**CHAPTER 8: HUMAN RESOURCE MANAGEMENT: FROM RECRUITMENT TO LABOR RELATIONS**

**Chapter Overview**

The importance of employees to the success of any organization is the very basis of management. In this chapter, we explore the issues of human resource management and motivation.We begin with a discussion of the ways organizations attract, develop, and retain employees. Then, we describe the concepts behind motivation and the way human resource managers apply them to increase employee satisfaction and organizational effectiveness.

We also discuss the reasons why labor unions exist and focus on legislation that affects labor–management relations. The process of collective bargaining then is discussed, along with tools used by unions and management in seeking their objectives.

**Glossary of Key Terms**

**Collective bargaining:** process of negotiation between management and union representatives

**Compensation:** amount employees are paid in money and benefits

**Downsizing:** process of reducing the number of employees within a firm by eliminating jobs

**Employee benefits:** additional compensation such as vacation, retirement plans, profit-sharing, health insurance, gym memberships, child and elder care, and tuition reimbursement, paid entirely or in part by the company

**Employee separation:** broad term covering the loss of an employee for any reason, voluntary or involuntary

**Equity theory:** an individual’s perception of fair and equitable treatment

**Expectancy theory:** the process people use to evaluate the likelihood that their efforts will yield the results they want, along with the degree to which they want those results

**Goal-setting theory:** says that people will be motivated to the extent to which they accept specific, challenging goals and receive feedback that indicates their progress toward goal achievement

**Human resource management:** function of attracting, developing, and retaining employees who can perform the activities necessary to accomplish organizational objectives

**Labor union:** group of workers who have banded together to achieve common goals in the areas of wages, hours, and working conditions

**Management by objectives:** systematic approach that allows managers to focus on attainable goals and to achieve the best results based on the organization’s resources

**Maslow’s hierarchy of needs:** theory of motivation proposed by Abraham Maslow. According to the theory, people have five levels of needs that they seek to satisfy: physiological, safety, social, esteem, and self-actualization.

**Outsourcing:** transferring jobs from inside a firm to outside the firm

**Performance appraisal:** evaluation of and feedback on an employee’s job performance

**Salary:** pay calculated on a periodic basis, such as weekly or monthly

**Wage:** pay based on an hourly rate or the amount of work accomplished

**Learning Objective 1: Explain the role of human resources: the people behind the people.**

*Human resource managers are responsible for attracting, developing, and retaining the employees who can perform the activities necessary to accomplish organizational objectives. They plan for staffing needs, recruit and hire workers, provide for training, evaluate performance, determine compensation and benefits, and oversee employee separation.*

**Annotated Lecture Outline**

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| Opening Vignette:  Hiring Heroes Is Good Business  U.S military veterans often have difficulties finding work when they return from service. Statistics show that they currently are 4% above the national unemployment rate, while 30% of those under the age of 25 are unemployed. Major companies are starting to take initiatives in order to help these veterans obtain employment. Walt Disney recently launched a program called “Heroes Work Here” that will offer 1,000 veterans jobs. WalMart has invested $10 million in job training for former armed forces. Programs like these will help veterans ease back in to civilian life. |  |
| ***HUMAN RESOURCES: THE PEOPLE BEHIND THE PEOPLE*** | PowerPoint Slide 3 |
| * 1. *Human resource management* is the function of attracting, developing, and retaining employees who can perform the activities necessary to accomplish organizational objectives. | *Lecture Enhancer: How does a good HR manager find strong employees and keep them satisfied? How might this role vary?*  *Lecture Enhancer:* *Which one of these objectives do you consider to be the most challenging?* |

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| * 1. Five core responsibilities of human resource managers: | PowerPoint Slide 4  Figure 8.1 Human Resource Management Responsibilities |
| * + 1. plan for staffing needs |  |
| * + 1. recruit and hire workers |  |
| * + 1. provide training and evaluate employee performance |  |
| * + 1. determine compensation and benefits |  |
| * + 1. oversee employee separation. |  |
| * 1. Three main objectives of human resource managers: |  |
| * + 1. providing qualified, well-trained employees for the organization |  |
| * + 1. maximizing employee effectiveness in the organization |  |
| * + 1. satisfying individual employee needs through monetary compensation, benefits, opportunities to advance, and job satisfaction. |  |
| * 1. Human resource plansmust bebased on an organization’s overall competitive strategies. |  |

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Assessment Check Answers

**1.1 What are the five main tasks of a human resource manager?**

*The five main tasks are planning for staffing needs, recruiting and hiring workers, providing for training and performance evaluation, determining compensation and benefits, and overseeing employee separation.*

**1.2 What are the three overall objectives of a human resource manager?**

*The three overall objectives are providing qualified, well-trained employees for the organization, maximizing employee effectiveness, and satisfying individual employee needs through monetary compensation.*

Learning Objective 2: Describe recruitment and selection.

*Human resource managers use internal and external methods to recruit qualified employees. They may use college job fairs, personal referrals, want ads, and other resources. Internet recruiting is now the fastest, most efficient, and inexpensive way to reach a large pool of job seekers. Firms must abide by employment laws during selection in order to avoid lawsuits. Before hiring candidates, human resource managers may require employment tests that evaluate certain skills or aptitudes. When all of this is complete, there is a better chance that the right person will be hired for the job.*

**Annotated Lecture Outline**

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| ***RECRUITMENT AND SELECTION*** | PowerPoint Slide 5  Figure 8.2 Steps in the Recruitment and Selection Process  *Lecture Enhancer: Which steps seem most important in this process?* |
| 1. **Finding Qualified Candidates** |  |
| * 1. Companies often have trouble finding the right person for each position. |  |
| * 1. In addition to traditional methods of recruiting, most companies now rely on their Web sites. | Hit and Miss  Using Social Media for Recruitment |
| * 1. The vast majority of companies currently use the Internet to fill job openings. |  |
| * 1. Recruiting techniques continue to evolve as technology advances. |  |
| 1. **Selecting and Hiring Employees** | PowerPoint Slide 6 |
| * 1. The human resource manager selects and hires employees, often in conjunction with department managers or supervisors. |  |
| * 1. Every firm must follow state and federal employment laws. |  |
| * + 1. Title VII of the Civil Rights Act of 1964 prohibits employers from discriminating against applicants based on their race, religion, color, sex, or national origin. |  |
| * + 1. The Americans with Disabilities Act of 1990 prohibits employers from discriminating against disabled applicants. |  |
| * + 1. The Civil Rights Act created the *Equal Employment Opportunity Commission (EEOC)* to investigate discrimination complaints, ensure that employees will be hired and managed without discrimination, and to help set up *affirmative action programs*to increase job opportunities for protected groups. |  |
| * + 1. The Civil Rights Act of 1991 allows for a jury trial, punitive damages, and damages for emotional distress in cases of employment discrimination. |  |
| * + 1. Opponents to such laws have launched initiatives to restrict affirmative action standards and protect employers against unnecessary litigation. |  |

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| * + 1. Failure to comply with legislation can result in legal fees, fines, bad publicity, and poor employee morale. |  |
| * + 1. Human resource managers must understand the laws in order to prevent unintended violations. |  |
| * 1. Recruitment and selection are expensive. |  |
| * + 1. One formula estimates that the total cost of mis-hiring top-level managers amounts to 24 times the candidate’s annual pay. | *Lecture Enhancer: What are some specific examples of these costs?* |
| * + 1. To avoid these mistakes, many employers require applicants to complete employment tests. |  |

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Hit & Miss:

Using Social Media for Recruitment

**Summary**

More and more companies are using social networking sites rather than job boards as a means of finding potential employees. More than 7 in 10 executives at large U.S. firms report using social networking sites for locating new employees, while 2 out of 3 report success using Facebook, LinkedIn, and Twitter for this purpose. In another poll for 10 HR professionals, 89% plan on using social networking in the future, a number that rose from 83% the year before. Some companies even use sources like Jobvite in order to generate an automated employee referrals. Social network users need to be extremely careful in choosing what they display on their profiles for sites like Facebook, Twitter, and LinkedIn now more than ever since they might have potential employers reviewing their information.

**Questions for Critical Thinking**

1. **One consultant says companies like social networking but don’t know how to measure results. How should firms judge recruitment results from social networking?**

*Firms could make every applicant fill out a quick survey that asks them how they got the job lead, having social networking as one of the possible responses.*

1. **Some jobseekers like separate social and professional networks and find Facebook messages about job openings “invasive.” How can recruiters overcome this bias?**

*Recruiters could do more job advertising on their Facebook page and inform interested job seekers to send the company a message first to let them know it is acceptable to be contacted via Facebook messages.*

Assessment Check Answers

**2.1 Describe several recruiting techniques used by human resource managers.**

*Techniques include college job fairs, personal referrals, want ads, company Web sites, online job sites, and online interviews such as jobcasts.*

**2.2 What is the function of the Equal Employment Opportunity Commission (EEOC)?**

*The EEOC investigates discrimination complaints and helps employers set up affirmative action programs.*

**Learning Objective 3: Discuss orientation, training, and evaluation.**

*New employees often participate in an orientation where they learn about company policies and practices. Training programs provide opportunities for employees to build their skills and knowledge and prepare them for new job opportunities within the company. They also give employers a better chance of retaining employees. Performance appraisals give employees feedback about their strengths and weaknesses and how they can improve.*

**Annotated Lecture Outline**

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| ***ORIENTATION, TRAINING, AND EVALUATION*** | PowerPoint Slide 7 |
| * 1. Employees need to know what is expected of them and how well they are performing. |  |
| * 1. During orientation, employees learn about company policies regarding their rights and benefits. |  |
| 1. **Training Programs** |  |
| * 1. Training is a good investment for both employees and employers. |  |
| * 1. Training provides employers with a better chance at retaining long-term, loyal, high-performing workers. |  |
| * 1. **On-the-Job Training** |  |
| * + 1. *On-the-job training* prepares employees for job duties by allowing them to perform tasks under the guidance of experienced employees. |  |
| * + 1. A variation of on-the-job training is apprenticeship training, in which an employee learns a job by serving for a time as an assistant to a trained worker. | *Lecture Enhancer:* *Discuss the pros and cons of implementing apprenticeship training within a professional business environment.* |
| * + 1. In Europe, many new entrants to white-collar professions complete apprenticeships. |  |
| * 1. **Classroom and Computer-Based Training** |  |
| * + 1. Many firms offer some form of classroom instruction, such as lectures, conferences, and workshops or seminars. |  |
| * + 1. Many are replacing classroom training with computer-based training programs. |  |
| * + 1. Computer-based training is cheaper and offers consistent presentations along with videos that can simulate the work environment. | *Lecture Enhancer:* *Discuss the pros and cons of computer-based training versus classroom training.* |
| * 1. **Management Development** |  |
| * + 1. A *management development program* provides training to improve the skills and broaden the knowledge of current or future managers and executives. |  |
| * + 1. Many companies are searching for new hires to fill gaps in their executive ranks because they failed to develop future managers. | *Lecture Enhancer: Why might some executives be hesitant to train and mentor potential future managers?* |
| iii. Firms must identify individuals with the desire to advance and develop their skills to keep them. |  |
| 1. **Performance Appraisals** | PowerPoint Slide 8 |
| * 1. Feedback about performance is the best way for a company and its employees to improve. |  |
| * 1. A *performance appraisal* is the evaluation of and feedback on an employee’s job performance. | **Solving an Ethical Controversy**  **Who Needs Performance Appraisals?** |
| * 1. A performance appraisal can include everything from attendance to goals met. |  |
| * 1. Some experts argue that a performance review is skewed in favor of a single manager’s subjective opinion. |  |
| * 1. If a performance review is to be at all effective, it should meet the following criteria: |  |
| * + 1. takes place several times a year |  |
| * + 1. is linked to organizational goals |  |
| * + 1. is based on objective criteria |  |
| * + 1. takes place in the form of a two-way conversation. |  |
| * 1. The *360-degree performance review* is a process that gathers feedback from a review panel of 8 to 12 people, including coworkers, supervisors, team members, subordinates, and sometimes even customers. | *Lecture Enhancer:* *Which of these two types of performance reviews would you prefer as an employee? Why?* |
| * + 1. A 360-degree performance review tries to get feedback from as many perspectives as possible. |  |
| * + 1. This process requires a lot of work, but employees benefit from it to a greater degree. |  |
| * + 1. Managers benefit because they get feedback from all parts of the organization. |  |

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Assessment Check Answers

**3.1 What are the benefits of computer-based training?**

*Computer-based training offers consistent presentations, interactive learning, and employees can learn at their own pace. It also is less expensive than other types of training.*

**3.2 What is a management development program?**

*A management development program provides training designed to improve the skills and broaden the knowledge of current and potential executives.*

**3.3 What are the four criteria of an effective performance appraisal?**

*A performance appraisal should take place several times a year, be linked to organizational goals, be based on objective criteria, and be a two-way conversation.*

**Learning Objective 4: Describe compensation.**

*Firms compensate employees with wages, salaries, incentive pay systems, and benefits. Benefit programs vary among firms, but most companies offer healthcare programs, insurance, retirement plans, paid time off, and sick leave. A growing number of companies are offering flexible benefit plans and flexible work plans, such as flextime, compressed workweeks, job sharing, and home-based work.*

**Annotated Lecture Outline**

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| ***COMPENSATION*** | PowerPoint Slide 9 |
| * 1. *Compensation* is the amount employees are paid in money and benefits. |  |
| * 1. Balancing compensation for employees at all job levels can be a challenge for human resource managers. | *Class Activity:*  *Lead a discussion on whether students think there should be a limit or ceiling on compensation for executives, and the pros and cons of such a limit.* |
| * 1. The compensation of top executives has become a major issue among employees and shareholders. | Hit & Miss:  Stop Demotivating Employees—And They’ll Be Motivated |
| * 1. A *wage*is pay based on an hourly rate or the amount of work accomplished. |  |
| * 1. A *salary* is pay calculated on a periodic basis, such as weekly or monthly. |  |
| * 1. An effective compensation system should attract well-qualified workers, keep them satisfied in their jobs, and inspire them to succeed. |  |
| * 1. Certain laws, including minimum wage, must be taken into account. |  |
| * 1. Most firms base their compensation policies on the following factors: | *Lecture Enhancer:*  *Do you think these factors are appropriate? Are there any additional factors that you think should be considered?* |
| * + 1. what competing companies are paying |  |
| * + 1. government regulation |  |
| * + 1. the cost of living |  |
| * + 1. company profits |  |
| * + 1. the employee’s productivity. |  |
| * 1. Firms may offer some type of incentive compensation in addition to salaries or wages: | PowerPoint Slide 10  *Lecture Enhancer: What are the pros and cons of each type of compensation?* |
| * + 1. profit sharing bonuses based on company profits | Figure 8.3 Four Forms of Incentive Compensation |
| * + 1. gain sharing by distributing the financial value of productivity gains, cost savings, or quality improvements with workers |  |
| * + 1. lump-sum bonuses and stock options—one-time cash payments or the right to buy stock—based on performance |  |
| * + 1. pay for knowledge, with wage or salary increases as employees learn new job tasks. |  |

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| 1. **Employee Benefits** | PowerPoint Slide 11 |
| * 1. *Employee benefits* are additional compensation such as vacation, retirement plans, profit-sharing, health insurance, gym memberships, child and elder care, and tuition reimbursement, paid entirely or in part by the company. |  |
| * 1. Benefits account for approximately 30 percent of total employee compensation. | Table 8.1 Costs for Employee Compensation |
| * 1. Some benefits are required by law: |  |
| * + 1. Social Security, Medicare, unemployment insurance, and worker’s compensation contributions |  |
| * + 1. The Family and Medical Leave Act of 1993 requires covered employers to offer up to 12 weeks of unpaid, job-protected leave to eligible employees. |  |
| * + 1. Some advocates are pressing lawmakers to require businesses to provide paid sick leave. |  |
| * 1. With costs soaring nearly 15 percent each year, employers are passing along healthcare costs to employees. | PowerPoint Slide 12 |
| * 1. Pensions and retirement plans also are benefits. | *Class Activity:*  *Discuss the benefits of a 401(k) plan and why employees should try to maximize their contributions.* |

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| 1. **Flexible Benefits** | PowerPoint Slide 13 |
| * 1. In response to increasing diversity in the workplace, firms are developing creative ways to tailor their benefit plans to the needs of employees. | *Class Activity:*  *Ask students why flexible benefits are becoming more popular.* |
| * 1. *Flexible benefit plans,* also called *cafeteria* *plans,* offer employees a choice of benefits, including different types of medical insurance, dental and vision plans, and life and disability insurance. |  |
| * + 1. This flexibility allows one working spouse to choose medical coverage for the entire family, while the other spouse chooses other types of coverage. |  |
| * + 1. Cafeteria plans also offer tax benefits to both employees and employers. |  |
| * 1. Instead of set numbers of holidays, vacation days, and sick days, some employers offer *paid time off (PTO).* | *Lecture Enhancer:  If you had a choice, which would you choose: a set number of days or PTO? Why?* |
| * + 1. Employees use days from their PTO accounts without having to explain why they need the time. |  |
| * + 1. The greatest disadvantage is that it is an expensive benefit for employers. |  |
| 1. **Flexible Work** | PowerPoint Slide 14 |
| * 1. *Flexible work plans* allow employees to adjust their working hours or places of work according to their needs. | *Lecture Enhancer: Which of the following flexible work plans would you prefer as an employee? Which would you prefer as a manager? Why?* |
| * + 1. Flexible work plan options include flextime, compressed workweeks, job sharing, and home-based work (telecommuting). |  |
| * + 1. These benefit programs have reduced employee turnover and absenteeism, and boosted productivity and job satisfaction. |  |
| * + 1. Flexible work has become critical in attracting and keeping talented human resources. |  |
| * 1. *Flextime* allows employees to set their own work hours within certain constraints rather than scheduling everyone to work between 8:00 a.m. and 5:00 p.m. |  |
| * + 1. Companies set core hours when all employees are expected to be present. |  |
| * + 1. Employees then can choose whether to work early or late outside the core hours. |  |
| * + 1. Flextime works well with jobs that are independent but not so well when teams or direct customer service are involved. |  |
| * + 1. Specialized software helps employers manage flextime scheduling. |  |
| * 1. A *compressed workweek* allows employees to work longer hours on fewer days. | *Lecture Enhancer: Provide some examples of jobs that typically use a compressed workweek. What are the potential drawbacks to a compressed workweek?* |

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| * + 1. can reduce the number of hours employees spend commuting each week |  |
| * + 1. can expand the company’s overall workday, providing more availability to customers in other time zones. |  |
| * 1. A *job-sharing program*allows two or more employees to divide the tasks of one job. | *Lecture Enhancer: Discuss some possible drawbacks to job sharing.* |
| * + 1. This plan appeals to older workers, students, working parents, and people of all ages who want to devote time to personal interests. |  |
| * + 1. Requires a lot of cooperation and communication between the partners. |  |
| * + 1. Some economists believe that a federal job-sharing program would help prevent layoffs during times when unemployment is high. |  |
| * 1. Home-based work programs allow employees, or *telecommuters,* to perform their jobs from home instead of at the workplace. | *Lecture Enhancer: What are some specific drawbacks to telecommuting?* |
| * + 1. Telecommuters are connected to their employers via the Internet, cell phone, and the like. |  |
| * + 1. Working from home generally appeals to employees with disabilities, older workers, and parents. |  |
| * + 1. Companies benefit because they can expand their pool of talent and increase productivity without increasing costs. |  |

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| * + 1. Telecommuters need to be self-disciplined and reliable employees. |  |
| * + 1. Managers need to be comfortable with setting goals and managing from afar. |  |

**Notes:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Hit & Miss:

Stop Demotivating Employees—And They’ll Be Motivated

**Summary**

Studies and surveys keep turning up the same thing: it’s not just the money. Compensation is needed to keep employees working, but sometimes the best motivators are recognition and appreciation of employees’ efforts. In other words, managers need to figure out what reduces employees’ morale and motivation and then work on eliminating those factors. One of the best places to start in this effort is for managers to really listen to employees. The next step is to involve employees in decisions that directly affect them.

**Questions for Critical Thinking**

1. **How do employees lose their motivation to perform on the job?**

*Studies indicate that several employees lose enthusiasm as early as six months into a new job because they feel like they’re lacking a connection with their company. For example, the longer many employees stay with a company, the more they feel neglected through recognition in the form of simple “thank yous” or “good job” messages from their employers.*

1. **What is the cost to a business when it loses a valued employee?**

*A business can lose a lot when a value employee leaves. They could have production drop, and the value employee could’ve helped motivate and train other employees if she or he had stayed on the job.*

Assessment Check Answers

**4.1 Explain the difference between *wage* and *salary*.**

*Wages are based on an hourly pay rate or the amount of work accomplished. Salaries are paid periodically, such as weekly or monthly. Salaries do not fluctuate with hours worked.*

**4.2 What are flexible benefit plans? How do they work?**

*Flexible benefit plans offer a choice of benefits, including different types of medical insurance, dental and vision, and life and disability insurance. Typically, each employee receives a set allowance to pay for these benefits depending on his or her needs.*

**Learning Objective 5: Discuss employee separation.**

*Employee separation occurs when a worker leaves his or her job, voluntarily or involuntarily. Sometimes an employee is terminated because of poor job performance or unethical behavior. Downsizing is the process of reducing the number of employees within a firm in order to cut costs and achieve a leaner organization. However, some negative effects include anxiety and lost productivity among remaining workers; expensive severance packages; and a domino effect in the local economy. Outsourcing involves transferring jobs from inside a firm to outside the firm. While some expenses may be cut, a firm may experience a backlash in performance and public image.*

**Annotated Lecture Outline**

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| ***EMPLOYEE SEPARATION*** | PowerPoint Slide 15 |
| *Employee separation* is a broad term covering the loss of an employee for any reason, voluntary or involuntary. |  |
| * 1. Voluntary separation includes workers who resign to take a job at another firm or start a business. |  |
| * 1. Involuntary separation includes downsizing and outsourcing. |  |
| 1. **Voluntary and Involuntary Turnover** | *Class Activity:*  *Ask students some problems that might be created by extremely low employee turnover.* |
| * 1. Voluntary turnover occurs when the employee resigns to take another job, starts a new business, or retires. |  |
| * + 1. Some firms ask employees to participate in exit interviews to find out why they decided to leave. | Business Etiquette:  How to Ask for a Raise |

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| * 1. Involuntary turnover occurs when employees are terminated because of poor job performance or unethical behavior in business practices or in the workplace, or when firms are forced to eliminate jobs as a cost-cutting measure. |  |
| i. It is never easy for either the human resource manager or the employee. |  |
| ii. Human resource managers should remain calm and professional, and must be educated in employment laws. | *Lecture Enhancer: What are some potential legal pitfalls that an HR manager must avoid during an involuntary separation?* |
| 1. **Downsizing** | PowerPoint Slide 16 |
| * 1. *Downsizing* is the process of reducing the number of employees within a firm by eliminating jobs. |  |
| * 1. Downsizing can be accomplished through early retirement plans or voluntary severance programs. |  |
| * 1. Research is beginning to show that downsizing does not guarantee improvements in profits. |  |
| * 1. Downsizing can have the following negative effects: |  |
| i. anxiety, health problems, and lost productivity among remaining workers |  |
| ii. severance packages paid to laid-off workers |  |
| iii. domino effect on the local economy. |  |
| 1. **Outsourcing** | *Lecture Enhancer: What are some drawbacks to outsourcing, from a managerial point of view?* |
| * 1. *Outsourcing* involves transferring jobs from inside a firm to outside the firm. |  |
| * 1. Jobs that can be outsourced include office maintenance, deliveries, food service, security, manufacturing, design, information technology (IT), and accounting. |  |
| * 1. Companies try to outsource functions that are not part of their core business. |  |

**Notes:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Assessment Check Answers

**5.1 What is the difference between voluntary and involuntary turnover?**

*Voluntary turnover occurs when employees leave firms to start their own businesses, take jobs with other firms, move to another community, or retire. Involuntary turnover occurs because of poor job performance or unethical behavior in business practices or the workplace. It can also occur when a company is forced to eliminate jobs.*

**5.2 What is downsizing? How is it different from outsourcing?**

*Downsizing is the process of reducing the number of employees within a firm by eliminating jobs. Downsizing is done to cut overhead costs and streamline the organizational structure. With outsourcing, companies contract with other firms to perform noncore jobs or business functions, such as housekeeping, maintenance, or relocation services. This allows companies to focus on what they do best, and can result in a downsized workforce.*

**Learning Objective 6: Explain the different methods for motivating employees.**

*Employee motivation starts with high employee morale. According to Maslow’s hierarchy of needs, people satisfy lower-order needs (such as food and safety) before moving to higher-order needs (such as esteem and fulfillment). Herzberg’s two-factor model of motivation is based on the fulfillment of hygiene factors and motivation factors. Expectancy theory suggests that people use these factors to determine whether to put forth the effort to complete a task. Equity theory refers to a person’s perception of fair and equitable treatment. Goal-setting theory says that people will be motivated to the extent to which they accept specific, challenging goals. Job design also is used by managers for motivation.*

**Annotated Lecture Outline**

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| ***MOTIVATING EMPLOYEES*** | PowerPoint Slide 17 |
| * 1. Smart employers are constantly looking for ways to motivate workers. |  |
| * 1. Motivation starts with good employee morale. |  |
| * + 1. High employee morale generally results from an understanding of human needs and an effort to satisfy those needs. |  |
| * + 1. Low employee morale signals a poor relationship between managers and employees and often results in absenteeism, voluntary turnover, and a lack of motivation. |  |
| * 1. Managers use rewards and punishments to motivate employees. | *Lecture Enhancer: Discuss examples of common rewards and punishments in the workplace.* |
| i. Extrinsic rewards are external to the work itself, such as pay. |  |

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| ii. Intrinsic rewards are feelings related to performing the job. |  |
| iii. Punishment involves a negative consequence for a particular behavior. |  |
| * 1. All theories of motivation relate to need. | Figure 8.4 The Process of Motivation |
| 1. **Maslow’s Hierarchy of Needs Theory** | PowerPoint Slide 18 |
| * 1. *Maslow’s hierarchy of needs theory* is a theory of motivation proposed by Abraham Maslow. |  |
| * 1. The theory is based on these assumptions: |  |
| * + 1. Peoples’ needs depend on what they already possess. |  |
| * + 1. A satisfied need is not a motivator; only needs that remain unsatisfied can influence behavior. |  |
| * + 1. Needs are arranged in a hierarchy of importance; once one need is satisfied, at least partially, another emerges and demands satisfaction. |  |
| * 1. There are five types of human needs: | *Class Activity:*  *What are some techniques a manager might use to appeal to an employee with a primary need, in each category?* |

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| * + 1. Physiological needs—food, shelter, clothing (pay and work environment) |  |
| * + 1. Safety needs—physical and economic protection (retirement plans, job security, safe environment) |  |
| * + 1. Social (belongingness) needs—acceptance by others (good relationships with coworkers, opportunities for group activities) |  |
| * + 1. Esteem needs—feeling valued and recognized by others (rewards and respect for a job well done) |  |
| * + 1. Self-actualization needs—fulfillment of dreams and capabilities (challenging work, chance for advancement) |  |
| * 1. The basic needs must be satisfied before the higher-order needs can emerge. |  |
| 1. **Herzberg’s Two-Factor Model of Motivation** | PowerPoint Slide 19 |
| a. *Hygiene factors* refer to aspects of work that are not directly related to a task itself but related to the job environment. |  |
| b. *Motivator factors* relate directly to the specific aspects of a job, including job responsibilities, achievement and recognition, and opportunities for growth. |  |

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| c. Hygiene factors can result in job satisfaction, but motivator factors produce high levels of motivation. | *Lecture Enhancer: Can you think of any exceptions? When might a hygiene factor be a major motivator?* |
| **3. Expectancy Theory and Equity Theory** | PowerPoint Slide 20 |
| 1. *Expectancy theory* describes the process people use to evaluate the likelihood that their efforts will yield the results they want, along with the degree to which they want those results. | Figure 8.5 Vroom’s Expectancy Theory |
| b.People use three factors to determine how much effort to put forth: |  |
| * + 1. the person’s subjective prediction that a certain effort will lead to the desired result (can-do approach) |  |
| * + 1. the value of the outcome (reward) to the person |  |
| * + 1. the person’s assessment of how likely a successful performance will lead to a desirable reward. |  |
| c.*Equity theory* is concerned with an individual’s perception of fair and equitable treatment. | *Lecture Enhancer: Do you think the principles of equity theory hold true for all personality types? Why or why not?* |
| * + 1. Employees first consider their effort and then their rewards. |  |

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| * + 1. Next, employees compare their results against those of their coworkers. |  |
| * + 1. If employees feel they are underrewarded for their effort in comparison with others doing similar work, they will decrease their effort. | Figure 8.6 Equity Theory |
| * + 1. If employees feel they are overrewarded, they will feel guilty and put more effort into their job to reduce guilt. |  |
| **4. Goal-Setting Theory and Management by Objectives** | PowerPoint Slide 21 |
| * 1. Needs motivate people to direct their behavior toward something—a goal—to satisfy those needs. |  |
| * 1. *Goal-setting theory* says that people will be motivated to the extent to which they accept specific, challenging goals and receive feedback that indicates their progress toward goal achievement. The components of goal-setting theory are: | Figure 8.7 Components of Goal-Setting Theory |
| * + 1. Goal specificity is the extent to which goals are clear and concrete. | *Class Activity:*  *Ask students to provide examples of specific goals.* |
| * + 1. Goal difficulty outlines how hard the goal is to reach. |  |
| * + 1. Goal acceptance is the extent to which people understand and agree to the goal. |  |

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| * + 1. Performance feedback is information about performance and how well the goal has been met. |  |
| * 1. Goals help focus workers’ attention on the important parts of their jobs, and they energize and motivate people. |  |
| * 1. *Management by objectives (MBO)*is a systematic approach that allows managers to focus on attainable goals and to achieve the best results based on the organization’s resources. | PowerPoint Slide 22 |
| * + 1. MBO motivates individuals by aligning their objectives with the goals of the organization, increasing overall organizational performance. |  |
| * + 1. MBO clearly outlines people’s tasks, goals, and contributions to the company. | *Lecture Enhancer: Why might MBO focus on the “contributions” an employee makes to the company rather than his or her job “responsibilities”?* |
| * + 1. MBO principles include: 1) related organizational goals and objectives, 2) objectives for each person, 3) participative decision making, 4) a set time period, and 5) performance evaluation and feedback. |  |

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| **5. Job Design and Motivation** | PowerPoint Slide 23 |
| * 1. Job enlargement is a job design that expands responsibilities by increasing the number and variety of tasks. | *Lecture Enhancer: Which of these methods of job design sound the most appealing to you? Why?* |
| * 1. Job enrichment involves an expansion of job duties that empowers an employee to make decisions and learn new skills leading toward career growth. |  |
| c**.** Job rotation involves systematically moving employees from one job to another to increase work interest and motivation. | *Class Activity: Discuss the benefits of job rotation from the employer’s perspective.* |
| 1. **Managers’ Attitudes and Motivation** | PowerPoint Slide 24 |
| * 1. A manager’s attitude toward his or her employees greatly influences their motivation. |  |
| b. Two theories regarding assumptions managers make about employees, according to Douglas McGregor: |  |
| * + 1. *Theory X* assumes that employees dislike work and try to avoid it whenever possible, so management must coerce them to do their jobs. |  |
| * + 1. *Theory Y* assumes that the typical person actually likes work and will seek and accept greater responsibility. |  |

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| c. *Theory Z,* by William Ouchi, views worker involvement as the key to increased productivity for the company and improved quality of work life for employees. |  |

**Notes:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Assessment Check Answers

**6.1 What are the four steps in the process of motivation?**

*The four steps are need, motivation, goal-directed behavior, and need satisfaction.*

**6.2 Explain how goal setting works.**

*People will be motivated to the extent to which they accept specific, challenging goals and receive feedback that indicates their progress toward goal achievement.*

**6.3 Describe the three ways that managers structure jobs for increased motivation.**

*Three ways that employers apply motivational theories to restructure jobs are job enlargement, job enrichment, and job rotation. Job enlargement is a job design that expands an employee’s responsibilities by increasing the number and variety of tasks they entail. Job enrichment is a change in job duties to increase employees’ authority in planning their work, deciding how it should be done, and learning new skills that help them grow. Job rotation involves systematically moving employees from one job to another.*

**Learning Objective 7: Discuss labor–management relations.**

*Labor unions have resulted in the improvement of wages and working conditions for many workers over the past century, along with the passage of significant labor laws. Unions achieve these improvements through the collective bargaining process, resulting in an agreement. Most labor–management disputes are settled through the grievance process, in which sometimes mediation or arbitration is necessary.*

**Annotated Lecture Outline**

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| ***LABOR–MANAGEMENT RELATIONS*** | PowerPoint Slide 25 |
| 1. **Development of Labor Unions** |  |
| * 1. A *labor union* is a group of workers who have banded together to achieve common goals in the areas of wages, hours, and working conditions. |  |
| * 1. Labor unions are found at local, national, and international levels. |  |
| * + 1. A local union represents union members in a specific area, such as a single community. |  |
| * + 1. A national union is a labor organization consisting of numerous local chapters. |  |
| * + 1. An international union is a national union with membership outside the United States, usually in Canada. |  |
| * 1. More than 15 million U.S. workers—about 12 percent of the nation’s full-time workforce—belong to labor unions. | *Lecture Enhancer: Discuss the fact that some jobs typically are union jobs, whereas others usually aren’t. Why might this be?* |

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| * + 1. Only about 8 percent of workers in the private sector are unionized. | *Lecture Enhancer: Why might unionization be more common in the public sector?* |
| * + 1. More than one-third of government workers belong to unions. |  |
| 1. **Labor Legislation** | PowerPoint Slide 26 |
| * + 1. The *National Labor Relations Act of 1935* (Wagner Act) legalized collective bargaining and required employers to negotiate with elected representatives of their employees. |  |
| * + 1. The *Fair Labor Standards Act of 1938* set the first federal minimum wage and maximum basic workweek for certain industries. It also outlawed child labor. |  |
| * + 1. The *Taft-Hartley Act of 1947* (*Labor–Management Relations Act)* limited unions’ power by banning: 1) coercion of employees to join, 2) discrimination of nonunion employees, 3) picketing or conducting secondary boycotts or strikes for illegal purposes, and 4) excessive initiation fees. |  |
| * + 1. The *Landrum-Griffin Act of 1959* (*Labor–Management Reporting and Disclosure Act*) promoted honesty and democracy in running unions’ internal affairs. |  |
| 1. **The Collective Bargaining Process** | PowerPoint Slide 27 |
| * 1. *Collective bargaining* is the process of negotiation between management and union representatives. |  |

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| * 1. Union contracts often are the result of weeks or months of discussion, disagreement, compromise, and eventual agreement. | *Lecture Enhancer: What are some potential drawbacks to working under a union contract?* |
| * 1. Once agreement is reached, union members must vote to accept or reject the contract. |  |
| * 1. If the contract is rejected, union representatives may resume the bargaining process with management representatives, or union members may strike to obtain their demands. |  |
| 1. **Settling Labor–Management Disputes** | PowerPoint Slide 28 |
| * 1. Most labor–management negotiations result in a signed contract. |  |
| * 1. A dispute is usually settled through a grievance procedure, mediation, or arbitration. |  |
| * 1. The union contract serves as a guide to relations between the firm’s management and its employees. |  |
| * + 1. A *grievance* is a complaint that management is violating some portion of the contract. | Figure 8.8 Steps in the Grievance Procedure |
| * + 1. *Mediation* is the process of settling labor–management disputes through an impartial third party. |  |
| * + 1. *Arbitration* occurs when the grievance is not solved through mediation, and an outside arbitrator renders a legally binding decision. |  |

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| 1. **Competitive Tactics of Unions and Management** | PowerPoint Slide 29 |
| * 1. **Union Tactics** | *Lecture Enhancer: Discuss the pros and cons of each tactic.* |
| * + 1. A *strike,* or walkout, involves a temporary work stoppage by workers until a dispute has been settled or a contract signed. | Case 8.2  **Strikes: Who Wins, Who Loses?** |
| * + 1. *Picketing* involves workers marching in a public protest against their employer. |  |
| * + 1. A *boycott* is an organized attempt to keep the public from purchasing the goods or services of a firm. |  |
| * 1. **Management Tactics** |  |
| * + 1. Companies commonly try to recruit strikebreakers. |  |
| * + 1. Some transfer supervisors and other nonunion employees to continue operations during strikes. |  |
| 1. **The Future of Labor Unions** | PowerPoint Slide 30 |
| * 1. Many economies have shifted from manufacturing to information and service, so union membership and influence has declined. |  |
| * 1. Labor unions can maintain relevance by: |  |
| * + 1. being more flexible and adapting to a global economy and diverse workforce |  |
| * + 1. responding to the growing need for environmentally responsible business and manufacturing processes | **Going Green:**  **Labor Unions and Green Construction** |
| * + 1. establishing collaborative relationships with human resource managers and other management officials. |  |

**Notes:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Going Green:**

**Labor Unions and Green Construction**

**Summary**

The Operative Plasterers and Cement Masons International Association (OPCMIA) is training its members in the use of new green technologies and processes. As the construction industry begins implementing these new technologies, particularly to achieve LEED status, workers need to know how to use them. The OPCMIA training program is called Green Five. The Green Five program includes Green Awareness Training, which deals with energy-efficient building construction, energy assessment, and retrofitting existing buildings, and provides an overview of environmentally sustainable products and manufacturing processes. Leadership training and “train-the-trainer” courses are offered as well.

**Questions for Critical Thinking**

**1. How does adopting a progressive stance toward “green” training help secure an important industry role for OPCMIA going forward?**

*By adopting a progressive stance toward green training, OPCMIA ensures that union employees are the most highly and relevantly trained employees in the industry, thus solidifying the importance of the union’s existence among both workers and employers.*

**2. Besides construction, what other industries might benefit from unions taking a leadership role in sustainability training? How might these steps benefit workers, unions, and management?**

*Industries that might benefit from unions providing sustainability training to its employees include manufacturing, retail, food preparation, and nearly every other industry. Workers in any industry would benefit because the training would make them more sought-after by potential employers. Unions would benefit because their existence would be increasingly important within their industries as providers of ongoing job training. Management would benefit because employees would be better trained in implementing sustainability practices.*

Assessment Check Answers

**7.1 What is a labor union? What is collective bargaining?**

*A labor union is a group of workers who have banded together to achieve common goals in the areas of wages, hours, and working conditions. Collective bargaining is the process of negotiation between management and union representatives.*

**7.2 What are the three main tactics used by unions to win support for their demands?**

*Unions use strikes (walkouts), picketing, and boycotts.*

**Answers to Review Questions**

1. **Why has Internet recruiting become such an important tool for human resource managers?**

*Internet recruiting has become an important tool for human resource managers because it significantly saves costs regarding the announcement of and recruitment for open positions within the company and because it enables recruiters to reach a much larger pool of candidates than ever before.*

1. **Recruitment and selection are expensive. So, what precautions do human resource managers take to make sure they are hiring the right person for each job?**

*Human resource managers often use screening procedures in order to eliminate any candidates who clearly do not match their needs. Some companies might use cognitive testing, others might use personality tests. Many use drug testing to ensure candidates are drug-free. In addition, a human resource manager must ensure that there are no violations of labor laws and regulations during the recruiting and selection process.*

1. **Give an example of a type of job that would be appropriate for on-the-job training. Then describe specifically how you think this type of training would work for your selected job, including types of tasks a new hire might learn this way.**

*Answers will vary.*

*One example of a job that would be appropriate for on-the-job training might be customer service representative. A new hire would receive better training regarding the specific expectations of this job (such as company-approved responses to frequently asked questions or common customer complaints) by sitting next to a mentor and observing his or her methods of handling the job’s demands than he or she would by attending a course or reading a manual.*

**4. On what five factors are compensation policies usually based? Name at least three employee benefits that are required by law and three more that are provided voluntarily by many firms.**

*Compensation policies usually are based on these five factors: salaries and wages paid by other firms competing for the same people, government legislation including minimum-wage laws, the cost of living, the firm’s ability to pay, and worker productivity.*

*Four benefits required by law are Social Security, Medicare, family leave, and unemployment contributions*. *Students should be able to create a long list of voluntary benefits, including pension plans, 401(k) plans, medical and dental benefits, tuition reimbursement, PTO, flex hours, and added amenities such as daycare or fitness programs.*

**5. Describe four types of flexible work plans. Identify an industry that would be well-suited to each type of plan, and explain why.**

*Types of flexible work plans and industries suited to each plan:*

* *Flextime: Consulting, design, architectural, advertising, or engineering industries, as they allow for individual work (although shared meeting times still would be mandatory).*
* *Compressed work week: Manufacturing, printing, paper, steel, and other production industries, because those working in factories, plants, or on assembly lines often show higher production and morale, and lower absenteeism and termination, when working longer shifts over fewer days.*
* *Job sharing: Publishing, legal, or accounting industries (as well as those mentioned for flextime), provided that the individuals involved can work out complementary schedules that overlap at some point, and they can cooperate, communicate, and trust one another.*
* *Home-based work schedules: Real estate, sales, consulting, some online retail and marketing, and professional industries (although the list is expanding to include many industries due to Internet access, email, and shared networks), because the location is not a big concern and face-to-face contact can be arranged as needed.*

**6. Why do companies downsize? What are some of the drawbacks to downsizing? Why do companies outsource? What are some of the drawbacks to outsourcing?**

*Two main reasons for downsizing include cutting overhead costs and streamlining operations and structure*.

*Downsizing can have a devastating effect on employee morale, leading to insecurity, anger, and an unstable workforce as more leave for secure jobs. It can affect a firm’s reputation, public image, and ability to attract and hold quality employees. Ultimately, downsizing can actually hurt productivity and cut profits*.

*Companies try to outsource functions that are not part of their core business in order to reduce operating costs. Some drawbacks to outsourcing include language and cultural differences among employees and between employees and customers; differences in employees’ training backgrounds; and difficulties in maintaining open communication among employees and managers due to time zone differences or geographical distance.*

**7. Select three different theories of motivation, and explain how each can be used by managers to motivate employees.**

* *Maslow’s hierarchy of needs theory is based on three assumptions: that individuals’ needs depend on what they already possess, that satisfied needs do not motivate a person—only unsatisfied needs influence their behavior, and that needs are seen in a hierarchy of importance, so when one is satisfied, focus on another one develops. Managers can provide wages, benefits, and challenging job assignments to meet employees’ needs.*
* *Theory Z views worker involvement as the key to increased productivity for the company and improved quality of work life for employees. Managers can give employees challenging assignments plus benefits that improve their quality of life.*
* *Expectancy theory and equity theory stress the importance of employee expectations and perceptions of fairness in determining how much effort they will put forth. Managers can offer equal pay for equal effort and train employees so that they feel confident in their job performance.*

**8. Suppose a manager of a popular sandwich shop maintains a Theory X assumption about employees. At the beginning of each workweek, what types of things might the manager tell his or her employees? Now suppose the manager has a Theory Y assumption; then Theory Z. Describe what he or she might say to employees.**

*Theory X assumes that employees dislike work and try to avoid it whenever possible, so management must coerce them to do their jobs. A manager who espouses this theory might tell his employees that if they miss a day of work or are more than five minutes late, they will be fired.*

*Theory Y assumes that the typical person actually likes work and will seek and accept greater responsibility. A manager who embraces this theory might encourage his employees’ natural motivation to accept greater responsibility by proposing an assistant-manager training program.*

*Theory Z views worker involvement as the key to increased productivity for the company and improved quality of work life for employees. A manager who believes in Theory Z might hold weekly brainstorming meetings in which employees are encouraged to share their ideas for improving customer service at the shop.*

**9. In what major ways has labor legislation changed the workplace during the past century? How might the workplace be different today without this legislation?**

*The major ways in which labor legislation has changed the workplace during the past century is by setting a federal minimum wage and maximum workweek length and by outlawing child labor. In addition, labor legislation has worked to reduce discrimination in the workplace and in hiring practices and has regulated unions.*

**10. What are mediation and arbitration? Describe a situation that you think might result in arbitration.**

*Mediation is the process of settling labor–management disputes through an impartial third party. Arbitration occurs when the grievance is not solved through mediation, and an outside arbitrator renders a legally binding decision. Contract negotiations between a local teachers’ union and the school board in which the parties cannot agree upon compensation levels might result in arbitration if they cannot be resolved through the mediation process.*

**Projects and Teamwork Applications**

1. What attributes distinguish the consulting firm you have identified and researched? What makes the firm different or unique from others? Based on your research, what type of persons would be attracted to working with this firm?

2. Based on your research, how would you describe the company you selected to others? What benefits are most appealing to you? What benefits seem the weakest or are missing altogether?

3. What kind of conflicts can you see occurring based on your division of tasks? Do you think the workload within each job portion is equal? Can you think of any examples of people who have felt their job-sharing experience was unfair?

4. Can you identify someone whom you think has his or her “dream job”? Who and why?

5. Were there any “undesirable consequences” resulting from the law? What impact has the law had upon labor practices so far?

# **Web Assignments**

1. **Human resources (HR) as a profession.** Go to the Web site listed here and review the material. Answer the following questions:
   1. How many people are employed in HR?
   2. What are the educational requirements to become an HR manager?
   3. How rapidly is the occupation expected to grow during the next decade?

<http://www.bls.gov/oco/ocos021.htm>

1. **Performance reviews.** Visit the Web sites listed here. Each lists some tips for conducting employee performance reviews. Print out the material and bring it to class to participate in a class discussion on performance reviews.  
   <http://www.squidoo.com/employeeperformancereview>   
   <http://articles.techrepublic.com.com/5100-10878_11-1049853.html>  
   <http://smallbusiness.dnb.com/human-resources/workforce-management/1385-1.html>
2. **Teamsters.** The Teamsters is one of the nation’s largest and oldest labor unions. Go to the union’s Web site (<http://www.teamster.org>) and review the material. When was the union founded? Originally, the union represented workers in what industry? How many members do the Teamsters currently have? Other than the United States, in what other country does the union represent workers?

*Note:* Internet Web addresses change frequently. If you do not find the exact sites listed, you may need to access the organization’s home page and search from there or use a search engine such as Bing or Google.

**Case 8.1**

**The Coca-Cola Company: Training for the Future   
Right Now**

**Summary**

*Coca-Cola says that it owes its success to its human resources management, particularly in the areas of wellness benefits and training. Theses programs have become an integral part of the company’s overall strategy. Coca-Cola provides incentives for employees to participate in its wellness programs. In addition, the company founded Coca-Cola University to help its global workforce reach its greatest potential. It uses a 70 percent–20 percent–10 percent combination of on-the-job training, coaching, and formal training, respectively. All employees are eligible for management training.*

**Answers to Questions for Critical Thinking**

**1. Besides cash payments, what other incentives do you think might motivate The Coca-Cola Company employees to participate in its wellness programs?**

*There are almost limitless possibilities for incentives that would be attractive to employees. Employees could be rewarded for reaching certain wellness goals with vacation time, prizes like gift certificates or electronic items, or with special company privileges.*

**2. The firm has developed a comprehensive, worldwide training program. In addition to increasing its leadership pool, what other positive effects do you predict this may have on the company’s future success?**

*The Coca-Cola training program provides the company with a solid advantage when recruiting new employees; many job candidates would be eager to choose a job with a company that provides such training over a company that does not. Second, by providing this training to all workers, Coca-Cola has created a corporate culture in which continuing education is highly valued and which encourages its employees to reach their highest potential, resulting in higher-quality work and employee loyalty. Finally, offering managerial training to all employees creates high morale in the workplace, resulting in increased productivity and employee retention.*

**Case 8.2**

**Winning HR Practices at the Cheesecake Factory**

**Summary**

*The Cheesecake Factory was voted consumer’s favorite casual restaurant two years in a row, a lot of which is owed to the company’s dedication to employee satisfaction. Managers at the 170-store chain work on building strengths and skills that employees already possess. Rather than waiting to find out what employees liked and disliked about their experience until they take exit interviews, the Cheesecake Factory conducts what they refer to as “stay interviews” to ask employees while they’re working there what they like about the company and what the company could improve to benefit employees.*

**Answers to Questions for Critical Thinking**

**1. How can the Cheesecake Factory’s “stay interviews” affect its bottom line?**

*The Cheesecake Factory’s “stay interviews” shows their employees that they are committed to keeping them on board and ensuring their satisfaction so that they stay, rather than finding out after employees choose to leave what they thought the company could improve upon.*

1. **Do you see any downside to managers’ ability to tailor jobs to employees’ strengths? Explain.**

*Although management’s ability to tailor jobs to employees’ strengths can give the employees a sense of accomplishment, they could become too comfortable staying in specific job roles. This could cause difficulties if management wanted to cross-train employees or if they needed particular employees to fill in for other employees who have different skill sets and who are absent or leave the company.*

**CHAPTER 8: COLLABORATIVE LEARNING EXERCISES**

# **1 – Job Recruitment**

Learning Objective: 2

Purpose:

To explore the trade-offs between internal and external recruiting.

Background:

Clearly, both internal and external recruiting offer significant benefits and drawbacks, although many students approach this topic with strong, preconceived notions about which is better. This short, discussion-based exercise is designed to help them develop a more well-rounded perspective on each method of recruiting workers.

Relationship to Text:

Finding Qualified Candidates – Learning Objective 2

Estimated Class Time:

Less than 10 minutes

Preparation/Materials:

Paper and pen/pencil

Exercise:

Ask your students to jot down whether they believe internal or external recruiting makes more sense for most companies. Request a show of hands, and record the results on the board.

Then, as a class, brainstorm the strengths and weakness of each approach. As you write their responses on the board, they will begin to see that both approaches have major benefits and drawbacks.

When you have fleshed out your list—it should take about five minutes—ask for a new tally of which approach is better. You probably will notice a significant change in the numbers. Help your students understand that most successful companies use a mix of the two, with an emphasis on promotion from within.

# **2 – Interviewing Basics**

Learning Objective: 2

Purpose:

To help your students develop a better understanding of how others perceive them.

Background:

A surprising number of students are utterly intimidated about the prospect of interviewing for jobs. Many are unaware that the first step to a successful job interview is to understand and communicate their own positive qualities. This exercise is designed to help each student develop a personal profile based on positive peer feedback.

Relationship to Text:

Selecting and Hiring Employees – Learning Objective 2

Estimated Class Time:

Approximately 15 minutes

Preparation/Materials:

Paper and pen/pencil

Exercise:

Ask your students to spend a minute or two writing down their three most positive qualities (qualities that they would be willing to share with potential employers).

Then, instruct each student to ask five other students to name what they see as his or her single best quality. They may protest that they don’t know each other well enough, but remind them that first impressions count and that they surely know each other better than an interviewer would know them upon first meeting. Give them approximately five minutes.

Next, reconvene as a class, and ask your students to check their lists. How many found consistency between qualities they see in themselves and qualities others see in them? What were some of the surprises? Encourage them to take their lists home, to think about the various qualities, and to ask others (good friends, family) for their thoughts. Remind them that they can control—at least to a certain extent—how others perceive them; doing so gives them an unbeatable edge in matching the qualities they possess with the qualities that employers seek.

As a follow-up assignment, you may want to direct them to take a few days to refine their list, and using that information, to write a brief paragraph that describes their three key qualities along with specific examples of how they exhibit each one. Just going through the process will be invaluable as they interview for jobs down the road.

**3 – CEO Pay**

Learning Objective: 4

Purpose:

To highlight the growing issue of CEO pay.

Background:

Exorbitant CEO pay has made the business news again and again in the last few years. As the text points out, there is a growing, and highly visible, wage gap between the average CEO and his or her average worker. Does the average CEO really deserve that much more money than the average worker? This exercise is designed to familiarize students with both sides of the issue and to help them develop a thoughtful point of view.

Relationship to Text:

Compensation – Learning Objective 4

Estimated Class Time:

Approximately 15 minutes

Preparation/Materials:

You may want to look up the pay of your college or university president as a point of comparison when you talk about CEO pay.

Exercise:

Here is *The Wall Street Journal’s* list of the top ten highest paid CEOs for 2009,\* listed by total direct compensation, which includes salary, annual incentives, and long-term incentives.

1. Ray Irani, Occidental Petroleum Corp. $52.5 million
2. Robert A. Iger, Walt Disney Co. $20.8 million
3. Samuel J. Palmisano, IBM Corp. $20.1 million
4. William Weldon, Johnson & Johnson $19.8 million
5. Jay Fishman, Travelers $19.5 million
6. Randal Stephenson, AT&T $19.4 million
7. Robert Stevens, Lockheed Martin $19 million
8. Milles White, Abbott Laboratories $18.8 million
9. John Stumpf, Wells Fargo $18.7 million

10. James McNerney Jr., Boeing $16.8 million

Before you share the list, ask your students to guess which companies are on it and how much the CEOs are paid. (You may be surprised by some of the answers!) Do they think CEOs deserve that level of pay? If yes, why? If no, should the government step in to regulate CEO pay?

The vast majority of students seem to believe that CEOs do indeed earn their pay because—in a somewhat circular argument—if they are being paid so much they must be doing an excellent job leading their companies.

However, recent events where CEOs have been highly compensated in spite of poor or negligent performance suggest that this may not always be the case.

Ask your students if they have any ideas about a better way to handle CEO pay. Typically, they offer very interesting ideas for how to tie CEO pay to performance.

\*Source: WSJ Online, April 1, 2010, “The Top 10 Highest Paid CEOs,”

<http://online.wsj.com/article/SB10001424052702304539404575157643970804582.html>.

# **4 – Motivation**

Learning Objective: 6

Purpose:

To introduce students to the wide range of factors that motivate employees.

Background:

When students (and probably most of the rest of us) think about motivation, our first thought often is money. Money clearly plays a huge role, but this quick discussion exercise is designed to help students expand their thinking beyond money so that they are open to the myriad techniques and tools discussed in the text.

Relationship to Text:

Motivating Employees ­– Learning Objective 6

Estimated Class Time:

Less than 10 minutes

Preparation:

None needed

Exercise:

Brainstorm with your class about what motivates them at work. Money always plays a big role, but most classes develop a comprehensive list (often 25–30 factors) in less than 10 minutes. Help them see that sometimes the less tangible factors are the most motivating long term. If you leave your list on the board through the lecture on motivation, you can use their words to introduce the specific concepts in the chapter.

# **5 – Motivation and Creativity**

Learning Objective: 6

Purpose:

To demonstrate the impact of a creative environment on motivation.

Background:

Continual innovation clearly produces a sharp competitive edge in virtually any industry. But a less obvious benefit of a creative environment can be higher morale and motivation. This exercise is designed to help students discover for themselves the link between creativity and motivation, and it also may give you a few new ideas for presenting material to your class.

Relationship to Text:

Motivation and Creativity – Learning Objective 6

Estimated Class Time:

Approximately 20–25 minutes

Preparation/Materials:

You will need to raid a kid’s playroom for these. Gather a large bag of creative toys. Possibilities include colored Play-Doh, crayons, Slinkys, glitter, construction paper, poster paper, glue, Tinker Toys, etc.

Exercise:

Divide your class into groups of four to five students, and distribute a mix of toys and supplies to each group. Depending on your class, you may want to predetermine groups for this exercise to ensure that your more creative students are evenly distributed.

After they have had a moment or two to play, announce that they have 15 minutes to figure out the answer to an important question: What do they believe would increase their creativity and responsiveness in class, while still achieving strong results? Write the question on the board to help them stay focused.

When you call time, each group will need to present their answer—briefly—in the most creative way possible (e.g., a skit, a poster, a poem, etc.). Be prepared for a lot of laughs and also for some terrific ideas.

Follow-up discussion: Did having the toys lead to a more creative environment in their groups? Did the chance to give a creative presentation boost their morale as students? Could a more creative environment lift morale and motivation in most companies? How? Why? What are the potential downsides?

# **6 – Negotiation**

Learning Objective: 7

Purpose:

To give students experience in creating win–win negotiating scenarios.

Background:

Interestingly, many students do not yet seem to realize that getting what they want is much easier through collaboration rather than conflict. Although most students will not handle formal union negotiations, virtually all of them will experience the continual negotiations of the daily workplace. This exercise is designed to help them handle both formal and informal negotiations through practice creating win–win scenarios.

Relationship to Text:

Settling Union–Management Disputes – Learning Objective 7

Estimated Class Time:

Approximately 20–25 minutes

Preparation/Materials:

You may want to develop some negotiating scenarios that are particularly relevant for your students, in addition to the scenarios outlined below. Also, it helps to make copies of the negotiating scenarios for each student (see the Appendix for a copy-friendly version).

Exercise:

Divide your class into groups of three to five students to plan negotiating each of the scenarios below. (This exercise is most effective when more than one group has each scenario so that they can compare and contrast strategies.)

* Goal: Get the teacher to reschedule a business exam for a student who is absent due to a business meeting, when the teacher’s syllabus clearly states that if a student misses an exam, he or she simply will score zero.
* Goal: Secure a 5 percent pay raise after six months on the job, when company policy states that raises are given only after one year of service.
* Goal: Gain management agreement to work from home two days a week, when there is no existing policy for telecommuting at your company.

Announce that after 10 minutes of strategizing, each group will need to appoint a spokesperson to role-play their side of the negotiation, with you, in front of the class.

Before they begin, remind them to seek common ground—what values and goals do they share with the other party? Encourage them to use those assumptions—plus creativity and open-mindedness—to help both sides “win.” Also, remind them to anticipate objections and plan responses.

When the groups present, you may want to concede to those that do well, and jokingly deny (e.g., “You’re fired!”) those that do poorly. Follow-up discussion is usually rich: What worked? What did not? How did different groups approach the same issues?