

Fundamentals of Human Resource Management
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Chapter 2 *Life+Style*: Growing an HR Department

Carson was lead consultant for a team that had spent several weeks researching ways that Isabella and Joseph, founders and owners of Life+Style could position the company for rapid growth, yet stay true to their goal of sustainability and social responsibility. As he presented his report to the founders and their top managers, he explained the importance of defining and communicating their mission clearly and the importance of making HR policies and decisions in line with organizational strategy. He outlined a structure for the HR department along with a long list of tasks and policies that needed to be complete quickly.

Isabella interrupted, "Doesn't everyone know our mission and what we stand for? We've explained it to everyone and it's obvious in the way we do business."

Joseph agreed "She's been all over the country explaining how our values set up apart in the apparel industry. I don't know how much more she can do. Besides, I'm getting stretched really thin here. We've been waiting to expand HR until the consulting report was complete, so I've been putting in long hours helping with hiring and orientation."

Acting Katherine, Life+Style's recruiter joined in "Your report indicates that the HR staff will grow by five and have several specialists in areas we don't even handle. My background is in staffing and we currently we contract compensation and benefits to PayPros because I don't have any experience in those areas, and Marcus is just an intern. We need someone who has experience supervising an HR staff."

Carson held a hand up and said "Hold on. I agree with all of you. It's critical to have a strong HR department to support your growth strategy. I'm sure I can stay on and help you get the right people in place to get..."

Isabella interrupted again "I think I know who the right person is already. Carson? Will you stay on and be our HR Director...Permanently?"

Questions:

1. Based on information in Case 1-D: Life+Style: Creating a Sustainable Business Model, prepare a sample mission statement for Life+Style and a list of core values. (LO 3)
2. How can each of the four HRM functions support Life+Style's growth strategy and core values? (LO 4)
3. Based on Life+Style's goals, suggest a structure for the HR department that explains the types of specialists to be hired and any functions that will be outsourced. (LO 5, 7)
4. Explain the benefits of talent management to Isabella and Joseph. Explain which key management processes seem most relevant to Life+Style. (LO 6)

Chapter 2: Functions and Strategy

Learning Outcomes

After reading this chapter, students should be able to:

1. Identify advances in management leading to modern human resource management practices.
2. Describe the functions of management.
3. Explain the role of human resource management in the strategic management process and how strategic human resource management practices align with organizational strategy.
4. Outline the components and the goals of the staffing, training and development, motivation and maintenance functions of human resource management.
5. Explain the structure of a typical human resource management department.
6. Discuss talent management and how it benefits organizations.
7. Outline current trends and opportunities in human resource management.
8. Explain how human resource management practices differ in international settings.

Chapter Overview

Billy Beane transformed baseball by rethinking the way statistics were used to evaluate talent, resulting in an amazing turnaround for the Oakland A's. This chapter opener and the movie "Moneyball" are great illustrations of how strategy and HR practices can be linked to make impressive gains toward organizational goals.

The chapter continues by stressing the importance of human resources to all organizations, and the fact that human resource management is an integral part of the broader practice of management is explained. The increasingly important role and professional status of HRM in organizations is presented, and an overview given of the four HRM functions -- staffing, training and development, motivation and maintenance. Typical organizational structures and work roles for HRM departments representing each of the four functions are summarized, as well as trends toward outsourcing and shared services. Talent management is introduced.

Additional features of this chapter:

Exhibits

- 2 - 1 Strategic Management
- 2 - 2 Costco Mission Statement
- 2 - 3 Strategic HR Aligns with Organizational Strategy
- 2 - 4 Key HR Metrics
- 2 - 5 HR Dashboard
- 2 - 6 Human Resource Management Primary Activities
- 2 - 7 Training and Development Activities
- 2 - 8 Selected HR Position salaries

Boxed Features

These features are located within the text and address current issues in HRM within the context of the relevant learning outcomes. They are short and thought provoking with thought questions at the end providing a great opportunity to provide a break in class lecture to check student understanding. Questions may be posed to students individually, in small groups, as quick cooperative learning assignments or as large group discussions.

- **Diversity Topics – Politics, Profits and Diversity** Marriott and IKEA take steps to assure employees that regardless of the political climate or changes in employee legal rights, they are committed to diversity and inclusiveness.
- **Tips for Success: HRM Certification** HR certification can open doorways for those who take time (and money) to pursue it. The certifications of SHRM, HRCI and ATD are explained.

Making Concepts Relevant in Your Classroom

In addition to the activities provided in the lecture notes, these suggested activities help students apply chapter 2 concepts:

- **Introductory “Bingo”:** Each box in a Bingo grid format can represent a personal attribute or experience relevant to HR (e.g., “wants to work with people,” “is a business major,” “speaks a foreign language”). Students mingle with each other, putting an individual’s name in a box if the student matches the description. Each name can only be used once. The first student to get six names across, down, or diagonally is the “winner” of the Bingo game. This is a great ice-breaker. Box descriptions can be used as the basis for an introductory discussion; e.g., you can discuss the nature of HR work, the education required, the relevance of foreign languages, etc.
- This is an excellent time to talk about HR career paths and the relevance of different majors. The profession of HR has many career paths, and HR practitioners come from a variety of academic and work backgrounds. In most introductory HR classes you will have individuals from a variety of majors who often do not fully understand the similarities, differences, and ways that different academic areas complement each other. Consider assigning this as a brief interview of a local HR professional or member of their employer’s HR organization.
- If your school has a chapter of the Society for Human Resource Management (SHRM) this is a good time to introduce students to the benefits of a professional association. If you do not have a chapter, perhaps there may be a local chapter which welcomes students at its meetings or which will provide a speaker who can give an overview of HR activities in the area. Make sure students investigate student memberships, which usually have discounted membership fees.

Chapter Outline and Lecture Suggestions

Video Suggestions:

Videos are great for creating relevance to HR topics. The videos below provide insight on topics in this chapter. Consider adding links to your class presentations and using them as conversation starters in face-to-face classes or as discussion topics for online courses.

You may also find your own videos that cover current events by searching Google videos or YouTube.

“Ford, Taylor and Scientific Management”

Link: <https://youtu.be/8PdmNbqtDdI>

Source: YouTube

Length 7:00 minutes

Summary: This video illustrates how scientific management reformed manufacturing, changed the way Ford produced cars and how it affected workers. Much vintage footage that creates a perspective for students who may be unfamiliar with manufacturing or how revolutionary scientific management was in its time.

Questions for students: Why was manufacturing turnover so high? What were the effects of Ford raising pay significantly? How did Ford benefit from scientific management principles?

“Moneyball” Movie trailer

Link: <https://youtu.be/-4QPVo0UIzc>

Length: 2:00 minutes

Summary: The chapter opener explains how Billy Beane used statistical methods to turn around the Oakland Athletics baseball team. The metrics he used are good illustrations of the control function of management, scientific management, strategic management, people analytics and a host of other chapter 2 topics.

Questions for students: Are there statistics that can help HRM determine what to look for in a successful employee such as a baseball player? How can HRM measure effectiveness of hiring and other HR practices?

Introduction

HR is a subset of the science and practice of management, but it is gaining in recognition and importance as a valuable strategic partner.

HR skills are important to organizations of any size.

Evolution of Management

Learning Outcome 1: Identify advances in management leading to modern human resource management practices.

Management has evolved significantly in the last 100 years from the view that workers only had value for their physical labor to our modern system of laws and practices that value talent.

Significant Advances in Management

Frederick Taylor and scientific management

Pioneered worker screening and training.
Productivity tracking.
Still used today in a variety of industries.

Hugo Munsterberg

Matching worker personality and abilities to jobs.
Improved testing, training and performance evaluation.

Mary Parker Follett

Emphasized organizations as communities.
Employee groups
Community involvement

Elton Mayo and Hawthorne Studies

Relationship of supervisor and work group influence productivity.
Informal work groups affect worker performance.

Functions of Management

Learning Outcome 2: Describe the functions of management.

Management achieves objectives of the organization with and through people. The major responsibilities of managers are divided into four major functions.

Planning

Establishing objectives and determining what needs to be done to accomplish them.
Strategic planning and strategic HRM are linked.

Organizing

Determining what activities must be completed to accomplish goals.

- Equipment
- Work groups
- Financial resources
- Technology
- Supplies
- Services

Leading

Inspiring effort
Establishing and maintaining culture

Controlling

Monitoring activities

Measuring progress toward goals.
Comparing results to objectives.

The Role of HR in the Strategic Management Process

Learning Outcome 3: Explain how HRM aligns human resource management processes and practices with organizational strategy.

Planning and strategy help organizations react quickly to changes in the external environment and actions of competitors.

Competitive advantage is a unique quality of the organization that is hard for competitors to imitate, such as a talented workforce.

Class Activity: Exhibit 2 -1 Strategic Management Process illustrates how the strategic process starts with analysis, develops strategies and implements those strategies. This is a great opportunity to look up mission statements for familiar companies, such as your college or another popular enterprise and have students evaluate how well the steps in the process are executed.

HRM Department Responsibilities

Transactional work

Payroll
Benefits

Tactical work

Performance coaching
Conflict resolution

Strategic work

Aligning HR functions to support goals and strategy

Strategic Analysis

Mission

Mission statements describe why the organization exists.
Basis for strategic goals.
The chapter includes Google's mission statement. YouTube has many short videos that illustrate Google's talent management initiatives.

Core Values and Culture

Core values are beliefs about behavior and ethics
Culture is how values are demonstrated on a daily basis, "the way we act around here."

- Work ethic
- Dress
- Speech
- Humor
- How outsiders are treated

Communicated and maintained through HRM activities:

- Employment brand

- Orientation
- Discipline
- Rewards

Analyze the Environment

SWOT Analysis looks at internal and external strengths and weaknesses.

- Strengths - internal
- Weaknesses - internal
- Opportunities - external
- Threats - external

Core competencies are unique skills and strengths of the organization.

Strategy Formulation

Corporate Level Strategy includes the organizational goals for the future.

- Growth
- Restructuring

Business Level Strategies involve building a competitive advantage for the business unit.

Functional Strategies establish the way functional units support corporate level strategy.

Strategy Implementation

HR designs jobs that support strategy with necessary KSAs:

- Knowledge
- Skills
- Abilities

Strategic Human Resource Management establishes a connection between the organizational goals and activities of employees.

HR activities and decisions aligned to support strategy:

- Recruiting
- Hiring
- Onboarding
- Training
- Performance management
- Career planning
- Development
- Compensation
- Benefits

Evaluating Results

An old management saying goes "What gets measured, gets done."

- **HRM metrics** measure effectiveness of business and HRM practices.
- **Dashboards** are visual displays that represent metrics and allow quick interpretation.
- **Benchmarks** are comparisons to metrics of other businesses.

Exhibit 2 - 4 Key HR Metrics lists some key says that HR can measure the results of important activities.

Exhibit 2 - 5 HR Dashboard illustrates a how HRIS provider SAP graphically represents metrics for employee turnover and succession planning.

Diversity Topics: Politics, Profits and Diversity explains the diversity and inclusion efforts of Nike and asks students what metrics would be appropriate to measure this strategic initiative.

The HRM Functions

Learning Outcome 4: Outline the components and the goals of the staffing, training and development, motivation and maintenance functions of human resource management.

Every manager is an HR manager with responsibility for all four functions.

Exhibit 2 - 6 Human Resource Management: Primary Activities shows the four primary functions of HRM: staffing, training and development, motivation, and maintenance along with some of the important activities and responsibilities of each function.

Staffing Function

Goal: To locate competent employees and bring them into the organization.

- Employment planning ensures that staffing will contribute to the organization's mission and strategy.
- Recruitment is the process of attracting a pool of qualified applicants that is representative of all groups in the labor market.
 - Employment branding assists candidates in selecting an employer they perceive to be a good fit with their values, personality, and work ethic.
- Job analysis is used to determine the specific knowledge, skills, and abilities (KSAs) needed to be successful in a particular job and to define the essential functions of the job.
- Selection refers to the process of assessing who will be successful on the job and the communication of information to assist job candidates in their decision to accept an offer.

Training and Development Function

Goal: To have competent, adapted employees who possess up-to-date skills, knowledge, and abilities needed to perform their jobs successfully.

- Orientation and socialization help employees to adapt and become 100-percent performers.

Activities include:

- Employee Training

- Employee Development
- Career Development
- Organization Development

Exhibit 2 - 7 Training and Development Activities lists and explains how HRM uses training and development to meet strategic needs.

Motivation Function

Goal: To have highly productive, competent, and adapted employees with up-to-date skills, knowledge, and abilities.

- Motivation is a multifaceted process that involves understanding complex human behavior to influence employees so that they will exert high energy levels.
- Managing motivation includes job design, access to productivity-enhancing resources, management and worker relationships, setting performance standards, and establishing effective compensation and benefits programs.

Maintenance Function

Goal: To retain highly productive, competent and adapted employees, with up-to-date skills, knowledge, and abilities, who are willing to maintain their commitment and loyalty to the company.

- Employees are more likely to be productive, committed and loyal if you provide a safe and healthy work environment and care for their well-being.
- Effective communications programs provide for 2-way communication to ensure that employees are well informed and that their voices are heard.

Structure of the HR Department

Learning Outcome 5: Explain the structure of a typical human resource management department.

Employment

Employment specialists coordinate the staffing function

- Advertise vacancies
- Complete initial screening
- Conduct interviews
- Background checks
- Make job offers based on management input
- Complete paperwork related to hiring.

Training and Development

Training and development specialists help employees maximize their potential, serve as internal change agents to the organization, and provide counseling and career development.

Compensation and Benefits

Compensation and benefits staffs establish objective and equitable pay systems and design cost-effective benefits packages that help attract and retain high-quality employees. Benefits administrators also help employees effectively utilize their benefits, such as by providing information on retirement planning.

Employee Relations

Employee relations activities are concerned with

- Effective communications among organizational members.
- Fair application of policies and procedures.
- Resolving workplace conflicts.
- Investigating complaints.
- Ensuring due process throughout disciplinary actions.
- Coordination of activities and services that enhance employee commitment and loyalty.
- Reinforcing organizational culture.

Talent Management

Learning Outcome 6: Discuss talent management and how it benefits organizations.

Talent management focuses on getting and keeping the best talent available as a competitive advantage.

Talent Management

"Deliberate and ongoing process that systematically identifies, assesses develops and retains talent to meet ...organizational objectives." that involves:

- Workforce planning

- Recruiting
- Applicant tracking
- Onboarding
- Performance management
- Compensation
- Workforce development
- Career and succession planning.

Is a Career in HR for Me?

Demand for HRM professionals is expected to grow through 2022.

Positions include:

- Assistant
- Generalist
- Recruiter
- Specialist
- Executive

Professional Certification

Class Activity: Exhibit 2 - 8 Selected HR Salaries Survey students on their opinions of the HR salaries listed. Do they create interest in HR careers? Compare them to salaries of similar positions in your area on sites like Glassdoor, Payscale or Indeed.

Class Activity: Tips for Success - HRM Certification HR certification has undergone a controversial transition in recent years. SHRM dropped affiliation with its certification branch, the HRCI with little notice and launched its own certification. Ask SHRM members or local SHRM chapter officers to discuss their views

HR Trends and Opportunities

Learning Outcome 7: Outline current trends and opportunities in human resource management.

People Analytics

Software is used to analyze data to find statistics that help HR to:

- Hire the best talent.
- Sort applicants to find the ones most likely to succeed in the position.
- Identify employees with potential for promotion.
- Identify employees who are likely to leave soon.
- Identify employees needing training and development.

Outsourcing HR Functions

There is a trend to outsource some or all HR functions.

- Staffing agencies to perform the recruiting and selection activities.
- Consulting firms to provide training services.
- Financial organizations to handle benefits administration.

Professional Employer Organization (PEO)

Assumes all HR functions of a client company by hiring all of its employees and leasing them back to the company.

- May allow access to more cost effective popular benefits which helps with recruiting and retention.
- PEO handles legal compliance and reporting.

Shared Services

Specialized HR services, like compensation and benefits, are handled by staff in a centralized location, while other functions, like training, are handled in the divisional business unit.

The format of shared services models varies depending on the needs of the organizations.

They may include:

- **Center of Excellence** that handles a wide range of activities.
- **Service Centers** that handle transactional HR duties, such as payroll.
- **Business Partners** who work directly with business unit managers in strategic roles.

HRM in a Small Business

HRM in a small business requires keeping current in the field, especially regarding laws and regulations that may or may not affect the organization.

Approaches vary depending on the needs and size of the business

- Owner-managers may perform HRM functions
- HRM activities may be outsourced
- Generalist may handle all the HRM functions

HRM in a Global Environment

Learning Outcome 8: Explain how human resource management practices differ in international settings.

HRM functions are more complex when employees are located around the world.

Consideration must be given to

- Foreign language training
- Relocation
- Orientation processes
- Diverse cultural values

HRM also involves considering the needs of employees' families when they are sent overseas.

HRM Workshop

The HRM Workshop includes several different types of activities requiring students to apply chapter concepts aligned with the learning outcomes. Suggested answers are provided.

Reviewing Important Concepts

1. **Explain which of the advances in management seem most and least important in the evolution of HRM. (LO 1)**

Students may have difficulty choosing between the advancements explained in the chapter listed here. Encourage them to explain their choices.

- Scientific management advanced by Frederick Taylor improved worker productivity and income by creating scientific principles for the best way to do any specific job. This required screening workers for ability and training for skill. This certainly created the need to formalize training, an important HR function.
- Hugo Munsterberg advocated matching jobs to personalities and improved testing, training and performance management. Recognizing the value of a worker's personality in addition to physical attributes as a function of motivation required additional emphasis on the evolving role of HR.
- Mary Parker Follet emphasized creating a community within the workplace to improve cooperation and cohesiveness. Follet's work seems to add development to the training function in addition to adding to motivation and maintenance functions.
- The Hawthorne studies illuminated the relationship between motivation, productivity and the relationship between workers and management, clearly changing views of motivation and engagement.
- Frederick Herzberg and Abraham Maslow introduced additional theories about employee motivation and W. Edwards Deming demonstrated ways to improve productivity and quality.

2. **How is the role of HR demonstrated in each of the four management functions? (LO 2, 3)**

The four functions of management are planning, organizing, leading and controlling.

- Planning deals with establishing goals. HR follows Federal legislation which requires that organizations plan to hire the best qualified individuals while also following the law.
- Organizing deals with accomplishing those goals by structuring the working environment and placing (organizing) employees in the right positions to accomplish these goals.
- Leading ensures that the right people are on the job with appropriate skills and motivating them to levels of high productivity. HR oversees this by making sure employees are trained, as well as the continuous personal development of each employee.

- Controlling deals with monitoring activities to ensure that goals are met. HR must ensure that employees maintain their productive affiliation with the organization, by continuously monitoring the organization to make sure that this is being done.

3. **Explain the purpose of HRM in an organization. (LO 3, 4, 5, 6)**

Human resource management is the people component of management. As a staff function, HR helps line managers with staffing (getting people); training and development (preparing people); motivation (stimulating them to put forth their greatest effort); and maintenance (keeping good employees).

4. **What role does HRM play in the strategic management process? (LO 3)**

HR assists the organization in evaluating the current status, gives input into future opportunities, develops plans to align human resources practices such as hiring, training, compensation and benefits all support organizational goals. Different corporate level strategies such as growth or restructuring require different actions on the part of HR to grow or reduce workforce. Business level strategies require HR to assist in creating competitive advantage by aligning policies and procedures that support the strategy. As a functional unit, HR has responsibility to recruit, hire, train, develop and compensate employees in ways that support strategy.

5. **Explain ways that a talent management strategy improves an organization's ability to attract and keep talented employees (LO 6)**

Talent management focuses HR strategy and efforts on identifying, assessing, developing and retaining talent that can meet the organization's needs and objectives. It also involved heavy use of HR technology and quantitative measures called metrics to allow HR to evaluate the effectiveness of many practices including who well the organization manages talent. Metrics can be compared to benchmarks to determine if progress is being made toward goals such as reducing expenses and retaining employees. HRIS software and dashboards make these evaluations more convenient and accurate.

6. **Which of the HR functions seem to be most important and why? (LO 4)**

The functions of staffing, training and development, motivation and maintenance are all quite important and interdependent. Students may make effective arguments that any one is the most important, but without staffing, the others would irrelevant, and if an organization is careless in the staffing function, the other functions are made much more difficult. Use this opportunity to question their reasoning.

Evaluating Alternatives

7. **Aiden, founder of a growing company that creates software to help small businesses manage their money sees no reason to create a mission statement or undergo a strategic planning process. He states "It's my company. The mission is whatever I**

say it is. We work hard, play hard and don't have time to sit around answering a lot of questions about where we want to be in five years. We want to be the "go-to" for startups that want to grow. Period!" Evaluate Aiden's point of view. What should a strategic plan for his company include? (LO 3)

At some point, the organization will outgrow Aiden's ability to communicate his vision to all stakeholders. His approach is similar to many entrepreneurs, but the reality is that putting the guiding principles into a more accessible and permanent form such as a mission, vision or values statement is an important step in effective strategic planning. His plan clearly includes growth. Deciding early on how much they want to grow and how fast will help all organizational functions including HR to effectively plan for the resources necessary.

8. **You have been offered two positions in HRM. One is a generalist position in a smaller business, and one is a recruiting position in a large corporation. Explain which of the two jobs you would prefer and why. Which will provide a better foundation for an HR career? Opportunities for advancement? Defend your answers. (LO 4, 5)**

Generalists have great opportunities to gain experience in a variety of HR function areas such as hiring, training, evaluating, communication and administering benefits. Recruiters have opportunities to learn about a variety of organizational functions, jobs, pay and structure. Student preference may depend on the desire to learn about HR or the business in general.

Research and Communication Skills

9. Students will visit and HRM department and interview an HR professional about his or her position. A summary of the interview is required. No format is specified for the summary. (LO 4, 5, 6, 7)
10. After explaining the influence of the Hawthorne Studies on HRM, students provide three examples of HRM practices in three specific organizations that seem linked to the findings of the studies. A short presentation with slides is required. (LO 1)
11. Students research the SHRM website for student membership options and services. Inquire about attending a local meeting and report back to the class. (LO 7)
12. Research HRCI and ATD professional certifications and report back to class with presentation slides. (LO 7)

Making a Difference: Service Learning Projects

Overview: Service Learning Projects provide students with opportunities to develop and demonstrate HR skills and build a professional network that will assist in getting a job in HR. The activities that relate to this chapter involve helping non-profit organizations create an event

tailored to its mission or strategy. A sample assignment with requirements and grading materials is available at the front of the Instructor's Manual and as a download from the text website.

Case Application 2-A: Seeds of Change at Grower's Choice

Grower's Choice is a regional food store chain that plans rapid growth and was recently advised to begin a strategic planning process to guide HR policies and practices and prepare for growth. Armed with a new mission statement and list of core values, students are asked to apply strategic HR and talent management concepts to support the mission and values of the growing company.

1. **If Growers' Choice strategic mission includes rapidly increasing the number of stores, explain the implications this has for the human resource department. (LO 3)**

HR has primary responsibility for recruiting, screening, hiring and training new employees. If Grower's Choice plans to grow quickly, a strategic plan for the positions that need to be filled, the knowledge, attitudes and skills necessary for those positions and the training necessary to make the new hires effective their positions must be considered. Developing current employees to advance into the new management openings will be necessary as well as determining how to retain current employees. HR may need to increase their own staff and update processes and technology.

2. **How should Grower's Choice mission and values statements influence Alonzo as he restructures the HR department? (LO 3, 4, 5)**

The mission or values reflect the core values of the organization. HR should use them as guiding principles as they help develop a culture that establishes how organizational members treat each other and other stakeholders on a daily basis. The mission or values also important in developing HR policies and practices that support the core values.

3. **Explain ways each of the four HRM functions can contribute to supporting the mission and values. (LO 4)**

- Staffing: Employment planning, branding, job analysis, screening and selection should all be executed with the mission and values in mind.
- Training and development: Training, employee development, career development and organizational development should all promote the core values.
- Motivation: Intrinsic rewards should provide motivation because jobs have been designed to provide personal satisfaction from work accomplishments, responsibility and a sense of feeling appreciated. Extrinsic rewards such as pay should reward performance that supports the mission and values.
- Maintenance: Benefits, work-life balance and effective communication with employees should be designed to support mission and values.

4. **Describe the ways that a talent management strategy can benefit Grower's Choice. (LO 6)**

Talent Management will promote workforce planning that makes sure that Grower's Choice creates an effective recruiting program, tracks applicants through the hiring process, establishes an onboarding program that supports the culture, evaluates employee performance, pays employees fairly, develops employees to advance in careers and identifies high potential employees to move into management.

5. **Evaluate the option of outsourcing the HR function for Grower's Choice. (LO 7)**

Advantages: Organizations can outsource one or all HR functions, outsourcing may allow organizations to provide more generous benefits, attract better job candidates and more effectively handle government regulations. Disadvantages: A Professional Employer Organization may not be as responsive to organizational needs or culture.

6. **Research: Compare the mission and values of Grower's Choice with another food store chain such as Wegman's, Publix, Meijer, Albertsons or your favorite local supermarket. What evidence do you see on the website that HR practices reflect the organizational strategy? (LO 3, 4, 5)**

Encourage students to first look at the organization's mission or values, then go to the career section to find examples of policies or activities that support the mission. Examples may include testimonials or videos of employees describing the culture and opportunities, online job searches, applications that allow applicants to establish a profile that connects with applicant tracking or talent management software, explanations of work-life balance programs or family friendly benefits.

Case Application 2-B: HR at Mattress Firm Springs into Action

1. **In what ways does Mattress Firm use people analytics similar to Frederick Taylor's Scientific Management? (LO 1)**

Taylor was an advocate of hiring people with the right skills and abilities to complete the job successfully. He also researched the one best way to complete a job and tacked employee productivity.

Mattress firm uses people analytics to evaluate applicants to predict successful job performance. Productivity of employees hired through the analytics was compared with workers hired without recommendation of the system and they showed higher productivity.

2. **How are the management functions demonstrated by HR in this case? (LO 2)**

Planning: The growth strategy and employment planning are examples.

Leading: Managers developed strategy and took the initiative to form HR strategies and practices to support the growth strategy and the culture.

Organizing: Processes such as the people analytics hiring process were implemented.

Controlling: Results of the hiring process were compared to goals for productivity,

savings, turnover and retention. HR Metrics cited in the coverage of strategic management in the chapter should be included.

3. **What HR functions and practices at Mattress Firm were focused to achieve their growth strategy? (LO 3).**
Staffing and training were probably tested the most. Goals for appropriate staff levels had to be determined. Traits of successful employees were identified. Talent management software screened applicants for those identified traits. Although not specifically stated, new hires needed to be indoctrinated to the Mattress Firm culture and trained for their positions.
4. **What challenges did the goals of aggressive growth and maintaining culture while going public present at Mattress Firm? (LO 3)**
Hiring managers wanted to rely on their experience and impressions of applicants, but the large numbers that needed to be hired didn't leave any margin for error. They needed to be convinced that the people analytics software would produce employees that were productive and a good cultural fit.
5. **In what way are the HR functions utilized in the case? (LO 4)**
Staffing: Significant numbers of new employees needed to be recruited and hired.
Training and Development: Onboarding and employee training need to be developed for large scale hiring.
Motivation: Prepare current employees for career advancement ahead of new employees.
Maintenance: Teach and maintain organizational culture.
6. **Discuss how the elements of talent management are demonstrated using people analytics. (LO 6)**
Workforce Planning: Mattress Firm aligned HR practices to support the growth strategy using people analytics software to support hiring and applicant tracking. The software also identified traits of effective employees.
Recruiting: People analytics software can identify internal and external talent by tracking social media use.
Applicant Tracking: People analytics software can screen applications for desired skills and traits, interpret assessments, track the interview and selection process.
Onboarding: Track progress through the socialization process.
Performance Management: Track areas of expertise and areas that require further training.
Compensation: Align pay with performance. Monitor equity and fairness.
Workforce Development: Administer training for identified skill deficiencies.
Career and Succession Planning: Identify high-potential employees, recommend career paths, predict future openings, suggest internal candidates.
7. **Research: Explore the careers and community pages of Mattress Firm's website. What evidence do you find of their culture and values? What impression do you get of them as an employer? What could they do better to communicate their**

employment brand? (LO 4, 5)

Evidence could include pay and benefits, training and advancement opportunities, work-life policies and practices, wellness activities, diversity initiatives.

Online Case Application 2 - C: TEAM FUN

Questions:

1. What role should Tony play aligning HR practices with TEAM FUN business strategy? (LO 3)
2. Which of the HR functions can be identified in Tony's activities? (LO 4)
3. How should Tony structure the HR department if Kenny and Norton plan to continue the company's rapid growth? (LO 3, 5)
4. How can a talent management strategy help TEAM FUN? (LO 6)

Case Application 2-C: TEAM FUN!

Kenny and Norton own TEAM FUN!, a medium-sized company that manufactures and sells sporting goods and equipment. They are watching a video of a recent extreme skateboarding exhibition sponsored by TEAM FUN. Norton says, “I don’t know. This stuff looks dangerous! What do you think? Remember that bungee-jumping thing we tried?”

Kenny responds, “Edna was out a long time with that knee problem. She sure is a good sport. Keith said we were lucky not to get sued for that. Do you think employees could sue us if they are hurt on product-test assignments?”

“Let’s ask Tony,” Norton suggests. “That guy you hired as— what did you call him— director of human resources?”

Kenny smiles broadly, “Yep. He sure seems to be busy. He’s pulled together all that paperwork for insurance and retirement that Edna used to handle and named her compensation and benefits manager.”

“He wants to send Joe and Eric to a supervisor’s school for work scheduling, job team assignments, and project management,” Norton adds. “He started those picnics by the LAGOON for people to talk about work conditions and issues.”

Kenny asks, “Do you think we should let him hire a full-time administrative assistant, or maybe hire a couple of temps? Tony said Edna is too busy to help him much more. Did you tell him to set up that employee blog on our website?”

Norton shakes his head no.

“Me neither,” Kenny muses. “Wonder why he did that? Guess we’d better talk to him.”

Questions:

1. What role should Tony play aligning HR practices with TEAM FUN business strategy? (LO 3)
2. Which of the HR functions can be identified in Tony’s activities? (LO 4)
3. How should Tony structure the HR department if Kenny and Norton plan to continue the company's rapid growth?(LO 3, 5)
4. How can a talent management strategy help TEAM FUN? (LO 6)