

## Chapter 2 – Trends in Human Resource Management

This chapter continues to provide the foundation for the textbook, as it now explores the environment in which HRM operates. Trends in the labor force are discussed as well as the internal labor force (an organization's workers) and the external labor market (individuals who are actively seeking employment).

The chapter also discusses high-performance work systems and the benefits of empowering employees. Lastly, the chapter will present the change in the employment relationship, where organizations expect employees to take more responsibility for their own careers while employees, in turn, seek flexible work schedules, comfortable working conditions, control over how they accomplish their work, training and development opportunities, and financial incentives based on corporate performance.

Students may benefit from a general discussion concerning (LO2-1). Within this discussion, the instructor may then introduce (LO2-4; LO2-5; LO2-6) as each of these may be connected to the trends within the work force. Further, students may be asked to reflect on their own career aspirations and workplace desires to then discuss (LO2-3; LO2-7). Then, instructors may introduce and explain (LO2-2) as how HRM can help organizations meet these strategic imperatives, while also discussing (LO2-8).

### Learning Objectives

- LO 2-1: Describe trends in the labor force composition and how they affect human resource management.
- LO 2-2: Summarize areas in which human resource management can support the goal of creating a high-performance work system.
- LO 2-3: Define employee empowerment, and explain its role in the modern organization.
- LO 2-4: Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
- LO 2-5: Summarize ways in which human resource management can support organizations expanding internationally.
- LO 2-6: Discuss how technological developments are affecting human resource management.
- LO 2-7: Explain how the nature of the employment relationship is changing.
- LO 2-8: Discuss how the need for flexibility affects human resource management.

## **Society for Human Resource Management Body of Competency & Knowledge:**

This chapter contains content, which may be identified within the following content areas:

- Talent Acquisition & Retention
- Learning & Development
- Total Rewards
- Structure of HR Function
- Business & HR Strategy
- Organizational Effectiveness & Development
- Workforce Management
- Risk Management

## **Human Resource Certification Institute's A Guide to the HR Body of Knowledge:**

This chapter contains content, which may be identified within the following content areas:

- Business Management & Strategy
- Workforce Planning and Employment
- Human Resource Development
- Compensation and Benefits
- Employee and Labor Relations

## **Vignettes and Guidance to Discussion Questions**

### *HRM Social*

#### *Glassdoor Opens the Way to Better Communication*

##### Question Guidance

1. Students should identify how informed workers have better bargaining power; knowing a company's reputation, for instance, may lead someone not to work for Purina. The knowledge sharing, however, gives Purina the opportunity to mitigate or rectify any issues they find discussed.
2. Discussion should identify all aspects of working conditions, including pay and benefits.

### *HR Oops!*

#### *Out-of-Focus HRM*

##### Question Guidance

1. Students may identify aspects of performance, retention, and motivation—all impacting the business's bottom line.

2. Students may identify many steps, but each step should reflect aligning HRM with the strategy, while measuring HRM results.

*Best Practices*

*Outsourcing Sweetens Bottom Line for Land O'Lakes*

Question Guidance

1. Discussion should focus on how outsourcing nonessential functions reduces costs and improves those outcomes, while allowing the organization to put resources toward strategically necessary functions.
2. Student discussion should emphasize communication and transparency.

*HR How To*

*HR Services Go Mobile*

Question Guidance

1. Responses will vary, but may discuss the ability for employees to access such information immediately and easily. This may impact retention, morale, and productivity because employees become more engaged in their own career management.
2. Students should identify the need to allocate resources to develop such apps internally, which could be more costly when compared to outsourcing and having an expert develop the necessary software.

*Did You Know?*

*Half of U.S. Employees Interested in Changing Jobs*

Question Guidance

1. Responses will vary, but may balance the challenge of losing internal talent with the opportunity to gain external talent. Further, it may provide employers the opportunity to retain employees if they are offered better opportunities when compared with competitors' offers.

*Thinking Ethically*

*How Should Employers Protect Their Data on Employees' Devices?*

Question Guidance

1. Discussion should consider employees' privacy as well as the expectation of confidentiality.

2. Responses will vary.

## End of Chapter Questions and Cases

1. How does each of the following labor force trends affect HRM?
  - a. Aging of the labor force
  - b. Diversity of the labor force
  - c. Skill deficiencies of the labor force

An organization's internal labor force comes from its external labor market—individuals who are actively seeking employment. In the United States, this aging labor market is becoming more racially and ethnically diverse. The share of women in the U.S. workforce has grown to nearly half of the total. To compete for talent, organizations must be flexible enough to meet the needs of older workers, possibly redesigning jobs. Organizations must recruit from a diverse population, establish bias-free HR systems, and help employees understand and appreciate cultural differences. Organizations also need employees with skills in decision making, customer service, and teamwork, as well as technical skills. The competition for such talent is intense. Organizations facing a skills shortage often hire employees who lack certain skills, then train them for their jobs.

2. At many organizations, goals include improving people's performance by relying on knowledge workers, empowering employees, and assigning work to teams. How can HRM support these efforts?

Employing knowledge workers, empowering employees, and assigning work to teams are current trends that are indicative of a high-performance work system in action. Human resource management can support these efforts, respectively, through modification of the recruiting and selection processes—recruiting and hiring those individuals with the necessary knowledge; utilization of human resource practices such as performance management, training, work design, and compensation to ensure success of employee empowerment; and increasing the employees' responsibilities and control via work assigned to teams.

3. How do HRM practices such as performance management and work design encourage employee empowerment?

Performance management systems and work design give the employees the information needed to understand their job and its responsibilities, and to be held accountable. When employees are trained properly and understand their job, they have more latitude in making decisions.