HR REPORTER TV VIDEO CASES

At the end of each part, these cases, which are hotlinked within the text, include summaries and challenging questions about current HRM issues. Teaching notes to the video cases are included in the Instructor's Manual.

VIDEO CASES PART 1

Video Case: What CEOs Want from HR Professionals (www.hrreporter.com/students/video/display/201-what-ceos-want-from-hr-professionals)

President and CEO of Ricoh Canada, Glenn Laverty suggests that HR has tended to be positioned functionally rather than strategically in most organizations. Although HR has many regulatory and administrative responsibilities, he wants to see HR thinking outside the box and taking the role of strategic partner to the business. Establishing that role at the executive level provides HR the opportunity to establish credibility and create ability to execute for each and every department.

Laverty suggests that HR needs the CEO's assistance to break through the mindset that still exists in some organizations that HR is just a function and work to open up a true partnership relationship for HR with other departments. He says that should begin with HR being present at strategic planning sessions where HR can put forward their strategies and be highly involved in understanding how they can help leaders in the organization accomplish their strategies. This means that HR needs to be at the executive level, at the strategic planning sessions, and recognize what it takes to partner with the organization to achieve the firm's goals.

Questions

1. What competencies do you think HR professionals need to fulfill the expectations this CEO has for HR?
2. Does this role for HR sound like the kind of career you would like to have? Why or Why not?

Source: Based on "What CEOs Want from HR Professionals," *Canadian HR Reporter TV*, November 23, 2011.

Video Case: Competing Human Rights Claims in the Workplace (www.hrreporter.com/video/display/367-competing-human-rights-claims-in-the-workplace)

As workplaces become increasingly diverse it becomes inevitable that organizations will face a competing human rights claim. Cherie Robertson, a senior policy analyst at the Ontario Human

PART 1

The Human *Resource Environment*

CHAPTER 1

Strategies, Trends, and Challenges in
Human Resource Management

CHAPTER 2

The Legal Context for HRM and Creating
Safe and Healthy Workplaces



Strategies, Trends, and Challenges in Human Resource Management

WHAT DO I NEED TO KNOW?

After reading this chapter, you should be able to:

- | | |
|-----|--|
| L01 | Define human resource management, identify the roles and responsibilities of human resource departments, and explain how HRM contributes to an organization's performance. |
| L02 | Summarize areas in which human resource management can support organizational strategies. |
| L03 | Summarize the types of competencies needed for human resource management. |
| L04 | Explain the role of supervisors and managers in human resource management. |
| L05 | Describe typical careers in human resource management. |
| L06 | Describe trends in the labour force composition and how they affect human resource management. |
| L07 | Discuss the role of high-performance work systems and how technological developments are affecting human resource management. |
| L08 | Explain how the nature of the employment relationship is changing and how the need for flexibility affects human resource management. |



Google has been ranked multiple times as #1 on *Fortune's* "Best Companies to Work For."

Earning a Reputation as a Great Employer

What do Labatt Breweries of Canada (www.labatt.com), George Brown College (www.georgebrown.ca), Manitoba Hydro (www.hydro.mb.ca), the City of Vancouver (www.vancouver.ca), and Google (www.google.ca) have in common? They have all been recently recognized as excellent employers with progressive human resource management practices. The list of employment awards is growing, raising the bar on what it takes to attract, retain, and engage top talent. As labour markets become increasingly competitive, human resources professionals are being called upon to provide people management practices that not only support the organization's priorities but also provide for competitive success in a global marketplace. Organizations strive to create an employment brand that attracts top talent and earns a reputation as a great place to work.

In addition to Mediacorp's "Canada's Top 100 Employers" (www.canadastop100.com), there are several additional annual competitions, including "Canada's Top Employers for Young People," "Canada's Greenest Employers," "Canada's Best Diversity Employers," and "Canada's Top Family-Friendly Employers." Organizations are also considered for regional recognition including "Greater Toronto's Top Employers," "Atlantic Canada's Top Employers," and "Alberta's Top Employers."

Perhaps no organization has received more attention or has a stronger employment brand than Google. Google is known for its people practices and employee-first culture that directly contribute to its success. The work environment provides Googlers free, healthy, gourmet food at all times of the day, lap pools, onsite massages, free fitness classes and gyms, laundry service, and the ability to bring pets to work. Google's "20-percent time" gives employees 20 percent of their day to work on "passion projects they believe will help the company"—and tangible organizational outcomes often result. For example, Gmail came about from one Google employee's 20-percent time efforts. Perhaps it is no surprise that Google receives over one million résumés in a year and is able to attract and retain some of the world's top talent.¹

L^o1 Define human resource management, identify the roles and responsibilities of human resource departments, and explain how HRM contributes to an organization's performance.

Introduction

HRC 1,2,3

Organizations of all sizes and in all industries are increasingly recognizing the importance of people. "This is a time of rapid change in the market—a time when Canadian organizations are constantly trying to keep pace and remain competitive. In today's knowledge-based economy, we rely on people to generate, develop, and implement ideas"² and the "human resource function has an important role in ensuring that organizations have the people capacity to execute strategic objectives."³

Human resource management (HRM), centres on the practices, policies, and systems that influence employees' behaviours, attitudes, and performance. Many companies refer to HRM as "people practices." Figure 1.1 emphasizes there are many important HRM practices that support the organization's business strategy: analyzing work and designing jobs, determining how many employees with specific knowledge and skills are needed (workforce planning), attracting potential employees (recruiting), choosing employees (selection), preparing employees to perform their jobs and for the future (training, learning, and development), supporting their performance (performance management), rewarding employees (total rewards), and creating a positive work environment (employee and labour relations).

FIGURE 1.1

Human Resource Management Practices



In addition, HRM has responsibility for providing safe and healthy work environments and proactively meeting legal requirements. An organization performs best when all of these practices are managed systemically. At companies with effective HRM, employees and customers tend to be more satisfied, and the companies tend to be more innovative, have greater productivity, and develop a more favourable reputation in the community.⁴

human resource management (HRM)

The practices, policies, and systems that influence employees' behaviours, attitudes, and performance.

In this chapter, we introduce the scope of human resource management, including the ways HRM facilitates and supports organizational strategy. We begin by discussing why human resource management is an essential element of an organization's success. We then turn to the elements of managing human resources: the roles and capabilities needed for effective human resource management. Next, the chapter describes how all managers, not just human resources professionals, participate in the functions and processes of human resource management. We then provide an overview of careers in human resource management and the highlights of practices covered in the remainder of the book. The chapter concludes by discussing a variety of trends and developments that impact HRM.

Why Are People So Valuable?

Managers and economists traditionally have seen human resource management as a necessary expense, rather than as a source of value to their organizations. Economic value is usually associated with *capital*—cash, equipment, technology, and facilities. However, “in the changing corporate environment, more and more organizations are awakening to the importance of human capital as the next competitive advantage.”⁵ A barrier to business expansion is not only availability of financial capital but also access to talent—that is, human capital. In summary, people are crucial to organizational success and the human and intellectual capital of an organization's workforce provides an opportunity for substantial competitive advantage. “As the ‘resident people experts,’ HR leaders are ideally

suited to advise their organization on the best means for realizing their objectives.”⁶ Decisions such as whom to hire, what to pay, what training to offer, and how to evaluate employee performance directly affect employees’ motivation, engagement, and ability to provide goods and services that customers value. Companies that attempt to increase their competitiveness by investing in new technology and promoting quality throughout the organization also invest in state-of-the-art staffing, training, and compensation practices.⁷ These types of practices indicate that employees are viewed as valuable investments.⁸

The concept of “human resource management” implies that employees are *resources* of the employer. As a type of resource, **human capital** means the organization’s employees, described in terms of their training, experience, judgment, intelligence, relationships, and insight—the employee characteristics that can add economic value to the organization. In other words, whether it assembles vehicles or forecasts the weather, for an organization to succeed at what it does, it needs employees with certain qualities, such as particular kinds of skills and experience. This view means employees in today’s organizations are not interchangeable, easily replaced parts of a system but the source of the company’s success or failure. By influencing *who* works for the organization and *how* those people work, human resource management contributes to fundamental measures of an organization’s success such as quality, profitability, and customer satisfaction. Figure 1.2 shows this relationship.

human capital

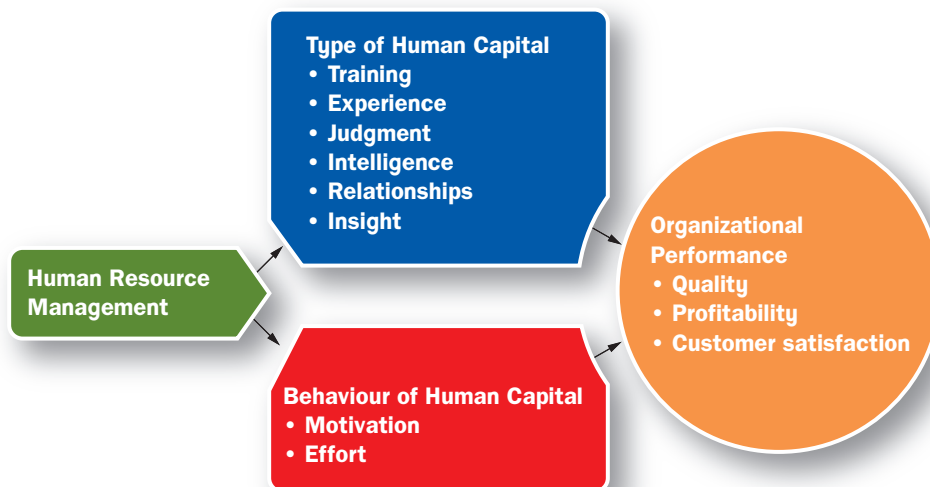
An organization’s employees, described in terms of their training, experience, judgment, intelligence, relationships, and insight.

Human resource management is critical to the success of organizations, because human capital has certain qualities that make it valuable. In terms of business strategy, an organization can succeed if it has a *sustainable competitive advantage* (is better than competitors at something, and can hold that advantage over a sustained period of time). Therefore, we can conclude that organizations need the kind of resources that will give them such an advantage. Human resources have these necessary qualities:

- Human resources are *valuable*. High-quality employees provide a needed service as they perform many critical functions.

FIGURE 1.2

Impact of Human Resource Management



- Human resources are *rare* in the sense that a person with high levels of the needed skills and knowledge is not common. An organization might spend months looking for a talented and experienced manager or technician.
- Human resources *cannot be imitated*. To imitate human resources at a high-performing competitor, you would have to figure out which employees are providing the advantage and how. Then you would have to recruit people who can do precisely the same thing and set up the systems that enable those people to imitate your competitor.
- Human resources have *no good substitutes*. When people are well trained and highly motivated, they learn, develop their abilities, and care about customers. It is difficult to imagine another resource that can match committed and talented employees.

These qualities imply that human resources have enormous potential. As demonstrated in the “Did You Know?” box, an organization realizes this potential through the ways it practises human resource management.

Effective management of human resources can form the foundation of a **high-performance work system**—an organization in which technology, organizational structure, people, and processes all work together to give an organization an advantage in the competitive environment. As technology changes the ways organizations manufacture, transport, communicate, and keep track of information, human resource management must ensure that the organization has the right kinds of people to meet the new challenges. Maintaining a high-performance work system might include development of training programs, recruitment of people with new skill sets, and establishment of rewards for such behaviours as teamwork, flexibility, and learning. Chapter 11 examines high-performance work systems in greater detail.

high-performance work system

An organization in which technology, organizational structure, people, and processes all work together to give an organization an advantage in the competitive environment.



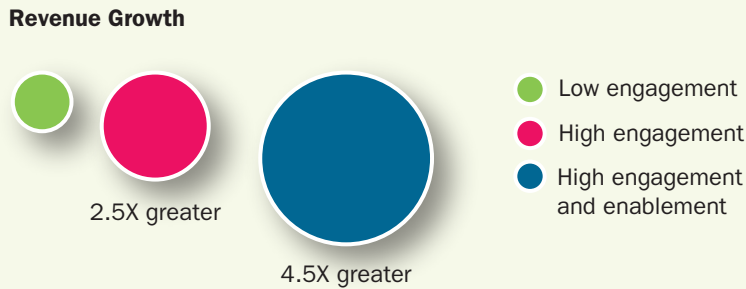
At WestJet (www.westjet.com), a key focus is on keeping employees engaged, motivated, trained, and rewarded effectively. In turn, there is a low turnover rate and a high rate of customer satisfaction.

Did You KNOW?



Engaged and Enabled Employees Deliver Organizational Results

Comparing companies where employees are highly engaged (commitment and discretionary effort) and highly enabled (optimized roles and supportive environment) with low-engagement, low-enablement companies, the HayGroup found significant performance differences.



Source: HayGroup (www.haygroup.com), "Are You Missing Something? Engaging and Enabling Employees for Success," www.haygroup.com/downloads/ca/hay_group_employee_engagement_are_you_missing_something.pdf, retrieved January 5, 2015.

What Are the Responsibilities of HR Departments?

In all but the smallest organizations, a human resource department is responsible for the functions of human resource management. On average, an organization has roughly two full-time HR staff persons for every hundred employees on the payroll.⁹ One way to define the responsibilities of HR departments is to think of HR as a business within the organization with three product lines:¹⁰

- 1. Administrative services and transactions**—Handling administrative tasks (for example, processing tuition reimbursement applications and responding to questions about benefits) efficiently and with a commitment to quality. This requires expertise in the particular tasks.
- 2. Business partner services**—Developing effective HR systems that help the organization meet its goals for attracting, keeping, and developing people with the skills it needs. For the systems to be effective, HR professionals must understand the business so it can understand what the business needs.
- 3. Strategic partner**—Contributing to the company's strategy through an understanding of its existing and needed human resources and ways HR practices can give the company a competitive advantage. For strategic ideas to be effective, HR professionals must understand the business, its industry, and its competitors.

Another way to think of HR responsibilities is in terms of specific activities. Table 1.1 details the responsibilities of human resource departments. These responsibilities include the practices introduced in Figure 1.1 plus additional two areas of accountability that support those practices: (1) establishing and administering human resource policies, ensuring compliance with legal requirements, and implementing and maintaining HR technology, and (2) developing strategy.

TABLE 1.1

Typical Responsibilities of HR Departments

Function	Responsibilities
Analysis and design of work	Workflow analysis; job analysis; job design; job descriptions; job specifications
Workforce planning	Labour demand and supply forecasts; labour surplus and shortage projections; succession planning
Recruitment and selection	Recruiting; testing; screening; interviewing; background checking
Training, learning, and development	Needs assessment; learning methodologies; program design, delivery, and evaluation; career management systems; orientation/onboarding
Performance management	Organizational framework and criteria; goal-setting, appraisal, feedback, and performance improvement tools and processes
Total rewards	Compensation plans; incentive programs; employee benefits and services; pension plans; payroll
Employee and labour relations	Satisfaction and engagement surveys; communications; labour relations
HR policies, compliance, and systems	Policy development and implementation; health and safety; reporting; record keeping; HR information systems
Strategy	Adviser to senior management/board; change management; talent management; human capital metrics and analytics

Source: Based on Canadian Council of Human Resources Associations National Standards for Human Resources Professionals, www.cchra-caarh.ca/en/phaselreport/, retrieved March 22, 2004.

Although the human resource department has responsibility for these areas, many of the requirements are performed by supervisors or others inside or outside the organization. No two human resource departments have precisely the same roles, because of differences in organization size and characteristics of the workforce, the industry, and management's values. In some organizations, the HR department handles all the activities listed in Table 1.1. In others, it may share the roles and duties with managers and supervisors of other departments such as finance, operations, or information technology. In some companies, the HR department actively advises top management. In others, the department responds to top-level management decisions and implements staffing, training, and rewards activities in light of company strategy and policies. When managers and supervisors actively perform a variety of HR activities, the HR department usually retains responsibility for consistency and compliance with all legal requirements.

Let's take an overview of the HR functions and some of the options available for carrying them out. Human resource management involves both the selection of which options to use and the activities related to implementation. Later chapters will explore each function in greater detail.

Analyzing and Designing Jobs

To produce their given product or service (or set of products or services), companies require that a number of tasks be performed. The tasks are grouped in various combinations to form jobs. Ideally, the tasks should be grouped in ways that help the organization to operate efficiently and to obtain people with the right qualifications to do the jobs well. This function involves the activities of job analysis and job design. **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.

job analysis

The process of getting detailed information about jobs.

job design

The process of defining the way work will be performed and the tasks that a given job requires.

Recruiting and Hiring Employees

Based on job analysis and job design, an organization can determine the kinds of employees it needs. With this knowledge, it carries out the function of recruiting and hiring employees. **Recruitment** is the process through which the organization seeks applicants for potential employment. **Selection** refers to 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. An organization makes selection decisions in order to add employees to its workforce, as well as to transfer existing employees to new positions.

recruitment

The process through which the organization seeks applicants for potential employment.

selection

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.

Approaches to recruiting and selection involve a variety of alternatives. Some organizations may actively recruit from many external sources using job postings on their corporate websites, social media, and campus recruiting events. Other organizations may rely heavily on internal job postings relying upon the availability of current employees with the necessary skills.

At some organizations, the selection process may focus on specific skills, such as experience with a particular technology or type of equipment. At others, selection may focus on general abilities, such as the ability to work as part of a team or find creative solutions. The focus an organization favours will affect many choices, from the way the organization assesses skills, to the questions it asks in interviews, to the sources it uses to attract candidates. Table 1.2 lists the top five skills/qualities that employers say they are looking for in job candidates.

Training, Learning, and Development

Although organizations base hiring decisions on candidates' existing qualifications, most organizations provide ways for their employees to engage in learning to reinforce, broaden or deepen their knowledge,

TABLE 1.2

Top Skills/Qualities Employers Look for in Employees

1. Teamwork skills
2. Verbal communication skills
3. Decision making, problem solving
4. Gathering/processing information
5. Planning, prioritizing tasks

Source: Based on National Association of Colleges and Employers, "Job Outlook: The Candidate Skills/Qualities Employers Want," *Spotlight for Career Services Professionals*, October 2, 2011, www.nacweb.org.