A MANAGER’S PERSPECTIVE REVISITED

Each chapter opens with a real-life scenario describing a decision faced by an individual employee, manager, or human resource professional. These scenarios, labeled “A Manager’s Perspective,” highlight the importance of strategic decision making and help students see exactly how the chapter material is relevant to their future careers. Each scenario ends with five thought questions designed to get students thinking about core concepts from the upcoming chapter. A section labeled “A Manager’s Perspective Revisited” at the end of each chapter provides answers to the thought questions and once again emphasizes how the material covered in the chapter can help students build successful careers.
BUILDING STRENGTH THROUGH HR

The opening section of each chapter includes a discussion that illustrates how a specific company has used the concepts discussed in the chapter to increase effectiveness. Trader Joe’s, Southwest Airlines, Marriott, and General Electric are just a few of the firms included in these in-depth examinations of strategic HR. Each of the company descriptions ends with a “Building Strength Through HR” feature that clearly summarizes how the firm has used specific human resource practices to become more effective and competitive.

Additional “Building Strength Through HR” features appear throughout each chapter. These brief cases illustrate how specific companies have benefited from implementing particular human resource practices—for example, how Leicester Royal Infirmary, a large teaching hospital located in England, improved efficiency and patient satisfaction through work redesign and how General Mills used training in teamwork and creativity to enhance cross-functional product development. These discussions clearly illustrate how effective human resource practices have translated into success for a number of organizations. The inclusion of foreign-based firms points up the fact that the usefulness of strategic HR crosses international boundaries.

HOW DO WE KNOW?

Research is an important part of the field of human resources. Each chapter therefore includes a number of features describing specific research studies. These features—labeled “How Do We Know?”—use nontechnical language to summarize research studies that have been published in scholarly journals. Each concludes with a “Bottom Line” summary that shows how the findings of the study contribute to our understanding of effective human resource management. These research summaries help students understand how knowledge is generated and help them see the science behind many of the principles discussed throughout the textbook.
How Can Work be Designed to Improve Family Life?

Key Features

TECHNOLOGY IN HR

TECHNOLOGY IN HR

How is strategy formulated?

A strategy is a set of coordinated choices and actions. The first step in strategy formulation is gathering information from outside and inside the organization. Information about the organization’s external environment describes opportunities, which are favorable conditions, and threats, which are unfavorable conditions. Demographic and cultural trends, economic and political conditions, and technological developments represent important trends and opportunities for most organizations. Information is also gathered about the organization’s internal resources and capabilities. Areas of high capability are labeled strengths, and areas of low capability are labeled weaknesses. A strategic set of human resource practices can represent a valuable and rare strength.

Once information has been gathered, the next step is to analyze the information and make decisions. Encouraging a group of decision makers to work together can facilitate this process. Members of the group should meet often and develop their collective intuition. They should also make sure that they are aware of the different perspectives of other members.

Another common component of strategy formulation is differentiation. Organizations using a differentiation strategy strive to produce goods and services that are somehow better than those produced by competitors. They usually strive to produce unique products and to offer exceptional service. The key to success for these organizations is having employees who do better things than the employees of other organizations.

LEARNING OBJECTIVE 1

How is strategy formulated?

LEARNING OBJECTIVE 2

What are basic approaches to human resource strategy?

Two basic approaches to human resource strategy are the universalistic and the contingency approaches. The universalistic approach focuses on identifying a set of practices that are beneficial to all organizations. This approach has identified a bundle of practices labeled the commitment strategy, that appear to be generally beneficial. Practices in the commitment bundle communicate the message that management cares about employees. The commitment strategy also helps ensure that employees have the training and freedom to pursue important

A number of features included in each chapter help students focus on and learn key concepts.

• Learning Objectives. A list of learning objectives opens each chapter and prepares readers for the key concepts to be discussed.

• Key Terms and Definitions. Key terms shown in boldface in the chapter text and linked to margin definitions highlight critical concepts and provide an opportunity for review.

• End-of-Section Review Questions. Each major section concludes with review questions that focus students’ attention on major topics.

• End-of-Chapter Summaries. Each chapter ends with a summary of key concepts linked to the chapter learning objectives and major sections.

• Discussion Questions. End-of-chapter discussion questions revisit major topics, providing readers with an opportunity not only for review but also for critical thinking and interpretation.

Technological change has had a pervasive influence on every aspect of management, and human resource management is no exception. “Technology in HR” features describe how technological advances are affecting the field of human resource management. The information included in this feature illustrates how the Internet and other forms of electronic communication are affecting human resource practices in areas such as employee selection, training, and compensation. These discussions show students how advancements in technology are being incorporated to increase the effectiveness of human resource management.

Chapter 2  •  Making Human Resource Management Strategic

SUMMARY

LEARNING OBJECTIVES

How can strategy be formulated?

LEARNING OBJECTIVES

What are basic approaches to human resource strategy?

Technology in HR

ALLOWING EMPLOYEES TO WORK FROM HOME

Allowing employees to work from home can help employers retain good workers. One company that allows employees to work at alternative locations is AT&T. The company reports that 80 percent of management employees work full-time outside the office, while another 40 percent work more than 70% of their work time away from the office. In one case, an executive took his desk from the office and moved it to his home. The move to the office cost the company $160 million. These and other savings have led AT&T to conclude that allowing employees to work at alternative locations can save money. Employees at AT&T, as well as other companies, report increased job satisfaction and productivity when they work from home. Not only do they save an average of an hour or more a day on commuting time, but they are also subject to the distractions caused by colleagues. People who work from home report greater autonomy and decreased stress. Absenteeism and turnover are also usually lower among people who work at home than among others.

Technological advancements thus seem to increase the productivity of some employees. A potential problem in working from home is the sense of isolation that some employees experience. These workers feel that they miss out on important social interaction, and in some cases, they also feel that by working at home their contributions are less valued. Organizations must carefully evaluate the benefits and problems that arise when employees use technology to complete work from home.

Sources:

End-of-chapter discussion questions revisit major topics, providing readers with an opportunity not only for review but also for critical thinking and interpretation.
END-OF-CHAPTER APPLICATION EXERCISES

Knowledge is most useful when it can be applied to solve real problems. We end each chapter with cases and experiential exercises that help students begin the process of applying the concepts to solve actual problems associated with effective human resource management.

• **Example Cases.** An example case illustrates how a specific company implements the human resource practice discussed in the chapter.

• **Discussion Cases.** A discussion case provides background information about a fictional company that can serve as the launching point for a class discussion.

- Why can groups be more effective than individuals for making decisions?
- What are the primary differences between a cost leadership and a differentiation strategy?
- What are the key elements of the commitment strategy from the scientific management approach?
- Why does this approach generally contribute to success for organizations?
- What human resource practices might be associated with a cost reduction emphasis? What practices might be associated with a differentiation emphasis?
- What are the strengths and weaknesses of internal and external labor markets?

**Example Case**

**United Parcel Service**

Of course, every company wants to attract the best people it can. Equally important at UPS is attracting people who fit the company culture, which encourages high energy, hard work, fairness, inclusiveness, teamwork, and sharing the wealth.

Those who work at UPS are more than employees; they’re business partners. Promotions come largely from within the organization. Managers typically hold assignments in about half dozen different functional areas of the business during their careers. This unique employee relationship remains relevant in today’s economy, because the nature of UPS’s business involves an extraordinary degree of teamwork.

Every business day, UPS moves 13 million packages around the globe. For UPS, UPS is the world’s largest freight common carrier, one that requires 150,000 employees to work in harmony and with precision. Every day, almost 10,000 drivers take responsibility for roughly 6 percent of the nation’s GDP, which is delivered from their package cars.

Endnotes

- **Interactive Experiential Exercises.** An interactive experiential exercise provides a link to the companion website where students can go to participate in a role play that tests their knowledge of the basic concepts discussed in the chapter.

**ENDNOTES**

10. The chapter text pointed out that a majority of organizations have a human resource strategy that fits their competitive strategy. What should an organization do if the strategies don’t match?

**INTERACTIVE EXPERIENTIAL EXERCISE**

HR Strategies in Action: Selling the HR Function at Mega Manufacturing

http://www.wiley.com/college/sc/stewart

Access the companion website to test your knowledge by completing an interactive role-playing exercise. In this exercise, you meet with senior management at Mega and try to convince other members of the management team that HR needs to have a “seat at the table” and function as a business partner within the company. This exercise describes an activity that a student can complete, often online, to actively learn more about the topic discussed in the chapter.