PART ONE	INTRODUCTION
C H A P T E R	**T h r e e**

Human Resource Strategy and Performance

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In Brief: This chapter explains how to design and develop an HR system that supports the company's strategic goals. It explains the strategic management process, what strategic HR management is, HR metrics, high-performance work systems, and employee engagement. It discusses how to create a strategy-oriented HR system.

Interesting Issues: The human resource function today continues to play an increasingly visible role in the strategic planning and management process, requiring a new level of skill and competency among HR professionals. HR managers must develop measureable strategies that convincingly showcase HR's impact on business performance. Successful human resource managers have adopted a perspective that focuses on how their departments can play a central role in implementing the firm's strategy.

I. The Strategic Management Process

A. The Basic Management Planning Process — The basic managerial planning process involves setting goals, making basic planning forecasts, reviewing alternative courses of action, evaluating which options are best, and then choosing and implementing your plan. A plan shows the course of action for getting from where you are to the goal. Planning is always goal-directed.

  1. Policies and Procedures — Policies and procedures provide the day-to-day guidance employees need to do their jobs in a manner that is consistent with the company's plans and goals. Procedures spell out what to do if a specific situation arises.

B. What Is Strategic Planning? — A strategic plan is the company's overall plan for how it will match its internal strengths with its external opportunities and threats in order to maintain a competitive position. The strategic planner asks, "Where are we now as a business, where do we want to be, and how should we get there?" A strategy is a course of action. Strategic management is the process of identifying and executing the organization's strategic plan, by matching the company's capabilities with the demands of the environment.

C. The Strategic Management Process — The seven-step process involves 1) asking "where are we now"? 2) evaluating the firm's internal and external strengths, weaknesses, opportunities, and threats, 3) formulating a new business direction, 4) deciding on strategic goals, and 5) choosing specific strategies or courses of action. Steps 6) and 7) entail implementing and then evaluating the strategic plan.

D. Types of Strategies — A corporate-level strategy identifies the portfolio of businesses that comprise the company and how these businesses relate to one another. Concentration, diversification, vertical integration, consolidation, and geographic expansion are all examples of corporate-level strategies. A competitive strategy identifies how to build and strengthen the business's competitive position in the marketplace. Managers build their competitive strategies around their businesses' competitive advantage—any factors that allow a company to differentiate its product or service from those of its competitors to increase market share. Examples of competitive strategies include cost leadership differentiation, and focus. Functional strategies identify what each department must do to help the business accomplish its competitive goals.

E. Managers' Roles in Strategic Planning — Devising a strategic plan is top management's responsibility. However, top executives rarely formulate strategic plans without the input of lower-level managers. Few people know as much about the firm's competitive pressures, vendor capabilities, product and industry trends, and employee capabilities and concerns as the company's department managers do.

II. Strategic Human Resource Management

A. What Is Strategic Human Resource Management? — Strategic HR management means formulating and executing human resource policies and practices that produce the employee competencies and behaviors the company needs to achieve its strategic aims.

B. Sustainability and Strategic Human Resource Management — This means achieving financial performance while also achieving human sustainability, environmental sustainability, and talent sustainability.

C. Strategic Human Resource Management Tools — Managers use several tools to translate the company's broad strategic goals into human resource management policies and practices. Three important tools include the strategy map, the HR scorecard, and the digital dashboard.

　　1. Strategy Map — The strategy map summarizes how each department's performance contributes to achieving the company's overall strategic goals. It helps the manager and each employee visualize and understand the role his or her department plays in achieving the company's strategic plan.

　　2. The HR Scorecard — The HR scorecard is not a scorecard. It refers to a process for assigning financial and nonfinancial goals or metrics to the human resource management–related strategy map chain of activities required for achieving the company's strategic aims.

　　3. Digital Dashboards — A digital dashboard presents the manager with desktop graphs and charts, showing a computerized picture of how the company is doing on all metrics from the HR Scorecard process.

III.　HR Metrics and Benchmarking

A. Types of Metrics — Human resource managers use many measures. A human resource metric is the quantitative gauge of a human resource management activity such as employee turnover, hours of training per employee, or qualified applicants per position.

B. Benchmarking — We must know "How are we doing?" in relation to something. You may also want to benchmark your results—compare high-performing companies to your own, to understand what makes them better.

C. Strategy and Strategy-Based Metrics — Managers use strategy-based metrics to measure the extent to which HR practices are supporting the company's strategic goals.

D. Workforce/Talent Analytics— Employers use workforce analytics (or "talent analytics") software applications to analyze their human resources data and to draw conclusions from it.

E. Data Mining — Data mining sifts through huge amounts of employee data to identify correlations that employers then use to improve their employee selection and other practices. Data mining is "the set of activities used to find new, hidden, or unexpected patterns in data."

F. Using HR Audits — The HR audit generally involves reviewing the company's human resource function (recruiting, testing, training, and so on), usually using a checklist, as well as ensuring that the firm is adhering to regulations, laws, and company policies. HR audits vary in scope and focus. Typical areas audited include the following:

1. Roles and head count (including job descriptions, and employees categorized by exempt/ nonexempt and full- or part-time).
2. Compliance with federal, state, local employment-related legislation.
3. Recruitment and selection (including use of selection tools, background checks, and so on).
4. Compensation (policies, incentives, survey procedures, and so on).
5. Employee relations (union agreements, performance management, disciplinary procedures, employee recognition).
6. Mandated benefits (Social Security, unemployment insurance, workers' compensation, and so on).
7. Group benefits (insurance, time off, flexible benefits, and so on).
8. Payroll (such as legal compliance).
9. Documentation and record keeping. For example, do our files contain information including résumés and applications, offer letters, job descriptions, performance evaluations, benefit enrollment forms, payroll change notices and documentation related to personnel actions such as employee handbook acknowledgments?
10. Training and development (new employee orientation, workforce development, technical and safety, career planning, and so on).
11. Employee communications (employee handbook, newsletter, recognition programs).
12. Termination and transition policies and practices.

G. Evidence-Based HR and the Scientific Way of Doing Things — Means using data, facts, analytics, scientific rigor, critical evaluation, and critically evaluated research/case studies to support human resource management proposals, decisions, practices, and conclusions.

IV.   **Building High-Performance Work Systems**

A. A high-performance work system (HPWS) is a set of human resource management policies and practices that together produce superior employee performance.

B. High-Performance Human Resource Policies and Practices — High-performance work systems' policies and practices differ from less productive ones. Companies with HPWS use HR metrics, have large applicant pools, use validated assessment tests, provide extensive training for employees, and aspire to encourage employee involvement and self-management.

V.   **Employee Engagement and Organizational Performance**

A. Employee engagement refers to being psychologically involved in, connected to, and committed to getting one's jobs done.

B. Why Is Employee Engagement Important? — It drives performance and productivity.

C. The Employee Engagement Problem — Depending on the study, only about 21–30% of employees nationally are engaged.

D. What Can Managers Do to Improve Employee Engagement? — Managers can provide supportive supervision and can also make sure employees 1) understand how their departments contribute to the compoany's success, 2) see how their own efforts contribute to achieving the company's goals, and 3) get a sense of accomplishment from working at the firm.

E. How to Measure Employee Engagement — Gallup, Towers Watson, and other vendors offer comprehensive employee engagement surveys services.

VI.   Employee Engagement Guide for Managers

A. How Kia Motors (UK) Improved Performance with an HR strategy Aimed at Boosting Employee Engagement — Kia was not always a successful automobile manufacturer.

B. The Challenges — Kia UK faced rapidly falling sales, increased financial losses, and low levels of emlployee engagement. Employee turnover was at 31%.

C. The New Human Resources Management Strategy — A new HR director developed a new employee engagement strategy to improve employee morale and address the high levels of employee turnover.

D. The Results — Employee surveys of employee engagement and of line managers' communications and other behaviors improved markedly. Employee turnover fell to 15% in 2007, to 5% in 2008, and to below 2% by the end of 2009.

KEY TERMS	

Strategic plan	The company's plan for how it will match its internal strengths and weaknesses with external opportunities and threats in order to maintain competitive advantage.
Strategy	A course of action the company can pursue to achieve its strategic aims.
Strategic management	The process of identifying and executing the organization's strategic plan by matching the company's capabilities with the demands of its environment.
Mission statement	Summarizes what the company's main tasks are today.
Corporate-level strategy	Type of strategy that identifies the portfolio of business that in total, comprise the company and the ways in which these businesses relate to each other.

Competitive strategy	A strategy that identifies how to build and strengthen the business's long-term competitive position in the marketplace.
Competitive advantage	Any factors that allow an organization to differentiate its product or service from those of its competitors to increase market share.
Functional strategy	A department's functional strategy identifies what the department must do in terms of specific departmental policies and practices to help the business accomplish its competitive goals.
Strategic human resource management	Formulating and executing human resource policies and practices that produce the employee competencies and behaviors the company needs to achieve its strategic aims.
Strategy map	A strategic planning tool that shows the "big picture" of how each department's performance contributes to achieving the company's overall strategic goals.
HR Scorecard	A process for assigning financial and nonfinancial goals to the human resource management–related chain of activities required for achieving the company's strategic aims and for monitoring results.
Digital dashboard	Presents the manager with desktop graphs and charts thus presenting a computerized picture of where the company stands on all the metrics from the HR Scorecard process.
Human resource metric	The quantitative gauge of a human resource management activity such as employee turnover, hours of training per employee, or qualified applicants per position.
Strategy-based metrics	Metrics that specifically focus on measuring the activities that contribute to achieving a company's strategic aims.
HR Audit	An analysis by which an organization measures where it currently stands and determines what it has to accomplish to improve its HR function.
High-performance work system	A set of human resource management policies and practices that promote organizational effectiveness.

DISCUSSION QUESTIONS

3-1. **Give an example of hierarchical planning in an organization.** (LO 3.1: Explain, with examples, each of the steps in the strategic management process.)
This item can be assigned as a Discussion Question in MyLab Management. Student responses will vary.

3-2. **Define and give at least two examples of the cost leadership competitive strategy and the differentiation competitive strategy.** (LO 3.1: Explain, with examples, each of

the steps in the strategic management process.) The *cost leadership competitive strategy* means that the enterprise aims to become the low-cost leader in an industry. For example, stores such as Staples and Office Max maintain their competitive advantage by selling large quantities of office products at low prices. Airlines such as Southwest offer low fares in addition to quick turnarounds at the gate. Walmart's slogan is "Low Prices Always."

In a *differentiation competitive strategy*, firms seek to be unique in their industry along dimensions that are widely valued by buyers. For example, Ocean Spray Cranberries charges a premium price for its juices, stressing premium high-quality ingredients. Visa differentiates itself by being accepted universally as a form of payment where other credit cards are not.

3-3.   **What is a high-performance work system? Provide several specific examples of the typical components in a high-performance work system.** (LO 3.4: Answer the question "What are high-performance work systems?" and give examples of how they differ from non-high-performance ones.)
This item can be assigned as a Discussion Question in MyManagementLab. Student responses will vary.

3-4.   **Explain why strategic planning is important to all managers.** (LO 3.1: Explain, with examples, each of the steps in the strategic management process.) The human resource function today continues to play an increasingly visible role in the strategic planning and management process. The HR function requires a new level of skill and competency among HR professionals. HR managers must develop measureable strategies that convincingly showcase the impact of HR on business performance. Successful human resource managers have adopted a perspective that focuses on how their departments can play a central role in implementing strategy. While strategic planning is broad and long ranged in nature, managers must be able to translate such goals into practical and actionable items in their departments or business units.

3-5.   **Explain with examples each of the seven steps in the strategic planning process.** (LO 3.1: Explain, with examples, each of the steps in the strategic management process.) First, define the current business and mission of the organization. The logical place to start is by defining one's current business. What products do we sell, where, and how do our products or services differ from our competitors? Second, perform external and internal audits by asking, "Are we heading in the right direction?" Third, formulate a new direction then ask, "What should our new business be?" Translate the mission into goals. Then, translate the mission into strategic objectives. Fourth, translate the desired new direction into strategic goals. Fifth, formulate strategies to achieve the strategic goal. The role of the manager in the process is to choose courses of action that will enable the company to achieve its strategic goals. Sixth, implement the strategy. Strategy execution means translating the strategies into action and trying them out. Finally, evaluate performance. Things don't always turn out as planned. At this point, the strategies are tested against reality. If changes are needed, the entire process may be repeated from an earlier step.

3-6.   **List, with examples, the main generic types of corporate strategies and competitive strategies.** (LO 3.1: Explain, with examples, each of the steps in the strategic management process.) There are two generic types of competitive strategies. The *cost leadership competitive strategy* means that the enterprise aims to become the low-cost leader in an industry. For example, stores such as Staples and Office Max maintain their competitive advantage by selling large quantities of office products at low prices. Airlines such as Southwest offer low fares in addition to quick turnarounds at the gate.

In a *differentiation competitive strategy*, firms seek to be unique in their industry along dimensions that are widely valued by buyers. For example, Ocean Spray Cranberries charges a premium price for its juices, stressing premium high-quality ingredients. Visa differentiates itself by being accepted universally as a form of payment where other credit cards are not.

There are five basic corporate strategies: concentration, diversification, vertical integration, consolidation, and geographic expansion.

In a concentration (single-business) corporate strategy, the company offers one product or product line, usually in one market. The WD-40 Company (which makes a spray hardware lubricant) is one example.

A diversification corporate strategy means the firm will expand by adding new product lines. PepsiCo is diversified. For example, over the years, PepsiCo added Frito-Lay chips and Quaker Oats.

A vertical integration strategy means the firm expands by, perhaps, producing its own raw materials, or selling its products direct. Thus, Apple opened its own Apple stores.

With a consolidation strategy, the company reduces its size.

With geographic expansion, the company grows by entering new territorial markets, for instance, by taking the business abroad.

3-7.   **Define and give several examples of strategic human resource management.** (LO 3.2: Define strategic human resource management, and give examples of strategic human resource management in practice.) Strategic human resource management means formulating and executing human resource policies and practices that produce the employee competencies and behaviors the company needs to achieve its strategic aims. The basic process of strategic human resource management is simple. First, decide what the strategic goals are, then identify the employee skills and behaviors that achieving these goals require, and then, formulate human resource management policies and practices that will produce these required employee skills and behaviors. For example, FedEx hires, trains, and rewards a diverse workforce. One of FedEx's strategic aims is to achieve superior levels of customer service through a highly committed workforce. FedEx's human resource strategies stem from this aim. They include building two-way communications, screening out potential managers whose values are not people-oriented, guaranteeing fair treatment and employee security, and utilizing promotion-from-within to give employees opportunities to realize their potential.

INDIVIDUAL AND GROUP ACTIVITIES

3-8.   **With three or four other students, form a strategic management group for your college or university. Your assignment is to develop the outline of a strategic plan for the college or university. It should include such things as mission and vision statements; strategic goals; and corporate, competitive, and functional strategies. In preparing your plan, make sure to show the main strengths, weaknesses, opportunities, and threats the college faces, and identify which prompted you to develop your particular strategic plans.** (LO 3.1: Explain, with examples, each of the steps in the strategic management process.) Look for students to prepare a well-developed mission and vision statement, making sure that they are clearly differentiated from each other with the vision being future focused, articulating the desired state, with the mission supporting the vision, describing "who we are, what we do, and where we are

headed." Use this exercise as an opportunity to discuss the problems that may be created by not clearly defining the mission and vision, as well as the strengths, weaknesses, opportunities, and threats.

3-9.   **Using the Internet or library sources, analyze the annual reports of at least five companies. Bring to class examples of how those companies say they are using their HR processes to help the company achieve its strategic goals.** (LO 3.2: Define strategic human resource management, and give examples of strategic human resource management in practice.) In class, facilitate a discussion on how effective students believe the HR processes each company is using to support the strategic goals. Challenge students to come up with additional ideas for other approaches for using the HR processes and how they would go about implementing them, noting the specific challenges of each.

3-10.   **Interview an HR manager and write a short report on "The Strategic Roles of the HR Manager at XYZ Company."** (LO 3.2: Define strategic human resource management, and give examples of strategic human resource management in practice.) Instruct students to follow the model outlined in this chapter for the steps in the strategic management process, and HR's role in strategy execution and strategy formulation.

3-11.   **Using the Internet or library resources, bring to class and discuss at least two examples of how companies are using an HR scorecard to help create HR systems that support the company's strategic aims. Do all managers seem to mean the same thing when they refer to HR scorecards? How do they differ?** (LO 3.3: Explain, with examples, why metrics are important for managing human resources.) Students should find a variety of examples of HR scorecards. The differences in the scorecards will likely highlight the differing strategies of the organizations.

3-12.   **Possibly in teams of several students, choose a company for which you will develop an outline of a strategic HR plan. What seem to be this company's main strategic aims? What is the firm's competitive strategy? What would the strategic map for this company look like? How would you summarize your recommended strategic HR policies for this company?** (LO 3.1: Explain, with examples, each of the steps in the strategic management process.) For each example, ask students to comment on how effective they believe the measures that were selected by the company are in terms of allowing the company to achieve the strategic aims and their competitive strategy. Some data across several years will be necessary to support the students' claims. Challenge students to critique the strategic map and how it could be improved to measure strategically relevant organizational outcomes, workforce competencies and behaviors, and HR system policies and activities.

3-13.   **For this activity, you will need the documents titled (1) "HRCI PHR® and SPHR® Certification body of Knowledge" and (2) "About the Society for Human Resource Management (SHRM) Body of Competency and Knowledge™ Model and Certification Exams." Your instructor can obtain these documents from the Pearson Instructor Resource Center and pass them on to you. These documents list the knowledge someone studying for the HRCI or SHRM certification exam needs to have in each area of human resource management (such as in Strategic Management and Workforce Planning). In groups of several students, do four things: (1) review the HRCI and/or SHRM documents; (2) identify the material in this chapter that relates to the required knowledge the appendix lists; (3) write four multiple-choice exam questions on this material that you believe would be suitable for inclusion in the HRCI exam; and (4) if time permits, have someone from your team post your team's questions in front of the class, so the students in other teams can take each other's exam questions.** (Covers all learning objectives) The material in this chapter that relates to the HRCI certification exam includes strategic

planning, types of strategies, human resource strategies and policies, and HR metrics and benchmarking. A sample question, answer, and explanation is available from http://www.certgear.com/products/preview/sphr_certification/index.html. Multiple-choice questions should reflect material in this chapter and should have answer choices that could appear plausible.

Students can find the following assisted-graded writing questions at **MyLab Management (www.pearson.com/mylab/management)**:

3-14. **What is the difference between a strategy, a vision, and a mission? Give one example of each.** (LO 3.1: Explain, with examples, each of the steps in the strategic management process.)

3-15. **Explain how human resource management can be instrumental in helping a company create a competitive advantage**. (LO 3.2: Define strategic human resource management, and give examples of strategic human resource management in practice.)

APPLICATION EXERCISES

HR in Action Case Incident 1: Siemens Builds a Strategy-Oriented HR System

3-16. **Based on the information in this case, provide examples, for Siemens, of at least four strategically required organizational outcomes, and four required workforce competencies and behaviors.** (LO 3.1: Explain, with examples, each of the steps in the strategic management process.) Strategically required organizational outcomes would be the following: 1) an employee selection and compensation system that attracts and retains the human talent necessary to support global diversification into high tech products and services; 2) a "learning company" in which employees are able to learn on a continuing basis; 3) a culture of global teamwork that will develop and use all the potential of the firm's human resources; 4) a climate of mutual respect in a global organization. Workforce competencies and behaviors could include 1) openness to learning; 2) teamwork skills; 3) cross-cultural experience; 4) openness, respect, and appreciation for workforce diversity.

3-17. **Identify at least four of the strategically relevant HR system policies and activities that Siemens has instituted in order to help human resource management contribute to achieving Siemens' strategic goals.** (LO 3.2: Define strategic human resource management, and give examples of strategic human resource management in practice.) The four policies and activities are: 1) training and development activities to support continuous learning through a system of combined classroom and hands-on apprenticeship training to support technical learning; 2) continuing education and management development to developing skills necessary for global teamwork and appreciation for cultural diversity; 3) enhanced internal selection process that includes prerequisites of cross-border and cross-cultural experiences for career advancement; 4) organizational development activities aimed at building openness, transparency, fairness, and supporting diversity.

3-18. **Provide a brief illustrative outline of a strategy map for Siemens**. (LO 3.2: Define strategic human reosource management, and give examples of strategic human resource management in practice.)
Metrics could include things such as:
1. Level of organizational learning:

      a.   Number of hours of technical training per employee (classroom and hands-on)

      b.   Number of hours of education management development

2. Level of cross-cultural team work

      a.   Number of employees assigned to roles including cross-border and cross-cultural experiences

      b.   Survey results measuring employee climate on dimensions of teamwork, openness, transparency, fairness, diversity

3. Extent to which the employees can describe the company's core values

4. Effectiveness of selection process for identifying high-quality candidates—number of qualified candidates per position, turnover, and retention statistics.

HR in Action Case Incident 2: Carter Cleaning Company: The High-Performance Work System

3-19. **Would you recommend that the Carters expand their quality program? If so, specifically what form should it take?** (LO 3.4: Answer the question "What are high-performance work systems?" and give examples of how they differ from non-high-performance ones.)

There are several opportunities for Carters if they choose to expand their quality program. While the workers are not highly paid, giving them ownership in the quality process would likely lead to a higher level of employee engagement. Carters should consider several practical managerial actions that can foster employee engagement, including making sure employees 1) understand how their departments contribute to the company's success, 2) see how their own efforts contribute to achieving the company's goals, and 3) get a sense of accomplishment from working at the company.

3-20. **Assume the Carters want to institute a high-performance work system as a test program in one of their stores. Write a one-page outline summarizing important HR practices you think they should focus on.** (LO 3.4: Answer the question "What are high-performance work systems?" and give examples of how they differ from non-high-performance ones.)

There are several practices that Carters could focus on to institute a high-performance work system. First, they should look at their recruitment practices to identify methods to recruit more quality candidates. They should begin hiring based on valid selection tests and expand their training program. Finally, they should use human resource metrics to measure their results.

EXPERIENTIAL EXERCISE

Experiential Exercise: Developing an HR Strategy for Starbucks

Purpose: The purpose of this exercise is to give you experience in developing an HR strategy, in this case by developing one for Starbucks**.**

Required Understanding: You should be thoroughly familiar with the material in this chapter.

How to Set Up the Exercise: Set up groups of three or four students for this exercise. You are probably already familiar with what it's like to have a cup of coffee or tea in a Starbucks coffee shop, but if not, spend some time in one prior to this exercise. Meet in groups and develop an outline for an HR strategy for Starbucks Corp. Your outline should include four basic elements: a basic business/competitive strategy for Starbucks; workforce requirements (in terms of employee competencies and behaviors) this strategy requires; specific HR policies and the activities

necessary to produce these workforce requirements, and suggestions for metrics to measure the success of the HR strategy.

Students' responses may vary but should include an outline that has four basic elements including:

1. Defining Starbucks' basic business/competitive strategy: Students might observe that Starbucks serves high quality products by well-trained workers. They might also describe the kind of atmosphere Starbucks maintains in order to create a welcoming environment where people choose to meet others.
2. Workforce requirements: The responses here will vary based on the kind of strategy identified, however, most likely the students will identify characteristics such as a customer-service mentality and problem-solving ability.
3. Specific HR practices: Students should identify and describe practices related to recruiting, selecting, and training workers.
4. HR metrics: The metrics recommended should measure those requirements identified above.

WEB-e's (Web Exercises)

1. **From Internet sources such as www.tripadvisor.com as well as other sources, how does The Portman Ritz-Carlton, Shanghai, seem to be performing in providing customer service? What specific information can you find that relates the Portman's HR practices to the quality of service at the hotel?** By reading the online reviews and other sources of information on the hotel, students will gain an understanding of what the hotel employees do well and what they need improvement on. As students explore the ratings, they can find themes in performance. For example, they might find that the employees provide good customer service. This would provide evidence of effective HR practices such as recruitment, training, and compensation.

2. **In 2009, Comcast Cable announced it was buying NBC/Universal to combine its own cable delivery business with NBC's content. Many thought the acquisition was ill conceived, in part because the "content" employees' culture might differ from that of the cable employees' culture. Some of the concerns are illustrated at http://arstechnica.com/tech-policy/news/2010/02/congress-told-that-comcastnbc-merger-a-big-crapshoot.ars. Use other Internet sources to answer this question: How different are the two companies' cultures and how would you as CEO overcome those differences?** Many of the differences with the cultures lie with the different strategies of the two companies. Students should find some of these differences to help explain the cultural clashes that could occur. The CEO plays a critical role in merging the two cultures and ensuring the workers are productive moving forward. It would be helpful for the CEO to engage a consulting firm with merger expertise. Emphasis should be on HR practices such as retention strategies and compensation systems. The CEO must also have a clear communication strategy related to the merger.

ADDITIONAL ASSIGNMENTS

1. **What are strategies an organization can use to increase employee engagement?** (LO 3.5: Answer the question (with examples) "Why is employee engagement important?") It is important to provide supportive supervision by ensuring employees 1) understand how their departments contribute to the compoany's success, 2) see how their own efforts contribute

to achieving the company's goals, and 3) get a sense of accomplishment from working at the firm. Beyond the supportive supervision, the steps the employer takes depends on the issues at the company. The six steps taken by Kia set an effective roadmap. These include 1) set measurable objectives, 2) provide leadership development, 3) institute new employee recognition programs, 4) improve internal communications, 5) implement an employee development program, or 6) make changes to compensation and other related policies.

2. **What HR metrics could you use to evaluate the effectiveness of the employee engagement initiative?** (LO 3.5: Answer the question (with examples) "Why is employee engagement important?") The metrics used depend on the objectives set in the program. Measures related to employee turnover rates and productivity would likely be useful. Benchmarking against competitors or others in the industry can help identify reasonable goals. Finally, using measurement tools such as employee engagement surveys developed by firms such as Gallup can help measure the effectiveness of an employee engagement initiative.