

**ESSENTIALS OF
MANAGING HUMAN RESOURCES
STUDY GUIDE**

Study Guide

Essentials of Managing Human Resources

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Contents

YOUR COURSE

In this study guide, you'll find a discussion of the chapter topics, your textbook reading assignments, and self-check exercises. Each assignment lists the pages in the textbook you're required to study. After you've thoroughly completed the study part of an assignment, answer the examination questions on it.

OBJECTIVES

When you complete this course, you'll be able to

- Identify the best strategy to consider when using the expertise of a company's employees when reducing its staff
- Recognize that older workers are prime candidates for job-sharing programs
- Define *systemic discrimination* and *core competency*
- Discuss the human resources activity that seeks to place the right people in the right position at the right time
- Identify the best question format to use when interviewing candidates for a phone-in software support service
- Recognize the team format best suited to organize a team mandated to reduce waste in a manufacturing company
- Describe the technique that tracks employee movement patterns through various jobs
- Discuss the role of peer review in the performance review process
- Recognize that expected results should be under the employee's control in a successful MBO program
- Determine which employee benefit isn't required by law
- List the steps in the Supervisory Orientation Checklist

Instructions

YOUR COURSE MATERIALS

The study material for this program consists of

1. The textbook, *Essentials of Managing Human Resources*, Fifth Canadian Edition
2. This study guide

YOUR TEXTBOOK

Your study is based on the textbook, *Essentials of Managing Human Resources*, Fifth Canadian Edition. Take time to look through the text from front to back to see what's in the book and how the material is arranged.

STUDY PLAN

By using the following steps, you should have success in completing your lesson assignments and be well prepared to take the examination.

1. Read the lesson introduction and other notes in this study guide first.
2. Read the assigned pages in your textbook. It's often helpful to first skim through the material, and then go back a second time to reread and highlight materials of particular importance with a highlighter.
3. When you're confident that you've mastered the material for each assignment, complete the self-check at the end of the assignment in your study guide. Compare your answers with those given at the back of the study guide. If your answers to any of the questions were wrong, go back and review the material relating to that question until you understand it thoroughly.
4. When you've completed each lesson in your study guide, and you've checked your understanding of the material by successfully passing the self-check, you're ready to complete the lesson examination.
5. Repeat this process for each lesson in the study guide.

At any point in your studies, you may email your instructor for further information or to clarify your study materials.

Good luck with your course!



Remember to regularly check "My Courses" on your student homepage. Your instructor may post additional resources that you can access to enhance your learning experience.

NOTES

Lesson 1: Human Resources Management Challenges and the Legal Context

For:	Read in the study guide:	Read in the textbook:
Assignment 1	Pages 7–9	Pages 2–39
Assignment 2	Pages 10–11	Pages 40–73

Examination 070809RR Material in Lesson 1

Lesson 2: Attracting and Selecting People for the Organization

For:	Read in the study guide:	Read in the textbook:
Assignment 3	Pages 13–17	Pages 76–105
Assignment 4	Pages 18–23	Pages 106–149

Examination 070810RR Material in Lesson 2

Lesson 3: Developing People in the Organization

For:	Read in the study guide:	Read in the textbook:
Assignment 5	Pages 25–29	Pages 152–188
Assignment 6	Pages 30–33	Pages 190–225
Assignment 7	Pages 34–40	Pages 226–263

Examination 070811RR Material in Lesson 3

Lesson 4: Employee Relations

For:	Read in the study guide:	Read in the textbook:
Assignment 8	Pages 41–43	Pages 266–303
Assignment 9	Pages 44–48	Pages 304–341
Assignment 10	Pages 49–53	Pages 342–386
Assignment 11	Pages 54–57	Pages 388–427

Examination 070812RR Material in Lesson 4

Note: To access and complete any of the examinations in this study guide, click on the appropriate **Take Exam** icon on your “My Courses” page. You should not have to enter the examination numbers. These numbers are for reference only if you have reason to contact Student Services.

Human Resources Management Challenges and the Legal Context

ASSIGNMENT 1: THE CHALLENGES OF HUMAN RESOURCES MANAGEMENT

Read Assignment 1 in this study guide. Then read pages 2–39 in the textbook, *Essentials of Managing Human Resources*.

The term *human resources (HR)* has been misinterpreted by many people who view the term negatively—likening employees to “raw materials” to be used and then disposed of once their usefulness has expired. Nothing could be further from the truth. If there’s one central theme running through the textbook, it’s that employees are considered vital resources—representing the lifeblood of the company.

Your textbook defines *human resources management (HRM)* as “an integrated set of processes, practices, programs, and systems in an organization that focuses on the effective deployment and development of its employees.” The total combination of all the processes, practices, programs, and systems of an organization should be working to ensure that the company is getting the best effort from all of its employees. This can be accomplished through the HR activities listed and discussed on page 5 of the HRM textbook.

The rhetorical question “Why study HRM?” is answered by noting that organizations compete through people—for a company to be successful, it must be staffed with competent, energetic, motivated employees.

Managing people is the responsibility of the manager, not of the HR department. Successful organizations are those that equip their line managers with an understanding of good HRM practices through the expertise of HR professionals. HR professionals work side-by-side with line managers to address people-related issues and fully develop the potential of the company’s employees. As such, the HR department



plays a consultative and supporting role to the line manager. However, it's the line manager who's directly responsible for the effectiveness of his or her staff.

Businesses today face many diverse challenges from competing in the global economy to environmental concerns. The uncertainty relating to outsourcing and worldwide competition can take its toll on the morale of employees who fear for their livelihoods. It can also pose problems for HR managers who, if the company faces gradual downsizing, find their duties constrained primarily to preparing severance packages for employees.

On the other hand, the global marketplace also affords opportunities for expansion. As a result, the HR manager may find that his or her duties will greatly increase as new departments and employees are added due to the company's prosperity.

The commercial Internet is only about 20 years old, but it has revolutionized the way companies do business—from hiring staff to marketing their products. It can also be the way a company's image becomes quickly enhanced or tarnished as commentary can be rapidly disseminated over the Web. It took 13 years for TV to have 50 million users, whereas Facebook had 100 million users after nine months!

Technology applied to the business world is revolutionizing how training is done. Through scenario training involving computers creating virtual business environments, HR personnel can gauge how well a prospective employee will meet the rigors of a particular job. The technological innovations can also aid the HR manager in designing in-house training programs to enhance the skills of existing employees. The HR professional will change from simply executing HR processes and functions to being a leader for new models of talent and collaborative work.

HR managers must be aware of and adapt to worker demographics. For example, the 45-to-64 age bracket accounts for 38 percent of Canada's population. The workers in this age group have special concerns about flextime, retirement plans, and working conditions, to name but a few items. The fact that many of these individuals wish to work past retirement age will have an impact on HR policies and pro-

grams. Since the youth share of the labour force is decreasing, HR will be challenged to fill vacant jobs with new talent and encourage workers of retirement age to stay on.

Approximately 62 percent of labour force participants are women. As a result, employers are focusing on creating a work culture that encourages women to not only join their organization, but also stay—even past retirement age.

Note the other equally important socioeconomic issues discussed in your textbook on pages 23–29, such as cultural differences in the workforce, employee rights, part-time employment, and the need to balance work and family.



Self-Check 1

At the end of each section of *Essentials of Managing Human Resources*, you'll be asked to pause and check your understanding of what you've just read by completing a "self-check" exercise. Answering these questions will help you review what you've studied so far. Please complete *Self-Check 1* now.

1. What is the definition of human resources management?

2. What are the eight HRM processes and activities?

3. *True or false?* Managing people is the sole responsibility of the HR department.

4. *True or false?* Canada's workforce is getting younger.

Check your answers with those on page 59.

ASSIGNMENT 2: THE LEGAL FRAMEWORK OF HRM

Read Assignment 2 in this study guide. Then read pages 40–73 in the textbook, *Essentials of Managing Human Resources*.

Canadian companies are expected to operate within the boundaries of legislation covering such areas as working conditions, employee rights, antidiscrimination practices, and anti-harassment guidelines. It's the responsibility of the HR department to institute acceptable practices, educate supervisors and staff in these practices, and deal with any issues arising from their contravention. Note the "Guidelines for Having an Effective Anti-Harassment Environment" detailed in Manager's Toolkit 2.1 on page 52 of your text.

Chapter 2 discusses important federal legislation that regulates the workplace, such as the Canada Labour Code, Canadian Human Rights Act, PIPEDA, and their provincial equivalents. You should become familiar with the intent of these various pieces of legislation as discussed in your textbook. Note the elements that give rise to discrimination, systemic discrimination, and reverse discrimination. In addition, note that some discrimination is allowable under law as long as it's a *bona fide occupational qualification (BFOQ)*.

Another concept of importance to the HR department and the company in general is the concept of *reasonable accommodation*. Under this concept, employers are expected to make adjustments to the working environment to avoid charges of discrimination. The changes must be within the company's ability to make without "undue hardship" to the firm.

Another concept to fully understand is that of *pay equity*. Pay equity can be evaluated using two criteria—"equal pay for equal work" and "equal pay for jobs of comparable value to the organization." The first concept is more concrete, as it pertains to women and men doing the same job. However, the second definition tends to be somewhat abstract in that the guidelines for comparison aren't always clear-cut. For example, a male transit worker driving a city bus might make substantially more than a female school-bus driver. Even

though they both drive a bus, the male transit worker may be paid a substantially higher wage due to his being part of a strong union.

Diversity management is another important aspect of HRM. As Canada is a multicultural country, companies have to strive to create a working environment in which each individual is treated with respect and valued for his or her contribution to the success of the company. To facilitate this goal, the HR manager might have to draw up policies and institute training programs to assure that everyone is treated respectfully and fairly.



Self-Check 2

1. *True or false?* Diversity management and employment equity are both mandatory programs for employers.

2. Does a company always need to accept a medical note from the employee's doctor in the case of absence due to illness? Explain your answer.

3. Do all provinces protect against all forms of harassment? Explain your answer.

4. What does the acronym *BFOQ* mean?

Check your answers with those on page 59.

NOTES

Attracting and Selecting People for the Organization

ASSIGNMENT 3: DEFINING AND DESIGNING THE WORK

Read Assignment 3 in this study guide. Then read pages 76–105 in the textbook, *Essentials of Managing Human Resources*.

Your textbook makes the important point that it's the line manager—not HR—who determines which tasks and activities are required to achieve the organization's goals. These tasks are defined in terms of the

- **Job.** A group of related activities and duties
- **Position.** Specific duties and responsibilities performed by only one employee
- **Work.** Tasks or activities that need to be completed

Note that the definition of *work* focuses on the big picture and is becoming the preferred organizational philosophy in today's firms. Under this definition, employees and management do what it takes to get the job done—very often transcending their positions for the sake of efficiency and customer service. In this definition, employee roles aren't invariable—their duties and responsibilities are flexible and can change with the task at hand.

Job Analysis

Though flexibility is encouraged, it's still necessary to create job inventories that describe the usual tasks to be done and the order in which they may be accomplished. This is done through job analysis, which is defined on page 79 of your textbook. *Job analysis* is the process of obtaining information about jobs by determining the duties, tasks, or activities and the skills, knowledge, and abilities associated with the jobs.



This process is considered the cornerstone of HRM and is conducted by the HR professional with the line manager's assistance. Job analysis is important as a means to gather objective, verifiable information about the actual requirements of a job.

Job Description

Keep in mind the distinction between a job analysis and a job description. The *job description* is prepared after the analysis has been done and is a written document describing the work to be done and the skills required to do the work. Although there's no standard format for a job description, most contain the following elements:

- Job title
- Summary of the job
- List of duties and responsibilities
- Job specification
- Date

Note Figure 3.1 on page 80, which presents a flowchart illustrating the process from job analysis through to job description.

Job Specifications

In addition to the concepts of job analysis and job description, there's the concept of job specifications. On page 81, the *job specification* is a "statement of the needed knowledge, skills, and abilities of the person who is to perform the position." These specifications might include education, experience, and physical ability, such as the requirement to be able to lift 25 kilos (55 pounds).

Your textbook discusses the pitfalls of deficient job descriptions on page 82. It's vital to match the job description to the job requirements, taking account of human rights legislation. Vague or contradictory job descriptions may lead to grievances and legal challenges particularly if certain

requirements have no bearing on the ability to do the job—for example, “must have blonde hair and blue eyes” for a dental assistant position.

Standards of Performance

Of equal importance is the often-omitted *standards of performance* section, which is vital in clarifying performance expectations, giving supervisors the means to take corrective action based on clearly defined measurement criteria. This being said, it must be remembered that jobs change as duties are amalgamated or because of technological innovation. For these and other reasons, the job analysis procedure may have to be renewed on a regular basis. If the procedure is in constant flux, a *competency-based* job analysis, which focuses on general characteristics of performers rather than on specific task abilities might be appropriate. The general characteristics approach allows for selection of the generalist, rather than the specialist, who could then be trained in specific tasks. An example of the competency approach would involve the requirement that “candidates have good spatial perception and design skills” for a company specializing in interior design.

Another alternative to the fixed job description is the “living job description,” which is constantly updated to reflect an ever-changing job. To match the description to the actual job, the line supervisor must supply HR with up-to-date job requirements.

Study pages 86–89 to appreciate how the job analysis facilitates recruitment, selection, training and development, performance reviews, and compensation. In addition, a proper job analysis reduces the number of legal issues that might otherwise be raised due to a vague and contradictory analysis.

Designing the Job

Your textbook makes the point the job design is an outgrowth of job analysis. *Job design* is “the process of defining and arranging tasks, roles, and other processes to achieve

employee goals and organizational effectiveness.” How does this relate to the job analysis and job description? In answer to this question, remember that the job analysis seeks the ingredients for the given task, whereas the job description is a written document describing the job. Job design is more organizational in nature, as it seeks to make the means to best mesh with the needs of both the employee and the employer. The job design answers questions like the following:

- How can the work be done safely?
- How can it be done efficiently?
- Which procedures should be implemented?

Figure 3.2 on page 90 of the textbook illustrates the basis for job design and discusses the *job characteristics model*, which proposes that three psychological states of the jobholder result in improved work performance, internal motivation, and lower absenteeism and turnover. Note the three states and the five job characteristics in the model. Consider that the overall message indicates that the more the employee feels like a craftsman rather than a cog in the wheel, the more he or she will derive satisfaction from the job.

This feeling that the employee is making a distinct and important contribution to the organization can be encouraged in a variety of ways, the most important being allowing the employee to participate in the decision-making process to a greater extent. This process redefines the supervisor’s role as more of a coach than a commander, encouraging organizational growth and innovation from the ground up rather than from the top down.

This *employee empowerment* can be encouraged by the following means:

- Participation
- Innovation
- Access to information
- Accountability

Refer to page 93 in the HRM textbook for a discussion of how each of these conditions can promote empowerment and, as a desired outcome, *employee engagement*—the employee who’s dedicated and committed to the success of the organization. Ways and means leading to employee engagement are detailed on pages 93–95 in your textbook. Pay particular attention to Figure 3.3 and the list of top attraction, retention, and engagement drivers. Also, heed the warning from Robert Half whose study of employee attitudes suggests that employers who don’t pay attention to the concerns of their employees risk losing them when opportunities for their departure present themselves.

Employee Teams

On pages 95–97, an *employee team* is “a group of employees working together for a common purpose, whose members have complementary skills, the work of the members is mutually dependent, and the group has discretion over tasks performed.” Team projects are based on the assumption that employees—rather than managers—are in the best position to recommend improvements to the way in which work is performed within the organization. The various types of teams are discussed in Figure 3.4 on page 96. Also listed on page 96 are the common characteristics that lead to team success regardless of the type of team contemplated. Note the downside of the team approach, specifically referring to the tendency of some managers to resent the change in their position from authority figure to coordinator. It must be remembered that many managers themselves rose from the ranks and feel that their valuable experience and appreciation of the organization’s big picture might be given secondary consideration in favour of the teams’ recommendations.



Self-Check 3

1. What is the difference between *job analysis* and a *job description*?

2. List some of the HR functions to which job analysis can be applied.

3. List the three ways by which employees may be made to feel a vital part of the organization.

4. Name the main types of employee teams.

Check your answers with those on page 59.

ASSIGNMENT 4: HUMAN RESOURCE PLANNING, RECRUITMENT, AND SELECTION

Read Assignment 4 in this study guide. Then read pages 106–149 in the textbook, *Essentials of Managing Human Resources*.

The Determinants of Recruitment

HR planning attempts to identify the potential employees whose skills mesh with the strategic objectives of the organization. As defined on page 108, “[HR] planning is a process to

ensure that the people required to run the company are being used as effectively as possible, where and when they are needed, in order to accomplish the organization's goals." Inherent in this definition is the need to select employees who can be trained in the techniques that could be used by the organization in the future. This is accomplished through the recruitment process, which locates and encourages potential employees to apply for current and anticipated job opportunities. Note the illustration of the recruitment process in Figure 4.2.

Whenever possible, a firm should recruit for positions from within the company's talent pool. There are several advantages for doing so:

- It can be seen as a reward for past performance.
- It makes use of the people who already know and understand the organization.
- It improves employee morale by indicating that employees are able to advance within the organization.

In assessing the demand for positions, HR may use a variety of techniques, such as *trend analysis*, *management forecasts*, *staffing tables*, and *Markov analysis*, which lists both the real numbers and percentages of employees who move through and even away from the organization on a yearly basis. Note that the previously mentioned measuring systems focus on numbers of employees in relation to employment opportunities in the firm. Added to this is the process of *skills inventory*, which seeks to identify the core competencies required by the organization.

At times, the organization simply doesn't have the right mix of employees with skills required to fill the competencies of the positions existing or envisaged. This can result in either an oversupply or an undersupply of labour. The ways available for HR to deal with these scenarios are discussed on page 111 of your textbook and are graphically portrayed in Figure 4.1.

If the company can't match existing employee qualifications to jobs, it may have no choice but to recruit externally. The decision to begin recruiting outside the company will be undertaken by HR once the line manager has determined the requirements for jobs in question.

As in internal recruitment, there are both advantages and disadvantages to external recruitment. These are discussed on page 116 of your textbook. Apart from the points made on page 116, consider if additional aspects could be discussed, such as whether the outsider will become part of the employee subculture; that is, join the lotto-pool, get along with other employees in the lunch room, and so on.

The Labour Market

Your textbook makes the point that the labour market is contingent on the position that HR is trying to fill. The position will determine the number of potential candidates available and even the recruitment strategy, such as the type of advertising media to use and whether the company requires a presence in particular job fairs.

Your textbook discusses the outside recruitment strategies on pages 117–124. Note the rise of the Internet due to its cost-effectiveness and reach, particularly geared to those users who are comfortable with applied computer technology—an attribute increasingly favoured by the majority of companies.

Selection

It's important to keep in mind that the line manager has the final say in the selection process. Although HR will identify potential candidates, it can only make suggestions to the manager regarding them—the final decision will be the manager's to make.

The selection process is discussed on page 125 of your textbook. Note the climb to the top of the stairs depicted in Figure 4.3. The final step, "Hiring Decision," is the prerogative of the line manager. Also, be aware that not all steps in the process need be followed. In addition, note that the applicant may be eliminated from the process during any one of the steps.

Your textbook makes the distinction between reliability and validity. *Reliability* refers to the correct use of information-gathering techniques to yield comparable data over time, whereas *validity* refers to how well the test actually measures

what it sets out to measure. For example, a test may be reliable without being valid. Setting off the same size firecracker near an employee's office every day for an entire week to determine whether he is easily distracted by noises may yield a consistent response but the test itself wouldn't be considered a valid determinant of the tendency.

One of the most prevalent tools in the selection process is the *application form*. It's vital to understand what's permissible to ask on the application and what's in violation of human rights legislation. What should and shouldn't be on the employment application form is discussed on page 128 of the textbook.

The Interview

The next stage in the selection process is the *job interview*, which is the time-honoured way to determine if the candidate meets the organization's requirements. Although questions about the validity of the information obtained in an interview cast some doubt on its effectiveness, it's valued by managers as a way to meet the candidate and allow management to gain an overall impression of his or her character.

The various methods of conducting an interview are discussed on pages 128–130. Note the advantages and disadvantages inherent in each method. Regardless of the type of interview contemplated, the interviewer must strive to be objective and avoid inappropriate questions. The questions asked should be based on job requirements as determined by the job analysis. Questions considered acceptable and unacceptable are listed in Figure 4.4 on page 134.

Note the distinction between *structured* and *unstructured questions* discussed on pages 130–132 and when to use them. Also, keep in mind the two leading structured questions: (1) the *behavioural description interview (BDI)*, which asks the candidate to describe how he handled a specific situation in his former job, and (2) the *situational question*, which presents the candidate with a hypothetical scenario as a test of his or her ability. Regarding these structured questions, you might raise some reservations about their effectiveness and you would be right to do so! Chief among them is that the discerning

candidate might simply play for the audience and give the answer that he or she expects would be best received by the interviewer.

Employment Tests

Employment tests attempt to objectively determine a candidate's suitability; an example is a typing test for employment as a medical office assistant. The structure of the test should pertain to the specific job. It would be of little value to administer the same general intelligence test to candidates for two different positions—for example, security guard and laboratory assistant.

Pages 134–138 discuss the types of employment tests. Which test would you consider to be the most fair? Which one would you resent being given? Note that there's a real danger of subjective bias inherent in many of the tests. In addition, candidates may see some of them as an invasion of their privacy, thereby eliciting the very negativity that the test attempts to screen. For example, many highly intelligent candidates resent anything that smacks of a psychological test. The resentment felt may convert into a poor score, eliminating individuals who might otherwise perform superbly in the position in question.

Making the Decision

After compiling the information about the candidates, the management team will begin the assessment of the candidates' qualifications in respect to the job specifications. To ensure that the process minimizes bias, the best approach taken is represented by the acronym *OUCH*, which stands for “objective, uniform in application, consistent in effect, and has job relatedness.”

In the assessment of a candidate's ability, be aware of the distinction between *can-do* factors, which relate to the individual's level of skill and potential to learn additional skills, and *will-do* factors, which relate more to whether the candidate shows the necessary motivation to comply with the firm's expectations. For example, a job applicant might have proven drafting skills but perhaps be reluctant to train on the company's CAD software program. He can do the job, but will he do the job in the manner the company expects?

Your textbook lists the six paramount questions that managers must address in formulating a decision strategy (page 141). Once the strategy is in place, the final decision belongs to the line manager; however, his or her decision must conform to the decision-making guidelines established—thereby justifying the process. If the decision runs counter to the logic of the process, charges of discrimination might be levied by disgruntled candidates critical of the hiring decision.



Self-Check 4

1. *True or false?* Interviewers are influenced more by favourable information than unfavourable information.
2. List the steps in the selection process from start to finish.

3. A typing test that determines whether any applicant to a company can type 80 words in a minute is an example of
 - a. reliability.
 - b. validity.
 - c. relatedness.
 - d. recruitment.
4. The question posed to a candidate in an interview is "Tell me about the last time you disciplined an employee." Of what type of structured question is this an example?

Check your answers with those on page 60.

NOTES

Developing People in the Organization

ASSIGNMENT 5: ORIENTATION, TRAINING, AND DEVELOPMENT

Read Assignment 5 in this study guide. Then read pages 152–188 in the textbook, *Essentials of Managing Human Resources*.

This assignment outlines a systems approach to training the organization's employees. A systems approach ties orientation, training, and development into the goals and mission statement of the company, rather than allowing these processes to fall victim to the dictates of fads or the competition. A systems approach involves four phases:

1. Needs assessment
2. Program design
3. Training delivery
4. Evaluation of training

The four-phase approach weaves the goals of the company into the following processes:

- **Orientation.** The familiarizing of new employees into their jobs and into the culture of the organization
- **Training.** Acquisition of the skills and behaviour necessary for employees to perform in their present jobs
- **Development.** Acquisition of skills and behaviour to take on other tasks/responsibilities

The systems model of training is depicted in Figure 5.1. Note that the outcome drives the program, with the result that the entire program can be revised if outcomes don't favourably compare with objectives and criteria.



Phase 1: Conducting the Needs Assessment

Before initiating a training program, it's vital to determine if such a program is even necessary. This can be determined by various signals as mentioned on page 158 of your textbook. If a knowledge/performance gap is evident, then the needs assessment can be done by addressing the following four questions:

1. How important is this issue to the success of the organization?
2. What competencies or knowledge, skills, and abilities do employees *need*?
3. What competencies or knowledge, skills, and abilities do the employees currently *have*?
4. What is the gap between the desired (need) and the actual (have)?

Once the questions have been answered, a training program can be formulated.

Phase 2: Designing the Training Program

Your textbook makes the point that training programs can be either designed in-house or purchased. However, irrespective of the program's origin, it must focus on the following four related issues:

- Instructional objectives
- Trainee readiness and motivation
- Principles of learning
- Characteristics of instructors

Of prime importance is establishing the instructional objectives of the program—the desired outcomes. This is more specific than identifying the needs of the organization.

Rather, it focuses on the measurable skills that the training program will impart to the employees, allowing them to meet these needs.

The next step, trainee readiness and motivation, tries to determine whether trainees will benefit from the training. Will the introduction of a new perpetual inventory control system streamline procedures if the employees being trained to use it don't understand the theory of perpetual inventory? Trainee readiness can be enhanced by the application of the six strategies listed on page 160 of the textbook.

The principles-of-learning step focuses on the delivery of the instructional material. For example, should it be done through PowerPoint or one-on-one, hands-on instruction? How is the program broken down into short-term goals?

The characteristics of the trainers have an enormous impact on the success of the program. Do the trainers simply demonstrate the technique and allow the students to follow as best they can? Do the trainers dryly recite specifications and procedures, or do they try to make it fun for the participants? To address these concerns, your textbook emphasizes the proper way to do on-the-job training, discussed in Manager's Toolkit 5.2 on page 163.

Phase 3: Implementing the Training Program

Pages 162–167 summarize the types of training methods available, from classroom instruction to e-learning. Which method would you find most appealing if you had to undergo a training program? Why would you find it so?

Phase 4: Evaluating the Training Program

Phase 4 determines success or failure of the entire program, but it's often the most neglected phase of the training regimen. The problem arises when management views training akin to computer programming—"We installed the program,

so it's going to work!" Sadly, this assumption can't be made when dealing with the human element. It can be the case that old habits die hard with the result that employees may unconsciously revert to old ways of doing things because they're ingrained over time. On the other hand, because a new technique requires time and practice to increase speed, employees may abandon it in preference to what worked before and got the job done quickly.

Study the four methods of evaluating the training program discussed on pages 167–170 of your text. Note as well, W. Edward Deming's four-step process listed on page 169, and the concept of *benchmarking*. Benchmarking attempts to measure the services and practices in the organization against those of industry leaders to reveal areas needing improvement.

Orientation

Your textbook stresses that the primary purpose of orientation is to get new employees off to a good start. This is accomplished through a formal orientation program. However, it should be emphasized that orientation is more of a process than a program. Orientation isn't just about introducing employees to the demands of their jobs, but just as importantly, inculcating them in the values, beliefs, and accepted behaviours in the organization. The benefits of orientation are

- Lower turnover
- Increased productivity
- Improved employee morale
- Lower recruiting and training costs
- Facilitation of learning
- Reduction of the anxiety felt by the new employee

The more an employee feels welcome in the organization, the more she'll feel a part of it. To facilitate this process, note the Supervisory Orientation Checklist in Manager's Toolkit 5.4 on page 172 of the textbook.

Orientation is a cooperative effort between HR and the employee's immediate supervisor. However, as the employee will turn to the supervisor for guidance, HR must stress to the supervisor the necessity of his or her acting in synch with the organization's objectives. In addition, it's vital to anticipate the anxiety felt by a new employee and to take steps to put him at ease quickly. If this isn't done, the employee's fear factor will interfere with his concentration, thereby hampering his ability to learn and retain important information.

When the orientation process has been completed, its effectiveness needs to be assessed by the HR professional. Simply sitting down with the new employee and asking him or her to share concerns will go a long way towards gaining an accurate assessment of the program's effectiveness.

Career Development

Increasingly, organizations view *career development* as a joint responsibility between employee and employer. On one hand, employees need to ensure that they acquire the knowledge, skills, and capabilities to meet their career goals. On the other hand, the organization must clearly communicate its objectives/expectations to the employee and support his career development. The interplay between employee/employer needs is illustrated in Figure 5.5. Can you see points of harmony and points of conflict? For example, how would you handle a need for future competencies with a 55-year-old employee when—at the same time—the company has engaged in limited outsourcing? Should he be trained? Will he wish to be trained amidst fears that he might become redundant anyway?

Note the distinction between a *transfer*, which is defined on page 178 of the text, and a *demotion*. A transfer is the placement of an employee in another job for which the duties, responsibilities, status, and remuneration are approximately equal to those of the previous job. A transfer, however, doesn't take place when an employee moves to a lower-level job. In that case, despite the effort to sound positive, it's a demotion. Conversely, any move to a higher level with added responsibilities and additional remuneration is considered a promotion.



Self-Check 5

1. *True or false?* Benchmarking is a management-simulation game used in training.

2. What are the benefits of a well-designed orientation process?

3. What does *PROPER* mean?

4. What are the steps involved in formulating a training and development program?

Check your answers with those on page 60.

ASSIGNMENT 6: MANAGING PERFORMANCE

Read Assignment 6 in this study guide. Then read pages 190–225 in the textbook, *Essentials of Managing Human Resources*.

The Performance Management System

The *performance management system* is much more than just a performance review. On page 192, your textbook defines the performance management system as “a set of integrated management practices” that aims to

- Integrate management functions to maximize employee potential
- Increase employee motivation and work satisfaction

Irrespective of the mix of performance-enhancing techniques employed, the following management practices must be employed for a performance management system to be effective:

1. Setting and communicating clear performance expectations for all work and all jobs
2. Ensuring clear and specific performance objectives (or standards of performance) for all work
3. Providing supportive and helpful coaching by the supervisor to enable staff to reach their objectives
4. Focusing on the accomplishment of objectives during performance reviews
5. Recognizing and celebrating good performance
6. If necessary, creating action plans to improve performance

Your textbook discusses why performance management systems sometimes fail and lists four main reasons for their failure on page 195. (Other reasons are listed in Figure 6.2.) Note that the more quantifiable the process, the less subjective it becomes. In other words if goals, skills, and outcomes can be measured against a standard, the less the process will simply seem to be a matter of opinion on the part of manager and employee. Also, if the performance objectives can be measured, it facilitates the introduction of periodic control and feedback mechanisms, which can keep the employee's performance on track with management's expectations. This periodic assessment approach has been adopted by Mead Johnson Canada, for example.

Steps in an Effective Performance Management System

The most important point to note in the development of an effective performance management system is that it's a joint venture between the line manager and HR. It's the line manager's responsibility to use the system once implemented, and it's the responsibility of HR to ensure that the system meets the needs of the manager.

The first step in performance management design involves measurement. Before any performance management program can be initiated, management needs to know the performance standards/desired outcomes for the task, such as the expected quantity of output, speed of output, quality of output, and so on. Only when standards are in place can actual performance be compared to a desired norm and goals, such as increasing sales by five percent.

The second step involves regular coaching. To be effective, the supervisor must be able to communicate to the employee what needs to be done to correct mistakes and improve performance.

In addition to regular coaching, it's important to have a formal review of the employee's overall performance—usually once a year. This allows the manager and employee to set performance goals for the coming year.

The last step in the performance management system is to recognize and reward the employee's accomplishments. Apart from monetary considerations, your textbook lists other potential awards for merit on pages 200–201.

Note that any performance management system must comply with the law. Your textbook lists the legal guidelines for acceptable performance reviews on page 201.

In addition, note the various types of reviews discussed on pages 203–205. Interestingly, many employees are unhappy about self-reviews and peer reviews. Think about the types of reviews listed. By which method would you prefer to be evaluated? Which method would cause you—as an employee—the most concern and why?

The textbook contrasts *behavioural methods* with *results methods*. Should one methodology be used without the other or could both systems be integrated into a comprehensive whole?

When conducting the formal performance interview, it's useful to follow these guidelines (also listed on pages 216–217 of your textbook):

- Ask for a self-assessment
- Invite participation
- Express appreciation
- Minimize criticism
- Change the behaviour, not the person
- Focus on solving problems
- Be supportive
- Establish goals
- Follow up day to day
- Meeting set-up

The main point to keep in mind is that employees can't improve their performance unless they know exactly what's expected of them. To do this, the manager must remind the employee of the job standards at the start of any review period, which will enable the employee to adjust behaviour to meet the required standards.



Self-Check 6

1. What are the two main features of the MBO philosophy?

2. A performance review done by persons of equal rank to that of the employee is called a/an _____ review.
3. A performance management system is defined as a/an _____.
4. For a performance assessment to comply with the law, it must satisfy which three criteria?

Check your answers with those on page 60.

ASSIGNMENT 7: REWARDING AND RECOGNIZING EMPLOYEES

Read Assignment 7 in this study guide. Then read pages 226–263 in the textbook, *Essentials of Managing Human Resources*.

Linking Rewards to Organizational Objectives

On page 228 of your textbook, the authors state the methodology of compensation. Companies structure their compensation in ways that enhance employee motivation and growth while aligning the employees' efforts with the objectives, philosophies, and culture of the organization. This is accomplished by two forms:

- *Direct compensation*, which encompasses employee wages and salaries, incentives, bonuses, and commissions
- *Indirect compensation*, which includes benefits such as dental plans and life insurance supplied by the employers

Companies may lean towards one form of compensation as opposed to the other or offer a combination of both forms to their employees. In essence, the reward system is a balancing act between the company's needs and expectations and those of the employee. With this in mind, most companies establish specific goals for aligning their organizational objectives with their compensation program. The more common of these goals are listed on page 231. The list includes

1. Reward employees' past performance
2. Remain competitive in the labour market
3. Maintain salary equity among employees
4. Mesh employees' future performance with organizational goals
5. Control the compensation budget
6. Retain key staff
7. Influence employee behaviours and attitudes

Pay-for-Performance Standard

This compensation strategy is favoured by a great many companies in today's business sector. The actual compensation may include merit pay, cash bonuses, stock options, and gifts. When compensation is directly linked to performance, studies have shown that employees will increase their productivity by anywhere from 15 to 35 percent. This system has advantages and disadvantages, which are listed in Figure 7.2 on page 234. However, one of the chief concerns, especially if the system is based on individual performance, is that the strategy doesn't degenerate into a competition between employees. If it does, it can backfire by creating rivalry between employees, a reluctance to share information between "competitors," disputes that may end up in the lap

of the HR department, and reduced motivation on the part of employees who never win. To avoid these problems, it's safer to base the system on performance improvement over the previous year so—in the case of two salespeople who increase sales by 5 and 10 percent, respectively—some reward is given to both in recognition of their performance. Even if one receives more reward than the other, it's a better system than a winner-take-all scheme.

Determining Compensation

Your textbook stresses that *internal* and *external* factors can influence—both directly and indirectly—the rates at which employees are paid. The internal factors are

- The employer's compensation policy
- The worth of the job
- Employee worth in meeting job requirements
- Employer's willingness to pay

In regard to the last point—it doesn't imply that an employer can pay whatever/whenever he or she wants. Provincial labour laws are in effect (legal requirements discussed under external factors) to regulate minimum wage rates and wage rates related to specific vocations. Employers are also obligated to meet pay periods as stated in the company's hiring policy. What it does imply is that a given employer may decide to pay at the low end of the scale for that respective industry.

Each of these points is discussed in more detail on pages 234–236. As you study these points, consider areas of possible friction that the meshing of these factors could produce. This friction could well become contentious issues for the HR department!

External factors can often be outside the direct control of the employer:

- The overall economic situation
- Labour market conditions
- Area wage rates
- Cost of living
- Collective bargaining
- Legal requirements

These external factors are discussed on pages 236–238 of the textbook. Again note the possible areas of conflict between employer concerns related to the economy and employee expectations related to the cost of living, for example. It's interesting to note that cost of living is determined more by perception than by government statistics. If an employee notices an increase in her food bill, her perception of a cost-of-living rise won't be altered by government statistics to the contrary!

Job Evaluation Systems

Organizations use job evaluation systems to determine the relative worth of the jobs in the organization. The four most popular methods are

- Job ranking system
- Job classification system
- Point system
- Factor comparison systems

The *job ranking system* is the oldest of the four methods. Under this scheme, jobs are ranked by the organization into a hierarchy by order of importance.

The *job classification system* groups several jobs into a category with different grades assigned to each job. Each grade would be remunerated distinctly based on degree of responsibility. An example of this would be the positions of security guard–unarmed, and security guard–armed.

The *point system* contains elements of the job classification system, but it's more specific as it awards points for individual skills within the job. Thus a mechanic under the points system would be paid on the basis of specific job skills within the general job title; that is, knowledge of the latest car-company transmission, ability to repair fuel-celled vehicles, knowledge of hybrid drive systems. This would be distinct from another mechanic whose knowledge is confined strictly to gasoline-powered vehicles.

The *factor comparison system* uses a group of elements to form a basis for compensation. Any given job is analyzed to determine how much of each element is present. An example might be a comparison between a private soldier and a member of a special-forces team. The elements of stress, decision making, physical effort, tactics, and responsibility might be more in evidence in the training/demands of the special-forces operative than in that of the ordinary soldier. As a result, the two individuals would have different pay scales.

The Compensation Structure

The job evaluation system establishes a means by which jobs can be compared, but the process doesn't inherently result in a wage rate. This must be assigned by members of the organization. Obviously, many determinants are considered in establishing a wage rate, such as industry norms, availability of suitable candidates, geographic area, government legislation, and overall health of the national and regional economies, to name a few. The ways in which wages are set are discussed on pages 241–243. Note the discussion on the topic of *competency-based pay*, which encourages constant retraining and evaluation of employee commitment to the job specifics and the overall company values. How would you feel about working under such a scheme? Would there, perhaps, be dangers of subjectivity inherent in such a system?

Incentive Plans

In an effort to encourage employees to link their success to that of the organization as a whole, many companies use *incentive plans*, such as the ones listed on page 244 of the textbook. However, the downturn in the economy has forced many companies to curtail their incentive programs. Note the discussion on team incentive plans as opposed to individual plans. Think about which one would appeal to you. What would be the strongest argument for or against one plan as opposed to the other?

Employee Benefits

As stated on page 244 of your textbook, “Employee benefits constitute an indirect form of compensation intended to improve the quality of the work and personal lives of employees.” The chief objectives of benefit programs attempt to

- Improve employee work satisfaction
- Meet employee health and security requirements
- Attract and motivate employees
- Retain top-performing employees
- Maintain a favourable competitive position

Both required and voluntary benefits are discussed on pages 247–254. Note that the perceived value of certain benefits over others changes with overall worker demographics and with the makeup of the workers in the specific company. For example, older workers would place more value on medical and dental benefits, whereas the young women employees of a garment factory might be especially motivated by the establishment of a company day care.

Note the distinction between a defined benefit plan and a defined contribution plan. In a *defined benefit plan*, the employee receives a fixed amount based on years of service. In a *defined contribution plan*, the employee receives an amount based on contributed funds. Under the latter scheme, employees can choose to start off at a given percentage of salary and increase the percentage if—at a later date—they wish to increase their contributions to the fund. The net contribution will also increase as a result of any increase in an employee's salary.



Self-Check 7

1. List the common goals of a compensation strategy.

2. What is a job evaluation?

3. What is the purpose of an incentive plan?

Check your answers with those on page 61.

Employee Relations

ASSIGNMENT 8: CREATING A SAFE AND HEALTHY WORK ENVIRONMENT

Read Assignment 8 in this study guide. Then read pages 266–303 in the textbook, *Essentials of Managing Human Resources*.

Health and Safety: The Law

Workplace health and safety is of paramount concern to everybody. The chilling figures related to work-related illness listed on page 268 of your textbook have both direct and indirect effects on all Canadians. When framing any discussion around workplace health and safety, a distinction must be made between an *occupational injury* and an *occupational illness*. On page 269, an occupational injury is defined as “any cut, fracture, sprain, or amputation resulting from a workplace accident.” An occupational illness is an “abnormal condition or disorder . . . caused by exposure to environmental factors associated with employment.”

In both federal and provincial jurisdictions, employers are required by law to comply with minimum health and safety standards. However, employees are bound to certain provisions as well. The law requires all employers to take reasonable precautions to ensure employee safety and to inform employees of safe work practices. Conversely, employees must comply with health and safety legislation, report hazardous conditions to supervisory personnel, and follow the safety rules of the organization. Note that the daily responsibility for health and safety rests with each supervisor and manager.

In most jurisdictions, the law requires the formation of health and safety committees comprised of management and employee representatives who work together to establish and maintain a safe workplace. While it’s true that the penalties



are severe for employers failing to meet reasonable safety standards, one shouldn't entertain the idea that this is the only employer motivator. Of equal importance is the genuine concern on the part of many—if not most—employers for the welfare of their employees.

When a workplace injury or illness occurs, workers' compensation insurance provides benefits in the form of wage-loss payments and medical/vocational rehabilitation. Note the discussion on pages 274–275 of the textbook concerning the problems associated with compensation, such as probability of return to work as a factor of length of absence, compensation for stress, and the oftentimes blurry line between cause and effect of injury/illness.

Creating a Safe Work Environment

A great many of the workplace health and safety programs in effect are under the management of company HR departments. However, supervisors in other departments have the responsibility to make sure that the programs are strictly observed by their staff. When deciding to institute a health and safety program, the recommendations listed in Figure 8.2 on page 276 and in Manager's Toolkit 8.3 on page 278 of the textbook provide a comprehensive means to that end.

To enforce the safety rules listed on page 280 of the HRM textbook, penalties should be in place and stipulated in the employee handbook. If an untoward event occurs, the event should be investigated by the department supervisor working with a member of the safety committee. The incident should be logged to enable the compilation of an incidence rate required by workers' compensation.

Your textbook discusses the various measures for improving the health of the work environment on pages 282–291 of the textbook. Note that it's not necessarily the case that all measures anticipating potential problems should be in place, but when a concern is raised, it should be investigated and steps taken to alleviate the problem.

Of equal concern is workplace security. This involves dealing with both internal and external threats. Note that the organization should have a zero-tolerance policy in place for intimidation and violence. Problem employees may be asked to arrange for counselling or terminated depending on the policy infraction.

Note the discussion on the topic of stress and the causes and symptoms of the condition. Think about how wellness programs and the suggestions listed in Figure 8.4 might be effective in preventing workplace stress.



Self-Check 8

1. *True or false?* Workers' compensation premiums, paid by the employer, increase with the number of accidents reported.
2. *True or false?* The Canadian Labour Code contains provisions whereby workers can refuse an assignment they perceive as dangerous without fear of punitive action on the part of the employer.
3. According to your textbook, what is stress?

4. What are the most popular subjects in proactive safety training programs?

Check your answers with those on page 61.

ASSIGNMENT 9: MANAGEMENT RIGHTS, EMPLOYEE RIGHTS, AND DISCIPLINE

Read Assignment 9 in this study guide. Then read pages 304–341 in the textbook, *Essentials of Managing Human Resources*.

Management Rights

Your textbook analyzes management/employee rights from a contractual position, which is much the same methodology employed by government regulatory bodies. Its “philosophy” is that both management and employees have contractual relations—written and implied—to one another, but both groups are fundamentally concerned with the success of the company. This differs from a Marxist philosophy, which views the employer/employee relationship as *adversarial*—a position that frequently seems to be prevalent in the public sector and amongst certain large industries in which the collective-bargaining procedure is characterized by conflict.

In accordance with the contractual philosophy, management has the right to make decisions about how the business is run, including the right to hire or terminate. However, these rights have to be exercised in acceptably defined ways—they can’t be arbitrary.

Employee Rights

On page 307, your textbook defines employee rights as “the expectation of fair treatment from employers in the employment relationship.” Through labour legislation, these expectations have become rights particularly in the areas of discrimination, safety and health, and wage and maximum hours of work protection.

Note the issues raised in this section, particularly concerning the vicarious liability risks to the employer if an employee injures a client or coworker. The employer may be taken to court for *negligent hiring*—not investigating the former

employment record of the employee before hiring to determine a past behavioural problem. However, it's now very difficult for employers to do comprehensive background checks. This is because employees terminated for misconduct can sue their former employers for defamation of character if the former employer makes critical comments about their working experience. As such, most employers won't make any comments about the performance of a former employee; rather, they'll only confirm dates of hire and termination concerning the former employee.

It's important to distinguish between *statutory rights* and *contractual rights*. Statutory rights derive from legislation—they're guaranteed by law, and any breach of them on the part of the employer will result in the employer's prosecution by the justice system.

Contractual rights are derived from contracts. If a point of contention occurs, the matter will result in an action brought before the courts charged to rule in matters of contract law. The case will be decided on the terms—written and implicit—in the contract, but the case won't involve the violation of a provincial law.

On pages 309–311, your textbook discusses some of the ways in which an implied contract can become binding and the ways in which employers can protect themselves against lawsuits as a result.

Privacy Issues

In an effort to quality-control operations, many organizations have begun to monitor employees at work. The question this raises is when does monitoring become an invasion of privacy? It's interesting to consider that provincial privacy legislation allows for video and telephone monitoring and even probable-cause searches. However, the risk to employers conducting a search without hard evidence of employee wrongdoing is great. If the search is done improperly or can be seen to be frivolous, the company may leave itself open to suits charging defamation of character and emotional distress.

Employees have the right to review their personnel file under PIPEDA legislation. Under this legislation, employers must have employee consent when they receive a request to provide information about the employee to a third party.

Specifically, the employee must be notified about

- The employer's need for the employee's personal data
- The purposes for which the information is to be processed
- The people or bodies to whom the information might be disclosed
- The proposed transfer of information to other countries
- The security measures protecting the information

Note the email, Internet, and voice mail policy guidelines listed in the Manager's Toolkit 9.2 on page 317 of the textbook. They constitute a comprehensive framework for a legal and efficient organizational communication policy.

Disciplinary Policies and Procedures

Employee disciplinary policies must be transparent and consistent. Employees should know the rules because they're clearly written in the employment handbook—it shouldn't be assumed that employees know what's expected of them. The conduct and disciplinary policies may be compiled by the HR department, but it's the responsibility of the supervisor to make certain that employees in his or her department are aware of them. It's also the responsibility of the supervisor to take corrective action in the event that an employee is in contravention of a rule.

On page 320, your textbook defines *discipline*, which has three facets:

- Treatment that punishes
- Orderly behaviour in an organizational setting
- Training that moulds and strengthens desirable conduct—or corrects undesirable conduct—and develops self-control

Before disciplinary action should be taken, a thorough investigation of the incident must be undertaken following the guidelines listed in Manager's Toolkit 9.3 on page 323.

Your textbook discusses the concepts of *positive discipline* and *progressive discipline*. Positive discipline involves a discussion between the supervisor and employee of the behaviour needing correction, after which it becomes the responsibility of the employee to take corrective action.

Progressive discipline is the application of corrective procedures based on the frequency/intensity of the behaviour. For a first offence, a minimum of action is taken—enough to encourage the employee to correct the problem. If the problem recurs, the intensity of the action is increased. If the initial problem is a very serious one, then the severity of the initial action may be very intense as well; however, it will be the particular issue that will determine the degree of action taken based on the analysis of the circumstances.

Grounds for Dismissal

To avoid charges of wrongful dismissal, the employer must make certain that the employee is dismissed for just cause. Just cause guidelines are discussed in Manager's Toolkit 9.4 on page 328. When an employee is dismissed, it should be done professionally. Above all, the manager must avoid besmirching the employee's character. Responsible dismissal guidelines are discussed on page 330 of the textbook. Note that it may not always be possible to hold the meeting in a neutral location, in which case the attendance of another manager—and even a third manager—is vital. It's also current practice to expect the dismissed employee to leave the premises after the dismissal procedure has been completed. Doing so guards against the possibility that the disgruntled employee might compromise company data and records stored on computers.

Appealing Disciplinary Action

Appeal mechanisms have in common the creation of a climate in which an employee can appeal a supervisor's disciplinary action without fear of reprisal. They're grouped under the umbrella of *alternative dispute-resolution procedures*, or *ADR*. The following are ADR methods, which are discussed on pages 332–333 of your textbook:

- Mediation
- Step-review systems
- Use of a hearing officer
- Open-door policy
- Ombudsperson system
- Arbitration

Note the inherent difficulties in some of these mechanisms—particularly those mechanisms in which the employee must refer his grievance to a higher level. Many employees experience a great deal of reticence to do so as they feel that management will simply circle the wagons to defend the supervisor. In addition, the fact that the employee is going over the supervisor's head may cause resentment on the supervisor's part—leading to deterioration in the working relationship.

The HR department must strive to be the impartial judicial system of the organization making employees feel that HR is perfectly capable of mediating between employees and management in a fair manner. This function should be encouraged by management and the autonomy of the HR department in this area guaranteed in company policy.

The HR department must also be a force to maintain ethical behaviour in the workplace amongst employees and managers alike. Your textbook makes the observation that the way in which employees are treated largely distinguishes the unethical organization from the ethical one.



Self-Check 9

1. Contrast statutory rights and contractual rights.

2. Why is documentation so important to the disciplinary process?

3. What is the difference between just cause and wrongful dismissal?

4. What is mediation?

Check your answers with those on page 61.

ASSIGNMENT 10: LABOUR RELATIONS AND COLLECTIVE BARGAINING

Read Assignment 10 in this study guide. Then read pages 342–386 in the textbook, *Essentials of Managing Human Resources*.

Laws Governing Labour Relations

Canadian labour laws promote an environment in which both employers and unions can exercise their respective rights and

responsibilities. The following are common features of Canadian labour legislation:

- The right of people to join unions
- The requirement that employers recognize a certified union as the rightful and exclusive bargaining agent for that group of employees
- The identification of unfair labour practices
- The right of unions to strike and the right of employers to lock out workers

Note that federally regulated companies such as airlines and transportation companies are governed by the Canada Labour Code, whereas most unionized companies are covered through provincial labour legislation.

Your textbook describes the four-step *labour relations process*:

1. Workers desire collective representation.
2. Union begins its organizing campaign.
3. Collective negotiation leads to a contract.
4. The contract is administered.

Once a company has been unionized, it can take one of three forms:

- **Union shop.** Employees must join the union as a condition of their employment.
- **Closed shop.** Only union members may be hired by the company.
- **Open shop.** Employees can choose whether to join the union.

Of the three possibilities, the one most favourable to management is the open shop. However, most employers are quite accepting of the union shop, which gives them the freedom to hire whomever they please as long as the chosen candidate becomes a union member.

On pages 349–351, your textbook discusses the organizing process. Note that the employer can't interfere with the certification process. However, the employer can advise employees that they can come to management with any issues irrespective of whether they join a union.

The unfair practices by both employers and unions are listed in Figure 10.2 on page 352 of your text.

Note the real and perceived challenges to management authority discussed on page 354. It's interesting to note that disciplining an employee may not necessarily be more difficult in a union shop since the collective agreement will clearly define grounds for suspension and termination agreed to by the bargaining unit. If an employee is in clear contravention of these grounds, the union won't challenge management's decision to discipline or terminate—depending on the infraction.

The Collective Bargaining Process

The primary purpose of the collective bargaining process is to negotiate the *collective agreement*, which is the term used to describe the terms and conditions of employment for employees. A graphic representation of the collective bargaining process is depicted in Figure 10.3 on page 362. Note that the bargaining process isn't necessarily adversarial in nature as many—if not most—negotiations take place in good faith. In addition, the negotiations don't always conflict over pay increases. Quite often, concerns over seniority, working conditions, and job security are of equal concern to employees. It's in the area of job security that *interest-based bargaining* tends to take root. In this scheme, employees might even agree to a salary cut and management might offer profit-sharing incentives to employees to reinvigorate the company against increased competition.

Although management may lock out workers and unions may call a strike if negotiations deadlock, neither tactic should be employed lightly. It's often the case that more damage is done through lost wages and lost business than can be made up for regardless of who wins the battle. This was the case in the protracted *Montreal Star* newspaper strike, which resulted in

the paper being shut down despite an eventual resolution in its contract negotiations. Your textbook discusses the fallout from lockouts and strikes on pages 368–369.

The Collective Agreement

The *collective agreement* is the product of the collective bargaining process. It's the written document that's legally binding on both employer and employee, which will be referred to on a day-to-day basis to ensure that both parties fulfill their contractual obligations.

Note the distinction between *residual rights* and *defined rights* discussed on pages 370–372 of your textbook. Note the inherent possibilities for contention under either scheme. While residual rights seem to grant more discretionary power to management, the power is assumed rather than specified. This may spark grievances when employees disagree with what management considers its prerogative in certain circumstances.

Defined rights, on the other hand, pose the problem that management might be too constrained in its decision-making ability due to the collective agreement. This may be a cause for friction in the event that management wishes to innovate in terms of products and procedures and runs up against employee reticence due to employee fears of job redundancy.

Management's fear of being constrained in its ability to innovate isn't without foundation. In the middle to end of the last century, the British shipbuilding industry—once a world leader—was severely curtailed by the continuance of antiquated procedures enforced in part by its collective agreements.

Grievance Procedures

The *grievance procedure* allows the union to represent its members when employees feel that management has violated a condition of the collective agreement. The grievance mechanism itself may vary among companies according to the terms of the collective agreement in

- The number of steps in the procedure of resolving a grievance
- The individuals responsible for hearing the grievance
- Time limits for filing and processing the grievance
- The initiation of the arbitration process

The standard grievance procedure is depicted as a flowchart in Figure 10.5 on page 374 in your text. Note that grievances may be resolved without requirement of the arbitration phase. However, if arbitration becomes necessary, labour lawyers engaged by the contesting parties will hammer out a consensus that will be enforced by the civil courts. This process may be a very costly one, so both the management and the union must seriously consider whether to escalate a grievance to this level.

As your textbook points out, there are notable changes affecting labour relations in Canada. These are summarized on pages 378–379 of the textbook. Consider these changes in terms of labour/management strength. Who stands to gain? Who stands to lose?



Self-Check 10

1. Which unfair labour practices apply to unions and employers?

2. What is the role of the shop steward?

3. How does a strike differ from a lockout?

4. What is a grievance arbitration?

Check your answers with those on page 62.

ASSIGNMENT 11: INTERNATIONAL HUMAN RESOURCES MANAGEMENT

Read Assignment 11 in this study guide. Then read pages 388–427 in the textbook, *Essentials of Managing Human Resources*.

Managing across Borders

Organizations exhibit different forms when conducting business internationally. Your textbook lists four main types of

business organizations that predominantly operate across national boundaries. Note that these forms aren't mandatory for doing business internationally since many small- to medium-sized businesses import and export internationally as well. Many of these firms are sole proprietorships, partnerships, or cooperatives.

The following are the four main predominantly international models, which are organized under the corporate structure, which is characterized by stockholder equity and limited liability:

- International corporation
- Multinational corporation (MNC)
- Global corporation
- Transnational corporation

The intricacies of the various corporate business models are outside the scope of this study guide; instead, confine your focus to the global environment's effects on management.

One of the most important considerations from an HR perspective is the effect of cultural differences on operations. A few of these cultural differences can be felt in the following areas:

- **Outlook.** In some cultures, the employee is expected to have a pronounced loyalty to the company and is encouraged to view the company as a family or benefactor. When management starts a branch in North America, it may feel resentment when workers don't adopt this view.
- **Protocol.** In some Asian cultures, the concept of face is very important, which has extremely important ramifications in the area of discipline. A transplanted North American manager will soon lose all cooperation on the part of his staff if he causes an employee to look bad in the presence of his peers.
- **Etiquette.** Important business deals can be won or lost depending on the knowledge of the culture's idea of proper etiquette. For example, one American firm lost an important business contract in Java when, to celebrate

the success of negotiations, the American businessman put his arm around his Javanese counterpart during a photo session.

- **Directives.** In some cultures, giving a person bad news when the person presents a request is considered impolite. Rather than give a refusal, the person asked for the dubious request will simply appear to agree and then let the matter lapse expecting that the person making the request will clue in to the fact that it can't or won't be done. In this situation, a North American manager is apt to feel that his staff is lazy, incompetent, uncooperative, and unreliable while the staff will consider the manager to be obtuse.
- **Language.** The most common source of friction relates to accents. For example, a North American company whose call centre is in a foreign country may experience negative feedback from its customers in North America if they find the personnel hard to understand or if it causes them to feel that their jobs are being exported.

Meeting the challenge posed by cultural and economic diversity is the chief concern of the HR department in international businesses. The HR department will try to prepare an employee being sent abroad for the conditions he or she is likely to experience. Conversely, the HR department might also be responsible for hiring managerial staff in the foreign country itself. As your textbook points out, international staffing may be from three main sources:

- **Expatriates.** Home-country nationals on assignment abroad
- **Host-country nationals.** Natives of the host country
- **Third-country nationals.** Natives of a country other than the host or home country

Among other concerns for HR are compensating employees sent overseas as well as meeting their health care expectations. Solutions to these problems are discussed on pages 410–414 of your textbook.

Conclusion

The theme of this study guide has been that, in this fast-paced world exhibiting major socioeconomic shifts, the key to business success is the recruitment and maintenance of a productive workforce on both the managerial and staff levels. Managers and employees who can innovate, who respond well to change, and who have the desire and ability to be trained and retrained are and will be the driving force behind any successful enterprise. To ensure that the right people fill the right positions in a smoothly functioning work environment, the HR department will play an increasingly vital role.



Self-Check 11

1. *True or false?* It takes only a few days for an expatriate returning to Canada to get reacclimatized to our way of life.
2. What is the distinction between a home-country national and a host-country national?

3. What are three main reasons that there's a growing trend to hire host-country nationals for managerial positions in international companies?

4. Why are failure rates high amongst expatriates?

Check your answers with those on page 63.

NOTES

Self-Check 1

1. An integrated set of processes, practices, programs, and systems in an organization that focuses on the effective deployment and development of its employees
2. Organizational, work, and job design; planning; recruitment and selection; training and development; performance management; compensation; occupational health and safety; and employee and labour relations
3. False
4. False

Self-Check 2

1. False
2. No, the Supreme Court of Canada ruled that employers have the right to request an evaluation of the employee's health by a doctor of the company's choosing.
3. No, some provinces protect only against sexual harassment; however, to respect the rights of all employees and to promote a harmonious workplace, all companies are encouraged to formulate a policy covering all forms of potential harassment.
4. Bona fide occupational qualification

Self-Check 3

1. Job analysis is the process of obtaining information about a job; the job description is the written document summarizing the information gained from job analysis.
2. Recruitment, selection, training and development, performance reviews, and compensation
3. Employee empowerment, employee engagement, and employee teams
4. Surgical, coaching, face-to-face, virtual or distributed, leadership, and sand dune teams

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Self-Check 4

1. False
2. Completion of the application, initial screening by HR, employment test, supervisory or team interview, reference check, hiring decision
3. a
4. BDI (behavioural description interview) question

Self-Check 5

1. False
2. It can lower turnover, increase productivity, improve employee morale, lower recruiting and training costs, facilitate learning, and reduce anxiety on the part of new employees.
3. Prepare, reassure, orient, perform, evaluate, reinforce, and review
4. Following a systems-approach, the steps are (1) conduct a needs assessment, (2) design the program, (3) implant the training, and (4) evaluate the effectiveness of the training.

Self-Check 6

1. (1) Employees set goals in consultation with supervisors, and then (2) use the outcome of these objectives as the basis for the performance review.
2. peer
3. set of integrated management practices
4. Reliability, fairness, and validity

Self-Check 7

1. To reward employees' past performance, remain competitive in the labour market, maintain salary equity among employees, mesh employees' future performance with organizational goals, control the compensation budget, retain key staff, and influence employee behaviours and attitudes
2. A systematic analysis of jobs to determine the relative value of each job in relation to all other jobs within the organization. Job evaluation seeks to establish internal equity among various jobs.
3. An incentive plan is used to emphasize a focus on organizational goals in such a way that employees can share in the performance of the organization. Incentives are designed to encourage employees to put out more effort to complete their job tasks.

Self-Check 8

1. True
2. True
3. Stress is any adjustive demand caused by physical, mental, or emotional factors that requires coping behaviour.
4. First aid, accident investigation, accident prevention techniques, hazardous materials, and emergency procedures

Self-Check 9

1. Statutory rights are employee rights that derive from law; contractual rights derive from contracts such as a union agreement or an employee handbook.
2. Without appropriate documentation in the disciplinary process, the action taken by the manager could be reversed through the appeal process as it could be considered arbitrary.

3. Just cause means that the employer had legitimate grounds for terminating the employee; wrongful dismissal refers to terminating a person's employment in the absence of just cause.
4. Mediation is a dispute resolution mechanism by which a neutral third party works with both the employee and the employer to facilitate a resolution to the employee's complaint.

Self-Check 10

1. Unions are prohibited from interfering with the formation of the employer's organization, intimidating or coercing employees to become or remain members of the union, forcing employers to discipline or discriminate against non-union members, and calling a strike before the expiry of collective bargaining. Unions must bargain in good faith.

Employers can't interfere while a union is attempting to organize employees, discipline or threaten their employees to dissuade them from organizing, or change their working conditions and wages. Employers must bargain in good faith.

2. A shop steward is a company employee who represents the interests of the union members on a day-to-day basis.
3. A strike occurs when unionized workers refuse to perform their work during labour negotiations. A lockout occurs when an employer denies employees the opportunity to work during negotiations by closing its operations.
4. It's a mechanism through which a solution can be reached when the employer and union have been unable to resolve a grievance themselves. It's reached through interpretation of the collective agreement and may involve looking at how similar cases involving other parties were resolved.

Self-Check 11

1. False
2. A home-country national is an employee from the home country who's on international assignment—frequently referred to as an “expatriate.” A host-country national is a native of the host country.
3. (1) Hiring local citizens costs less than relocating expatriates. (2) Local governments want the international company to provide good jobs for its citizens and may require the international company to hire them. (3) Most customers prefer to deal with locals rather than with “foreigners.”
4. The company hasn't taken the needs of the expatriate's family into account.