

Chapter 1 Instructor's Manual – Human Resource Management: Gaining a Competitive Advantage

Explanation of the Instructors Manual:

This instructor's manual was developed to assist the individual in using the material presented in the textbook within the context of a classroom. It is important to note that in developing the manual, it was not assumed the instructor teaching this course is versed in Human Resource Management (HRM) as a practitioner, researcher, or faculty member. Thus, within this manual, a summary for each chapter is provided to help give context and structure for the instructor. Within each summary are also potential issues that, through awareness may assist in instruction and student understanding of the presented material.

Following each chapter summary are suggested responses and guidance for the chapter materials, including potential answers for case studies, end of chapter questions, and other materials. New to the instruction manual is a reference guide to the two leading professional Human Resource Management Bodies of Knowledge: the Society for Human Resource Management Body of Competency and Knowledge, and the Human Resource Certification Institutes' A Guide to the HR Body of Knowledge. While not a complete study guide for examination, this may assist instructors to connect materials for those students who are interested, while also providing further instruction within the practice of HRM. The full reference guide is available and includes a breakdown of each chapter.

Reference to the Chapter PowerPoints and available CONNECT materials are also included in each chapter.

Chapter 1 Summary for Instructors

This chapter discusses the role of Human Resource Management (HRM) in gaining a competitive advantage. It provides a foundation for the rest of the chapters by describing the role HRM plays within organizations and the skills HRM practitioners need for any company to be competitive. Within this chapter are the competitive challenges that U.S. companies currently face which influence their ability to meet the needs of shareholders, customers, employees, and other stakeholders and support as to how these competitive challenges are influencing HRM. A full summary is provided in the textbook on page 55.

At the end of this chapter, instructors should ensure students understand HRM as a practice, HR as a department and be prepared to delineate between the two (LO1-1, LO1-6, LO1-7). Further, students should be able to discuss the different HRM practices (LO1-7), which are outlined towards the end of the chapter. Accomplishing both tasks will help support students in subsequent chapters, however, it can be a difficult task given the current perceptions of HRM and HR departments, as well as the potential for students who lack exposure to such ideas and practices.

Another difficulty may be with having students seeing themselves as managers, and not employees. Often the exposure students have had with HRM is when they have been interviewed – not as them acting as the interviewer. Thus, the instructor may

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wish to ensure (and continue to revisit throughout the course) the student continually focuses on how they are the ones making the decisions (i.e. managers). However, their own experiences such as being interviewed can lead to great course discussion and reflection. Instructors may also find students, especially those with little interest in HRM or within other majors, experiencing difficulty in recognizing the importance of this topic and practice. Instructors may wish to emphasize that although HRM is a separate practice, much of what will be studied directly applies to the business acumen of managers and leaders in all facets of business management.

Once the above is considered, instructors may then wish to discuss the remainder of the LOs. If students have had a previous Introduction to Business/ Management or similar course, then discussion of these LOs from the perspective of strategic management and internal/external analysis (i.e. SWOT analysis) may help students to connect the concepts. Specifically, if a general understanding of strategic management exists, then instructors may discuss how HRM practices can contribute to the strategic advantage of organizations, and how HR departments and professionals hold a specific role and may contribute to this process. It would be helpful to draw students' attention to Table 1.15 on page 54, which shows the outline of the textbook. These can help further demonstrate the different areas within HRM, and what students may expect from the remainder of the course.

Society for Human Resource Management Body of Competency & Knowledge:

This chapter contains content which may be identified within the following content areas:

- Talent Acquisition & Retention
- Learning & Development
- Total Rewards
- Structure of the HR Function
- Technology & Data
- Organizational Effectiveness & Design
- Workforce Management
- Risk Management
- Business & HR Strategy

Human Resource Certification Institute's A Guide to the HR Body of Knowledge:

This chapter contains content which may be identified within the following areas:

- Business Management & Strategy
- Workforce Planning and Employment
- Human Resource Development
- Compensation and Benefits
- Employee and Labor Relations
- Risk Management

Other Classroom Materials: CONNECT and PowerPoint Slides

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Instructors should review both the available PowerPoint slides and CONNECT materials. The available PowerPoint slides may assist instructors by providing additional insight into the chapter materials, while expediting any classroom preparation. They may also provide visual reinforcement for students during classroom discussion.

There are CONNECT exercises available through McGraw-Hill which can greatly assist student preparation for class and understanding of chapter concepts. Instructors may wish to structure the class where students must complete the CONNECT exercises prior to class, thus, further reinforcing material and allowing instructors to expand and challenge student understanding during class time. CONNECT exercises may be set-up to be time-based, requiring students to practice chapter materials for a specific timeframe. It is the instructors' discretion how they desire to include this into the course grade, but a low-stakes grading system based on completion is suggested to help encourage student usage, while minimizing penalties for mistakes during completion.

To assist in course review, instructors may also require students to periodically complete CONNECT chapters for previously read chapters. This may be beneficial to support students in preparation for exams, projects, or where new chapter material expands upon a previous chapter.

Further support for instructors in setting-up the CONNECT materials may be obtained by contacting McGraw-Hill.

Suggested Additional Exercises

What does HR do?

Exercise #1

Faculty may lead a discussion asking students to consider their previous understanding and perceptions of HRM. Preparatory questions and ideas may include:

- Ask a friend/family member, etc. what they think of when they hear *HR*?
- Research articles on HR's role in organizations, summarize, and bring summaries to class

During class, ask students to discuss the responses and other information they have found. Faculty will notice that student discussion and responses may vary greatly, but will probably shift between HR as a department, and HRM as a practice. Faculty should be prepared to delineate how HRM as a practice is different from how HR departments sometimes function, or how they are perceived. This can help students better understand LOs 1, 2, and 7. These exercises can also support End of Chapter Questions 1, 2, 4, 7, and 8. Table 1.1 on page 6 has a list of HR functions and responsibilities, which can be integrated into this conversation.

Exercise #2

Instructors may ask students to research careers in HR. This can be accomplished through the following:

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- Requiring students write a reflection paper on different jobs they find by searching in online Job Boards, and whether those are jobs they wish to pursue.
- Requiring students speak with someone who has a job or spent their career in HRM
- Requiring students to complete the self-assessment exercise *Do you have what it takes to work in HR?* (page 62). This may be required separately, or in conjunction with the suggested assignments above.
- Figure 1.3 on page 14 regarding Competencies for HR Professionals may also be integrated by asking students to reflect on their own current competencies and if they match with Figure 1.3.

Chapter 1 – List of Cases

Enter the World of Business

Marriott: HR Practices Result in Engaged Employees and Satisfied Customers (p. 3)

Suggested Discussion Question:

Do you think Marriott is meeting its principal of “Take care of associates and they will take care of customers?” What about its core value of putting people first? What evidence can you provide?

Student responses should demonstrate reflection on the evidence within the case specific to employee treatment. This evidence should be connected to the different outcomes identified within the vignette, such as management tenure. Students should also identify different HRM practices and tools (surveys, compensation) and explore the relationship these have on the success of Marriott's business. Finally, instructors may wish to integrate these observations and the discussion into an overall discussion of the different HRM practices to be discussed within the textbook and thus what the students can expect to be studying and learning.

Instructors should note that at the end of Chapter 1 on page 55 there is a “Look Back” section that revisits the Marriott case and asks 4 questions. Suggested guidance for each is as follows:

- 1) Student responses should demonstrate an understanding of the different HRM practices and how they may impact the competitive advantage of the organization. Integration of Marriott's core values and principals should be apparent in student responses. For example, discussion of the corporate culture of “family” and retention may be connected to Marriott's hiring and selection processes. Benefits may also be discussed as evidence of Marriott's commitment to take care of its employees.
- 2) Student responses may simply be yes or no. The instructor may look to engage students in a devil's advocate role, where regardless of response, students must justify their position. This is to avoid students from simply acquiescing to yes due to the content of the book, or moving to a no reply due to a simple misunderstanding or dislike. Once past the simple yes or no, the instructor should look to emphasize how these HR practices have helped Marriott strategically through what was

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discussed in question 1. Further, instructors may also wish to emphasize the importance of student ability to advocate for HRM practices as a strategic investment with a return on investment (ROI).

3) Students should be able to discuss how while practices may vary due to industry, HRM can contribute to the strategic advantage of the company regardless of sector, product/service, or industry. Students should be able to begin to recognize how different companies may need to emphasize different HRM imperatives. For example, employee retention within research and development is extremely important due to technological advancement and proprietary company knowledge, highlighting how retention needs for Marriott are different.

4) Responses can vary, and instructors may wish to (depending on demographics of the class) ask students to reflect on their own needs as employees and what they would like from an employer. Regardless of responses, instructor may wish to emphasize that practices must not only meet needs and desires of employees, but also align behind corporate strategy. Page 35 discussed Generational Differences, as well as Table 1.11 with the ages, years born, and names of each generation.

Competing Through Sustainability:

Socially Responsible Programs Help Improve the World (p. 29)

Question Guidance:

Students may focus on the alignment of employee preference and concern for such initiatives and organizations' own initiatives and the culture within. This would lead to attraction, retention, as well as motivation of employees to contribute and develop to further support the organization.

Integrity in Action:

CEO Cuts Pay to Reduce Income Inequality (p. 42)

Question Guidance:

Instructor should help facilitate a discussion investigating the difference between intrinsic and extrinsic motivation, and pay plans may speak specifically to extrinsic motivation, while the ability to work for a CEO with a "moral imperative" may be intrinsically motivating.

Competing Through Globalization

Effectiveness in Global Business Requires More than Just a First-Class Ticket (p. 45)

Question Guidance:

Topics would include cross-cultural skills including verbal and nonverbal; culture-specific training for the specific destination such as customs and business practices; time and stress management for expatriates. It is important for families to receive this training because family issues and problems are the number one reason why overseas assignments fail.

Competing Through Technology

Connectiveness and Mobility Enhance HR Practices (p. 48)

Question Guidance

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Some disadvantages may include lack of access due to socio-economic reasons; cyber security concerns; employee privacy and data; rate of technological change and adoption.

Answers and Guidance to End of Chapter Sections:

Discussion Questions (page 56), suggested guidance

1. Discussion will most likely focus on associated costs as companies outsource administrative functions normally housed within HR departments. Instructors may need to emphasize that as long as the strategically necessary functions are still emphasized and managed well then HR departments may not be necessary. The caveat is that sometimes without the department they do not get the necessary emphasis. However, HR professionals may not necessarily reside within HR departments, and can be within other departments (Training and Learning departments separate from the traditional HR department, for example) that focus on a specific function. It may also be important to emphasize that HR professionals can practice from multiple areas and backgrounds (Industrial/Organizational Psychology). Thus, HR practitioners and professionals become an important part of organizations, with or without departments. Further support may be found on pages 5-11, with particular focus on Tables 1.1 (Responsibilities of HR Departments) and 1.2 (Questions to Ask: Are Human Resources Playing a Strategic Role in the Business?). Page 10 also offers discussion of pros/cons of having an in house HR department.

2) Staffing: ensuring organizations predict the appropriate number of employees and competencies necessary to meet strategic objectives, domestically and globally and then acquire them within the necessary timeframe. Example would be leadership identification and selection with global understanding and the ability to foresee issues within organizational operations/logistics to ensure sustainability.

Training: ensuring employees of organizations have the support to obtain and improve upon the competencies as necessary to meet the strategy. This would also include leadership development. Example could be sales training, development of customer service competencies, and a fluency to use corporate technology and its continual adoption of new technology to service customers.

Compensation: Identifying appropriate compensation and benefits strategies that align behind organizational strategy while meeting identified imperatives such as attraction and retention of key talent. Global challenge of compensation which meets regulation and demographic needs in multiple cultural and geographically dispersed areas. Technological challenge of risk and security management of employee data from theft, as well as meeting regulatory needs of multiple countries and economic zones.

Performance Management: Ensuring employee performance is measured for improvement and other used for organizational decisions. Global challenge of developing leaders with global business acumen may also be discussed.

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- 3) Table 1.6 on page 21. Here, intangible assets would be employees and the skills/competencies/knowledge they bring to the organization. HRM practices, as anything which impacts the attitudes, behaviors, and performance of employees within the organization (recalling the definition on page 4).
- 4) Page 11 for definition. HR may resist due to a) lack of understanding, knowledge skill sets necessary, b) a feeling of de-personalization of the HR function (i.e. data and cold decisions versus people and warm decisions) c) fear of data-driven decisions resulting in downsizing of work force and HR, especially connected to previous mentioned reasons.
- 5) Page 11 provides an example. Further responses may include employee surveys, competitor compensation surveys, performance evaluation results (maybe mention 360 degree assessments and potential perceptions of management), length of tenure at specific positions, number of promotions by position/demographic, etc.
- 6) Page 46, Table 1.13 lists potential uses of Social Networking. Page 22 has example for customer service; page 44 for recruitment and employer branding. Page 48 discusses again collaboration tools within context of cloud computing and how data will be more accessible. One example would be employer of choice branding and campaigns on Social Media, which may help make employers look attractive.
- 7) No; as employee engagement can save costs and thus help take company from the red and into the black (page 6)
- 8) This question is meant to have each student explore the different areas of HRM and help ensure they understand the practice. Students should be guided towards the agreement that each area is important, but may become more of a strategic imperative depending on an organization's internal and/or external environment and subsequent strategy at a point in time.
- 9) Pages 27- 28; page 28, Table 1.8 provides the responses.
- 10) Pages 5-11, with particular focus on Tables 1.1 (Responsibilities of HR Departments) and 1.2 (Questions to Ask: Are Human Resources Playing a Strategic Role in the Business?) as within Discussion Question #1. Discussion may also integrate the Competencies of HR Professionals (Figure 1.3, page 14) and how strategy requires professionals to have the requisite skill set. Overall discussion should reflect on the need for HRM practices to contribute to the strategy of the organization, and the different approaches outlined on pages 5-11 through which organizations attempt to accomplish this. Discussion may also reflect on the history of HR as the personnel department, and its difficulty with becoming more strategic.
- 11) Page 16 for definition of sustainability; page 28 for Social Responsibility, which includes social, ethical and environmental responsibility discussions. HRM examples

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might be development of a culture focused on sustainability, with identification, selection of individuals who wish to work for such a company. Training and development initiatives which help develop skill sets to recognize when and where a company can be socially and environmentally responsible.

12) Aging Workforce (page 34): loss of key employees and skill sets without enough of a workforce to replace the loss; employers may encourage delaying retirement or working part time as they age. May also face need to retrain and need to ensure age discrimination does not occur.

Diverse Workforce (pages 34, 38): Diverse mind sets and perspectives could lead to more difficulties in management within organizations. Can lead to more creativity, problem solving and understanding of different cultures due to diverse perspectives. Page 38 outlines the skills set managers would need to manage a diverse workforce.

Skill Deficiencies: the need for organizations to ensure selection processes identify employees either with the requisite skill sets, or with the ability to learn. Organizations will also need to ensure their talent management and internal training and development are adequate to ensure skills and competencies are met. Retention of skilled employees will also become more imperative.

13) Page 43; talent identification and retention within emerging markets; the need for cross-cultural training of employees who are relocated as well as those who conduct business across cultural barriers for the company are all challenges for HRM within global context. Thus, identifying workforce capability within a specific geographic area and the internal competency of the expanding organization become necessary for to assess prior to the decision to expand.

14) Page 49 for definition. Page 50, regarding how HRM practices which focus on the whole and their integration and not in isolation is how they may have commonality with HPWS and quality goals.

15) Pages 8-11 discussed outsourcing, where disadvantages may include an ability to control quality of product/service delivered to company regarding the HR function. Managers might also lack specific knowledge concerning employment laws, HR practices that having in-house departments can assist with.

Pages 7-8 discuss self-service model, disadvantages may include resistance by managers to adopt such practices like their own reviewing of resumes, approving of bonuses, payroll, etc. These can also be disadvantages when line managers are more involved in designing and using HR practices. Other disadvantages may results from lack of understanding and/or skill regarding how to design and use such practices.

16) Pages 44-45. Reasons to reshore would include decreased shipping costs, mitigation of supply chain disruption, quality concerns and customer preferences

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towards domestic production. Reasons not to would all be the contrary of any positives gained from the previously mentioned. Organizations should consider all of these reasons prior to a decision to reshore operations.

Exercising Strategy:

Zappos Faces Competitive Challenges (p. 57)

Question Guidance

- 1) Students should be able to accurately identify the challenges listed in Chapter 1 and make rational arguments based on information in the textbook and case that link each together. One example might be the loss of 210 employees and the potential lack of skilled employees in the workforce leading to a weakened competitive position. Students should then be able to mitigate the issue they identify. Again, regarding the loss of 210 employees due to a change in the new management system, HRM can mitigate this through training employees on the new system, developing pathways for employees to solve problems from the new system, as well as redevelop the recruitment and selection practices to find employees who can work within such a system.
- 2) Responses should correctly identify the different outcomes of engagement from Chapter 1, and then find those examples within the case. This would include being ranked 86th Best Company to Work for 2014.
- 3) Each one of the 10 core values could potentially be influenced or impacted by HRM. Here, again, focus should be on the rationale students provide, which, demonstrate connecting the core value (a part of strategy) to how HRM can impact it as well as students' ability to identify different roles of HRM. For example, Be Adventurous, Creative, and Open-Minded could be argued that HR has the most impact on (Managing the HR Environment; Acquiring and Preparing Human Resources) if students identify culture of the organization, recruitment and selection of appropriate candidates as HRM practices.
- 4) Time in more meetings undermines values of Create Fun; Be Adventurous; Be Passionate. Employees who are worried about career advancement undermine the value of Pursue Growth and Learning. Both undermine Build a Positive Team and Family Spirit, especially with the loss of 210 employees. Employees who are struggling to understand the management system will be demotivated and less engaged, especially if they are not sure if what they are doing is correct, or if it will lead to promotion.

Managing People:

Mars Incorporated: HR Practices Help Create Sweet Success (p. 59)

Question Guidance

- 1) Here, students should be able to identify the specific HR practices the case mentions. For example, the training and career development offered or the compensation and bonuses provided to employees. Upon identification, students should be able to link these to motivation, engagement and thus high performance of its employees.

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- 2) Students should be able to rationalize that HR practices contribute to the strategy of the organization, and thus probably not. Discussion should link HR practices to competitive advantages originating from the workforce.
- 3) Students should be able to identify HR practices and apply them to different industries. For example, research and development; much like with Mars Inc. would implement initiatives focused on career development and retention.
- 4) This is briefly discussed in the case, but publically owned companies have other pressures from shareholders and “Wall Street” to meet short-term gains, which may impede long-term sustainability. Students may not be aware of these issues or differences, and further conversation may be necessary.

HR in Small Business

Managing HR at a Services Firm (p. 60)

Question Guidance

- 1) Students should be engaged in a discussion that while employee well-being and happiness is important, there are other practices necessary for strategic success. Thus, other areas identified in Table 1.15 on page 54, and the Competencies of HR Professionals on page 14, Table 1.3
- 2) Students may identify Human Resource Specialist and Labor Relations Specialist <http://www.bls.gov/ooh/business-and-financial/human-resources-specialists-and-labor-relations-specialists.htm>) as the job that best fits, as others, such as HR Directors, Compensation & Benefits Managers and Training & Development Managers (all found under Management) seem to encompass more responsibilities she does not manage.
- 3) Differences may include having larger responsibilities more akin to the HR Directors description found above. She would need to develop her business acumen to contribute to strategic conversation, while also developing her awareness of other HR practices.