

## CHAPTER

# 9

# Human Resources Management

## Section 9.1

## Human Resources



Why is human resource management important in any type of business?

### Objectives

After completing this section, you will be able to:

- **Describe** the role of human resources within an organization.
- **Explain** the role of organized labor in society.

## Section 9.1 Review

### Check Your Understanding

1. List the five basic functions of human resources management.

**Answer:** The five basic functions of human resources management are recruiting and hiring, training and development, compensation, performance evaluation, and legal compliance.

2. What are the two phases of new employee training?

**Answer:** New employee training is often divided into two phases: orientation and job-specific training.

3. What is the purpose of a performance appraisal?

**Answer:** A performance appraisal is an assessment of an employee's job performance and the progress made toward achieving set goals.

4. Why did labor unions begin to appear in the late nineteenth and early twentieth century?

**Answer:** Many employers of the time were not treating their employees well. Workers were subjected to low wages, long hours, and poor working conditions. As a result, workers started to band together and form labor unions.

5. Why do unions and union workers choose to strike?

**Answer:** When union members are unhappy with the bargaining process, they may choose to strike. Workers may strike when bargaining reaches a stalemate. Unions may also use a strike to emphasize the importance of certain bargaining issues.

## Build Your Vocabulary

As you progress through this course, develop a personal glossary of key terms. This will help you build your vocabulary and prepare you for a career. Write a definition for each of the following terms and add it to your personal glossary.

human resources

**Answer:** Employees who work for a business.

human resources management (HRM)

**Answer:** Process of hiring, training, and developing employees.

job analysis

**Answer:** Process that identifies the job requirements for a position, employee qualifications, and how success will be evaluated.

job description

**Answer:** Defines the position and expectations of the job.

compensation

**Answer:** Payment to an employee for work performed including wages or salaries, incentives, and benefits.

professional development

**Answer:** Education for people who have already completed their formal schooling and training.

salary

**Answer:** Fixed payment for work; expressed as an annual figure.

incentive

**Answer:** Type of compensation based on performance; also known as *pay for performance*.

bonus

**Answer:** Money added to an employee's base pay.

commission

**Answer:** Income paid as a percentage of sales made by a salesperson.

piecework

**Answer:** Wage based on a rate per unit of work completed.

benefit

**Answer:** Form of noncash compensation received in addition to a wage or salary.

labor union

**Answer:** Group of workers united as a single body to protect and advance the rights and interests of its members; also called *organized labor*.

white-collar worker

**Answer:** Worker who primarily uses mental abilities and knowledge acquired in higher education.

blue-collar worker

**Answer:** Worker whose job involves physical labor.

collective bargaining

**Answer:** Formal negotiation process between management and unions to resolve issues.

arbitration

**Answer:** Occurs when a third party reviews the case made by both sides of a negotiation.

strike

**Answer:** Occurs when union workers temporarily refuse to work.

## Section 9.2

# Workplace Environment



How do companies develop their corporate culture?

### Objectives

After completing this section, you will be able to:

- **Explain** corporate culture in the workplace.
- **Describe** components of an effective workplace environment.

## Section 9.2 Review

### Check Your Understanding

1. List five examples of methods businesses can use to promote a healthy work-life balance.

**Answer:** Five ways an organization may offer a work-life balance are personal leave, family leave, flextime, job sharing, and telecommuting.

2. What are common characteristics of an effective employer/employee relationship?

**Answer:** The most common characteristics of effective employer/employee relationships are mutual respect, mutual reliance, openness, and gratitude.

3. How is workplace diversity achieved?

**Answer:** Workplace diversity is achieved by employing people without regard to gender, age, ethnicity, or racial background.

4. According to the EEOC, when does harassment become unlawful?

**Answer:** Harassment becomes unlawful when enduring offensive conduct becomes a condition of employment or conduct creates a work environment that a reasonable person would consider intimidating, hostile, or abusive.

5. What are some ergonomic accessories that may improve the comfort of reading on a computer screen?

**Answer:** Ergonomic accessories that may improve the comfort of reading on a computer screen include wrist rests, specially designed chairs, and back supports.

## Build Your Vocabulary

As you progress through this course, develop a personal glossary of key terms. This will help you build your vocabulary and prepare you for a career. Write a definition for each of the following terms and add it to your personal glossary.

personal leave

Answer: Days each year employees can use for personal reasons.

family leave

Answer: Time off work for certain life events.

flextime

Answer: Policy allowing employees to adjust work schedules to better match personal schedules.

job sharing

Answer: Arrangement where two part-time employees handle the responsibilities of a single full-time position.

telecommuting

Answer: Arrangement where employees work away from the business site.

work environment

Answer: Location, physical conditions, and emotional atmosphere in which employees work.

discrimination

Answer: Occurs when an individual is treated unfairly because of his or her race, gender, religion, national origin, disability, or age.

harassment

Answer: Uninvited conduct toward a person based on his or her race, color, religion, sex, national origin, age, or disability.

ergonomics

Answer: Science concerned with designing and arranging things people use so that they can interact efficiently and safely.

## Chapter Summary

### Section 9.1 Human Resources

- Businesses cannot exist without human resources. Human resources management (HRM) is the process of hiring, training, and developing employees. HRM consists of five basic functions: recruiting and hiring, training and development, compensation, performance evaluation, and legal compliance.
- Organized labor, or Labor unions, is a group of workers united as a single body to protect and advance the rights and interests of its members. Unions help resolve issues between management and its members through collective bargaining. Labor unions are typically specific to particular types of labor.

### Section 9.2 Workplace Environment

- Corporate culture is a set of shared values and practices held by the members of an organization. Social responsibility, work-life balance, employer/employee relationships, and workplace diversity contribute to organizational culture.

- The conditions of a workplace are affected by the environment created by conduct and company policies, as well as the physical surroundings. This includes considerate treatment of employees in the workplace and a commitment to employee safety and well-being.

## Review Your Knowledge

1. Describe the role of human resources within an organization.

**Answer:** No matter the type of work performed, businesses cannot exist without their human resources. The *human resources (HR) department* is the division that oversees the human resources within an organization. HR is responsible for hiring and supporting capable employees. HR is also responsible for making sure compensation is in line with competition and industry standards, evaluating employee performance, and staying up-to-date with changes in labor laws and regulations.

2. Describe the five basic functions of human resources management.

**Answer:** Recruiting and hiring involves developing job descriptions, advertising available jobs, screening applicants, conducting interviews, drafting job offers, and negotiating salary and benefits. Training includes orientation to learn about company procedures and job-specific training to learn specific tasks. Compensation includes making sure that compensation offered by a business is in line with its competition and industry standards. Performance evaluation includes assessing how well employees are performing their jobs. Legal compliance ensures that the company is working within labor laws and regulations.

3. Explain the role of organized labor in society.

**Answer:** Business relies on labor for business activities and, ultimately, profit and success. Therefore, the role of organized labor in society impacts both the labor force and business. From the beginning, unions worked for fair wages, better hours of work, and a safer working environment for the labor force. A union also helps in the negotiating process when issues arise between management and union employees.

4. Who has the right to unionize in the United States?

**Answer:** Any group of non-management employees has the right to unionize.

5. Differentiate between a white-collar worker and a blue-collar worker.

**Answer:** A white-collar worker is one who primarily uses mental abilities and knowledge acquired in higher education. A blue-collar worker is one whose job involves physical labor.

6. Explain corporate culture in the workplace.

**Answer:** Corporate culture describes how the owners and employees of a company think, feel, and act as a business. It is a set of shared values and practices held by the members of an organization. The culture of an organization includes how business is conducted, how employees and customers are treated, to what extent employees are free in decision making and personal expression, and how committed employees are to the organization.

7. Explain mutual reliance as part of employer/employee relationships.

**Answer:** Employers and employees should recognize that they need one another. This understanding creates a more harmonious work environment. Managers who involve employees in planning and decision-making end up with better plans and decisions. Also, employees are more likely to work hard to accomplish those plans and objectives.

8. Give three examples of discrimination in the workplace.

Answer: (Any three of the following.) Excluding certain groups of people from employment. Asking a woman during a job interview if she plans to have children. Paying different wages to equally-qualified employees in the same position. Denying the use of company facilities to certain employees. Unfairly evaluating certain employees for promotions.

9. What is the purpose of OSHA?

Answer: The mission of Occupational Safety & Health Administration (OSHA) is to assure safe and healthful working conditions for employees by setting and enforcing safety standards. OSHA also provides safety training, outreach, education, and assistance.

10. What is the first line of defense in all workplace emergencies?

Answer: The first line of defense in all emergencies is to stay calm and follow the emergency procedures.

## Apply Your Knowledge

1. Recruiting and hiring is a major focus of most human resource departments. Review the functions of HRM shown in Figure 9-1. Which of the functions do you consider most important? Write several paragraphs to defend your choice.

Answer: Student answers will vary. Evaluate each response individually.

2. What do you think *social responsibility* means for a business? Give examples of ways businesses can demonstrate their corporate culture through social responsibility.

Answer: Student answers will vary. Evaluate each response individually.

3. There are times when employees need to be terminated for performance or behavioral issues. Create a list of inappropriate work habits that you think could lead to termination. Explain actions an employee could take to correct the inappropriate work habits.

Answer: Student answers will vary. Evaluate each response individually.

4. Even though union membership in the United States has steadily declined, union activity is still commonly seen in many communities. Describe a union-related activity or advertisement you have recently seen. What was the purpose of the activity or advertisement?

Answer: Student answers will vary. Evaluate each response individually.

5. Select a business in your community with which you are familiar. What positions do you think exist within the business in order for it to operate? Make a list of the positions for the business you chose and classify them as white collar or blue collar. Which type of position is dominant? Why do you think that type of position is important to the company?

Answer: Student answers will vary. Evaluate each response individually.



## You Do the Math

### Probabilistic Reasoning

The fundamental counting principle is a way to calculate the sample space for multiple independent events. The sample space is the set of all possible outcomes when determining probability. To use the fundamental counting principle, simply multiply the total possible outcomes of all events to find the sample space. For example, if a restaurant offers five entrées with one of seven side dishes and four choices of beverage:  $5 \times 7 \times 4 = 140$  possible combinations.

#### Solve the following problems.

1. Chad must price the printing of his business's annual report. The printer he has selected offers four choices of page size, three choices for binding, and nine choices for paper. How many total combinations are possible?

**Answer:**  $4 \times 3 \times 9 = 108$  total combinations

2. Rita must purchase a new work truck for her construction company. The dealership offers three choices for engine size, 14 choices for paint color, two choices for drive train, five choices for wheels and tires, and three choices for seat configuration. How many total combinations are possible for the work truck?

**Answer:**  $3 \times 14 \times 2 \times 5 \times 3 = 1,260$  total combinations

3. A marketing company specializes in promotional items. It offers a package in which a company's logo is printed as stickers in one of three sizes, magnets in one of five shapes, key chains in two styles, and water bottles in one of four styles. How many different packages are available?

**Answer:**  $3 \times 5 \times 2 \times 4 = 120$  different packages