

Preface to the Canadian Third Edition

How do businesses succeed in today's competitive environment? The factor that can set an organization apart is its people. The employees of an organization, their enthusiasm and satisfaction with their jobs, their experience, and their sense of fair treatment all affect the firm's productivity, customer service, reputation, and survival. In short, people make the difference.

Although relatively few students in human resource management (HRM) courses become HR specialists, virtually all will have to work with other people. Dealing with other people is a fact of organizational life, regardless of whether you are in accounting, finance, operations management, or some other area. Because we believe that every manager is a human resource manager, we've written our book for students who plan to manage others at some time in their career.

The idea that all future managers need to understand HRM issues is at the heart of *Managing Human Resources*. We cover all the core HRM topics, but our managerial perspective makes the topics meaningful to students in any area of business. We emphasize how to manage human resources and how to successfully implement HRM programs. Because managers in all departments and functions confront HR issues daily, we believe this approach is better than one that looks at HRM primarily from the perspective of the HR department.

The second Canadian edition of *Managing Human Resources* was published in 2000—since then, a great deal has happened in the field of HRM in Canada. The HRM profession came of age in a gala celebration of the new national *CHRP* designation in Ottawa in January 2003. From now on, HR professionals who hold this *Certified Human Resources Professional* designation will be acknowledged from coast to coast as having achieved a recognized level of credibility and quality able to contribute successfully to organizational effectiveness. This recognition has come at a time when economic downturns and corporate scandals are straining management credibility as never before, and all managers, including HR professionals, are expected to have a proactive strategic management perspective.

Continuing environmental and organizational forces have contributed greatly to this trend. Organizations are becoming flatter. Technology such as the Internet fosters communication between all levels of personnel, and managers are expected to be generalists with a broad set of skills, including HRM skills. At the same time, more firms are moving away from a highly centralized, powerful HR department that acts as monitor, decision maker, and controller of HR practices throughout the organization.

Information technology also encourages a strategic managerial approach to human resources. Why? The technology has permeated most traditional HR functions, decentralizing decisions and increasing the participation of managers and employees in all aspects of HR practice. Managers and employees have greater access to human resource information, both inside and outside of the company, through both formal (web pages) and informal (chat rooms and e-mail messages) means. An effect of the Internet, then, has been to democratise the turf of the traditional HR department. Specifically, information technology has had a tremendous effect on HR areas, such as the following:

- Work design (greater use of virtual teams)
- Management of diversity (as personal characteristics such as race, gender, and ethnicity are not immediately evident to others inside and outside of the firm)
- Recruitment (much of which is taking place through the Internet)
- Selection (using computer-based tests, application blanks, reference screening, etc.)
- Training and development (with a large amount of materials that are quickly updated available on the Web)
- Compensation (providing quick updates to salary survey data, benchmarking practices in other firms, and making it possible to use more complicated incentive programs)
- Employee relations (employees feel free to use the Internet to express their views at all organizational levels)
- International HR and the management of expatriates (much work can now be done over the Internet regardless of location, nationality, and even local regulations)

The growing importance of a strategic management perspective to HRM has not lessened the importance of HR specialists, however. Many tools and techniques for selection, training, compensation, performance appraisal, and other traditional HR functions can greatly enhance the quality of hires, the skills of the workforce, job satisfaction, and employee motivation. But the focus of HR specialists has shifted from one of control to one of proactive advice and support to line managers. The forces reinforcing this trend include downsizing, outsourcing of the HR function, information technology, and the inclusion of HR courses in masters, undergraduate, and executive education programs designed for the general manager (rather than the HR specialist).

The Canadian Perspective

This text is built upon the outstanding work of our first-class American authors. We are delighted to have taken significant steps to make this a Canadian book of which students north of the border can feel proud. Here are some of the contributions we have made:

- We are particularly proud of our new **Canadian Counterspin** feature found at the end of each chapter, presenting something that is distinctive or unique about the Canadian perspective on HRM and strategic management.
- Time-sensitive data such as demographic information and changes to legislation and regulations have been updated. New developments at Canadian companies and organizations have been noted and used as examples.
- Coverage of HRM resources on the Internet has been significantly expanded, reflecting the explosion over the last few years in the number of online references available. **HRM**

on the Web is a feature throughout the book, typically including a topical web address with a short description outlining its relevance to HRM. (For example, Chapter 1 provides the website of the Canadian Council of Human Resources Associations.) Other relevant sites for companies and topics discussed in each chapter appear as weblinks in the margins of the book. All **HRM on the Web** sites and weblinks are included and regularly updated in the “Destinations” area of the text’s Companion Website, which is provided in the **Take it to the Net** box at the end of each chapter. The Companion Website also offers three Internet Exercises per chapter that can be submitted to instructors by e-mail for grading or self-graded by students against suggested answers.

- The **Managerial Memo**, and particularly, the **HR Frontiers** features in each chapter are designed to provide additional examples and stories about HRM practices in Canada, often showcasing the work of Canadian researchers and writers.
- New opening vignettes, discussion incidents, cases, CBC Video Cases, and discussion questions focussing on Canadian issues have been added throughout to update and improve the materials from the second edition.

Organization

Managing Human Resources, Canadian Third Edition, includes an introductory chapter, followed by another 15 chapters. The book is divided into seven parts.

Part 1: Introduction Part One, a single chapter, provides an overview of the emerging challenges and strategic relevance of human resource management. These challenges—“change drivers,” if you will—are distilled from the events that have filled the business press during the past decade. They are related to the basic framework of organizational strategies to provide an introduction to the role that human resource management plays. The overlap and differences between the HRM *process* and the role of the human resources *function* are introduced, portraying human resource management as a responsibility shared by managers in general as well as the HR function.

Part 2: The Context of Human Resource Management Part Two considers the contexts in which human resource management takes place. The contextual factors include work flows, job analysis, the legal environment, and workforce diversity. The chapter on work flows and job analysis (2) discusses how an organization can work to achieve its business objectives. The chapter on legal issues (3) addresses the legal challenges and issues of fairness facing organizations. The last chapter in this part (4) explores the challenges of effectively managing an increasingly diverse workforce.

Part 3: Staffing Part Three presents staffing issues and considers how organizations can effectively recruit, select, socialize, and phase out employees. The chapter on human resource planning and recruitment and selection (5) examines the process by which organizations can attract human resources and then effectively select among the applicants. The chapter on employee separations and outplacement (6) explores the process of terminating the employee relationship, alternatives to layoffs, and different approaches to downsizing the workforce.

Part 4: Employee Development Part Four addresses the development of human resources. The chapter on appraising and managing performance (7) focuses on the manager as both a judge and a coach. The chapter on training the workforce (8) presents socialization and training as ongoing processes and as a critical part of maintaining human resource effectiveness. The chapter on career development (9) identifies the roles of the employee and the organization in the career development process.

Part 5: Compensation Part Five examines compensation issues. The chapter on managing compensation (10) explains the important choices managers face when designing a compensation system and covers different approaches to salary management. The chapter on rewarding performance (11) examines the challenges of tying employees' pay to their performances. The chapter on designing benefits (12) explains the significance of employee benefits programs and outlines how managers are containing costs in this area.

Part 6: Governance Part Six looks at the governance of the workplace and the employer/employee relationship. The chapter on employee rights (13) examines the challenges of balancing those rights with the rights of managers. The chapter also offers guidelines for managing discipline and dealing with difficult employee problems such as chronic absenteeism and alcohol abuse. The chapter on developing employee and labour relations (14) looks at the ways managers can help the HR department to improve the quality of relations within the organization, why employees might seek to be represented by a union, and how unions alter the employer/employee relationship. The workplace safety and health chapter (15) explains the regulations that govern health and safety in the workplace and emerging health and safety issues that pose challenges to managers.

Part 7: Contemporary Challenges Part Seven introduces the contemporary HR issues arising from the globalization of the economy, which is quickly becoming one of the defining attributes of the new century. By taking a close look at the emerging HR issues of global business, the book comes full circle to reiterate the importance of change and of change drivers, and to introduce new dimension of human resource management that will help to determine the success and failure of organizations in the future.

New to this Edition

Our goal for the third edition of *Managing Human Resources* is to emphasize a strategic management approach even more than we did in the two previous editions. This third edition offers an updated and more applied content with an even clearer emphasis on this managerial perspective. Eight key features of the third edition showcase our approach:

- New chapter introductions called **The Managerial Perspective** summarize why the chapter content is relevant to managers.
- A new feature entitled the **Manager's Memo** provides brief tips on a variety of issues that managers confront daily, from providing appraisal feedback to preparing employees for a layoff.

- A new end-of-chapter feature called **Managerial Skills Builder: Issues and Exercises** presents a managerial situation relevant to each chapter topic, and concludes with analytical questions and issues, experiential exercises, and group projects such as role plays and debates.
- A new end-of-chapter discussion incident called **You Manage It!** provides a short case based on scenarios from actual companies.
- The question of ethics is addressed in several **A Question of Ethics** features in every chapter.
- Globalization and its effect on HR practices and issues receive expanded coverage throughout the text. This is particularly illustrated in a new **Window on the World** feature found in every chapter.
- A recognition of the rate of change in management and HRM needs to stay current. To achieve this end, we have extensively updated references and included a special feature called **HR Frontiers** to showcase current developments in HRM.
- In partnership with CCH Canadian Limited, we are able to bring students relevant and timely human resource issues. The **HRWorks** box highlights items from CCH's professional newsletters. Students and instructors who wish to receive similar articles on a monthly basis can sign up for the free CCH HR E-Monthly electronic newsletter. Just visit the Companion Website for this text and click on the link.

Pedagogical Features

Managing Human Resources contains a number of innovative pedagogical features. Every chapter contains *learning objectives* phrased as management challenges, an *opening vignette* that draws students into the chapter, a *running marginal glossary of key terms*, a *summary*, a *list of key terms* with page references, *discussion and review questions*, and *end-of chapter notes and references*. In addition, each chapter contains these features:

The Managerial Perspective This chapter introductory section previews what's to come in the chapter and how the HR material is relevant to future managers.

A Question of Ethics Several of these segments raise ethical questions that relate to the chapter's content. They are designed to provoke thought and debate on issues that are not easily resolved.

Manager's Memo The memo features provide management tips on a variety of issues that managers confront daily, from providing feedback during an appraisal session to preparing employees for a layoff.

Window on the World To give a global perspective to HR topics, we have Window on the World features in every chapter that showcase HR practices (both good and bad) around the globe.

Management Skill Builder: Issues and Exercises Each chapter closes with a Management Skills Builder designed to build managerial skills. After introducing a scenario, students are asked to answer thought questions, complete individual experiential exercises, and participate in group exercises such as role plays and debates.

Canadian Counterspin Each chapter concludes with a short case or incident presenting something that is distinctive or unique about Canadian perspectives on HRM.

“You Manage It!” Discussion Cases Each chapter concludes with a short case based on discussion incidents drawn from actual companies. The questions can be assigned as homework or for classroom discussion.

HRWorks One HRWorks box appears in each chapter, highlighting the current issues HR professionals deal with on a daily basis. It also reflects the topic of the chapter it appears in.

Cases All chapters end with one case study that has critical thinking questions and group learning exercises. The detail and length of the case offers a challenging student assignment for individual analysis and group work.

New! Part-Ending Video Cases These new video cases appear after the following sections: Section II (Chapter 4), Section III (Chapter 6), Section 5 (Chapter 11) and Section VI (Chapter 14). These cases have an applied focus that helps students build their HR management skills.

In addition, each chapter includes numerous examples of HRM practices at a wide variety of companies, from small, service-providing organizations to large corporations. A concise dictionary of HRM terminology is provided at the end of the book, along with a subject index and a name, company, and product index.

The Teaching and Learning Package

Companion Website and Online Study Guide: Our Companion Website offers students a comprehensive online study guide with 20 multiple-choice and 15 true/false review questions per chapter, experiential exercises, essay questions, Internet exercises, updated Internet destinations and search tools, CBC video case updates, and more. Instructors will be interested in our online syllabus builder and the password-protected instructors area containing electronic versions of key supplements and updates to the text. (To obtain your password, please contact your Pearson sales representative.) See www.pearsoned.ca/gomez-mejia and explore!

Instructor's Resource CD-ROM: This practical resource is your one-stop source for all your supplement needs. The CD-ROM contains the complete Instructor's Resource Manual, TestGen software loaded with the complete Test Item File, and PowerPoint slides. (ISBN: 0-13-044739-0)

Test Item File: This Test Item File includes over 1600 questions. Each chapter includes objectives and case questions in multiple-choice, true/false, and essay formats. Answers are given with page references for all objective questions, and suggested answers are provided for essay questions. (ISBN: 0-13-044741-2)

CBC Videos: This video library provides four segments from CBC's prestigious news and current events programs, *Venture* and *Undercurrents*. Teaching notes are provided in the Instructor's Resource Manual. Please contact your Pearson Education sales representative for details. (ISBN 0-13-008834-X)

Other Resources:

Gowan, *eHRM: An Internet Guide to Human Resource Management*. Free to adopters, this guide will help you navigate the many tools and resources available on the Internet for human resource managers. (ISBN: 0-13-091283-2)

Havlovic/Jain, *Human Resource Management: Readings and Exercises*. A virtual textbook, delivered in CD-ROM format. It contains readings and exercises in human resource management. (ISBN: 0-13-027436-4)

Gowan, *Prentice Hall's Human Resource Management Skills 1.0 CD-ROM*, First Edition. This CD-ROM allows students to explore what every manager needs to know about managing human resources. The CD includes interactive modules with exercises. (ISBN: 0-13-066103-1)

Cawsey/Deszca/Templer, *Canadian Cases in Human Resources Management*, First Edition. This casebook features 24 Canadian cases in human resource management. (ISBN: 0-13-088455-3)

Sales/Owen/Lesperance, *Experiential Exercises in Human Resource Management*, First Edition. Designed to accompany texts in the field of management, this resource meets the demand for more real-life, practical, and experiential material in management courses. In each book, the exercises follow an identical and innovative format to guide both instructors and students and to reinforce the goals of the series: increase students' awareness, apply theory, and build skills. (ISBN: 0-13-021805-7)

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Online Learning Solutions. Pearson Education Canada supports instructors interested in using online course management systems. We provide text-related content in WebCT and Blackboard. To find out more about creating your online course using Pearson content in one of these platforms, contact your Pearson sales representative.

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