# Answers to In-Text Questions

# Chapter 1: Introduction to Human Resource Management

**HRM in Context: The Case of Chobani’s Evolving HR Culture**

**Case Discussion Questions;**

1. Chobani has grown a great deal since its founding in 2005. How do you think growth has influenced its HR practices beyond what is mentioned in this case? Please share specific insights.

*Chobani experienced tremendous growth within 2 years of opening. HR most likely did not have a plan for training and development, leadership, or perhaps even a benefits package that might attract strong candidates. The HRM system needed to evolve to manage the 3,000 full and part time employees, on two continents, where laws would vary. As mentioned in the case, Craig Gomez used his experience at other large, multinational firms, to create innovative ways of doing business at Chobani, instead of the “usual HR checklist.” It is clear that HR is a key partner in the success of Chobani.*

1. Craig Gomez, Chobani’s former Chief People Officer, makes a strong case for HR being in the business of solving problems for the organization. Do you agree with this position? Why or why not?

*Gomez‘s position that HR is a partner in problem solving is one of the key elements in Chobani’s ability to handle their rapid growth and expansion. HRM practices of small organizations differ from those of large organizations. Gomez was instrumental in moving Chobani from a five person start-up to an international organization is a very short amount of time. The idea of an HR department with 30 full-time employees is a strong indication of the value of HR to this company.*

1. Why do you think that Chobani’s founder, Hamdi Ulukaya, gave away 10% of his company to his current full-time employees? Do you think this is a wise idea or a foolish one? Why?

*By giving employees shares of stock, Ulukaya potentially created a great deal of loyalty from all employees. The original five employees, who really took the biggest chance on the success of a small startup, received the most stock. They had the potential to work for other, larger firms that could have paid more, and the stock helped to create stronger bonds with the organization as it moved through the process of developing its initial public offering. This again helped Ulukaya reinforce the idea that Chobani is a “people-centered company.” The stock created a mutual promise to work together with a shared purpose and responsibility.*

1. Do you consider Chobani’s policy of offering 6 weeks of paid parental leave to all full-time employees a waste of money or a wise investment? Be prepared to defend your response.

*Chobani is continuously striving to be a people-centered company. By providing paid parental leave for all full-time employees, Chobani is supporting the value of family and the role of both parents in the family unit. Parental leave is a common practice in many industrialized countries, and this policy helps to create an employee-focused environment, thereby increasing employee loyalty even more.*

***Spotlight on Ethics: SHRM Code of Ethics***

Ethics is critically important to the effective practice of HRM. Ethical decisions and actions lead to greater trust and engagement within organizations and allow for all types of information to emerge, which is important for effective decision making. Given the importance of ethics to HRM, the Society for Human Resource Management (SHRM), which is the world's largest professional society for human resource management, developed a code of ethics. We encourage you to read this code of ethics whether you are an aspiring manager or HRM professional or one who is seasoned. The core principles noted are easily transferable to different organizational roles, and following them can help you avoid serious problems as you are faced with ethical dilemmas and decisions throughout your career. The six core principles described in the code provisions include the idea that professionals should engage in their work with a focus on professional responsibility, professional development, ethical leadership, fairness and justice, conflicts of interest, and use of information.

**Questions**

1. Describe a hypothetical scenario in which you as an HR professional would need to apply certain principles from the SHRM Code of Ethics.

*Responses will vary by students. There are many potential areas where ethics are an important part of the HR process. High standards of ethics lead to greater trust and engagement within the organization and can lead to a better decision making process.*

1. Choose a business situation from the news or the HR literature where principles from the SHRM Code of Ethics made a difference or could have made a difference. Specifically, what did the decision makers do right, or what could they have done better?

*There are many examples of ethical violations in the news on a regular basis. Students may discuss whistleblower issues such as those at Enron and Arthur Anderson, or something more current such as the ethical violations that have surfaces in the U.S. gymnastics organizations and Michigan State University, cell phone recordings during confidential meetings, inappropriate postings on social media and consequent terminations, Facebooks policies to monitor what users are posting, for example.*

**Mini-Case Analysis *Exercise: Information Seeking as a New Employee***

You have started work at a small company, Johnson Natural Shoes, which designs and produces children’s shoes. The company has an innovative approach and uses all-natural materials. Its product has been increasing in demand in the few short years since it began. The company was founded by Shannon McKenzie. You found out about the position because you are friends with Shannon’s daughter who is an old friend of yours from high school. You were hired after you met with the founder who remembered you from soccer games and birthday parties.

You do not have a job description or formal job title. But you are the only person in the organization with a degree in business, and Shannon mentioned to you that you were hired in the hopes you could help the company manage its rapid growth. At this point, the company is on track to double in size this year compared to last year when it only had 28 employees.

You notice from the first days on the job that employees enjoy collaborating and making decisions together, and you felt welcomed right away. You see great things in the company’s future and want to help make Johnson Natural Shoes an international brand. You can’t wait to start making a contribution.

Now it is your turn to decide how to help:

1. Given that you are still new to the company, how would you approach learning more about the company and its employees?

*There are many examples to be learned by referencing back to the Chobani case. While student answers will vary, there should be a discussion about listening to the goals of Shannon McKenzie and other leadership and try to determine the current “pain-points” that need to be addressed. A study of other successful firms that experienced rapid growth would also be beneficial.*

1. What are specific key questions you might want to ask employees about the company?

*While student responses will vary, it is important to try to determine what is being done right, in additional to potential problem areas. Ideas about long-term goals should also be considered.*

1. Based on your knowledge of business, what would you advise Shannon to consider as HR priorities as the organization experiences high growth?

*Shannon needs to consider how to attract and retain employees with expertise that will allow her to grow at the predicted pace. Turnover is costly in terms of dollars and error rates, and Shannon needs to make sure the company can meet the needs of customers while maintaining quality.*

**HR Decision Analysis Exercise: Unlimited Vacation?**

In this chapter, we presented a lot of information regarding HRM and approaches to business in general. Given how many different things you have considered, we would like you to take some time to focus in on some key aspects of making effective HRM decisions. Read on about some different HRM decisions that have been made.

Your company is considering giving everyone in the organization unlimited vacation time regardless of how long they have been with the company or how much they currently make. This is following the popularity of this approach at several major organizations such as Netflix, General Electric, and the Virgin Group. Your boss has asked you to take the perspective of wanting to ensure that HRM decisions are effective, and using the figure below as a guide, determine what questions should be asked to address how wise this policy change might be from a variety of angles.

**[Insert Figure 1.0 here]**

*Please generate questions and provide the rationale for them around each of the following characteristics. In other words, what questions do you need to have answered to determine if this is an effective HRM decision?*

**Legal, ethical, and fair**

Answers will vary but might cite laws that indicate these policies are legal. In terms of being ethical and fair, students may want to consider how many vacation days are actually used when unlimited vacation policies exist. While on the surface, this sounds like a great benefit, it can be more difficult for employees to take vacation time based on the demands of the job, or because of managers who still “track” the amount of vacation time used and make promotional and performance related decisions based on this information. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Evidence based/evidence informed**

Students should look at which firms are using a similar policy and consider the number of days actually being taken and the cost to the organization. A comparative analysis might be done to look at retention, cost before and after the policy was implemented, and employee satisfaction with the policy. Students must also consider the realities of this type of policy and be realistic about how this type of policy is managed. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Fosters healthy employee–employer relationships**

This might be harder to measure. On the surface this has the potential to be a great policy, thereby improving employee–employer relationships. However, consideration must also be given to the idea that an employee may decide to take 6 weeks off work to travel or spend time with family, and the work usually performed by that employee must still be completed. The students must also consider the attitudes of those managers and supervisors who are responsible for ensuring work is accomplished in a timely manner.

This discussion might lead to looking at how vacation time is handled in those companies who have unlimited vacation policies, as well as international firms where all employees take several weeks of vacation at the same time. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Timely and cost-effective**

Student discussion should consider why this is the right time for such a policy, and what does the organization hope to achieve with this policy. Based on a study of organizations who already use a similar policy, looking at the cost-effectiveness of the policy might be quite interesting. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Takes a systematic stakeholder perspective**

In addition to considering the effects of this policy on the employees and the organization (including the recruitment and retention goals of the organization), students must consider all stakeholders. How will this policy be perceived by suppliers, vendors, customers, and what effect will such a policy have on the value of the organization if it is a publicly traded organization?

It might also be interesting to determine the amount of vacation taken based on the leadership level of the employee. Does senior leadership take more or less vacation time? Do entry-level employees take more vacation time? Do employees view taking days off whenever they want as a right or a benefit? What kind of notice does an employee need to give to take vacation? What happens when an employee takes an extended vacation then gives notice? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Considering your analysis, overall, is this an effective decision? Why, or why not?*

Answers will vary by student. On this surface, this is a great policy for the employee and might be viewed as a significant benefit. This might also be viewed as a potentially costly benefit from the employer point of view. Research into organizations that have a similar benefit might show otherwise, and the discussion as to whether or not this is an effective decision should be based on research, not immediate reaction. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*What, if anything, do you think should be taken into consideration to help make this decision most effective?*

There are many things students will identify as part of the decision making process. Some will look at this from the employee point of view. Others will look at this from the organization’s potential perspective. The goal is to get students to consider both points of view to establish a viable policy that would great benefit from both the employee and employer perspective. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HR Decision-Making Exercise: The Changing Context of HRM**

Making HRM decisions is often a group activity as seldom does one person have all the required information, context, and expertise to tackle every HR issue. Working in a group, review the six trends we identified as impacting HRM today and into the future (changing demographics, the emerging gig economy, increasing globalization, technology, availability of data, ethical and corporate social responsibility challenges).

1. Form your group.
2. Decide if there are additional trends your group believes might be as important or more important than these six.

*The trends identified as most important by the group will depend on who is in the group and their goals. The trends identified might be subsets of the trends discussed in the text, such as alternative work environments (part of the gig economy trend) or be focused on legal issues such as health insurance and employee protection issues.*

1. As a group, decide which trend your group collectively feels is the *most* important factor that will influence HRM. It is as important to justify your answer in terms of your selection of the most important factor as it is to defend why the others are not seen as equally important.

*Responses will vary by group. Groups might have a difficult time narrowing it down to just one trend, as may realize that HR decisions impact a variety of areas.*

# Discussion Questions

# Chapter 1: Introduction to Human Resource Management

1. Identify a study that investigates the relationship between human resources management and organizational management. As you consider this relationship, what do you think is the most important skill set that an HR manager can bring to the strategy for an organization?

2. Consider what you know about the current global economy. What do you think is the most influential aspect of an organization desiring to go global that an HR manager contributes?

3. How has technology influence HR laws over the past 10 years? What technologies are in use that organizations use to assist in making their HR practices more effective?

4. As you consider the HRM timeline in this chapter, it appears that the Eras of HR Management change about every 10 to 30 years. It would appear that we are due for another Era change in the next 10 years or so. What do you think the Era will be termed and why?

Lecture Notes

# Chapter 1: Introduction to Human Resource Management

## Learning Objectives

* 1. Define Human Resource Management (HRM).
  2. Articulate why HRM matters, giving concrete examples.
  3. Explain the changing context of HRM and the developing role of analytics and technology.
  4. Summarize the HRM profession.

## Chapter Summary

This chapter aims to provide readers with an introduction to the field of human resource management (HRM). The chapter begins with an overview of the what HRM is and how it relates to decision making. Then, the chapter addresses why HRM matters and how people and organizational culture affect HRM. The next section of the chapter outlines important changes in the contextual landscape that have major implications for HRM, such as changing demographics, the emergence of the gig economy, globalization, technology, availability of data, and ethical challenges. Finally, who is involved with HRM, HR careers and competencies, and evidence-based management are discussed.

## Annotated Chapter Outline

1. What is Human Resource Management? introduces the field of human resource management.
   1. This not only includes what HRM is but also the evolving context and landscape of HRM, best practices, and some of the issues and controversies associated with HRM today.
      1. Exposure to selection
      2. Current knowledge revolution
      3. **Human Resource Management**: constellation of decisions and actions associated with managing individuals throughout the employee life cycle to maximize employee and organizational effectiveness in attaining goals
         1. Ultimately about making decisions about people
      4. Important implications of viewing HRM from a decision-making perspective
         1. Helps overcome biases
            1. **Availability bias**: tendency to rely more on information that is relatively available, and thus discounting alternative information
            2. **Anchoring bias**: tendency to rely too much on the first piece of information given
            3. **Overconfidence bias**: tendency to seek confirmation of one’s own beliefs or expectations, shortcuts the exploration of a full range of options
         2. Addresses the core issue of what makes a good decision
            1. Manager’s Toolbox 1.1
2. Why HRM Matters: Knowledge of HR is valuable not only for HRM majors, but also for building managerial skills.
   1. People Matter
      1. Influence of individuals on workplace culture and organization accomplishments
      2. Attraction-selection-attrition framework
         1. **Human capital**: knowledge, skills, abilities, and other characteristics embodied in people
      3. Disengaged versus engaged employees
         1. Link between treating employees well and company success
   2. Organizational Culture Matters
      1. **Organizational culture**: shared, “taken-for-granted” assumptions that members of an organization have that affect the way they act, think, and perceive their environment
         1. Influences and is influenced by decision making
      2. Types of organizational culture
         1. Competing Values Framework: popular typology of organizational cultures
         2. **Clan cultures:** collaboration oriented, value being cohesive, people oriented, team players, and empowering employees
         3. **Adhocracy cultures:** focus on creating and emphasize being entrepreneurial, flexible, taking risks, and being creative
         4. **Market cultures:** characterized by competition, value being aggressive, competitive, and customer oriented
         5. **Hierarchy cultures**: focus on controlling, value being efficient, timely, and consistent
   3. How HRM Affects Organizational Culture
      1. Close connection between company culture and HR practices
3. The Changing Context of HRM: This section outlines a number of important changes in the contextual landscape that have major implications for HRM.
   1. Changing Demographics
      1. Aging population
      2. Increasing demographic diversity
         1. Challenges in pay and promotion for ethnic subgroups
   2. Emergence of the Gig Economy
      1. **Gig economy**: prevalence of temporary employment positions and individuals are employed as independent workers rather than actual employees of an organization
      2. **Gig:** single project or task that a worker is hired to do on demand
      3. Advantages: scheduling flexibility, variety, ability to pursue one’s interests
      4. Disadvantages: inconsistency in pay and scheduling, lack of benefits, unclear legal environment
   3. Globalization
      1. India and China are the fastest growing economies
      2. Large portion of major U.S. businesses revenues come from overseas
      3. Globalization of businesses and HRM challenges
         1. Local laws and regulations
         2. Cultural differences
   4. Technology
      1. Moore’s Law: Capacity of computer chips will double roughly every two years at around the same cost.
   5. Availability of Data
      1. **Big Data:** data that is large in volume, variety, and velocity
   6. Ethical Challenges and Corporate Social Responsibility
      1. **Business ethics:** system of principles that govern how businesses operate, how decisions are made, and how people are treated
         1. 1960s and 1970s: shift away from strict loyalty to the organization to a stronger loyalty to one’s own guiding principles and ideals
         2. Business scandals in 2000s
            1. Global changes
4. HRM as a Profession: an understanding of who is involved in HRM, the types of HR careers available, and what the core HRM competencies are should be helpful to all those interested in business
   1. Who Is Involved in HRM?
      1. Top management teams and HRM
      2. HR managers and HRM
      3. Line managers and HRM
   2. HR Careers
      1. **HR specialist**: attends to all aspects of one specific HRM function
      2. **HR generalist:** spans over multiple HR functions
      3. HR business Partners and HRM
      4. What Employers Look For In HR Applicants
         1. Level of HR position and the importance of HR in the organization
         2. Society for Human Resource Management (SHRM)
         3. Salary and job outlook
         4. HRM certifications
   3. HRM Competencies
      1. **Competency**: cluster of knowledge, skills, abilities, and other characteristics (KSAOs) necessary to be effective at one’s job
      2. SHRM Competency Model
         1. HR expertise/knowledge
         2. Eight behavioral competencies
            1. Interpersonal competencies
            2. Business competencies
            3. Leadership competencies
         3. Staying Up to Date: Evidence-Based Management
            1. **Benchmarking**: measurement of the quality of an organization’s practices in comparison with peer organization using similar metrics
            2. HR organization reports
            3. Research in academic journals and conferences

# Instructor’s Manual

# Chapter 1: Introduction to Human Resource Management

# Chapter Summary

* Benefits are part of an organization’s reward and compensation system.
* There are legally required benefits as well as voluntary or “discretionary benefits.”
* A benefit system should be considered a strategic element of the organization’s attraction and retention system.

Chapter Learning Objectives:

After completing this chapter, students should be able to:

LO 1.1: Define *Human Resources Management* (HRM).

* Decisions and actions that guide organizational strategies with regard to people in the organization
* Changing elements in the world of HRM

- HRM is a systematic approach that is collaborative and integrative.

- HRM works best when used in conjunction with management.

LO 1.2: Articulate why HRM matters, giving concrete examples.

- People matter. Organizations are functional only because of people.

- Human capital refers to knowledge skills and abilities and other characteristics (KSAOs).

- Organizational culture matters. Shared beliefs about the organization that affect the actions, thoughts, and perceptions of the environment.

LO 1.3: Explain the changing context of HRM and the developing role of analytics and technology.

* Changing demographics
* Emergence of the gig economy. Define *gig economy*.
* Globalization of the economy and businesses
* Advances in technology
* Big Data availability and data mining
* Corporate social responsibility and corporate ethics

LO 1.4: Summarize the human resource management profession.

* Who is involved in HRM?
* Top management teams and HRM
* HR managers and HRM
* Line managers and HRM
* Careers in HR

HR business partners and HRM

* What employers look for in HR applicants
* Salary and job outlook in HRM
* HRM competencies

# Suggested Exercises or Projects

Exercise 1.1 Put the class into groups of three and have them identify the single most important function of the HR office in organizations. Why are there different answers? What biases contributed to these different answers?

Exercise 1.2 Locate the SHRM website and find the key competencies that SHRM requires to have either an SPHR or PHR certification.

Discussion Questions:

1. Identify a study that investigates the relationship between human resources management and organizational management. As you consider this relationship, what do you think is the most important skill set that an HR manager can bring to the strategy for an organization?

2. Consider what you know about the current global economy. What do you think is the most influential aspect of an organization desiring to go global that an HR manager contributes?

3. How has technology influence HR laws over the past 10 years? What technologies are in use that organizations use to assist in making their HR practices more effective?

4. As you consider the HRM timeline in this chapter, it appears that the “Eras” of HR Management change about every 10 to 30 years. It would appear that we are due for another Era change in the next 10 years or so. What do you think the Era will be termed and why?