

Creating and Sustaining High-Performance Organizations

WHAT DO I NEED TO KNOW?

After reading this chapter, you should be able to:

- LO1** Define high-performance work systems and identify the elements, outcomes, and conditions associated with such a system.
- LO2** Explain how human resource management can contribute to high performance.
- LO3** Summarize ways to measure the effectiveness and impact of human resource management.
- LO4** Describe how technology can be used to improve the effectiveness and impact of human resource management.
- LO5** Discuss the future for human resources professionals and the role of the chief human resources officer (CHRO).



Photo courtesy of EllisDon

Construction and building services company EllisDon breaks ground on Clayton Community Centre in Surrey, British Columbia. With offices throughout Canada as well as globally, EllisDon completes more than \$3.5 billion worth of contracts annually. The Halifax Central Library; Parq Vancouver; Rogers Centre; the Ivey School of Business; Toronto's Skydome; the National Gallery of Canada; and the Water's Edge, a \$650 million residential construction project in Abu Dhabi scheduled for completion in 2020 are some of EllisDon's projects.¹

EllisDon Builds a High-Performance Culture

Over just five years, the employee-owned Canadian construction company EllisDon more than doubled in size to about 2,500 employees, enabling it to take on more complex jobs in a wider geographic area. This success posed some human resource challenges. Having more people spread out in different locations increased the likelihood that individuals would feel disconnected and unsure of their role in the business. Those are conditions in which high performers might seek opportunities elsewhere and others might show less commitment to their work. But CEO Geoff Smith decided to address employee engagement personally.

Smith visited each of the company's 11 offices and talked with all employees about what they needed to work effectively and feel satisfied. In these small-group sessions, he learned that they wanted easy ways to communicate with others in the organization when they had questions or problems. So EllisDon used Google+ Communities to set up groups where employees can ask questions, share ideas, and socialize across specialties and locations. This effort is emblematic of a leadership style that emphasizes responsiveness and respect. That style promotes loyalty, measured by a turnover rate of roughly half the industry norm. In addition, Smith says, "From a moral point of view, as well as from a very pragmatic point of view . . . if you put your employees first . . . then the clients get great experiences and the shareholders get great returns."²

Introduction

Every organization must meet the challenges of managing high-performing and low-performing employees. Organizations want to keep their high-performing employees. Research provides evidence that retaining employees helps retain customers and increase sales.³ Organizations with low turnover and satisfied employees tend to perform better.⁴ EllisDon doesn't report performance results such as profits and client satisfaction to the public because the company is employee owned, but we can expect that high quality of service and satisfied clients contribute to the business growth and repeat client business it does report.

This chapter summarizes the role of human resource management in creating an organization that achieves a high level of performance, measured in terms such as long-term profits, quality, and customer satisfaction. We begin with a definition of high-performance work systems and a description of these systems' elements and outcomes. Next, we identify the conditions that contribute to high performance including how to assess the employee experience as well as employee satisfaction and engagement. We explain how the various HRM functions can contribute to high performance, introduce ways to measure

the effectiveness and impact of HRM, and discuss how technology can enhance HRM effectiveness. Finally, we conclude with a discussion of the future for HR professionals including the role of chief human resources officer (CHRO).

What Is a High-Performance Work System?

The challenge facing managers today is how to make their organizations into *high-performance work systems* with the right combination of people, technology, and organizational structure to make full use of resources and opportunities in achieving their organization's goals. To function as a high-performance work system, each of these elements must fit well with the others in a smoothly functioning whole. Many manufacturers use the latest in processes including flexible manufacturing technology and just-in-time inventory control (meaning parts and supplies are automatically restocked as needed), but, of course, these processes do not work on their own; they must be run by skilled people. Organizations have to determine what kinds of people fit their needs, and then locate, train, and motivate those special people.⁵ According to research, organizations that introduce integrated high-performance work practices usually experience increases in productivity and long-term financial performance.⁶

Creating a high-performance work system contrasts with traditional management practices. In the past, decisions about technology, organizational structure, and human resources were treated as if they were unrelated. An organization might acquire a new information system, restructure jobs, or add an office in another country without considering the impact on its people. More recently, managers have realized that success depends on how well all the elements work together.

Elements of a High-Performance Work System

As shown in Figure 11.1, in a high-performance work system, the elements that must work together include organizational structure, task design, people (the selection, training, and development of employees), reward systems, and information systems. Human resource management plays an important role in establishing all these.

Organizational structure is the way the organization groups its people into useful divisions, departments, and reporting relationships. The organization's top management makes most decisions about structure; for instance, how many employees report to each supervisor, and whether employees are grouped according to the functions they carry out or the customers they serve. Such decisions affect how well employees coordinate their activities and

FIGURE 11.1

Elements of a High-Performance Work System



respond to change. In a high-performance work system, organizational structure promotes collaboration, learning, innovation, and accountability.

Task design determines how the details of the organization's necessary activities will be grouped, whether into jobs or team responsibilities. In a high-performance work system, task design makes jobs efficient while encouraging high-quality results. In Chapter 3, we discussed how to carry out this HRM function through job analysis and job design.

The right *people* are a key element of high-performance work systems. HRM has a significant role in providing people who are well suited to and well prepared for their jobs. Human resources professionals help the organization recruit and select people with the needed qualifications. Training, learning, development, and career management ensure that these people are able to perform their current and future jobs with the organization.

Reward systems contribute to high performance by encouraging people to strive for objectives that support the organization's overall goals. Reward systems consider the performance measures by which employees are assessed, the methods of measuring performance, and the incentive pay and other rewards linked to success. Human resource management plays an important role in developing and administering reward systems, as we saw in Chapter 8.

The final element of high-performance work systems is the organization's *information systems*. Managers make decisions about the types of information to gather and the sources of information. They also must decide who in the organization should have access to the information and how they will make the information available. Information systems (including the Internet) have enabled organizations

to share information widely. For example, well over a decade ago, EllisDon had already received national recognition for information technology leadership—receiving the Canadian Information Productivity Award (CIPA) for developing and implementing a proprietary web-based project management system that enabled project staff, architects, consultants, and subcontractors to collaborate by managing documents, knowledge, and workflow.⁷ HR departments also use information-sharing technologies to provide employees with access to information about benefits, training opportunities, job openings, and more, as we will describe later in this chapter.



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In a high-performance work system, all the elements—people, technology, and organizational structure—work together for success.

Outcomes of a High-Performance Work System

Consider the practices of steel minimills (self-contained production facilities that produce steel to make a limited quantity of products for industrial customers). Some minimills have strategies based on keeping their costs below competitors' costs; low costs let them operate at a profit while winning customers with low prices. Other steel minimills focus on "differentiation," meaning they set themselves apart in some way other than low price; for example, by offering higher quality or unique product lines. Research has found that the minimills with cost-related goals tend to have highly centralized structures, so managers can focus on controlling through a tight line of command. These organizations have low employee participation in decisions, relatively low wages and benefits, and wages highly contingent on performance.⁸ At minimills that focus on differentiation, structures are more complex and decentralized, so authority is more spread out. These minimills encourage employee participation and have higher wages and more generous benefits. They are high-performance work systems. In general, these differentiator mills enjoy higher productivity, lower scrap rates, and lower employee turnover than the mills that focus on low costs.

Outcomes of a high-performance work system thus include higher productivity and efficiency. These outcomes contribute to higher profits. A high-performance work system may have other outcomes, including high product quality, great customer experience and satisfaction, and low employee turnover. Some of these outcomes meet intermediate goals that lead to higher profits (see Figure 11.2). For example, high quality contributes to customer satisfaction, and customer satisfaction contributes to growth of the business. Likewise, improving productivity lets the organization do more with less, which satisfies price-conscious customers and may help the organization win over customers from its competitors. Other ways to lower cost and improve quality are to reduce absenteeism and turnover, providing the organization with a steady supply of experienced workers. In the previous example of minimills, some employers keep turnover and scrap rates low. Meeting those goals helps the minimills improve productivity, which helps them earn more profits.

In a high-performance work system, the outcomes of each employee and work group contribute to the system's overall high performance. The organization's individuals and groups work efficiently, provide high-quality goods and services, and so on, and in this way, they contribute to meeting the organization's goals. When the organization adds or changes goals, people are flexible and make changes as needed to meet the new goals.

FIGURE 11.2

Outcomes of a High-Performance Work System



Conditions That Contribute to High Performance

Certain conditions underlie the formation of a high-performance work system:⁹

- Teams perform work.
- Employees participate in selection.
- Employees receive formal performance feedback and are actively involved in the performance improvement process.
- Ongoing training is emphasized and rewarded.
- Employees' rewards and compensation relate to the company's financial performance.
- Equipment and work processes are structured and technology is used to encourage maximum flexibility and interaction among employees.
- Employees participate in planning changes in equipment, layout, and work methods.
- Work design allows employees to use a variety of skills.
- Employees understand how their jobs contribute to the finished product or service.
- Ethical behaviour is encouraged.

Practices involving rewards, employee empowerment, and jobs with variety contribute to high performance by giving employees skills, incentives, knowledge, and autonomy—as well as satisfaction and engagement—conditions associated with high performance. Ethical behaviour is a necessary condition of high performance because it contributes to good long-term relationships with employees, customers, and the public.

Employee Experience

Employees “expect a productive, engaging, enjoyable work experience”¹⁰ and the Conference Board recently reported that “enhancing employee experience” is a core element required for the HR function to be “an agile proactive contributor to the business.”¹¹ In Chapter 1, *employee experience* was defined as the set of perceptions that employees have about their experiences at work in response to their interactions with the organization.

Through research described in the Evidenced-based HRM Case Study in Chapter 1, IBM developed its “Employee Experience Index,” which is summarized in Table 11.1. Although ownership for driving employee experience is shared with managers across the organization, HR is increasingly called upon to “co-lead organization-wide efforts to enhance employee experience.”¹²

The following conditions that contribute to high performance are also linked to positive employee experience.

TABLE 11.1

IBM's Employee Experience Index

Dimension	Description
Belonging	Feeling part of a team, group, or organization.
Purpose	Understanding why one's work matters.
Achievement	A sense of accomplishment in the work that is done.
Happiness	The pleasant feeling arising in and during work.
Vigour	The presence of energy, enthusiasm, and excitement at work.

Source: “The Employee Experience Index,” *IBM Smarter Workforce Institute*, September 2016, p. 3, http://www.globoforce.com/wp-content/uploads/2016/10/The_Employee_Experience_Index.pdf. Used with permission. Industrial-organizational psychologists and experts in HR consulting from both the IBM Smarter Workforce Institute and the Globoforce WorkHuman Analytics and Research Institute undertook a large-scale research project to understand and measure what makes an optimal working experience for employees. This research resulted in the creation of the Employee Experience Index (EXI) that measures employees' personal experiences at work in terms of belonging, purpose, achievement, happiness, and vigor. The IBM and Globoforce research found that employee experience is positively associated with employee work performance, discretionary effort, and turnover intention.

We will also consider HRM's integrated contribution to high performance later in the chapter. This also provides an additional opportunity to review how the various HR functions contribute to enhancing employee experience in consideration of the entire employee journey starting even before Day 1 on the job; for example, creating a positive candidate experience was discussed in Chapter 4.

Employee Empowerment

To completely benefit from employees' knowledge and skills, organizations need a management style that focuses on development and empowering employees. **Employee empowerment** means giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service.¹³

Employees are then held accountable for products and customer service. In return, they share the resulting rewards (or losses). Employee empowerment can also extend to innovation. Employees at all levels are encouraged to share their ideas

employee empowerment
Giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service.



Did You KNOW?

Empowerment Associated with Positive Employee Experience

In a recent survey, “employees who feel their ideas and suggestions matter are more than twice as likely to report a positive employee experience than those who don’t (83 percent vs.

34 percent). A similar pattern emerged among employees who have the freedom to decide how to do their work (79 percent vs. 42 percent).”



Sources: “The Employee Experience Index,” *IBM Smarter Workforce Institute*, September 2016, p. 8, http://www.globoforce.com/wp-content/uploads/2016/10/The_Employee_Experience_Index.pdf. Used with permission. Industrial-organizational psychologists and experts in HR consulting from both the IBM Smarter Workforce Institute and the Globoforce WorkHuman Analytics and Research Institute undertook a large-scale research project to understand and measure what makes an optimal working experience for employees. This research resulted in the creation of the Employee Experience Index (EXI) that measures employees’ personal experiences at work in terms of belonging, purpose, achievement, happiness, and vigor. The IBM and Globoforce research found that employee experience is positively associated with employee work performance, discretionary effort, and turnover intention.

for satisfying customers better and operating more efficiently and safely. This is empowering when management listens to the ideas, implements valuable ones, and rewards employees for their innovations.

As illustrated in the Did You Know? box, employees are more than twice as likely to report a positive work experience when they have the “freedom to decide how to do their work” and when “their ideas and suggestions matter.”

HRM practices such as performance management, training, work design, and compensation are important for ensuring the success of employee empowerment. Jobs must be designed to give employees the necessary latitude for making a variety of decisions. Employees must be properly trained to exert their wider authority and use information resources and communication tools. Employees also need feedback to help evaluate their successes. Pay and other rewards should reflect employees’ authority and be related to successful handling of their responsibility. In addition, for empowerment to succeed, managers must

be trained to link employees to resources within and outside the organization, such as customers, and co-workers in other departments, with needed information. Managers must also encourage employees to interact with colleagues throughout the organization, ensure that employees have access to the resources they need, and reward collaboration. Employee empowerment shifts the recruiting focus away from technical skills and toward general cognitive and interpersonal skills. Employees who have accountability for a final product or service must be able to listen to customers, adapt to changing needs, and creatively solve a variety of problems.

Teamwork

Modern technology places the information that employees need for improving quality and providing customer service right at the point of sale or production. As a result, the employees who engage in selling and producing must also be able to make decisions about how to do their work.



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It's important for companies to capture and share the knowledge of workers who have had years to learn their specialty.

Organizations need to set up work in a way that gives employees the authority and ability to make those decisions. One of the most popular ways to increase employee responsibility and control is to assign work to teams. **Teamwork** is the assignment of work to groups of employees with various skills who interact to assemble a product or provide a service. Work teams often assume many activities traditionally reserved for managers, such as selecting new team members, scheduling work, and coordinating work with customers and other units of the organization. Work teams also contribute to total quality by performing inspection and quality-control activities while the product or service is being completed.

teamwork The assignment of work to groups of employees with various skills who interact to assemble a product or provide a service.

In some organizations, technology is enabling teamwork even when workers are at different locations or work at different times. These organizations use *virtual teams*—teams that rely on communications technology to keep in touch and coordinate activities. Teamwork can motivate employees by making work more interesting and significant. At organizations that rely on teamwork, labour costs may be lower as well. Spurred by such advantages, a number of companies are reorganizing assembly operations—abandoning the assembly line in favour of operations that combine mass production with jobs in which employees perform multiple tasks, use many skills, control the pace of work, and assemble the entire final product. Witnessing the resulting improvements, companies in the service sector also have moved toward greater use of teamwork.

Teamwork is a necessary component of more and more computer programming tasks. Companies that develop software are increasingly using an approach they call *agile*, which involves weaving the development process more tightly into the organization's activities and strategies. In agile software development, self-directed teams of developers and programmers work directly with the business users of the software, using as much face-to-face

communication as possible. Rather than devoting endless hours to negotiating contracts and documenting processes, the teams focus on frequently delivering usable components of the software. Throughout the development process the team is open to changing requirements and computer code as a result of their communication with users. Users of agile software development say it increases customer satisfaction and speeds up the time from concept to usable software.¹⁴

Knowledge Sharing

For more than two decades, managers have been interested in creating a **learning organization**, that is, an organization in which the culture values and supports lifelong learning by enabling all employees to continually acquire and share knowledge. The people in a learning organization have resources for training and development, and they are encouraged to share their knowledge with colleagues. Managers take an active role in identifying training needs and encouraging the sharing of ideas.¹⁵ An organization's information systems, discussed later in this chapter, have an important role in making this learning activity possible. Information systems capture knowledge and make it available even after individual employees who provided the knowledge have left the organization. Ultimately, people are the essential ingredients in a learning organization. They must be committed to learning and willing to share what they have learned. A learning organization has several key features:¹⁶

learning organization An organization that supports lifelong learning by enabling all employees to acquire and share knowledge.

- It engages in **continuous learning**, each employee's and each group's ongoing efforts to gather information and apply the information to their decisions. In many organizations, the process of continuous learning is aimed at improving quality. To engage in continuous learning, employees must understand the entire work system they participate in, the relationships among jobs, their work units, and the organization as a whole. Employees who continuously learn about their work system are adding to their ability to improve performance.
- Knowledge is *shared*. Therefore, to create a learning organization, one challenge is to shift the focus of training away from merely teaching skills and toward a broader focus on generating and sharing knowledge.¹⁷ In this view, training is an investment in the organization's human resources; it increases employees' value to the organization. Also, training content should

continuous learning Each employee's and each group's ongoing efforts to gather information and apply the information to their decisions in a learning organization.

be related to the organization's goals. Human resource departments can support the creation of a learning organization by planning training programs that meet these criteria, and they can help to create both face-to-face and electronic systems for employee collaboration to create, capture, and share knowledge. Increasingly, this includes providing employees with social media tools for knowledge sharing, as well as using digital file sharing and collaboration platforms like Dropbox, Google Drive, and Microsoft Sharepoint.

- Critical, systemic thinking is *widespread*. This occurs when organizations encourage employees to see relationships among ideas and to test assumptions and observe the results of their actions. Reward systems can be set up to encourage employees and teams to think in new ways.
- The organization has a *learning culture*—a culture in which learning is rewarded, promoted, and supported by managers and organizational objectives. This culture may be reflected in performance management systems and pay structures that reward employees for gathering and sharing more knowledge. A learning culture creates the conditions in which managers encourage *flexibility* and *experimentation*. The organization should encourage employees to take risks and innovate, which means it cannot be quick to punish ideas that do not work out as intended.
- Employees are *valued*. The organization recognizes that employees are the source of its knowledge. It therefore focuses on ensuring the development and well-being of each employee.

Continuous learning and knowledge sharing can support an environment of employee empowerment. For example, some organizations are giving employees access to software that monitors their productivity on the assumption that if they know data about their performance, they can use the data to improve their own productivity. Software called RescueTime measures how much time is spent on each website and application for both computer and mobile devices. One employee who used this type of tool discovered that he was most productive when he switched tasks periodically, so he set up the software to remind him every 20 minutes to do something different. A programmer who assumed that chatting online was making him less productive tested that assumption and found that time chatting was associated with writing *more* lines of code. Armed with that information, the programmer gave a higher priority to networking with co-workers and customers. Notice in these examples that the workers had latitude to discover how they work best and to control how they applied what they learned.¹⁸

Meaningful Work

An employee's work experience is enhanced when on-the-job roles and projects are connected to the worker's core

values and create a sense of meaning and purpose. People sign on to help charitable causes for little or no pay simply because of the value they place on making a meaningful difference. The Alzheimer's Association hires staff members who are passionate about its mission of promoting research to end Alzheimer's disease and enhance care for those affected by the disease. Leadership keeps staff up-to-date on progress toward the goals, encourages employees to share ideas, and celebrates successes. CEO Harry Johns conveys a message that all employees "make our advances possible for the people we serve."¹⁹

Fostering pride and engagement through the opportunity to make a difference is also being promoted by governments across the country. For example, the Nova Scotia government promotes pride in the public sector through the slogan "Do Big Things" as part of its strategy to attract, engage, and retain employees.²⁰

Ethics

In the long run, a high-performance organization meets high ethical standards. Ethics, defined in Chapter 1, establishes fundamental principles for behaviour, such as honesty and fairness. Organizations and their employees must meet these standards if they are to maintain positive long-term relationships with their employees, customers, and community.

Ethical behaviour is most likely to result from values held by the organization's leaders combined with systems that promote ethical behaviour. A number of organizational systems can promote ethical behaviour.²¹ These include a written code of ethics that the organization distributes to employees and requires them to use in decision making. Publishing a list of ethical standards is not enough, however. The organization should reinforce ethical behaviour. For example, performance measures should include ethical standards. The organization should provide channels employees can use to ask questions about ethical behaviour or to seek help if they are expected to do something they believe is wrong. Organizations also can provide training in ethical decision making, including training for supervisors in how to handle employees' concerns about ethical matters.

As these examples suggest, ethical behaviour is a human resource management concern. The systems that promote ethical behaviour include HRM functions such as training, performance management, and discipline policies. In today's business climate, ethical behaviour can also help a company attract workers—and customers—who share those high standards.

Corporate Social Responsibility

Corporate social responsibility (CSR) is an evolving concept integrating social, environmental, and economic concerns into an organization's values, culture, decision making, strategy, and operations in a way that creates wealth and improves society.²² Canada is recognized as a leader in



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Did office spacesharing company WeWork go too far in reducing its impact on the environment when it recently introduced a policy of not serving pork, poultry, or red meat nor allowing employees to expense those meats to the company?²³

social responsibility and “CSR remains a concept that is openly embraced by a strong majority of Canadians.”²⁴

For example, research firm GlobeScan found that 92 percent of Canadians said that the “the more socially and environmentally responsible a company is, the more likely they are to purchase its products or services.” Additionally, “91 percent of Canadians surveyed said they prefer to work for a company that is socially and environmentally responsible.” The more socially and environmentally responsible a company is, the more attractive it becomes as an employer.²⁵

Job Satisfaction

A condition underpinning any high-performance organization is that employees experience *job satisfaction*—they

experience their jobs as fulfilling or allowing them to fulfill one’s important job values.²⁶ Several aspects of job satisfaction are the following:

- Job satisfaction is related to a person’s *values*, defined as “what a person consciously or unconsciously desires to obtain.”
- Different employees have different views of which values are *important*, so the same circumstances can produce different levels of job satisfaction.
- Job satisfaction is based on *perception*, not always on an objective and complete measurement of the situation. Individuals compare the job situation to their values, and people are likely to differ in what they perceive.

Research supports the idea that employees’ job satisfaction and job performance are related.²⁷ Higher performance at the individual level should contribute to higher performance for the organization as a whole. In sum, values, perceptions, and ideas of what is important are the three components of job satisfaction. As shown in Figure 11.3 organizations can contribute to job satisfaction in several ways.

Employee Engagement

A condition underpinning any high-performance organization is that employees are fully engaged with their work. As discussed in Chapter 1, *employee engagement* refers to the extent that employees experience full involvement in their work and commitment to the job and organization. Engagement has both an emotional and cognitive

FIGURE 11.3

Increasing Job Satisfaction



component and is evidenced through employee behaviours. For example, employees are engaged when they:²⁸

- Speak positively about the organization to co-workers, potential employees, and customers;
- Have an intense desire to be a member of the organization;
- Exert extra effort and are dedicated to doing the very best job possible to contribute to the organization's business success.

Employees who are engaged in their work and committed to the company they work for provide a clear competitive advantage to that firm, including higher productivity, better customer service, and lower turnover.²⁹ Consultants at Gallup have found that the organizations with the most engaged employees have significantly greater customer satisfaction, productivity, and profitability.³⁰

Aon, another major consulting firm, has measured an association between employee engagement and business performance. Companies scoring high in employee engagement tend to report superior sales, strong operating margins, and returns to shareholders, especially at companies that have strong leadership, positive reputations, and a focus on performance management.³¹

Companies that sustain and improve engagement levels systematically gather feedback from employees, analyze their responses, and implement changes. In these companies, engagement measures are considered as important as customer service or financial data. Employee engagement tends to require job satisfaction.

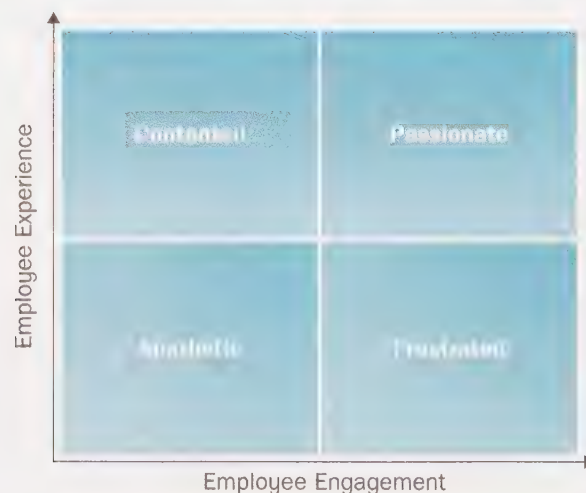
As shown in Figure 11.4, together employee engagement and employee experience provide a broader picture. When employees have high engagement and a positive employee experience, they are passionate about their work; however, when employees have low engagement and a negative employee experience, they are apathetic.

Globally, Aon has found that the practices that do the most to promote employee engagement are opportunities for career progress, recognition for accomplishments, and brand alignment. **Brand alignment** is the process of ensuring that HR policies, practices, and programs support or are congruent with an organization's overall culture or brand, including its products and services. One way to ensure HR policies align with a company's strategic vision is to educate employees about the company's brand and their role in bringing that brand to life as part of everyday work activities. Some companies discuss brand alignment as part of employee orientation programs while others develop in-depth training programs about the company's brand and how each employee is an important contributor to the company's overall success. Employers have the most impact on brand alignment by providing career opportunities, using effective performance management systems, and maintaining a positive reputation.³²

brand alignment The process of ensuring that HR policies, practices, and programs support or are congruent with an organization's overall culture (or brand), products, and services.

FIGURE 11.4

High Engagement and Positive Experience Results in Passion for Work



Source: "The Employee Experience Index," IBM Smarter Workforce Institute, September 2016, p. 8, http://www.globoforce.com/wp-content/uploads/2016/10/The_Employee_Experience_Index.pdf. Used with permission. Industrial-organizational psychologists and experts in HR consulting from both the IBM Smarter Workforce Institute and the Globoforce WorkHuman Analytics and Research Institute undertook a large-scale research project to understand and measure what makes an optimal working experience for employees. This research resulted in the creation of the Employee Experience Index (EXI) that measures employees' personal experiences at work in terms of belonging, purpose, achievement, happiness, and vigor. The IBM and Globoforce research found that employee experience is positively associated with employee work performance, discretionary effort, and turnover intention.

Disengaged and Overwhelmed Employees

Organizations need employees who are fully engaged and committed to their work; however, according to a Deloitte Human Capital Trends Study, “Companies are struggling to engage our modern, 21st century workforce.”³³ Gallup research “shows that only 13% of employees around the world are actively engaged at work, and more than twice that number are so disengaged they are likely to spread negativity to others.”³⁴ It was also recently reported that “two-thirds of today’s employees feel overwhelmed.” For example, workers say they “would like to work fewer hours, they are too distracted (mobile device users check their phones 150 times per day), and they are flooded with too many emails, conference calls, meetings, and other distractions.”³⁵

The organization needs to prevent a broader negative condition, called **job withdrawal**—or a set of

job withdrawal A set of behaviours with which employees try to avoid the work situation physically, mentally, or emotionally.

behaviours with which employees try to avoid the work situation physically, mentally, or emotionally. Job withdrawal results when circumstances such as the nature of the job, supervisors and co-workers, pay levels, or the employee’s own disposition cause the employee to become dissatisfied with the job. As shown in Figure 11.5, this job dissatisfaction produces job withdrawal. Job withdrawal may take the form of behaviour change, physical job withdrawal, or psychological withdrawal. Some researchers believe employees engage in the three forms of withdrawal behaviour in that order, while others think they select from these behaviours to address the particular sources of job dissatisfaction they experience.³⁶ Although the specifics of these models vary, the consensus is that withdrawal behaviours are related to one another and are at least partially caused by job dissatisfaction.³⁷

The problem is compounded when employees offer evasive explanations for their physical job withdrawal, as described in the HR Oops!

HR Oops!



Employees Say Anything to Stay Away from Work

Employers understand that even satisfied employees are refreshed by a vacation or need to stay home when they’re sick. But when employees invent excuses to stay away from work, it raises some questions. And it raises even more questions when the excuses are bizarre: Is this a sign of a dysfunctional relationship between employee and supervisor?

An annual survey by CareerBuilder found that a majority of employees have worked when sick, but 40 percent of employees admitted to calling in sick when they were well, up from 35 percent in the previous year. The main reasons for sick days when well were doctor’s appointments (cited by 30 percent), just not wanting to work (23 percent), feeling a need to relax (20 percent), and needing to catch up on sleep (15 percent).

What do employees tell their supervisor when they just don’t feel like working? They might claim to be sick, but one employee expressed her condition more creatively: She said she was not sure how the solar eclipse would affect her so needed

to say home. Another blamed his absence on not having gas to get to work. Yet another claimed that a bear was in the yard and they were too afraid to come out, and one said her dog swallowed her car keys so she had to wait for the keys to come out.

Not all employers are willing to look the other way. More than one in four have caught an employee lying by checking their social media posts. And one in four have dismissed a worker who was found to have given a fake excuse for an absence.

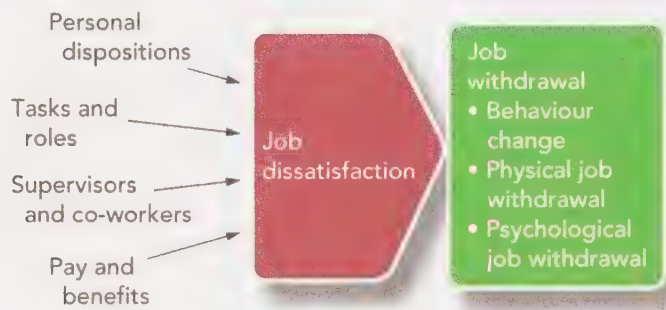
Questions

1. Does a bizarre excuse potentially signal a greater degree of job dissatisfaction? Why or why not?
2. Why should companies care about employees’ reasons for absences? If you worked for a company’s HR department, what reasons for absences would you be most concerned about?

Sources: Dennis McCafferty, “Bosses Question Workers’ Excuses for Missing Work,” *Baseline*, December 14, 2015, <http://www.baselinemag.com>; Kevin McCoy, “‘Grandma Poisoned Me with Ham’ and Other Excuses for Missing Work,” *Indianapolis Star*, October 16, 2015, <http://www.indystar.com>; CareerBuilder, “Increased Number of Workers Calling in Sick When They Aren’t,” *Finds CareerBuilder Annual Survey*, news release, November 16, 2017, <http://www.prnewswire.com>.

FIGURE 11.5

Job Withdrawal Process



How Is Employee Experience Assessed?

The usual way to assess employee experience, including satisfaction and engagement, is with some kind of survey. A systematic, ongoing program of employee surveys should be part of the organization's human resource strategy. This allows the organization to monitor trends. IBM's ambitious research to understand the ideal employee experience at work included developing an "Employee Experience Index" that was discussed in this chapter as well as in Chapter 1.

Although the types of questions asked in employee job satisfaction and engagement surveys may vary, some of the common themes generally measured include pride and satisfaction with employer; opportunity to perform challenging work; recognition and positive feedback for contributions; personal support from supervisor; and understanding of the link between one's job and the company's overall mission. For example, if satisfaction with promotion opportunities has been falling over several years, the trend may signal a need for better career management (a topic of Chapter 6). An organizational change, such as a merger, also might have important consequences for employee job satisfaction and engagement. In addition, ongoing surveys give the organization a way to measure whether practices adopted to enhance employee satisfaction and engagement are working. Organizations can also compare results from different departments to identify groups with successful practices that may apply elsewhere in the organization. Another benefit is that some scales provide data that organizations can use to compare themselves to others in the same industry. This information will be valuable for creating and reviewing human resource policies that enable organizations to attract and retain employees in a competitive job market.

To obtain a survey instrument, an excellent place to begin is with one of the many established scales. For example, the validity and reliability of many satisfaction scales have been tested, so it is possible to compare the instruments. The main reason for an organization to create its own scale would

be that it wants to measure aspects of work specific to the organization (such as satisfaction with a particular benefits plan). Surveys can be prepared and managed by using easily accessible online tools such as SurveyMonkey.

A widely used measure of job satisfaction is the Job Descriptive Index (JDI). The JDI emphasizes specific aspects of satisfaction—pay, the work itself, supervision, co-workers, and promotions. Figure 11.6 shows several items from the JDI scale. Other scales measure general satisfaction using broad questions such as, "All in all, how satisfied are you with your job?"³⁸ Some scales avoid language altogether, relying on pictures. Other scales exist for measuring more specific aspects of satisfaction. For example, the Pay Satisfaction Questionnaire (PSQ) measures satisfaction with specific aspects of pay, such as pay levels, structure, and raises.³⁹

However, critics describe the traditional employee satisfaction feedback process as: "The individual has his or her moment of self-expression, a fleeting participation in the great collective search for truth,



Photo courtesy of Best Buy Canada

Employees from a high-performing Best Buy store receive a surprise "Be Amazing Ambush" from a senior executive to recognize and reward their accomplishments. How important are moments like this to create a positive and memorable employee experience?

then silence, nada, frustration as the status quo prevails.”⁴⁰ With this in mind, the Gallup Organization set about to create a better employee feedback process that linked the elements of employee engagement to improved business outcomes; for example, sales growth,

productivity, customer loyalty, and the generation of value.⁴¹ Table 11.2 identifies Gallup’s questions for measuring employee engagement.

In spite of surveys and other efforts to retain employees, some employees inevitably will leave the organization.

FIGURE 11.6

Example of a Job Descriptive Index (JDI)

Instructions: Think of your present work. What is it like most of time? In the blank beside each word given below, write

___ Y ___ for “Yes” if it describes your work
 ___ N ___ for “No” if it does NOT describe your work
 ___ ? ___ if you cannot decide

Work Itself	Pay	Promotion Opportunities
___ Routine	___ Less than I deserve	___ Dead-end job
___ Satisfying	___ Highly paid	___ Unfair policies
___ Good	___ Insecure	___ Based on ability
Supervision	Co-workers	
___ Impolite	___ Intelligent	
___ Praises good work	___ Responsible	
___ Doesn’t supervise enough	___ Boring	

Source: W. K. Balzar, D. C. Smith, D. E. Kravitz, S. E. Lovell, K. B. Paul, B. A. Reilly, and C. E. Reilly, *User’s Manual for the Job Descriptive Index (JDI)* (Bowling Green, OH: Bowling Green State University, 1990).

TABLE 11.2

Measuring Employee Engagement: Gallup’s 12 Questions

To identify the elements of worker engagement, Gallup conducted hundreds of focus groups and many thousands of worker interviews in all kinds of organizations, and at all levels, in most industries, and in many countries. The result was 12 key employee expectations that, when satisfied, form the foundation of strong feelings of engagement.

1. Do you know what is expected of you at work?
2. Do you have the materials and equipment you need to do your work right?
3. At work, do you have the opportunity to do what you do best every day?
4. In the last seven days, have you received recognition or praise for doing good work?
5. Does your supervisor, or someone at work, seem to care about you as a person?
6. Is there someone at work who encourages your development?
7. At work, do your opinions seem to count?
8. Does the mission/purpose of your company make you feel your job is important?
9. Are your associates (fellow employees) committed to doing quality work?
10. Do you have a best friend at work?
11. In the last six months, has someone at work talked to you about your progress?
12. In the last year, have you had opportunities at work to learn and grow?

Source: John Thackeray “Feedback for Real,” March 15, 2001, <https://news.gallup.com/businessjournal/811/feedback-real.aspx>.

This presents another opportunity to gather information for retaining employees: the **exit interview**—a meeting of the departing employee with the employee's supervisor and/or a human resources specialist to discuss the employee's reasons for leaving. A well-conducted exit interview can uncover reasons that employees leave and perhaps set the stage for some of them to return. HR professionals can help make exit interviews more successful by arranging for the employee to talk to someone from the HR department (rather than the departing employee's supervisor) in a neutral location or over the phone.⁴² Questions should start out open-ended and general, to give the employee a chance to name the source of the dissatisfaction or explain why leaving is attractive.

exit interview

A meeting of a departing employee with the employee's supervisor and/or human resources specialist to discuss the employee's reasons for leaving.

A recruiter armed with information about what caused a specific person to leave may be able to negotiate a return when the situation changes. And when several exiting employees give similar reasons for leaving, management should consider whether this indicates a need for change. A recent twist on the exit interview is a **stay interview**—a meeting with an employee to explore their thoughts and feelings about the job and to uncover issues in the effort to prevent that employee from becoming disgruntled.⁴³

stay interview

A meeting with an employee to explore their thoughts and feelings about the job and to uncover issues in the effort to prevent that employee from becoming disgruntled.

In the long run, a high-performance organization fosters the kind of work culture that encourages high levels of motivation, satisfaction, commitment, and engagement.

Net Promoter Score (NPS), discussed in Chapter 1, was developed to assess client experience; however, its methodology is equally applicable to measuring and improving employee experience. NPS is calculated using a 0–10 scale for the question: “How likely is it that you would recommend [organization] to a friend or colleague?” *Promoters* are loyal enthusiasts (score 9–10); *Passives* are satisfied but unenthusiastic (score 7–8); *Detractors* are unhappy (score 0–6). NPS provides better feedback on what people are experiencing but it's much more difficult to get a high rating because the percentage of Detractors is subtracted from the percentage of Promoters. As a result, Net Promoter Scores range from –100 (if everyone is a Detractor) to 100 (if everyone is a Promoter). Figure 11.7, provides a sample calculation.⁴⁴

HRM's Contribution to High Performance

Management of human resources plays a critical role in determining companies' success in meeting the challenges of a rapidly changing, highly competitive environment.⁴⁵ Total rewards, staffing, training and development, performance management, and other HRM practices are investments that directly affect employees' motivation and ability to provide products and services that are valued by customers. Table 11.3 lists examples of HRM practices that contribute to high performance.

FIGURE 11.7

Net Promoter Score (NPS) Calculation

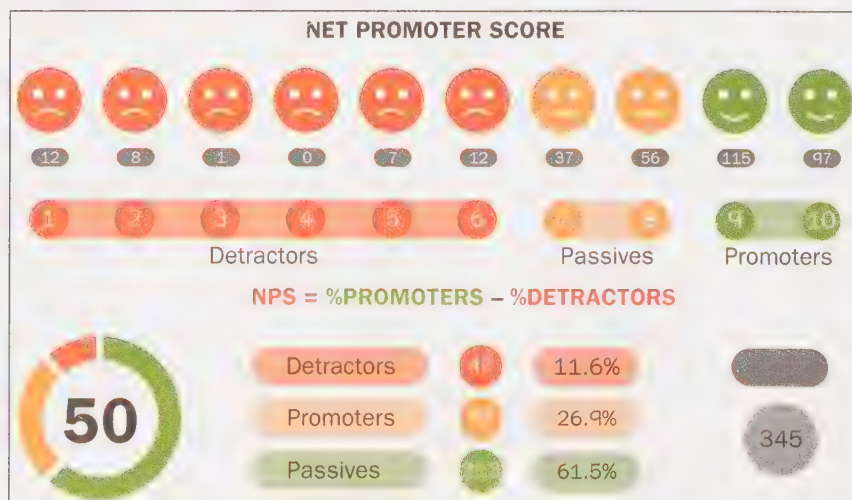


TABLE 11.3**HRM Practices That Can Help Organizations Achieve High Performance**

HRM practices match organization's goals.	Performance management system measures customer satisfaction and quality.
Individuals and groups share knowledge.	Organization monitors employee experience, satisfaction, and engagement.
Work is performed by teams.	Discipline system is progressive.
Organization encourages continuous learning.	Reward systems reward skills and accomplishments.
Work design permits flexibility in where and when tasks are performed.	Skills and values of a diverse workforce are valued and used.
Selection system is job related, objective, and legal.	Technology reduces time and costs of tasks while preserving quality.

Research suggests that it is more effective to improve HRM practices as a whole than to focus on one or two isolated practices, such as the organization's pay structure or selection system.⁴⁶ To have the intended influence on performance, the HRM practices must fit well with one another and the organization as a whole⁴⁷ and be implemented in partnership with line managers who clearly translate the purpose and practical value for employees.⁴⁸ Let's take a summarizing look at how HRM practices can contribute to high performance.

Job Design

Job design can enable the organization to benefit from teamwork and employee empowerment, two of the work conditions associated with high performance. Often, a high-performance work system places employees in work teams where employees collaborate to make decisions and solve problems. Individual employees also may be empowered to serve on teams that design jobs and work processes.

Job design aimed at empowerment includes access to resources such as information technology. The Lowe's chain of home improvement stores wanted to empower its salespeople with more information they need to make sales. So it equipped the salespeople with iPhones that have apps for price scanning, locating items in the store, checking inventory, and looking up competitors' prices. Eventually, the phones also will be able to scan customers' credit cards to complete sales transactions.⁴⁹ Lowe's hopes this much access to information will enable its salespeople to initiate conversations with shoppers and walk them through the entire decision process to the closing of a sale.

Recruitment and Selection

At a high-performance organization, recruitment and selection aim to obtain the kinds of employees who

can thrive in this type of setting. These employees are enthusiastic about and able to contribute to teamwork, empowerment, and knowledge sharing. Qualities such as creativity and ability to collaborate as part of a team may play a large role in selection decisions. High-performance organizations need selection methods that identify more than technical skills, like ability to perform accounting and engineering tasks. Employers may use group interviews, open-ended questions, and psychological tests to find employees who innovate, share ideas, and take initiative. For example, at Imaginet, a Winnipeg-based software application firm recognized by Queen's School of Business as "Best Small to Medium Employer in Canada," employees actively contribute to the hiring process to attract top talent.⁵⁰

Training, Learning, and Development

When organizations base hiring decisions on qualities such as decision making and teamwork skills, training may be required to help employees learn the specific skills they need to perform the duties of their job. Extensive training and development also are part of a learning organization, described earlier in this chapter. And when organizations delegate many decisions to work teams, the members of those teams likely will benefit from participating in team development activities that prepare them for their roles as team members. In addition, high-performance organizations are developing their talent to move into positions with greater responsibility.

Performance Management

In a high-performance organization, employees know the organization's goals and what they must do to help achieve those goals. HR departments can contribute to this through



Photo courtesy of Osoyoos Indian Band.

The 540 members of the Osoyoos Indian Band, including Chief Clarence Louie, the Band's long-serving chief, live and work in one of the hottest and driest parts of Canada—the South Okanagan. The Band has developed many successful business relationships and joint ventures, including Nk'Mip Cellars.

Nk'Mip Cellars was the first Aboriginal-owned winery in North America. In 2016, it was named Intervin's Canadian Winery of the Year. More recently, Nk'Mip Cellars has gained the distinction of having the first First Nations wine-maker in North America. Osoyoos Indian Band member Justin Hall was promoted to this prestigious position in May of 2017.

Nk'Mip Cellars is one of a diverse range of businesses and initiatives that have created prosperity, full-employment and meaningful work for Band members. The Osoyoos Indian Band's strategic vision is aimed at building a future founded on its working culture and business heritage to achieve a healthy, hardworking and financially sustainable community that creates meaningful job opportunities and economically supports programs for the Band's Elders and Children.

Special thank you to Dr. Aldene Meis Mason, Indigenization Lead (Associate Professor), University of Regina.

FIGURE 11.8

Employee Performance as a Process



the design or redesign of the organization's performance management system. As we discussed in Chapter 7, performance management should be related to the organization's goals.

A performance management system that meets those requirements applies the process of employee performance, shown in Figure 11.8. Individuals bring a set of skills and abilities to the job and, by applying a set of behaviours, they use those skills to achieve results. The organization's goals should influence each step of the process. The situation also has an influence on every step. For example, an organization's culture might influence how hard individuals try to delight customers, and economic conditions might influence how much a salesperson sells, no matter how competent and hard working they are.

This model suggests some guidelines for performance management. First, every aspect of performance

management should be related to the organization's goals. Business goals should influence the kinds of employees selected and their training, the requirements of each job, and the measures used for evaluating results. Generally, this means the organization identifies what each department needs to do to achieve the desired results, then defines how individual employees should contribute to their department's goals. More specifically, the following guidelines describe how to make the performance management system support organizational goals:⁵¹

- **Define and measure performance in precise terms**—Focus on outcomes that can be defined in terms of how frequently certain behaviours occur. Include criteria that describe ways employees can add value to a product or service (such as through quantity, quality, or timeliness). Include behaviours

that go beyond the minimum required to perform a job (such as helping co-workers).

- **Link performance measures to meeting customer needs**—“Customers” may be the organization’s external customers, or they may be internal customers (employees receiving services from a co-worker). Service goals for internal customers should be related to satisfying external customers.
- **Measure and adjust for the effect of situational constraints**—Monitor economic conditions, the organization’s culture, and other influences on performance. Measures of employees’ performance should take these influences into account.

This approach gives employees the information they need to behave in ways that contribute to high performance. In addition, organizations should help employees identify and obtain the abilities they need to meet their performance goals.

Compensation and Rewards

Compensation and rewards support high-performance organizations when linked in part to performance measures. A study of Canadian workers found that bonuses for new ideas were most effective when they were awarded to innovative groups rather than to individuals. This seems to inspire more creativity and teamwork and less fear of failure.⁵²

Compensation also can be tied to performance-related conditions such as successful teamwork or—for a manager—employee experience or satisfaction of employees in the manager’s department. Furthermore, organizations can increase empowerment and satisfaction by including employees in decisions about rewards and by communicating the basis for pay decisions.⁵³

When the organization designs a pay structure, it can set up a task force that includes employees with direct experience in various types of jobs. Some organizations share financial information with their employees or have them participate in setting group goals used as the basis for paying bonuses. And, as discussed in Chapter 8, when organizations explain their reward structures to employees, the communication can enhance employees’ satisfaction and belief that the system is fair.

Managing Voluntary and Involuntary Turnover

Along with surveys, more organizations are analyzing basic HR data to look for patterns in employee retention and turnover. Organizations must try to ensure that good performers want to stay with the organization and that employees whose performance is chronically low are encouraged—or forced, to leave. Both of these challenges involve *employee turnover*, that is, employees leaving the organization. When the organization initiates the

turnover (often with employees who would prefer to stay), the result is **involuntary turnover**. Examples include terminating an employee for under-performance or laying off employees during a downturn. Most organizations use the word “termination” to refer only to a discharge related to a discipline problem, but some organizations call any involuntary turnover a termination. When the employees initiate the turnover (often when the organization would prefer to keep them), it is **voluntary turnover**. For example, employees may leave to go back to school, travel, take a job with a different organization, or start their own business.

In general, organizations try to avoid the need for involuntary turnover and to minimize voluntary turnover, especially among top performers; however, employers are not always aware of the reasons employees would change jobs. Table 11.4 identifies the five key reasons top performers in Canadian organizations would change jobs; however, these reasons contrast with the five key reasons employers *think* their top performers would leave.

involuntary turnover Turnover initiated by an employer (often with employees who would prefer to stay).

voluntary turnover Turnover initiated by employees (often when the organization would prefer to keep them).

TABLE 11.4

Employers Are Not Always Aware of the Reasons Top Performers Would Change Jobs

Why Would Top Performers Leave?		
Rank	Employers Say	Employees Say
1	Career development opportunities	Work-related stress
2	Promotion opportunities	Promotion opportunities
3	Relationship with supervisor	Base pay
4	Base pay	Trust/confidence in management
5	Work-related stress	Job security

Note: Rank represents the frequency the item was selected as one of the most important reasons (from a list of 23 items) top performers would leave an organization; Top performers are those whose performance was rated “far exceeds expectations” (i.e., in the top 10 percent) by their supervisors in their most recent performance review.

Source: “Leading Through Uncertain Times, The 2011/2012 Talent Management and Rewards Study: North America,” Willis Towers Watson, p. 8, www.willistowerswatson.com. Reprinted with the permission of Willis Towers Watson.

Figure 11.9 shows how voluntary turnover has stabilized in recent years, at a level well below the rate for some past years (e.g., 9.7 percent for 2007–08). Voluntary turnover was much higher in the private sector (8.0 percent) than the public sector (4.4 percent) in 2016–17. Similarly, involuntary turnover was much higher in the private sector (5.3 percent) in contrast to the public sector (1.8 percent) in 2016–17.⁵⁴

Both kinds of turnover are costly, as summarized in Table 11.5. Replacing workers is expensive, and new employees need time to learn their jobs and build teamwork skills.⁵⁵ Employees who leave voluntarily out of frustration may not be shy about generating unfavourable publicity. People who leave involuntarily are sometimes ready to take legal action against a former employer if they feel they were unfairly dismissed. The prospect of workplace violence also raises the risk associated with discharging employees. Effective human resource management can help the organization minimize both kinds of turnover,

No firm wants to lose valued high-performing employees, but often they do not know the employees are thinking about leaving until it's too late. A recent and extensive validation study across a number of different employee groups identified behaviours (that differ from the employees' usual behaviour) as signs that an employee may be thinking about leaving the organization. For example:⁵⁶

- work productivity has decreased
- less willing to commit to long-term timeline

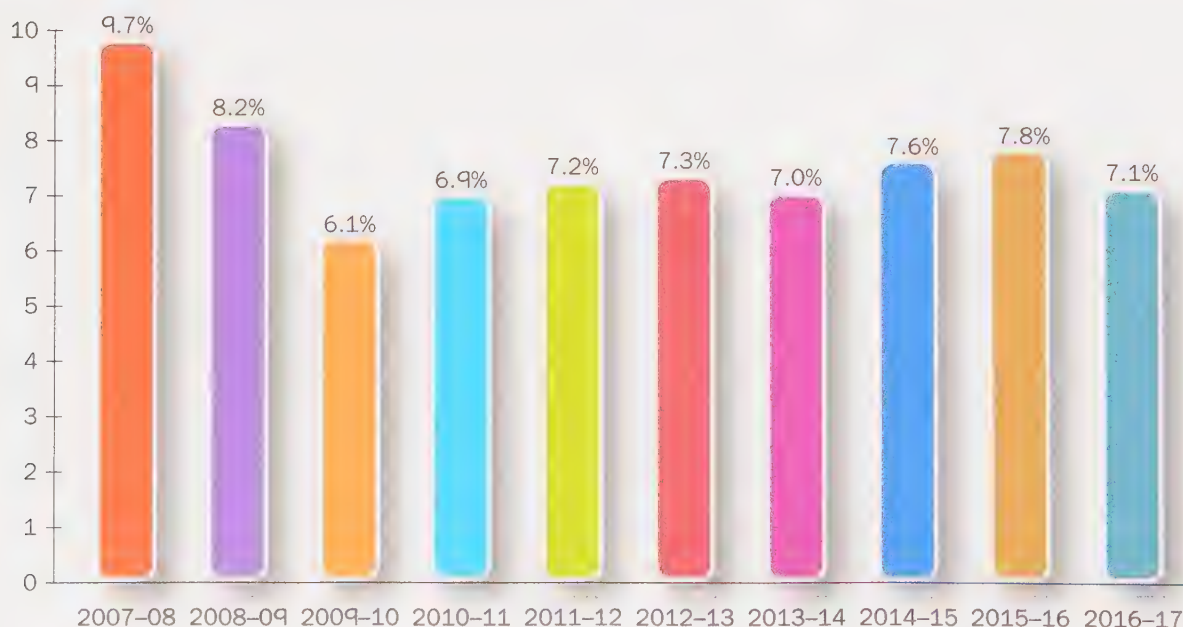
TABLE 11.5**Costs Associated with Turnover**

Involuntary Turnover	Voluntary Turnover
Recruiting, selecting, and training replacements	Recruiting, selecting, and training replacements
Lost productivity	Lost productivity
Lawsuits	Loss of talented employees
Workplace violence	

- expressed dissatisfaction with their current job more frequently
- expressed dissatisfaction with their supervisor more frequently
- left early from work more frequently
- shown less interest in working with customers

Effective human resource management also requires effectively supporting the departure of employee. *Employee offboarding* should be handled as carefully and positively as employee onboarding.

Despite a company's best efforts at selection, training, and compensation, some employees will fail to meet

FIGURE 11.9**Voluntary Turnover Rates (average percentage of employees)**

Note: Voluntary turnover applies to regular employees only, and does not include early retirements or severances.

Source: Heather McAteer, "Compensation Planning Outlook 2018," The Conference Board of Canada, October 2017, p. 27.

expectations, be uncoachable, or violate company policies. When this happens, organizations need to apply a discipline program that might ultimately lead to discharging the individual.

For a number of reasons, discharging employees can be a very difficult but potentially important way to maintain a high-performance and engaging work culture. The decision also has legal aspects that can affect the organization. Historically, if the organization and employee do not have a specific employment contract, the employer or employee may end the employment relationship at any time. This is the *employment-at-will doctrine*. This doctrine has eroded significantly, however. Employees who have been terminated sometimes sue their employers for wrongful dismissal, and in such cases the courts may award employees significant financial settlements. Publicity associated with the proceedings may also be embarrassing or harmful to the employer's reputation. Along with the financial risks of dismissing an employee, there are issues of personal safety. Distressing as it is that some former employees go to the courts, far worse are the employees who react to a termination decision with violence. Although any number of organizational actions or decisions may incite violence among employees, the "nothing else to lose" aspect of an employee's dismissal makes the situation dangerous, especially when the nature of the work adds other risk factors.⁵⁷

Retaining top performers is not always easy either, and recent trends have made this more difficult than ever. Today's psychological contract, in which workers feel responsibility for their own careers rather than loyalty to a particular employer, makes voluntary turnover more likely. Also, competing organizations are constantly looking at

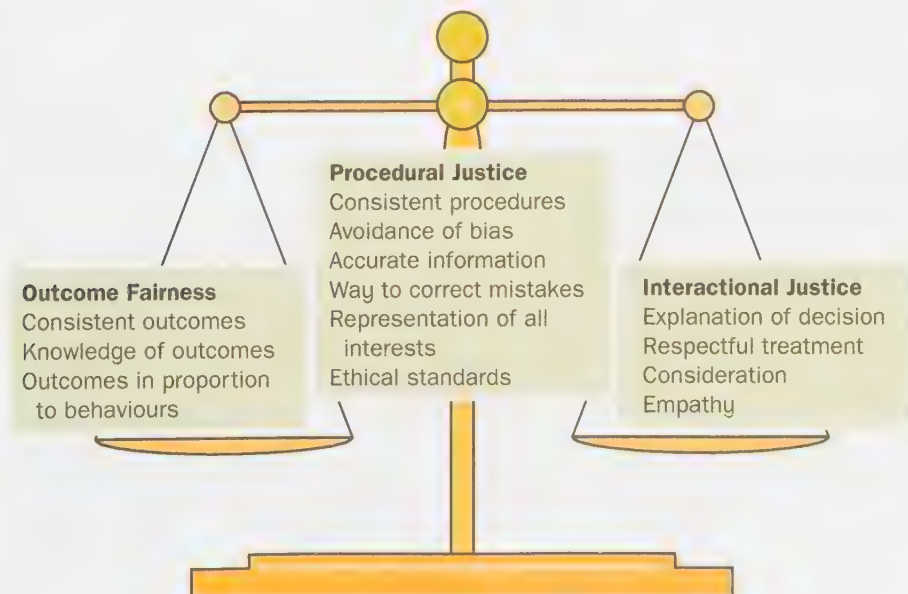
each other's top performers. For high-demand positions, such as software engineers, "poaching talent" from other companies has become the norm.

Employment/labour standards laws in each of the federal, provincial, and territorial jurisdictions set out the minimum requirements employers must follow when terminating or laying off employees. For example, no notice or compensation is legally needed if the employee quit or retired, the employee had been employed for less than the required minimum (usually three months), the employee was employed on an "on-call" basis, or the employee was terminated for *just cause*. Examples of "just cause" for dismissal that are considered serious violations of the employment relationship are dishonesty, willful disobedience to a supervisor, and failure to comply with known policies or procedures or to meet performance requirements.⁵⁸

Because of the critical financial and personal risks associated with employee dismissal, organizations must adopt a standardized, systematic approach to discipline and discharge. These decisions should not be left solely to the discretion of individual managers or supervisors. The precedent-setting Supreme Court case of *Wallace v. United Grain Growers* (1997) sent a clear message that employers must act fairly and respectfully when handling an employee termination. The *Wallace* case gave judges a legal precedent to award employees additional notice or damages if the employer treats an employee callously or unfairly during termination. In summary, policies that can lead to employee separation should be based on not only the legal requirements but also on principles of justice to ensure the system is seen as fair. Figure 11.10 summarizes these principles of justice. For example, in support

FIGURE 11.10

Principles of Justice



of these principles, many organizations provide **outplacement counselling**, which tries to help dismissed employees manage the transition from one job to another. Some organizations have their own staff for conducting outplacement counselling. Other organizations have contracts with outside providers to help with individual cases.

Either way, the goals for outplacement programs are to help the former employee address the psychological issues associated with losing a job—grief, depression, and fear in a respectful manner—while at the same time helping the person find a new job.

outplacement counselling A service in which professionals try to help dismissed employees manage the transition from one job to another.

Handling Employee Discipline Appropriately

In order to maintain a positive, motivating, and high-performance work environment for all employees, organizations look for methods of handling inappropriate behaviour that are fair, legal, and effective.

The principles of justice suggest that the organization prepare by establishing a formal discipline process in which the consequences become more serious if the employee repeats the offence. Such a system is called **progressive discipline**. A typical progressive discipline system identifies and communicates inappropriate behaviours and responds to a series of offences with the actions shown in Figure 11.11—spoken and then written warnings, temporary suspension, and, finally, termination. This process fulfills the purpose of discipline by clarifying what is expected of employees and creating a situation in which employees must try to do what is expected. It seeks to prevent

progressive discipline A formal discipline process in which the consequences become more serious if the employee repeats the offence.

inappropriate behaviour (by publishing rules) and to correct, rather than merely punish, inappropriate behaviour.

Such procedures may seem exasperatingly slow, especially when the employee's behaviour harms the team's performance. In the end, however, if an employee must be discharged, careful use of the procedure increases other employees' belief that the organization is fair and reduces the likelihood that the employee will take legal action. For situations in which inappropriate behaviour is dangerous, the organization may establish a stricter policy, even terminating an employee for the first offence. In that case, it is especially important to communicate the procedure—not only to ensure fairness, but also to prevent the inappropriate or even dangerous behaviour.

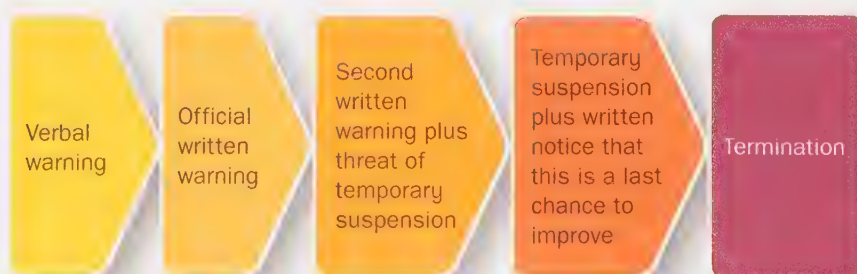
Creating a formal discipline process is a primary responsibility of the human resource department. The HR professional should consult with supervisors and managers to identify inappropriate behaviours and establish rules and consequences for violating the rules. The rules should cover disciplinary problems such as the following behaviours encountered in many organizations:

- absenteeism
- lateness
- unsafe work practices
- poor quantity or quality of work
- harassment of co-workers or customers
- theft or misuse of company property

For each infraction, the HR professional would identify a series of responses, such as those in Figure 11.11. In addition, the organization must communicate these rules and consequences to every employee. Ways of publishing rules include presenting them in an employee handbook, posting them on the company's intranet, and displaying them on a bulletin board. Supervisors should be familiar with the rules, so that they can discuss them with employees and apply them consistently.

FIGURE 11.11

Progressive Discipline Responses



Along with rules and a progression of consequences for violating the rules, a progressive discipline system should have requirements for documenting the rules, offences, and responses. To ensure fairness, the discipline system should provide an opportunity to hear every point of view and to correct errors. Before discussing and filing records of misbehaviour, it is important for the supervisor to investigate the incident. The employee should be made aware of what they are said to have done wrong and should have an opportunity to present their version of events. A method of gathering objective performance data should be used to support the fairness and objectivity of the discipline system.

For example, a waste management company in Edmonton demonstrated the use of progressive discipline that ultimately led to dismissing an employee. The employee was disciplined four times for various infractions—he received a verbal warning for damaging a trailer during loading, a written warning for damaging a structure while backing up a loader, a one-day suspension for neglecting to perform a pre-trip inspection of his vehicle, and a three-day suspension for insubordination. Following these incidents, he was dismissed when a dashboard camera detected he was using a cellphone while driving, a violation of company policy and a violation of Alberta legislation.⁵⁹

Besides developing these policies, HR professionals have a role in carrying out progressive discipline.⁶⁰ In meetings to communicate disciplinary actions, it is wise to have an HR representative there to support the employee's supervisor. When an employee is suspended or terminated, the organization should designate a person to escort the employee from the building to protect the organization's people and property.

Finally, the issue of off-the-job behaviour is also of concern to employers. Employers are frequently concerned

if an employee's off-the-job behaviour, including social media activity, might affect the organization's business or reputation in some way.

Effectiveness and Impact of Human Resource Management

In recent years, human resource management at many organizations has been taking a customer-oriented approach. For an organization's human resource division, "customers" are the organization as a whole and its other divisions. They are customers of HRM because they depend on HRM to provide a variety of services that result in a supply of talented, motivated employees. Taking this customer-oriented approach, human resource management defines its customer groups (e.g., managers and employees), customer needs (e.g., committed and competent employees), and the HR strategies and activities required to meet those needs (e.g., training, learning, and development).

As shown in Figure 11.7, an HR measurement framework is likely to include a range of measures and metrics from *activity* (lowest level) to *impact* (highest level).

Human Resource Management Audits

An **HRM audit** is a formal review of the outcomes of HRM functions, based on identifying key HRM functions and the measures and metrics associated with

HRM audit

A formal review of the outcomes of HRM functions, based on identifying key HRM functions and measures of organizational performance.

TABLE 11.6

Four Levels of HR Measures and Metrics

Level	What Is Measured?	Examples
Activity	Activities performed	<ul style="list-style-type: none"> Number of new hires Number of requests received/handled
Efficiency	Productivity of HR	<ul style="list-style-type: none"> Cost per learning hour Number of HR employees/100 employees
Effectiveness	HR activity results	<ul style="list-style-type: none"> Cost per hire Time to fill vacancies
Impact	Results of the HR activity on the organization's performance	<ul style="list-style-type: none"> Profit, customer experience, quality or other overall organizational performance measure

Source: Based on: Jane Cooper and Shannon Jackson, "Talent Management Benchmarking: Human Resources Trends and Metrics, Fourth Edition," February 2017, *The Conference Board of Canada*, p. 26.

organizational performance. To conduct the audit, the HR department identifies key functions and the key measures of organizational performance adapted to the particular needs and analytical capacity of the organization.⁶¹

Table 11.7 lists examples of these measures and metrics for a variety of HRM functions: staffing, rewards (compensation), benefits, training, appraisal and

development, and overall effectiveness. The audit may also look at any other measure or metric associated with successful management of human resources; for instance, compliance with employment-related legislation, succession planning, maintaining a safe workplace, and positive labour relations. When HR functions are outsourced, these audits need to look at both HR functions performed internally and those that are outsourced.

TABLE 11.7

Sample Key Measures and Metrics of Success for an HRM Audit

Business Indicators	Customer Satisfaction Measures
Staffing	
Average days taken to fill open requisitions	Anticipation of human resource needs
Ratio of acceptances to offers made	Timeliness of referring qualified workers to line supervisors
Ratio of employment equity target group applicant representation in local labour market	Candidate experience feedback
Per capita requirement costs	Skill in handling terminations
Average years of experience/education of hires	Adaptability to changing labour market conditions
Compensation	
Per capita (average) merit increases	Fairness of existing job evaluation system
Ratio of recommendations for reclassification to number of employees	Competitiveness in local labour market
Percentage of overtime hours to regular time	Relationship between pay and performance
Ratio of average salary offers to average salary in community	Employee satisfaction with pay
Benefits	
Average workers' compensation payments	Promptness in handling claims
Benefit cost per payroll dollar	Fairness and consistency in the application of benefit policies
Percentage of sick leave to total pay	Communication of benefits to employees
	Assistance provided to managers in reducing potential for unnecessary claims
Training	
Percentage of employees participating in training programs	Extent to which training programs meet the needs of employees and the company
Percentage of employees receiving tuition reimbursement	Communication to employees about available training opportunities
Training dollars/days per employee	Quality of programs

Business Indicators	Customer Satisfaction Measures
Employee Appraisal and Development	
Distribution of performance appraisal ratings	Assistance in identifying management potential
Appropriate psychometric properties of appraisal forms	Organizational development activities provided by HRM department
Overall Effectiveness or Impact	
Ratio of human resources staff to employee population	Accuracy and clarity of information provided to managers and employees
Turnover rate	Competence and expertise of staff
Absenteeism rate	Working relationship between organizations and HRM department
Ratio of per capita revenues to per capita cost	
Net income per employee	

Source: Reprinted with permission. Excerpts from Chapter 15, "Evaluating Human Resource Effectiveness," pp. 187–222, by Anne S. Tsui and Luis R. Gomez-Mejia, from *Human Resource Management: Evolving Roles and Responsibilities*, edited by Lee Dyer. Copyright © 1988 by The Bureau of National Affairs, Inc., Washington, DC, 20037.

After identifying performance measures and metrics for the HRM audit, the staff carries out the audit by gathering information. The information for the key business indicators is usually available in the organization's documents. Sometimes the HR department has to create new documents for gathering specific types of data. The usual way to measure customer satisfaction is to conduct surveys. Employee surveys provide information about the satisfaction of these internal customers. Many organizations conduct surveys of top executives to get a better view of how HRM practices affect the organization's business success. Companies also may invite external auditing teams to audit specific HR functions. Of course, the benefits of the audit are only as great as the company's response to what it learns and applies to enhance existing processes and tools.

Analyzing the Effect and Impact of HRM Programs

Measuring HRM effectiveness and impact requires the use of a variety of HR integrated measures and metrics. This process involves measuring a program's success in terms of whether it achieved its objectives and whether it delivered value in an economic sense. For example, if the organization sets up a training program, it should set up goals for that program, such as the training's effect on learning, behaviour, and performance improvement (results). The analysis would then measure whether the training program achieved the preset goals.

The analysis can take an economic approach that measures the dollar value of the program's costs and

benefits. Successful programs should deliver value that is greater than the program's cost. Costs include employees' compensation as well as the costs to deliver HR programs such as training, employee development, or satisfaction surveys. Benefits could include a reduction in the costs associated with employee absenteeism and turnover, as well as improved productivity associated with better selection and training programs. However, caution about calculating the value of human capital is needed. "Accounting deals principally with fixed assets. Once you buy them, all they do is depreciate over time," says Jac Fitz-enz, the founder of Human Capital Source Inc. "But humans are just the opposite: they appreciate over time as they grow and develop."⁶²

In general, HR departments should be able to improve their performance through some combination of greater efficiency and greater impact. Greater efficiency means the HR department uses fewer and less-costly resources to perform its functions. Greater impact means that what the HR department does—for example, selecting employees or setting up a performance feedback system—has a more beneficial effect on employees' and the organization's performance. The computing power available to today's organizations, coupled with people who have skills in *people (human capital) analytics*, discussed in Chapter 1, enables companies to find more ways than ever to identify practices associated with greater efficiency and effectiveness. For example, an accounting firm improved its retention of female employees by applying analytics. The data showed not only the percentages of women in its jobs, but also that women were much likelier to leave around the point they had been with the firm for about five years.

That jump in turnover was consistent across locations and specialities. The analytics team studied patterns in employees' life events (such as getting married), as well as the association of turnover with company actions such as providing mentors or offering flexible work arrangements. By applying the analysis, the accounting firm improved retention of women and brought its workforce closer to the firm's goal of reflecting the diversity of the clients it serves.⁶³

HRM's potential to affect employees' well-being and the organization's performance makes human resource management an exciting and rewarding field. As we have shown throughout the book, every HRM function calls for decisions that have the potential to help individuals and organizations achieve their goals. For HR professionals to fulfill that potential, they must ensure that their decisions are well grounded. As discussed in Chapter 1, evidence-based HRM requires leveraging credible internal and external data including the use of people (human capital) analytics, to guide leaders in developing and implementing long- and short-term strategies to address human capital challenges and opportunities. Leaders have a considerable appetite for data from HR.⁶⁴ The field of human resource management provides tremendous opportunity to future researchers and managers who want to make a difference in many people's lives and contribute to the success of organizations.

Improving HRM Effectiveness and Impact through Technology

Several current and emerging technologies can help improve the effectiveness of the HRM function. "New" technologies are current applications of knowledge, procedures, and equipment that have not been used previously. New technology usually involves automation—that is, replacing human labour with information processing or equipment, and/or artificial intelligence that simulates human thinking.

Human Resource Management Online: E-HRM

As organizations have seen the advantages of sharing information in computer networks, and the Internet has linked people around the globe, more and more organizations are engaging in *e-HRM*, providing HR-related information over the Internet. Because much human resource information is confidential, organizations may do this with an *intranet*, which uses Internet technology but allows access only to authorized users (such as the organization's employees). For HR professionals, the Internet also offers a way to research new developments,

post job openings, collaborate with colleagues in other organizations, and obtain information from credible sources external to the organization. In this way, E-HRM combines company-specific information on a secure intranet with links to the resources on the broader Internet.

Since the mid-1990s, as HRM functions sought to play a more strategic role in their organizations, the first task was to eliminate transactional tasks in order to free up time to focus on traditional and transformational activities. Part of building an effective HR function requires moving much of the transactional work away from being done by HR employees so that they can have time available to work on strategic activities. Consequently, the use of technology can make HR more strategic and, by doing so, increase the value that HR adds to the business.⁶⁵

Outsourcing some of these activities provided one mechanism for reducing this burden. However, more relevant today is the focus on the use of information technology to handle these tasks. Early on this was achieved by the development and implementation of information systems that were run by the HRM function but more recently have evolved into systems that allow employees to serve themselves. For example, employees can make their benefit enrolment, changes, or claims online. A recent survey by the Sierra-Cedar software and consulting firm found that employees reported better experience with HR when self-service was an option, and better yet when self-service was available on their mobile device.⁶⁶

As Internet use has increasingly taken the form of social platforms, e-HRM has moved in this direction as well. For example, social platforms can be used for learning and to access job search tools. The chapter-ending HRM Social Case Study explores Google's internal platform called "Grow," which makes it easy for Googlers to find learning opportunities, jobs, one-on-one advice, and other development resources to suit their needs and interests.

HRM Information Systems

In HRM, technology has already been used for three broad functions: transaction processing; decision support systems; and expert systems.⁶⁷

Transaction processing refers to computations and calculations used to review and document HRM decisions and practices. This includes documenting relocation, training expenses, and course enrolments and completing external reporting requirements (employment equity reports). **Decision support systems**

transaction processing

Computations and calculations used to review and document HRM decisions and practices.

decision support systems

Computer software systems designed to help solve problems by showing how results vary when the assumptions and data are altered.

HR How-To



HR Services Go Mobile

Software companies are creating apps that let employees view their pay stubs, request time off, check the amounts of their bonuses, fill out and approve timesheets, look up co-workers in company directories, and more. At the same time, a growing number of employees expect to be able to use their mobile devices for accessing work-related information. Given the possibility of and pressure for mobile HRM, here are some guidelines for making it work:

- Learn which mobile devices employees are using. Make sure applications will run properly on all devices.
- Set priorities for introducing mobile applications that support your company's strategy.
- Make sure your company has mobile-friendly version of its careers website. Many of today's

job hunters are looking for leads on their mobile devices, and they expect to be able to submit an application that way.

- If your company uses online training, create versions that run well on mobile devices.
- Select vendors that not only have software for existing mobile devices but also will be flexible as hardware changes.
- Investigate the security protection built into any app you are considering.
- Test mobile HRM apps to be sure they are user-friendly. Sophisticated users of mobile devices expect to get content in small, easily digested bites.

Sources: Gary Beach, "Onboarding the Always-On Generation," *The Wall Street Journal*, January 20, 2016; <http://blogs.wsj.com>; Pat Galagan, "Trends and Tides in Talent Development," *TD Magazine*, October 8, 2015, <https://www.td.org>; Dave Zielinski, "The Mobilization of HR Tech," *HR Magazine*, February 204, Business Insights: Global, <http://bi.galegroup.com>; Tom Keebler, "New Considerations for HR Service Delivery Success: Where to Begin?," *Workforce Solutions Review*, December 2013, pp. 17-19.

are designed to help solve problems. They usually include a "what if" feature that allows users to see how outcomes change when assumptions or data change. These systems are useful, for example, for helping companies determine the number of new hires needed based on different turnover rates or the availability of employees with a certain skill in the labour market. **Expert systems** are computer systems incorporating the decision rules of people deemed to have expertise in a certain area. The system recommends actions that the user can take based on the information provided by the user. The recommended actions are those that a human expert would take in a similar situation. For example, an expert system could guide an interviewer during the selection process. Some organizations use expert systems to help employees decide how to allocate their benefits choices among a set of options, and help team leads schedule labour to complete projects (such as guiding a manager interviewing a job candidate). An expert system helps avoid the errors than can result from fatigue and decision-making biases, such as biases in appraising employee performance. An expert system can increase efficiency by enabling fewer or less-skilled employees to do work that otherwise would require many highly skilled

expert systems

Computer systems incorporating the decision rules of people deemed to have expertise in a certain area.

employees. These technologies may be linked to employees through a network such as an intranet.

Predictive Analytics

The more recent use of technology and data has been in the area of *predictive analytics*. Predictive analytics refers to the use of data to make predictions about actions or outcomes in the future. Earlier in the chapter we discussed how HR functions can analytically evaluate their performance through either tracking certain measures and metrics or surveying internal customers. *Lagging indicators* tend to be descriptive and rely on a single source of data, which looks at the past. Although such a backward-looking approach can help the function to pinpoint areas for improvement, more recent effort has been devoted to trying to identify problems before they happen. In contrast to lagging indicators, *leading indicators* tend to rely on multiple data sources with a view to the future and predictive capability. For example, looking at data to identify indicators that an employee is about to leave would be helpful for organizations if they want to intervene. For instance, a company may find that a strong predictor of an employee's desire to leave is when the employee begins to update their LinkedIn profile. Google has developed sophisticated algorithms

looking at a number of variables and uses these algorithms to identify which employees are likely to leave.

Personalization

Finally, the vast increases in technological capability and data have a number of companies looking to better customize or *personalize* an employee's experience with the organization. In the past, many companies introduced flexible benefit plans that encouraged employees to choose at least some of the benefits they most desired. However, today some firms enable employees to personalize their pay mix (e.g., take lesser or greater amounts of fixed versus variable pay, or vary the type of variable pay such as bonuses versus stock). Also, companies can proactively approach employees who may want to think about changing benefits based on changes in life events e.g., when an employee adds a child as a beneficiary, the company can suggest putting money into life insurance or into an educational savings account. In all these cases, companies are not forcing changes onto employees but rather are using the information they have about employees to help those employees better manage their work and personal lives.

The Future for HR Professionals

The future for careers in the human resource profession is bright. An increasing number of successful companies have made the top HR job a member of the senior management team, reporting directly to the chief executive officer. CEOs recognize the importance of their workforce in driving competitive success. Firms need to seek the balance between attracting, motivating, and retaining the very best talent and keeping labour and administrative costs as low as possible. Finding such a balance requires HR leaders who have a deep knowledge of the business combined with a deep knowledge of HR issues, tools, processes, and technologies.

For a reader who is just getting a first glimpse of the HRM function, to portray what a vastly different role HRM must play today compared to 20 or even 10 years ago is challenging. HRM once played a largely administrative role—simply processing paperwork as well as developing and administering hiring, training, appraisal, compensation, and benefits systems—and all of this was largely unrelated to the strategic direction of the firm. In the early 1980s, HRM took on more of a one-way linkage role, helping to implement strategy. Now strategic decision makers are realizing the importance of people issues and so are calling for HRM to become the “source of people expertise” in the firm.⁶⁸ Dr. Parbudyal Singh, professor of human resource management at

York University, recently received the Distinguished Human Resources Professional Award (DHRP) from Ontario's Human Resources Professionals Association (HRPA) and summarized this transformation: “When I started, the focus was on the administrative and enforcement side of HR, but now it's become increasingly more strategic.”⁶⁹

This transformation requires that HR professionals possess and use knowledge of how people can and do play a role in competitive advantage as well as the policies, programs, and practices that can leverage the firm's people as a source of competitive advantage. This leads to an entirely new set of competencies for today's strategic HR professional.⁷⁰ HR professionals will need four basic competencies:⁷¹

- **Business competence**—HR professionals must know the company's business and understand its financial capacity. Because in almost all organizations the effectiveness of decisions must be evaluated in terms of dollar values, the HR professional must be able to calculate the costs and benefits of each alternative in terms of its return on investment. In addition, the non-monetary impact needs to be considered. HR professionals must be fully capable of identifying the social and ethical issues attached to HRM practices. HR professionals must often act as the conscience of the organization in all aspects; for example, promoting the perspective that “treating people well is the right thing to do even if there is cost involved.”⁷²
- **Professional–technical knowledge**—HR professionals must be aware of state-of-the-art HRM practices in areas such as staffing, development, performance feedback, rewards, organizational design, and communication. HR professionals must be able to critically evaluate the new techniques offered as state-of-the-art HRM programs and use only those that provide value.
- **Management of change processes**—HR professionals must be skilled in diagnosing opportunities and problems, implementing organizational changes, and evaluating results. In one survey of Fortune 500 companies, it was found that 87 percent of the companies had their organization development or change management function as part of the HR department.⁷³
- **Integration competence**—HR professionals must be able to integrate the three other competencies to increase the company's value. This means that although specialist knowledge is necessary, a generalist perspective must be taken in making decisions. This entails seeing how all the functions within the HRM fit together to be effective and

recognizing that changes in any one part of the HRM are likely to require changes in other HR areas.

Google has sought to achieve this integration in its People Operations team with what it calls the “three-thirds” staffing model:

1. **One-third traditional HR people**—subject-matter experts in HR areas such as compensation and benefits, recruiting, and employment law as well as expertise in client relations. Their knowledge, pattern recognition, and emotional intelligence serve as the foundation for developing services and programs.
2. **One-third consultants**—high-end strategy experts who lack human resource experience but have a background in management consulting and thrive on solving big problems and bring a deliberate, business approach to people issues.
3. **One-third analytics professionals**—doctoral-level academics in disciplines including statistics, organizational psychology, and finance who measure, analyze, and provide insight into all that the people operations function does, and prove what really works. They have a healthy appetite for the impossible and drive experimentation to ensure that Google is as

innovative on the people side as it is on the product side.⁷⁴

The Role of the Chief Human Resources Officer

Having discussed the increasing importance of HR and the new strategic role of HR professionals, in closing we briefly examine the role of the leader of the HR function. These chief human resources officers (CHROs) have accountability for leading the HR function as well as ensuring that HR systems and processes deliver value to the company. Only recently have researchers attempted to examine what these HR leaders do and how they affect the business. Table 11.8 identifies results of a recent survey that identified seven roles that CHROs fulfill and the time spent across those roles.

The new strategic role for HRM presents both opportunities and challenges. HRM has the chance to profoundly impact the way organizations compete through people. But with this opportunity comes substantial responsibility and accountability.⁷⁵

HRM functions of the future require individuals who view themselves as business people who happen to work in an HRM function, rather than as HRM people who happen to work in a business.

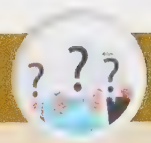
TABLE 11.8

Seven Critical Roles of the CHRO

Role	Description	Time Spent
Leader of the HR function	Working with HR team members regarding the development, design, and delivery of HR services.	22%
Strategic advisor to the executive team	Activities focused specifically on the formulation and implementation of the firm's strategy.	21%
Talent architect	Keeping the senior team focused on the talent needs of the business including identifying talent gaps and future needs.	17%
Counsellor/confidante/coach to the executive team	Activities focused on counselling or coaching team members or resolving interpersonal or political conflicts among team members.	17%
Liaison to the board of directors	Preparation for board meetings, phone calls with board members, attendance at board meetings.	10%
Workforce sensor	Activities focused on identifying workforce morale issues and opportunities.	8%
Representative of the firm	Activities with external stakeholders, such as advocating, speaking to outside groups, etc.	5%

Source: P. Wright, “Strategies and Challenges of the Chief Human Resource Officer: Results of the First Annual Cornell/CAHRS Survey of CHROs,” *Technical Report* (Ithaca, NY: Cornell University), 2009.

Thinking ETHICALLY



How Should Employers Protect Their Data on Employee Devices?

One area in which business managers might consult with HR managers involves the treatment of company data on employees' electronic devices. In the past, organizations stored their data on their own hardware. But laptop computers and, more recently, tablet computers and smartphones make it possible for employees to carry around data on these mobile devices. Increasingly often, the devices are not even owned by the company, but by the employees themselves. For example, an employee's smartphone might include business as well as personal contacts in several mobile apps.

The situation is convenient for everyone until something goes wrong: a device is lost, an employee becomes upset with a manager, or the organization lays off some workers. From the standpoint of protecting data, the obvious solution is to remove the data from the devices. So far, no law forbids this. However, it has consequences for the employees. Remotely wiping data from a device will remove all of it, including the user's personal data, such as photos and addresses.

Companies are addressing concerns by crafting security policies for employees who want to use their own devices for work-related tasks

such as e-mail. Typically the policy requires the employee to download a program for mobile device management. If specified conditions arise, such as loss of the device or termination of the employee, the company can use the software to send the device a message that wipes out all the data stored on the device. The company also can give the employee some notice, allowing time to save personal data, but this increases the risk to the company. Some employees have complained about their devices being unexpectedly erased after they left a company. At the same time, companies are ever more concerned about protecting their data as more and more of them experience outsiders gaining unauthorized access to their data.

Questions

1. Imagine you work in the HR department of a company considering a policy to protect its data on employees' mobile devices. In advising on this policy, what rights should you consider?
2. What advice would you give or actions would you take to ensure that the policy is administered fairly and equitably?

Sources: Scott Wooldridge, "HR Trends to Watch in 2016," *Benefits Selling*, December 2015, <http://www.benefitspro.com>; "Using Your Personal Phone for Work Could Cost You," *CBS Miami*, March 26, 2014, <http://miami.cbslocal.com>; Lauren Weber, "BYOD? Leaving a Job Can Mean Losing Pictures of Grandma," *Wall Street Journal*, January 21, 2014, <http://online.wsj.com>; Society for Human Resource Management, "Safety and Security Technology: Can an Employer Remotely Wipe/Brick an Employee's Personal Cell Phone?," SHRM Knowledge Center, November 5, 2013, <http://www.shrm.org>.

SUMMARY

LO1 Define high-performance work systems and identify the elements, outcomes, and conditions associated with such a system.

A high-performance work system is the right combination of people, technology, and organizational structure that makes full use of the organization's resources and

opportunities in achieving its goals. A high-performance work system achieves the organization's goals, typically including greater productivity, higher profits, and lower turnover. Enhancing employee experience and its associated conditions contribute to high-performance work systems.

LO2 Explain how human resource management can contribute to high performance.

All areas of human resource management—for example, job analysis and design; recruitment and selection; training, learning, and development; performance management; and rewards—make specific contributions to organizational high performance. Generally, organizations try to avoid the need for involuntary turnover and minimize voluntary turnover. Organizations also need to handle employee discipline effectively in order to demonstrate fairness and meet legal requirements.

LO3 Summarize ways to measure the effectiveness and impact of human resource management.

Taking a customer-oriented approach, HRM can use an HRM audit, a formal review of the outcomes of HRM functions. The audit may look at any measure or metric associated with successful management of human resources. Audit information may come from the organization's documents and surveys of customer satisfaction. People (human capital) analytics are increasingly deployed in organizations exhibiting data curiosity and capacity.

LO4 Describe how technology can be used to improve the effectiveness and impact of human resource management.

Current and emerging technologies can be used to improve HRM effectiveness. E-HRM, outsourcing, mobile applications, and social platforms provide opportunities to reduce transactional demands on human resource professionals. HR information systems are already used for transaction processing, decision support systems, and expert systems. In addition, predictive analytics and customizing employees' experience offer significant opportunities to increase HRM effectiveness.

LO5 Discuss the future for human resources professionals and the role of the chief human resources officer (CHRO).

The future for careers in the human resource profession is bright as the nature of HRM has transformed in many organizations. HRM and the associated competencies have significantly changed to acquire strategic significance. The role of chief human resources officer (CHRO) has significant associated accountability and organizational influence. HRM requires practitioners who have a business mindset.

CRITICAL THINKING QUESTIONS

1. What is a high-performance work system? What are its elements? Which of these elements involve human resource management?
2. Is Net Promoter Score an appropriate way to assess employee experience? Why or why not?
3. Summarize how each of the following HR functions can contribute to high performance.
 - a. Job design
 - b. Recruitment and selection
 - c. Training, learning, and development
 - d. Performance management
 - e. Compensation and rewards
4. Is it more important for an HR department to be efficient or effective? Discuss.
5. Why should HR departments measure their effectiveness? What are some ways they can go about measuring effectiveness?
6. How can HRM technology make a human resource department more productive? How can technology improve the quality of HRM decisions?
7. What is a real business (and human resource management) problem that could be solved with the use of predictive analytics?
8. What issues could arise when an organization frees up human resource professionals' time for strategic work by reducing their transactional work?
9. What types of specific skills (such as knowledge of financial accounting methods) do you think HR professionals will need in order to have the business, professional-technical, change management, and integrative competencies necessary in the future? How can these skills be developed?
10. Which seems more appealing—a career in HRM today or a career in HRM 20 years ago? Explain your answer.
11. Were any of “Seven Roles” of the chief human resource officer (CHRO) surprising or unexpected? Explain your answer.

EXPERIENCING HR—WHAT MAKES A COMPANY A GREAT PLACE TO WORK?

Divide into groups of about six students each. Visit the website for Canada's Top 100 Employers. Scan the complete list of companies, and then choose a company that interests your group. Click the link for the company information. Read the reasons for selecting this company as one of the best, and take notes on what you learn. Next, visit the Glassdoor website and use its search function to look up company information for the company you selected. On the company page, use the Reviews link to read the information employees have posted about what it is like to work at this company. Look for patterns, and take notes on what you learn.

As a group, discuss what these two sources tell you about the employee experience at the company you selected. What criteria does the Top 100 Employers list use for selecting organizations? What criteria do the reviewers on Glassdoor use for reporting their satisfaction or dissatisfaction? Imagine you work in HR at the company you evaluated. What would you do to build on areas of satisfaction and address any dissatisfaction you observe in the Glassdoor reviews? Be prepared to summarize your discussion in class (or, if your instructor directs, write a one-page summary of your discussion).

CASE STUDY: EVIDENCE-BASED HRM

Deere & Company (John Deere): Using Data to Accelerate HR Transformation

John Deere has worked hard to build capability in data analytics to become increasingly future oriented. For example, with the introduction of drones, HR needed to consider things like, How many people will be working with drones? Why would a candidate come to John Deere rather than another company like Amazon? What training is needed? How do we attract the best and most appropriate candidates? Using data, John Deere started hiring people in advance by creating a strategic internship program that would allow early recruits to fulfill the needed talent in such spaces. In proposing the internship program to senior management, HR applied analytics to examine how a select batch of recruits grew, how many were retained, how many became specialists, and how many became general leaders. The implications of people retiring were also considered, which led to a finding that hiring mid-career employees generally led to people retiring within 15 years of service. Based on this data, HR received immediate approval for the program.

Data analytics has also helped HR strengthen its skills in workforce planning and organizational design. Over the last six years, the company experienced a period of growth during which the business was hiring, and also a period of prolonged downturn. During this time, HR captured a large amount of data and, using analytics,

was able to approach business leaders to jointly examine headcount and cost, as well as levers of control and layers of supervision. With the use of analytics, John Deere realized it had more managers than needed, with tighter spaces of control that may in turn, have a negative effect on employee engagement. These findings guided very challenging yet constructive conversations. While the numbers spoke for themselves, it was important for HR to build collaborative relationships and earn the respect of leaders through demonstrated understanding of the business.

HR has considered the extent to which practitioners need expertise in analytics and concluded that not every practitioner needs to be an expert. Practitioners do, however, need a degree of skill to tell a story to their internal customers based around analytics.

Questions

1. On the basis of the information provided in the case, is John Deere a high-performance organization? Why or why not?
2. Why is it important for HR professionals to be able to "tell a story" to their internal customers based around analytics?"

Source: Lyle Yorks, Amy Lui Abel, and Marion Devine, with April Bang and Sherlin Nair, (2017) "What's Next for 21st-Century HR? Continuous Strategic Transformation," *The Conference Board of Canada*, pg. 36.

CASE STUDY: HRM SOCIAL

Google's "Grow" Employee Platform

In a world dominated by social media, companies such as Google are now using it for internal purposes. Google developed "Grow," an internal platform that makes it easy for Googlers to find learning opportunities, jobs, one-on-one advice, and other development resources to suit their

needs and interests. Grow unifies myriad learning, development, and job search tools into a one-stop shop for Googlers to manage and act on their development. It suggests courses, opportunities, advisors, and more based on what the company knows about the Googler (e.g., role, level,

location) and the data a Googler provides within the tool (e.g., skills they want to develop). Not surprisingly, given Google's search capability, this system allows employees to search for learning resources or jobs of interest.

Grow is an inherently social platform, and every Googler has a customizable profile that is visible to others. Googlers can tag skills they have (e.g., consulting, people management, and coaching) and those they want to develop (e.g., entrepreneurship and prioritization) in their profile. Skills listed in Grow help the system get to know the user and offer more personalized job recommendations. Googlers can also indicate if they would like to advise others on a particular skill. If an Google employee tags themselves as a "Skill Advisor" on a topic (e.g., leadership), they will appear in Grow's search results, and other Googlers can view their skills and contact them for advice. The employee can select the option to "teach other Googlers," as well, which would connect them to Google's g2g (or "Googlers-to-Googlers") program, an internal volunteer teaching network that allows employees to teach their peers on a variety of subjects.

As mentioned earlier, Grow also allows Googlers to list skills they would like to develop. They can add up to

10 skills, and Grow will use these inputs to further customize their learning recommendations. To help Googlers get started, Grow suggests a number of skills (culled from a multi-year study of the skills that make Googlers effective in their roles). Employees' profiles also include their picture, job title, location, and a link to their internal employee page to help their fellow Googlers get to know them.

In sum, Grow profiles are a great way for Googlers to teach the tool about their skills and development areas, and get better learning and job recommendations in the process. It also helps Googlers connect with their peers as advisors, mentors, or internal teachers, in addition to providing a host of other learning and development resources.

Questions

1. On the basis of the information provided in the case, would the Grow platform enhance your employee experience if you were a Google employee? Why or why not?
2. What is your advice to enhance the value of the Grow platform to Google? To Googlers?

Source: Raymond A. Noe, John R. Hollenbeck, Barry Gerhart, and Patrick M. Wright, *Human Resource Management: Gaining a Competitive Advantage* 11e (2019), New York: McGraw-Hill Education.