



COMPANY PROFITS

23%

21st-Century Human Resource Management Strategic Planning and Legal Issues



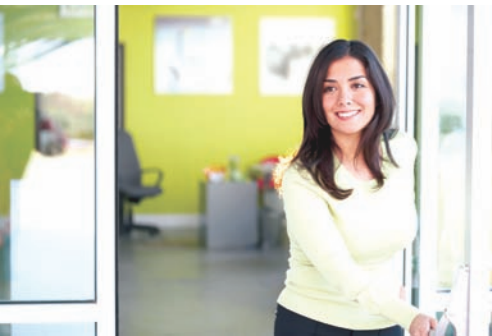
Part

I

- 1 The New Human Resource Management Process
- 2 Strategy-Driven Human Resource Management
- 3 The Legal Environment and Diversity Management

1

The New Human Resource Management Process



Learning Outcomes

After studying this chapter you should be able to:

- 1.1** Identify the difference between the traditional view of Human Resource Management and the 21st-century view
- 1.2** Describe the major HRM skill sets
- 1.3** Discuss the line manager's HRM responsibilities
- 1.4** Identify and briefly describe the major HRM discipline areas
- 1.5** Explain the Practitioner's Model for HRM and how it applies to this book
- 1.6** Define the following terms:

Human resources
Employee engagement
Cost center
Revenue center
Productivity center
Productivity
Effectiveness
Efficiency
Job satisfaction
Turnover
Absenteeism
Sustainable competitive advantage

Information Age
Knowledge worker
Technical skills
Human relations skills
Conceptual and design skills
Business skills
Line manager
Staff manager
Society for Human Resource Management (SHRM)

Chapter 1 Outline

Why Study Human Resource Management?

HRM Past and Present

- Past View of HRM
- Present View of HRM

21st-Century HRM

- HRM Challenges
- The HRM Strategic View
- Technology and Knowledge
- Labor Demographics
- Productivity and Competitiveness Through HRM

HRM Skills

- Technical Skills
- Human Relations Skills
- Conceptual and Design Skills
- Business Skills

Line Managers' HRM Responsibilities

- Line Versus Staff Management
- Major HR Responsibilities of Line Management

HR Managers' Responsibilities: Disciplines Within HRM

- The Legal Environment: EEO and Diversity Management

Staffing

- Training and Development
- Employee Relations
- Labor and Industrial Relations
- Compensation and Benefits
- Safety and Security
- Ethics and Sustainability

HRM Careers

- The Society for Human Resource Management
- Other HR Organizations
- Professional Liability

The Practitioner's Model for HRM

- The Model
- Sections of the Model

Trends and Issues in HRM

- Technology and High-Performance Work Systems
- Increasing Globalization
- Ethical Issues—Reverse Discrimination

A. Employee and Labor Relations (required)

- 4. Employee engagement
- 5. Employee involvement
- 6. Employee retention
- 20. Attendance

B. Employment Law (required)

- 22. Professional liability

D. Organization Development (required)

- 5. Improving organizational effectiveness
- 6. Knowledge management
- 9. Ongoing performance and productivity initiatives
- 10. Organizational effectiveness

H. Strategic HR (required)

- 6. Internal consulting (secondary)
- 9. Ethics (integrated)
- 11. Organizational effectiveness

Case 1-1. Welcome to the World of 21st-Century HRM

SHRM HR CONTENT

See Appendix A: *SHRM 2010 Curriculum Guidebook* for the complete list

HRM /s a Profession!

In my personal opinion, the increase in employer requirements for professional certification exemplifies the transition in Human Resource Management from record keeper to strategic partner status. I'm glad I was encouraged to certify as soon as possible. The investment in certification paid off in tangible proof of expertise in the body of knowledge deemed essential for work in Human Resources, and helped me advance my employment opportunities.

Actually, my professional progress was set in motion with membership in professional HR organizations. First I became a Society for Human Resource Management (SHRM) student member, which provided access to SHRM's website—valuable for research while I was a college student, and still an often used resource in my work.

Next, my involvement spread to the local HR association. The chapter meetings provide excellent opportunities to network, swap “best practice” policies, and learn from colleagues. It was here that I discovered the HR Certification Institute training classes. I am still good friends with many of the people I met during those classes. In fact, the people who invest in certification are the ones who tend to become more involved in their profession and, by extension, to become more successful as well.

I, Cindy Wright, invite you to join me throughout this textbook as we explore real-life HR situations highlighting important information from each chapter. Continue reading Chapter 1 to discover more about Human Resource Management as a profession.



Cindy came late to the Human Resources profession, and perhaps that explains some of her passion for the field. As she explains: “It's not often that one is lucky



enough to be able to decide as an adult exactly what it is you really want to do and then go out and do it.” Bringing her background experience as an involved parent, community volunteer, and family business manager to bear on her education, Wright graduated summa cum laude with a Business

Administration degree, HR emphasis. Cindy tested for her Human Resource Certification Institute (HRCI) Certification as a Professional in Human Resources (PHR) at her initial date of eligibility because she believes certification is a crucial element of professionalism.

Cindy's first position as a benefits specialist for a Caterpillar dealer with 500 employees allowed her to conduct the company's first ever employee benefit satisfaction survey and revamp a paid time off arrangement for the hourly workers as a result. After further employment as a benefits administrator for seven thousand telecommunication's retirees, she has shifted to an HR Generalist position with Saxon Drilling, a gas well drilling company employing just under 500 workers.

Besides membership in the profession's national organization—the Society for Human Resource Management (SHRM), Wright has been active in the local affiliated chapter—the Central Arkansas Human Resources Association (CAHRA). Wright serves as Vice President of Administration for the chapter's Board as well as Chair of the College Relation's Committee. She was recognized by her peers with the “Rising Star” award for her work in creating a student chapter membership. Currently involved in organizing a CAHRA satellite chapter in Conway, AR, Wright's mission is to provide assistance to others interested in entering into and advancing within the Human Resources profession.

WHY STUDY HUMAN RESOURCE MANAGEMENT?

It's natural at this point to be thinking, “What can I get from this book?” or “What's in it for me?” These questions are seldom asked or answered directly. But they should be answered.¹ Success in our professional and personal lives is about creating relationships,² and students understand the importance of relationships.³ So the short answer is that the better you can work with people—and this is what most of this book is about—the more successful you will be in your personal and professional lives as an employee, a manager, or a Human Resource Manager.

Today's students want courses to have practical relevance.⁴ So that is the focus of this book; we designed it to be the most relevant “how to” book you ever used. As indicated by its subtitle, “Functions, Applications, and Skill Development,” this book uses a three-pronged approach, with these objectives:

- To teach you the important functions and concepts of Human Resource Management (HRM)
- To develop your ability to apply the HRM functions and concepts through critical thinking
- To develop your HRM skills in your personal and professional lives

The book offers some unique features to further each of these three objectives, as summarized in Exhibit 1-1.

Let’s go on to the longer answer to why we study HRM. Human Resource issues are emerging as some of the most prominent concerns for owners and managers.⁵ You’ve probably heard buzzwords floating around about managers—and particularly Human Resource Managers—needing to be more strategic, business focused, customer focused, and generally in tune with the overall operational success of the organization.⁶ Think about it for a minute. What is happening in today’s business environment that might be causing Human Resource Managers to rethink their way of doing business? One of the primary items that is causing this process of rethinking management is that there is much greater competition within most industries today compared to 20 or 30 years ago.⁷ As a result, Human Resource Managers as well as Operational Managers have been forced to think in more strategic terms about how their organization can win against their competitors by utilizing their human resources.⁸

One simple fact is that, in the 21st-century organization, **human resources**—*the people within an organization*—are one of the primary means of creating a competitive advantage for the organization, because management of human resources affects performance.⁹ Why is this? It’s simply because most organizations of comparable size and scope within the same industry generally have access to *the same* material and facilities-based resources. This being the case, it’s very difficult to create a competitive advantage based on material, facility, or other tangible or economic resources. What this leaves is people. If the organization can manage its people (human resources) more successfully than its competitors can, if it can get employees involved in the day-to-day success of the organization, it has a much greater chance of being successful—with the term *successful* defined as being more productive and more profitable than the competition. Managers are responsible for getting the job done through employees,¹⁰ so the organization’s human resources are its most valuable resource.¹¹ (As you can see, there is a SHRM Guide box next to this section. We will explain them in the sixth section of this chapter.)

Companies who fall “in the top 10% on employee engagement beat their competition by 72% in earnings per share during 2007–08.”¹² Also in a 2009 study it was shown that “during a span of 12 months, companies with high levels of engagement outperformed

SHRM

Guide – A:5
Employee involvement

SHRM

Guide – A:4
Employee engagement

Exhibit 1-1 Features of This Book’s Three-Pronged Approach

Features That Present HRM Functions and Concepts	<ul style="list-style-type: none"> • Learning Outcome statements • Key terms • Step-by-step behavior models • Chapter summaries with glossaries • Review questions
Features to Apply the HRM Functions and Concepts That You Learn	<ul style="list-style-type: none"> • Opening thoughts • Organizational examples • Work Applications • Applying the Concepts • Cases • Videos
Features That Foster Skill Development	<ul style="list-style-type: none"> • Self-Assessments • Communication Skills questions • Skill Builder exercises

WORK APPLICATION 1-1

How can this course help you in your personal and professional lives? What are your goals, or what do you want to get out of this course?

LO 1.1

Identify the difference between the traditional view of Human Resource Management and the 21st-century view.

those with less engaged employees in operating income, net income growth rate and earnings per share growth rate.”¹³ In this context, we define engaged employees as those who understand what they need to do to add value to the organization and are satisfied enough with the organization and their roles within it to be willing to do whatever is necessary to see to it that the organization succeeds. While employee satisfaction (which we will talk about at length later) can be a part of engagement, the concept of **employee engagement** is much larger. It is *a combination of both job satisfaction and a willingness to perform for the organization at a high level and over an extended period of time.*

This book will teach you how to operate successfully within your organization and compete productively in a 21st-century organization—as an employee, a Human Resource (HR) Manager, or any other type of manager—to get your employees involved or engaged, and to get the results necessary to succeed in the new century against tough competitors.¹⁴ We will focus on Human Resource Management, but the principles within this text apply to any form of management. The bottom line for you here is that if you learn these skills and apply them successfully in your role as a manager, you *will* get your employees engaged and improve productivity, and *that* is what will get you noticed by senior management and allow you to move up the organizational ladder. So let’s get started.

HRM Past and Present

First, let’s look at how Human Resource Management has changed over the past 40 years, taking us from the past traditional view of HRM to the present 21st-century view of HRM.

Past View of HRM

Back in the dark ages around the mid-1970s (there weren’t even any computers available to most managers!), Human Resource Manager (we usually called them Personnel Managers then) were sometimes selected for the job because they had limited skills as an Operational Manager—they might have had less experience or been considered “a people person” rather than a “tough boss.” In other words, they weren’t considered to be as capable of managing what were considered to be *real* operations, so we put them in HR. Why? In general, Human Resource Management was considered to be a bit easier than other management jobs. Human Resource Managers were only expected to be “paper pushers” who could keep all of the Personnel files straight. They maintained organizational records on the people who worked for the company but had very little to do with the management of the organization’s business processes. Since all they had to do was manage paper, we frequently put those with more limited skills in Personnel.

In this environment, most Human Resource Departments provided limited services to the organization—keeping track of job applicants, maintaining employee paperwork, and filing annual performance evaluations. The line managers were the ones responsible for directly managing the people within the organization.

Cost centers. In these types of organization, the Human Resource Department was considered to be a cost center for the organization. What’s a cost center? In simple terms, a **cost center** is *a division or department within the organization that brings in no revenue or profit—it only costs money for the organization to run this function.* As you can easily see, we don’t want many (or any) cost centers in an organization if we can help it. We need revenue centers instead.

Revenue centers. **Revenue centers** are *a division or department that generates monetary returns for the organization.* Where cost centers eat up available funds, revenue centers provide funds for the organization to operate in the future. So, what’s a good HR Manager to do?

Present View of HRM

The old workplace, in which managers simply told employees what to do, is gone. You will most likely work in a team and share in decision making and other management tasks. Today, people want to be involved in management,¹⁵ and organizations expect employees to work in teams and participate in managing the firm.¹⁶

Productivity centers. Welcome to the 21st century and the productivity center. A **productivity center** is a revenue center that enhances profitability of the organization through enhancing the productivity of the people within the organization. So, why does a modern organization worry so much about HRM? Today's Human Resource Manager is no longer running an organizational cost center. Their function, along with all other managers within the organization, is to improve organizational revenues and profits—to be a profit center. How does HR create revenue and profits for the organization? They do it through enhancing the productivity of the people within the organization. **Productivity** is the amount of output that an organization gets per unit of input, with human input usually expressed in terms of units of time.

We must be more competitive in today's business environment in order to survive for the long term. As a manager of any type, we do things that will improve the productivity of the people who work for us and our organization—we create productivity centers.

But, how can we become more productive? Productivity is the end result of two components that managers work to create and improve within the organization:

- **Effectiveness**—a function of getting the job done whenever and however it must be done; it answers the question “Did we do the right things?”
- **Efficiency**—a function of how many organizational resources were used in getting the job done; it answers the question “Did we do things right?”

Both of these are important, but most of the time we are focused on efficiency. Human resources (our people) allow us to be more efficient as an organization if they are used in the correct manner. This course is about how to make *our people* more efficient.

Recall that efficiency is a function of how many organizational resources we use up in order to get the job done. It doesn't matter what kind of resource we are talking about. We burn up material resources doing our jobs, we burn up monetary resources doing our work, and we burn up facility resources doing our jobs. Do we burn up *human* resources? Well, not literally, but we burn up people's time. This is the value that we have in our people—their time. We physically use up monetary resources, facility resources, and material resources, but we use up the time available from our people.

Managing HR deals primarily with improving the efficiency of the people within your organization. If your people are inefficient, it can kill you—literally kill your organization. Your organization will fail if your people are inefficient over long periods of time. If we don't use our people efficiently, we're ultimately going to be forced out of business by somebody who is better at using those resources than we are. So the primary reason we're worried about HR Management within an organization is to improve efficiency of our human beings.

So how do we make our people more efficient? Well, the problem is that we can't really *directly* affect the performance of individuals within the organization. We can't force an

SHRM

Guide – D:9

Ongoing performance and productivity initiatives



Today's technology improves the effectiveness and efficiency of HR Managers leading to higher levels of productivity throughout the organization.

SHRM

Guide – D:5, D:10, H:11

Improving organizational effectiveness;
Organizational effectiveness

employee to act in a certain way all of the time within the organization. We have the ability to sanction (punish) them when they don't do what we need them to do, but we *don't* have the ability to directly control all of their actions. As managers for the organization, we have to do things that will have an indirect effect on our people's productivity—their efficiency and effectiveness. We have certain things within our control as managers that can cause our people to do things that we need them to do.

WORK APPLICATION 1-2

Recall your most recent job. Did you work in a traditional cost or revenue center or a present productivity center? Briefly describe the firm and department and what made it a cost, revenue, or productivity center.

21st-Century HRM

In this section, we discuss some of the issues facing today's HR Managers, including challenges, the strategic view, technology and knowledge, changing labor demographics, and productivity and competitiveness through HRM.

HRM Challenges

Before we go further, let's look at some of the things that managers tell us make their jobs more difficult and that they can't *directly* control.¹⁷ Every time that we survey managers in any industry, in any department, about managing others, they bring up the following issues as among the most important and most difficult things that they deal with:

1. Productivity—defined above
2. Job satisfaction—a feeling of well-being and acceptance of one's place in the organization
3. Turnover—permanent loss of workers from the organization (People who quit would be considered *voluntary* turnover, while people who were fired would be *involuntary* turnover.)
4. Absenteeism—temporary absence of employees from the workplace

Note that all of these issues deal with people—not computers, not buildings, not finances—people! Also, the manager has no *direct* control over these things. The manager only affects these items through indirect actions. In other words, we can't *force* employees to come to work in order to avoid absenteeism or to be happy with their work. We have to create conditions where employees are willing to, or even want to, come to work and where they enjoy their job. We can (and should) do this through employment practices that the employee perceives as fair and reasonable, such as providing acceptable pay for the tasks performed by the employee.

We have already introduced you to productivity. What about the other three items? Why do we care about job satisfaction, turnover, and absenteeism? Let's take a moment to have a more detailed look at each of them.

Job satisfaction, as noted above, *is the feeling of well-being that we experience in our jobs—basically whether or not we like what we do and the immediate environment surrounding us and our jobs*, or “the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs.”¹⁸ Why do we as managers worry about our employees' job satisfaction? Well, there is a wealth of research that shows that if our employees are highly dissatisfied with their jobs, they will be far more likely to have lower than average productivity. Is the opposite true? If we have highly satisfied employees, will they necessarily have higher productivity? Not necessarily, although they could have.¹⁹ But let's leave that discussion for later. For right now, just understand that low job satisfaction typically leads to lower productivity, so we want to maintain high job satisfaction.

What about turnover? **Turnover** *is the permanent loss of workers from the organization*. Does turnover cost the organization? Absolutely!²⁰ What costs are associated with turnover



Video Link 1.1

HRM Challenges

SHRM

Guide – A:6
Employee retention

within the organization? Well, first we have the cost of the paperwork associated with the departing employee and—if they left involuntarily—we may have increases in our unemployment insurance payments. Next, we must find someone else to do the job—we have job analysis costs, recruiting costs, and selection costs (we will talk about all of these later). Once we hire someone new, we have orientation and other training costs, costs associated with getting the new worker “up to speed” on their job—something we call a learning curve—and costs associated with them just not knowing our way of doing business (every company has a unique culture, and not knowing how to act within that culture can cause problems). So, again, we have many costs associated with the process of turnover in the organization, and as a result, we want to minimize turnover.

How about absenteeism? **Absenteeism** is *the failure of an employee to report to the workplace as scheduled*. What’s the big deal here? If employees don’t come to work, we don’t have to pay them, right? Well, that’s true for some of them, but not when we give sick pay. So why do managers worry about absenteeism? Well, for one thing, it *does* cost the organization money²¹—not necessarily directly, but indirectly. Even if we don’t have to pay employees when they are absent from work, we still have to maintain all of their benefits like health insurance; that costs the organization, doesn’t it? We also likely lose productivity in other employees because they are there to do our work and others depend on them; that costs us money. In addition, if some of our workers are frequently absent, it causes lower job satisfaction in others who have to “take up the slack” for their absent coworkers. And there are other issues as well. So, we can quickly see that even though we don’t have to pay some of our workers if they don’t come to work, absenteeism still costs the organization money. So managers are concerned with absenteeism.

Note that the four HR challenges are interrelated. Absenteeism is costly; it is often due to the result of low job satisfaction, and usually leads to lower productivity.²² People tend to leave their jobs (turnover) when they don’t have job satisfaction, and while they are being replaced, and sometimes after, productivity in the organization goes down.²³ Because it can affect absenteeism, turnover, and productivity, we will discuss job satisfaction in Chapter 10.

So now that we have reviewed these four big issues that managers can’t directly control, we can see how important they are. The bottom line for this section is that, as managers, we always need to be looking for things to do that will improve productivity and job satisfaction and reduce absenteeism and turnover. These four items are *critical*. Everything in HRM revolves around these four things.

The HRM Strategic View

Strategy and strategic planning deal with a process of looking at our organization and environment—both today and in the expected future—and determining what we as an organization want to do to meet the requirements of that expected future. We work to predict what this future state will look like and then plan for that eventuality. Line managers in organizations have participated in strategic planning for around 70 years, but their HR cousins did not really get involved until about the mid-1980s at the earliest.

Only in the last 30 or so years has HR Management really gone from reactive to proactive in nature. Instead of waiting for someone to quit and then going out and finding a replacement, HR Managers are now actively seeking talent for their organizations.²⁴ Good HR Managers are constantly looking at processes within the organization and, if there is something going wrong, figuring out how to assist the line management team in fixing the problem, whether it is a training problem, a motivation problem, or any other people-oriented problem. The function of HR has been redesigned to enhance the other (line) functions of the business.

SHRM

Guide – A:20
Attendance

WORK APPLICATION 1-3

How would you rate your level of productivity, job satisfaction, turnover, and absenteeism in your current or a past job?

WORK APPLICATION 1-4

Recall your most recent job. What is the firm's competitive advantage, and how would you rate its sustainability?

Sustainable competitive advantage. Why has HR been redesigned? To make our organizations more competitive and create sustainable competitive advantages. This is the basis for strategic HRM.²⁵ Strategy and strategic planning deal with the concept of creating “sustainable competitive advantages.” **Sustainable competitive advantage** is a *capability that creates value for customers that rivals can't copy quickly or easily, and allows the organization to differentiate its products or services from competitor products or services.* An organization creates a sustainable competitive advantage over its industry rivals by doing something that creates value for its customers that rivals can't copy quickly or easily,²⁶ and that allows it to differentiate its products or services from competitor products or services.

So the question then is: Can we get an advantage from our buildings or physical facilities? Can we gain an advantage from our equipment? Can we create machinery that our competitors can't create or imitate? Do we have access to computers that they don't have access to? Of course not—not in most cases anyway. It is very rare that we can create any *real* technological advantage over any significant period of time, even if our technology is proprietary. If we create a technological advantage in today's business environment, it's usually overcome, or at least closely matched, fairly quickly. So where within the organization can we create sustainable competitive advantage? The only place we can consistently create advantage that our rivals can't quickly match is through the successful use of our human resources—getting them to be more productive than our rivals. If we can create an organization where people want to come to work, and as a result of wanting to come to work they are more productive, less likely to leave, less likely to be absent, and more creative and innovative—if we create that kind of organization, guess who wins? We win; you lose; you die. It's that simple.

The main goals of strategic HRM. So then, what are the main goals of strategic HRM? In the 21st-century organization, the primary HRM function is no longer just ensuring that the company has (1) the correct number of employees with the levels and type of skills the organization requires and (2) control systems to make sure employees are working toward the achievement of the goals in the strategic plan. This is a control model for organizational management that doesn't work in today's organization.

While we must successfully do these things sometimes, we also have to encourage our human resources to the maximum extent possible through motivation, leadership, environmental analysis, and organizational changes that work to improve job satisfaction. The model for a successful HR Manager has evolved to encompass the processes required to get that necessary employee engagement and the associated increases in productivity and job satisfaction while lowering absenteeism and turnover. That's a full plate for any manager. As a result, HR Managers *have to be* part of the strategic planning team today.

Analyze strategic direction for HR fit. One of the most interesting and exciting jobs within the HRM field is as part of the strategic planning efforts for the organization. Why is it so interesting and exciting? It is because, if you play a role in creating the strategy for the organization, you have a hand in creating the organization's future. As we have already noted, HRM efforts are critical in order to be able to carry out organizational plans and reach goals that have been defined by the strategic plan. While this is not usually an option for those who are early in their HR careers, it is certainly an option as they get experience in four skill sets—human relations skills, technical skills, conceptual and design skills, and especially business skills (see “HRM Skills” later in this chapter).

Technology and Knowledge

Why has the job of the HR Manager changed so drastically? It has changed primarily because of the type of work that we do today in organizations compared to the type of work that was common in the last century. The 20th century saw the growth and decline of the

Industrial Age in the United States and most other developed countries around the world. However, as we neared the end of the 20th century we started to enter the **Information Age**—*an era that began around 1980 in which information became one of the main products used in organizations and that is characterized by exponential increases in available information in all industries*. This is when assembly line work began to be taken over more and more by computers and robots, and the humans in our organizations were beginning to provide more than just labor. They started to provide intelligence—or knowledge. In this Information Age, we began to see a new kind of worker.

Knowledge workers and the knowledge-based firm. **Knowledge workers** are workers who “use their head more than their hands”—*knowledge workers gather and interpret information in order to improve a product or process for their organization*. There has been a lot written in the past 20 years on knowledge workers, but we can boil it down to the fact that most workers in your generation are not going to be working primarily with their hands; they will be working with their minds. Knowledge workers “manage knowledge” for the firm.

The pace of technological change. One of the most critical issues that we face in the 21st century is that technology is currently outstripping our ability to use it. In other words, we are creating computers and other technological systems that we can’t figure out how to use as quickly as they are created. Computers get faster and faster, but the human beings who have to use them don’t. What does this mean to a business? It means that if we (the *people* in the organization) can figure out ways to take advantage of the technology better and quicker than our competitors, then we can create a sustainable competitive advantage. Notice that we didn’t say that we create *better technology*—that wouldn’t give us a sustainable advantage. Our competitors could just copy the technology in one form or another once we designed it. We create the ability to continually figure out ways to *use the technology* more successfully. So, as the technology changes, our people continually figure out ways to take advantage of it before our competitors’ people do. This ability within our people is the thing that creates a continuing advantage over competitors who either don’t have people with as much knowledge and as many varied skill sets, or don’t have people who want to assist the organization because they are not engaged and not satisfied.

Knowledge is precious in an organization. We never have enough knowledge. There is a continuous shortage of knowledge workers for our organizations—those people with specialized sets of knowledge that they can apply to the problems within our companies. They don’t work with their hands; they work with their heads. In fact, “the majority of jobs being created in the United States require skills possessed by only twenty percent of the current workforce.”²⁷ And the United States is not alone. In most countries of the world, the news is the same—too few knowledge workers with too many knowledge jobs open and waiting for them. This means that for the foreseeable future, we will have a shortage of knowledge workers in our organizations across the globe.

What does this mean to the organization’s HR Manager? It means that they are going to be competing for talent (20% of adults) with every other HR Manager in the world. If the organization has a reputation as a difficult place to work, will the organization succeed in getting people to come to work for them when they have so many other opportunities? I think not! Only if the organization manages their human resources successfully and maintains a reasonable working environment will they have any chance of filling most of the jobs that they have available.

Labor Demographics

In addition to the issue of knowledge workers and knowledge-based organizations, we face significant demographic changes over the next 20 years in the labor force that will be available to our companies.

SHRM

Guide – D:6

Knowledge management





Part of the diversity in today's workforce is people retiring later in life and working part-time.

Companies are already seeing a reduction in the number and quality of potential employees, as well as greater gender, ethnic, and age diversity than at any time in the past. The lack of skilled workers for increasingly complex jobs is considered to be a major, ongoing problem.²⁸ Partly as a result of this shortage of skilled labor, we are seeing more older employees with high-level skill sets remain in the workforce. Some agencies estimate that over 90% of the growth in the U.S. labor force between 2006 and 2016 will be from workers ages 55 and older.²⁹ So as a manager in a 21st-century organization, your workforce will look much older than has historically been the case.

Your organization will also look more culturally diverse—even compared to today. The growth in immigrant workers will be substantial. Hispanic workers (of

all nationalities) alone are predicted to be approximately 24% of the workforce in 2050, but today they compose only about 14% of the workforce. Asian workers are expected to move up from about 4% of the workforce to about 8%. But the gender mix will stay fairly close to what it is today. The percentage of women in the workforce has stabilized at about 47%–48%.³⁰

What does all of this mean? It means that managers of a 21st-century organization will need to be more culturally aware and able to deal with individuals with significantly different work ethics, cultural norms, and even languages.

Productivity and Competitiveness Through HRM

Remember that managing productivity is the main job of any manager in an organization. However, the only way that we can get top-notch productivity is to manage job satisfaction, absenteeism, and turnover indirectly through the things that are within our control as managers. If we succeed in increasing productivity, we directly affect our company's competitiveness. Why? Because increased productivity leads to increased profitability, and if we are more profitable, we have many options for increasing our competitiveness over the long term, creating that sustainable competitive advantage that we talked about earlier.

HRM SKILLS

LO 1.2
Describe the major HRM skill sets.

What skills will an HR Manager need in order to succeed in their job? All managers require a mix of technical, human relations, conceptual and design, and business skills in order to successfully carry out their jobs (consider Exhibit 1-2). HR Managers are no different—all leaders need management skills to improve organizational performance.³¹ The set of necessary skills for HR Managers is similar to the one for other managers, but of course it emphasizes people skills more than some other management positions would.

Technical Skills

The first set of skills necessary for successful HR Managers is technical skills, the easiest of the four sets to develop.³² **Technical skills** are defined as *the ability to use methods and techniques*

Exhibit 1-2

HRM Skills



to perform a task. Being successful as an HR Manager requires comprehensive knowledge of laws, rules, and regulations relating to HR; computer skills, because everything in HR is now computerized, including some Equal Employment Opportunity (EEO) reporting requirements; skills in interviewing; training knowledge and skills; understanding of performance appraisal processes; and cultural knowledge (so we don't make a culture-related mistake), among many others. We will cover many of these skills in the remaining chapters of this book.

Human Relations Skills

The second major skill set is human relations (people) skills. **Human relations skills** are the ability to understand, communicate, and work well with individuals and groups through developing effective relationships. The resources you need to get the job done are made available through relationships, both inside (employees, coworkers, supervisors) and outside (customers, suppliers, others) the firm.³³ Organizations are seeking employees with good human relations skills,³⁴ and business schools are placing more emphasis on people skills.³⁵ We will focus on interpersonal skills throughout the book, and you will have the opportunity to develop your human relations skills through this course.

HR Managers must have strong people skills. This does not mean that HR Managers have to always be gullible or sympathetic to every sob story, but it does mean that they have to be *empathetic*. What is empathy? Empathy is simply being able to put yourself in another person's place—to understand not only what they are saying but why they are communicating that information to you. Empathy involves the ability to consider what the individual is feeling, while remaining emotionally detached from the situation.

Human relations skills also involve the ability to work well with others in teams, to persuade others, to mediate and resolve conflicts, to gather information from others, and to jointly analyze, negotiate, and come to a collective decision.

Finally, human relations skills involve the ability to relate to, as well as influence, both employees and the executive staff of the organization. The HR Manager must be able to work both sides of this issue. There are many times where they have to speak with the executive suite about issues that are uncomfortable or that, at least in the short term, affect organizational productivity. These conversations are delicate and require significant ability to sway the thoughts and opinions of others.

Conceptual and Design Skills

Conceptual and design skills are another skill set required in a successful HR Manager, and it is based on decision making. Clearly, the decisions you have made over your

WORK APPLICATION 1-5

Give examples of how your present or a past boss used each of the four HRM skills.

lifetime have affected you today. Leadership decisions determine the success or failure of organizations,³⁶ so organizations are training their people to improve their decision-making skills.³⁷ **Conceptual and design skills** include *the ability to evaluate a situation, identify alternatives, select a reasonable alternative, and make a decision to implement a solution to a problem*. The conceptual part of this skill set is an ability to understand what is going on in our business processes—the ability to “see the bigger picture” concerning how our department or division and the overall organization operates. It also includes the ability to see if we are getting outside expected process parameters. In other words, are we doing things we shouldn’t be, or are we not successfully doing things that are necessary for maintaining a high level of productivity? Design skills are the other part of the equation. This is the skill set that allows us to figure out novel or innovative solutions to problems that we have identified through the use of our conceptual skills. So, the first part of this skill set is identification of any problems that exist, and the second part is decision making to solve problems.

Business Skills

Lastly, HR Managers must have strong general business skills. Like technical skills, business skills are easier to develop than human relations and conceptual and design skills.³⁸ **Business skills** are *the analytical and quantitative skills, including in-depth knowledge of how the business works and its budgeting and strategic planning processes, that are necessary for a manager to understand and contribute to the profitability of their organization*. HR professionals must have knowledge of the organization and its strategies if they are to contribute strategically. This also means that they must have understanding of the financial, technological, and other facets of the industry and the organization.

1-1

APPLYING THE CONCEPT

HRM Skills

Identify each activity as one of the following types of HRM skills:

- | | |
|--------------------|--------------------------|
| a. technical | c. conceptual and design |
| b. human relations | d. business |

- ___ 1. The HR Manager is giving a few department members a sincere thanks for finishing a job analysis ahead of schedule.
- ___ 2. The HR Manager is scheduling employee work hours for next week.
- ___ 3. The HR Manager is writing an e-mail.
- ___ 4. The HR Manager is working on the budget for next year.
- ___ 5. The HR Manager is trying to figure out why company attendance has dropped recently.
- ___ 6. The HR Manager is making copies of a report for the meeting.
- ___ 7. The HR Manager is being introduced to a new employee and talking socially with her for a few minutes before she goes to her new job.

LINE MANAGERS' HRM RESPONSIBILITIES

So, what if you are not planning on becoming an HR Manager? Why do you need to understand the topics that we are discussing throughout this book? Well, line managers are the first point of contact with most employees when they have questions about Human Resource policies or procedures. As a result, you have to have a basic understanding of the management of your organization's human resources. You need to be able to answer employee HR questions, and if you don't follow the HR policies you can get disciplined and fired, not to mention causing legal problems for your firm and potentially spending time in jail. In this section we explain the difference between line and staff management, and line managers' major HRM responsibilities.

LO 1.3

Discuss the line manager's HRM responsibilities.

Line Versus Staff Management

Line managers are *individuals who create and maintain the organizational processes and the people who create whatever it is that the business sells*, whether it is a pair of shoes or a technical service. They are simply the people who control the actual operations of the organization—what the organization *does*. A line manager may have direct control over staff employees, but a staff manager would not generally have any direct control over line employees.

HR Managers, on the other hand, would generally be staff managers. **Staff managers** are *individuals who advise line management of the firm in their area of expertise*. These managers act basically as internal consultants for the company within their fields of specialized knowledge. For example, a company accountant and lawyer would usually have staff authority within a manufacturing firm—they would be there to *advise* the operational managers concerning what is legal or illegal. However, in a law firm, a lawyer would usually be a line manager, because the organization's end product is knowledge and application of the law. In this case, the lawyer would have the ability to control the organization's processes to produce their output—a legal briefing, a lawsuit, or a contract agreement, for instance.



Line and staff employees can work more effectively together with today's technology.

SHRM

Guide – H:6
Internal consulting
(secondary)

Major HR Responsibilities of Line Management

So, what would a line manager need to know about HR Management? A lot! Remember that every manager's primary job is to manage the resources of the organization, including the *human* resources. The following list shows some of the major items that a line manager would need to understand in order to successfully do their job:

Legal considerations. Line managers can inadvertently violate the law if they don't know what the various employment laws say and what actions are prohibited in dealing with company employees. Laws that a line manager needs to understand include employment laws, workplace safety and health laws, labor laws, and laws dealing with compensation and benefits.

WORK APPLICATION 1-6

Give examples of line and staff positions for an organization you work or have worked for.

WORK APPLICATION 1-7

Give examples of HR responsibilities performed by your present or a past boss.

Labor cost controls. What can and can't line managers do to minimize labor costs? All managers need to know how they can manage labor costs, both from an efficiency standpoint and from the standpoint of understanding the state and federal laws that limit our ability to manage our labor resources.

Leadership and motivation. Obviously, one of the major reasons we have managers is to provide motivation and leadership to employees in our organizations. Managers are worth "less than nothing" if they don't improve their workers' performance and productivity through use of motivation and leadership of those followers.

Training and development. Line managers are generally the first to see when there is a problem with organizational processes. This is frequently an indication that some type of employees on their annual performance appraisals. This is another situation in which a manager might recognize the need for further training of the workforce. Finally, line managers are the people responsible for making changes to organizational processes. As a result of these changes, we frequently need to train our people on the new methods of doing our work.

Finally in this area, line managers are the people responsible for identifying the talented workers in the organization that we need to develop so that they can move into higher-level positions when they are needed. The organization needs to have these people "in the pipeline" so that as people leave the company or retire we have qualified individuals to take their place.

Appraisal and promotion. Line managers should almost always be responsible for the appraisal (also called evaluation) of the people who work for them as well as the process of debriefing these individuals on their annual (or more frequent) work evaluations. The line manager would also have a strong voice in who should be eligible for promotions in the organization, since their job is to know their people and each of their capabilities and limitations.

Safety and security of employees. Line management has primary responsibility for seeing to the safety and security of our workforce. They must know federal and state laws concerning occupational safety and health as well as procedures for security of the organization's workspaces and people from both outsiders and employees who would want to harm them. They need to monitor the areas under their physical control to minimize the hazards that can occur inside our companies.

So line managers have a lot to do with the human resources in the organization, don't they? Every line manager needs to know all of these things and more in order to be successful in their jobs. We will discuss the HRM process further as we go through this text.

HR MANAGERS' RESPONSIBILITIES: DISCIPLINES WITHIN HRM

LO 1.4

Identify and briefly describe the major HRM discipline areas.

But what if you *are* planning to become an HR Manager? HR Managers take the lead in the management and maintenance of the organization's people. It is an exciting field with many different paths that you can take over the course of your career. You can do such things as recruiting and selecting people into the company, training and developing talent, and managing compensation and benefits, among many others. The field is so broad that you could do something different each year for a 40-year career and never duplicate an earlier job exactly.

So if you have decided that you would like to explore the field of HRM as a career, what kind of jobs could you expect to fill inside your organization? What are your options for a career, and what kinds of specialized training and certification are available for you in

the field? Although there are many different jobs in the field, most of them fall into a few functions. Let's take a look at each of these disciplines or specialties briefly. We will provide details in later chapters.

What areas are covered by the HR department in an average organization? Quite a few, actually. Most HR jobs are either *generalist* jobs, where the HR employee works in many different areas, or *specialist* jobs, where the employee focuses on a specific discipline of HR. What specialties are available? Here is a partial list of some of the major specialist careers that you can get into if you so desire. But first, complete Self-Assessment 1-1 to help you better understand your overall interest in HR and which specialties interest you most.

The Legal Environment: EEO and Diversity Management

Equal Employment Opportunity (EEO) and Diversity Management specialists are involved with the management of the organization's employee-related actions to ensure compliance with Equal Opportunity laws and regulations as well as organizational Affirmative Action plans when they are required or desired. These managers also have responsibilities related to the management of the diverse employee groups within the company. There are many issues in the diversity effort that require managing, including intergroup conflict, creating cohesiveness, combating prejudice, and others. We will discuss some of these issues later in the text.

The Human Resource legal and regulatory environment is critical to every organization today. This is also quite likely the area that changes more than any other in HRM. Every court case that deals with the Human Resource environment inside any organization has the potential to affect every organization with its results. Even if the court ruling doesn't change the way a company has to do business, if Congress sees that a ruling was unfair, they may change the law at either the federal or the state level, and that affects each organization under their jurisdiction. This, briefly, is how the Lilly Ledbetter Fair Pay Act (among other laws) was created. The Supreme Court ruled in a case of unequal pay based on existing laws, and because the U.S. Congress felt that the ruling was unfair, a law was enacted to change certain rules on how and when an equal pay complaint can be filed. We will talk a little more about this law in Chapter 2.

So, if every court case that deals with Equal Opportunity, or compensation and benefits, or harassment, or discrimination in any form has the opportunity to change the way every company does business, then you can quickly see that this is an area of critical importance to your company and that people with strong expertise in HR law are equally critical to the organization. So if you want a job where you *really* never do the same thing twice, look at the HR legal and regulatory environment.

Staffing

This is all of the things that we need to do in order to get people interested in working for our company—going through the recruiting process, selecting the best candidates who apply, and getting them settled into their new jobs. This is likely one of the most rewarding areas in HRM. We get to hire people into the organization who want to work for us. However, it is also a highly complex job where we have to understand the jobs for which we are hiring and the people who apply to fill those jobs, as well as the legalities involved with the hiring process. This is the first line of defense for the company. This area can literally make or break the organization in its ability to be productive. If we attract and hire the right types of people with the right attitudes and skills, the organization has a good start at being successful. If we hire the wrong types—people who don't want to work or don't have the correct skill sets—the organization will have a very difficult time being successful in the long term.



Video Link 1.2

HR Managers'
Responsibilities

HR DISCIPLINES

Following are 24 HR activities that you could be involved in. Rate your interest in each specialty with a number (1–7) that represents your interest in the activity.

I'm not really interested in doing this

I'm really interested in doing this

1 2 3 4 5 6 7

1. ____ Working to make sure everyone in the firm is treated fairly.
2. ____ Working against discrimination and helping minorities to get hired and promoted.
3. ____ Knowing the HR laws, helping the firm implement them, and reporting how the firm complies with them.
4. ____ Working to get people to apply for jobs, such as writing advertisements and attending job fairs.
5. ____ Interviewing job candidates.
6. ____ Orienting new employees to the firm and their jobs.
7. ____ Teaching employees how to do their current jobs.
8. ____ Developing employees' general skills so they can progress in the firm.
9. ____ Designing curricula and lesson plans for others to teach employees.
10. ____ Coaching, counseling, and disciplining employees not working to standards.
11. ____ Working with teams and helping resolve conflicts.
12. ____ Working to understand and improve the level of job satisfaction throughout the firm.
13. ____ Working with union employees.
14. ____ Collective bargaining with unions.
15. ____ Solving employee complaints.
16. ____ Working to determine fair pay for different jobs, such as finding out competitor pay scales.
17. ____ Creating incentives to motivate and reward productive employees.
18. ____ Finding good benefit providers, such as lower-cost and higher-quality health care coverage.
19. ____ Making sure that employees don't get hurt on the job.
20. ____ Working to keep employees healthy, such as developing diet and exercise programs.
21. ____ Ensuring the security of the facilities and employees, issuing IDs, and keeping employee records confidential.
22. ____ Ensuring that employees are ethical, such as working on and enforcing codes of ethics.
23. ____ Enforcing ethical standards, such as maintaining methods for employees to confidentially report ethics violations.
24. ____ Working to help the organization develop methods to improve efficiency while protecting our environment.

Scoring and Interpreting Individual Discipline Results

Place your rating numbers (1–7) below and total the three scores for each discipline:

Legal Environment: EEO and Diversity Management

1 _____
 2 _____
 3 _____
 _____ Total (rank total _____ [1–8])

Staffing

4 _____
 5 _____
 6 _____
 _____ Total (rank total _____ [1–8])

Training and Development

7 _____
 8 _____
 9 _____
 _____ Total (rank total _____ [1–8])

Employee Relations

10 _____
 11 _____
 12 _____
 _____ Total (rank total _____ [1–8])

Labor and Industrial Relations

13 _____
 14 _____
 15 _____
 _____ Total (rank total _____ [1–8])

Compensation and Benefits

16 _____
 17 _____
 18 _____
 _____ Total (rank total _____ [1–8])

Safety and Security

19 _____
 20 _____
 21 _____
 _____ Total (rank total _____ [1–8])

Ethics and Sustainability

22 _____
 23 _____
 24 _____
 _____ Total (rank total _____ [1–8])

Based on the totals in each discipline, rank each of them from 1 to 8. The higher the score, the greater your interest in this area of HR, at this point in time in this book. It can change as you learn more about each discipline. You will also be doing self-assessments in other chapters that relate to these eight disciplines.

Scoring and Interpreting Total Discipline Results

Place the total of all eight disciplines (24 activities) here _____ and on the continuum below.

Low interest in HR 24 50 75 100 125 150 168 High interest in HR

The higher your score, the greater your overall interest in HR, again at this time only.

You should realize that this self-assessment is designed to show your interest. If you rated yourself low in an HR discipline, but you actually got a real job in that area, you could find it very interesting, and vice versa. The self-assessments throughout this book are designed to give you a better understanding of your interest and aptitudes that are open to your interpretations. For example, some people tend to rate themselves much lower and higher than others even though they have the same level of interest—so don't be too concerned about your score. There are *no* correct answers or scores. Some people with lower scores may actually enjoy the course more than those with higher scores. The objective is to gain personal knowledge and get you thinking about how the topic relates to “you.”

So at this point, you should have a better idea of what the eight HR disciplines are and which areas are of more and less interest to you. But as you read the rest of this chapter and the others and learn more about each discipline, you may change your mind.

Training and Development

Next, we have the developing Human Resource discipline. This is where the training for the organization's human resources occurs. A modern organization won't get very far without constantly training their employees. Research supports that employees participating in more training and development are less likely to leave the company (turnover) and less likely to engage in neglectful behavior.³⁹ We train people for a variety of reasons, from teaching them their basic job to teaching them the things that they will need in order to move up in the organization as people above them resign or retire. If you enjoy teaching and learning, this might be an area to consider as a career field in HRM. Many HR Managers stay in training and development for their entire careers because they like it. They get to interact with many different people within the organization and get to learn about many different parts of the company as they go through the training processes.

As a Training and Development specialist, you would have responsibility for the training processes within the organization as well as curricula, lesson plans, and delivery of training courses. You would also be involved with the development of talent within the company in order to provide employees who are trained and able to move into more senior positions as they become vacant.

Employee Relations

What happens in the Employee Relations area of HR Management? This specialty covers a very wide array of items associated with management and employee relations. It involves such things as coaching, conflict resolution, counseling, and disciplining of the workforce as needed. It also involves leadership and team building efforts within the organization. Virtually every 21st-century organization operates with at least some teams as part of its structure, and teams create unique problems within the company. HR Managers also measure and evaluate job satisfaction as part of employee relations. We constantly evaluate the level of satisfaction in our organizations because we know that job satisfaction has a strong relationship with productivity. For right now, just understand that HR Managers in this function have to keep up with the many and varied laws relating to labor relations.

The Employee Relations specialty also involves the management of employee communication and work-related stress. These managers would typically be responsible for the management of job satisfaction and employee engagement within the company.

Labor and Industrial Relations

The Labor and Industrial Relations specialist works with the laws and regulations that control the organization's relationships with their workforce. This is also the area where any relationships that the organization has with unions are dealt with. HR Managers who work in this area might be involved in union votes, negotiations for union agreements, contract collective bargaining, handling grievances, and other items that affect the union-management relationship within the organization. This area also includes all relations activities, even in nonunion businesses. These managers have to maintain a working knowledge of all of the federal labor relations laws such as the National Labor Relations Act and the Taft-Hartley Act. Again, we will cover this in more detail later.

Compensation and Benefits

In the area of Compensation and Benefits, a manager might find jobs in compensation planning, salary surveys, benefits management, incentive programs, and much more. This area deals with how we reward the people who work for us. Rewards come in many styles and types, and this is where the organization decides on the total compensation package that they will use

in order to attract and retain the best mix of people for their particular type of company. Here again, a manager will have to understand the federal and state laws that deal with compensation management within businesses, including the Fair Labor Standards Act and other major discrimination laws. Compensation management also includes issues such as pay secrecy, comparable worth, and wage compression—topics that we will cover in some detail in later chapters.

In this specialty, you will have a hand in setting pay scales, managing pay of various types, and administering benefits packages. All of the processes within this discipline are designed to help the organization attract and keep the right mix of employees. You would also deal directly with all of the federal and state compensation laws to ensure compliance in organizational pay and benefits procedures.

Safety and Security

We also need to protect our human resources. In this discipline, a manager might work in the area of occupational safety and/or health to make sure we don't injure our people or cause them to become sick because of exposure to some substance they work with. It also includes fields such as stress management and employee assistance programs that help employees cope with the demands of their jobs on a daily basis. And finally, this function works to ensure that employees are secure from physical harm by other workers, outsiders, or even acts of nature. We have to protect our people if we are going to expect them to do their jobs.

As a Safety and Security specialist, the HR Manager works to ensure that the work environment is safe for all workers so that on-the-job injuries and illnesses are minimized to the extent possible. They also have responsibility for managing the organization's plans for securing the workforce, both from being harmed by other people and from natural disasters such as earthquakes or tornados. These managers also have to maintain employees' confidential HR files.

Ethics and Sustainability

In this specialty, HR Managers bear responsibility for seeing to it that the organization acts in an ethical and socially responsible manner. They work on codes of ethics and making sure employees live by the codes, such as by maintaining ways in which employees can report violations of ethics (whistle-blowing).

Environmental issues are now a major social concern,⁴⁰ and sustainable development has become one of the foremost issues facing the world.⁴¹ *Sustainability* is meeting the needs of today without sacrificing future generations' ability to meet their needs.⁴² All developed societies and a growing number of developing countries expect sustainability, or for managers to use resources wisely and responsibly; protect the environment; minimize the amount of air, water, energy, minerals, and other materials used in the final goods we consume; recycle and reuse these goods to the extent possible rather than drawing on nature to replenish them; respect nature's calm, tranquility, and beauty; and eliminate toxins that harm people in the workplace and communities.⁴³ Some companies operating in less developed countries have historically done a relatively poor job of maintaining the environment. In fact, in many cases, these companies decided to operate out of a particular country to minimize the costs associated with conservation and sustainability.



ESR

SHRM

Guide - H:9
Ethics (integrated)



Recycling contributes to our present and future sustainability.



WORK APPLICATION 1-8

Give brief examples of the HR disciplines performed by the HR department (or individual responsible for HR) where you work or have worked.

If you take a look at the table of contents as well as the Practitioner's Model below, you will realize that this book is organized to discuss these eight areas of HRM. We went through the disciplines pretty quickly, but each will be dealt with in much more detail as we continue through this text. For right now, just understand the basic idea that there are many different functions and areas in which an HR Manager can work as part of their organization. It is pretty much a guarantee that you won't get bored in your role as a 21st-century HR Manager if you don't want to. Next, let's take a look at some of the professional organizations that are out there that can help you get where you want to go in HRM.

1-2

APPLYING THE CONCEPT

HRM Disciplines

Match each activity to its HRM discipline:

- | | |
|--|-----------------------------------|
| a. Legal Environment: EEO and Diversity Management | e. Labor and Industrial Relations |
| b. Staffing | f. Compensation and Benefits |
| c. Training and Development | g. Safety and Security |
| d. Employee Relations | h. Ethics and Sustainability |

- ___ 8. The HR Manager is meeting with a union steward to resolve an employee grievance.
- ___ 9. The HR Manager is working on an ad for the newspaper giving a brief description of a job opening.
- ___ 10. The HR Manager is checking the cleanliness of the food processing equipment.
- ___ 11. The HR Manager is working on the bonus system for production workers to motivate them to produce more.
- ___ 12. The HR Manager is following the company policy of giving preference to African Americans so they can advance.
- ___ 13. The HR Manager is teaching the new employee how to run the cash register.
- ___ 14. The HR Manager is referring an employee to a drug counselor.
- ___ 15. The HR Manager is interviewing a job candidate.
- ___ 16. The HR Manager is investigating an employee sexual harassment case.
- ___ 17. The HR Manager is working on a master's degree in HRM.
- ___ 18. The HR Manager is working with an insurance company to offer employees a new dental plan.
- ___ 19. The HR Manager is replacing the window air conditioners with a more energy-efficient model that emits less pollution.
- ___ 20. The HR Manager is having the computer department install a new software program to make sure that no one can hack into the employee records.

HRM CAREERS

If you are interested in HRM as a career, there are several professional associations and certification programs in areas associated with HR Management that will help you get into these jobs and advance more quickly in the future. Here are some of them, and there are others within HR disciplines that are not discussed here.

The Society for Human Resource Management

The first organization to deal with HR Managers was SHRM. **SHRM** is *the Society for Human Resource Management, the largest and most recognized HRM advocacy organization in the United States*. According to their website, SHRM is “the world’s largest association devoted to human resource management . . . representing more than 250,000 members in over 140 countries.”⁴⁴

What does SHRM do? Probably the biggest part of their work is dedicated to two areas—first, advocacy for national HR laws and policies for organizations, and second, training and certification of HR professionals in a number of specialty areas. They also provide members with a place to network and learn from their peers as well as a vast library of articles and other information on HR Management. SHRM is such an outstanding organization that anyone thinking about a career in Human Resources should consider joining. Student memberships have always been, and continue to be, very inexpensive, especially considering all that is available to members of the organization. Does your school have a student SHRM chapter? If it does, and you are serious about a career in HR, join. If your school doesn’t have a chapter, consider starting one.

SHRM operates the Human Resource Certification Institute (HRCI), which provides some of the top certifications for HR personnel anywhere in the world. The two biggest certification programs are the PHR and SPHR certifications. PHR stands for Professional in Human Resources, and SPHR is Senior Professional in Human Resources. Both of these certifications are recognized as verification of a high level of training by virtually any senior manager in organizations worldwide.

In addition to the HRCI, SHRM provides a curriculum guide for colleges and universities that offer HRM degree programs. The guide identifies specific areas in which SHRM feels students should gain competence as HRM majors. The curriculum areas are broken down into required, secondary, and integrated sections. Because SHRM is such a significant force in each of the HRM fields, we have decided to indicate where each of the required curriculum areas is covered within this text in order to show you the depth of knowledge that is required of a 21st-century HR Manager. In each chapter, you will see notes on the side of the page when an *SHRM required* topic is discussed. These notes are alphanumerically keyed to the information in Appendix A: SHRM 2010 Curriculum Guidebook. You might want to pay special attention to these side notes if you plan to become an HR Manager after school.

If you do decide to work toward a goal of becoming an HR Manager, you will need to think about the SHRM Assurance of Learning exam. This exam is sort of a student version of the PHR certification noted above. According to the SHRM website, “First and foremost, passing the assessment will help students show potential employers they have acquired the minimum knowledge required to enter the HR profession at the entry level.”⁴⁵ To get more information about the Assurance of Learning exam, go to the SHRM website at www.shrm.org/assessment.



Video Link 1.3

HRM Careers

SHRM

WORK APPLICATION 1-9

Will you join a professional association and seek certification? Explain why or why not.

SHRM

Guide – B:22
Professional liability

LO 1.5

Explain the Practitioner's Model for HRM and how it applies to this book.

Other HR Organizations

In addition to SHRM, two other significant organizations have recognized HR certification programs in the United States. They are the American Society for Training and Development (ASTD) and WorldatWork. As its name implies, ASTD primarily focuses on the training and development functions of HR Managers.⁴⁶ WorldatWork mainly deals with compensation, benefits, and performance management programs.⁴⁷ Both are quite high in quality within their area of focus. Each of the above organizations has an extensive website. If you are interested in them, take a look as you have time.

Professional Liability

One of the more important things that you need to understand if you are thinking about becoming a Human Resources Manager of any sort is the issue of professional (personal) liability for the actions that you take on behalf of the organization. You most likely don't know that HR Managers can be held personally liable for some of the actions that they take as part of their job. For instance, two federal laws, the Fair Labor Standards Act and the Family and Medical Leave Act (we will discuss these in detail in later chapters), "have both been construed by courts to provide for individual liability."⁴⁸ Both the organization and managers who have authority to make decisions for the organization can be sued by an employee who feels that their rights under these laws have been violated. This is one of the many reasons that if you plan to manage people, you really want to understand all of the HRM concepts as well as possible. These are only two examples of potential professional liability that an HR Manager can incur if they fail to take federal and state laws into account. There are many others. So you need to be aware of the potential for personal liability, and in some cases you may even need to consider professional liability insurance—for instance, if you are an HRM consultant to outside organizations.

THE PRACTITIONER'S MODEL FOR HRM

We have given you a (really) brief history of the HRM world and what HR Management does for the organization. Now we need to get into the meat of the matter and start talking about some of the detailed information that you will need to know in order to be a successful HR (or other) manager for your organization once you earn your degree. How will we do that? We are going to work through what you need to know using a Practitioner's Model for HRM (Exhibit 1-3).

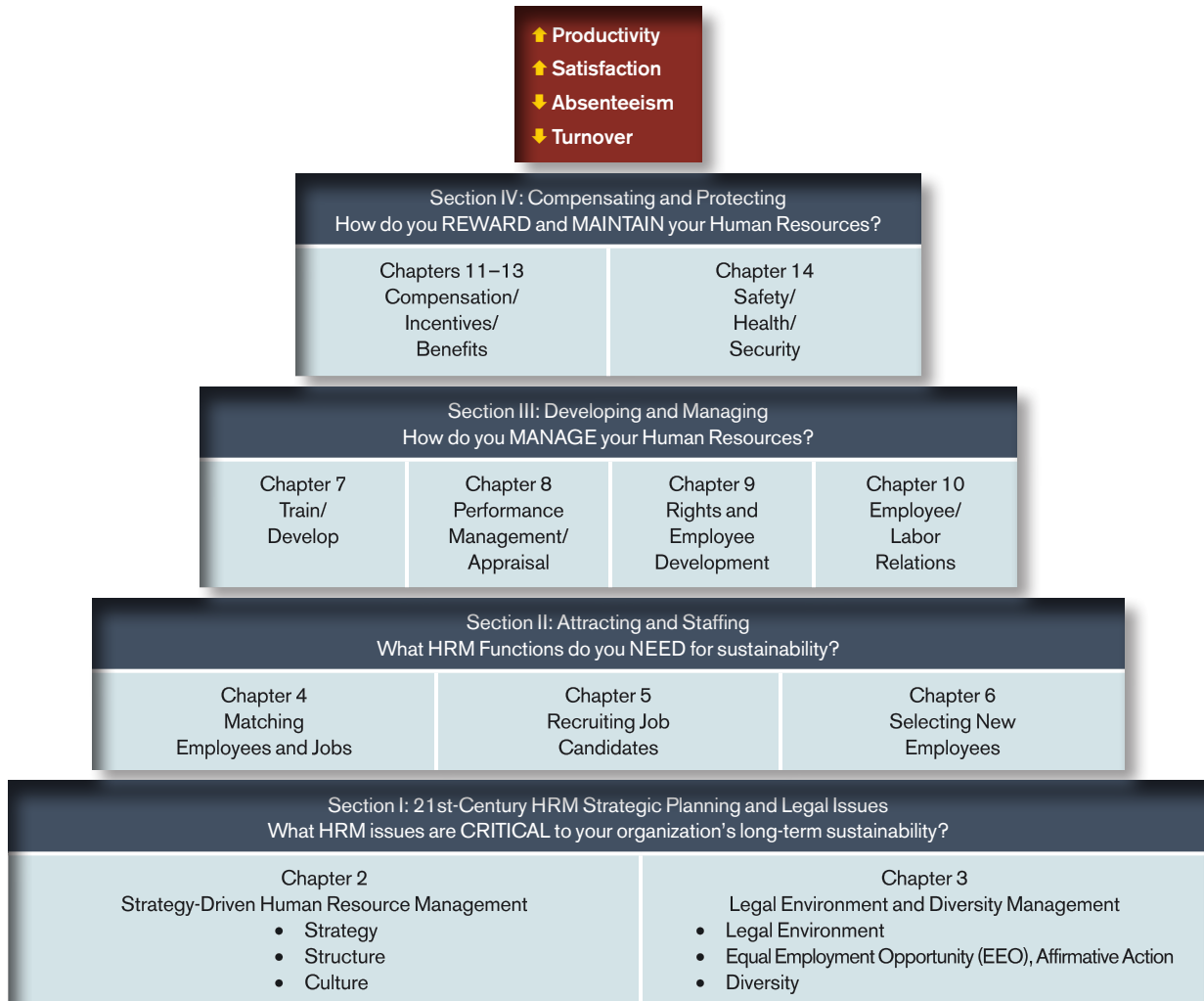
The Model

The Practitioner's Model is designed to show you how each of the sections of HRM interact and which items must be dealt with before you can go on to successfully working on the next section, kind of like building a foundation before you build a house. The model first provides you with knowledge of which organizational functions are *critical* in order to ensure that the organization can be viable over the long term. Second, you will learn what the organization needs to do in order to *sustain itself* over the long term. Third, the model discusses the critical issues in *managing* the organization's human resources successfully. Fourth and finally, the model discusses how to *maintain your human resources* through managing the compensation and benefits provided to your people and through making sure that they remain safe and secure while at work.

Exhibit 1-3

The Practitioner's Model for HRM

End Result = Organizational Success



Sections of the Model

Let's discuss the details of each section of the model separately.

Section I: 21st-century HRM, strategic planning, and HR laws. Let's take it section by section. You have already begun Section I (Exhibit 1-4), where we talk about HRM in the 21st century along with the necessity for strategy-driven HRM and a strong understanding of the basic HR legal environment. This is the basis for everything else that a 21st-century HR Manager will do, so it is the foundation of our diagram. These things are *most critical* to the organization's basic stability and success because if we don't get them right, we will probably not be around long enough as an organization to be successful in the sections resting on this one.

Section II: Attracting and staffing. Once we have a stable organization with some form of direction, we will start to look at getting the right people into the right jobs in Section II (Exhibit 1-5). This section includes the items that will allow the organization to get its work done successfully over long periods of time. We first look at identifying the jobs that will

Exhibit 1-4 Section I Practitioner’s Model for HRM

Section I: 21st-Century HRM Strategic Planning and Legal Issues What HRM issues are CRITICAL to your organization’s long-term sustainability?	
<p>Chapter 2 Strategy-Driven Human Resource Management</p> <ul style="list-style-type: none"> • Strategy • Structure • Culture 	<p>Chapter 3 Legal Environment and Diversity Management</p> <ul style="list-style-type: none"> • Legal Environment • Equal Employment Opportunity (EEO), Affirmative Action • Diversity

Exhibit 1-5 Section II Practitioner’s Model for HRM

Section II: Attracting and Staffing What HRM Functions do you NEED for sustainability?		
<p>Chapter 4 Matching Employees and Jobs</p>	<p>Chapter 5 Recruiting Job Candidates</p>	<p>Chapter 6 Selecting New Employees</p>

need to be filled and then work through how to recruit the right numbers and types of people to fill those jobs. Finally, we find out what our options are concerning methods to select the best of those job candidates that we have recruited. The items in Section II are absolutely *necessary* for long-term organizational sustainability and success.

Section III: Developing and managing. In the third section (Exhibit 1-6), we learn how to manage our people once they have been selected into the organization. We have to train (and retrain) our people to do jobs that are ever-changing in today’s organization; we have to evaluate them in some formal manner so that they know how well they are doing in the eyes of their management; and we have to develop them so that they can fill higher-level positions as we need people to step up into those positions. We unfortunately sometimes have to counsel and/or discipline our employees as well, so we need to learn how to do that so we can improve motivation when possible and so, if we can’t improve motivation and can’t overcome poor work behaviors, we know how to correctly and humanely separate the individuals from the organization (terminate them). Finally, Section III addresses the role of employee and labor relations, with emphasis on the function of unions within organizations. So Section III shows us how to *manage* our human resources on a routine basis.

Section IV: Compensating and protecting. The last section of the model (Exhibit 1-7) will cover the compensation and benefits packages that we work with in order to keep

Exhibit 1-6 Section III Practitioner’s Model for HRM

Section III: Developing and Managing How do you MANAGE your Human Resources?			
<p>Chapter 7 Train/ Develop</p>	<p>Chapter 8 Performance Management/ Appraisal</p>	<p>Chapter 9 Rights and Employee Development</p>	<p>Chapter 10 Employee/ Labor Relations</p>

Exhibit 1-7

Section IV Practitioner's Model for HRM

Section IV: Compensating and Protecting How do you REWARD and MAINTAIN your Human Resources?	
Chapters 11–13 Compensation/ Incentives/ Benefits	Chapter 14 Safety/ Health/ Security

our people satisfied (or at least not dissatisfied). In this section, we also cover the area of worker safety and health and how organizations have changed in their attitudes concerning the well-being of their human resources. Again, the employees of a 21st-century organization are almost always the basis for at least some of our competitive advantage over our rivals in any industry, so we need to keep them healthy and happy. Section IV shows us how to *reward and maintain* our workforce, since they are so critical to our ongoing success.

TRENDS AND ISSUES IN HRM

In each chapter of this text, we will discuss some of the most important issues and trends in HRM today. These issues and trends will cover areas such as technology in HRM, globalization of businesses, ethical issues in HR, and diversity and equal opportunity. For this chapter, we chose the following three issues: technology and high-performance work systems, the ever-increasing globalization in virtually all types of industries, and the hotly debated issue of reverse discrimination.

Technology and High-Performance Work Systems

The 21st-century organization obviously uses computers and technology as an integral part of managing its business. We already discussed knowledge workers, who can only succeed if we give them the tools necessary to use their knowledge. One of the ways in which we use technology to manage knowledge and increase performance is through the use of so-called High-Performance Work Systems (HPWSs). An HPWS is “a set of HR practices, including comprehensive employee recruitment and selection procedures, compensation and performance management systems, information sharing, and extensive employee involvement and training, [that] can improve the acquisition, development and retention of the talented and motivated workforce.”⁴⁹ “Leading organizational behavior specialists believe that [the] HPWS has the greatest potential to provide sustained competitive advantage to companies adopting it.”⁵⁰ Organizations must get better at managing their technology in order to take advantage of the opportunities provided by HPWSs.

As you can see, creation of this “set of practices” would be impossible without the use of technology. We utilize technologies in the form of a Human Resource Information System (HRIS) to help us analyze individual applicants for employment; to maintain information on compensation packages, performance management, training, and retention; and to systematically capture knowledge from the people resources within our companies. You will be part of the generation of leaders that has to incorporate these technologies so that your organization can improve effectiveness and efficiency. The 21st-century organization cannot be successful in managing these items without significant use of technological

WORK APPLICATION 1-10

Explain how technology is used where you work or have worked.

systems. Those organizations that are successful in adapting to the capabilities of technology will be the ones that create the sustainable competitive advantage that is required for long-term viability in today's world.

Increasing Globalization



Video Link 1.4

Increasing Globalization

There is little argument that globalization continues to increase in most industries worldwide. Why is this the case, and what does it mean to a 21st-century manager? Globalization occurs in a variety of ways, from sales and customer relations efforts in new country markets to where and how we source new workers. Outsourcing is one way that globalization is expanding. Outsourcing to companies that happen to be in another country (sometimes called offshoring) is increasing at a significant rate, due to the fact that many processes can be performed in other countries at a significant discount to their cost in the United States.

Whether you feel that this is right or wrong is of little importance. Let's say that you (and your company) decide that it is wrong to offshore jobs, and you don't do it even though you could save substantial amounts of money. In the meantime, your primary competitors *do* offshore those jobs and their processes, saving 20% of the cost of the goods produced. As a result, they can sell their products for 20% less than you can. Who is going to win in the marketplace? Will the average consumer pay 20% more for your goods because you were "saving your workers' jobs"? You know the answer to this—the average consumer will buy the cheaper goods.

So, globalization is going to continue as long as there are savings to be had. As a result, HR Managers will have to deal with a more global workforce as we move through the 21st century. They will have to be able to recruit and select workers in many different country markets; they will have to be able to train them and evaluate those workers' abilities; they will have to understand and adapt to cultural differences in work ethics; and they will have to be well versed in the HR laws of many countries. Globalization is a significant challenge to any manager, but it is a much more significant issue to HR Managers than to those in most other management fields.

WORK APPLICATION 1-11

How has globalization affected where you work or have worked?

Ethical Issues—Reverse Discrimination



ESR

In 2009, a case claiming "reverse discrimination" came to the Supreme Court. What is reverse discrimination? It is discrimination against a majority group rather than a minority group—in general in the United States this would be White employees or applicants. Is reverse discrimination wrong? We protect many different minority groups within the United States, but how do we, and how should we, protect the majority group? At what point does the protection of minority groups cross over to discrimination against the majority?

The case that brought back discussions about reverse discrimination was *Ricci v. DeStefano*, 129 S. Ct. 2658 (2009),⁵¹ and it renewed the discussion of race-based decision making in employment. While there are many nuances to the case and ultimately to the Supreme Court decision, the end result was that reverse discrimination was deemed to have occurred in this case. The basic issue is that a written promotion exam for firefighters was considered by the city of New Haven, Connecticut, to be discriminatory when no Black and only one Hispanic test taker passed the exam. As a result, the city threw the entire exam out due to *disparate impact* (we will discuss this term in Chapter 3) and didn't promote anyone. The firefighters who scored highest on the exam sued based on reverse discrimination. According to the local newspaper, the justices concluded that some of the city's arguments justifying its actions to the high court "are blatantly contradicted by the record" and found that the city "turned a blind eye to evidence supporting the exam's validity."

WORK APPLICATION 1-12

What is your opinion regarding reverse discrimination? Have you experienced or seen discrimination at work?

Was the decision right or wrong? We can't make that determination here, but the area of employment discrimination (of all types) continues to be one that HR Managers have to be very aware of and guard against to the best of their ability. The HR department is, and will continue to be, the organization's watchdog on the topic of workforce discrimination.

Wrap-Up

As we bring this chapter to a close, let's take a look at what we have accomplished. We started out by showing you how HRM has changed in the past several decades and how it has become much more important to the organization due to continuing demands to increase productivity. We showed you how productivity, job satisfaction, turnover, and absenteeism are issues that we have to deal with but have no direct control over, and we showed you how they affect work in organizations. We then identified several skills that you will need in order to be successful as a 21st-century HR Manager and identified the functional areas and the specialties that you can choose from if you decide to pursue a career in HRM. Finally, we gave you a model for success as a practitioner of HR Management and showed you just a few of the issues that HR Managers will face in the coming years. That's enough text for one chapter, so let's close this one out and move to giving the answers to the Learning Outcomes and Applying the Concepts and developing skills.



Video Link 1.5

Reverse Discrimination

Chapter Summary



Visit www.sagepub.com/lussier for helpful study resources.

1.1 Identify the difference between the traditional view of Human Resource Management and the 21st-century view.

The traditional view of Human Resource Management is that of a cost center. A cost center is a department or division within an organization that uses up organizational resources but doesn't create revenues for the company. In the 21st-century organization, we view human resources as a productivity center for the company. As a productivity center, HR has a revenue-generating function by providing the organization with the right people with the right skills in the right place so that organizational productivity can be improved.

1.2 Describe the major HRM skill sets.

The HRM skill sets include technical skills, human relations skills, conceptual and design skills, and business skills. Technical skills include the ability to use methods and techniques to perform a task. Human relations skills provide the ability to understand, communicate, and work well with individuals and groups through developing effective relationships. Conceptual and design skills provide the ability to evaluate a situation, identify alternatives, select an alternative, and implement a solution to the problem. Finally, business skills provide the analytical and quantitative skills, including in-depth knowledge of how the business works and its budgeting and strategic planning processes that are necessary for a manager to understand and contribute to the profitability of the organization.

1.3 Discuss the line manager's HRM responsibilities.

Line managers require knowledge of each of the following topics:

- Major employment laws—line managers must know all of the major employment laws so that they don't accidentally violate them in their daily interactions with their employees.
- Labor cost controls—line managers have to understand what they are legally and ethically allowed to do to control labor costs.
- Leadership and motivation—probably the most significant function of a line manager is that of being a leader and motivator for the people who work for them. Managers are worth “less than nothing” if they don't improve employee performance.
- Training and development—line managers are typically the first point of contact to determine that training or development is required in order for their workforce to perform at eye level. They are also the people responsible for making changes to organizational processes. Training in new processes is typically required in order to create maximum productivity in our workforce.
- Employee safety and security—line managers have primary responsibility for safety and security of the workers in an organization. They have to know the laws that deal with occupational safety and health as well as security procedures to protect their people from individuals who might want to do them harm.

1.4 Identify and briefly describe the major HRM discipline areas.

- EEO and Diversity Management—specialists in this area deal with Equal Opportunity laws and regulations as well as management of a diverse workforce.
- Staffing—these specialists manage the processes involved in job analysis, recruiting, and selection into the organization.
- Training and Development—these managers take responsibility for the training processes within the organization as well as curricula, lesson plans, and delivery of training courses. They are also involved with development of talent within the company in order to provide a group of employees able to move into more senior positions as they become vacant.
- Employee Relations—this area involves coaching, counseling, and discipline processes along with employee communication and stress management. Employee Relations Managers are also typically responsible for the management of job satisfaction and employee engagement.
- Labor and Industrial Relations—these managers work with the laws and regulations that control organizations' relationships with their workforce. They also work with any union-management contracts, including but not limited to union votes, grievances, contract negotiations, and bargaining with union representatives.
- Compensation and Benefits—in this discipline, the individual will work with pay of various types and benefits packages, all of which are designed to attract and keep the right mix of employees in the organization. Compensation and Benefits Managers also deal directly with federal and state compensation laws to ensure compliance.
- Safety and Security—in the Safety and Security field, HR Managers work to ensure that the environment on the job is safe for all workers so that on-the-job injuries and illnesses are minimized to the extent possible. They also manage the organization's planning for securing the workforce, both from being harmed by other people and from natural disasters such as earthquakes and tornadoes.
- Ethics and Sustainability—in this field, HR Managers bear responsibility for seeing to it that the organization acts in an ethical and socially responsible manner, to minimize harm

to the environment and its various stakeholders. They manage the sustainability efforts in the organization in order to minimize its “footprint” on the environment—in other words to minimize the depletion of worldwide resources caused by the organization carrying out its processes.

1.5 Explain the Practitioner’s Model for HRM and how it applies to this book.

The Practitioner’s Model is designed to show the relationships between each of the functions and disciplines within HRM. On the first level are the items that are absolutely critical to the organization if it is going to continue to operate (and stay within federal and state laws while doing so) and be stable and successful for a significant period of time. The second level encompasses those things that are required in order to identify the kinds of jobs that must be filled, and then recruit and select the right types of people into those jobs in order for the company to maximize productivity over the long term. These are the items that will allow the

organization to get its work done successfully over long periods of time. As we get into the third tier, we concern ourselves with management of the human resources that we selected in the second level. We have to get them training to do their jobs, and allow them to perform those jobs for a period of time. We then have to appraise their performance and if necessary correct behaviors that are not allowing them to reach their maximum potential through the coaching, counseling, and disciplinary processes. As this is occurring, we need to ensure that we maintain positive relationships with our employees so that they remain engaged with the organization and remain productive. We manage these positive relationships in many ways, from measuring and assessing job satisfaction periodically to managing relationships with union employees where we work for unionized employers. Finally, in the top tier, we want to make sure that we reward and maintain our workforce to minimize unnecessary turnover and dissatisfaction. We do this both through fair and reasonable compensation planning and through the maintenance of a safe and secure workplace.

Key Terms

Absenteeism

Business skills

Conceptual and design skills

Cost center

Effectiveness

Efficiency

Employee engagement

Human relations skills

Human resources

Information Age

Job satisfaction

Knowledge worker

Line manager

Productivity

Productivity center

Revenue center

Society for Human Resource
Management (SHRM)

Staff manager

Sustainable

competitive advantage

Technical skills

Turnover

Key Term Review

Complete each of the following statements using one of this chapter’s key terms:

_____ are the people within an organization.

_____ is a combination of both job satisfaction and a “willingness to perform” for the organization at a high level, and over an extended period of time.

_____ is a division or department within an organization that brings in no revenue or profit—in other words it costs money for the organization to run this function.

_____ is a division or department that generates monetary returns for the organization.

_____ is a revenue center that enhances profitability of the organization through enhancing the productivity of the people within the organization.

_____ is the amount of output that an organization gets per unit of input, with human input usually expressed in terms of units of time.

_____ answers the question “Did we do the right things?” It is a function of getting the job done whenever and however it must be done.

_____ is a function of how many organizational resources were used in getting the job done. It answers the question “Did we do things right?”

_____ is the feeling of well-being that we experience in our work—basically whether or not we like what we do and the immediate environment surrounding us and our work.

_____ is the permanent loss of workers from the organization.

_____ is the failure of an employee to report to the workplace as scheduled.

_____ is a capability that creates value for customers that rivals can’t copy quickly or easily, and allows the organization to differentiate its products or services from competitor products or services.

_____ is an era that began around 1980 in which information became one of the main products used in organizations; it is characterized by exponential increases in available information in all industries.

_____ are workers who “use their head more than their hands” to gather and interpret information in order to improve a product or process for their organizations.

_____ include the ability to use methods and techniques to perform a task.

_____ are the ability to understand, communicate, and work well with individuals and groups through developing effective relationships.

_____ are made up of the ability to evaluate a situation, identify alternatives, select an alternative, and make a decision to implement a solution to a problem.

_____ are the analytical and quantitative skills, including in-depth knowledge of how the business works and its budgeting and strategic planning processes, that are necessary for a manager to understand and contribute to the profitability of their organization.

_____ create and manage the organizational processes and the people that create whatever it is that a business sells.

_____ are the individuals who *advise* line management of the firm in their area of expertise.

_____ is the largest and most recognized of the HRM advocacy organizations in the United States.

Quick Check (True-False)

Answer the following true-false questions. The answers are provided following the questions.

1. Revenue centers in a company eat up available funds, while cost centers provide funds for the organization to operate in the future. T F
2. Turnover, whether voluntary or involuntary, costs the organization money, and therefore the organization should generally attempt to minimize turnover. T F
3. The main goal of strategic HRM isn't just ensuring the correct number of employees have the levels and types of skills the organization requires; we also have to encourage our people through motivation, leadership, environmental analysis, and organizational changes that work to improve job satisfaction. T F
4. Cultural diversity within organizations has just about peaked, and will change very little over the next 20 years or so. T F
5. Technical skills for HR Managers include the ability to understand, communicate, and work well with individuals and groups through developing effective relationships. T F
6. Required skills for line managers include Legal Considerations, Labor Cost Control, Leadership and Motivation, Training and Development, Appraisal and Development, and the Safety and Security of Employees. T F
7. HR Training and Development Specialists are responsible for the training processes within the organization, including curricula, lesson plans, and delivery of training courses, as well as development of talented individuals within the company. T F
8. According to the Practitioner's Model, each section of the model stands alone—there is very little if any interaction required between the sections in order to create organizational success. T F

Communication Skills

The following critical-thinking questions can be used for class discussion and/or for written assignments to develop communication skills. Be sure to give complete explanations for all answers.

1. Why is it important for all business majors to take this course in HRM?
2. Are you interested in becoming an HR Manager? Why or why not?
3. Do you agree with the statement that “the people resources within the organization are one of the few ways to create a competitive advantage in a modern business”? Why or why not?
4. Is “employee engagement” possible in an age when people tend to have very little loyalty to their employers and vice versa? How would you work to increase employee engagement as a manager?
5. Can HRM *really* create revenue for the organization? If so, how?
6. Identify some things that could be done by a manager to increase productivity and job satisfaction and decrease absenteeism and turnover. Make a list for each item.

7. If you were an HR Manager for your organization, what would you do to increase the number of applicants who apply for “knowledge worker” positions in your organization? Assume you can’t pay them more. What would you do then?
8. Is there anything that the individual within an organization can do to help improve relations among diverse workers? If so, what?
9. Some say that the hard skills (technical and business skills) are more important than the soft skills (human relations and conceptual and design skills) for a manager. What do you think, and why?
10. Are external certification programs (in all jobs) becoming more important? Why?

Video

Please visit the student study site at www.sagepub.com/lussier to view the video links in this chapter.

Answers

REVIEW QUESTIONS (TRUE-FALSE) Answers

1. F 2. T 3. T 4. F 5. F 6. T 7. T 8. F

Case

Case 1-1. Welcome to the World of 21st-Century HRM

Angie was standing at her (former) desk picking up her personal items and wondering how she had gotten into this mess. At one shoulder was the head of HR and at the other was one of the security officers. They were there to escort her out of the building as soon as she retrieved her personal items. Thinking back, the last hour or so had been a whirlwind. She had come to work like she had for the past several months, maybe a little late and a little hungover, but she was there.

Shortly after she had sat down at her desk to start making phone calls, her supervisor had called her into his office. He asked her to accompany him to the HR Manager’s office. Once there, she saw a printout of her Facebook page and the blog that she kept on pretty much a daily basis. She was a little embarrassed by the photos on the printouts from her Facebook page, but at least they weren’t as racy as some she had considered putting up. She was really glad that when she graduated from college she had purged her account of all of those pictures of the Florida vacations on the beach (and other places).

Angie knew, like all of the other employees, that company management had recently been going through some of the social networking sites to review potential recruits before they decided to hire them, but she didn’t know anything about management reviewing current employees’ personal webpages. *Well*, she thought, *my pages are pretty clean since I was warned about this by career services in college.*

However, what she saw next really bothered her. There was the highlighted section of her blog from last Thursday. She had forgotten about that! In the post, she had noted that she had a whopping hangover because of the girls’ night out on Wednesday, and “I think I’ll call in sick because I just can’t face working for that idiot with this headache.” Well, they knew that she wasn’t sick. How could she have been that stupid?

As she sat there, she suddenly realized that this was no normal conversation—it looked more like an inquisition. And when the HR Manager informed her that the company was going to terminate her employment, she couldn’t believe it. What had happened to freedom of speech? What had happened to a person’s right to have a life outside of work? Could they monitor her personal communications that had nothing to do with work and then use them against her? She wasn’t sure, but she thought that was wrong. Nonetheless, here she was cleaning out her desk.

According to a recent study by the company Harris Interactive for CareerBuilder.com, almost half of employers are using social networks to screen job candidates.⁵² Over a third of employers had decided not to offer jobs to potential candidates based on content from their social networking sites including Facebook, LinkedIn, Myspace, Twitter, and others. CareerBuilder notes in another article how a person can get fired because of social media. They give the following five reasons as among the most prevalent: posting a scandalous photo; viewing or updating your

profile on company time; posting information that conflicts with your employer's values; revealing why you're a lousy employee; and venting about your employer, boss, or job.⁵³

Social media sites are no longer just a location where you can connect with your friends. Companies are routinely using these sites to research both recruits for employment *and* the actions of current employees. The Internet is full of references to people fired for things that they said on their personal webpages. And it doesn't necessarily matter if you set your pages to private. Your friends may still capture comments that you've made on their pages without you even knowing about it. In addition, recruiters may use your "friend" list to find people to call for references, and if your friend is unaware of the purpose for the call, they might say something that you'd rather they didn't. Employers can look at who has recommended you on sites such as LinkedIn and may approach those references as well.⁵⁴

Social media is here to stay and companies are using it, but is Angie right? Can the company use her personal pages on social media sites against her as an employee? Should the employer be able to discipline an employee because of a personal social media page? Even if they can, is it ethical? Can an employee have any expectation that their personal rants, whether against their employer or the local store or their former boyfriend or girlfriend, are private? Isn't free speech protected by the Constitution? Organizations (and many employees and former employees) are now struggling with these questions. We will discuss these

questions as we explore the world of 21st-century HRM over the next 14 chapters, but right now, what do you think?

1. Does Angie have a right to say what she wants on her Facebook page or in her blog? Why or why not?
2. What if she harmed the company or its reputation in some way with what she posted? Would that change your answer?
3. What if she gave out confidential information about new products or services?
4. Is it legal for the company to terminate an employee because of something they did away from work?
5. If it is legal for the company to terminate an employee for something they did on their own time, in what circumstances would this be legal? For example:
 - Would it be legal for the company to terminate an employee because the employee campaigned for a politician who was writing legislation that would harm the interests of the company?
 - Would it be legal for the company to terminate someone who wrote in their blog that they had physically assaulted another person because they were angry?
 - Would it be legal to terminate someone who wrote that they carried a gun to work, even though they really didn't?
6. Does Angie have any legal recourse because of the company firing her over her social media posts?

SKILL BUILDER 1-1**Getting to Know You****Objectives**

1. To get acquainted with some of your classmates.
2. To gain a better understanding of what the course covers.
3. To get to know more about your instructor.

Skills

The primary skills developed through this exercise are:

1. *HR Management skill*—Human relations
2. *SHRM 2010 Curriculum Guidebook—A: Employee relations*

Procedure 1 (5–8 minutes)

Break employees into groups of five or six, preferably with people they do not know. Have each member tell his or her name and two or three significant things about himself or herself. Then have them ask each other questions to get to know each other better.

Procedure 2 (4–8 minutes)

Can everyone in the group address every other person by name? If not, have each member repeat his or her name. Then each person in the group should repeat the names of all the group members, until each person knows everyone's first name.

Application

What can you do to improve your ability to remember people's names?

Procedure 3 (5–10 minutes)

Have each group elect a spokesperson. Then have the group members look over the following categories and decide on some specific questions they would like their spokesperson to ask the instructor from one or more of the categories. The spokesperson will not identify who asked the questions. Groups do not have to have questions for each area.

- *Course expectations.* What do you expect to cover or hope to learn from this course?
- *Doubts or concerns.* Is there anything about the course that you don't understand?
- *Questions about the instructor.* List questions to ask the instructor in order to get to know him or her better.

Procedure 4 (10–20 minutes)

Each spokesperson asks the instructor one question at a time until all questions have been answered. Spokespeople should skip questions already asked by other groups.

Apply It

What did I learn from this experience? How will I use this knowledge in the future?

SKILL BUILDER 1-2

Comparing HR Management Skills and HR Responsibilities

Objective

To better understand the importance of good HR Management skills and implementing HR responsibilities effectively.

Skills

The primary skills developed through this exercise are:

1. *HR Management skill*—Conceptual and design
2. *SHRM 2010 Curriculum Guidebook—A: Employee relations*

Compare Your Supervisors’ HR Management Skills and HR Responsibilities Effectiveness

Recall the best supervisor or boss (preferably line managers, not HR) you ever worked for and the worst one you ever worked for. Compare these two people by writing brief notes in the following chart about each person’s HR Management skills and HR responsibilities.

HR Management Skills and HR Responsibilities

Best Supervisor or Boss

- Technical
- Human Relations
- Conceptual and Design
- Business Skills
- Legal Considerations
- Labor Cost Control
- Leadership and Motivation
- Training and Development
- Appraisal and Promotion
- Safety and Security

Worst Supervisor or Boss

Apply It

Based on your own experiences with a good boss and a poor one, what do you believe are the key differences between good and poor managers?

