Chapter 1: The World of Human Resources Management

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If nothing else, my students should learn that…
- Human resources management (HRM) involves a number of policies and practices (e.g., recruitment, selection, training, health and safety) that are designed to provide employees with the ability, motivation, and opportunity to perform their jobs well.
- Effective HRM requires a consideration of the organization's strategy, as well as the social and political landscape. This requires the HRM department to be a strategic partner and a champion of change. Further, human resources (HR) must partner with line management (i.e., non-HR managers who are responsible for overseeing the work of other employees), who are often the conduits of HR policies.

Learning outcomes
1. Explain how human resources managers and other managers have rewarding careers through the strategic management of people.
2. Explain how good human resources practices can help a firm gain sustainable competitive advantage and how COVID-19 may impact this relationship.
3. Describe how technology can improve how people perform their work and how they are managed.
4. Explain the dual goals human resources managers have in terms of increasing productivity and controlling costs.
5. Discuss how firms can leverage employee differences to their strategic advantage and how educational and cultural changes in the workforce are affecting how human resources managers engage employees.
6. Provide examples of the roles and competencies of today's human resources professionals.

Using MindTap to motivate students to read: Students regularly share that when the readings are assigned for a percentage of their overall grade, they are more inclined to do this work. **The MindTap eReader features Concept Checks** throughout the readings that act as formative assessments and help the students improve metacognition. These concepts checks

can be assigned for a grade, in addition to any assessment (end-of-chapter quizzes, for example) featured throughout the resource.

Why is this chapter important?

The purpose of this chapter is to acquaint students with the importance of HRM and how it contributes to the achievement of an organization's overall objectives. COVID-19 has changed the world in a dramatic manner. Almost everything has been impacted, including how we manage people in organizations. In this chapter, we discuss the following topics: the importance of people to organizations in a COVID-19 world, how people can be a source of competitive advantage, the competitive challenges facing firms, and the concerns of employees themselves. Students are made aware of some of the important efforts that small, medium, and large companies are making to develop and utilize the talents of their people, as well as the changes taking place in the work environment. We end the chapter with a discussion of the competencies that HR managers and line managers need to possess to work together to make the most of employees' talents.

Why should students care?

The answer to this question is much the same, regardless of if students plan on a career in HRM. Even if students are not interested in considering a career in HR, they will likely aspire to be in management-level positions at some point in their career and thus HRM content will also be highly relevant to them. Organizations compete through people. Studying HRM gives students an understanding of the systems and processes needed to develop and utilize the talents and energies of employees for the firm to gain a competitive advantage. Staffing the organization, designing jobs and teams, developing skilful employees, identifying approaches for improving employee performance, and rewarding employee successes—all typically labelled HRM issues—are as relevant to line managers as they are to managers in the HR department. The HR professional supports managers as they manage their employees to achieve organizational goals. Because employee skills, knowledge, and abilities are among the most distinctive and renewable resources on which a company can draw, their strategic management is more important than ever.

What can I do in this class?

This section includes ideas for how to start and finish the class. It also contains information from the text that can be used as a basis for a lecture. Moreover, it contains numerous suggestions for student engagement. Depending on your class size, the nature of the students, and your desire for classroom participation, choose from these activities to enliven the classroom.

Getting started

Begin the class with a brief overview of the strategic role of the HRM function. For instance, emphasize these points:

- Studying HRM gives students an understanding of the systems and processes needed to develop and utilize the talents and energies of employees for the firm to gain a competitive advantage.
- Staffing the organization, designing jobs and teams, developing skilful employees, identifying approaches for improving their performance, and rewarding employee

successes—all typically labelled HRM issues—are as relevant to line managers as they are to managers in the HR department.

Explain that this is because organizations "compete through people," and the success of doing so depends on an organization's ability to manage talent, or **human capital**, defined as the economic value of employees' knowledge, skills, and capabilities.

Some ideas for getting students energized at the beginning of class include the following:

- **Connectivity Activity:** Ask students to think about a previous or current job. In small groups, discuss their interaction with the HRM department. Note the activities mentioned by students on the board or flip chart. Ask students if all the activities are the sole responsibility of HR professionals. There are likely to be shared responsibilities with management. Highlight some of the reasons why HRM is important for those who wish to be HRM managers, but also for those who wish to manage others, or even start their own business.
- **Connectivity Activity:** Go to websites for HR professional associations, such as the HRPA (https://www.hrpa.ca/), CIPD (https://www.cipd.co.uk/#gref), or SHRM (https://www.shrm.org/). Collect information on each of the topics to be discussed over the course of the semester (e.g., week-to-week breakdown of HRM activities, such as recruiting and training). Have students get into small groups and give one topic per group. Ask students to develop a presentation on three of the most important or interesting elements from their assigned readings, and then present their findings to one another. This can also be done at the end of the lecture as a preview for the rest of the course.
- **Call-Out Question:** Think of a firm you are familiar with that is facing dramatic changes to survive. How do you think the firm's personnel can help it adapt? What role will the company's HR staff play in helping with that goal?
- **Call-Out Question:** Ask students whether they can think of a situation in which, if a particular person left an organization, that organization's expertise would drop rapidly. There are many instances in which a single individual's expertise has an enormous influence on an organization. Some high-profile names will jump out. Mark Zuckerberg of Facebook (recently renamed Meta Platforms, Inc.) and Elon Musk of Tesla and SpaceX are highly recognizable executives. If students have a difficult time coming up with easily recognizable people, ask them about small companies in their hometowns. What would happen at a mom-and-pop store if Mom or Pop decided to leave? In small businesses especially, the human capital may be almost completely tied up in one or two key individuals. The talent, service, and/or reputation of those key individuals "are" the business. Highlight that HRM programs are often the conduit through which knowledge is developed and transferred among employees, and that HRM can provide the systems and procedures so that if a star CEO leaves, they do not take the success of the company with them. To go outside the bounds of the text, it is possible to introduce "strong" cultures in this space (Bowen & Ostroff, 2004; see the full citation in the Recommended Reading section).

Why Study Human Resources Management?

Human Capital and HRM

The term **human capital** describes the economic value of employees' knowledge, skills, and capabilities. To build human capital in organizations, managers must continue to develop superior knowledge, skills, and experience within their workforces and retain and promote top performers.

- Direct students to review *Figure 1.1: Overall Framework for Human Resources Management.*

Competitive Issues and Human Resources Management

Professional organizations such as the Human Resources Professionals Association (HRPA) and Chartered Professionals in Human Resources Canada (CPHR/CRHA Canada) seek the input from chief executives and HR managers to identify the most important issues/challenges.

ISSUE 1: Responding Strategically to Crisis, Changes, and Disruptions in the Local and Global Marketplace

COVID-19 and HRM

Amidst the pandemic, HR professionals have played and continue to play a lead role in assisting organizations in brainstorming, evaluating, and significantly revising their organization's people strategy while attempting to continue to operate efficiently. Many HR responsibilities have either changed, increased in importance, or have been added since the COVID-19 outbreak.

HR Managers and Business Strategies

To meet this challenge, HRM professionals need to know the business strategy, and how to align its policies with it.

- **Call-Out Question:** Many organizations face pressures to cut costs. How have these pressures impacted businesses? What have organizations done to survive? Students may generate the following strategies:
    - *Downsizing*—the planned elimination of jobs
    - *Outsourcing*—hiring someone from outside the company to perform business processes that were previously done within the firm
    - *Offshoring*—involves shifting work to overseas locations
    - *Employee leasing*—the process of dismissing employees who are then hired by a leasing company, which handles all HR-related activities, and contracts with that company to lease back the employees
    - *Reengineering*—a fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and/or speed
    - *Six Sigma*—a set of principles and practices whose core ideas include understanding customer needs, doing things right the first time, and striving for continuous improvement

- *Note: This topic should be noted on the board for further discussion. Also, more details on some of these challenges are found in Issue 5; this discussion can occur during Issue 1 or Issue 5.*
- See *Reality Check: Six Sigma* for an example of how Six Sigma is used at Goodyear Canada.

Once this list is complete (you may need to probe students or teach some of this material, depending on the experience of students), highlight that a common denominator of all these strategies is that they require companies to engage in change management. **Change management** is a systematic way of bringing about and managing both organizational changes and changes on the individual level. Although most employees understand that change is continuous—responsibilities, job assignments, and work processes change—people often resist it because it requires them to modify or abandon ways of working that have been successful or at least familiar to them. Successful change rarely occurs naturally or easily.

- **Think-Pair-Share:** Explain to students that organizations that fail to change do not survive. Provide students with a list of John Kotter's (1995) eight steps to managing change and ask them how HRM might contribute to those activities. The steps are: (1) Establishing a sense of urgency, (2) Creating a powerful coalition to guide the effort, (3) Choosing leaders who have a vision, (4) Choosing leaders who can communicate the vision, (5) Removing obstacles to the new vision and motivating employees, (6) Systematically planning for and creating short-term "wins", (7) Avoiding the temptation to declare victory too soon, and (8) Anchoring changes in the corporate culture and maintaining the momentum of the change. See the full citation in the Recommended Reading section.

Some of the strategic changes companies pursue are **reactive changes** that result when external forces, such as the competition, a recession, law change, or an ethical crisis (such as the backlash Volkswagen experienced in 2016 for cheating on its vehicles' emissions tests) have already affected an organization's performance. Other strategies are **proactive change**, initiated by managers to take advantage of targeted opportunities, particularly in fast-changing industries.

- **Making Links with Previous Learning:** Refer to the list generated previously about how organizations are dealing with change (e.g., downsizing, outsourcing, Six Sigma, process re-engineering, other ideas generated by students). Ask students which of those strategies are more likely to be reactive change, and which are more likely to be proactive change initiatives.
- **Small Group Exercise:** State instructions and expectations for a small group activity (5–6 students); the response should ideally be done in PowerPoint; limit the number of slides (5–8). In each small group, ask for a volunteer who has a habit that they would like to get rid of (e.g., procrastination, lack of exercise, sleeping in, poor eating habits). As a group, have the students develop a change management program for the student volunteer while incorporating the key elements of change management from the text. Encourage groups to display their change management programs with their PowerPoint presentations. Comment on the merits of each group's presentation, and on the difficulties in assessing whether the change management programs will produce lasting change, that is, that the habits will not return.

Competing, Recruiting, and Staffing Globally
The strategies companies are pursing today increasingly involve one or more elements of globalization. The integration of world economies and markets has sent businesses abroad to look for opportunities and fend off foreign competitors domestically.

Moreover, Canadian factory closures have become commonplace in tandem with a universal economic restructuring. A main contributor to the decline is globalization and this has left communities that are still focused on manufacturing to attempt to compete with foreign, low-cost competitors.

How Globalization Affects HRM
When managers talk about "going global," they must balance a complicated set of issues related to different geographies, including different cultures, employment laws, and business practices. Human resources issues underlie each of these concerns.

- **Call-Out Question:** Ask students to imagine that they want to send a Canadian manager to Hong Kong for two years to give the manager developmental opportunities. The Canadian manager earns $130,000 CAD/year. What would be some of the challenges this manager might face? Lots of different issues may arise, such as family issues, training in cultural sensitivity, performance management, and compensation. Some students will know that $130,000 CAD does not go very far in Hong Kong! Then, ask students to imagine taking the same manager and having them work in Mexico for two years. Ask them how far they think that $130,000 CAD would get a person in Mexico! Reinforce the need to have a strategy for dealing with these issues, as perceptions of fairness serve as a foundation for effective HRM.
- **Think-Pair-Share:** Use Discussion Question 2 as a basis for a think-pair-share: *Suppose your boss asked you to summarize the major people-related concerns in opening an office in India. What issues would be on your list?* See the recommended response in Answers to End-of-Chapter Discussion Questions.

ISSUE 2: Setting and Achieving Corporate Social Responsibility and Sustainability Goals

Corporate social responsibility (CSR), or the responsibility of the firm to act in the best interests of the people and the communities affected by its activities, has become important both domestically and abroad to help the bottom line with job selection, HR leadership, and good corporate citizenship.

- **Making Explicit Real-World Links:** Introduce CSR as "the responsibility of the firm to act in the best interests of the people and the communities affected by its activities." Sources of information about companies and their programs to promote corporate social responsibility can be found on sites, such as csrwire.com or by searching your favourite company's webpage. Introduce this challenge by copying pictures from websites of organizations' career sites showing that they are committed to CSR. Ask students why organizations would do this and generate a discussion about the benefits of engaging in CSR from both the employee and employer perspectives.
- **Debate:** Put students into groups of two. Assign one student the position "CSR has no business in business," and assign the other student the position "CSR must be a priority for all businesses." Given that this is the first lecture, it might be wise to create groups and ask the con-CSR group to meet with each other, and the pro-CSR

group to meet with each other. This way, students can share ideas before the debate. After about five minutes, ask students whether their partner made any good points. Jot them on the board and take up with the class.

- **Think-Pair-Share**: Use Discussion Question 3 as a basis for a think-pair-share: *Name a company you hope to work for someday. What is its track record in terms of corporate social responsibility and sustainability? Are these factors important to you? Why or why not?* See the recommended response in Answers to End-of-Chapter Discussion Questions. During class, you can also look up some of the organizations online to see if they have CSR agendas and, if so, to share those with the class.

ISSUE 3: Advancing HRM with Technology

Collaborative software allows workers to interface and share information with one another electronically (e.g., wikis, Google Docs, online chat, and web and video conferencing).

Knowledge Workers, Virtual Learning, Automation, and Artificial Intelligence

Advancements in technology have changed the business world—cloud computing and social media are prime examples. Technology requires knowledge workers rather than physical or touch workers. **Knowledge workers** are workers whose responsibilities extend beyond the physical execution of work to include planning, decision making, and problem solving. Knowledge-based training includes massive open online courses (MOOCs) and virtual learning. Games such as Second Life may also have a role in learning.

Virtual learning is increasing as well. Video conferencing platforms such as Zoom, Webex, Teams, and Hangouts have led to a workplace and HRM digital transformation. Automation is affecting not only blue-collar and routine jobs, but others as well.

Automation plays a major part in the gig economy. AI contributes to the growing use of gig work as digital jobs become increasingly popular.

- **Class Discussion:** Ask students whether they use any of the aforementioned collaborative software (e.g., Google Docs, online chat, web and video conferencing) when working in groups for their courses in university. Most students will have used at least one type of collaborative software. Ask students about the benefits and drawbacks of using such software for group projects. Then ask them to compare their answers with what they believe occurs in the workplace.
- **Class Discussion:** *Knowledge Workers, Virtual Learning, Automation, and Artificial Intelligence.* Discuss with students their experience with jobs that have moved from "touch labour" to "knowledge workers," or workers whose responsibilities extend beyond the physical execution of work to include planning, decision making, and problem solving. Ask them what kinds of skills these new jobs require. It may be the case that current employees can be retrained to assume new roles and responsibilities. Other times, new employees must be hired. Discuss whether, as employees, they would prefer to learn via regular training, just-in-time learning, or virtual learning environments. You can also produce a copy of Highlights in HRM 1.1, *The Future of Work*, which outlines a number of predictions about the workplace of the post-pandemic world. Ask students whether they think these events will happen, and the impact the changes will have for organizations and employees.

Influence of Technology on HRM

A **human resources information system (HRIS)** is a computerized system that provides current and accurate data for purposes of control and decision making.

- Use *Highlights in HRM 1.2: Factors to Consider When Evaluating a Human Resources Information System* to show the factors that should be considered when evaluating an HRIS.
- **Think-Pair-Share**: Ask students to collaboratively respond to Discussion Question 4: *Will technology eliminate the need for HR managers? How will Artificial Intelligence affect human resource management?* See the recommended responses in Answers to End-of-Chapter Discussion Questions.
- **Collaborative Team Project:** Put students into groups to compare, contrast, and evaluate two HRIS systems using the guidelines presented in *Highlights in HRM 1.2*. Information can be sourced from the Internet. Students should be instructed that they do not need to get into contact with any provider.

ISSUE 4: Containing Costs while Retaining Top Talent and Maximizing Productivity

Downsizing

Downsizing refers to the elimination of jobs. The pain of downsizing has been widespread throughout North America as virtually every major corporation has undergone some cycle of downsizing.

Furloughing

Furloughing refers to a situation in which an organization asks or requires employees to take time off for either no pay or reduced pay. This strategy has gained widespread use since the COVID-19 crisis started.

Outsourcing

Outsourcing refers to when companies engage and hire other firms to complete aspects of their work (e.g., financial services, legal issues, HR functions).

Offshoring

Offshoring refers to the business practice of sending jobs to other countries. Conversely, **nearshoring** refers to the process of moving jobs closer to one's home country.

Employee leasing

Employee leasing refers to the process of dismissing employees who are then hired by a leasing company (which handles all HR-related activities) and contracting with that company to lease back the employees. The value of employee leasing lies in the fact that an organization can essentially maintain its working relationships with its employees but shift some employment costs to a professional employer organization (PEO), in return for a fee.

Productivity enhancements

Productivity enhancements are a key consideration Employee productivity refers to the result of a combination of employees' abilities, motivation, and work environment and the technology they use to work. Organizations can enhance their productivity either by reducing their inputs (the cost approach) or by increasing the amount that employees produce by adding more human and/or physical capital to the process (the investment approach). Many

companies are finding that providing work flexibility is a good way to improve the productivity and motivation of valuable employees.

Stress to students that HRM professionals need to simultaneously focus on retaining top talent and maximizing productivity. Inform students that virtually every major corporation has undergone some cycle of downsizing.

- **Call-Out Question:** Do you think it is possible to maintain the morale of your firm's employees in the face of shrinking budgets and benefits? How might you do so? The answers to this question may very well link back to students' knowledge of organizational behaviour if this is a prerequisite for this course in Human Resources Management. Inform students that many of the theories underlying the study of human resources are embedded in the concepts of organizational behaviour.
- **Linking Back to Previous Learning:** Refer back to reactive versus proactive change and show that downsizing can be a response to both.
- Reiterate to students that companies are often quick to eliminate jobs to reduce costs. For example, Bombardier, with headquarters in Montreal, undertook what the company called "optimization site specialization actions" in 2016 following slow sales on an aircraft it produced. As part of its restructuring efforts, Bombardier planned to cut almost 15,000 jobs over two years. The company projected savings of about US$300 million once downsizing was completed. In a statement, the company's CEO said, "We need to become a very agile and flexible organization. We need to drive productivity day in and day out. We need to look at our cost structure every day." As a second example, in September 2020, Nav Canada, an air navigation service company, declared that it would eliminate 720 jobs, accounting for 14 percent of its workforce. Students can debate the impact of layoffs/downsizing (both the more obvious as well as the hidden costs). Policies, such as a no-layoff policy, can also be debated and discussed.

ISSUE 5: Responding to the Demographic and Diversity Challenges of the Workforce
- **Connectivity Question:** Think about some of the teams you have been a member of. Which of them performed better: those that were diverse or those that were not? What challenges and opportunities did the more diverse teams present? How do you think they translate to human resources management?

Demographic Changes
To support their companies' strategies, HR managers must be aware of trends in the workforce.

The Diversity/Immigration Challenge
- **Share the Facts:** Use *Figure 1.2: Top 20 Ethnic Origins in Canada (2016)* and *Figure 1.3 Composition of the Population of Canada (Millions)* to show data regarding the composition of the population of Canada. Ask students some of or all the following questions: How diverse is Canada? What are the opportunities for companies operating in Canada based on the composition of the population of Canada? What are some of the challenges and barriers that newcomers to Canada face? How can increased immigration help with economically recovering from the COVID-19 pandemic?

- **Link It to HRM:** To accommodate the shift in demographics, demand, and labour trends, businesses know it is absolutely vital to increase their efforts to recruit and train a more diverse workforce. They realize that immigrants are not only critical to their very survival, but also add to their strength and allow them to better attract and serve a larger customer base.

Age Distribution of Employees

- **Share the Facts:** Canada's population was 38 million in 2020. About 6.8 million people (18 percent) are 65 or over. The number of seniors in the Canadian population is expected to increase to 24 percent of the population by 2050. Seniors accounted for 14.8 percent of the population in 2011, up from 13.7 percent from five years earlier. In 2015, New Brunswick had the highest proportion of seniors among the provinces, accounting for 19 percent of its population. However, Nunavut had the lowest proportion of seniors in Canada at 3.7 percent of its population. Among the provinces, Alberta had the lowest proportion of seniors, standing at 11.6 percent of its population. Ask students to compare how different generations (e.g., their generation compared to that of their parents and grandparents) tend to approach tasks and think about work.
- **Link It to HRM:** Some companies, such as Home Depot and McDonald's, are recruiting employees over the age of 50 because, although their healthcare costs might be higher, their retention, absenteeism, and transition costs are likely to be lower. Older workers are now choosing to work longer. Good health and longer life expectancies play the biggest role in extended work lives. Legal changes, such as the elimination of mandatory retirement at age 65 in Ontario are also having an impact. Lastly, some retirees have returned to the workforce because of economic needs.
- Use *Case Study 2: Intergenerational Issues* to generate discussion among students on how HR and line management may need to customize their approach to fit the needs of an intergenerationally diverse workforce. See recommended responses to the discussion questions in Notes for End-of-Chapter Case Studies.

Gender Distribution of the Workforce

- **Share the Facts:** The percentage of women in the labour force is nearly 50 percent, although more than 60 percent of university graduates are women.
- **Link It to HRM:** Employers are taking measures to ensure that women are treated equally in the workplace in terms of advancement opportunities and compensation. They also need to accommodate working parents through parental leave, part-time employment, flexible work schedules, job sharing, telecommuting, and child and elder care assistance.
- **Collaborative Team Project:** Use Discussion Question 6 as a basis for a collaborative team project: *What are the pros and cons of having a more diverse workforce? Is Canada in a better position to compete globally because of its diverse population? Find examples from a school or work project where having a diverse team made a difference and explain that difference.* See the recommended solutions in Answers to End-of-Chapter Discussion Questions.
- **Think-Pair-Share:** The text emphasizes that harnessing a company's talent means being aware of characteristics *common* to employees while also managing these employees as *individuals*. This means not just tolerating or accommodating all sorts of differences but also supporting, nurturing, and using these differences to the organization's advantage. Ask students about the experiences, mindsets, and talents of different groups of people that can be utilized in a strategic way in organizations?

ISSUE 6: Adapting to Educational and Cultural Shifts Affecting the Workforce

Education of the Workforce
The 2016 Census shows that more than half (54.0 percent) of Canadians aged 25 to 64 had either college or university qualifications, up from 48.3 percent in 2006. Canada continues to rank at the top among the Organisation for Economic Co-operation and Development (OECD) countries in terms of the proportion of college and university graduates. Students will also be pleased to hear that the 2016 Census confirmed that higher education is a gateway to higher earnings!

Cultural changes
Cultural changes include the attitudes, beliefs, values, and customs of people in a society that are an integral part of their culture, which affects their behaviour on the job and the environment within the organization, influencing their reactions to work assignments, leadership styles, and reward systems.

Employee rights
Employee rights have been gaining recognition over the past few decades. Federal legislation has radically changed the rules for managing employees by granting them many specific rights, such as laws granting employees the right to equal employment opportunity, equal pay for men and women performing essentially the same job, and privacy in the workplace.

Concern for privacy
Concern for privacy is a key concern. The *Personal Information Protection and Electronic Documents Act* (PIPEDA) is a federal law that deals with the collection, use, and disclosure of personal information (note that Quebec is the only province with similar laws, although Ontario, British Columbia, and others have draft legislation in place). This law requires federally regulated organizations holding personal information on customers or employees to obtain their consent before they use, collect, or disclose this information. Employer responses to the issue of information privacy vary widely.

The Changing Nature of the Job
- See *Ethics in HRM: Skywalkers and Groundworkers*.
- **Debate:** Ask students to get into pairs to debate the merits of part-time work. Once you've given them about five minutes, ask students to read *The Business Case: Advantages and Disadvantages of Part-Time Workers* to determine whether they missed any important points and learned something new. Ask students whether the information changed their mind regarding the merits of part-time work.

Changing Attitudes toward Work
- **Clickers:** Using either clickers or just a simple piece of scrap paper, ask students to rank order the list of job characteristics that are most important to them personally. Then show the information from *Figure 1.4: Factors Related to the Best and Worst Places to Work* to demonstrate the reported findings. A discussion can ensue that focuses on what organizations can do to be viewed more favourably by their employees.

- **Making Explicit Real-World Links:** Use *Highlights in HRM 1.3: Work–Life Harmony* to see how Nora Spinks, an expert in work–life harmony, consults her clients.
- **Think-Pair-Share for Issues 5 and 6:** Provide students with a "What in the World" Fact Sheet. First individually, and then in groups, ask them to discuss how the facts may impact HRM professionals. The facts can be presented in written form, or you can provide copies of some of the figures to students. The latter option is preferable, since it will provide students with an opportunity to understand material that is presented graphically. Facts may also include the following:

    1. Minorities in Canada are increasing relative to the population (more than one-fifth [22.3 percent] or 7.7 million Canadians identify themselves as members of a visible minority).
    2. Canada's population is approximately 34.5 million.
    3. Women make up nearly 50 percent of the workforce in Canada, and the educational attainment of women is also increasing relative to men. Today, more than 60 percent of university graduates are women.
    4. While the complexity of jobs has increased over time, the skills gap is widening (more than 3 million Canadians [aged 16 to 65] have problems reading printed material).
    5. Nearly half of all jobs created in the past two decades are nonstandard—part-time, temporary, or contract work.
    6. Job attitudes have significantly changed in the past few decades. Many employees—especially younger ones—believe that satisfaction with life is more likely to result from balancing their work challenges and rewards with those of their personal life. People appear to be seeking ways of living that are less complicated but more meaningful and with richer interpersonal relationships.
    7. The majority of employees have no children under the age of 18.

The Partnership of Line Managers and Human Resources Departments

Responsibilities of the HR Manager
The major activities of HR managers include the following: (1) strategic advice and counsel, (2) service, (3) policy formulation and implementation, and (4) employee advocacy.

- **Think-Pair-Share:** Use Discussion Question 8 as the basis of a think-pair-share: *Should HR professionals be the "voice" for employees or the "spokesperson" for managers? Explain your view. Should HR professionals be licensed, like accountants and lawyers?* See the recommended solutions in Answers to End-of-Chapter Discussion Questions.

Competencies of the HR Manager
Competencies of HR managers include (1) business mastery, (2) HR mastery, (3) change mastery, and (4) personal credibility. These competencies are illustrated in *Figure 1.5: Human Resource Competency Model*.

- Use *Case Study 1: New HR Strategy Makes Lloyds a "Best Company"* and encourage students to answer the questions. See the recommended solutions in Notes for End-of-Chapter Case Studies.
- Use *Case Study 3: Shell's Top Recruiter Takes His Cues from Marketing* to generate a discussion on the synergy between marketing and HRM, highlighting another important skill of HRM. See the recommended solutions in Notes for End-of-Chapter Case Studies.

Reinforce the idea with students that managing people ultimately depends on effective supervisors and line managers. It may very well be the case that most of your students will be line managers and supervisors rather than HR specialists. Ask students about their career plans and have them indicate how they believe a course in HRM will help them become better managers.

- Use *HRM Experience: Balancing Competitive Challenges and Employee Concerns* to encourage students to think about the different roles of HR professionals compared with line management.

Finishing Class

- Review the learning objectives.
- Create a multiple-choice style quiz based on the lecture material to reinforce learning. Use clickers if they are available.
- Use the End-of-Chapter Quiz in MindTap to assess comprehension. These quizzes are automatically graded, and students get feedback and rejoinders to the relevant concept in the chapter.
- Consider using video cases featured in MindTap at the end of each chapter. These stories from Canadian news sources are used to illustrate contemporary business challenges facing HR practitioners.
- **Industry Interviews:** Throughout this engaging video series, Canadian professionals from a cross-section of industries reinforce the readings, activities, and highlighted skills of concepts. Multiple choice questions follow that are automatically graded.
- Ask students to respond to a Discussion Question to present to the class the following week.
- Provide students with a "one-minute" paper, and ask them to respond to the following questions: (1) What is the most important thing I learned today? (2) What question do I have that is left unanswered? Collect the one-minute papers and take up any unresolved issues in the following class.
- Provide each student with a sticky note or launch a poll and ask them to write down anything that was unclear to them in class, or if there are any unanswered questions. Use this as a basis for discussion on the online discussion board for your class, if applicable.

Additional Teaching Resources

Recommended Readings

Bowen, D. E., & Ostroff, C. (2004). Understanding HRM-firm performance linkages: The role of the "strength" of the HRM system. *The Academy of Management Review 29*(2), 203–221. https://doi.org/10.2307/20159029.

Kotter, J. P. (1995). Leading change: Why transformation efforts fail. *Harvard Business Review 73*(2), 59–67.

Answers to End-of-Chapter Discussion Questions

1. *Many contend that the COVID-19 pandemic brought to fore the critical importance of people organizations. Why is this so?*
   ANS: COVID-19 has changed the world in a dramatic manner. Almost everything has been seismically impacted, including how organizations manage their people. Some examples of how the COVID-19 pandemic has brought to the fore the critical importance of people in organizations pertain to the changes in how organizations recruit, select, train, appraise, and reward employees. As a specific example, COVID-19 has highlighted the need for a greater sense of community and common objectives. HR must establish cohesion between employees and leaders as leaders learn how to manage, motivate, and engage remote employees amid uncertainty.

2. *Suppose your boss asked you to summarize the major people-related concerns in opening an office in India. What issues would be on your list?*

   ANS: Some of the most basic concerns about opening an office in another country include legal, cultural, and administrative differences. Students should be made aware of the options an organization has in terms of hiring people from the host country versus sending over expatriates. Depending on the people hired, training issues become important, as do issues related to pay, career development, etc. Chapter 15 focuses directly on these concerns in international HRM.

3. *Name a company you hope to work for someday. What is its track record in terms of corporate social responsibility and sustainability? Are these factors important to you? Why or why not?*

   ANS: Answers will vary, but students should select a company and attempt to find information about the company's programs to promote corporate social responsibility and sustainability. Students can search for this information through sites such as csrwire.com or by searching the company's website. Students should also form an opinion about whether these corporate social responsibility and sustainability factors are important to them as well as an explanation for the rationale behind their opinion.

4. *Will technology eliminate the need for HR managers? How will Artificial Intelligence affect human resource management?*

   ANS: Emphasize that technology has a number of benefits for the HRM professional. For instance, it automates routine activities, alleviates administrative burdens, reduces costs, and improves productivity internal to the HR function itself. It also has relational benefits by connecting people with one another and with the HR data they need. Finally, it is

changing the way HR processes are designed and executed. Technology frees up time for the HR professional to spend on more strategic aspects of the people side of business. Technology does not run on its own; instead, it must be managed and leveraged in such a way as to contribute to the organization's goals. Hence, the need for HR will not be eliminated. Moreover, HR has been positioned as a coach for management, which requires the HR manager to help management solve unique problems, whereby the solutions cannot be provided by a computer. Artificial Intelligence and automation are affecting not only blue-collar and routine jobs but others as well. For example, news organizations are using Web robots ("bots") to gather information and write basic stories about corporate earnings and sports recaps.

5. *In groups, debate the proposition: Employees are an expense, and their numbers should be reduced.*

   ANS: Employee compensation is likely to be the highest operating expense for organizations and cutting employee costs can certainly have positive short-term impacts on company profits. However, employees are clearly not just an expense, and programs such as downsizing to reduce employee numbers have several disadvantages. Further, companies that avoid the temptation to downsize just to cut costs can achieve important benefits, such as: a fiercely loyal, more productive workforce; higher customer satisfaction; readiness to snap back with the economy; a recruiting edge; and workers who are not afraid to innovate, knowing that their jobs are safe.

6. *What are the pros and cons of having a more diverse workforce? Is Canada in a better position to compete globally because of its diverse population? Find examples from a school or work project where having a diverse team made a difference and explain that difference.*

   ANS: Diversity has its costs and its benefits. It is more difficult to create and manage a diverse workforce. Recruiting is more challenging and getting people to work together can also be a challenge. All organizations are based on two design principles: variety and integration. Diversity equals variety, and out of variety comes creativity and innovation. But this only happens if variety/diversity can be integrated and coordinated. Otherwise, the organization will fall apart from differences among people. Because of the global nature of so much of Canadian business, a diverse workforce can provide a competitive edge. Diversity is not achieved without changes to attitudes that are often prevalent within an organization's culture.

7. *What are the advantages and disadvantages of part-time workers, especially in the context of the COVID-19 pandemic?*
   ANS: See *The Business Case: Advantages and Disadvantages of Part-Time Workers* for a list of advantages of part-time work, and for some advantages of employing on a full-time basis. The case also mentions the impact of COVID-19 for Amazon whereby they increased their temporary workforce in the United States at the outset of COVID-19 to accommodate immediate needs and then, in May 2020, Amazon offered a number of these temporary workers full-time positions with full benefits and continued thereafter to further expand their full-time workforce in both the United States and Canada.

8. *Should HR professionals be the "voice" for employees or the "spokesperson" for managers? Explain your view. Should HR professionals be licensed, like accountants and lawyers?*
   ANS: It is probably impossible to answer this question definitively. It is meant to stimulate conversation about the complementary roles within HRM—how they fit together and support the business. Without any one of the roles, the pyramid topples. In today's organizations, it may be the case that personal credibility is the most central role. Without it, nothing else matters. HR managers must be the "voice" for employees in that they must understand the issues that employees face. At the same time, HR managers must be the "spokesperson" for managers because it is important to understand the strategic direction of the company and to match the right employees with the achievement of the company's objectives.

Notes for End-of-Chapter Case Studies

Case Study 1: New HR Strategy Makes Lloyds a "Best Company"

1. *What skills does Black think employees need to work successfully in the area of HR?*
   ANS: The case does not specify the skills that Black thinks the workforce in general needs to work successfully in HR; however, based on the focus of her efforts and on what she has indicated regarding the ideal characteristics of future HR professionals, several things are obvious. HR professionals need to develop certain attitudes and understanding and be able to focus. As she put it, "They must understand change and transformation, excel at operations, and balance tactical and strategic thinking and acting. They will have to be able to manage and navigate organizational complexity and ambiguities and not be afraid to say no occasionally in order to establish appropriate boundaries with the business." For the general workforce, their demonstration of the ability to respond positively to change was a plus for her and a characteristic that will need to be maintained and enhanced for the future.

2. *What are some of the outcomes of the company's new HR strategy?*
   ANS: Some of the outcomes of the company's new HR strategy include not only a more positive internal organizational environment in which employees can function more effectively, but also widespread publicity regarding that environment (the newspaper recognition of the firm as one of the "Top 100 Best Companies to Work For"), which makes it easier to attract valuable talent to the firm.

3. *What do you think might be some of the challenges of establishing HR policies for a global company?*
   ANS: HRM and senior management need to balance a complicated set of issues related to different geographies, including different cultures, employment laws, and business practices. Human resources issues underlie each of these concerns. They include such things as dealing with employees today who are better informed about global job opportunities and are willing to pursue them, even if it means working for competing companies. Gauging the knowledge and skill base of international workers and figuring out how best to hire and train them, sometimes with materials that must be translated into a number of different languages, is also an issue for firms. Relocating managers and other workers to direct efforts of an international workforce is a challenge. HR professionals are frequently responsible for implementing training programs and enhancing their firms' managers' understanding of other cultures and practices, as well as dealing with the

culture shock these workers might experience and pay differentials that must be adjusted, depending on the country.

4. *What types of situations do you think might require an HR manager to say "no"?*
    ANS: Issues related to ethics and ethical behaviour of employees or the organization, and also issues related to maintaining the distinction between line management and HRM, might require an HR manager to say "no." Often, business partners are asked to perform line management duties, and at times the line can become blurred so that HRM becomes more of an administrator than a strategic partner. In these cases, HRM professionals may need to "push back" in order to restore their position.

Case Study 2: Intergenerational Issues

1. *Based on your experiences working with students/colleagues of different ages, do you believe that there are generational differences in attitudes toward work? Do a search to see if there is any evidence for these beliefs.*
    ANS: All individuals work to satisfy many goals—to pay bills, to self-actualize, to socialize, to learn new skills, to innovate, to lead, and to manage. Irrespective of age, all generations have desires, and one generation does not trump another as being better. However, much research has been conducted about the attitudinal and motivational differences with the Baby Boomers, Generations X and Y, Echo Boomers, and so on, to demonstrate these differences in work ethic, attitudes, motivation, and trust. What this narrative does is polarize the generations, giving them reasons to generate conflict. It is top management's responsibility to generate a culture in which all generations have merit and seniority is not the only characteristic that is valued. Longevity in a company is meaningless if an employee is left to coast and contribute less and less each year, as in the case of Peregrine. There is very little empirical evidence that are distinct generational differences. Most research shows that there is more intragenerational diversity compared with intergenerational diversity. Moreover, given the globalizing world, what makes a "generation" is different in different national contexts. Therefore, the classification may be too broad in today's more global business environment.

2. *As the demand for autos declined, and GM and Chrysler faced bankruptcy, the benefits given to auto workers were reduced. Check out the compensation packages for new auto workers and decide if the package is attractive enough for young workers to leave school, as these young workers did.*
    ANS: The wages for employees in the Big Three auto manufacturers (Ford, GM, and Chrysler) were originally more than twice the amount earned by those working for foreign manufacturers. When the restructuring of 2008–2009 went into effect, the wages were dropped to be more in line with the other auto manufacturers. With massive layoffs and plant closures, the opportunities to work for the Big Three also became scarce. Therefore, young workers would not be inclined to leave school for jobs that did not exist, as only the most senior employees remained in these companies as long as they did not accept buyout packages. The case states that new employees, with limited postsecondary education and little, if any, factory experience, were earning $28 an hour, plus benefits, which was approximately $85,000 per year. Students can also search for other relevant statistics if they choose and can then debate whether the compensation package is attractive enough for young workers to leave school.

Case Study 3: Shell's Top Recruiter Takes His Cues from Marketing

1. *What functions of HRM are similar to marketing functions? How can thinking about "marketing" a company's jobs improve the strategic focus of HR personnel?*
   ANS: Recruitment, by its very nature, involves marketing. At Shell, HR needed to brand the employment experience, and market the company to potential job applicants. It can improve the strategic focus of HR because it forces some important questions, such as these: What type of employee do we want? What are our values, and how can we demonstrate those in our brand? What is our employee value proposition? How can we best meet the needs of our employees?

2. *If you were planning to use marketing strategies to "brand" a company as an employer of choice, what are some of the factors you would consider?*
   ANS: Typical responses might include the types of employees required. For instance, it is important to know whether the organization is seeking creativity, risk-taking behaviours, teamwork skills, or if it values on-the-job learning. These elements can be features in the branding. Moreover, it is important to know whether the recruitment pool is local, regional, or global, and how the recruitment drive should be adapted as a result.

3. *Do you agree with Singh's statement that, in the future, companies will have to apply for skilled people to work for them rather than candidates applying to work at an organization? Why or why not?*
   ANS: Refer to the discussion in the text on knowledge workers. Engineers are an example of knowledge workers, who are in high demand in the Canadian as well as in the global marketplace. Moreover, the case states that many engineers at Royal Dutch Shell will be retiring soon, exacerbating the issue. So, in this case, the power shifts toward the engineers, rather than the employer. In response to Singh's statement, it is important to recognize that he is speaking about engineers. Would he say the same thing about administrative assistants, custodial staff, or HRM professionals?