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MANAGING
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RESOURCES

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NELSON

Managing Human Resources, Ninth Canadian Edition

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*To my son Brooker Belcourt, who engages me in stimulating discussions about
the role of HR in the world of high tech and finance.*

*To my wife, Nirmala Singh, and our children, Alysha, Amelia, and Aren,
for all their love and support.*

Features

CHAPTER 2
Strategy and Human Resources Planning

Learning Outcomes
After studying this chapter you should be able to:

- 1. Explain how business strategy and a firm's HR strategy are related and why they are important.
- 2. Explain the linkages between competitive strategy and HR strategy.
- 3. Explain the role of HR in the development of a firm's competitive advantage.
- 4. Explain the role of HR in the development of a firm's competitive advantage.

Small Business Application

One of the clichés about the annual reports of companies is that they often claim that they are the most important ones. One of the most important of these is the annual report of the Human Resources Department. The HR department has been an essential part of a firm's operations rather than an afterthought since the late 1970s.

But for many firms, this changing narrative shows that the process of chief executive officer (CEO) succession is becoming more complex and more important. As a result, the HR department is becoming more important to the firm's success. This is especially true for firms that are in a global market. And as a result, the HR department is becoming more important to the firm's success.

LEARNING OUTCOME 1
Explain the linkages between competitive strategy and HR strategy.

LEARNING OUTCOME 2
Explain the role of HR in the development of a firm's competitive advantage.

LEARNING OUTCOME 3
Explain the role of HR in the development of a firm's competitive advantage.

Small Business Application

Let's use a small printing company with 50 employees as an example. The company has been established for 10 years. It provides printing services to a number of clients. The company's main products are business cards, brochures, and other printed materials. The company has a strong reputation for quality and customer service.

As we have seen, the development and integration of HR with strategic planning requires a number of steps. The first step is to identify the firm's strategic goals. The second step is to identify the HR strategies that will support these goals. The third step is to implement these strategies.

LEARNING OUTCOME 1
Explain the linkages between competitive strategy and HR strategy.

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THE INTEGRATED LEARNING SYSTEM

The Integrated Learning System (ILS) anchors chapter content and provides a framework for study. Learning Outcomes listed at the beginning of each chapter provide the basis for the Integrated Learning System. Each outcome is also listed in the margin of the chapter in which it appears, along with a thought-provoking question designed to get students thinking about how the related content applies to them personally.

The ILS provides structure for instructors preparing lectures and exams and helps students learn quickly and study efficiently.

Highlights in HRM 4.2
Empowered Employees Achieve Results

In highly competitive and dynamic business environments, employees are often the firm's greatest asset. To succeed, firms must have employees who are motivated, skilled, and committed. This is especially true for firms that are in a global market.

At Allstate, employees participated in work redesign projects that improved productivity, reduced cost, and increased quality. The firm's HR strategy was to empower employees to take ownership of their work and to be responsible for their own success.

LEARNING OUTCOME 1
Explain the linkages between competitive strategy and HR strategy.

LEARNING OUTCOME 2
Explain the role of HR in the development of a firm's competitive advantage.

LEARNING OUTCOME 3
Explain the role of HR in the development of a firm's competitive advantage.

Small Business Application

Organizations have a variety of HRM strategies. The HRM strategy of a firm is determined by the firm's business strategy, the firm's resources, and the firm's environment. The HRM strategy of a firm is also determined by the firm's competitive advantage.

Small Business Application: A small business in the HRM industry is facing a number of challenges. The firm's HRM strategy is to focus on employee development and retention. The firm's HRM strategy is to focus on employee development and retention.

LEARNING OUTCOME 1
Explain the linkages between competitive strategy and HR strategy.

LEARNING OUTCOME 2
Explain the role of HR in the development of a firm's competitive advantage.

LEARNING OUTCOME 3
Explain the role of HR in the development of a firm's competitive advantage.

Reality Check
Six Sigma

Six Sigma is a methodology for process improvement. It is based on the principles of statistical process control. Six Sigma aims to reduce defects and improve quality. It is a data-driven approach to process improvement.

Small Business Application: A small business in the HRM industry is using Six Sigma to improve its HRM processes. The firm's HRM strategy is to focus on employee development and retention. The firm's HRM strategy is to focus on employee development and retention.

LEARNING OUTCOME 1
Explain the linkages between competitive strategy and HR strategy.

LEARNING OUTCOME 2
Explain the role of HR in the development of a firm's competitive advantage.

LEARNING OUTCOME 3
Explain the role of HR in the development of a firm's competitive advantage.

HIGHLIGHTS IN HRM

This popular boxed feature provides real-world examples of how organizations perform HR functions. Highlights are introduced in the text discussion and include topics such as small business and international issues.

SMALL BUSINESS APPLICATION

Small Business Application takes the principles and prescriptions of a functional area, such as recruitment, and demonstrates how these can be applied in a small business setting.

REALITY CHECK

Reality Check presents an interview with a Canadian expert in the field, illustrating how the material in the chapter is used in the real world.

Have developed that were to facilitate benefits administration in ways such as providing a single point of contact for employees, health benefits, and more of program services. The program is a result of a partnership between the Canadian Safety and Health Council and the Canadian Labour Congress. The program is a result of a partnership between the Canadian Labour Congress and the Canadian Safety and Health Council.

The Business Case

Managing the Costs of Benefits

Benefits costs are a significant portion of an organization's total costs. Managing these costs is a challenge for many organizations. This section discusses various strategies to manage benefits costs, including self-insuring, using a third-party administrator, and negotiating with insurance providers.

Self-insuring: Organizations can self-insure for certain benefits, such as health and dental. This can be a cost-effective alternative to purchasing insurance from a third-party administrator.

Third-party administrator (TPA): Organizations can hire a TPA to manage their benefits program. This can help reduce administrative costs and improve the employee experience.

Negotiating with providers: Organizations can negotiate with insurance providers to get better rates. This can be done through a broker or directly with the provider.

Other strategies: Organizations can also consider other strategies, such as offering flexible benefits, using a health savings account, and offering a wellness program.

Ethics in HRM

Writing it Wrong

Ethics in HRM is a complex issue that involves many different stakeholders. This section discusses the challenges of writing an ethics policy and the importance of getting it right.

Challenges of writing an ethics policy: Writing an ethics policy can be difficult because it involves many different stakeholders and interests. It is important to get input from all stakeholders and to make sure the policy is clear and enforceable.

Importance of getting it right: An ethics policy is a key document for an organization. It sets the tone for the organization and provides a framework for decision-making. It is important to get it right because it can have a significant impact on the organization's reputation and success.

Examples of good and bad ethics policies: This section provides examples of both good and bad ethics policies to illustrate the importance of getting it right.

The Business Case

Building Trust and Saving Money at the Same Time: Canada Safeway and United Food and Commercial Workers Local 1518

This case study explores how Canada Safeway and United Food and Commercial Workers Local 1518 have built trust and saved money at the same time. The case study highlights the importance of transparency and communication in building trust and saving money.

Background: Canada Safeway and United Food and Commercial Workers Local 1518 have a long history of working together. They have a strong relationship based on trust and mutual respect.

Challenges: The case study identifies several challenges that the organization faced, including high costs and low employee morale.

Solutions: The organization implemented several solutions to address these challenges, including transparency and communication.

Results: The organization achieved several positive results, including increased trust and lower costs.

THE BUSINESS CASE

The Business Case features the business or financial implications of the adoption of HR practices. It also helps students build the skills necessary to recommend practices and projects, based on the projected costs and benefits, to senior management.

ETHICS IN HRM

Ethics in HRM provokes debate and discussion among students around the often grey areas of human resources management, including drug testing of employees and electronic surveillance of employees at work.

FIGURES

Chapters include an abundance of graphic materials and flowcharts, which provide a visual, dynamic presentation of concepts and HR activities. All figures are systematically referenced in the text discussion.

How Globalization Affects HRM

Globalization has a significant impact on HRM. This section discusses the challenges and opportunities that globalization presents for HRM.

Challenges: Globalization presents several challenges for HRM, including increased competition, diverse workforces, and global mobility.

Opportunities: Globalization also presents several opportunities for HRM, including access to a global talent pool and the ability to learn from best practices in other countries.

Strategies: Organizations can implement several strategies to address the challenges and opportunities of globalization, including developing a global HR strategy and providing cross-cultural training.

Summary

This chapter covers the following topics:

- Introduction to HRM
- The Business Case
- Ethics in HRM
- Recruitment and Selection
- Training and Development
- Performance Management
- Compensation and Benefits
- Employee Relations
- HRM in the Future

Discussion Questions

- What economic, social, and political forces have made employee training even more important today than it was in the past?
- How have the needs of employees changed over time? How have the needs of organizations changed over time? How do these changes affect HRM?
- What are the key components of a successful HRM strategy? How do these components interact with each other?
- How can organizations ensure that their HRM practices are ethical and legal? What are the consequences of unethical and illegal HRM practices?

KEY TERMS IN MARGIN

Key terms appear in boldface and are defined in margin notes next to the text discussion. The key terms are also listed at the end of each chapter and in the glossary at the end of the text.

SUMMARY

At the end of each chapter, a brief description of each learning outcome provides a focused review of the chapter material.

HRM Experience

Training and Learning Principles

This section discusses the principles of training and learning. It provides a framework for designing and implementing effective training programs.

Principles of Training: Training should be relevant, practical, and engaging. It should be designed to meet the needs of the learners and the organization.

Learning Principles: Learning is an active process that involves the learner's own experiences and knowledge. It is influenced by a variety of factors, including motivation, prior knowledge, and the learning environment.

Key Terms

flexible work, 167
 employee feedback system, 167
 (AFL-CIO), 168
 humanistic, 166, 169
 career paths, 168
 career profiles, 168
 employee feedback, 177
 employee profiles, 163

fast-track program, 169
 flexible scheduling, 165
 financial labor markets, 165
 job performance, 164
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 employee profiles, 163

Discussion Questions

1. Name some companies that you have seen that have implemented flexible work arrangements. Which ones would you like to work for and why? Which ones would you not like to work for and why? Explain how FJP operates. Why do they apply to the job? Explain how FJP operates. Why do they apply to the job? Explain how FJP operates. Why do they apply to the job?
2. More than 50 percent of all HRM graduates know that their employer values diversity, although the change may mean career growth for these individuals in the future. How do you think the HRM profession can better serve these individuals? What are some of the possible reasons? How can an HRM professional help or hurt their employer?
3. Candidates are finding candidates through websites of job-related profiles. How can you use LinkedIn and other social media to screen candidates? Discuss the advantages and disadvantages of using social media as a recruitment channel.
4. Explain how FJP operates. Why do they apply to the job? Explain how FJP operates. Why do they apply to the job? Explain how FJP operates. Why do they apply to the job?
5. The Ontario Public Services recognized that its internal promotion practice may not work in a multicultural society. New immigrants may not have had the same educational background as the incumbent employees. How can you help these individuals? How can you help these individuals? How can you help these individuals?

HRM Experience

Career Management

We often find that successful people pass their own advice and that most success comes from a combination of opportunity and hard work. Although some success is due to opportunity, it is often a result of hard work, persistence, and being opportunistic at the right time.

Assignment

1. Research a few of the most successful people in your industry and list their names. Do you agree with their advice? Do you disagree? Why or why not? Are you able to do the things they do? If so, how? If not, why not? How can you improve? How can you improve? How can you improve?
2. Ask each person to identify his or her career goals and how they have changed or are expected to change over time.
3. Select four people to describe the number of events that led to their success or failure. How did they do it? How did they do it? How did they do it?
4. Ask each person what if anything he or she would do differently. Ask what advice he or she has for you about how to succeed in your industry.

HRM Experience

Your Opinions on Employment Equity

Find someone at your college or university who works in a job that is not a career path. Interview him or her about his or her job. Interview him or her about his or her job. Interview him or her about his or her job.

Strongly Oppose	1	2	3	4	5	Strongly Support
1. Employment equity means that everyone should be treated the same way.						
2. Employment equity means that everyone should be treated the same way.						

Case Study 1

STUDY FIGHTING PFRES

In British Columbia, the competition for firefighting jobs is fierce. Each year, more than 1,000 people apply for about 40 jobs. In one year, the provincial Ministry of Forests required all job applicants to pass the physical fitness test.

1. A 40-year-old man, an ex-military soldier, was one of the applicants. He had a long history of military service and had been a member of the Royal Canadian Mounted Police (RCMP) for 10 years. He had been a member of the RCMP for 10 years. He had been a member of the RCMP for 10 years.
2. He had been a member of the RCMP for 10 years. He had been a member of the RCMP for 10 years. He had been a member of the RCMP for 10 years.
3. He had been a member of the RCMP for 10 years. He had been a member of the RCMP for 10 years. He had been a member of the RCMP for 10 years.

DISCUSSION QUESTIONS

Discussion questions following the chapter summary offer an opportunity to focus on each of the learning outcomes in the chapter and to stimulate critical thinking. Many of these questions allow for group analysis and class discussion.

HRM EXPERIENCE EXERCISES

These skill-building exercises help students gain practical experience when dealing with employee/management concerns. Students can work through the exercises on either an individual or a team basis.

Case Study 1

"PERFECT OXYGEN" RESEMBLES BOGIE'S POOR PERFORMING BOSSSES

When it comes to getting things done, there is no one better than Google. The company has a reputation for being a place where people can do their best work. Google's HRM function has been successful in attracting and retaining top talent. Google's HRM function has been successful in attracting and retaining top talent.

1. Google's HRM function has been successful in attracting and retaining top talent. Google's HRM function has been successful in attracting and retaining top talent.
2. Google's HRM function has been successful in attracting and retaining top talent. Google's HRM function has been successful in attracting and retaining top talent.
3. Google's HRM function has been successful in attracting and retaining top talent. Google's HRM function has been successful in attracting and retaining top talent.

Case Study 2

ADOBE DITCHES FORMAL PERFORMANCE REVIEWS—AND WANTS TO HELP OTHER COMPANIES DO SO TOO

As an employer, it is important to have a system in place to evaluate employee performance. Adobe ditched formal performance reviews. Adobe ditched formal performance reviews.

1. Adobe ditched formal performance reviews. Adobe ditched formal performance reviews.
2. Adobe ditched formal performance reviews. Adobe ditched formal performance reviews.
3. Adobe ditched formal performance reviews. Adobe ditched formal performance reviews.

CASES

Two or more case studies per chapter present current HRM issues in real-life settings that encourage consideration and critical analysis.



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Preface

The ninth Canadian edition of *Managing Human Resources* will place students at the forefront in understanding how organizations can gain sustainable competitive advantage through people. The role of human resources (HR) professionals is no longer limited to service functions such as recruiting and selecting employees. Today, HR managers assume an active role in the strategic planning and decision making in their organizations. Those managers who are good at it can have a major impact on the success of their firms. And human resources management (HRM) is not limited to HR staff. The best organizations recognize that managing people is the job of every manager, working in partnership with HR.

Each edition of the book highlights the ways in which the environment for managing human resources is changing but reveals that the goal of utilizing an organization's talent in the best way possible never changes. The purpose of this book is twofold: (1) to equip students with the tools and practices of HRM and an appreciation for the changes that they can effect by understanding how best to manage people, and (2) to present the most current challenges and opportunities graduating students will face when it comes to today's HRM environment. These challenges exist both for those who will become HR managers and those who will become other types of managers.

Toward that end, the book lays out in broad terms the key challenges in HRM today. It includes a discussion of the HR strategies pursued by firms. Other aspects include how social media are affecting HRM and employees' privacy rights.

Strategy and talent have become such central concerns of HR today that we continue to emphasize these topics, as well as core HR areas, such as compensation and benefits, employee relations, performance management, and international HRM. The detailed coverage of these topics solidifies *Managing Human Resources* as perhaps the premier text for thought leadership, especially regarding the global talent pool. Relating to this central theme of managing talent are such themes as employee diversity and how organizations can leverage all types of differences among their workers to their strategic advantage.

Whether the reader becomes a manager, a supervisor, or an HR specialist or is employed in other areas of the organization, *Managing Human Resources* provides a functional and practical understanding of HR programs to enable readers to see how HR affects all employees, the organization, the community, and the larger society.

Organizations in today's competitive world are discovering that it is how the individual HR functions are combined that makes all the difference. Managers typically do not focus on HR issues such as staffing, training, and compensation in isolation from one another. Each of these HR practices is combined into an overall system to enhance employee involvement and productivity.

WHAT'S NEW IN THE NINTH CANADIAN EDITION

For each edition, updates are made to laws, regulations, guidelines, and HR practices to reflect current contexts. To help instructors incorporate the new material into their courses, the following is a list of significant chapter-by-chapter changes:

Chapter 1: The World of Human Resources Management

- new coverage of Generation Z
- updated discussion on free trade
- updated all demographic statistics based on the 2016 Census
- new material on automation, big data, and workforce analytics
- updated Highlights in HRM 1.2 and the Business Case

Chapter 2: Strategy and Human Resources Planning

- new case study on how strategy change led to the formation of Nike
- new section on the firm's stakeholders
- revised/updated Highlights in HRM 2.2 and the Business Case

Chapter 3: Equity and Diversity in Human Resources Management

- updated and new diversity/population data, including the 2016 Census
- new discussion on pay equity
- new examples and cases, including the RCMP sexual harassment case
- updated Highlights in HRM 3.9

Chapter 4: Job Analysis and Work Design

- new discussion on workflow analysis and how a firm's strategy affects workflows, job analysis, and job design
- new subsection on functional job analysis
- new discussion on employee empowerment and job crafting
- new material on teams at Google and Project Aristotle
- new case study on how Zappos moved to a self-management model

Chapter 5: Expanding the Talent Pool: Recruitment and Careers

- new discussion on employer branding through social networks and online games
- new material on Internet recruiting
- new discussion on applicant tracking systems
- new section on retaining talent

Chapter 6: Employee Selection

- new discussion on name-blind résumés
- new discussion on drug testing and cannabis legalization
- updated case study on the “Pros and Cons of Cleaning up the “Resu-Mess”

Chapter 7: Training and Development

- new information on mandatory training in Canada
- new discussion on experiential learning
- new discussion on gamification and virtual reality
- new material on the use of social media in training

Chapter 8: Performance Management

- new Highlights in HRM 8.7 on continual performance feedback and crowd-sourcing feedback for millennials
- revised Ethics in HRM on stretch goals
- new material on machine learning to give feedback
- new case study on why Adobe ended formal appraisals and what the company replaced them with

Chapter 9: Managing Compensation

- new discussion on total rewards
- new examples of strategic compensation, including Zappos, and new salary survey data