

EDITION 12

Managing Human Resources



Bohlander · Snell · Sherman

Bohlander, Snell and Sherman

Prepared by Thomas Lloyd

STUDY GUIDE

Managing Human Resources

Twelfth Edition

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PREFACE

The *Study Guide* that accompanies the 12th Edition of *Managing Human Resources* by Sherman, Bohlander & Snell offers something new and exciting to motivate your learning in this course. The purpose of this Study Guide is to increase your understanding of human resources management theory and concepts.

Learning Objectives. After you have read the chapter in the text, read the Learning Objectives to review what you should have learned from the chapter.

Chapter Summary. The Chapter Summary is prepared in conjunction with the learning objectives. Read and study the Chapter Summary carefully. Review any concepts in the text that you did not completely understand.

Self Test Questions. The Self-Test section includes three separate self-test exercises—**Multiple Choice** questions, **True/False** questions, and a **Definition Review** in the form of matching questions. **Real-life Application** questions have been added to improve your understanding of business as it relates to theoretical concepts. Finally, a **How to** section has been added to the 12th Edition to improve your understanding of the Human Resource function as it applies to recruitment and selection.

When reading and studying the textbook, use the opportunity to apply and integrate the knowledge you have gained to answer the questions that appear in this Study Guide.

Answers. The answers to all the Multiple Choice, True/False, Definition Review, Applications, and How to questions are found at the end of each chapter. Check your answers only after you have answered all of the questions. Reviewing any incorrect answers may suggest the need for further review of the text material. You can easily find the material in the textbook by using the learning objective icon that appears with each Multiple Choice, True/False, and Application question.

Have a good semester.

ACKNOWLEDGEMENTS

I would like to thank those who gave their time and effort and showed the commitment necessary to ensure completion of this *Study Guide*. I would like to thank my wife, Joyce Lloyd, for her support and dedication to the development of this project. Personal thanks go to my research assistant Denise King and to Evelyn Humelsine, Bev Torock, Marie Rowley, and Linda Dunn for their perseverance in the completion of this project. They provided expertise and painstaking effort to input these questions and answers into the computer.

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CHAPTER 1

THE CHALLENGE OF HUMAN RESOURCES MANAGEMENT

You will be able to learn how firms gain sustainable competitive advantage with and through people. You will be able to comprehend the concept of globalization and the impact it has created on human resources management. This awareness will provide a perspective with which to interpret current practices, problems, and issues more clearly. This chapter is designed to make you aware of the challenges of human resources management that you will encounter in the work environment. In reading this chapter you will be able to understand how information technology challenges managers and employees. This chapter will also acquaint you with the growing body of knowledge being accumulated within the field. In this chapter you will learn the importance of change management and the following tools that are utilized by HR managers, such as, the development of intellectual capital and how TQM and reengineering challenge HR systems. Finally, you will be able to learn the roles and competencies that challenge HR management. You will be able to understand the impact of cost pressures on HR policies and changing demographics and employee concerns pertaining to HRM.

LEARNING OBJECTIVES

After studying this chapter you should be able to



Identify how firms gain sustainable competitive advantage through people.



Explain how globalization is influencing human resources management.



Describe the impact of information technology on managing people.



Identify the importance of change management.



State HR's role in developing intellectual capital.



Differentiate how TQM and reengineering influence HR systems.



Discuss the impact of cost pressures on HR policies.



Discuss the primary demographic and employee concerns pertaining to HRM.



Provide examples of the roles and competencies of today's HR managers.

CHAPTER SUMMARY RELATING TO LEARNING OBJECTIVES



People have always been central to organizations, but their strategic importance is growing in today's knowledge-based industries. An organization's success increasingly depends on the knowledge, skills, and abilities of employees, particularly as they help establish a set of core competencies that distinguish an organization from its competitors. When employees' talents are valuable, rare, difficult to imitate, and organized, an organization can achieve a sustained competitive advantage through people.



Globalization influences approximately 70 to 85 percent of the U.S. economy and affects the free flow of trade among countries. This influences the number and kinds of jobs that are available and requires that organizations balance a complicated set of issues related to managing people in different geographies, cultures, legal environments, and business conditions. HR functions such as staffing, training, compensation, and the like have to be adjusted to take into account the differences in global management.



Advanced technology has tended to reduce the number of jobs that require little skill and to increase the number of jobs that require considerable skill, a shift we refer to as moving from “touch labor” to knowledge work. This displaces some employees and requires that others be retrained. In addition, information technology has influenced HRM through human resources information systems (HRIS) that streamline the processing of data and make employee information more readily available to managers.



Both proactive and reactive change initiatives require HR managers to work with line managers and executives to create a vision for the future, establish an architecture that enables change, and communicate with employees about the processes of change.

- OBJECTIVE 5** In order to "compete through people" organizations have to do a good job of managing human capital: the knowledge, skills, and capabilities that have value to organizations. Managers must develop strategies for identifying, recruiting, and hiring the best talent available; developing these employees in ways that are firm-specific; helping them to generate new ideas and generalize them through the company; encouraging information sharing; and rewarding collaboration and teamwork.
- OBJECTIVE 6** In order to respond to customer needs better, faster, and more cheaply, organizations have instituted total-quality management (TQM) and reengineering programs. Each of these programs requires that HR be involved in changing work processes, training, job design, compensation, and the like. HR issues also arise when communicating with employees about the new work systems, just as with any change initiative.
- OBJECTIVE 7** In order to contain costs, organizations have been downsizing, outsourcing, leasing employees, and enhancing productivity. HR's role is to maintain the relationship between a company and its employees, while implementing the changes.
- OBJECTIVE 8** The workforce is becoming increasingly diverse and organizations are doing more to address employees concerns and to maximize the benefit of different kinds of employees. Demographic changes, social and cultural differences and changing attitudes toward work can provide a rich source of variety for organizations. But to benefit from diversity, managers need to recognize the potential concerns of employees and make certain that the exchange between the organization and employees is mutually beneficial.
- OBJECTIVE 9** In working with line managers to address the organization's challenges, HR managers play a number of important roles; they are called on for advice and counsel, for various service activities, for policy formulation and implementation, and for employee advocacy. To perform these roles effectively, HR managers must contribute business competencies, state-of-the-art HR competencies, and change-management competencies. Ultimately, managing people is rarely the exclusive responsibility of the HR function. Every manager's job is managing people, and successful companies are those that combine the expertise of HR specialists with the experience of line managers to develop and utilize the talents of employees to their greatest potential.

REVIEW QUESTIONS

Multiple Choice

Choose the letter of the word or phrase that best completes each statement.



- _____ 1. The key to a firm's success is based on establishing a set of
- a. HR certification.
 - b. HR procedures on outsourcing.
 - c. core competencies.
 - d. behavioral sciences.



- _____ 2. The following criteria highlight the importance of people and show the closeness of HRM to strategic management, **EXCEPT FOR**
- a. certification of people resources.
 - b. resources are valued.
 - c. resources must be rare.
 - d. resources must be difficult to imitate.



- _____ 3. The employee's skills, knowledge, and abilities are among the most distinctive investment of resources a company can develop. This process is known as
- a. employee leasing.
 - b. position descriptions.
 - c. employee empowerment.
 - d. strategic management.



- _____ 4. To compete in the 21st century, the focus of HRM will be on the need to
- a. develop a production plan.
 - b. rationalize scientific management principles.
 - c. utilize organization development.
 - d. develop a skilled and flexible workforce.

OBJECTIVE
2

- _____ 5. The effect of lower trade barriers and open global markets to free flow of goods, services, and capital among nations have lead to trade zones called
- a. North American Free Trade Agreement (NAFT).
 - b. European Unification (EU) focuses.
 - c. Asia Pacific Economic Cooperation (APEC).
 - d. all of the above.

OBJECTIVE
2

- _____ 6. When managers talk about “going global,” they have to balance a complicated set of issues related to
- a. different geographies.
 - b. different cultures.
 - c. different laws and practices.
 - d. all of the above.

OBJECTIVE
3

- _____ 7. The concept that has changed the face of HRM in the United States and abroad is known as
- a. information technology.
 - b. employee empowerment .
 - c. organization downsizing.
 - d. employee leasing.

OBJECTIVE
3

- _____ 8. The process where unlimited amounts of data can be stored, retrieved, and used in a wide variety of ways, from simple record keeping to controlling complex equipment is
- a. total quality management.
 - b. telecommuting.
 - c. reengineering of work.
 - d. computer networks.

OBJECTIVE
4

- _____ 9. Technology and globalization are forces driving managerial change, which would include
- a. continuous improvement.
 - b. outsourcing.
 - c. reengineering.
 - d. all of the above.

 OBJECTIVE 4

- _____ 10. The change initiated by managers to take advantage of targeted opportunities, particularly in fast-changing industries where followers are not successful is a process known as
- a. proactive management.
 - b. strategic organization.
 - c. employee downsizing.
 - d. human resource information system.

 OBJECTIVE 5

- _____ 11. The asset that describes the economic value of knowledge, skills, and capabilities is known as
- a. human capital.
 - b. information technology.
 - c. total-quality management.
 - d. human resource information systems.

 OBJECTIVE 5

- _____ 12. Human capital is intangible and elusive and cannot be managed the way organizations manage
- a. jobs.
 - b. products.
 - c. technologies.
 - d. all of the above.

 OBJECTIVE 6

- _____ 13. A set of principles and practices whose core ideas include understanding customer needs, doing things right the first time, and striving for continuous improvement is
- a. reengineering of work.
 - b. total-quality management.
 - c. outsourcing.
 - d. global management.

 OBJECTIVE 6

- _____ 14. The procedure, which describes “the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and speed”, is
- a. human resource information.
 - b. total quality management.
 - c. reengineering.
 - d. international business.

 OBJECTIVE 7

- _____ 15. A process where an organization can essentially maintain its working relationships but shift the administrative costs of health care, retirement, and other benefits to the vendor is
- a. employee leasing.
 - b. employee turnover.
 - c. reengineering.
 - d. total quality management.

 OBJECTIVE 7

- _____ 16. The output gained from a fixed amount of inputs which organizations can increase, by either reducing the inputs or by increasing the amount that employees produce is known as
- a. total quality management.
 - b. organization downsizing.
 - c. intellectual capital.
 - d. productivity.

 OBJECTIVE 8

- _____ 17. Managing people is every manager's business, and successful organizations combine the expertise of HR specialists with the
- a. experience of line managers.
 - b. employer's rights.
 - c. expertise of staff specialists.
 - d. external stake holders.

 OBJECTIVE 8

- _____ 18. Women are fairly well represented in fast-growing occupations such as
- a. health services.
 - b. construction.
 - c. accounting.
 - d. production.

 OBJECTIVE 9

- _____ 19. The major activities for which an HR manager is typically responsible include the following, **EXCEPT FOR**
- a. direct line managers.
 - b. service, advice, and counsel.
 - c. policy formulation and implementation.
 - d. employee advocacy.



- _____ 20. Employers can encounter costly collective bargaining proposals, threats of strike, and charges of unfair labor practices where employees are organized into
- self-managed teams.
 - labor unions.
 - quality circles.
 - lay advisory work groups.

True/False

Identify the following statements as True or False.



- _____ 1. Experts now argue that the key to a firm's success is based on establishing a set of core competencies.



- _____ 2. To compete in the twenty-first century there is a need to recruit and select a work force that is rigid and non-flexible in their work skills.



- _____ 3. From an HRM perspective, globalization is of interest only to large firms.



- _____ 4. The globalization process impacts human resources management through the recruitment of expatriate managers.



- _____ 5. The introduction of advanced technology into an organization tends to increase the number of jobs that require little skill and to reduce the number of jobs that require considerable skill.



- _____ 6. The most central use of technology in HRM is an organization's human resource information system (HRIS).



- _____ 7. In managing change through HR applications, people often welcome change because it requires them to modify or abandon ways of working that have been successful or at least familiar to them.



- _____ 8. According to Dr. Marily Buckner, "Non-technical, unattended human factors are, in fact, most often the problem in failed change projects."



_____ 9. In regard to intellectual capital, Lief Edvinsson states that the value of knowledge management comes from application not storage.



_____ 10. The value of human capital is intangible and cannot be managed the way organizations manage jobs, products, and technologies.



_____ 11. Total-quality management programs appear to be sudden leaps forward on improving productivity at work.



_____ 12. Reengineering often requires that managers start over from scratch in rethinking how work should be done, how technology and people should interact, and how entire organizations should be structured.



_____ 13. According to a Deloitte & Touche survey, three-fourths of executives said their firms would be able to increase productivity over the next three to five years by focusing more on HR issues.



_____ 14. Investments in reengineering, TQM, human capital, technology, globalization, and the like are not very important for organizational competitiveness.



_____ 15. In terms of cost containment, labor costs are one of the lowest expenditures of any organization, particularly in service and knowledge-intensive companies.



_____ 16. Though most people still enjoy work and want to excel at it, they tend to be focused on finding routine, repetitive work and may pursue multiple careers rather than being satisfied with just "having a job."



_____ 17. One challenge faced by HR managers today is managing the diversity of the workforce, a group composed of minorities such as white males, women, Hispanics, and African Americans.



_____ 18. Demographic changes in the workforce are changes in employee background, age, gender, and education levels.



_____ 19. HR managers are not exclusively responsible for coordinating programs and policies pertaining to people-related issues.



- _____ 20. One of the enduring roles of HR managers is to serve as an employee advocate—listening to the employees' concerns and representing their need to be managers.

Matching

Match each term with the proper definition.

Terms

- | | |
|--|-----------------------------------|
| a. core competencies | g. knowledge workers |
| b. downsizing | h. managing diversity |
| c. employee leasing | i. outsourcing |
| d. globalization | j. proactive change |
| e. human capital | k. reactive change |
| f. human resources information system (HRIS) | l. reengineering |
| | m. total-quality management (TQM) |

Definitions

- _____ 1. employees whose responsibilities are expanded to include a richer array of activities such as planning, decision making, and problem solving
- _____ 2. when external forces affect an organization's performance and are seldom planned
- _____ 3. represents the knowledge, skills, and capabilities of employees
- _____ 4. set of principles and practices whose core ideas include understanding customer needs, doing things right the first time, and striving for continuous improvement
- _____ 5. hiring someone outside the company to perform tasks that could be done internally
- _____ 6. integrated knowledge sets within an organization that distinguish it from its competitors and deliver value to customers
- _____ 7. an effort to recruit and train a nonwhite, male population workforce
- _____ 8. partnering with firms in other regions of the world and using information technologies to coordinate distant parts of their businesses

- _____ 9. change initiated by managers to take advantage of targeted opportunities, particularly in fast changing industries where followers are not successful
- _____ 10. the planned elimination of jobs within the organization
- _____ 11. provides current and accurate data for purposes of control and decision making
- _____ 12. an organization can essentially maintain its working relationships with employees but shift the administrative costs of health care, retirement, and other benefits to the vendor
- _____ 13. the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and speed

Applications



- _____ 1. Disney, Southwest Airlines, and Mirage Resorts have developed a competitive advantage by creating unique cultures that get the most from employees through teamwork and
 - a. are difficult to imitate.
 - b. use labor unions.
 - c. are strictly domestic operations.
 - d. use outsourcing.



- _____ 2. By partnering with firms in other regions of the world and using information technologies to coordinate distant parts of their businesses, companies such as Motorola, General Electric, and Nissan have shown that their vision for the future is to offer customers "anything, anytime, anywhere" around the world. This concept is known as
 - a. domestic operation.
 - b. globalization.
 - c. scientific management.
 - d. the Hawthorne studies.