

Introduction

The purpose of this book is to assist you in preparing to take and pass the Senior Professional in Human Resources (SPHR) examination. The SPHR is generally recognized as the highest level of certification available to the HR professional and is a symbol and credential indicating mastery of the domestic body of knowledge of the profession.

The Society for Human Resource Management (SHRM), through its affiliate, the Human Resource Certification Institute (HRCI), has determined that the HR body of knowledge consists of six functional areas:

- ▶ Strategic Management
- ▶ Workforce Planning and Employment
- ▶ Human Resource Development
- ▶ Total Rewards
- ▶ Employee and Labor Relations
- ▶ Risk Management

This book has been written around those six functional areas with a major chapter devoted to each area. To the extent possible, the material presented in this book is weighted toward its relative importance as indicated by the percentage of questions on the SPHR exam that covers each functional area. In other words, there is more material on Strategic Management, Workforce Planning and Employment, Human Resource Development, and Employee and Labor Relations, which collectively compose about 80% of the test questions, as opposed to Total Rewards and Risk Management, which represents only about 20% of the examination test items. However, frequently a question in one functional area, Strategic Management for example, incorporates concepts from another functional area. Consequently, some chapters might be longer than would be indicated based on their coverage in the test because certain underlying knowledge is necessary. However, the practice exam has been written to duplicate the actual number of questions from each functional area that are contained in the actual SPHR test.

The SPHR candidate should not only understand the technical information and HR practices associated with each area but also be able to integrate that knowledge and practice from multiple areas into viable HR strategy. An understanding of the interdependence of the various functional areas is required. Although the book contains a huge amount of material, some of the technical minutia has been left out. The SPHR is not a day-to-day tactical operative, but understands and is responsible for strategic programmatic planning and direction. To that end, interspersed throughout the text

are discussions of the potential strategic implications of decisions and activities in the functional areas.

The HR professional lives in a dynamic world of change. Certification is only the beginning. New challenges confront the professional on a daily basis. Constant study and engagement with the larger body of HR professionals is the only way to keep current in the evolving, often turbulent world of the profession. Active involvement in professional organizations such as SHRM is a big step to maintaining your competency.

I congratulate you on your decision to sit for the SPHR examination and hope that this book is of major assistance in achieving your goal of joining a very elite group of HR professionals who are certified as Senior Professionals in Human Resources.

How This Book Helps You

This book gives a self-guided tour of all the areas that are covered by the SPHR exam. The goal is to teach you the specific skills and knowledge you need to achieve your SPHR certification. You'll also find helpful hints, tips, examples, exercises, and references to additional study materials.

Organization

As mentioned earlier, this book is organized around the six functional areas of the HR body of knowledge. Each functional area has a full chapter of coverage and the book also includes the following features:

- ▶ The “Study and Exam Prep Tips” section helps you develop study strategies. It also provides you with valuable exam-day tips and information. You should read it early on.
- ▶ Each chapter starts with a list of objectives that are covered in that chapter.
- ▶ Each chapter also begins with an outline that provides an overview of the material for that chapter as well as the page numbers where specific topics can be found.
- ▶ Each objective is repeated in the text where it is covered in detail.

Instructional Features

This book is designed to provide you with multiple ways to learn and reinforce the exam material. Here are some of the instructional features you'll find inside:

- ▶ **Objective explanations** As mentioned previously, each chapter begins with a list of the objectives covered in the chapter. In addition, each objective has a detailed explanation that describes that objective in the context of the larger functional area.
- ▶ **Study strategies** Each chapter offers a selected list of study strategies: exercises to try or additional material to read that will help you learn and retain the material in the chapter.

- ▶ **Exam Alerts** Exam Alerts provide specific exam-related advice. Exam Alerts address what material is likely to be covered (or not covered) on the exam, how to remember it, or particular exam quirks.
- ▶ **Chapter summaries** Crucial information is summarized, at various points in the book, in lists of key points you need to remember. Each chapter ends with an overall summary of the material covered in that chapter as well.
- ▶ **Key terms** A list of key terms appears at the end of each chapter.
- ▶ **Notes** Notes provide useful information, such as tips on technology, historical background, side commentary, or notes on where to go for more detailed coverage of a particular topic.
- ▶ **Exercises** Found at the end of each chapter in the “Apply Your Knowledge” section, the exercises include chances to practice the skills that you learned in the chapter.

Extensive Practice Test Options

The book provides numerous opportunities for you to assess your knowledge and practice for the exam. The practice options include the following:

- ▶ **Review questions** These open-ended questions appear in the “Apply Your Knowledge” section at the end of each chapter. They allow you to quickly assess your comprehension of what you just read in the chapter. The answers are provided later in the section.
- ▶ **Exam questions** These questions appear in the “Apply Your Knowledge” section. They reflect the kinds of multiple-choice questions that appear on the SPHR exam. You should use them to practice for the exam and to help determine what you know and what you might need to review or study further. Answers and explanations are provided later in the section.
- ▶ **Practice exam** The “Final Review” section includes a complete exam that you can use to practice for the real thing. The “Final Review” section and the practice exam are discussed in more detail later in this introduction.
- ▶ **MeasureUp** The MeasureUp software included on the CD-ROM provides further practice questions.

Final Review

The “Final Review” section of the book provides a valuable tool for preparing for the exam:

- ▶ **Practice exam** A full practice test for the exam is included in this book. Questions are written in the style and format used on the actual SPHR exam. You should use the practice exam to assess your readiness for the real thing.

This book includes several valuable appendixes, including details about the content of the CD-ROM (Appendix A) and a glossary of terms and definitions used throughout the book (Appendix B).

These and all the other book features mentioned previously will provide you with thorough preparation for the exam.

Objectives Matrix

Unit/Objective/Subobjective	
Strategic Planning	
Gain an Understanding of the Profession of HR	38
Understand the history of HR	39
Understand the various roles HR fulfills	39
Be familiar with the various professional associations allied with the HR function	42
Understand the relationship between the functions of management and the roles of HR	44
Understand the evolving issues affecting HR and their strategic significance	45
Understand project planning and project management	48
Understand the outsourcing process and management of outsourced programs and outsourcing vendors	53
Understand the impact of technology on the practice of HR	56
Gain an Understanding of the Strategic Planning Process	61
Understand the four-step strategic planning process	61
Understand HR strategic planning and its relationship to the organizational strategic plan	65
Gain an Understanding of the Environmental Scanning Process	66
Understand the components of the environment and the impact they have on strategic planning	66
Understand the environmental scanning process and its outcomes	69
Gain an Understanding of Organizations	70
Understand the common function components of organizations	71
Understand basic financial statements and financial ratios	72
Understand the four P's of marketing	80
Understand the six elements of organizational structure	84
Understand various types of organizational models and their alignment with organizational strategy	88
Gain an Understanding of Measuring HR Effectiveness	93
Understand the HR audit and its purposes and outcomes	93
Understand the concept of the balanced scorecard and HR scorecard and their implications for aligning organizational members with the organizational strategy	94
Understand various types of metrics and their usage	95
Understand the scientific method	99
Understand basic statistical concepts	99
Gain an Understanding of the Role of HR in Organizational Ethics	109
Understand common ethical issues	110
Understand the components of effective workplace ethics programs	113

Unit/Objective/Subobjective	
Strategic Planning	
Understand concepts associated with organizational social responsibility	114
Gain an Understanding of the Legislative Environment	115
Understand the legislative process	115
Understand how to communicate effectively with legislators and monitor the legislative environment	116
Workforce Planning and Employment	
Gain a Strategic Understanding of Workforce Planning and Employment	136
Understand the importance of workforce planning and employment to organizational success	136
Gain an Understanding of Workforce Planning and Employment Law	137
Gain an Understanding of Affirmative Action and Equal Employment Opportunity	163
Understand affirmative action plans	163
Understand the EEOC complaint process	168
Gain an Understanding of Gender Discrimination	170
Understand the two types of sexual discrimination	171
Understand the broad scope of hostile environment	172
Understand how to develop effective harassment prevention programs	173
Gain an Understanding of Workforce Planning	175
Understand how to forecast workforce needs	175
Understand how to forecast workforce supply	177
Gain an Understanding of Talent Management	181
Understand the employee value proposition	183
Understand brand management	183
Gain an Understanding of Job Analysis	184
Understand the job analysis process	185
Understand how to collect data needed for job analysis	187
Understand how to write job descriptions and job specifications	190
Understand job analysis using competencies	192
Gain an Understanding of Recruitment	194
Understand internal recruitment methods	197
Understand external recruitment methods	199
Understand how to evaluate recruitment program effectiveness	203
Gain an Understanding of the Contingent Workforce	206
Gain an Understanding of Selection	209
Understand the development of selection criteria	210
Understand the selection process	211
Understand the evaluation of the selection process	220
Gain an Understanding of Post-Offer Employment Practices	220

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Workforce Planning and Employment	
Understand employment offers	221
Understand employment contracts	221
Understand employer practices with respect to relocation benefits and requirements for medical	221
Gain an Understanding of Organizational Exit	222
Understand concepts associated with organizational exit such as layoffs, exit interviews, and wrongful terminations	223
Gain an Understanding of the Management of Employment Records	228
Understand legal requirements for the retention of employment and payroll related records	228
Human Resource Development	
Gain a Strategic Understanding of Human Resource Development	250
Understand the importance of human resource development to organizational success	250
Understand how to align human resource development programs with organizational strategy and goals	250
Understand the difference between training and development and when each is strategically appropriate	250
Gain an Understanding of Human Resource Development Law	251
Understand the implications of these laws in the design of human resource development programs	251
Gain an Understanding of Human Learning and Motivation	255
Understand basic concepts regarding adult learning, learning styles, and learning rates, and their implication for HRD programs development and design	255
Understand the basic concepts associated with a variety of theories of motivation and their impact on HRD program design	259
Gain an Understanding of the Human Resource Development Process (ADDIE)	269
Understand concepts and activities associated with HRD needs assessment	270
Understand concepts and activities associated with HRD program design	274
Understand concepts and activities associated with program development	276
Understand concepts and activities associated with program implementation	278
Understand concepts and activities associated with HRD program evaluation	282
Gain an Understanding of Career Development	288
Understand the components of career development programs	291
Understand special issues in career development and their implications for career development	294
Gain an Understanding of Leadership Development	295
Understand the various types of leadership	295
Understand the basic concepts associated with a variety of theories of motivation and their impact on HRD program design	297
Gain an Understanding of Organizational Development	302
Understand the organizational development process	304
Understand organizational change, including designing and implementing change and overcoming resistance to change	305

Human Resource Development	
Understand concepts associated with learning organizations	308
Gain an Understanding of the Performance Management Process	311
Understand the process of setting performance standards	311
Understand the performance appraisal process, its purposes, methods used, and activities associated with preparing the appraisal and sharing it with the employee	312
Total Rewards	
Gain a Strategic Understanding of Compensation and Benefits	342
Understand the purposes of compensation and benefits	342
Understand the importance of compensation and benefits	343
Understand how to align compensation and benefit programs with the organizational strategy and culture	343
Gain an Understanding of Compensation and Benefits Law	344
Understand the provisions of the multitude of compensation and benefits laws	360
Understand the implications of these laws in the development and implementation of the compensation and benefits strategies	364
Gain an Understanding of the Development of a Compensation Structure	365
Understand the concept and practice of job evaluation	366
Understand concepts associated with salary surveys	374
Understand how to integrate the job evaluation and salary survey outcomes into a compensation policy structure	377
Understand incentive pay systems	383
Understand special types of compensation used for various types of employees	384
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Understand the types of benefits that are legislatively mandated	399
Understand the types of benefits that may be voluntarily offered by the employer	403
Understand flexibility options and tax implications of the various benefit programs	411
Employee and Labor Relations	
Gain a Strategic Understanding of Employee and Labor Relations	432
Understand the importance of employee and labor relations	432
Understand the historical precedents in employee and labor relations that have contributed to the development of both regulations and practice	432
Gain an Understanding of Employee and Labor Relation Law	437
Understand the provisions of the multitude of employee and labor relations laws, NLRB rulings, and court decisions	442
Understand the implications of these laws, rulings, and decisions in the development of employee and labor relations strategies	442
Understand the interdependencies of these laws, rulings, and court decisions	442
Gain an Understanding of the Union Certification Process	443
Understand what tactics and strategies are likely to be used by the union and by management, and which of those are permissible and which constitute unfair labor practices	443
Understand the mechanics and process of the certification election	445

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Employee and Labor Relations

Gain an Understanding of the Collective Bargaining Process	449
Understand what is bargainable and not bargainable, and what is and is not good faith bargaining	449
Understand the concepts associated with distributive and integrative bargaining	451
Understand the tactics that can be used by either management or the union to apply pressure on the opposition to settle the contracts	452
Be familiar with the various commonly negotiated contract provisions	458
Gain an Understanding of Contract Administration	461
Understand the grievance process	462
Understand the grievance arbitration process	463
Gain an Understanding of the Appeal and Impact of Unionism	465
Understand why employees vote for a union	465
Understand the impact of unionism on the employer	466
Gain an Understanding of the NLRB ULP Complaint Process	468
Gain an Understanding of Employee and Labor Relations in a Nonunion Environment	474
Understand the concept of employee rights and obligations	474
Understand the concepts and implications of various types of employee involvement and high performance work systems programs	482

Risk Management

Gain a Strategic Understanding of Risk Management	502
Understand the importance of risk management programs	502
Understand the historical development of risk management programs	504
Gain an Understanding of Risk Management Laws and Regulations	505
Understand the provisions of the major laws and associated regulations regarding risk management	509
Understand the impact of these laws on the development of risk management	510
Gain an Understanding of Safety Programs	516
Understand the basic characteristics of a safety program that complies with law and regulation	516
Gain an Understanding of Occupational Health Programs	518
Understand the characteristics of wellness and employee assistance programs	518
Understand issues surrounding health-related challenges in the workplace such as stress, tobacco use, substance abuse, indoor air quality, and obesity	519
Gain an Understanding of Security Programs	521
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