Human Resource Management

Sandra L. Steen

University of Regina

Raymond A. Noe

Ohio State University

John R. Hollenbeck

Michigan State University

Barry Gerhart

University of Wisconsin-Madison

Patrick M. Wright

Cornell University



Brief Contents

Preface xvii

	\sim	$rac{1}{2}$	
_	Λ		
	$\boldsymbol{-}$	11	

/TIL - TT	D	D	- 1
The Hilman	Resource	Environment	

CHAPTER 1

Strategies, Trends, and Challenges in Human Resource Management 2

CHAPTER 2

The Legal Context for HRM and Creating Safe and Healthy Workplaces 45

PART 2

Preparing for and Acquiring Human Resources 83

CHAPTER 3

Analyzing Work and Designing Jobs 84

CHAPTER 4

Planning for and Recruiting Human Resources 114

CHAPTER 5

Selecting Employees 150

PART 3

Managing Talent 185

CHAPTER 6

Training, Learning, and Development 186

CHAPTER 7

Managing Employees' Performance 236

PART 4

Compensating and Rewarding Human Resources 279

CHAPTER 8

Total Rewards 280

PART 5

Meeting Other HR Goals 326

CHAPTER 9

Collective Bargaining and Labour Relations 327

CHAPTER 10

Managing Human Resources Globally 361

CHAPTER 11

Creating and Sustaining High-Performance Organizations 402

NOTES 448
GLOSSARY 471
PHOTO CREDITS 479
INDEX On Connect

Preface xxi

PART 1

The Human Resource Environment 1

CHAPTER 1

Strategies, Trends, and Challenges in Human Resource Management 2

Earning a Reputation as a Great Employer 3 Introduction 3 Why Are People So Valuable? 4

Did You KNOW? Engaged and Enabled Employees Deliver Organizational Results 7

What Are the Responsibilities of HR Departments? 7

Analyzing and Designing Jobs 8

Recruiting and Hiring Employees 9

Training, Learning, and Development 9

Performance Management 10

Total Rewards 10

Maintaining Positive Employee and Labour Relations 10

Establishing and Administering Human Resource Policies 11

Managing and Using Human Resource Data 11

Ensuring Compliance with Federal and Provincial/Territorial Legislation 12

Why Focus on Strategy? 12

HR How-To Aligning HR with the Organization's Strategy 13

Productivity Improvement 14

Expanding Into Global Markets 14

Outsourcing 16

Mergers and Acquisitions 16

What Competencies Do HR Professionals Need? 17

Ethics in Human Resource Management 18

HR Best Practices CCHRA's National Code of Ethics 19

What Are the HR Responsibilities of Supervisors and Managers? 20

Careers in Human Resource Management 21

CHRP Designation 22

How Is the Labour Force Changing? 23

An Aging Workforce 24

A Diverse Workforce 25

Skill Deficiencies of the Workforce 26

What Is a High-Performance Work System? 26

Knowledge Workers 27

Employee Engagement 27

```
Teamwork 29
   Increasing Levels of Education 29
How Is Technological Change Impacting HRM? 30
   Electronic Human Resource Management (E-HRM) 31
How Is the Employment Relationship Changing? 33
  A New Psychological Contract 33
  Flexibility 34
HR Oops! When a Contractor Isn't a Contractor 35
Thinking ETHICALLY What Boundaries, If Any, Should Employers Set for Social Media? 36
How Is This Book Organized? 37
Summary 38
Critical Thinking Questions 40
Experiencing HR 41
Case Study 1.1 41
Case Study 1.2 42
CHAPTER 2
The Legal Context for HRM and Creating Safe and Healthy Workplaces 45
The Willow Bean Café 46
Introduction 46
Valuing Diversity and Inclusion 46
Creating a Culture of Health and Safety 47
The Legal Framework for Human Resource Management 48
Protecting Human Rights 49
   How Would You Know? 49
  What Is the Employer's Duty to Accommodate? 51
  What About Harassment? 54
Employment Equity 56
Protection of Privacy 59
   Personal Information Protection and Electronic Documents Act (PIPEDA) 59
Employment/Labour Standards 60
HR How-To Protecting Employees' Personal Information 61
   Controversies 61
HR Oops! Are Unpaid Internships a Violation of Minimum Employment Standards? 62
Pay Equity 63
How Are the Laws Enforced? 63
   Human Rights Commissions 63
   Privacy Commissioners 64
Workplace Health and Safety 64
   Internal Responsibility System 65
   Health and Safety Committees 65
Did You KNOW? Top Seven Dangers for Young Workers (in B.C.) 66
  What Are the Responsibilities of Employers, and Managers or Supervisors? 66
   Employee Rights and Responsibilities 67
   Enforcement of Occupational Health and Safety Regulations 68
   Psycholgical Safety 69
   Impact of Occupational Health and Safety Legislation 69
Employer-Sponsored Health and Safety Programs 71
   Identifying and Communicating Job Hazards 71
```

HR Best Practices County of Wellington: Gold Winner in the Psychological Safety Category 72
Reinforcing Safe Practices 73
Employee Health and Wellness Programs 73
Employee Assistance Program (EAP) 74
Promoting Safety Internationally 75
Thinking ETHICALLY Simple Questions Cause Awkward Situations 76
Summary 77
Critical Thinking Questions 78
Experiencing HR 79 Case Study 2.1 79
Case Study 2.2 80
Video Cases Part 1 81
PART 2
Preparing for and Acquiring Human Resources 83
CHAPTER 3
Analyzing Work and Designing Jobs 84
Would You Keep Working If You Won the Lottery? 85
Introduction 85
What Is Work Flow Analysis? 86
How Does the Work Fit with the Organization's Structure? 87
HR Oops! How to Brew Coffee? 88
Job Analysis 88 Importance of Job Analysis 89
Trends in Job Analysis 90
Outcome of Job Analysis: Job Descriptions 91
Outcome of Job Analysis: Job Specifications 91
HR How-To Writing a Job Description 93
Sources of Job Information 95
Position Analysis Questionnaire 95
Fleishman Job Analysis System 96
HR Best Practices The YMCA of Greater Toronto: Competency Modelling 96
Job Design 97
Designing Efficient Jobs 98
Designing Jobs That Motivate 99
Did You KNOW? Telecommuters Viewed As More Productive 103
Designing Ergonomically Correct Jobs 105
Designing Jobs That Meet Mental Capabilities and Limitations 106
Thinking ETHICALLY Should Employers Fret About Making Employees Happy? 107
Summary 108
Critical Thinking Questions 109 Experiencing HR 110

Case Study 3.1 110 Case Study 3.2 112
CHAPTER 4 Planning for and Recruiting Human Resources 114
Sodexo's Employment Brand: Diversity 115 Introduction 115 What Is Workforce Planning? 115 Forecasting 116 Goal Setting and Strategic Planning 119
HR Oops! When a "Double-Double" Means Downsized and Disgruntled 122
Implementing and Evaluating the Workforce Plan 125 Applying Workforce Planning to Employment Equity 126 What Is Succession Planning? 127
HR How-To Identifying High-Potential Employees 128
Recruiting Human Resources 130 Human Resource Policies 131 Recruitment Sources 132 Internal Sources 132
HR Best Practices The Forest Products Industry's "Green Dream Contest" 133
Did You Know? Four in Ten Positions Are Filled with Insiders 134
External Sources 134 Evaluating the Quality of a Source 139 Recruiter Traits and Behaviours 141 Characteristics of the Recruiter 141 Behaviour of the Recruiter 141 Enhancing the Recruiter's Impact 142
Thinking ETHICALLY Is Social Score Mixing Business and Pleasure? 144
Summary 144 Critical Thinking Questions 146 Experiencing HR 146 Case Study 4.1 147 Case Study 4.2 148
CHAPTER 5 Selecting Employees 150
Data-Driven Hiring 151 Introduction 151 What Are the Steps in the Selection Process? 152
HR Best Practices How the RCMP Sources Talent 153
What Are the Criteria for Evaluating Selection Methods? 154 Reliability 154 Validity 154

```
HR Oops! Hiring Clones 155
  Ability to Generalize 157
  Practical Value 158
What Are the Legal Standards for Selection? 158
Job Applications and Résumés 159
  Applications 159
  Résumés 161
  References 162
  Background Checks 163
Employment Tests and Work Samples 164
  Physical Ability Tests 165
  Cognitive Ability Tests 166
  Job Performance Tests and Work Samples 166
HR How-To Testing 101 167
  Personality Inventories 169
  Honesty, Alcohol, and Drug Tests 169
  Medical Examinations 171
Interviews 171
  Interviewing Techniques 171
Did You KNOW? Hiring Decisions: Algorithms Are Better Than Instinct 172
  Advantages and Disadvantages of Interviewing 173
  Preparing to Interview 174
Selection Decisions 175
  How Organizations Select Employees 175
Thinking ETHICALLY Checking Out a Candidate's Social Profiles 176
  Communicating the Decision 177
Summary 177
Critical Thinking Questions 179
Experiencing HR 180
Case Study 5.1 181
Case Study 5.2 182
Video Cases Part 2 183
 PART 3
Managing Talent 185
CHAPTER 6
Training, Learning, and Development 186
Learning at Facebook 187
Introduction 187
Training, Learning, and Development Linked to Organizational Needs and Strategy 188
```

HR Best Practices Training Is a Well-Oiled Machine for Jiffy Lube 190

What Is Needs Assessment? 191 Organization Analysis 192
Person Analysis 192
Task Analysis 193
Readiness for Learning 193
Employee Readiness Characteristics 194
Work Environment 194 How to Plan and Design the Training Program 194
Objectives of the Program 195
In-House or Contracted Out? 195
What Training Methods Are Available? 196
Classroom Instruction 197
Audiovisual Training 197
Computer-based Training 198
HR How-To Developing Training Content for Mobile Devices 198
On-The-Job Training 199
Simulations 201
Business Games and Case Studies 202
Behaviour Modelling 202
Experiential Programs 202
Team Training 203
Action Learning 204
Implementing and Evaluating the Training Program 204
Principles of Learning 204
Measuring Results of Training 206
Did You KNOW? Use of Training Evaluation Methods 208
Applications of Training 208
Orientation of New Employees—Onboarding 209
Diversity Training 209 Approaches to Employee Development 210
Development for Careers 210
Formal Education 211
Assessment 212
UD Const A Strong Middle A Stronger Company 212
HR Oops! A Strong Middle, A Stronger Company 213
Job Experiences 217 Interpersonal Relationships 221
Career Management Systems 223
Data Gathering 223
Feedback 224
Goal Setting 225
Action Planning and Follow-Up 225
Development-Related Challenges 225
The Glass Ceiling 226
Dysfunctional Managers 227
Thinking ETHICALLY Can You Teach People to Be Ethical? 228
Summary 229

Critical Thinking Questions 231 Experiencing HR 232 Case Study 6.1 233 Case Study 6.2 234 CHAPTER 7 Managing Employees' Performance 236 Performance Management at Acklands-Grainger 237 Introduction 237 Relevance of Performance Management to Organizational Strategy and Performance 237 The Process of Performance Management 238 What Are the Purposes of Performance Management? 240 What Are the Criteria for Effective Performance Management? 241 Did You KNOW? Millennials & Gen X Prefer Praise to Corrective Feedback 241 How Is Performance Measured? 243 Making Comparisons 243 Rating Individuals 246 What Are the Sources of Performance Information? 255 Managers 256 Peers 256 Direct Reports 256 Self 257 Customers 257 Errors in Performance Measurement 258 Types of Rating Errors 258 What Can be Done to Reduce Errors? 260 Political Behaviour in Performance Appraisals 260 HR Best Practices Calibrating Talent 261 Performance Feedback 262 Scheduling Performance Feedback 262 Preparing for a Feedback Session 262 Conducting the Feedback Session 263 HR How-To Discussing Employee Performance 264 Performance Improvement 265 What Are the Legal and Ethical Issues? 266 Legal Requirements for Performance Management 266 HR Oops! Long-Term Worker Wins Constructive Dismissal 267 Thinking ETHICALLY Are Forced Rankings Fair? 268 Employee Monitoring and Employee Privacy 269 Summary 270 Critical Thinking Questions 272 Experiencing HR 273 Case Study 7.1 274

Case Study 7.2 275 Video Cases Part 3 277

PART 4

Compensating and Rewarding Human Resources 279

CHAPTER 8

Total Rewards 280

```
Total Rewards at Longo's
Introduction 281
Decisions About Base Pay
What Are the Legal Requirements?
Economic Influences on Pay 286
  Product and Labour Markets 286
  Pay Level: Deciding What to Pay 286
  Gathering Information About Market Pay
  How Do Employees Judge Pay Fairness?
Job Structure: Relative Value of Jobs
                                       288
Pay Structure: Putting It All Together 289
  Pay Rates 290
  Pay Grades 291
  Pay Ranges 292
Alternatives to Job-Based Pay 293
  Pay Structure and Actual Pay 294
```

HR How-To Aligning Incentive Programs with Company Strategy 296

Pay for Individual Performance 297

Incentive (Variable) Pay 294

Did You Know? Awarding Spot Bonuses 297

Pay for Team Performance 299
Pay for Organizational Performance 301
What Is the Role of Employee Benefits? 304
What Benefits Are Required by Law? 305
What Optional Benefits Do Some Employers Provide? 306
Paid Leave 306
Group Insurance and Benefits 307

HR Best Practices Reining in Rising Health Care Costs 308

Retirement Plans 309
Family-Friendly Benefits and Services 311
Other Benefits 312

HR Oops! Underestimating the Importance of Employee Discounts 312

Selecting Employee Benefits 313

An Organization's Objectives 313

Employees' Expectations and Values 314

Flexible Benefits 314

Communicating Total Rewards to Employees 315

Executive Compensation and Rewards 316

Executive Incentives and Benefits 317

Performance Measures for Executives 317

Thinking ETHICALLY The Ethics of Sick Leave 318
Ethical Issues 318 Summary 319
Critical Thinking Questions 321 Experiencing HR 321 Case Study 8.1 322 Case Study 8.2 323
Video Case Part 4 325
PART 5
Meeting Other HR Goals 326
CHAPTER 9 Collective Bargaining and Labour Relations 327
Labour Peace for Air Canada? 328
Introduction 328 Role of Unions and Labour Relations 328
Types of Unions and Affiliations 329
Local Unions 331 History and Trends in Union Membership 332
HR Oops! RCMP Forbidden No Longer 333
Did You KNOW? Differences Among the Sexes—Unionization Rate 335
What Is the Impact of Unions on Company Performance? 337 What Are the Goals of Each Group? 337 Goals of Management 338 Goals of Unions 338 Goals of Society 340 Laws and Regulations Affecting Labour Relations 340 Prevention of Unfair Labour Practices 341
HR How-To Avoiding Unfair Labour Practices 342
What Is the Union Organizing Process? 342 The Process of Organizing 342 Management Strategies 343 Can a Union be Dercertified? 344 Collective Bargaining 344 Bargaining Over New Collective Agreements 347
HR Best Practices Innovative Clauses in Collective Agreements 348
What Happens When Bargaining Breaks Down? 349 Administration of the Collective Agreement 351 Labour-Management Cooperation 353
Thinking ETHICALLY Is the Seniority System Fair? 355
Summary 355 Critical Thinking Questions 357 Experiencing HR 357 Case Study 9.1 358 Case Study 9.2 359

CHAPTER 10

Managing Human Resources Globally 361

Tim Hortons Poised for Global Growth 362
Introduction 362
HRM in a Global Environment 362
Employees in an International Workforce 364
Employers in the Global Marketplace 365
What Factors Affect HRM in International Markets? 367

HR Best Practices Developing Talent in India 371

Education and Skill Levels 372
Economic System 372
Political-Legal System 373
Workforce Planning in a Global Economy 374
Selecting Employees in a Global Labour Market 375
Training and Developing a Global Workforce 377
Training Programs for an International Workforce 378
Cross-Cultural Preparation 378
Global Employee Development 379
Performance Management Across National Boundaries 380
Compensating and Rewarding an International Workforce 380
Pay Structure 381
Incentive Pay 382
Employee Benefits and Services 383

HR How-To Tailoring Benefits to an International Workforce 383

International Labour Relations 384

Managing Expatriates 385
Selecting Expatriates 385
HR Oops! How to Recruit a Public Outcry 386
Preparing Expatriates 387
Managing Expatriates' Performance 389
Compensating and Rewarding Expatriates 389

Did You KNOW? Germany Tops Priciest Countries 391

Helping Expatriates Return and Minimizing Turnover 392

Thinking ETHICALLY A Sustainable Advantage 394

Summary 395
Critical Thinking Questions 396
Experiencing HR 398
Case Study 10.1 398
Case Study 10.2 399

CHAPTER 11

Creating and Sustaining High-Performance Organizations 402

Measuring Results of TELUS's Work Styles Program 403 Introduction 403 What Is a High-Performance Work System? 403

Elements of a High-Performance Work System 404 Outcomes of a High-Performance Work System 406 Conditions That Contribute to High Performance 407 Teamwork and Empowerment 407 Knowledge Sharing 408 Job Satisfaction 410 Employee Engagement 410 How Are Employee Satisfaction and Engagement Assessed? 412 Did You KNOW? Appreciation Drives Effort 413 HR Best Practices Creating a Positive Work Environment 414 HRM's Contribution to High Performance 417 HR How-To Supporting Line Management 418 Job Design 418 Recruitment and Selection 419 Training, Learning, and Development 419 Performance Management 419 Compensation and Rewards 421 Managing Voluntary and Involuntary Turnover 421 Handling Employee Discipline Appropriately 424 Corporate Social Responsibility 426 Sustainability and Environmental Stewardship 427 HR Oops! Starbucks Brews Up Controversy with "Race Together" Campaign 428 Volunteerism 428 Meaningful Work 429 Ethics 429 Taking a Key Role in Mergers and Acquisitions 430 What Is the Role of HRM Technology? 430 HRM Applications 431 Human Resource Information Systems 432 Human Resource Management Online: E-HRM 433 Effectiveness of Human Resource Management 434 Human Resource Management Audits 435 Analyzing the Effect of HRM Programs 437 Thinking ETHICALLY How Can HRM Help Maintain an Ethical Culture? 438 Summary 439 Critical Thinking Questions 440 Experiencing HR 441 Case Study 11.1 441 Case Study 11.2 445 Video Cases Part 5 446 Notes 448 Glossary 471 Photo Credits 479 Index On Connect