



## **Challenge Examinations Study Material**

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## **COMPENSATION**

### **I. COURSE OBJECTIVES**

The primary objective of this course is to provide an understanding of the process, issues and techniques involved in developing and administering a compensation system. The course should enable the student to gain knowledge of (a) both the theoretical and applied aspects of the compensation function, (b) the linkage between the compensation function and the organizational management process, (c) the compensation system design necessary to attract, retain and motivate the required workforce, and d) the techniques that could be used for developing and implementing effective compensation systems.

### **II. COURSE OUTLINE**

- Topic 1. Strategic Issues and Concepts:
- Compensation Goals & Strategy
  - Linkage with Organizational Goals, Strategies, and Environment
  - Elements of Organizational Rewards Systems

Readings: Long & Singh: Ch. 1, 2, & 6 (pp. 179-203)

- Topic 2. Compensation Theories & Their Applications:
- Behavioral Theories
  - Economic Theories

Readings: Long & Singh: Ch. 3

- Topic 3. Compensation Mix & Base Pay Methods:
- Components of Compensation Mix
  - Base Pay Methods
  - Advantages and Disadvantages of Base Pay Methods

Readings: Long & Singh: Ch. 4

- Topic 4. Job Evaluation Process & Methods:
- Overall Process of Job Evaluation
  - Job Analysis
  - Methods of Job Evaluations
  - Administrative & Management Considerations

Readings: Long & Singh: Ch. 7 (pp. 238-255)

- Topic 5. The Point Method of Job Evaluation:
- Purpose and Meaning
  - Key Design Steps Involved
  - Potential Pitfalls

Readings: Long & Singh: Ch. 8 (pp. 271-281, 287-295)

- Topic 6. External Competitiveness, Market Surveys, and Pay Structure:
- External Competitiveness/ Equity
  - Designing Market Surveys
  - Analysis and Interpretation of Market Survey Data
  - Applying Market Survey Data & Establishing Policy Line
  - Creating Pay Structure: Grades and Ranges
  - Balancing Internal and External Equity

Readings: Long & Singh: Chap 9, 8 (pp. 281-287, 295-305)

- Topic 7. Performance Pay:
- Pay-Performance Linkage
  - Individual vs. Group Plans
  - Performance Appraisal Process/ Methods
  - Merit Pay Guide Charts
  - Variable Pay Plans
  - Time & Piece Rated Plans
  - Group/Team-Based Pay

Readings: Long & Singh: Ch. 5, 10, & 11



- Topic 8. Indirect Pay/Employee Benefits:
- Types of Benefits
  - Standardized Plans vs. Flexible Plans
  - Administrative & Legal Issues

Readings: Long & Singh: Ch. 12

- Topic 9. Implementing & Managing Compensation Systems:
- Employee Involvement & Communications
  - Budgeting and Cost Control
  - Monitoring, Auditing and Evaluating Effectiveness

Readings: Long & Singh: Ch. 13

- Topic 10. Miscellaneous Issues:
- Compensation of Special Groups
  - Gender Pay Equity
  - International Compensation

Readings: Long & Singh: Ch. 6 (pp. 203-217) & 7 (pp. 255-266)

### **Recommended Textbook**

Long, Richard J. & Singh, Parbudyal, Strategic Compensation in Canada, Thomson Nelson, Sixth Edition, 2018. (Long & Singh)

## Sample Questions

### Part A: Multiple Choice Questions

1. Variable pay depends on performance and is not added to:
  - a) overtime pay
  - b) employee's base pay
  - c) commission pay
  - d) incentive pay
  - e) piece rate earnings
  
2. Which is NOT true about job evaluation?
  - a) it specifies the content of individual jobs
  - b) it helps to establish internal equity
  - c) it provides a basis for deciding the relative importance of jobs
  - d) it establishes a mutually acceptable criteria for determining job value
  - e) it positions jobs along a hierarchy
  
3. The ideal compensation system:
  - a) emphasizes pay for performance
  - b) controls labour cost by paying below the market
  - c) is typically designed and administered at the individual plant level
  - d) will vary with organizational strategy and context
  - e) will be more expensive than what most employers could afford
  
4. Which is NOT a problem with merit pay?
  - a) it is difficult for employees to connect today's pay increase with behaviour that occurs months ago
  - b) annual wage increases result in too large a change in the weekly paycheck
  - c) the pay differentials across performance levels are too narrow
  - d) it does not motivate employees whose performance exceeds expectations
  - e) the performance ratings on which merit pay is based may not be accurate
  
5. A compa-ratio greater than 1.00 typically means that:
  - a) employees are overpaid
  - b) intended policy line has been violated
  - c) a majority of workers are being paid above intended policy
  - d) most employees are new entrants
  - e) turnover is high

6. When job analysis is done for compensation purposes, data collected must focus on:
- a) type of training needed to perform the job effectively
  - b) establishing job similarities and differences
  - c) the typical career path that encompasses the job
  - d) performance levels of incumbents
  - e) task inventories
7. According to Expectancy Theory, the valence of an outcome is the:
- a) probability that the outcome will occur
  - b) probability that a behaviour will be rewarded
  - c) degree to which an outcome is desired/valued
  - d) size of the financial reward associated with an outcome
  - e) relationship between the behaviour and achieving the outcome
8. Which is not a factor in the definition of work of equal value under the Pay Equity Act of Ontario?
- a) working conditions
  - b) education/skills required
  - c) responsibility
  - d) effort required
  - e) value of the product/service produced
9. Which of the following is an advantage of a defined contribution pension plan?
- a) company absorbs risk associated with changes in inflation or interest value
  - b) more favourable to short term employees
  - c) provides explicit benefit that is easy to communicate
  - d) more favourable to long term employees
  - e) none of the above
10. The use of stock options:
- a) is designed to motivate employees to increase the value of the firm
  - b) has been criticized because of the excessive downside risk
  - c) forces employees to buy company stock at a predetermined price
  - d) receives very little attention when the stock market is rising
  - e) is more common in smaller than larger firms

[Answers: 1b, 2a, 3d, 4b, 5c, 6b, 7c, 8e, 9b, 10a.]

## Part B: Essay Questions

Question 1: Discuss the steps involved in developing a compensation strategy.

Suggested Answer: The five main steps involved in developing a compensation strategy are as follows:

- a) First, we need to define the employee behaviours necessary for organizational success, and to understand the characteristics and qualifications of people who will be able to perform these behaviours.
- b) Second, define the specific role that the compensation system will play in generating the required behaviours;
- c) Third, the most appropriate mix across the three key compensation components must be determined;
- d) Fourth, policies for determining the amount of compensation that employees will receive need to be established; and
- e) Finally, a pre-implementation evaluation of whether the proposed strategy meets our criteria for success needs to be conducted.

Question 2. Discuss job evaluation as a process to establish base pay in the organization.

Suggested Answer: Job evaluation is a process that helps to establish relative values of jobs within the organization based upon which a pay structure is developed. This process involves analyzing the descriptions for every job in the organization, and then relating each job to the others in systematic way. The most common approach is to identify a set of compensable factors, evaluate each job against these factors, and establish a hierarchy of jobs based upon the resulting evaluations. Exact pay levels for jobs are determined by relating certain benchmark jobs to the external market and then interpolating the rest. A structure is then established that has pay ranges for each level of jobs evaluated.

## **Finance and Accounting**

### I. INTRODUCTION

Financial and management accounting, the financial information system of the organization, serve to summarize organizational plans and the results of actual operations. Because these are so pervasive in the organization, it is necessary for the Human Resources Manager to understand the measurement bases and the underlying methodologies used. Many of the decisions faced by the H. R. manager have an accounting or finance aspect. This may require a detailed knowledge of the procedure. This would be the case, for example, where the H.R. manager is called upon to prepare an operating budget for their area of responsibility. Alternatively, it may require a familiarity, without necessarily requiring the ability to carry out the calculations, as such. This would be the case, for example, where the H.R. manager is called upon to interpret, or react, to, standard costing variances in respect of their area of responsibility, or the effect of their decisions on the overall results of the organization.

### II. COURSE OBJECTIVES

The objectives of this course are as follows:

1. An understanding of the nature of financial accounting and management accounting, how they relate to each other and how they relate to the rest of the organization.
2. An understanding of the conceptual foundations of financial accounting and management accounting, and familiarity with the principal reports which they produce, with particular reference to reports likely to be used by H.R. managers.
3. The ability to execute detailed calculations (with particular emphasis on applications in the H.R. area) in the following areas:
  - interpretation of the income statement and the balance sheet;
  - calculation and interpretation of financial ratios;
  - internal controls;
  - understanding cost behaviour;
  - calculation and interpretation of contribution margin and break-even analysis;
  - allocation of costs, including service department costs, and activity-based costing;
  - transfer pricing;
  - preparation of operating budgets;
  - understanding risk through sensitivity analysis;



### III. COURSE OUTLINE

	<u>Detailed Knowledge Required</u>	<u>Familiarity Required</u>
<u>Part 1. Financial Accounting: The Record Keeping and External Reporting System</u>		
<b>The main financial accounting reports and their analysis through ratios:</b>		
the purpose and objectives of financial and management accounting		X
the concepts, techniques & conventions of financial accounting	X	
the balance sheet	X	
the income statement	X	
the cash flow statement	X	
the statement of retained earnings		X
internal Control		X
financial statement analysis	X	
growth ratios		X
cash flow analysis		X
shareholder's equity	X	

**Reading:** Cornerstones of Financial Accounting, 3rd Edition Chapters: 1, 2, 3, 4, 10, 11 & 12

### Part 2. Management Accounting: The Internal Information and Decision Support System:

#### **2.1 Cost Behaviour & Cost Volume Profit Analysis**

variable costs	X	
fixed costs	X	
other cost drivers	X	
cost estimation		X
contribution margin	X	
break-even point	X	
cost-volume-profit	X	
analyzing changes	X	
sensitivity analysis	X	
limitations of c-v-p		X
activity based costing		X

	<u>Detailed Knowledge Required</u>	<u>Familiarity Required</u>
<b>2.2 Costs in Decision Making</b>		
cost allocation	X	
service department costs	X	
cost accuracy vs relevance	X	
special orders		X
costs & pricing	X	
make or buy decisions	X	
irrelevant costs	X	
costing collective bargaining proposals	X	
cost-benefit analysis	X	
<b>2.3 Budgets &amp; Budgetary Control</b>		
the nature of budgets		X
relevant data for budgeting	X	
cost & revenue forecasting	X	
operating budget	X	
budgeting & behaviour	X	
static vs flexible budgets	X	
cost variances (materials, labour, overhead)	X	
revenue variances	X	
using variances in decisions	X	
management control systems	X	
non-financial performance measures		X
cost centres & profit centres	X	
transfer pricing	X	
measuring responsibility centre performance	X	

**Reading:** Cornerstones of Managerial Accounting, 4th Edition: **Chapters:** 2, 3, 4, 7, 9, 10, 11 & 13



## IV BIBLIOGRAPHY

### A. Recommended Text:

Cornerstones of Managerial Accounting, 4th Edition

Maryanne M. Mowen; Don R. Hanson; Dan L. Heitger; David J. McConomy; Bradley D. Witt; Jeffrey Pittman

ISBN-10: 0-17-672123-1

ISBN-13: 978-0-17-672123-7

and

Cornerstones of Financial Accounting, 3rd Edition

Jay S. Rich; Jefferson P. Jones; Maryanne M. Mowen; Don R. Hansen; Ralph Tassone

ISBN-10: 017689859X | ISBN-13: 9780176898595

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Many other texts are in publication, and most are quite effective. The ideal text is comprehensive (covering not only management accounting, but also some financial accounting), is accessible (i.e., readable and understandable by the non-accountant), and ideally has been Canadianized.

Regardless as to the book or books you choose use the index and table of contents to focus on the topics outlined in section three of this course outline. References to content have been included for you in the suggested texts.



## Sample Questions

You are given summarized financial statements for the Corel Company, which designs and markets software, (WordPerfect, for example) and related products, and which is based in Ottawa.

### Corel Co: Balance Sheet (\$ millions) as at

	<u>30/11/21</u>	<u>30/11/20</u>
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Current assets:

Cash and cash equivalents

18

24

Accounts receivable

59

47

Inventory

14

17

Other

9    100

7    95

Long-term assets:

51

45

Total assets

151

140

Current liabilities:

79

95

Long-term liabilities:

8

16

Total liabilities

87

111

Shareholders' equity:

Share capital

222 (62 m shares)

203 (59 m shares)

Contributed surplus

1

1

Deficit

(159)    64

(175)    29

Total liabilities & shareholders' equity

151

140

**Corel Co: Income Statement (\$ millions)**  
Year to      30/11/21                      30/11/20

Sales	243	247
Cost of sales	<u>60</u>	<u>52</u>
Gross profit	183	195
Expenses:		
Advertising	48	42
Selling, general & administrative	82	78
Research & development	40	72
Depreciation	6	12
Other	<u>(6)</u> 170	<u>16</u> 220
Operating income/(loss)	13	(25)
Interest expense	<u>0</u>	<u>1</u>
Income/(loss) after interest, before tax	13	(26)
Income tax/(refund)	<u>(4)</u>	<u>4</u>
Net income/(loss)	17	(30)
Retained earnings/(deficit) at beginning of year	<u>(176)</u>	<u>(145)</u>
Retained earnings/(deficit) at end of year	<u>(159)</u>	<u>(175)</u>

Answer all questions in point form, or short notes.

Question 1:

Calculate the return-on-investment ratio for the years ended 30/11/20 and 10/11/21;

**Return on shareholders' investment ratio:**

**Net income/shareholders' equity \* 100**

**2020: (30)/29 \* 100 = (103.4%)**

**2021: 17/64 \* 100 = 26.6%**

What do these ratios tell you about the performance of the company?

**This is a dramatic turnaround from making a loss (equal to the entire owners' equity) in 2020 to making a very healthy 26.6% return in 2021.**

**This was achieved despite a reduction in revenues, and a reduction in the gross profit ratio. The main reason for the turnaround is a reduction in expenses. While this is a good thing in general, one of the expenses cuts is research and development, which may militate against the long-term survival of this high-tech company.**



The accumulated deficit as at 30/11/2021 was \$159 million; explain what this means.

**When a company makes a profit, it can either distribute it as dividends, or retain it in the company as retained earnings. When a company makes a loss, it is the opposite situation, and a deficit arises. Corel has made accumulated losses of \$159 million up to the end of 2021. This represents an impairment of capital (shareholders' equity).**

Question 2:

Assume that Corel had a "Games" division in 2021. It had been set up in 2000 with a mandate to develop software for computer games. It has not been doing well over the past few years. Financial results for this division are as follows:

Year to:	<u>30/11/2021</u>	<u>30/11/2020</u>	<u>30/11/2019</u>
Sales revenues	\$1,500,000	\$1,600,000	\$1,400,000
Direct costs (all salaries)	<u>1,100,000</u>	<u>1,000,000</u>	<u>850,000</u>
Overhead (allocated fixed costs)	<u>550,000</u>	<u>500,000</u>	<u>425,000</u>
Division profit/loss	<u>\$ 150,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

Corporate fixed costs are allocated to all operating units on the basis of 50% of direct costs. The direct costs include a performance bonus equal to 10% of sales revenues.

You are told that the increase in direct costs is entirely due to increased rates of pay: there has been no increase in head count in this division for 5 years.

Required:

1: If the division were eliminated, half the employees could be transferred to other operating units, at similar rates of pay and seniority. The other half would have to be let go, with a severance package equal to 20% of their annual salary. Product revenues would dry up immediately. What would be the dollar effect of closing this division?

**One-time-only severance payment:  $\$1,100,000 * 50% * 20% = \$ 110,000$**

**Annual effect:**

Revenues lost:	<b>\$1,500,000</b>
Salaries eliminated or transferred:	<b>\$1,100,000</b>
Reduction in net income:	<b>\$ 400,000</b>

**Corel would be worse off by \$510,000 in year 2021 and \$400,000 per year thereafter. (This is the \$550,000 of fixed costs, now allocated elsewhere, less the loss \$150,000).**



2: If the division was to be retained, and sales revenue in the year to 30/11/2021 was \$3,000,000, what would be the budgeted net income?

<b>Revenues:</b>	<b>\$3,000,000</b>
<b>Direct cost: Salaries:</b>	<b>(1,100,000)</b>
<b>Additional bonus on additional sales:</b>	<b>(150,000) (10% * \$3mn - \$1.5mn)</b>
<b>Divisional operating income</b>	<b>\$1,750,000</b>

Question 3:

Human resources are possibly the most important asset in any company, and that is probably truer for a company like Corel, than many others. List, and briefly describe, the advantages and disadvantages of including H.R. assets on the balance sheet.

Advantages:

- Shows a greater value for the company resources on the balance sheet;**
- Increases the net income (by reducing expenses);**
- Indicates that people are a valuable asset, boosting employee morale;**
- Enables good behavioral link between spending money on employees and creating value (instead of expense).**

Disadvantages:

- Employees are not owned; therefore, the asset may walk away;**
- It is difficult to value employee expenditures;**
- It may affect taxes.**

Question 4:

Suppose you are the Manager of Training & Development at Corel. You have been asked by a number of managers to run a training course in emergent web technologies for junior staff. At least 10, and possibly as many as 25, employees will attend. You have contracted with an experienced educator to deliver the program for a fee of \$3,000, and you will incur another \$1,000 for materials and room rental. You will also be expected to provide refreshments and meals at a cost of \$100 per participant. The course fee will be \$500. What is the break-even number of participants?

Selling price:	\$ 500	
Variable cost:	\$ 100	
Contribution margin:	\$ 400	(\$500 - \$100)
Fixed cost:	\$4,000	(\$3,000 + \$1,000)
Break-even:	10	(\$4,000/\$400 = 10)



How much profit will you make if 20 people attend?

**10 persons over break-even will each provide \$400 contribution margin = \$4,000  
OR**

Revenue:	\$10,000	(20 @ \$500)
Variable cost:	(2,000)	(20 @ \$100)
Fixed cost:	<u>(4,000)</u>	
Net income:	\$ 4,000	

### Sample Multiple Choice Questions:

The financial statements for the Hudson's Bay Ltd. are given below. Use them as necessary to answer the questions.

Hudson's Bay Ltd.: Income Statement for the year 2021: \$ millions:

Sales revenue:	\$7,445
Cost of goods sold & expenses:	<u>7,259</u>
Operating income before interest & taxes:	186
Interest expense:	\$54
Tax expense:	<u>59</u> <u>113</u>
Net income:	<u>73</u>

Hudson's Bay Ltd.: Balance Sheet as at 31st December 2021: \$ millions:

<b>Current assets:</b>		<b>Current liabilities:</b>	
Cash & short-term deposits: \$	339	Trade & other payables:	\$1,085
Accounts receivable:	561		
Inventory:	1,489	Long-term debt:	<u>920</u>
Prepayments:	<u>157</u>	Total debt:	<u>2,005</u>
<b>Total</b>	<u>2,546</u>	<b>Equity</b>	
		Common shares:	\$1,860
Long-term assets (net):	<u>1,988</u>	Retained earnings:	<u>669</u>
			<u>2,529</u>
<b>Total assets:</b>	<b><u>\$4,534</u></b>	<b>Total liabilities &amp; equity:</b>	<b><u>\$4,534</u></b>





1. The annual financial statements of the Hudson's Bay Ltd. are prepared mainly for the purpose of:
  - a) scorekeeping;
  - b) attention directing;
  - c) decision making;
  - d) auditing;
  - e) none of the above.
  
2. The annual financial statements of the Hudson's Bay Ltd. are legally required to be distributed to:
  - a) shareholders;
  - b) customers;
  - c) suppliers;
  - d) creditors;
  - e) none of the above.
  
3. The Hudson's Bay Ltd. is a company of which the shares have limited liability: this means that:
  - a) the dividend on the shares cannot rise above a certain amount;
  - b) the directors cannot be sued for their actions;
  - c) shareholders' losses are limited to the amount they paid for their shares;
  - d) the company cannot be declared bankrupt;
  - e) none, or all, of the above.
  
4. Which of the following three main activities is Hudson Bay Ltd. engaged in?
  - a) financing, investing, operating
  - b) cash, credit, noncash
  - c) financing, crediting, operating
  - d) financing, managing, operating
  - e) none of the above
  
5. Which of the following items will be found in Hudson's Bay's annual report?
  - a) management's report that the auditors are responsible for the financial statements
  - b) industry standards
  - c) notes to the financial statements
  - d) selected financial information from noncompetitor companies
  - e) none of the above

6. The purpose of the audit of the financial statements of the Hudson's Bay Ltd. is to increase:
- a) the accounting equation;
  - b) the reliability of the financial statements;
  - c) the relevance of the financial statements;
  - d) the accounting concepts;
  - e) none of the above.
7. The current ratio of the Hudson's Bay Ltd for 2021 was (accurate to one decimal place):
- a) 4.2:1;
  - b) 2.3:1;
  - c) 1.3:1;
  - d) 1.0:1;
  - e) none of the above.
8. The quick ratio of the Hudson's Bay Ltd. for 2021 was (accurate to one decimal place) (assume that prepayments are part of the "quick" assets):
- a) 4.2:1;
  - b) 2.3:1;
  - c) 1.3:1;
  - d) 1.0:1;
  - e) none of the above.
9. Based on the current ratio and the quick ratio at 31st December 2021 Hudson's Bay Ltd. was:
- a) so highly liquid that it was inefficient;
  - b) more or less normally liquid;
  - c) highly illiquid;
  - d) there is insufficient information;
  - e) none of the above.
10. The receivables collection period of Hudson's Bay Ltd. for 2021 was:
- a) 154 days;
  - b) 45 days;
  - c) 30 days;
  - d) 27 days;
  - e) none of the above.
11. The operating income as % of total assets of Hudson's Bay Ltd. for 2021 was:
- a) 2.5%;
  - b) 2.9%;
  - c) 4.1%;
  - d) 8.3%;
  - e) none of the above.



12. If you wanted to increase the operating income as % of total assets %, you could do so by:
- a) borrowing more money;
  - b) issuing common shares;
  - c) paying a smaller dividend;
  - d) reducing the inventory;
  - e) none of the above.
13. The return on shareholders' investment for Hudson's Bay Ltd. for 2021 was:
- a) 2.5%;
  - b) 2.9%;
  - c) 4.1%;
  - d) 8.3%;
  - e) none of the above.
14. If you were told that the dividend paid in 2021 was \$38, the retained earnings balance of Hudson's Bay Ltd. as at 1st January 2021 would have been:
- a) \$ 780;
  - b) \$ 669;
  - c) \$ 634;
  - d) \$ 558;
  - e) none of the above.
15. If you were told that Hudson's Bay Ltd. was going to issue a convertible debenture, carrying interest at 7%, and convertible into common shares of the company, your advice to an investor would be:
- a) do not buy this debenture: the company already has too much debt;
  - b) do not buy this debenture: 7% is an unreasonably low return;
  - c) buy this debenture: the company is profitable and liquid;
  - d) buy this debenture: it gives a reasonable interest return as well as the possibility of a high return from the conversion into equity;
  - e) none of the above.
16. If you were told that the amortization expense for Hudson's Bay Ltd. for 2021 was \$202, your best estimate of cash flow from operations for 2021 would be:
- a) \$ 192;
  - b) \$ 265;
  - c) \$1,920;
  - d) \$2,000;
  - e) none of the above.

Hudson's Bay Ltd' is thinking about adding a car tire depot to one of its stores. The tires would be sold for an average of \$75 each. The tires would cost \$30 each, and the variable

costs of fitting the tires would be \$20 each. Fixed costs would be \$25,000 per month. Use this information to answer questions 17 – 22.

17. Break-even for the tire depot would be:
- a) 1,000 tires per month;
  - b) 1,400 tires per month;
  - c) 1,500 tires per month;
  - d) 2,000 tires per month;
  - e) none of the above.
18. If they wanted to make a profit of \$10,000 per month they would have to sell:
- a) 1,000 tires per month;
  - b) 1,400 tires per month;
  - c) 1,500 tires per month;
  - d) 2,000 tires per month;
  - e) none of the above.
19. They are forecasting to sell 1,500 tires per month. Their expected operating profit will be:
- a) \$ 5,000;
  - b) \$10,000;
  - c) \$12,500;
  - d) \$25,000;
  - e) none of the above.
20. They are forecasting to sell 1,500 tires at a price of \$75 each. If they reduce the price by \$5 it is expected that sales will rise to 2,000 tires per month. The result of this decision would be to:
- a) decrease operating profit by \$5,000;
  - b) operating profit would stay the same;
  - c) operating profit would increase by \$2,500;
  - d) operating profit would increase by \$5,000;
  - e) none of the above.
21. AA Courier Company has offered to buy 1,000 tires at a price of \$40. Hudson's Bay Ltd. would not have to fit these, so the \$20 fitting cost would not apply. Hudson's Bay Ltd. would, however, have to pay \$4,000 to deliver the tires. This order would have no effect on their other business. Should they accept the offer?
- a) yes, it will increase operating profit by \$6,000;
  - b) yes, it will increase operating profit by \$4,000;
  - c) no, it will decrease operating profit by \$25,000;
  - d) no, it will decrease operating profit by \$19,000;
  - e) none of the above.

22. Courier Company has offered to buy 1,000 tires at a price of \$40. Hudson's Bay Ltd. would not have to fit these, so the \$20 fitting cost would not apply. They would, however, have to pay \$4,000 to deliver the tires. This order would reduce their normal sales by 1,000 tires. Should they accept the offer?
- a) yes, it will increase operating profit by \$6,000;
  - b) yes, it will increase operating profit by \$4,000;
  - c) no, it will decrease operating profit by \$25,000;
  - d) no, it will decrease operating profit by \$19,000;
  - e) none of the above.
23. Suppose Hudson's Bay Co. Ltd had sales in recent years as follows:
- 2016: \$6,125;
  - 2017: \$6,431;
  - 2018: \$6,753;
  - 2019: \$7,090;
  - 2020: \$7,445;
- Your best estimate of sales for 2021 would be:
- a) \$7,445;
  - b) \$7,500;
  - c) \$7,800;
  - d) \$7,817;
  - e) none of the above.
24. Inventory as at 31st December 2021 for Hudson's Bay Co. Ltd was \$1,489. If the cost of goods sold for year 2021 is expected to be \$3,000, and they expect to reduce their inventory to \$1,000 by 31st December 2021, the company's budgeted purchases of goods for resale would be:
- a) \$4,000;
  - b) \$3,489;
  - c) \$3,000;
  - d) \$2,511;
  - e) none of the above.
25. At the Hudson Bay Co. Ltd., the cost of goods sold would be:
- a) a fixed cost;
  - b) a variable cost;
  - c) a mixed cost;
  - d) all of the above;
  - e) none of the above.

26. At the Hudson Bay Co. Ltd. where wages are a regular hourly amount, the wage expense would be:
- a) a fixed cost;
  - b) a variable cost;
  - c) a mixed cost;
  - d) all of the above;
  - e) none of the above.
27. At the Hudson Bay Co. Ltd. where wages are a combination of a regular hourly amount and a sales performance related bonus, the wage expense would be:
- a) a fixed cost;
  - b) a variable cost;
  - c) a mixed cost;
  - d) all of the above;
  - e) none of the above.
28. At the Hudson Bay Co. Ltd. store rent of \$25,000 per month would be:
- a) a fixed cost because it does not change in response to changes in sales;
  - b) a variable cost, as the rent is paid every month, and the total rent expense varies in proportion to the number of months;
  - c) a mixed cost, as part of it is fixed and part varies with sales;
  - d) all of the above;
  - e) none of the above.
29. To assess customer profitability the Hudson's Bay Ltd. could use:
- a) cost/volume/profit analysis;
  - b) budgeting and budgetary control;
  - c) cash flow analysis;
  - d) activity-based-costing;
  - e) none of the above.
30. Dividend policy refers to:
- a) the legal requirement to pay at least 50% of all net income as dividends;
  - b) company decisions about raising capital as debt or as equity;
  - c) the limited liability of common shareholders;
  - d) decisions made by the company directors about the amount of dividends;
  - e) none of the above.



31. Each of the following is an aspect of internal control except
- a) limited access to assets;
  - b) independent internal verifications;
  - c) authorization of transactions;
  - d) adequate design of documents;
  - e) none of the above.
32. Independent internal verification should be done only
- a) periodically or on a surprise basis;
  - b) at the end of each accounting period;
  - c) when theft is suspected;
  - d) at the end of each month;
  - e) none of the above.



Solutions to Multiple Choice Questions:

- 1.a) scorekeeping  
2.a) shareholders  
3.c) shareholders' losses are limited to the amount they paid for their shares  
4.a) financing, investing, operating  
5.c) notes to the financial statements  
6.b) the reliability of the financial statements  
7.b) 2.3:1 ( $\$2546/\$1,085=2.3:1$ )  
8.d) 1.0:1 ( $\$2546-\$1,489/\$1,085=1:1$ )  
9.b) more less normally liquid (CR just over 2:1, QR =1:1=normal)  
10.d) 27 days ( $\$561/(\$7,445/365)=27\text{days}$ )  
11.a) 2.5% ( $\$186/\$4,534=2.5\%$ )  
12.d) reducing the inventory (same profit, smaller asset base=higher return)  
13.b) 2.9% ( $\%73/\$2,529=2.9\%$ )  
14.c) \$634 ( $\$669 + \$38 - \$73 = \$634$ )  
15.d) buy this debenture: it gives a reasonable interest return as well as the possibility of a high return from the conversion into equity  
16.b) \$265 ( $\$73+\$192=\$265$ )  
17.a) 1,000 tires per month ( $\$25,000/\$25=1,000$  tires)  
18.b) 1400 tires per month ( $(\$25,000+\$10,000)/\$25=1,400$ )  
19.c) \$12,500 ( $\$25*1,500=\$37,500-\$25,000=\$12,500$ )  
20.c) operating profit would increase by \$2,500  
Old contribution margin =  $1,500 * 425 = \$37,500$   
New contribution margin =  $2,000 * \$20 = \$40,000$   
Increase is \$ 2,500  
21.a) yes, it will increase operating profit by \$6, 000  
Additional contribution margin =  $1,000 * (\$40-\$30) =$  \$10, 000  
Less delivery cost: \$4,000  
Net increase in operating profit: \$6,000  
22.d) no, it will decrease operating profit by \$19, 000  
Additional contribution margin =  $1,000 * (\$40 - \$30) =$  \$10,000  
Less delivery cost: (\$ 4,000)  
Less lost contribution margin on other sales:  $1,000 * \$25 =$  (\$25,000)  
Net decrease in operating profit: \$ 19,000  
23.d) \$7,817  
24.d) \$2,511; ( $\$3,000-\$489=\$2,511$ )  
25.b) a variable cost  
26.a) a fixed cost  
27.c) a mixed cost  
28.a) a fixed cost because it does not change in response to changes in sales  
29.d) activity based-costing  
30.d) decisions made by the company directors about the amount of dividend  
31 d) adequate design of documents  
32 a) periodically on a surprise basis





## HUMAN RESOURCES MANAGEMENT

### I. INTRODUCTION

This course examines the purpose and domain of the human resource management function in organizations. It stresses those skills and techniques used in the various activities within the human resources function, and relates them to the overall management of the organization.

### II. COURSE OBJECTIVES

The primary objective of this course is to make the student 'literate' in the central issues and tasks of human resource management. This literacy includes understanding the relationship of the human resource function and the rest of the organization and the organization's external environment. It also involves acquisition of the concepts and terminology that provide the foundation for practice and for examining the behavioral implications of human resources decisions.

### III. COURSE OUTLINE

*Note: There are several appropriate texts available. The ones to which the outline is "keyed" are Canadian or 'Canadianized' and are recent editions. The suggested chapters illustrate how the texts might be used in teaching a course or the chapters that a student might use in independent study. Texts written for U.S. audiences need to be supplemented with Canadian material where legislation and/or regulation are important factors. The role of common law, legislation and regulation is important to many aspects of human resource management and should be clearly understood by students completing this course. Any text should be supplemented by information which is current and topical since this human resource management is a constantly changing field.*

#### Part I. Introduction

- A. Historical Development and 'Philosophy' of Human Resource Management
- B. The Legal Context for the Employment Relationship

Belcourt:	1
Dessler:	1, 2, 3
Schwind:	1, 4
Steen:	1, 2



Part II. Meeting Human Resources Requirements: (1) Planning

- A. Job Analysis, Job Descriptions, Job Specifications
- B. Human Resources Forecasting
- C. Human Resource Information Systems

Belcourt:	2, 3, 4
Dessler:	4, 5
Schwind:	2, 3
Steen:	3, 4

Part III. Meeting Human Resources Requirements: (2) Staffing

- A. Recruiting:  
sources, techniques
- B. Selection concepts and techniques  
(including examination of interviewing, testing, and other widely used selection procedures).

Belcourt:	5, 6
Dessler:	6, 7
Schwind:	5, 6
Steen:	5

Part IV. Meeting Human Resources Requirements: (3) Training and Development

- A. Training foundations:  
the learning process
- B. Training cycle:  
needs analysis  
program design  
implementation  
evaluation
- C. Development on the job:  
supervisor's role  
performance appraisal process
- D. Development off the job:  
formal instruction  
career development

Belcourt:	7, 8
Dessler:	8, 9, 10
Schwind:	7, 8
Steen:	6, 7



Part V. Compensation

- A. Pay structures:
  - job evaluation
  - linking 'external' and 'internal' labor markets
- B. Pay for individuals:
  - the role of performance in determining pay
- C. Indirect pay:
  - Benefits
  - Services
  - Deferred payments

Belcourt:	9, 10, 11
Dessler:	11, 12, 13
Schwind:	9, 10
Steen:	8

Part VI. Employee Relations

- A. Employee Assistance
- B. Discipline
- C. Stress management
- D. Accommodation of employee needs:
  - (Examples: flexible hours, job sharing, child care)

Belcourt:	12, 13
Dessler:	14, 15
Schwind:	11, 12
Steen:	11

Part VII. Labor Relations

- A. Unions and the Labor Movement
- B. Collective Bargaining
- C. Contract Administration

Belcourt:	14
Dessler:	16
Schwind:	13
Steen:	9



Part VIII. International HR, Current Trends, and Future Issues

Belcourt:	15
Dessler:	17
Schwind:	14
Steen:	10

#### **IV. RECOMMENDED TEXTBOOKS**

The texts listed below have been ‘matched’ to the topic outline, above. [They are listed alphabetically.] Other texts with similar coverage would also be appropriate. Specific reference through a course to the Canadian context is crucial to effective coverage of the course content. Case and experiential materials are widely available; some are included in most contemporary texts. Such material, or a conventional (but not Canadian) text can support a course which is similar in coverage to the outline above. This edition was not at hand when this course revision was being completed, but that text is appropriate to this course and should be considered along with the following.

Belcourt, Singh, Bohlander, and Snell. **Managing Human Resources**, Eighth Canadian Edition. Nelson, 2017. [‘Belcourt’ in the outline].

Dessler, Gary and Nita Chhinze. **Human Resources Management in Canada**, Canadian 13th Edition. Pearson Education Canada, 2017. [‘Dessler’ in the outline].

Schwind, Das, Wager, Fassina and Bulnash. **Canadian Human Resource Management : A Strategic Approach**, 11th edition. McGraw-Hill Ryerson, 2016. [‘Schwind’ in the outline].

Steen, Noe, Hollenback, Gerhart, and Wright. **hrm**, 4rd Canadian edition, McGraw-Hill Ryerson, 2016. [‘Steen’ in the outline].



## Sample Questions

1. How should employers respond to the potential for substance abuse among their employees? Be sure to cover the legal, ethical, and health and safety issues, as well as any others you may see as being relevant.
2. How can an employer determine whether the recruiting and selection procedures being used to select employees are effective? Choose a particular occupation, as an example to illustrate your answer. Indicate the steps you would take, and explain your proposed course of action.
3. Senior executives of large corporations often receive large salaries, substantial bonuses, lucrative long term incentives, and a range of perquisites. What are the positive and negative affects of such practices on organizations? Explain your response carefully.
4. Assume that your are working in the HR function of an organization that has recently decided to hire directly from university into entry level sales and management positions. You have been asked to identify the basic orientation and career development needs of these new employees (the hiring departments will look after training for the job content of the initial position). What needs would you identify as being most important, and what kinds of HR initiatives would your recommend? Explain.

## Sample Multiple Choice Questions

1. The contingent work force generally includes all of the following except:
  - a. part-time workers
  - b. employees working overtime
  - c. workers on fixed term contracts
  - d. all female employees
  - e. all of the above
2. Turnover can be expensive. Which of the following are costs that should be included in estimating the cost of turnover?
  - a. exit interviews and severance pay
  - b. recruiting and selection costs for replacement employees
  - c. training costs
  - d. lost performance due to disruption and inexperienced employees
  - e. all of the above

3. Job analysis is the basis for which of the following?
  - a. job descriptions
  - b. job specifications
  - c. job evaluation
  - d. training needs assessments
  - e. all of the above
  
4. Selection procedures need to be both reliable and valid. Which of the following statements about reliability and validity is true?
  - a. A selection procedure can be reliable without being valid.
  - b. A selection procedure can be valid without being reliable.
  - c. Validity and reliability are really two interchangeable terms for the same concept.
  - d. A selection procedure must be valid in order to be reliable.
  - e. None of the preceding four statements (a-d) are true.
  
5. If selection is the prediction of which applicants would be successful on the job, selection errors can be classified as either 'false positives' or 'false negatives'. Which of the following is true about false negative and false positive errors.
  - a. Both are equally costly.
  - b. Employers are generally much more aware of and sensitive to 'false negatives' than to 'false positives'.
  - c. Employers are generally much more aware of and sensitive to 'false positives' than to 'false negatives'.
  - d. Unless there is a real applicant shortage (a 'tight' labour market), employers would rather endure false positive errors than false negative errors.
  - e. None of the above (a-d) are true.
  
6. Broad-banding refers to:
  - a. compensation systems with relatively few (but broader) classes of employees, compared to tradition compensation structures.
  - b. a recruiting strategy using multiple forms of media (newspaper ads, 'headhunters', etc.) to build a pool of applicants.
  - c. a training regime in which employees are trained to do more than one job, to provide back-up flexibility.
  - d. An illegal management practice designed to prevent union organizers from gaining access to employees.
  - e. none of the above – the term has no particular HR meaning.

7. "Cafeteria benefits" are given that name because:
  - a. they refer to subsidized meals provided by employers.
  - b. they are generally inferior to standard benefits.
  - c. they allow employees to choose their benefits rather than having a "fixed menu".
  - d. they are available only for a limited period, and are cut off during the last few years before retirement age.
  - e. they give workers the entire responsibility for choosing benefits without any help or guidance from the employer.
  
8. Compensable factors are central to:
  - a. selection validity
  - b. training needs analysis
  - c. job evaluation
  - d. job descriptions
  - e. career planning
  
9. Discrimination in a selection or promotion decision:
  - a. is an issue, but only because of the human rights legislation now in force.
  - b. is always illegal.
  - c. violates the law only if the basis for discrimination is gender or race.
  - d. is unavoidable, and only is a legal problem if the basis for discrimination is on a legally prohibited attribute.
  
10. Employment Insurance ("EI")
  - a. refers to a clause in a collective agreement requiring no layoffs during the term of the contract.
  - b. is paid for by the employer, with no deductions from employee compensation.
  - c. requires that an employee not sue his/her employer for job loss or layoff.
  - d. was called "Unemployment Insurance" until the middle of the last decade.
  - e. is the single largest expense among all forms of indirect compensation.
  
11. Material Safety Data Sheets
  - a. have been replaced by WHMIS procedures.
  - b. are one of the requirements of the WHMIS regime.
  - c. have been shifted to internet access and are no longer required to physically accompany the materials they describe.
  - d. deal with compressed gases and flammable/combustible material but not with other classes of hazardous materials.
  - e. are quite limited in their usefulness.

12. Training and staffing
- are the primary HR activities that should be used to increase employee motivation.
  - should be used in combination to assure the desired level and mix of employee capabilities.
  - are really two words referring to the same set of activities.
  - are much less important today than they were a generation ago.
  - can be minimized through a teleconferencing program.
13. Which of the following is not an important element in the legal framework for employment?
- employment standards legislation.
  - human rights codes
  - Workers' Compensation laws
  - The Charter of Rights and Freedoms
  - All of the above are important elements in the legal framework for employment.
14. Assessment centres are not widely used, although there are some situations in which they can be quite effective. Why are they not more widely used?
- It is difficult to determine the circumstances under which they will work.
  - It is difficult to avoid the charge of illegal discrimination that poor assessments often attract.
  - Assessment centres are relatively expensive and time-consuming.
  - The validity of assessment centres is generally lower than the validity of common techniques such as the selection interview.
  - Employees who are awarded a lesser raise than others find assessment centres highly inequitable.
15. "Outplacement programs"
- is simply another term for layoff.
  - are expenses that can be avoided, with little risk to ongoing operations.
  - emphasize both emotional support and practical assistance to people who have lost their jobs.
  - are no longer as widely used as they were a generation ago.
  - have replaced voluntary turnover as the most common form of employee separation



16. The most common reason organizations to initially adopt performance appraisal is to provide a basis for:
- career development
  - training needs assessment
  - pay-for-performance policies
  - validation of selection procedures
  - 360-degree appraisal regimes
17. The difference between training and development is that:
- training focuses on present jobs while development focuses on future jobs, as well.
  - training tends to be individually focused while development includes a work group or organizational dimension.
  - training emphasizes current skill requirements while development includes future needs as well.
  - all of the above are true.
18. Employee Assistance Plans
- have generally been found to be cost-effective.
  - provide a constructive response for employers when they are dealing with a troubled employee
  - often have been precipitated by concerns with employee problems in the area of substance abuse (alcohol, in particular).
  - provide a confidential resource for an employee who might otherwise be concerned about his/her difficulties becoming widely known in the organization and compromising their future.
  - all of the above.
19. Which of the following should employers reject as a potential selection technique, based on current evidence?
- work sample
  - structured interview
  - aptitude test
  - graphology
  - assessment centre

## Multiple choice solutions

1. (E) All of the above
2. (E) All of the above
3. (E) All of the above
4. (A) A selection procedure can be reliable without being valid
5. (C) Employees are generally much more aware of and sensitive to false positives than to false negatives
6. (A) Compensation systems with relatively few classes of employees, compared to traditional compensation structures.
7. (C) They allow employees to choose their benefits rather than having a “fixed menu.”
8. (C) Job Evaluation
9. (D) is unavoidable and only is a legal problem if the basics for discrimination is on a legally prohibited attribute.
10. (D) was called “Unemployment Insurance” until the middle of the last decade
11. (B) are one of the requirements of the WHMIS regime.
12. (B) should be used in combination to assure the desired level and mix of employee capabilities
13. (E) All of the above
14. (C) Assessment centres are relatively expensive and time consuming
15. (C) Emphasize both emotional support and practical assistance to people who have lost their jobs
16. (C) pay for performance policies
17. (D) all of the above are true
18. (E) all of the above
19. (D) graphology

## Human Resources Planning

### I. COURSE OBJECTIVES

The primary objective of this course is to provide an understanding of the essential elements of human resource planning (HRP) process in organizations. Students acquire knowledge in analyzing, assessing and programming for human resource requirements of organizational business plans and strategies. Quantitative as well as qualitative concepts, approaches and techniques are emphasized.

### II. COURSE OUTLINE

Topic 1. Nature and Scope of HRP:

- Concept & Meaning of HRP
- Linkages with Business Planning & Strategies
- Benefits of HRP
- Elements & Process of HRP

Reading: Belcourt & Podolsky: Ch. 1 & 2

Topic 2. Preparing for HR

- Job Analysis
- Environmental Scanning
- Information Technology

Reading: Belcourt & Podolsky: Ch. 3, & 8

Topic 3. Assessing & Forecasting HR Requirements:

- Benefits of HR Forecasting
- Planning Horizon
- Qualitative and Quantitative Forecasting Methods
- Demand & Supply Side Forecasting
- Forecasting Net HR Requirements

Reading: Belcourt & Podolsky: Ch. 4, 5, & 6

Topic 4. Succession Management:

- Importance of Succession Management
- Evolution of Succession Management
- Succession Management Process
- Employee Competencies, Training & Development Career Planning

Reading: Belcourt & Podolsky: Ch. 7



Topic 5. Selected Strategic Options and Their HRP Implications:

- Organizational Downsizing & Restructuring
- Globalization of Operations
- Mergers & Acquisitions
- Outsourcing

Reading: Belcourt & Podolsky: Ch. 9, 10, 11, 12, & 13

Topic 6. HR Program Evaluation:

- Importance of Evaluation
- Criteria & Techniques of Evaluation
- Cost-Benefit Assessments
- Audits, Utility Analysis & Impact Studies
- Client Satisfaction

Reading: Belcourt & Podolsky: Ch. 14

### **Recommended Textbook**

Monica Belcourt & Mark Podolsky: Strategic Human Resource Planning, Thompson Nelson, Seventh Edition, 2019. (Belcourt & Podolsky)

## Sample Questions

### Part A: Multiple Choice Questions

1. The business strategy type (according to Porter's model) used when a company provides a product or service at a lower price than the competition and appeals to a broad range of customers is known as the:
  - a) broad differentiation strategy
  - b) best service oriented strategy
  - c) focused or market niche strategy
  - d) low-cost provider strategy
  - e) none of the above
  
2. The business and HR planning approach where employees are seen as a means to an end and where personnel needs are based on corporate needs, is described as:
  - a) corporate strategy driving or leading HR strategy
  - b) HR competencies leading to business strategy
  - c) HR strategy contributing to business-level strategy and vice versa
  - d) corporate strategy and business strategy are completely separate
  - e) none of the above
  
3. An expert forecasting technique used in environmental scanning where individual ideas, round robin listing and ranking occurs is known as:
  - a) Delphi Technique
  - b) Impact Analysis
  - c) Trend Analysis
  - d) Nominal Group Technique
  - e) Priority Ranking Method
  
4. Which is NOT one of the key elements of the 5C Model of HRM Impact?
  - a) cost
  - b) contribution
  - c) critical incident
  - d) compliance
  - e) client satisfaction

5. An error of omission when a job description or specification fails to incorporate important aspects of the job required for success is called:
- a) contamination
  - b) deficiency
  - c) performance gap
  - d) generalization
  - e) omission
6. If companies wanted to develop candidate lists for future management positions by searching for current staff with appropriate qualifications, it would be necessary to have:
- a) a relational database
  - b) a basic HRMS
  - c) employee files
  - d) a skills inventory
  - e) a and d
7. Regression analysis may be used in HR forecasting. Another term for independent variable in such analysis is:
- a) target variable
  - b) correlation
  - c) causal variable
  - d) linear relationship
  - e) none of the above
8. The likelihood that an individual in a specific job will exhibit one of the five movement behaviours is known as:
- a) transitional probabilities
  - b) chain effect
  - c) Markov cell
  - d) multiplier effect
  - e) all of the above
9. In any downsizing initiative it is important to:
- a) attend to rumours
  - b) provide survivors with available information on the downsizing
  - c) make expectations clear
  - d) allow time for grieving
  - e) all of the above

10. Which of the following is NOT a reason why an organization may outsource?
- a) to improve employee morale
  - b) to improve service levels
  - c) to access specialized expertise
  - d) to save money
  - e) to control organizational politics

**[Answers: 1d, 2a, 3d, 4c, 5b, 6e, 7c, 8a, 9e, 10a.]**

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## Part B: Essay Questions

Question 1: Identify three ways in which HR Process can be linked business strategy.

Suggested Answer:

- a) Start with business strategies and then create HR strategy.
  - Corporate strategy drives HR strategy—personnel needs are derived from corporate plans.
  - Resources are made to “fit” the corporate strategy. HR follows the corporate strategy.
  - Employees are considered a means to an end, not part of the strategy formulation process.
  - This is a traditional approach and tends to be used more by larger organizations.
- b) Start with HR competencies and then craft corporate strategies based on these competencies.
  - This view argues that organizations cannot implement a strategy if it does not the necessary human resources.
  - This approach taps into employee capabilities to develop new products/ services and/or enter new markets.
  - Small size firms tend to favour this approach. Workforce diversity management also builds on this approach.
- c) Do a combination of both in a form of reciprocal relationship.
  - HR strategy contributes to business-level strategy and vice versa.
  - Senior HR executives are asked to provide input into strategic plans based on HR strengths and weaknesses.
  - In this concurrent/reciprocal approach, HR becomes a full partner in the strategy formulation process.



Question 2: What is succession management? Discuss its main benefits to the organization.

Suggested Answer:

Succession management refers to the process of identifying employees who have the potential to assume key positions in the organization and preparing them for these positions. The identification of talent is always paired with ongoing programs to develop that talent. Some of the benefits of succession management include:

- It enables the organization to respond appropriately and stay on track when inevitable changes occur.
- It provides for continuity and future direction in the midst of significant change.
- Employees are positively motivated when succession planning takes into account their performance potential and career aspirations.
- It supports new organizational structures and flexibility by explicitly providing back-ups for various positions, thereby reducing organizational dependency on one employee.
- It saves time and money by having plans in place to enable smooth transition of employees.





## **LABOUR RELATIONS**

### **REQUIRED TEXTBOOK**

Larry Suffield & Gary L. Gannon, Labour Relations, 5th edition, Pearson Canada  
ISBN-13: 9780135355008

### **PART A: AN INTRODUCTION TO INDUSTRIAL RELATIONS AND COLLECTIVE BARGAINING**

**Required reading is Labour Relations, Sheffield and Gannon, 5th. edition only, noted above, Chapters 1 through 12 inclusive** covering all areas of Labour Relations including but not limited to public sector labour relations, collective bargaining, the environment, contract dispute resolution, union and management objectives, administration of the collective agreement, labour history and its impact on labour relations etc. With the growing importance of public sector labour relations and collective bargaining a particular emphasis is placed on these areas.

**Please note that you should review the current HRPA Human Resources Professionals Competency Framework available online to be clear what competency areas are covered in each chapter. All competency areas are noted below beside each chapter for your convenience.**

While not as much emphasis is placed on this in the examination, it is useful to review the current Ontario Labour Relations Act, available online at the Ontario Ministry of Labour web site, which outlines the full Act with the processes for union organizing, negotiation of a collective agreement and the administration of collective agreements including grievances and arbitrations outlined.

<b>TOPIC</b>	<b>CONTENT</b>	<b>REQUIRED READINGS</b>
1. Rights and Responsibilities	Union practices, union organization and certification	Ontario Labour Relations Act L.2(5)-(13), L.2(57)-(84)
2. Negotiation of a Collective Agreement	Contract negotiation, understanding the content of a collective agreement and some possible outcomes – strike, lockout	Ontario Labour Relations Act - Sections L.2 (14) – (48), L.2 (139) – (155)
3. Administering the Collective Agreement	Administering the collective Agreement.	Ontario Labour Relations Act - Sections L.2 (49) – (56)

**Sample Questions:**

1. Union density has declined more dramatically in the United States than in Canada primarily because:
  - a. the economic environment is less favorable in the United States.
  - b. U.S. employees do not seek unionization as much as Canadian employees do.
  - c. right to work legislation in the U.S. requires the compulsory deduction of union dues.
  - d. the political environment is less favorable for unions in the United States.

**Answer: D**

2. Interest arbitration in the public sector has been criticized because:
  - a. there is a chilling or narcotic effect
  - b. it decreases hostility between the parties
  - c. it increases hostility between the parties
  - d. it decreases the amounts awarded at interest arbitration to the union

**Answer: A**

3. A unionized employer has terminated a unionized employee for alleged misconduct and the union has filed a grievance. If the grievance is not settled during the grievance process it will usually be resolved using:
  - a. interest arbitration
  - b. rights arbitration
  - c. mediation
  - d. conciliation

**Answer: B**

4. Which of the following is correct regarding negotiation of collective agreements in the public sector?
  - a. The scope of bargaining is broader than in the private sector.
  - b. There are no mandatory terms for the collective agreement in the public sector.
  - c. More contract disputes are ended by back-to-work legislation than in the private sector.
  - d. Negotiation is always more decentralized in the public sector.

**Answer: C**

**Sample Short Critical Thinking Questions:**

1. List the five (5) components of the framework for labour relations. Each framework component is worth (2) marks for a total of 10 marks.

**Answer: The five elements of the framework which need to be identified are:**

- 1) the environment
- 2) the actors: employers, unions and government
- 3) processes the parties engage in
- 4) outputs
- 5) feedback

2. Explain the meaning and importance of contracting out. Describe the relevant labour law relating to this issue and its implications for unions and employers negotiating a collective agreement. (10 marks)

**Contracting Out means taking the current or future work of the bargaining unit and contracting that out to a third party, usually non-union, who will perform that work. Unions see this as a real threat to their continued existence and financial viability. In Ontario there is nothing in the Ontario Labour Relations Act which forbids this practice, and it is a negotiated item in collective bargaining negotiations which many Unions fight for very hard. Unions want to eliminate or greatly restrict the ability of employers to contract out while employers, in some cases, see the ability to contract out to lower wage areas as essential to their continued viability. The loss of union dues also affects the financial stability of unions.**

3. Define and describe four (4) primary functions of an international union. (10 marks)

**The answer should include member education, political lobbying on a Federal level, assistance with collective bargaining and arbitrations, preventing "raiding", poaching members of other unions to increase their membership, mediation and resolving organizational member disputes etc.**

4. Define, describe and explain (4) primary functions of a local union. (10 marks)

**The answer should include: Union organizing, member education, union dues collection and remittance, grievance and arbitrations, collective bargaining etc.**



## **Occupational Health and Safety**

### **COURSE OBJECTIVES**

Since many Human Resources Professionals will work in a Company HR department that will oversee the Occupational Health and Safety function, it is imperative and hence a major objective of this course to introduce Human Resources Professionals to this broad and ever-changing field. Occupational Health and Safety is an inherently technical subject far broader than legislation only. The multiple dimensions of the various issues – technical, legislative, political and personal – are a required part of the training for a professional in this field or for someone who is involved with this kind of operation – for example dealing with consultants, or the Joint Health and Safety Committee. Occupational Health (or Hygiene) cannot be separated from Occupational Safety because of the overlapping requirements and because the well-being of the worker must be first and foremost.

### **COURSE OUTLINE**

This course of study has been arranged in four separate parts as they concern the HR practitioner. Within each section a series of topics will be examined, supported by readings from the HRPAs text and other references of interest in particular the relative legislation. The HRPAs text and the various other reference materials would constitute a valuable subject library for the practitioner.

### **CHAPTER 1 Introduction**

Occupational Health and Safety issues impact everyone whether at work or at home. The importance of Occupational Health and Safety is reflected in many areas – economic, legal, technical and moral. The players or stakeholders – employers, workers, unions, media, the professionals and governments – reflect the importance and philosophy of health and safety and of worker well-being. This chapter defines Occupational Health and Safety, and the role Human Resources plays defining safety as a People issue, Legislative compliance, benefits of decreasing costs, and overall Human Resources functions associated to safety.

### **Reading: Chapter 1**

In Chapter 1, the learning objectives and goals will be:

- Explain how Occupational Health and Safety affects us all
- Define Occupational Health & Safety, Occupational Injury and Occupational Illness
- Describe the financial costs associated with occupational injuries and illnesses
- Discuss modern models of Occupational Health & Safety and management
- Understand the stakeholders and roles in Occupational Health & Safety



Explain the connection between Human Resources Management and Occupational Health & Safety

Describe the links between Human Resources practices and Occupational Health & Safety

## **CHAPTER 2** Legislative Framework

Every facet of today's workplace is affected by many pieces of legislation – OH&S Act, Workplace Safety and Insurance Act, Environmental Acts, etc. – and regulations which are constantly changing. Most legislation is far-reaching and is as strong or weak as business and governments wish. This chapter defines the scope of Occupational Health and Safety legislation, defining the responsibilities for Managers, Contractors, Supervisors and Employees as listed in the Occupational Health and Safety Act. It also reveals the law in the Act on Work Refusals and Work Stoppages and defines the process. This chapter also illustrates the role of the Joint Health and Safety Committees and the importance of WHMIS and details on Material Safety Data Sheets.

Learning Objectives for Chapter 2 will include:

- Identify the three health & safety rights granted to workers in Canada
- Describe the regulatory framework surrounding Occupational Health & Safety
- Outline the duties of the major stakeholders under Occupational Health & Safety
- Discuss the nature and the work limits imposed on work refusals and work stoppages
- Describe the structure and role of Joint Health & Safety Committees
- Discuss WHMIS 2015 as it applies to the right to know about chemical hazards in the workplace
- Explain how Occupational Health & Safety fits into the Criminal Code
- Express how environmental and transportation of dangerous goods legislation interacts with

Occupational Health & Safety concerns

Occupational Health and Safety Act of Ontario – Pocket Guide

history – what is it? who is covered? why there are requirements? how is it used?

duties of employers – sections 25, 26

due diligence – sections 25(2)(h), 27(2)(c)

duties of owners – sections 29, 30, 31, 32

duties of workers – section 28

duties of supervisors – section 27

duties of Joint Health and Safety committees – sections 8,9

work refusals – section 43

bilateral work stoppage – section 45

unilateral work stoppage – section 47

dangerous circumstances – section 44

duties of certified members – sections 45-49

reprisals – section 50

designated substances – ONT REG 835 – 846 , RRO 1999, page D2

critical injury – ON Reg. 834, page R27



**Reading:** Chapter 2

Occupational Health and Safety Act for Industrial Establishments 1997 or later issue, sections as noted.

Workplace Hazardous Materials Information System (WHMIS)  
history – what is it? what is covered? who is involved? how used? why is it there?  
material safety data sheets (MSDS) – sections 17,18; text pages 31 – 33  
labels – sections 8 – 16; text pages 27 – 29  
controlled products – section 1(1), 3(3)  
training – sections 6,7  
toxic materials inventory – OH&S Act section 36  
physical agents – OH&S Act section 41  
public right to know – OH&S Act section 38(2)  
duties of an employer – OH&S Act sections 37, 38(1), 38(5), 38(6), 39.

**Reading:** Chapter 2

Ontario regulation 644/88, 1996 or later issue Occupational Health and Safety Act for Industrial Establishments 1997 or later issue, sections as noted.

Workplace Safety and Insurance Act  
history – what is it? how used? why is it there? who is covered  
assessment methods – schedule 1, schedule 2, Workwell, NEER – ON Reg. 175/98, section 18  
duties of an injured worker  
duties of employers – forms 7, 8, 9, etc. – sections 21-23, 67-87  
office of the Worker Advisor – section 176  
office of the Employer Advisor – section 176  
first aid regulations and requirements – Reg.1101, page R11  
appeals – WCAT, adjudication process – sections 118-134, 173- 175  
rehabilitation – sections 40-42  
return to work – sections 40-42  
Appendix: frequency and severity; text pages 57 – 58 Optional.

**Reading:** Chapter 3

Workplace Safety and Insurance Act of Ontario, 1998

### **CHAPTER 3** Workers' Compensation

This chapter outlines the Workers Compensation Act, provides its historical roots as well as its social responsibility to the public as well as administrative responsibility. It also outlines the compensation methods and rates and outlines the calculation of Frequency and Severity rates for determining risk in an organization. It also clearly defines the reporting requirements.

The Learning objectives of Chapter 3 include:

- Historical roots of the Workers Compensation Systems in Canada
- Describe the goals and methods of Workers Compensation Boards
- Problems associated with compensating for psychological conditions and occupational illnesses
- Describe the assessment methods of WCB's

### **CHAPTER 4** Hazards, Risks, and Controls

Occupational Health and Safety is by its very nature a technical subject. While much of the "heavy" material can be dealt with superficially, the general material must be learned and understood.

The learning objectives for Chapter 4 include:

Define the key terms used in the field of Occupational Health & Safety

Identify sources of workplace hazards

Identify types of workplace hazards

Describe methods for systematically examining workplace hazards and managing risks

Hazardous Recognition Assessment and Control (R.A.C.) Identifying Risks and providing a rating formula that will calculate probability and risk rating.  $R = P \times C$

Precontact Control

methods of control

costs – direct, indirect, and "iceberg" analogy

sources of hazards

analysis – applied energies – mechanical, thermal, electrical, etc.

risk assessment – Domino theory

risk evaluation

sources of hazards – human, situational, environmental

workplace inspections

emergency planning, manager

evacuation planning



medical and other support  
fire prevention and suppression  
risk evaluation  
reports and audits  
source – path – human analysis  
confined space , lockout, guarding  
physical injuries  
repetitive strain injuries  
workplace design  
lifting – lower back trauma  
fault tree described

Contact Control- Identifying ways in which a hazardous situation can be prevented from becoming worse and harming workers.

Post contact Control – Putting in place medical and clean up operations and ensuring that the event cannot be repeated. Controls can include Engineering, Administrative, PPE

## **CHAPTER 5** Physical Agents

This chapter addresses the following topics that are hazardous and how they interact in the environment.

The learning objectives for Chapter 5 include:

- Identify and describe physical agents in the workplace
- Explain how and when many of the commonly found physical agents can be considered hazardous
- Identify the methods to control physical agents within the workplace

Physical Agents

noise

vibration

thermal stress

radiation – ionizing and non-ionizing – an overview

evaluation and control

personal protective equipment (ppe) Appendix: noise level calculations – optional



## **CHAPTER 6** Biological & Chemical Agents

Learning Objectives of Chapter 6:

- Define the terms associated to biological and chemical agents
- Recognize the hazards associated with biohazardous and chemical agents
- Outline the actions of chemical and biological agents on human physiology
- List the eight characteristics that make solvents effective but at the same time hazardous and toxic
- Describe the various control measures that can be used to ensure the safe handling of both chemical and low level biological agents

Chapter incorporates the following sections:

introduction

toxicology – an overview

solvents – an overview

designated substances

health effects – routes of entry, respirable contaminants (aerosols)

measurement and evaluation of airborne contaminants

dealing with TLVs and TWAs

biological agents – chain of infection

administrative and engineering controls

work practices

personal protective equipment (ppe)

medical surveillance

Control of Exposures

## **CHAPTER 7** Psychosocial Hazards

The learning objective for Chapter 7 will include:

- Describe and distinguish among the concepts of stressor, stress, and strain
- Explain the transactional model of stress and its implications
- Identify major sources of stress in the workplace
- Discuss the psychological, physical, behavioral and organizational consequences of stress
- Discuss ways to recognize assess, and manage psychological hazards at work
- Describe and distinguish among primary, secondary and tertiary stress interventions
- Describe injustice, technology, and work-life conflict as prevalent workplace



This chapter will cover the following:

Defining stressors- Objectively verifiable event that occurs outside the individual that has the potential to cause stress. Defines Stressors in the workplace-Workload, role stressors, career concerns, work scheduling, interpersonal relations, job content and control.  
Definition of Stress how to cope with it- Stress moderators and personality types.  
Strain, different types of strain- Psychological, Physical, Behavioral, Organizational  
Managing Psychosocial hazards

Primary and Secondary interventions

## **CHAPTER 8 Workplace Violence, Aggression & Harassment**

This chapter defines workplace violence and provides North American Data on workplace violence.

Defines sources of workplace violence  
Review the 4 types of violence  
Risk Factor for workplace Aggression  
Occupational Risk Factors  
Prevention  
Sexual Harassment

The learning objectives for Chapter 8 Include:

- Define and distinguish among violence, aggression and harassment
- Identify the sources and risk factors and workplace violence
- Explain the idea of immigrant risk
- Describe ways to reduce the risk of workplace violence
- Recognize organizational efforts and policies to deal with workplace harassment and bullying
- Define sexual harassment and explain what organizational should do to reduce the incidence of workplace sexual harassment

## **CHAPTER 9 Training**

The role of Occupational Health and Safety Training- the basic rights of employees, The Right to Know, The Right to Participate, The Right to refuse unsafe work.  
Health and Safety Training Programs- Instructional Systems Design Model (ISD)-Needs Analysis, Training Design and Delivery, Training Evaluation  
Common Safety Training Initiatives



The Learning Objectives for Chapter 9 include:

- Discuss the importance of occupational health and safety training
- Identify the components of training program
- Explain the role of a needs analysis when designing a training program
- Describe various options for the delivery of health and safety training
- Discuss the role of evaluation in any training program
- Evaluate the measurement concerns surrounding organizational measures of occupational safety training effectiveness
- Describe some common health and safety training initiatives, including safety orientation, first aid training, and WHMIS

## **CHAPTER 10** Motivation & Safety Management Systems

In this chapter, there will coverage to understand the motivation of behaviours that pertain to Occupational Health & Safety and how safety performance can be evaluated with control strategies implemented.

The Learning objectives of Chapter 10 will include:

- Discuss the importance of safety behaviour in the workplace
- Explain the importance of individual motivation in safety behaviour
- Describe behaviour motivation approaches to motivating safety
- Understand the facts of self-determination theory of motivation and how they relate to safety motivation
- Evaluate the role of organizational support for safety in contributing to safety behaviour
- Discuss the role of the safety climate in the performance of safety behaviours
- Discuss the OH&S Management systems such as CSA Z1000-14 and appreciate how they help organizations promote workplace safety

Within the chapter, the following areas will be covered within the chapter:

- Defining safety behaviours-behaviours leading to safe performance of a particular job.
- Identifying health and safety programs- Engineering Interventions, Administrative Interventions and Behavioural Interventions.
- Evaluating safety performance, Safety Performance = Ability X Motivation x Opportunity
- Motivating Safety Behaviour- Reinforcement Theory, Goal Setting, Self Determination Theory.
- Defining Safety Leadership

## **CHAPTER 11** Emergency Planning

In this chapter, there will be an explanation on various controls and how to build plans to ensure companies are prepared.

Topics covered:

Defining Emergency and how companies can be prepared.

Pre- Contact (Emergency Plan, Evaluation, Notification of authorities, supplies, drills, Emergency Manager), Contact

Control (Fire prevention and suppression, First Aid), Post Contact (Dealing with stress, having a plan to get back to normal).

Learning Objectives for Chapter 11:

- Defining emergency
- List the key elements in emergency preparedness
- Describe the concept of an emergency plan
- Explain the necessity of having emergency and evacuation plans
- Describe the principles of fire prevention and suppression
- Discuss postcontact efforts of helping individuals deal with the stresses associated with emergency situations and getting back to normal operations

## **CHAPTER 12** Incident Investigation

In this chapter, we will cover off the details pertaining to Accident Investigations and the process to perform them. The chapter will cover off the following:

Determining the benefits of accident investigation

Critical factors in the investigation process – Timing, Severity, Legal Requirements.

Types of forms used and the information required to be collected.

Investigation Methods

Reporting

Learning objectives for Chapter 12:

- Describe the intent and steps of an incident investigation
- Gather information to analyze the human, situational and environmental factors contributing to incidents
- Explain the concept of a walkthrough survey
- List the steps to conducting interviews concerning an incident
- Conduct re-enactment
- Complete the various types of incident and injury reports

## **CHAPTER 13** Disability Management and Return to Work

As part of this chapter, there will be focus on the following areas:

Goals of Disability Management Programs  
Best Practices in Disability Management  
Barriers to Return to Work  
Stakeholders

Learning objectives for Chapter 13:

- Articulate the financial and legal motivation for disability management programs
- Describe the goals and values of disability management programs
- Discuss the important outcomes used to evaluate disability management
- Consider benefits of return to work planning
- Identify the stakeholders in disability management programs
- Consider potential barriers to successful disability management

## **CHAPTER 14** Workplace Wellness: Work Family and Health Promotion Programs

This chapter focuses on healthy workplaces, describes the goals of worksite health promotion programs and family friendly policies to motivate workers and avoid stress. This chapter also discusses the importance of these programs as well as the effectiveness.

Learning Objectives for chapter 14 include:

- Discuss the concept of healthy workplaces
- Describe the goals of worksite health promotion and family friendly programs
- Discuss the importance of systemic evaluation of worksite health promotion and family friendly policies
- Identify variable critical to the success of worksite health promotion and family friendly programs
- Comment on the effectiveness of various types of worksite health promotion and family health programs



Human  
Resources  
Professionals  
Association

## Recommended Textbook:

E. Kevin Kelloway, Lori Francis, Bernadette Gatién

**Management of Occupational Health and Safety, 8th ed., Nelson Canada series in Human Resource Management,**

ISBN: 0-17-689301-9

*Occupational Health and Safety Act of Ontario*, RSO 1990 with regulation 851 for Industrial Establishments, 1997 issue or later.

*Workplace Hazardous Materials Information System*, Ontario regulation 644/88, 1995 issue or later

*Workplace Safety and Insurance Act*, Ontario 1



## Sample Questions

Only one response is correct (1 point for each)

How often does a Material Safety Data Sheet need to be updated:

- 1 year
- 2 years
- 3 years
- 4 years

One of the first society indications of awareness of Occupational Health and Safety issues such as silicosis, coal dust inhalation, mercury poisoning or copper induced skin problems, was with :

- mediaeval iron workers
- 19th century doctors
- ancient Egyptians
- Victorian chimney sweeps

In Canada, the authority for health and safety programs in the workplace rests with:

- the employer
- the workers
- the Unions
- all of the above

Under the Workplace Safety and Insurance Act of Ontario, the employer is obligated to return an injured worker to "suitable employment" after being determined to be "medically fit" until the earliest of:

- the date on which the worker reaches 60 years of age
- when the employer has the original job available
- the second anniversary of the date of the injury
- one year after being declared medically fit and all rehabilitation is complete

A constructor or employer who received recommendations from a Joint Health and Safety Committee shall respond within:

- a reasonable length of time
- 15 days
- as agreed to by the JH & SC and the employer
- 21 days



An accident is defined under Workplace Safety and Insurance Act (WSIA) as:

- an event resulting from direct contact with some form of energy
- any condition that has the potential to cause an injury
- a chance event occasioned by a physical or natural cause
- any physical or mental trauma experienced by a human being

A fork truck with poor brakes would be referred to as:

- a hazard
- an event
- an incident
- an accident

The identification of hazards examines three areas of analysis: human factors, situational factors, and environmental factors. Which of the following is a situational factor?

- failure to use personal protective equipment
- improper room illumination
- loud noise
- use of defective equipment

Contact control involves:

- safety awareness
- lockout procedures
- turn off or reduce the sources of energy
- keep unauthorized people out of the area

Accident investigation, as with hazard identification, involves three major factor groups—human, situational, and environmental. Which is the human factor?

- what tools were involved in the accident?
- did the sun glare contribute to the accident?
- what the sequence of acts leading to the accident?
- what personal protective equipment was being used?

A class C fire extinguisher is identified by:

- a green triangle
- a red square
- a blue circle
- a yellow star





A fire plan like an emergency plan has certain basic requirements, such as:

- making sure that the employees attempt to extinguish the fire if they can
- making sure that workers receive training in firefighting techniques
- making sure that employees take personal tools when evacuating a fire
- making sure that workers stay around to help the fire department

The time weighted average (TWA) is:

- the toxic concentration recorded by law that limits human exposure
- the toxic concentration which can be exceeded from time to time under specific conditions
- the toxic concentration measured or calculated that a human is exposed to
- the toxic concentration which cannot be exceeded under any conditions

X-Rays which are caused by an electro-magnetic source like a TV set is:

- natural radiation
- nuclear radiation
- ionizing radiation
- non-ionizing radiation

A type of repetitive strain injury is:

- curler's knee
- writer's cramp
- tennis spectators eye
- Glucoma

The some of the objectives of an OH & S programs are:

- program support of all stakeholders
- educate workers to recognize hazards
- improve level of understanding about the connection between safety, productivity, quality, cost
- all of the above

An example of an engineering control would be:

- replace a chemical with a less toxic one
- revise the training protocols
- advise the JH &SC of any hazards
- encourage worker physical fitness



### **Short Answer Questions:**

The Workplace Hazard Materials Information System (WHMIS) requires a company to ensure, among other things, that every toxic material has a current Material Safety Data Sheet. The MSDS form contains 9 separate sections. Name any five of these sections and briefly describe their respective purpose.

When investigating an accident or incident the accident type is used to categorize the nature of the accident or incident, such as caught in or between. Name and give an example of five other types.

List the routes of entry available for toxic materials to enter the human body.

List at least 5 duties of the Joint Health and Safety Committee.

List at least four of the strategies with which an organization can manage disability and reduce the period of compensation claims.

Describe the Work Refusal Process from the employers perspective and the employee's

### **Solutions Occupational Health and Safety Multiple Choice**

every 15 seconds

ancient Egyptians

Employer

The second anniversary of the date of the injury

21 days

a chance event occasioned by a physical or natural cause

A hazard

Improper room illumination

Turn off or reduce the sources of energy

What the sequence of acts leading to the accident

A blue circle

Making sure that the workers receive training in firefighting techniques

The toxic concentration measured or calculated that a human is exposed to

Ionizing radiation

Writer's cramp

All of the above

Replace a chemical with a less toxic one

## Short Responses–Solutions

### The following are the nine sections of the Material Safety Data Sheet

Product Information—including name, address, phone numbers of the supplier/ manufacturer and the product identifier and use.

A hazardous ingredients list including all controlled substances in the product and their concentrations. The list generally includes the Chemical Abstract number: the allowable concentration limits, known as Threshold Limits Value, set by the American Council of Government Industrial Hygienists, and the lethal dose range tested for a specific animal production.

Physical data including information on appearance, odour, density, boiling point, corrosiveness etc.

Fire and explosive and information including data on flammability of the hazardous ingredients.

Reactivity information outlining the conditions under which the material may react with other chemicals or materials. This section will also identify the hazardous products produced by decomposition in a fire situation.

Toxicological data including all available information on the possible health effects due to chronic or acute exposure.

Preventative measures to be used while dealing with the product, including information on personal protective equipment, ventilation requirements, storage, handling, and waste disposal.

First-aid measures providing specific recommendations for treatment for exposure to the material.

Preparation information including the name of the person(s) who prepared the MSDS, a phone # for contact, and the date of the issue of the MSDS.

### Accident Types

Caught in or between (e.g. crushed between two moving machines)

Struck by (impact or blow to the body by an object)

Struck against (walking into a door)

Fall to the same level (tripping on a level walkway)

Fall to a lower level (falling off a ladder)

Fall to a higher level (tripping while walking on the steps)

Abraded, scratched, or punctured (an injury such as hitting the face when falling)

Overexertion (sprains, strains, etc., caused by a greater-than-average effort)

Contact with an energy (mechanical, kinetic, electrical, chemical, thermal, gravity or radiation)



Routes of entry for toxic materials to enter the body

Respiration (inhalation)

Ingestion (entry through mouth and digestive system)

Skin Absorption

Penetration (direct contact) or puncture

Duties of the Joint Health and Safety Committee

Identify situations that may be sources of danger or hazard to workers  
Make recommendations to the constructor or employer and the workers for the improvement of the health and safety workers

Recommend to the constructor or employer and the workers the establishment, maintenance and monitoring or program measures and procedures respecting the health or safety of workers

Obtain information from the constructor or employer respecting the identification of potential or existing hazards of materials, processes or equipment and health and safety experience and work practices and standards in similar or other industries of which the constructor or employer has knowledge

Obtain information from the constructor or employer concerning the conducting or taking of Tests or any equipment, machine, device, article, thing, material or biological, chemical or physical agent in or about a workplace for the purpose of occupational health and safety

Be consulted about, and have a designated member representing workers, be present at the beginning of, testing referred to in clause conducted in or about the workplace if the designated member believes his or her presence is required to ensure that valid testing procedures are used or to ensure that the test results are valid.

The members of the committee who represent workers shall designate one of them who are entitled to be present at the beginning of testing.

Strategies for managing disability

Create and run an effective corporate culture that values employees and establishes them as an integral part of the workforce.

Ensure senior management support.

Intervene early and regularly.

Develop case management capacities.

Create modified and light duty jobs to allow an early return to work.

Train supervision to encourage and facilitate.

Create data systems.



## **Organizational Behaviour**

### **I. INTRODUCTION**

Any human enterprise involving more than one person requires that the objectives being pursued be achieved with and through other people. It is rarely possible, much less practical, for one person to do everything; others must be involved. For this reason, a crucial part of a manager's education is learning how to work effectively with and through others. The entire specialized field of human resources management is devoted exclusively to the study of what policies and practices best create an organizational setting in which the members are able and committed to making their best contributions.

Human resource specialists need a basic understanding of organizational behaviour both to assess the likely impact of human resources policies and practices, and to understand how the process of human resource management meshes with the broader management function.

Organizational behaviour examines what influences employee behaviour, both factors internal to the person and factors that are created by the organizational setting. It draws from many behavioural and social sciences. This course provides an overview of these influences on employee behaviour, paying particular attention to those behaviours which management can influence in their efforts to achieve organizational objectives.

Traditionally, organizational behaviour (OB) is divided into 'micro' OB which focuses on the behaviour of individuals and small groups and 'macro' OB which deals with the whole organization (or major units in the organization) and the organization's relations with its environment. This distinction between micro OB and macro OB is reflected in the topics in this course, but is more a way of organizing the discussion than a description of separate and unrelated topics. Students should quickly realize that most practical management decisions and initiatives require inclusion of both micro and macro perspectives in order to have a complete 'frame' for the issues being considered.

### **II. COURSE OBJECTIVES**

This course will provide the student with a thorough introduction to the applied discipline of organizational behaviour. The student will gain a fundamental understanding of the behaviour of individuals, groups and organizational units, and the implications of OB for the process of management.

### III. COURSE OUTLINE

#### Topic 1. An Overview of Approaches to the Study of Organizational Behaviour

Reading:

Johns:	1
Langton:	1
McShane:	1

#### Topic 2. Individual Behaviour: Motivation and Attitudes

Reading:

Johns:	2, 3, 4
Langton:	2, 3, 4
McShane:	2, 3, 4

#### Topic 3. Individual Behaviour: Reward Systems

Reading:

Johns:	5, 6
Langton:	5
McShane:	5, 6

#### Topic 4. Communication

Reading:

Johns:	10
Langton:	7
McShane:	9

#### Topic 5. Group Dynamics and Team Building

Reading:

Johns:	7
Langton:	6
McShane:	8



Topic 6. Politics & Conflict

Reading:

Johns:	12
Langton:	8, 9
McShane:	10, 11

Topic 7. Leadership

Reading:

Johns:	9
Langton:	11
McShane:	12

Topic 8. Management Decision Making

Reading:

Johns:	11
Langton:	12
McShane:	7

Topic 9. Job Design

Reading:

Johns:	13
Langton:	na
McShane:	6

Topic 10. Organizational Culture

Reading:

Johns:	8
Langton:	10
McShane:	14

Topic 11. Organization Design

Reading:

Johns:	14
Langton:	13
McShane:	13

## Topic 12. Managing Organizational Change

### Reading:

Johns:	15
Langton:	14
McShane:	15

## IV. BIBLIOGRAPHY

Recommended Texts The outline is keyed to three contemporary Canadian (or Canadianized) texts. All have been written for or adapted for Canadian student audiences and have been published within the two years. There are other texts written for the Canadian market. They may also provide a satisfactory resource for the course. In addition, there are many written for the U.S. market. Those could be acceptable as a foundation for this course, if supplemented with Canadian materials, examples and exercises. However, they are not listed or keyed to the outline, given the availability of good, explicitly Canadian texts.

1. Johns, Gary and Alan M. Saks, **Organizational Behaviour: Understanding and Managing Life at Work**, 10th edition. Pearson, 2017. [referred to as 'Johns' on the outline].
2. Langton, Nancy, Stephen Robbins and Timothy A. Judge, **Organizational Behaviour: Concepts, Controversies, Applications**, Seventh Canadian Edition, Pearson, 2013. [referred to as 'Langton' in the outline].
3. McShane, Steven L., Sandra L. Steen and Kevin Tasa, **Canadian Organizational Behaviour**, 9th edition. McGraw-Hill Ryerson, 2015. [referred to in the outline as 'McShane'].

## Sample Questions

1. Increasingly, organizations are assigning work to teams rather than breaking work into tasks assigned to individual employees. Why? Under what conditions would you recommend team-based work? Under what conditions would you recommend individual-based work designs? Explain?
2. "Pay for performance" is a principle many people agree with. What conditions need to be met in order for this principle to work, in practice? Explain.
3. Large organizations have been flattened (de-layered) in attempts to improve their overall performance. What changes in management practices and employee behaviours need to occur, in order for this organization re-design to be effective? Explain.
4. People often use the term 'personality' casually, in everyday speech. When it comes to the use of the term in organizational behaviour (OB), the term has a more specific meaning. What is 'personality', as the term is used in OB, and how is it relevant to understanding organizational behaviour?



## Sample Multiple Choice Questions

1. If somebody is described as having a “Type A” personality, which of the following behaviours would you be least likely to witness?
  - a. doing things rapidly (eating, walking, speaking)
  - b. impatience
  - c. preoccupation with measuring things
  - d. ‘laid-back’ interpersonal style
  - e. a tendency to attempt to do two or more things at the same time.
  
2. Attitudes:
  - a. are excellent predictors of behaviour.
  - b. can be changed through information but are very difficult to change through experience.
  - c. are evaluative statements or judgements concerning people, objects, events or ideas; job satisfaction is one example of an attitude.
  - d. are never influenced by cognitive dissonance.
  - e. depend heavily on organizational design.
  
3. Although often criticized for various reasons, Frederick Herzberg’s ‘motivation hygiene’ model of work motivation has been influential in management circles. What does his model claim?
  - a. that satisfaction and dissatisfaction are simply the opposite ends of the same continuum.
  - b. that hygiene factors are completely irrelevant to motivation.
  - c. that all the sub-components of the hygiene factors are equally important sub-components of motivational factors.
  - d. that dealing with hygiene factors will, at best, reduce dissatisfaction while the satisfiers that actually motivate people are for the most part attributes of the work itself.
  - e. that employees are motivated by extrinsic rewards.
  
4. Expectancy theory explains work motivation in terms of:
  - a. the valence (or value) of an outcome and the subjective probabilities that effort will lead to that outcome.
  - b. the balance between inputs and outcomes for the individual and his/her frame of comparison.
  - c. Maslow’s hierarchy.
  - d. Alderfer’s ERG model.
  - e. an irrational, subconscious processes.

5. Which of the following is not part of the group development process?
- forming
  - storming
  - performing
  - reforming
6. It is advantageous for groups to have effective norms. Which of the following is the least plausible argument for the importance of norms?
- Norms facilitate group survival.
  - Norms increase the predictability of group members' behaviour.
  - Norms reduce the likelihood of interpersonal embarrassment among group members.
  - Norms articulate what is distinctive about the group's identity.
  - Norms make it unnecessary for the group to develop distinctive roles for its members.
7. Which of the following statements about group size is (or are) true?
- Small groups are generally quicker at completing tasks than large groups.
  - Large groups are generally better at problem-solving than are small groups when the problems involved are complex.
  - 'Social loafing' is more likely to occur in larger groups.
  - Groups with an odd number of members are generally preferable to groups with an even number of members.
  - All of 'a'-'d' are true.
8. Which of the following is (or are) characteristics of effective teams?
- a clear sense of purpose
  - a norm of 'civilized disagreement' to deal with inevitable conflicts with the team
  - informality
  - decisions based on honest expressions of differences with a commitment to support the ultimate decision of the team
  - all of 'a' -'d' are characteristic of effective teams.
9. The basic communication model includes several stages, including 'encoding' a message, 'transmitting' a message, 'receiving' the message, and 'decoding' the message. What is missing from this list that is needed to assure accurate communication?
- the transmission stage
  - the technology dimension
  - the receiver's 'readiness' to hear
  - the feedback loop
  - the formal network

10. Normative models of decision-making emphasize the importance of rational processes and objectivity. Research on how decision-making takes place has suggested that purely rational processes are impossible or impractical, and that people respond to this problem of “bounded rationality” by:
- going along with the group
  - making random or arbitrary decisions
  - applying a decision standard the researchers refer to as “satisficing”.
  - abandoning reason for intuition
  - getting stalled out ... as some would put it, ‘paralysis by analysis.’
11. Sometimes the choice exists as to whether to assign a particular decision to an individual or to a group. Although groups have many advantages, they also have certain negative attributes. Which of the following are legitimate concerns about group decision-making?
- They are time consuming which means potential delay and the productive of several people being tied up.
  - Conformity pressures can mute the advantages of multiple points of view.
  - It is not uncommon for a group to be dominated by one or a few members.
  - Group decisions provide an ambiguous sense of responsibility – people can avoid responsibility and sometimes caution is not used.
  - All of ‘a’-‘d’ are legitimate concerns about what can often happen in groups
12. Leadership is widely thought to be an important element in organizational effectiveness. Which of the following approaches to leadership was developed first?
- behavioural (‘one best way’) theories
  - contingency (‘it depends on \_\_\_\_\_’) theories
  - trait (‘the great man/woman’) theories
  - structural (‘formal authority’) theories
  - none of ‘a’-‘d’ came appreciably before the others
13. Leaders who influence others with consideration and intellectual stimulation, and who possess charisma are referred to as:
- ‘new-age’ leaders
  - ‘transactional’ leaders
  - ‘transformational’ leaders
  - ‘laissez-faire’ leaders
  - ‘formal’ leaders

14. If a person has the right by virtue of his or her formal position to expect you to comply with his/her work-related requests, this person has \_\_\_\_\_ power over you.
- coercive
  - reward
  - legitimate
  - expert
  - referent
15. Which of the following is associated with the 'organic' model of organizational design (as opposed to the 'mechanistic' model)?
- high specialization
  - high emphasis on chain of command
  - centralization
  - formalization
  - none of 'a'-'d'; all of them are more associated with the 'mechanistic' model

### Multiple Choice Solutions

- (D) laid back interpersonal style
- (C) are evaluative statements or judgement concerning people, objects, events or ideas; job satisfaction is one example of an attitude
- (D) that dealing with hygiene factors will, at best, reduce dissatisfaction while the satisfiers that actually motivate people are for the most part attributes for the work itself
- (A) the valence of an outcome and the subjective probabilities that effort will lead to that outcome
- (D) reforming
- (E) norms make it unnecessary for the group to develop distinctive roles for its members
- (E) all of the above are true
- (E) all of the above
- (D) the feedback loop
- (C) applying a decision standard the researchers refer to a "satisficing"
- (E) all of the above
- (C) trait
- (C) transformational leaders
- (C) legitimate
- (E) all of the above



## **RECRUITMENT AND SELECTION**

### **INTRODUCTION**

The principles, issues, trends, and legislative requirements that apply to the recruitment and selection process will be examined in this subject. Human Resources professionals must understand how recruitment and selection fits into the broader organizational structure, processes and goals of an organization and how this function is related to the other functions of Human Resources Management. Participants will acquire the knowledge and skills needed to successfully attract and select qualified candidates.

### **OBJECTIVES**

This course enables students to identify the appropriate recruiting methods for locating and attracting different types of candidates, explain the key steps in the selection process, and evaluate the validity of various selection techniques. Also included are strategies and problems in staffing decisions in the context of the Canadian environment. More specifically, topics include job analysis and workforce HR planning, recruitment and selection tools and social media platforms, human rights legislation in Canada, decision-making strategies in recruitment and selection, and emerging trends in talent management within the virtual workplace.

### **TEXTBOOK**

Catano, V.M., Wiesner, W.H., Hackett, R.D. and Belcourt, M, 2019, Recruitment and Selection in Canada, 7th edition, Nelson, Toronto; ISBN: 978-0-17-676466-1

### **LEARNING OUTCOMES**

This course covers the following 8 areas of content knowledge:

- 1. Explain what is included in recruitment and selection and how the topic fits within the overall human resources management system.**

#### **Enabling Objectives:**

- Recognize the importance and relevance of recruitment and selection to Canadian organizations.
- Describe where recruitment and selection fits into strategic planning and the human resources management system in particular.
- Explain how changes in both the external and internal environments have an impact on recruitment and selection.
- Outline basic ethical and professional issues in recruitment and selection.



## Chapter 1: An Introduction to Recruitment and Selection

- 2. Explain the importance of research methods and measurement used in recruitment and selection including reliability and validity.**

### **Enabling Objectives:**

- Explain the concepts of reliability and validity as well as measurement strategies.
- Discuss the required measures used in selection to evaluate applicants fairly and in an unbiased fashion.
- Describe the practical steps needed to develop a legally defensible selection system.

## Chapter 2: Foundations of Recruitment and Selection I: Reliability and Validity

- 3. Summarize the legislation and case law that impacts recruitment and selection in Canada.**

### **Enabling Objectives:**

- Discuss the major legal requirements that have an impact on the practice of recruitment and selection in Canada.
- Identify how a range of employment legislation, including human rights and employment equity, affects recruitment and selection.
- Compare the various concepts and principles that meets legal requirement when developing a recruitment and selection system.

## Chapter 3- Foundations of Recruitment and Selection II: Legal Issues

- 4. Demonstrate knowledge of job analysis, competencies and job performance measures.**

### **Enabling Objectives:**

- Recognize the importance of job analysis, competencies, and job performance in recruitment and selection.
- Describe guidelines, tools and techniques for conducting job analysis.
- Discuss the process to identify and validate job specifications and competencies.
- Define the differences among task, contextual, and counter-productive work behaviours.
- Discuss the technical aspects of measuring job performance.

## Chapter 4 – Job Analysis and Competency Models and Chapter 5 – Job Performance

## **5. Explain the recruiting process and steps to implement a recruitment program.**

### **Enabling Objectives:**

- a. Describe how to attract the most qualified internal and external applicants for a job
- b. Explain the role that accurate expectations play in developing a fit between a person and an organization.
- c. Design and implement a recruitment action plan.

Chapter 6- Recruitment: The First Step in the Selection Process

## **6. Compare candidate screening criteria and employment test approaches.**

### **Enabling Objectives:**

- a. Recognize the difference between employee screening and employee selection.
- b. Describe the advantages and disadvantages of several screening tools, including biographical data, application forms, résumés, social networking sites, virtual job auditions, work experience, and reference checks.
- c. Discuss the legal status of screening tools and the extent to which they are predictive of job performance.
- d. Identify and describe the advantages and disadvantages of various tests and assessments.
- e. Summarize the legal issues in the use of HR assessments.

Chapter 7- Applicant Screening and Chapter 8 – Testing and Other Assessments

## **7. Discuss employment interviews using a variety of relevant techniques.**

### **Enabling Objectives:**

- a. Recognize the purposes and uses of employment interviews.
- b. Describe employment interviewing selection errors.
- c. Identify different unstructured and structured interviewing techniques and their relative advantages and disadvantages.
- d. Developing competence in the design of effective interview questions and scoring guides.
- e. Recognize the virtual workplace challenges with employment interviews

Chapter 9- Selection III: Interviewing

## 8. Develop candidate evaluation criteria and design decision-making tools for selection.

### Enabling Objectives:

- a. Recognize the complexity of decision making in the employee selection context.
- b. Identify the sources of common decision-making errors in employee selection.
- c. Summarize the factors that need to be considered in making a job offer.

### Chapter 10- Decision Making

### Sample Questions

#### MULTIPLE CHOICE

1. Why must Canadian organizations be cognizant of the influences of globalization when considering recruitment and selection?
  - a. Globalization affects the pricing strategies for goods and services.
  - b. Globalization creates higher trade barriers for entry.
  - c. Globalization demonstrates that best practices for staffing are necessary.
  - d. Globalization threatens the survival of domestic retailers.
2. What legislation has precedence over all other legislations in recruitment and selection?
  - a. constitutional law
  - b. human rights law
  - c. Canada labour law
  - d. employment equity legislation
3. What is a potential outcome of a science-based selection process?
  - a. a significant number of qualified applicants
  - b. a defensible system with effective employees
  - c. a flexible, quick process that fits the organization's culture
  - d. a process that is comfortable and flexible for all employees
4. Which of the following statements most accurately defines discrimination?
  - a. the duty of an employer to put in place modifications to discriminatory employment practices
  - b. any employment rule, practice, or policy that has a negative effect on employees
  - c. the denial of opportunity to a person or class of people based on a group characteristic such as age, colour, race, religion, marital status, or mental or physical disability
  - d. any unwelcome conduct or consequences that may detrimentally affect the work environment



5. A hospital employs a variety of individuals as nurses, doctors and technicians. How would these generic groups be classified?
  - a. by position
  - b. by role
  - c. by worker
  - d. by job
  
6. Which performance behaviour is similar to contextual performance behaviour?
  - a. organizational citizenship
  - b. job-specific task proficiency
  - c. non-job-specific task proficiency
  - d. organizational culture
  
7. Into which subcategories would you break job performance behaviours?
  - a. competency, contextual, and job-specific behaviours
  - b. task, contextual, and productive behaviours
  - c. task, contextual, and counterproductive behaviours
  - d. job-specific, contextual, and organizational behaviours
  
8. What is the initial step in developing a recruitment action plan?
  - a. Advertise for the position.
  - b. Generate qualified applicants.
  - c. Develop a recruitment strategy.
  - d. Meet current legal requirements.
  
9. If you had 500 applicants for 10 positions, what is the selection ratio?
  - a. 50 percent
  - b. 5 percent
  - c. 2 percent
  - d. 20 percent
  
10. Which term refers to a situation where an employer places an unfit or unqualified person in an employment situation that puts others at an unreasonable risk of harm?
  - a. a hiring liability
  - b. unauthorized hiring
  - c. negligent hiring
  - d. pre-hire favouritism

11. Which concept is referred to as enduring, general traits, or characteristics on which people differ and that they bring to a work situation?
  - a. Aptitudes
  - b. Attributes
  - c. Abilities
  - d. Attitudes
  
12. Which of the following defines an applicant's attempt to create a favourable impression by monitoring interviewer reactions and responding accordingly?
  - a. creating a false impression
  - b. impression management
  - c. organizational fit
  - d. telling interviewers what they want to hear
  
13. In which approach is judgmental data combined statistically?
  - a. the trait rating approach
  - b. the profile interpretation
  - c. the judgmental composite
  - d. the pure judgment approach
  
14. What is the primary advantage of Internet recruiting?
  - a. availability to candidates with technology access and know-how
  - b. reaching a large applicant pool at minimal cost
  - c. fewer concerns about confidentiality
  - d. receiving a large number of résumés
  
15. What type of interview question asks the applicant about their past experiences relative to the job they are being considered?
  - a. hypothetical
  - b. real-life
  - c. situational
  - d. behavioural



**ANSWERS:**

QUESTION	ANSWER	QUESTION	ANSWER
1	c	9	c
2	a	10	c
3	b	11	c
4	c	12	b
5	d	13	a
6	c	14	b
7	c	15	d
8	c		

## SAMPLE APPLICATION QUESTIONS

### 1. What is reliability? Identify three (3) factors affecting reliability.

ANSWER:

*Reliability* is the degree to which observed scores are free from random measurement errors. Reliability is an indication of the stability or dependability of a set of measurements over repeated applications of the measurement procedure. Reliability refers to the consistency of a set of measurements when a testing procedure is repeated on a population of individuals or groups. In terms of testing, it is expected that a test will provide approximately the same information each time it is given to that person.

#### *Factors Affecting Reliability*

- Temporary individual characteristics: if a job candidate is quite ill or anxious, the know-how score may be affected and have a greater error component.
- Lack of standardization: changing the conditions under which measurements are made introduces error in the measurement process. For example, reliability is decreased if different candidates are asked different questions during interviews. If the environment varies in which candidates for the same job are interviewed, it will affect reliability.
- Chance: factors unique to a specific procedure introduce error into the set of measurements. If an employer has interviewed someone previously, he will have a better chance of performing well in an interview with that employer again.

Refer to Recruitment and Selection Today 2.2 on page 41.

### 2. Describe some practical guidelines for HR managers to ensure that recruitment and selection practices are non-discriminatory.

ANS:

Recruitment practices for protected groups (human rights) and designated groups (employment equity) are the main area of focus in non-discriminatory recruitment and selection. The success or failure of recruitment is traced back to three main causes:

- the effectiveness or ineffectiveness of the organization in contacting and communicating with target group members
- the positive or negative perceptions that target group members hold about the organization
- recruitment and selection practices that have an impact on careers or entry to occupations must be defensible with respect to legal requirements. Practitioners are expected to apply solutions that have solid “scientific” grounding. There is a need for better linkages between research and practice in human resources.

Important questions for practitioners to ask include the following:

- Do the procedures I am using result in direct or indirect discrimination?
- If a selection procedure I am using results in direct or indirect discrimination, can I establish a BFOR by showing the following?
  - I am adopting a selection procedure in good faith.
  - The selection procedure cannot be replaced by one that is valid and has less or little adverse impact.
  - The selection procedure is related to job performance or safety.
  - All of those people in the class excluded by the selection procedure are incapable of performing the job or present a sufficient safety risk.
  - Individual testing of class members affected by the rule is impossible or impractical.
  - There are no other reasonable alternatives to that testing.
  - Every attempt has been made to accommodate the unique capabilities and inherent worth and dignity of every individual, up to the point of undue hardship.
- Is the selection procedure a valid predictor of job performance?

Another responsibility of HR staff is to educate other managers about the legal requirements that must be met in recruitment and selection.

Refer to Recruitment and Selection Notebook 3.5—Practices for Nondiscriminatory Recruiting on page 103, and Recruitment and Selection Notebook 3.6—Practices that Promote Positive Recruiting Perceptions on page 104.

### **3. What is a job analysis? What data is included in a job analysis? What are three key considerations in job analysis?**

ANS:

Job analysis refers to the process of collecting information about jobs “by any method or purpose.” Job analysis is a systematic process for gathering, documenting, and analyzing data about the work required for a job. Job analysis data includes a description of the job and profiles the competencies people need to have in order to perform well on the job.

They include the following:

- job identification and context
- job responsibilities and tasks
- KSAOs
- working conditions
- physical and mental effort
- performance standards

Three key points about job analysis are that

1. a job analysis does not refer to a single methodology but rather a range of techniques
2. a job analysis is a formal, structured process carried out under a set of guidelines established in advance
3. a job analysis breaks down a job into its constituent parts, rather than looking at the job as a whole

Refer to Figure 4.1, Overview of Job Analysis Process and Outcomes on page 115 and Recruitment and Selection Notebook 4.7— Guidelines for Conducting A Job Analysis on page 153 and 154.

4. **Social networks are increasingly being used as a powerful recruiting method by employers. What is social networking? As an applicant, what are the advantages and disadvantages of using social networks to apply for a position?**

ANS:

Social networks are Internet sites that allow users to post a profile with a certain amount of information that is visible to the public.

Advantages of social networks:

- A wider variety of information can be posted online to the social network including photos, videos, and other relevant audio-visual information.
- There is no cost to joining a social network.
- The information posted is transparent to the public so other applicants are able to assess their competitors.

Disadvantages of social networks:

- There are concerns about the visibility of information posted to social networks since evidence of age, disability, religion, and so forth are visible to the employer prior to the applicant being selected for an interview. This visibility could be used in a discriminatory manner, which would be difficult to prove.
- Many organizations do not have comprehensive policies on social networks as they are related to recruiting.
- If social networks are the only source of recruiting, it may be detrimental to individuals who are not familiar with this type of recruiting process and they might provide too little or too much information to the potential employer.
- Screening of candidates with social networks only might be unreliable and inaccurate.
- Other social networks such as Facebook might be used to generate evidence against a potential candidate; for example, pictures posted of unacceptable behaviours while on vacation.
- Refer to pages 262 to 264 and Table 6.1 – Comparison of Recruitment Methods



on pages 262 and 263.

**5. Describe privacy issues and/or legislation and their relevance to screening and reference checks.**

ANS:

Privacy legislation sets out how organizations may collect, use, and disclose personal information about employees. Organizations have to ensure consent is given for collecting, using, and disclosing employee personal information; that personal information is collected, used, and disclosed only for reasonable purposes and for the purposes for which it was collected; and that employees must have access to all their personal information. Personal information must be accurate, secure, and kept only as long as reasonable for business or legal reasons.

Before conducting reference checks, applicants' written consent should be obtained, and all reference comments must fall within the scope of permission. The written consent should be worded to allow for comments concerning the individual's work performance. Applicants should be given notice if a company is conducting background checks or making informal inquiries with previous employers. Information requested should be reasonably relevant to the hiring decision and establishing the employment relationship.

Refer to pages 305 to 309.

**6. What do aptitude or ability tests measure? Explain the difference between an ability, skill, and aptitude, providing an example of each. Describe one test and its relationship to employment testing for selection decisions.**

ANS:

Selection programs seek to predict the degree to which job applicants possess the KSAOs related to the job. Many different tests have been developed to measure specific human abilities and aptitudes.

Ability is an enduring, general trait or characteristic on which people differ and that they bring to the work situation (e.g., finger dexterity required to operate a keyboard).

Skill refers to an individual's degree of proficiency or competency on a given task that develops through performing the task (e.g., different skill levels or proficiencies in using a keyboard).

Aptitude is a specific, narrow ability or skill that may be used to predict job performance. (e.g., being able to predict that a job applicant has an aptitude for operating a keyboard based on finger dexterity).

Cognitive ability refers to intelligence, general cognitive or mental ability, or intellectual



ability (e.g., numerical ability, reasoning, memory, and problem solving).

Practical intelligence is knowing how to get things done without the help of others. This can also be characterized as “street smarts” or “common sense.”

Emotional intelligence is a set of abilities that include self-control, zeal and persistence, and the ability to motivate oneself. It is the ability to perceive accurately, appraise, and express emotion; access and/or generate feelings when they facilitate thought; understand emotions and emotional knowledge; and generate emotions to promote emotional and intellectual growth. Daniel Goldman expresses this as the ability to persist in the face of frustration; control impulse and delay gratification; regulate one’s moods; and keep distress from swamping the ability to think, empathize, and hope.

General cognitive or mental ability is thought to be the primary ability among those that make up intellectual capacity. General cognitive ability is thought to promote effective learning. Measures of general cognitive ability (i.e., the ability to learn) are among the most powerful predictors of success in training and job performance for a variety of occupational groups.

Tacit knowledge is knowledge derived from experience when learning is not the primary objective.

Job knowledge is the degree to which a job applicant or employee is knowledgeable about issues or procedures that are essential for successful job performance.

Psychomotor abilities are traits or characteristics that involve the control of muscle movements (e.g., motor coordination)

Physical abilities are traits or characteristics that involve the use or application of muscle force over varying periods of time either alone or in conjunction with an ability to maintain balance or gross body coordination.

Sensory/perceptual abilities are traits or characteristics that involve different aspects of vision and audition, as well as the other senses.

Refer to Recruitment and Selection Notebook 8.3 and pages 328 to 351.



## **Training and Development**

### **Introduction**

In our world of increased global competition, economic challenges, changing technology, and demographic changes, organizations are continually challenged to think about their investment in training and development strategies. *Managing Performance through Training and Development* provides comprehensive and current coverage of training approaches in practice by successful organizations today. By investing in their employees and focusing on enhancing their knowledge, skills, and abilities, an organization can ensure both employee retention and long-term success.

### **Aim of the Course**

The primary aim of this introductory course is to ensure that students develop a comprehensive understanding of how the training and development function fits into both the overall mandate of human resources management and the larger environmental and organizational contexts. A secondary objective of the course is to provide students with the knowledge, skills and abilities to determine training and development needs and then to design, deliver and evaluate the effectiveness of training and development programs in our ever-changing world.

### **Chapters**

- Chapter 1 The Training and Development Process
- Chapter 2 Learning and Motivation
- Chapter 3 The Needs Analysis Process
- Chapter 4 Training Design
- Chapter 5 Off-the-Job Training Methods
- Chapter 6 On-the-Job Training Methods
- Chapter 7 Technology-Based Training Methods
- Chapter 8 Training Delivery
- Chapter 9 Transfer of Training
- Chapter 10 Training Evaluation
- Chapter 11 Training Costs and Benefits
- Chapter 12 Training Programs
- Chapter 13 Management and Leadership Development
- Chapter 14 The Evolution and Future of Training and Development

## What to expect and learn through each chapter

Managing Performance through Training and Development is structured in a manner that follows the sequence of the instructional systems design (ISD) model of training and development: needs analysis, training design and delivery, and training evaluation. The text begins with an overview of the training and development process.

Chapter 1 describes the importance and benefits of training and development for employees, organizations, and society. “Training and development” is defined and presented in the larger context of the performance management process as well as the organization’s external environment, the organizational context, and the HR management system. Chapter 1 also describes the ISD model of the training and development process, which sets the stage for the subsequent chapters.

The focus of Chapter 2 is learning, which is first and foremost what training and development is all about. We believe it is important for students to first understand learning before they begin to learn about training and development. Chapter 2 describes how individuals learn and their motivation to learn. Formal and informal learning, learning outcomes, stages of learning, learning styles, learning theories, adult learning theory, goal-setting theory, and training motivation are described, along with their implications for training and development. The chapter concludes with a model of training effectiveness that shows the variables that influence learning and retention, and how learning and retention are related to individual behaviour, individual performance, and organizational effectiveness. The model is further developed in Chapters 4 & 9.

The training and development process begins with a needs analysis, the focus of Chapter 3. This chapter describes the needs analysis process with particular emphasis on the three levels of needs analysis (organizational, task, and person) and how to determine solutions to performance problems. The chapter also describes the methods and sources of needs analysis and some of the obstacles to conducting a needs analysis.

Chapter 4 describes how to design training and development programs. The chapter begins with an overview of the importance of training objectives and how to write them. The chapter then proceeds to cover the main steps involved in the design of training programs, including whether to purchase or design a training program; requests for proposals; training content; training methods; active practice and conditions of practice; active learning and adaptive expertise; and error-management training. One of the most important steps in the design of a training program is the choice of training methods. Given the vast array of training methods and instructional techniques available, Chapters 5, 6, and 7 are devoted to this topic.

Chapter 5 describes the most frequently used off-the-job instructional methods, including lectures, discussions, case studies, case incidents, behaviour modelling training, role plays, simulations, games, and action learning. Each training method is defined and described, along with tips for trainers. The chapter also describes instructional media and concludes with a discussion of the factors to consider when choosing training methods and the importance of a blended approach.

In Chapter 6, we turn to on-the-job training methods, including job instruction training, performance aids, job rotation, apprenticeship programs, coaching, and mentoring. As in Chapter 5, we define and describe each method and provide tips for trainers. The chapter concludes with a discussion of the advantages and disadvantages of off-the-job and on-the-job training methods.

Chapter 7 is devoted to technology-based training methods. The chapter begins with a definition of technology-based training, followed by a description of computer-based training and e-learning. Distinctions are made between instructor-led training and self-directed learning, and between asynchronous and synchronous training. This is followed by a discussion of online and distance education, electronic performance support systems, the virtual classroom, social media and Web 2.0 technology, mobile (m-) learning, and synthetic learning environments. The chapter then discusses how to design technology-based training programs, their advantages and disadvantages, and the effectiveness of technology-based training methods.

The focus of Chapter 8 is training delivery. The chapter begins with a description of a lesson plan and then describes the main components of a lesson plan, including the trainer, trainees, training materials and equipment, the training site, and scheduling training programs. The chapter also describes the role of ethics in training and development, how to create a climate for learning, Gagné's nine events of instruction, and common training delivery problems and solutions.

One of the biggest problems facing trainers and organizations is the transfer of training, the focus of Chapter 9. The chapter begins with a review of the transfer problem and barriers to transfer, followed by a description of Baldwin and Ford's (1988) model of the transfer process. The chapter then describes strategies that can be undertaken by managers, trainers, and trainees to improve the transfer of training before, during, and after training. The chapter also describes transfer of training interventions, post-training supplements, and the transfer system. Once a training program has been designed and delivered, it needs to be evaluated.

Chapters 10 and 11 are devoted to training evaluation. In Chapter 10, we describe the purpose and barriers of training evaluation and three training evaluation models. The chapter also describes how to measure key variables for training evaluation and the different types of training evaluation designs.

In Chapter 11, the focus shifts to the costs and benefits of training. Chapter 11 describes how to calculate the costs of training programs as well as the benefits (e.g., net benefit, benefit–cost ratio, return on investment, and utility). The importance of the credibility of estimates is also discussed.

Chapters 12 and 13 describe the types of training programs that are provided in organizations. Chapter 12 describes the most common types of training that employees receive, including orientation training, essential skills training, technical and non-technical skills training, information technology training, computer software training, health and safety training, total quality management training, team training, sales training, customer–service training, sexual and racial harassment training, ethics training, diversity training, cross-cultural training, health and wellness training, and mental health training.

Chapter 13 is devoted entirely to management and leadership development. This reflects both its importance to organizations and the large investments made by organizations in the development of management and leadership talent. The chapter begins with definitions of “management” and “management development.” It then describes the core managerial roles and functions, management skills, emotional intelligence, and transactional, transformational, charismatic, and authentic leadership. Models of management skill development are also described, as well as error training for management development and the content and methods of management development programs. The chapter concludes with a discussion of research on the effectiveness of management development.

Finally, Chapter 14 concludes the text with a discussion of the evolution and future of training and development. The chapter begins with a discussion of the evolution of learning in organizations. This is followed by a description of a multilevel systems model of organizational learning that highlights the importance of learning at the individual, group, and organization levels. The changing role of learning professionals is then discussed along with the skills and competencies required by learning professionals today and in the future. The chapter concludes with a review of the main factors that make training and development programs effective.

### **Recommended Textbooks:**

Saks, Alan and Haccoun, Robert, *Managing Performance Through Training and Development*, 8th ed., (2019). Scarborough: Nelson Education Series in Human Resource Management, ISBN: 978-0-17-679807-9,

Noe, Raymond A., *Employee Training & Development*, 8th ed (2020). USA: McGraw–Hill ISBN: 978-1-260-56563-8

## Multiple Choice Sample Questions

1. John Anderson's ACT theory describes learning as a process across three stages. Which of these stages is **NOT** part of the ACT theory?
- a. declarative knowledge
  - b. knowledge compilation
  - c. adaptive knowledge
  - d. procedural knowledge
2. Which of the following is **NOT** a typical step in the needs analysis process?
- a. task analysis
  - b. design and delivery
  - c. andragogy analysis
  - d. Evaluation
3. Which of the following are **NOT** considered on-the-job training methods?
- a. mentoring and coaching
  - b. apprenticeship and job rotation
  - c. performance aid and coaching
  - d. simulation and lecture
4. Which training transfer concept may be described as serving as the ultimate barometer of training effectiveness as it describes how changes in individual behaviour, as a result of training, impact organization-wide results?
- a. horizontal transfer
  - b. vertical transfer
  - c. parallel transfer
  - d. positive transfer
5. What type of training program would you recommend to an organization if the learning outcomes associated with the program were targeting the employee socialization process?
- a. basic company culture training
  - b. orientation training
  - c. new employee training
  - d. cross-cultural training

6. The Association for Talent and Development (ATD) includes ten training and development areas of specific expertise in its competencies framework. Under which of the following would calculating the return on investment of a training program be included?

- a. coaching
- b. managing learning programs
- c. instructional design
- d. evaluating learning impact

7. You are putting together a short report addressing why many training programs are poorly evaluated by organizations beyond Kirkpatrick's "level one." Which of the following is **NOT** likely to be in your report?

- a. most training managers have been trained on how to properly evaluate programs and senior management often request it
- b. management does not request training evaluation and does not provide funding for it
- c. trainers and human resource departments (HR) may not be interested in the results, as outcomes may reflect poorly on the HR department
- d. lack of time for training evaluation

8. Carlos is very much aware his mood will have an impact on his ability to lead his human resource team effectively. What is Carlos displaying?

- a. emotional intelligence
- b. intellectual intelligence
- c. political intelligence
- d. social intelligence

9. Which of the following statements regarding training objectives is true?

- a. training objectives are done without direct connection to the needs analysis
- b. training objectives should be written prior to designing a training program
- c. training objectives tend to be broad in language so as to provide the trainer with flexibility
- d. training objectives do not address standards of performance but do emphasize the conditions of performance

10. What is the term for the process of establishing performance expectations, designing interventions and programs to improve performance, and monitoring the success of interventions and programs?

- a. performance review
- b. performance management
- c. performance evaluation
- d. performance system

### Answers for Multiple Choice Questions

- 1. C
- 2. C
- 3. D
- 4. B
- 5. B
- 6. D
- 7. A
- 8. A
- 9. B
- 10. B

### Sample Short Answer Questions

1. List and briefly describe the five general categories of learning outcomes identified by Gagné. Provide an example of each.

**Answer:** The five categories are:

- 1. verbal information – facts, knowledge, principles, and information, also called declarative knowledge;
- 2. intellectual skills – learning concepts, rules, and procedures, also called procedural knowledge;
- 3. cognitive strategies – application of information and techniques and knowing how and when to use them;
- 4. motor skills – physical movement that involves the use of muscles; and
- 5. attitudes – preferences and internal states as a result of our beliefs and feelings.

2. Compare and contrast the advantages and disadvantages of developing training programs internally versus purchasing packaged programs.

**Answer:** Internally developed programs have advantages in terms of security and confidentiality, the use of the organization's language, and the incorporation of its values. In addition, internally developed programs can take advantage of internal content expertise, the understanding of the specific target audience of the training, as well as having pride and credibility as a result of having a customized program. Purchased or externally developed training programs may have quality advantages, are usually available immediately (or at least more quickly), may include ancillary features such as videos and tests, and may be less expensive than internally developed programs. In addition, purchased programs may also be able to be customized to provide some of the advantages of internally developed programs.

3. a) List at least six barriers to transfer of training.

b) Identify potential strategies organizations can use to mitigate the six barriers you have identified. You may use an example

**Answer:**

a)

1. immediate manager does not support the training,
2. the culture in the work group does not support the training,
3. no opportunity exists to use the skills,
4. no time is provided to use the skills,
5. skills could not be applied to the job,
6. the systems and processes did not support the skills,
7. the resources are not available to use the skills,
8. skills no longer apply because of changed job responsibilities,
9. skills are not appropriate in our work unit,
10. (did not see a need to apply what was learned,
11. (old habits could not be changed, and
12. (reward systems don't support new skills.

b) Responses here will vary depending on which barriers students have identified. As an example, if a student identified number 12 as a barrier, a potential answer could be as follows:

Management must ensure the reward systems support the new behaviours, otherwise it is unlikely transfer will happen. For example, if the training targeted creative thinking then management must encourage it explicitly when employees demonstrate creative thinking that is aligned with training content