

Chapter 01: Human Resource Management: Gaining a Competitive Advantage

Chapter Summary:

This chapter introduces the roles and activities of a company's human resource management function and emphasizes that effective management of human resources can contribute to a company's business strategy and competitive advantage. To successfully manage human resources, individuals need personal credibility as a business leader, business knowledge, understanding of the business strategy, knowledge about technology and the ability to deliver HR services. Human resource management practices should be evidence based. Human resource practices are also important for helping companies deal with sustainability, globalization, and technology challenges. The HRM function today is at a crossroads, meaning HRM professionals must hold up the mirror and ask if the HRM function plays a strategic role in the business, and to realize the key role HRM has to play in meeting business challenges of sustainability, technology, and globalization.

Learning Objectives

- LO1** Discuss the roles and activities of a company's human resource management function and the competencies HR professionals need today.
- LO2** Discuss the implications of changes in the economy, the makeup of the labour force, environmental issues, and ethics for company sustainability.
- LO3** Discuss how human resource management helps meet the needs of various stakeholders.
- LO4** Discuss some of the challenges companies must overcome, and the strategies required to compete in the global marketplace.
- LO5** Identify the challenges of technology and discuss high-performance work systems.
- LO6** Discuss the transformation of the HRM function.

Opening Vignette: TIFF – Transforming the way people see the world through film.

In 1976 William Marshall, Henk Van der Kolk and Dusty Cohl cofounded Toronto's first "Festival of Festivals" with the goal of drawing together local film lovers for one week of sharing their passion for film. The first festival attracted 35,000 enthusiasts, but by 1994, the event had grown so much it was renamed the Toronto International Film Festival®. By 2007 it had become the most influential film festival in the world. Over time TIFF added products and services designed to educate and broaden audiences, such as TIFF Cinematheque, the Film Reference Library (1990), Film Circuit (1994), and the TIFF International Kids Film Festival (1998). Then in 2010 TIFF opened the Bell Lightbox in downtown Toronto, providing space for five cinemas, major exhibitions, learning studios and entertainment facilities. Although TIFF is structured as a charitable cultural institution, it generates more than \$16.6 million annually through event sales and memberships, and its growth has also been supported financially by government agencies and arts councils, major corporate sponsorships and others. TIFF now employs 190 full time and 80 part time employees, paid student interns, high school co-op and work-study placements and almost 3,000 dedicated

volunteers who form the “public face of TIFF”. TIFF prioritizes employee engagement, and it is listed in Canada’s Top 100 Employers, Top Employers of Young People, and Greater Toronto’s Top Employers.

TIFF describes itself as a unique and dynamic organization, with a work culture that does “not conform to the corporate norm.” For example, employees are encouraged to dress in a way that expresses their style, in an open concept work environment that encourages dialogue and collaboration. Working at TIFF includes many benefits such as tuition subsidies, a formal mentoring program, and access to the “Wings” bursary program to help finance travel to glamorous locales such as Sundance or the National Cinema Museum in Turin, Italy. TIFF’s employer profile reveals that job satisfaction is high due to a wide variety of human resources policies and practices designed to help employees enjoy their current jobs, grow personally and professionally, and learn as much about the film industry as they want. Such HR policies and initiatives have made TIFF a magnet for a dedicated community of “insiders” – the employees, students and volunteers who in turn engage with a much greater community who are crazy about cinema.

Extended Chapter Outline

Note: Key terms are boldface and are listed in the "Chapter Vocabulary" section.

I. Introduction

Competitiveness refers to a company’s ability to maintain and gain market share in its industry. Competitiveness is related to company effectiveness, which is determined by whether the company satisfies the needs of stakeholders (groups affected by business practices). Stakeholders include stockholders, who want a return on their investment; customers, who want a high-quality product or service; employees, who desire interesting work and reasonable compensation for their services; and the community, which wants the company to contribute to activities and projects, and minimize pollution of the environment.

Human resource management (HRM) refers to the policies, practices, and systems that influence employees’ behaviour, attitudes, and performance. (See Text Figure 1.1) Effective HRM has been shown to enhance company performance by contributing to employee and customer satisfaction, innovation, productivity, and development of a favourable reputation in the firm’s community. The potential role of HRM in company performance has only recently been recognized.

II. What Responsibilities and Roles Do HR Departments Perform?

Responsibilities that the HR department is solely responsible for include outplacement, compliance with employment laws, record keeping, testing, unemployment compensation, and some aspects of benefit administration. (See Text Table 1.1). However, the HR department is also likely to collaborate with other company functions on employment interviewing, performance management and discipline, and efforts to improve quality and productivity.

The HR department may take full responsibility for human resource activities in some companies, whereas in others it may share the roles and responsibilities with managers of other departments such as finance, operations, or information technology. In some companies the HR department advises top-level management; in others the HR department may make decisions regarding staffing, training, and compensation after top managers have decided relevant business issues.

III. What Competencies Do HR Professionals Need?

The Canadian Council of Human Resources Associations has identified competencies for Canadian HR professionals. The framework includes 44 professional competencies organized into 9 functional areas of knowledge, skills, and abilities, along with an additional 5 enabling competencies necessary to effectively practice human resources. The Human Resources Professionals in Canada Body of Knowledge along with the Required Professional Capabilities (RPCs) form the “core capabilities of the HR profession as well as HR policies and practice used in Canada.” These RPCs provide a basis of certifying human resources professionals in Canada and were most recently revised and approved by the CCHRA in October 2013.

In the global picture, HR professionals need to have nine competencies identified by the SHRM (See Text Figure 1.3) The nine competencies include:

- **Human Resources Technical Expertise and Practice** – The ability to apply the principles of human resource management to contribute to the success of the business.
- **Relationship Management** – the ability to manage interactions with and between others with the specific goal of providing services and organizational success.
- **Consultation** – Provide guidance to stakeholders such as employees and leaders seeking expert advice on a variety of circumstances and situations.
- **Organizational Leadership and Navigation** – the ability to direct initiatives and processes within the organization and gain buy-in from stakeholders.
- **Communications** – The ability to effectively exchange and create free flow of information with and among various stakeholders at all levels of the organization to produce meaningful outcomes.
- **Global and Cultural Effectiveness** – Managing human resources both within and across boundaries.
- **Ethical Practice** – integration of core values, integrity and accountability throughout all organizational and business practices.
- **Critical Evaluation** – Skill in interpreting information to determine return on investment and organizational impact in making recommendations and business decisions.
- **Business Acumen** – ability to understand business functions and metrics within the organization and industry.

IV. Evolution of the HRM Function

The amount of time that the HRM function devotes to administrative tasks is *decreasing*, and its roles as a strategic business partner, change agent, and employee advocate are *increasing*.

HR managers today face two important challenges:

- shifting their focus from current operations to strategies for the future and
- preparing non-HR managers to develop and implement human resource practices.

Traditionally known as “Personnel” or “Employee Relations”, the HR department was primarily an administrative expert and employee advocate, and human resource issues were a concern only if they directly affected the business.

Thus, HRM was primarily reactive. However, some companies have expanded the role of HRM as a change agent and strategic partner because they view the HRM function as essential to business success.

Evidence-based HR refers to demonstrating that human resources practices have a positive influence on the company’s bottom line or key stakeholders (employees, customers, community, and shareholders). **HR or workforce analytics** refers to the practice of using quantitative methods and scientific methods to analyze data (sometimes called Big Data) from human resource databases, corporate financial statements, employee surveys, and other data sources to make evidence-based human resource decisions and show that HR practices influence the organization’s “bottom line” including profits and costs.

Evidence – Based HR – When Holt Renfrew faced a 14 percent vacancy rate the company examined what it was and wasn’t doing to appeal to its young and fashionable (mostly female) workforce. After making salaries more competitive the company added variable commissions designed to appeal to individual preferences. It also tweaked its benefits program and added more sales and management courses for faster career progression. Following the changes, annual sales increased significantly in just two years and the vacancy rate dropped as well.

Competing Through Sustainability

Google Keeps Employees’ Stomachs Happy, But Fit Too, Using Data Analytics

Google provides good food options for employees right in the office. They claim that their employees are never more than “150 feet from food”. The problem is, employees liked it – and gained unwanted pounds. Using data to analyze the problem, Google changed the ordering of food in the line (they found people load up in the first things they see, so they put healthier options first). They also started communicating more information concerning nutrition information about the food and drinks, and changed

how various types of food were made available (for example, changed M&M dispensers from clearly visible gravity-feed dispensers to opaque containers) and displayed (moved water to eye level in coolers and soft drinks to the bottom). All of these things resulted in decreases in consumption of the less healthy choices.

V. The HRM Profession

The primary professional organization for HRM is the Society for Human Resource Management (SHRM). A survey conducted by the SHRM found that the primary activities of HR professionals are: performing the HR generalist role (providing a wide range of HR services), with fewer involved in other activities such as the HR function at the executive level of the company, training and development, HR consulting, and administrative activities.

HR salaries vary depending on education, experience and type of industry. A university degree is held by the vast majority of HRM professionals, many of whom also have completed postgraduate work.

A number of top-level managers and HR professionals believe that the best way to develop effective HR professionals is to train employees or put them into experiences that help them understand the business and HR's role in contributing to it. Many individuals working in HR in Canada seek to acquire the Certified Human Resources Professional (CHRP) Designation, which can increase earnings and accelerate career progress.

VI. Competitive Challenges Influencing Human Resource Management

Three competitive challenges that companies now face will increase the importance of human resource management practices: the challenge of sustainability, the global challenge, and the technology challenge. (See Text Figure 1.3).

A. The Sustainability Challenge

Sustainability refers to the ability of a company to survive and succeed in a dynamic competitive environment, without sacrificing the resources of its employees, the community or the environment.

Company success is based on how well the company meets the needs of its stakeholders. Stakeholders refer to employees, customers, the community, shareholders, and all of the other parties that have an interest in seeing that the company succeeds.

Sustainability also includes the ability to deal with economic and social changes, engage in responsible and ethical business practices, provide high-quality products and services, and to practice environmental responsibility

1. Economic Changes

After the recession in 2008, Canada seemed to experience less shock than other countries, such as the United States, with less unemployment and fewer job losses than expected (400,000). By 2014 the OECD declared that Canada's economy had rebounded sharply and higher than most other OECD countries, with "fairly solid" growth. The Federal Government promised to reduce its budget deficit and balance the budget by end of 2015, but Provincial and territorial governments are not expected to do as well in whittling down their combined deficit of \$16.1 billion and their outlook is one of continued struggle and slowly rising debt-GDP ratios for years to come. In a wider context, Canada is also part of a complex global economy and must also react to unpredictable external shocks such as terrorism, political unrest and potential global pandemics. The recent recession left a valuable legacy for employers who now have a better understanding of sustainability in the face of a worldwide economic downturn. Going forward more companies will closely monitor workforce size, and consider plans for new operations and growth, and constantly monitor HR budgets to eliminate waste and seize opportunities.

Employment and Occupational Growth Projections and Skill Requirements.

- The future North American labour market will be both a knowledge economy and a service economy. There will be many high-education professional and managerial jobs and low-education service jobs.
- By 2022, more than 79 percent of total employment will be in the service sector; jobs in construction will weaken and comprise 7.6 percent of all jobs, and finally, all other Canadian jobs will be in the manufacturing sector (9.5 percent) and the primary sector (3.7 percent) by 2022.
- The dominance of service jobs is clearly illustrated when examining where the lion's share of jobs are found. For example, since the early 2000s three key industries have been the largest source of employment, and they will continue to do. By 2022, 32 per cent of jobs will come from health care and social assistance (13.4 percent), retail trade (11.4 percent) and educational services (7.3 percent).
- Between now and 2022, about two-thirds of job openings are expected to occur in management or in occupations usually requiring postsecondary education (university, college, or apprenticeship training) and about two

thirds of new job seekers entering the workforce will be looking for work in management occupations or in jobs that usually require post secondary education.

- Overall, the supply and demand for labour (examined by skill level) should be *broadly* in balance between now and 2022, but many specific highly skilled occupations in health, management, trades, transport and equipment and in the primary sector will face growing labour shortages. At the same time a surplus of lower skilled workers will emerge, in administrative and clerical areas, such as office equipment operators, secretaries and clerks and even some computer related occupations. Further, shortages and balance and surplus can exist within the same occupational group.
- Overall, imbalances between supply and demand within various sectors are expected to become serious by 2020. Thus, employers will become increasingly focussed on finding the right people with the right skills at the right time, as aging workers leave full-time employment and as the nature of work continues to transform.

Increased Value Placed on Intangible Assets and Human Capital.

Today more and more companies are interested in using intangible assets and human capital as a way to gain an advantage over competitors. A company's value includes three types of assets that are critical for the company to provide goods and services: financial assets (cash and securities), physical assets (property, plant, equipment), and intangible assets. **Intangible assets** include human capital, customer capital, social capital and intellectual capital. (See Text Table 1.2)

Intangible assets have been shown to be responsible for a company's competitive advantage and to be related to a company's bottom line. HRM practices such as training, selection, performance management, and compensation have a direct influence on human and social capital through influencing customer service, work-related know-how and competence, and work relationships.

One way companies try to increase intangible assets is through attracting, developing, and retaining knowledge workers. **Knowledge workers** are employees who contribute to the company not through manual labour, but through what they know about customers or a specialized body of knowledge. Managers depend on them to share information. However, they have many job opportunities and can leave a company and take their knowledge to a competitor.

Changes in Employment Expectations

Companies also need to be able to adapt to change caused by technological advances, changes in the workforce or government regulations, globalization, and new competitors (to name a few). *Change* refers to the adoption of a new idea or behaviour by a company.

New or emergent business strategies resulting from change causes companies to merge, acquire new companies, grow, and in some cases downsize and restructure. Such changes in turn alter the employment relationship.

The **psychological contract** describes what an employee expects to contribute and what the company will provide to the employee for these contributions. A new type of psychological contract is emerging. The increasingly competitive business environment has led to changes in employee contributions and the skills needed to provide them, restructuring, mergers and acquisitions, and often layoffs and longer hours for many employees.

Companies demand excellent customer service and high productivity levels, and they expect employees to take more responsibility for their own careers.

In return, employees want companies to provide flexible work schedules; comfortable working conditions; more autonomy, development opportunities, and financial incentives linked to company performance. Employees realize that companies cannot provide employment security, so they want employability, meaning they want their company to provide training and job experiences to help ensure that employees can find other employment opportunities.

Concerns with Employee Engagement.

Employee engagement refers to the degree to which employees are fully involved in their work and the strength of their commitment to their job and the company. Employees who are engaged in their work and committed to the company they work for give companies a competitive advantage including higher productivity, better customer service, and lower turnover.

Talent Management.

Talent management refers to a systematic planned strategic effort by companies to attract, retain, develop, and motivate highly skilled employees and managers. Companies are challenged now to identify employees with managerial talent and train and develop them for managerial positions. Many companies do not have employees capable of managing in a global economy – people who are self-aware, able to build international teams, create global

management and marketing practices, and interact and manage employees from different cultural backgrounds.

Use of Part-Time Employment and Alternative Work Arrangements.

The need to avoid layoffs, decrease costs and/or increase profits and to survive the recession has led to implementation of more part-time employment and nonstandard work arrangements. **Alternative work arrangements** include the hiring of independent contractors, on-call workers, temporary workers, and contract company workers. Temporary employment grew rapidly from the late 90s, and by 2007 almost 13 percent of working Canadians were employed on a temporary basis (term, contract, casual, or seasonal jobs), with term or contract employees making up the majority of all temporary workers. At the same time more workers in alternative employment relationships are choosing these arrangements, since they can benefit both workers and employers. Part-time workers can be a valuable source of skills needed for a specific project that has a set completion date and they can be less expensive than permanent employees because they do not receive employer health benefits or participate in pension plans.

Demanding Work, but with More Flexibility

Globalization and the development of e-commerce have resulted in companies needing to be staffed 24 hours a day, 7 days a week. Greater work demands result in employee stress, less satisfied employees, loss of productivity, and higher turnover—all of which are costly for companies. Human Resources professionals are challenged to facilitate more flexible work schedules, protect employees' free time, and use employees' work time more productively.

Many companies are recognizing the benefits that can be gained by both the company and employees through providing flexible work schedules, allowing work-at-home arrangements, protecting employees' free time, and more productively using employees' work time. The benefits include the ability to have an advantage in attracting and retaining talented employees, reduced stress resulting in healthier employees, and a rested workforce that can maximize the use of their skills.

The use of alternative work arrangements and work-at-home has resulted in the development of co-working sites where diverse workers (designers, freelancers, consultants, and other independent contractors) pay a daily or monthly fee for a guaranteed work space equipped with desks, wireless Internet and access to other equipment or facilities. Co-working sites or “urban hubs” exist in over 35 cities around the world and over 2,000 co-working sites exist to help facilitate

independent contractors and, employees working at home, traveling, or telecommuting, who have feelings of isolation.

2. Meeting the Needs of Stakeholders: Shareholders, Customers, Employees, and Community

Measuring Performance to Stakeholders: The Balanced Scorecard

The **balanced scorecard** is a means of performance management that gives managers an indication of the performance of a company based on the degree to which stakeholder needs are satisfied. It depicts the company from the perspective of internal and external customers, employees, and shareholders.

It directs employee effort and attention to being customer focused, improving quality, emphasizing teamwork, reducing new product and service development times, and managing for the long term.

The balanced scorecard should be used to (1) link human resource management activities to the company's business strategy and (2) evaluate the extent to which the HRM function is helping the company meet its strategic objectives.

Social Responsibility

Increasingly, companies are recognizing that social responsibility can help boost a company's image with customers, gain access to new markets, and help attract and retain talented employees.

Companies thus try to be more socially, ethically, and environmentally responsible.

HR professionals play an important role in developing sustainable business practices and programs (training employees on environmental stewardship, being energy efficient, and effective collaboration).

3. Customer Service and Quality Emphasis

If companies do not adhere to quality standards, their ability to sell their product or service to vendors, suppliers, or customers will be restricted. **Total quality management (TQM)** is a companywide effort to continuously improve the ways people, machines, and systems accomplish work.

HRM plays a pivotal role in the implementation of TQM, competition for quality awards, pursuit of international standards certification, and implementation of various business strategies to improve the quality of process

outputs.

One of the most important ways to improve customer satisfaction is to improve the quality of employees' work experiences, an HRM responsibility. Research shows that satisfied employees are more likely to provide high-quality customer service. Customers who receive high-quality service are more likely to be repeat customers.

4. Changing Demographics and Diversity of the Workforce

Two important changes in the demographics and diversity of the workforce are projected. First, the average age of the workforce will increase. Second, the workforce will become more diverse in terms of gender, range of abilities, and racial composition, as immigration and other factors continue to affect the size and diversity of the workforce.

Aging of the Workforce

The labour force will continue to age as large numbers of baby boomers in the workforce approach retirement age, and also because of an increasing tendency for older workers to keep on working. For example, the number of over-65 workers was expected to double from by 2015 from its 2005 levels. Older individuals are leading healthier and longer lives than in the past, and they are more educated than past generations, provides them with opportunity (in favourable labour market conditions) to work longer. Also, some will continue working because they haven't set aside enough for retirement.

Increased Diversity of the Workforce

Increased diversity of the Canadian workforce means many things and results from a range of dynamics, often occurring simultaneously, such as:

- The number of women who work outside the home has increased steadily over the years (now 47.3 percent of the workforce.)
- The employment rate for Aboriginal people has also been increasing for individuals from all Aboriginal groups (Inuit, Métis and First Nations) since 2001. By 2013 the unemployment rate of Aboriginal groups fell to 11.6% which is an improvement over previous years, but still well above +the Canadian average of 7%.
- Employment of people with disabilities has also increased in the past ten years, but the employment rate for this group (53.5%) is much lower than for those without disabilities (75.1%).
- Immigrants now comprise about one-fifth of Canada's labour force. If current immigration levels continue, by 2031 approximately one in three or 33% of the labour force could be foreign born, (higher in Ontario and

British Columbia). In addition, by 2031 one out of every three people working in Canada will belong to a visible minority group, although in Ontario and British Columbia it could be much higher at 40%.)

The bottom line is that to gain a competitive advantage, companies must harness the power of the diverse workforce. The implication of diversity for HRM practices is highlighted throughout this book.

5. Legal and Ethical Issues

Five main areas of the legal environment have influenced human resource management over the past 25 years including: employment equity legislation, employee health and safety, compensation and benefits, employee privacy, and job security.

- Attention is also likely to continue to be focused on human rights issues relating to age, gender, religion, visible minorities, and individuals with disabilities.
- **“Glass ceilings”** still prevent women from getting the experiences necessary to move to top management positions.
- An area of litigation that will continue to have a major influence on HRM practices involves job security.
- As the workforce ages, cases dealing with age discrimination in layoffs, promotions, and benefits will likely rise.
- Scrutiny of companies who hire temporary foreign workers in Canada or who abuse provisions under the Temporary Foreign Workers Program will increase following recent changes to Federal legislation which has created more rules and put more employer penalties in place.
- Security will continue to be a prime concern for organizations who have become increasingly aware of the need to protect against hacking of computer data, or breach of security to infrastructure and even violence to workers.
- Sexual harassment and violence against women both in and out of the workplace has also emerged as an area for increasing vigilance and legal action by organizations. A series of high profile cases have helped companies gain clarity about investigating and taking legal action to terminate employees engaged in such activities. Recent incidents such as the Ghomeshi case at the CBC have increased awareness that women seldom feel safe to report sexual harassment or assault even when policies are in place to protect them. Thus organizations will likely ramp up due diligence through increased training efforts about sexual harassment and managerial responsibility for dealing with the potential spillover of domestic violence in the workplace.
- **Ethical Issues**

Many decisions related to managing human resources are characterized by uncertainty. **Ethics** can be considered the fundamental principles of right and wrong by which employees and companies interact. These principles should be considered in making business decisions and interacting with clients and customers.

Ethical, successful companies can be characterized by four principles shown in Figure 1.7:

- First, in their relationships with customers, vendors, and clients, these companies emphasize mutual benefits.
 - Second, employees assume responsibility for the actions of the company.
 - Third, such companies have a sense of purpose or vision the employees value and use in their day-to-day work.
 - Fourth: they emphasize fairness; that is, another person's interests count as much as their own.
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- HRM involvement is essential to move from a compliance-based stance on ethics toward a “value-based” approach where expectations and transmission of **ethical behaviour** become integral to the company culture.
 - Human resource managers must satisfy three basic standards for their practices to be considered ethical:
 - First, HRM practices must result in the greatest good for the largest number of people;
 - Second, employment practices must respect basic human rights of privacy, due process, consent, and free speech and
 - Third, managers must treat employees and customers equitably and fairly.

B. The Global Challenge

Canadian businesses must develop global markets, use their practices to improve global competitiveness, and effectively prepare employees for global assignments. Global business expansion has been made easier by technology, and is not limited to any particular sector of the economy, product market, or company size.

Even companies not operating internationally may buy or use goods produced overseas, hire employees with diverse backgrounds, or compete with foreign-owned companies operating within Canada.

Businesses around the world often attempt to increase their global presence through strategic alliances, mergers, and acquisitions.

Competing through Globalization: Off shoring with a Conscience

Pure & Co., maker of neon buddha™ lifestyle clothing offshores the production and management of Canadian-designed garments to 300 women in Chiang Mai, Thailand, as well as partnering with a further 4,500 Thai women knitters who work from their homes. The company also has an office in the Philippines that handles customer service as well as IT (information technologies) functions twenty four hours a day to support its offices and customers in Canada, the United States, the United Kingdom, Australia, and Thailand. The company operates with a progressive management style that encourages staff to take initiative and includes company-paid health care and maternity leave; free English classes for employees and their families and friends and support for formal education. With offices in Canada, the United States, Philippines, and Thailand, and operations in the United Kingdom and China, the company markets its fashion lines around the world through teamwork, partnerships, and sustainable business practices that include giving back to Thai communities (where the company operates) through grass-roots organizations. Competing globally also includes caring about the environment in numerous ways. Recently, for example, the company's new completely green dye house was completed for use and it marked the first time a neighbourhood has actually welcomed a dye house into its farming community. The company's many products are sold to customers all around the world by diverse types of retailers.

C. Entering International Markets

Many companies are entering international markets by exporting their products overseas, building manufacturing facilities or service centers in other countries, entering into alliances with foreign companies, and engaging in e-commerce. The BRICS countries and emerging markets are projected to be responsible for as much as 68 percent of the growth of the world's economy, although recently China's growth has slowed to under 7 percent, and the economies of Brazil and Russia have been thrown into chaos due to sharp drops in energy exports, and sanctions imposed on Russia for its invasion of the Ukraine.

Canada lags significantly in this area, ranking 10th among its comparator countries with levels of foreign director investment (FDI) and global inward direct investment both slipping substantially from the 1970s to current levels. Such poor performance is the result of low productivity and low capacity for innovation.

Successful North American managers are often placed in charge of overseas operations, but many lack the cultural understanding necessary to attract, motivate, and retain talented employees. Therefore, some companies offer cross-cultural training and ensure training and development opportunities are available for global employees.

D. Offshoring

Offshoring refers to the exporting of jobs from developed countries, such as Canada and the United States to countries where labour and other costs are lower. Typical destinations include: India, China, Russia, Mexico, Brazil, and the Philippines. The main reasons are low labour costs and/or the availability of a highly skilled and motivated workforce.

Implications for HRM include concerns such as:

- Can employees in the offshore locations provide a level of customer service equivalent to or higher than customers receive from Canadian operations?
- Would offshoring demoralize Canadian employees such that gains from offshoring would be negated by lower motivation, lower satisfaction, and higher turnover?
- Are local managers adequately trained to motivate and retain offshore employees?
- What is the potential effect, if any, of political unrest in the countries in which operations are offshore? Will employees be safe there?
- What effect would offshoring have on the public image of the company? Would offshoring have an adverse effect on recruiting new employees? Etc.

E. The Technology Challenge

The internet has created a new business model – e-commerce, in which business transactions and relationships can be conducted electronically. Technology has reshaped the way we play, communicate, plan our lives, and where we work. Small personal computers allow workers to work at home, while they travel and even while on the beach.

Changes in How and Where People Work

Advances in sophisticated technology and reduced costs of technology are changing many aspects of HRM. The development of mobile technology (e.g., smart phones and iPods) and internet improvements mean employees can easily gather resources and access experts. Social networking refers to websites such as Facebook, Twitter, LinkedIn Wikis and Blogs that facilitate interactions between people around shared interests. Young workers from the Millennial or Gen-Y generations have learned to use social networking tools throughout their lives and value them as tools in both non-work and work areas of their lives.

Robotics, computer-assisted design, etc. have transformed manufacturing. To maximize technology and employee productivity employers have responded

with workplace changes such as telecommuting and flexible work schedules. Technology is pushing the boundaries of artificial intelligence, speech synthesis, wireless communications and networked virtual reality. Such advances can free workers from going to a specific location to work and from traditional work schedules. Telecommuting can increase employee productivity, encourage family friendly work arrangements and help reduce traffic and air pollution, but it also puts pressure on employees to be available 24 hours a day, 7 days a week. Thus many companies are attempting to create more flexible work schedules to protect employees' free time and to use employee time more productively.

High-Performance Work Systems and Virtual Teams

High-performance work systems maximize the fit between the company's social system (employees) and its technical system. For example, computer-integrated manufacturing automates the manufacturing process, and a number of production activities (and jobs) may be merged into one position by simply reprogramming a computer. Employees are then required to monitor equipment, troubleshoot problems, share information with others and understand how components of the manufacturing process integrate with one another.

Technology has allowed companies to form partnerships with one or more other companies, resulting in teamwork that reaches beyond boundaries within companies and even countries as employees form virtual teams. **Virtual teams** refer to teams that are separated by time, geographic distance, culture, and/or organizational boundaries and that rely almost exclusively on technology (e-mail, Internet, videoconferencing) to interact and complete their projects. Virtual teams can be formed within one company, or they can also include partnerships with suppliers or competitors needed to complete a project or speed product delivery. Globally distributed projects can draw upon employees from many different cultures and perspectives, created end products that better meet the needs of global customers. Challenges include organizing work so that teams in different locations and different work shifts can share tasks with minimum interaction.

Changes in Skill Requirements.

High-performance work systems have implications for employee selection and training of employees at all levels, as skill requirements change over time. Interpersonal skills, such as negotiation and conflict management, and problem-solving skills are more important than physical strength, coordination, and fine motor skills (typical job requirements for many manufacturing and service jobs.) Managers must be taught how to empower employees to make changes. *Cross-*

training, refers to training employees in a wide range of skills so they can fill any of the roles needed to be performed on the team.

Changes in Company Structure and Reporting Relationships.

In the adaptive organizational structure, employees are in a constant state of learning and performance improvement. The adaptive organization is characterized by a core set of values or a vital vision that drives all organizational efforts. Previously established boundaries between stakeholders such as employees and customers or managers and employees are abandoned. Employees, managers, vendors, customers, and suppliers work together to improve service and product quality and to create new products and services. Line employees are trained in multiple jobs; communicate directly with suppliers and customers, etc.

Use of HRIS, e-HRM, Cloud Computing and HR Dashboards

Electronic human resource management (e-HRM) refers to the processing and transmission of digitized information used in HRM, including text, sound, and visual images from one computer or electronic device to another. The new advances in technology described earlier are influencing training, development, work design, recruiting, and other aspects of HR.

Companies use human resource information systems to store large quantities of employee data including personal information, training records, skills, compensation rates, absence records, and benefits usages and costs. A **human resource information system (HRIS)** is a system used to acquire, store, manipulate, analyze, retrieve, and distribute information related to a company's human resources. An HRIS can support strategic decision making, help the company avoid lawsuits, provide data for evaluating policies and programs, and support day-to-day HR decisions.

“Cloud computing” allows companies to lease software and hardware and employees don't even know the location of computers, databases, and applications they are using (they are in the “cloud”). **Cloud computing** refers to a computing system that provides information technology infrastructure over a network in a self-service, modifiable, and on-demand model. Cloud computing gives companies and their employees access to applications and information from smart phones and tablets and it also allows groups to work together in new ways. Employees can be made more productive by allowing them to more easily share documents and information, and provides greater access to large company databases.

One of the most important uses of Internet technology is the development of HR dashboards. An **HR dashboard** is a series of indicators or metrics that managers

and employees have access to on the company intranet or human resource information system. Dashboards provide access to important HR metrics for conducting workforce analytics and are important for determining the value of HR practices and how they contribute to business goals.

Competing Through Technology: HR Drives Success at IBM

Swift changes in technology present the HRM function with tremendous challenges. For the past 11 years J. Randall MacDonald has been using technology to drive change in business and change in HR at IBM. During his time as Chief Human Resources Officer, IBM has transformed from being a computer manufacturer to a software and services company, calling for an entirely new set of organizational capabilities and different kinds of people with different skills. The company has also been decreasing employment in North America and increasing it significantly in Europe China and India. MacDonald, through the HRM function has added value throughout this transformation, using mechanisms such as Learning @IBM Explorer, an intranet portal for individual career guidance and learning plans. He also co-led a major technology project in which the company invested \$100 million to create a single, integrated approach to hiring, managing, developing, and deploying IBM's global workforce. The "Workforce Management Initiative (WMI)" was a leading edge innovation no one else had done within HR. Over three years WMI saved IBM more than \$276 million. WMI represented the first time HR ever directly contributed to the strategy at IBM, and was key evidence of HR converting strategy into execution.

Competitiveness in High-Performance Work Systems.

Human resource management practices that support high-performance work systems include employee selection, performance management, training, work design, and compensation. Research studies suggest that (1) high-performance work practices are usually associated with increases in productivity and long-term financial performance; and (2) that it is more effective to improve HRM practices as a whole, rather than focus on one or two isolated practices. There may be a best HRM system, but whatever the company does, the practices must be aligned with each other and be consistent with the system if they are to positively affect company performance.

VII. HRM at the Crossroads

Most HR executives have recognized the need to make the function's major role into one that is much more strategic. There are several questions that managers can use to determine if HRM is playing a strategic role in the business. (See Text Table 1.4). The HRM function now appears to be at a crossroads. To understand the transformation going on in HRM, one must understand HRM activities in terms of their strategic value. (One way of classifying such activities is depicted in Fig. 1.5):

- Transactional activities (the day-to-day transactions such as benefits administration, record keeping, and employee services) are low in their strategic value.
- Traditional activities which are the nuts and bolts of HRM have moderate strategic value because they often form the practices and systems to ensure strategy execution.
- Transformational activities create long-term capability and adaptability for the firm and it is these areas where HRM must spend more time if it is to maximize its contribution to the strategic management of the organization. (See Figure 1.4 in the text.)

VIII. Meeting Competitive Challenges through HRM Practices

This chapter has discussed the global, technological, and sustainability challenges North American companies are facing, and emphasized that management of human resources plays a critical role in determining companies' success in meeting these challenges. Chapter 2 will discuss the strategic management process that takes place at the organization level and the role of HRM in this process. It will also address what the HRM function must do to move away from its traditional transactional approach to become truly strategic in its orientation.

Chapter Key Terms

These terms are defined in the "**Extended Chapter Outline**" section.

Alternative work arrangements,
Balanced Scorecard
Competitiveness
Cloud Computing
Electronic HRM (e-HRM)
Employee engagement
Evidence-based HR
High-performance work systems
HR Dashboard
HR or Workforce Analytics
Human resource information system (HRIS)
Human resource management (HRM)
Intangible assets
Knowledge workers
Off shoring
Psychological contract
Sustainability
Talent management
Total quality management (TQM)
Virtual teams

A Look Back

Over almost forty years of existence, TIFF has become not only the realized dream of its three co-founders, but emerged as an international force majeure in the world of cinema. Such success has come from seizing opportunities and overcoming challenges, constantly growing its reputation as an organization that transforms the way people see the world through film. However, TIFF must work constantly to innovate its products and services to an ever increasing numbers of stakeholders. Each year sees TIFF achieving numerous new milestones, and it appears TIFF is positioned for continued growth if it can sustain and surpass its past performance, putting meaning and reality into the vision stated in its five year Strategic Plan: think global, consolidate local.

1. What HR practices do you believe are the most critical in helping TIFF remain as the most important Film festival in the world outside of Cannes, and continue its impressive growth?

Answer: It is essential that TIFF continue to recruit and retain employees, students and volunteers who are knowledgeable and passionate about filmmaking. To do this TIFF must continue to emphasize the benefits of working at TIFF. These include multiple opportunities to learn about film making, the chance to see hundreds of films premiering at the festival each year, and to meet hundreds of other people equally passionate about film. Maintaining the interest of its 3000 volunteers is critical to TIFF from a financial standpoint (volunteers work for perks which helps control payroll) and from a public relations or marketing standpoint. That is, TIFF's employees and volunteers convey the spirit of the film festival itself and retaining that loyalty is essential for TIFF's ongoing success. Volunteers are on the "front line" with customers and their ability to make the festival experience enjoyable to attendees will help draw such customers back again the following year, possibly to take out a membership and even support the Festival in other ways.

2. Could TIFF be as successful without its current HR practices? Explain?

Answer: Since strategy is implemented by people, it is the organization's human capital, or its intangible assets, that create not only its competitive advantage, but most of the actual value of the organization. TIFF'S current HRM practices have provided the foundation for its astonishing growth over the years by helping the organization to become an employer of choice (thus attracting talent (employees, students and volunteers who are passionate about film.) TIFF's ability to attract critical talent unique to the film industry and to build strong employee engagement has made TIFF the top film festival in the world. It has become an international leader in education and resources about film making. Its growing resources now ensure continued interest by innovative and influential producers, directors and actors in the film industry, and continued funding from its critical stakeholders –

member, government agencies, enthusiastic donors and others. Employees and volunteers at TIFF receive recognition and unique benefits, are provided with challenging work and the opportunity to work in a community of other people passionate about film. Most of all, the intrinsic needs of TIFF employees and volunteers are met through intellectual growth that accompanies constant exposure to the best in film making around the world. HRM practices such as these provide a sense of satisfaction to employees (and volunteers), that provides momentum even when the economy falters or event sales falter. It should also be noted that TIFF enjoys a well earned and highly respected reputation in the city of Toronto because it helps the tourism industry. This in turn supports employee engagement among TIFF volunteers and employees who are proud to be associated with a world famulus festival that demonstrates clear value in the Toronto economy.

3. Do you think the culture and HR practices TIFF uses to support its employees would be as successful in other industries such as manufacturing, health care or education? Explain why or why not.

Answer: TIFF'S culture and HRM practices have resulted in high levels of employee (and volunteer) engagement, which have in turn provided momentum for the Festival's incredible growth and reputation as a world leader over the years. Employee engagement is the degree to which employees are fully involved in their work and the strength of their commitment to their job and to the company. Employees who are engaged in their work and committed to their employers, give organizations a competitive advantage, including higher productivity, better customer service, and lower turnover. Since all organizations can benefit from such results, creating a culture of support and respect, and using HRM practices such as those at TIFF could definitely help organizations in health care and education achieve higher levels of employee engagement and organizational effectiveness.

Discussion Questions

1. Traditionally, human resource management practices were developed and administered by the company's human resource department. Line managers are now playing a major role in developing and implementing HRM practices. Why do you think non-HR managers are becoming more involved in developing and implementing HRM practices?

Answer: As the relationship between various HRM practices and the productivity and performance of employees has been recognized, line managers have strong reasons to become involved in the development and implementation of HRM practices. The information from line managers is critical to determining needed and appropriate policies and practices that will reinforce the strategic and operational needs of the organization. For instance, if quality needs improvement, then it is critical that incentive/compensation practices be developed to reward quality improvement, rather than volume production.

2. Staffing, training, compensation, and performance management are important HRM functions. How can each of these functions help companies succeed in meeting the global challenge, the challenge of using new technology, and the sustainability challenge?

Answer: Training may improve deficient skills, performance appraisal techniques may emphasize and measure quality improvement, and compensation practices may be used to reinforce needed change. Diversity in the work force and low skill levels of entry level workers could be helped by training and performance management techniques. Obviously, using selection processes that are fair and non-discriminatory while selecting the best employees is important. And again, compensation systems that reward the acquisition of needed skills could help here.

Changes in technology result in numerous changes to work systems. This requires that employees adjust to working in team structures (training and selection), and that they receive higher level and basic skills training to support high – performance work systems. Once again staffing, compensation and performance management systems are used to place (and retain) the most skilled people in jobs, and to motivate and reinforce appropriate behaviours.

Finally, the global challenge may produce the organizational need to find employees who speak multiple languages, who are trained to adjust to new cultures and who are sensitive to cultural differences. Employees with the flexibility and skills needed to work in various cultures or with individuals of diverse backgrounds may be selected or developed through training. Appropriate rewards will maintain these valuable employees.

3. What are intangible assets? How are they influenced by human resource management practices?

Answer: Intangible assets are a type of company assets including human capital, customer capital, social capital, and intellectual capital. Human resource management such as training, selection, performance management, and compensation have a direct impact on human and social capital. For example, Westjet's emphasis on fostering the growth, development and commitment of its employees supported by strategies such share ownership among employees, create competitive advantage for the airline, which is a profitable and growing company in an industry beset with problems.

4. What is “evidence-based HR”? Why might an HR department resist becoming evidence based?

Answer: Evidence-based HR refers to demonstrating that human resource practices have a positive influence on the company's bottom line or key stakeholders. HR departments may resist becoming evidence-based in order to avoid comparing their performance to other companies and avoid possible changes that may result from the system.

5. Do you agree with the statement “Employee engagement is something companies should be concerned about only if they are making money”? Explain.

Answer: Employee engagement is something companies should be concerned with regardless of whether they are making money. Employees that are engaged in their work provide their company with a competitive advantage through high levels of customer service and a lower turnover rate.

6. What is sustainability? How can HR practices help a company become more socially and environmentally conscious? How can HR practices facilitate ethical business decisions?

Answer: Sustainability is the ability of a company to survive in a dynamic competitive environment. It is based on an approach to organizational decision making that considers the company's ability to make a profit without sacrificing the resources of its stakeholders or the environment. Sustainability includes the ability to deal with economic and social changes, engage in responsible and ethical business practices, provide high-quality products and services and to practice environmental responsibility.

HR can help by championing, implementing and managing programs, including community volunteer programs, that raise employee awareness and encourage a spirit of social responsibility. To facilitate ethical business decisions HRM can ensure that employee and customer needs are given top priority during a merger or acquisition to be sure the merger brings top value to all stakeholders (not just stockholders), and sustains value over time. HRM can also do everything possible to protect employees and their jobs in an economic downturn while avoiding the high cost of turnover and inevitable loss of commitment among employees.

7. Explain the implications of each of the following labour force trends for HRM: (1) aging workforce, (2) diverse workforce, (3) skill imbalances.

Answer: The aging workforce means that employees will increasingly face issues such as career plateauing, retirement planning, and retraining to avoid skill obsolescence. HRM must ensure that older employees are treated with respect, and to arrange training to help them keep their skills up to date.

The diverse composition of the workforce challenges HRM to ensure that the talents and skills of all employees are fully utilized for the good of the organization. Immigration will continue to be an important factor contributing to the changing workforce. HRM needs to ensure an inclusive and unbiased approach to hiring that views visible minorities, women, Aboriginal people and individuals with disabilities as resources, and that harnessing the power of the diverse workforce enables companies to gain a competitive advantage.

Skill imbalances challenge HRM to continuously monitor the workforce for skill shortages and to be creative in attracting and retaining highly skilled individuals; HRM must also facilitate skills training in the workplace (such as apprenticeship opportunities), encourage employees to take advantage of opportunities for skills upgrading and cross training, and to develop programs that support upgrading of formal education, such as encouraging managers to obtain an MBA, or professional certifications.

8. What role do HRM practices play in a business decision to expand internationally?

Answer: With opportunities opening up in many emerging markets, it is important that a company creates a multinational culture that is characteristic of the culture in which it operates. Successful companies realize that the most important asset to a business is its employees, who are intangible assets. This translates into HRM playing a big role in international expansion.

9. What might a quality goal and high-performance work systems have in common in terms of HRM practices?

Answer: In terms of HRM practices, a quality goal and high performance work system have a lot in common. Both require increased use of teams, empowering employees and changing employee roles and company structure. A quality goal is central to the high performance work systems.

10. What factors should a company consider before offshoring? What are the advantages and disadvantages of offshoring?

Answer: A company should consider a variety of issues, including interests of stakeholders, economic conditions in potential offshoring locations (such as labour costs), availability of cheap global telecommunications, levels of customer service, managerial capabilities locally, potential for political unrest, and impact on morale of home country employees.

Advantages of offshoring usually include higher profit levels due to lower labour costs and operational costs. Disadvantages include displaced local workers, low employee morale, and lower customer loyalty.

11. What are virtual teams and how do they contribute to sustainability? Provide an example of a virtual team mentioned in this chapter.

Answer: Virtual teams refer to teams that are separated by time, geographic distance, culture, and/or organizational boundaries and that rely almost exclusively on technology (e-mail, smart phones, and videoconferencing) to interact and complete their projects. Virtual teams can be formed within one company, or they can involve partnerships with suppliers or competitors needed to complete a project or speed product delivery. The management and staff of Pure & Co., makers of neon buddha™ featured in Competing Through Globalization in this chapter is distributed across the globe. However, management and staff communicate and share documents and information through highly integrated computer technology, cell phones and internet technology such as Skype. They even have a virtual water cooler where they can exchange personal information and stay in touch.

12. Is HRM becoming more strategic? Explain your answer.

Answer: Technology is allowing the typical HRM to steer away from everyday tasks to focus more on the strategic side. Trends towards self-service (using technology), empowerment, and outsourcing are also helping HRM to take on more strategic roles by changing the way such professionals use their time. There is an increase in managers in charge of the human resource function being included on high-level committees that are shaping the strategic direction of the company.

Self-Assessment Exercise: Do You Recognize Unethical Actions?

Refer to the self-assessment exercise in the text.

Exercising Strategy: Focussed Retention Strategies

Questions:

1. Why might the opportunity to provide feedback with respect to their manager's performance help with retention of Ceridian employees? Is it fair to managers?

Answer: Including employee feedback on managers in the performance review process allows employees to have a voice that might otherwise never be heard if such a mechanism were not provided. It evens the playing field since it would encourage managers to be as fair as possible in evaluating each employee performance, knowing the employee can also provide feedback into the process. It is fair to managers if it provides constructive information that helps the manager to be more self-aware, providing a valuable source for leadership development. By being more self aware of how he or she is perceived by direct reports, managers can correct personal behaviours that undermine their effectiveness or may even contribute to turnover.

Since effective managers wish to increase employee engagement, they should welcome any opportunity to receive constructive feedback from a variety of stakeholders.

2. Do you think it is a good idea to present top performers with awards and gift certificates? Is there a downside to this practice?

Answer: Recognizing top performers with awards and gift certificates can be an effective compensation practice that clearly signals to employees what is important to the organization. It can be especially effective if combined with a strong performance management process and training activities, such as in a high performance work system. Such practices ensure employees are clear on expectations and have a chance to improve their own performance so they too can be recipients of such recognition. One downside is that individual awards and gifts can also encourage competitiveness between coworkers, and thus undermine teamwork. If teamwork is an important value of a company then awards and gifts might also be awarded to high performing teams as well.

3. What is the value of having a peer recognition program such as the one Ceridian sponsors for its employees?

Answer: Peer recognition encourages employees to observe each other's work and to recognize what high performance looks like in the workplace. This encourages positive relationships important to teamwork and helps to increase employee engagement and to overcome issues of diversity in the workplace.

Managing People:

Yahoo says “Nope” to Working at Home

Questions

1. Do you think that companies should have a policy that allows all employees to work at home? Why or why not? How would you determine which jobs are best suited for working at home?

Answer: Given the propensity for younger workers to desire more opportunity to work remotely or on a modified work schedule, many students will say they do believe in this benefit. Most organizational practitioners are proponents of these types of opportunities. It is important for students to realize that not all positions are conducive to working in a remote location. It is also important to point out the potential for abuses and the importance of retaining cultural connection.

2. What role can technology play in allowing employees to work at home? Do you believe that interaction using technology can replace interpersonal face-to-face interaction between employees or between employees and their manager?

Answer: Students will generally be familiar with technology that will facilitate these types of arrangements. Important issue here is the loss of potential for unplanned interaction with other employees.

3. What role should HR play in helping a company's leaders decide if a work-at-home policy is appropriate? What kind of information should HR provide to help in the decision making?

Answer: HR should play an integral and leadership role in the decision concerning working at home. Things like productivity data, empirical evidence, cultural issues, etc. should all be considered.

Teaching Suggestions

The use of outside or additional assignments early in the term provides an opportunity for students to discover for themselves that HRM is an important function within the organization. Following are suggestions for reading assignments to encourage further exploration of topics in this chapter, discussion groups and other activities. Getting students to provide examples of organizations that have effectively used HRM practices to help respond to competitive challenges sells them on the importance of the rest of the course!

Activities

1. **Current Issues in Business and HRM:** This chapter contains references to many current issues in business and HRM. One assignment that could help students see the relevance of what they will be studying is to ask them to read The Globe and Mail, The Toronto Star, Canadian Business, the Economist, or other resources and to bring in an article that discusses any of the topics covered in the chapter. In groups or in class, they could share their example and discuss the implications. Alternatively, this could serve as a written assignment if they were asked to write a summary of an article they find, and to point out the implications for HRM.
2. **Changing Employment Expectations:** Assign students to small discussion groups and have begin by describing to each other various jobs they now hold or may have held in the past year or so. Then, using their collective experience, have them consider several of the topics included in this chapter that pertain to an employers' relationship with its employees: For example:
 - Ask them to discuss the changes in employee or employment expectations regarding work. What might have caused such expectations to change in their own organizations? How are their employers responding to such changes?
 - Ask them to consider the "psychological contract." How might knowledge of that contract help their employer improve employee engagement in the company?

Have each group appoint a spokesperson to reports the group's findings later when you facilitate large group discussion. Discussion could include the following:

Responses regarding changing expectations will vary with each student and may reflect such events as a recent downsizing or the need to work longer hours to meet

customer expectations in another location following business expansion or a crisis. The psychological contract describes what an employee expects to contribute and what the company will provide to the employee for these contributions. If not already in existence, their employers might consider initiating flexible work schedules, comfortable working conditions, more autonomy in accomplishing work, training and development opportunities, and financial incentives based on how the company performs.

3. **Outside Speaker:** In the first week or two of class, it is frequently useful to invite a CEO of a small firm or an HRM vice-president of a larger firm to talk with the class about the role of human resources in the success of the company. Very often, such speakers have good examples of how the knowledge of HRM has helped the company to deal effectively with competitive pressures and environmental change.
4. **Sustainability, Meeting the Needs of Stakeholders, Engagement:** Have your students consider what the benefits are for corporations who encourage volunteerism. Ask them if they can identify an organization in their own community that engages in socially responsible practices such as encouraging employee volunteerism. Have them describe how encouraging volunteerism links to meeting the challenges of sustainability.
Look for evidence that students understand the issue of social responsibility, and how it helps to meet the needs of stakeholders – especially employees and the community. For example, it could include the improvement in the physical and mental health of employees through better diet and exercise and increased well-being of individuals who volunteer in their communities. Other responses could include the company strengthening its community ties to earn a positive reputation.
5. **Competing Through Sustainability:** Consider using the following questions for discussion of the Competing Through Sustainability feature (Google Keeps Employees' Stomachs Happy, But Fit too, Using Data Analytics):

Discussion Questions:

1. Why is weight gain by employees a concern for Google?

Answer: Evidence seems to suggest that increases in weight translate into increases in healthcare costs and lost work time, and decreases in productivity.

2. How would you evaluate the effectiveness of Google's approach to addressing this concern? Is there anything you would have done differently?

Answer: Student responses will almost certainly vary here. It appears from the information on the vignette that their program is working, however students will

likely be creative in their ideas to add to the program as well.

6. Competing through Technology: Topic – Social Networking

One of the topics covered in this chapter is the increasing use of social networking to facilitate HRM activities, although many organizations are still not sure how to use it or even whether such practices have value. Ask students which companies they know of that are using social networking as part of their HR strategy. Once several examples have been offered, consider using the questions below for further discussion:

Note: The following examples may be used to get things started, or compared with examples offered by students:

Example #1: CareerBuilder.com is using an app that shows its employees which of their Facebook friends would be matches for job openings at the company and encourages them to share that information.

Example #2: Verizon uses social networking tools to train employees to support new products and devices. Device Blog, Device Forum, and Learning Communities help insure that employees are ready to support customers when new products and devices are introduced to the market, engages Verizon's multigenerational workforce, and facilitates peer-to-peer learning. Device Blog makes available information and updates on wireless devices (such as DROID), FAQs (frequently asked questions), how-to-videos, and troubleshooting tips. Device Forums enable retail employees to learn from peers and product manufacturers. Employees can ask each other questions, share issues, post tips, make suggestions, and access product experts. Learning Communities are accessed through the Device Blog. They include video blogs, message boards, links to online training modules, and product demonstrations. In addition to these tools, employees have access to My Network for collaborating with their peers, knowledge and document sharing, and creating working groups. Some instructors also use it for posting supplemental content for learners use.

Discussion Questions:

1. What are some of the potential disadvantages of using social networks or microblogs such as Twitter for HR practices?

Answer: Students may identify the positives of such practices, but there is the potential for a loss of "community" and in-person identification and connectedness through the use of social media. Also, these methods of communicating are not as dynamic and interactive as in-person interaction and cannot address all of the subtleties and intricacies of HR practice.

2. Explain how social networking can be used for various HR practices. Can you think of other ways that the HR function in an organization can use Twitter, Facebook, LinkedIn, or other types of social networking? Also, are companies limited to using popular applications such as these in order to achieve the benefits of connectivity, or are there other ways of doing so? Provide examples.

Answer: Companies use various forms of social networking tools to enhance and support HR practices, and they are not limited to well known systems such as Twitter, LinkedIn, or Facebook. For example, Kelly Services uses a tool called “chatter” which helps employees share information. What other examples can students come up with?

Student responses to imagining other uses of social networking for HR can vary but examples could also include perhaps using social networking to distribute information about benefits plans, or to use it to help employees of different types of interests connect, or it could be used to facilitate mentor/mentee relationships.