

Unit 1: Intro to Human Resource Management

Monday, January 11, 2021 6:41 PM

Lecture 1: Introduction to Human Resource Management

Human Resources

Human Resources: people who make up the workforce of an organization

Human Capital: Intangible resources possessed by an organization's workforce (ex: knowledge, skills, attributes)

- Can include educational background, work experience, programming skills, communication skills, punctuality, creativity, etc.
- Human Capital is just as important as Financial Capital.
- Improve Human Capital by investing in employees

Human Resource Departments: Activities

Job analysis → Workforce Planning → Recruitment → Selection → Training & Development → Performance Management → Compensation & Rewards → Employee & Labour Relations

Human Resource Management (HRM): Traditional

- System for the effective management of people in organizations
- Operational Function: largely administrative (day-to-day operations)

Human Resource Management (HRM): Evolving

- System for the effective management of people in organizations
- Serves operational and strategic function
- Aligns employee efforts with organization's **strategic goals**
- Strategic Goals: specific financial and non-financial results an organization aims to achieve
- Ex: increase revenue, improve customer satisfaction

Example:

- Strategic Goal: improve employee retention (ability of an organization to keep its employees)

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- HR Activity: develop and implement attractive compensation and benefits

structure

- Examples: paid vacation, medical insurance coverage, tuition reimbursement, extended parental leave, travel stipends

HRM and Corporate Social Responsibility (CSR)

- Maintain a balance between pursuing profitability and acting in a manner that benefits society
- Ex: charitable giving, volunteering, improving labour policies, reducing carbon footprint
- Increases shareholder value, improves brand recognition, boosts employee engagement

- HR personnel play a pivotal role in informing and implementing CSR strategies
- Align employee efforts with organization goals
- Room for progress

HRM and Corporate Culture & Climate

Corporate Culture (a.k.a. Organizational Culture)

- Identity of the organization
- Core values, beliefs, and norms widely shared by members
- Clarifies standards of behaviour
- Tests of cultural fit during selection may be carried out

Example (Netflix):

- Performance-driven
- No set schedule and unlimited vacation
- Emphasis on freedom and creativity
- Dream team (but not a family)

Corporate Climate (a.k.a. Organizational Climate)

- Perceived general atmosphere within an organization
- Affected by leadership style, HR policies, communication
- Capable of changing
- Has an impact on employee motivation, productivity, job performance, job satisfaction

Benefits of HRM

Reduced Cost:

- Better recruitment and selection
- Improved training

Greater Engagement:

- Emotional commitment to organizational goals
- Intensity, focus, dedication

Better Performance:

- Better products and/or services
- Increased sales, profit, shareholder returns

Lecture 2: Evidence-Based Human Resource Management

Evidence-Based HR: What is it?

- Evaluating human resources practices against data
- Sources include own data, data from other organizations, published studies, experts in the field
- Ensures the practices are likely to have the desired outcomes

Rynes et al. (2002):

- Surveyed 959 HR professionals
- Comparing views of HR professional to existing research findings
- Discrepancies were evident (most notably in the use of intelligence and personality tests to predict job performance)

Key Components of a Study

Research Question:

- Question that a researcher sets out to answer
- Guides the research process
- Aim for clarity and specificity
- **Example:** What is the effect of social media access on productivity in the workplace?

Hypothesis:

- Formal statement outlining the expected outcome of a study
- Educated guess or prediction made on basis of prior knowledge
- Want to test our hypothesis to see if there is evidence to support it
- **Example:** Employees who have access to social media during the workday will be less productive than those who have no social media access

Variables:

- Attribute, characteristic, phenomenon that researchers aim to study
- Measurable (numerical scales, questionnaires, descriptive categories)
- **Example:** Variable 1 - access to social media (yes/no)
Variable 2 - productivity (less/more)

Methods:

1. **Primary:**
 - Generate new information regarding a research question
 - Ex: true experiments, quasi-experiments, surveys
 2. **Secondary:**
 - Examine existing information from studies that used primary methods
- **True Experiments:**
 - **Assess whether the independent variable (IV) has an effect on the dependant variable (DV)**

- Conducted in controlled settings (settings created by researchers)
- Participants are randomly assigned to a group (each group represents some level of the IV)
- All participants are measured on the DV

- Example:
 - Randomly assign laboratory participants to one of two groups:
 - 1. complete research report with unrestricted social media access
 - 2. complete research report with restricted social media access
 - Measure productivity of the two groups and compare

- Causal conclusions possible (ex: IV has caused change in the DV)
- Difficult to generalize findings to real world

- Quasi-Experiments:
 - **Assess whether the independent variable (IV) has an effect on the dependent variable (DV)**
 - Conducted in field (ex: natural) settings
 - Group of participants that represent levels of IV are selected
 - All participants are measured on the DV

 - Example:
 - Identify two organizations:
 - 1. permits social media access
 - 2. prohibits social media access
 - Measure productivity of employees in the two organizations and compare

 - Causal conclusions not recommended (too many other variables)
 - Provide results that apply to the "real world" more easily

- Surveys:
 - **Assess whether there is a relationship between two variables**
 - Questionnaires are administered to participants
 - Variables of interest are measured via the questionnaires
 - Analyses carried out to see if scores on the questionnaires are related

 - Example:
 - Obtain a group of participants
 - All participants complete questionnaires measuring:
 - 1. how much time they spend on social media at work
 - 2. how productive they are at work
 - Determine whether there is a relationship

Correlation

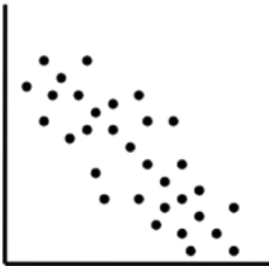
- Provides information about the **direction** of a relationship between two variables
- Positive Relationship:
 - Positive correlation coefficient
 - Greater social media use is related to higher productivity



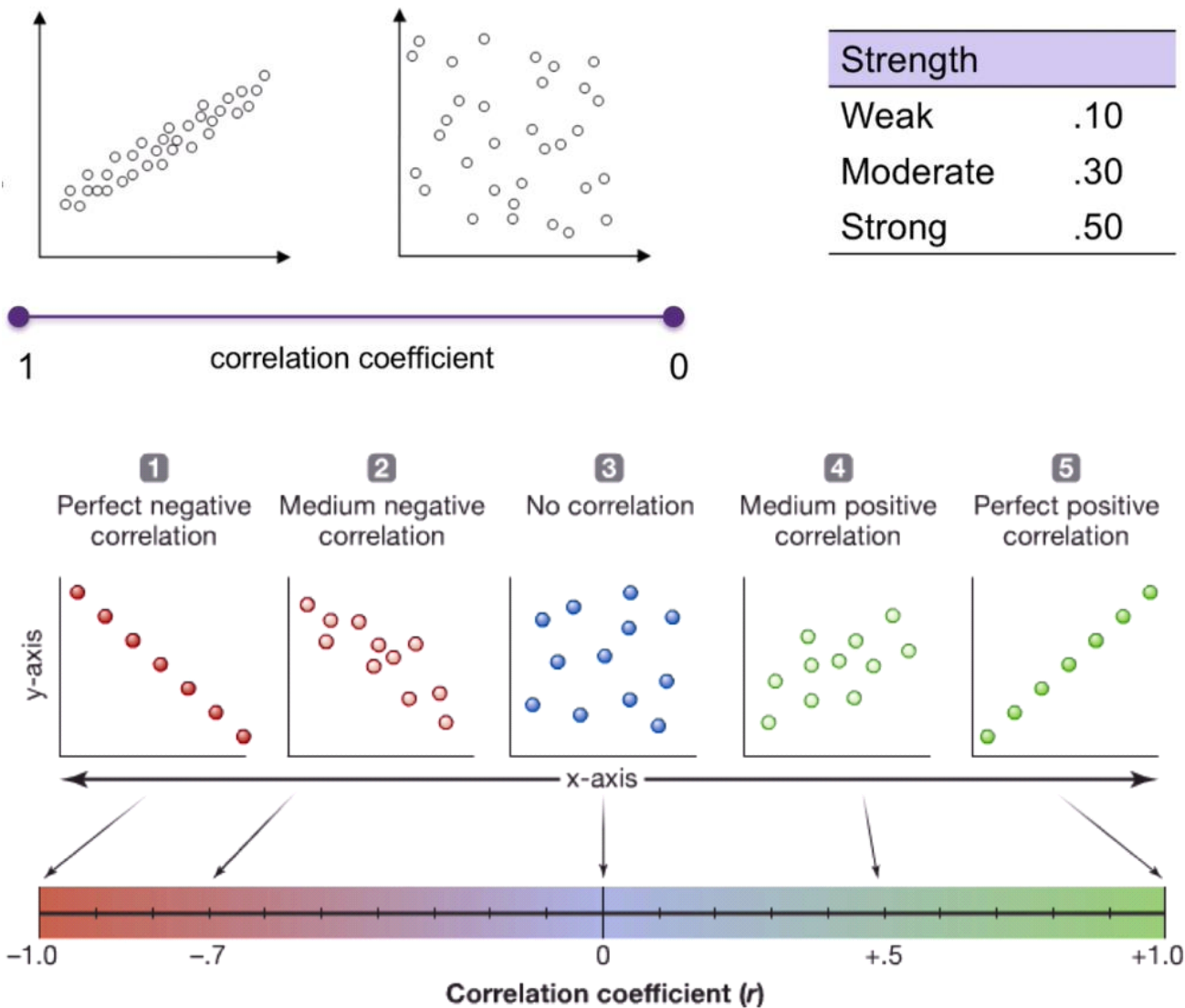


- Negative Relationship:

- Negative correlation coefficient
- Greater social media use is related to lower productivity



- Provides information about the **strength** of a relationship between two variables



- Avoid making causal conclusions based on correlational data
 - Variable 1 may cause change in variable 2
 - Variable 2 may cause change in variable 1
 - Relationship between variable 1 and variable 2 may be spurious
 - Spurious: two variables appear to be related but are not (coincidence, third variable)
 - Example: Ice cream sales and Drownings = Weather

Lecture 3: Legal Issues in Human Resource Management

Canadian Charter of Rights and Freedoms

- Federal law enacted in 1982
- Contained in the Canadian Constitution
- Guarantees fundamental right and freedoms to all Canadians
- Supreme law (all legislation must meet Charter standards)

Freedoms:

- Conscience and religion
- Thought, belief, opinion, expression
- Peaceful assembly
- Association

Rights:

- Democratic
- Mobility
- Legal
- Equality:
 - "Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability"

Human Rights Legislation

- Prohibits discrimination in the public and private sector
- Discrimination: unequal or unfair treatment of a person based upon some personal characteristic (ex: on the basis of prohibited or protected grounds)
- Applicable:
 1. in the context of employment
 2. in the provision of goods and services

Jurisdiction:

- Canadian Human Rights Act:
 - Federal government

- First Nations government
- Federally regulated organizations
- Ex: banks, transportation, broadcasting
- Provincial & Territorial Laws:
 - Organizations that fall under provincial and territorial jurisdiction
 - Ex: restaurants, retail, schools

Prohibited Grounds:

Ontario Human Rights Code:

- Ethnic origin
- Place of origin
- Ancestry, colour, race
- Citizenship
- Creed: belief system
- Age
- Sex: anatomical classification as male, female, intersex (includes pregnancy)
- Sexual orientation: pattern of emotional, romantic, or sexual attraction
- Gender identity/expression:
 - Identity: person's internal and individual experience of gender
 - Expression: how a person publicly presents their gender
- Marital status
- Family status: being in a parent and child relationship
- Disability: limited ability to function (physical, psychological, developmental)
- Record of offenses

Types of Discrimination

Direct:

- a.k.a. intentional discrimination
- Deliberately refusing to hire, train, or promote an individual on the basis of a protected characteristic

Indirect:

- a.k.a. unintentional discrimination
- Occurs when a seemingly neutral policy or practice has unintended negative effect on members of a protected group
- Example: requiring employees at a retail outlet to work at least two Saturdays each month

Bona Fide Occupational Requirements

- Attributes on which hiring, promotion, retention decisions can justifiably be made, which would otherwise be seen as discriminatory
- Deemed necessary to fulfill the job safely and effectively
- Example: acceptable vision required for person working as a driver

Meiorin Test (Supreme Court of Canada, 1999)

- Test to determine if Bona Fide Occupation
 1. Rational Connection: standard is rationally connected to the performance of the job
 2. Good Faith: employer adopted the standard in good faith
 3. Reasonable Necessity: standard is reasonably necessary for the accomplishment of the job

- Reasonable Accommodation:
 - Modifications to certain rules, standards, policies, resources, physical environments
 - Ensures individuals are not prevented from carrying out their job on the basis of prohibited grounds
 - Accommodate to point of undue hardship
 - Risk, expense
 - Determined on case-by-case basis

Unit 2: Job Analysis & Recruitment

Monday, January 18, 2021 1:16 PM

Lecture 1: Introduction to Job Analysis

Understanding Jobs

Job: collection of related tasks, duties, responsibilities that are grouped together for the purpose of accomplishing work within an organization.

- Barista Example:
 - Prepare and server hot/cold beverages
 - Take customers' orders
 - Process payment
 - Clean and sanitize work station

Position: specific instance of a job held by a single person

Job Analysis: What is it?

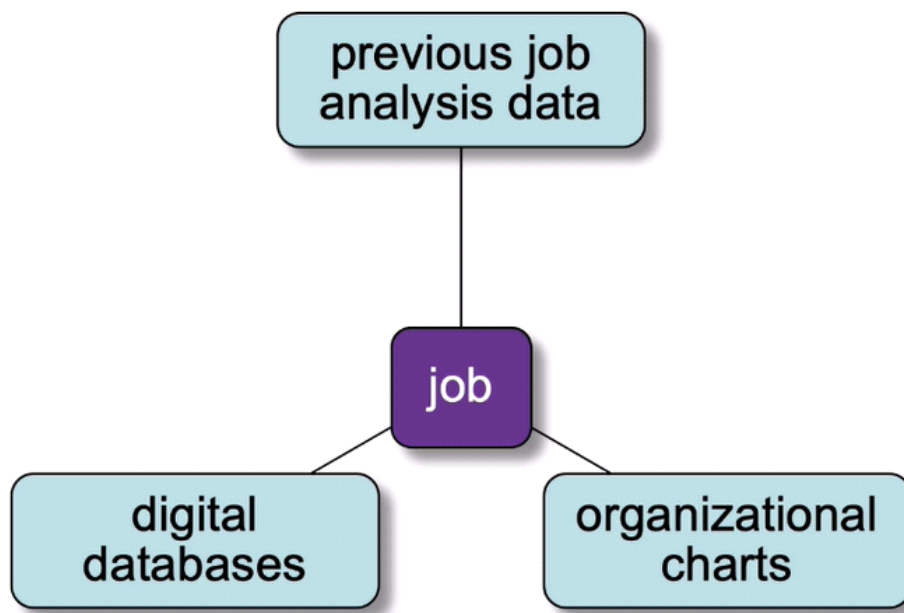
- Systematic process of collecting detailed information pertaining to a job
- Includes tasks, duties, responsibilities, human attributes
- Typically carried out on continuous basis

Job Analysis: Why is it Important?

- **Recruitment, Selection:**
 - Determines what kind of person is required to perform a given job
 - Better job fit, higher retention
- **Training, Development:**
 - Clarifies training needs of new employees
 - Identifies need for re-training in instances of inefficient or problematic job performance
- **Performance Management:**
 - Performance of employees is assessed based on standard criteria provided in the job analysis
- **Compensation Management:**
 - Informs the pay, benefits, incentives (financial and non-financial)
 - Helps to justify pay differences

Lecture 2: Steps in Job Analysis

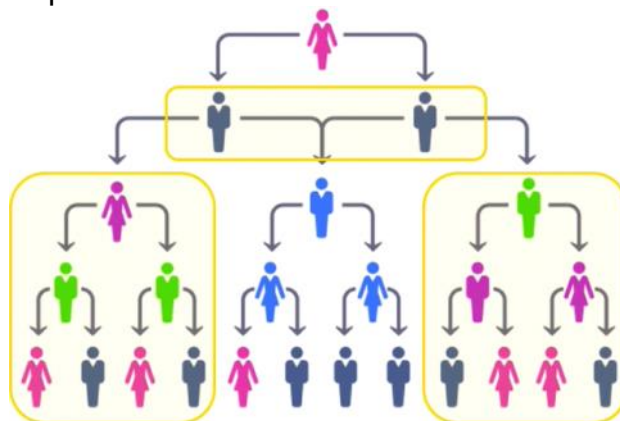
Job Analysis: Step 1 - Review Background Info



- Digital Database: National Occupational Classification (NOC):
 - Created by federal government
 - Provides standardized language to describe over 30,000 jobs (general description, duties, requirements)
 - Info should be updated and modified as needed
- Organizational Charts:
 - Visual diagram depicting the structure of an organization
 - Shows relative rank of jobs
 - Indicates relationship among jobs (i.e., chain of command)

Organizational Charts: Bureaucratic

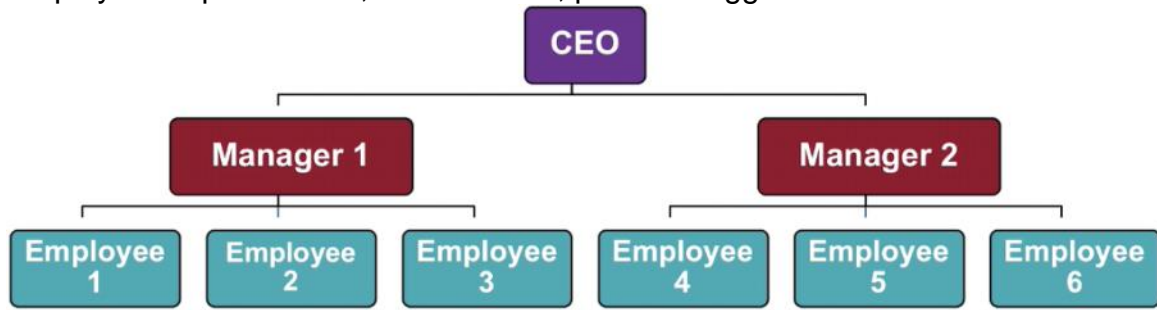
- Numerous levels of management
- Narrowly defined jobs
- Common in larger organizations
- Clear lines of communication
- Separation between units



Organizational Charts: Flat

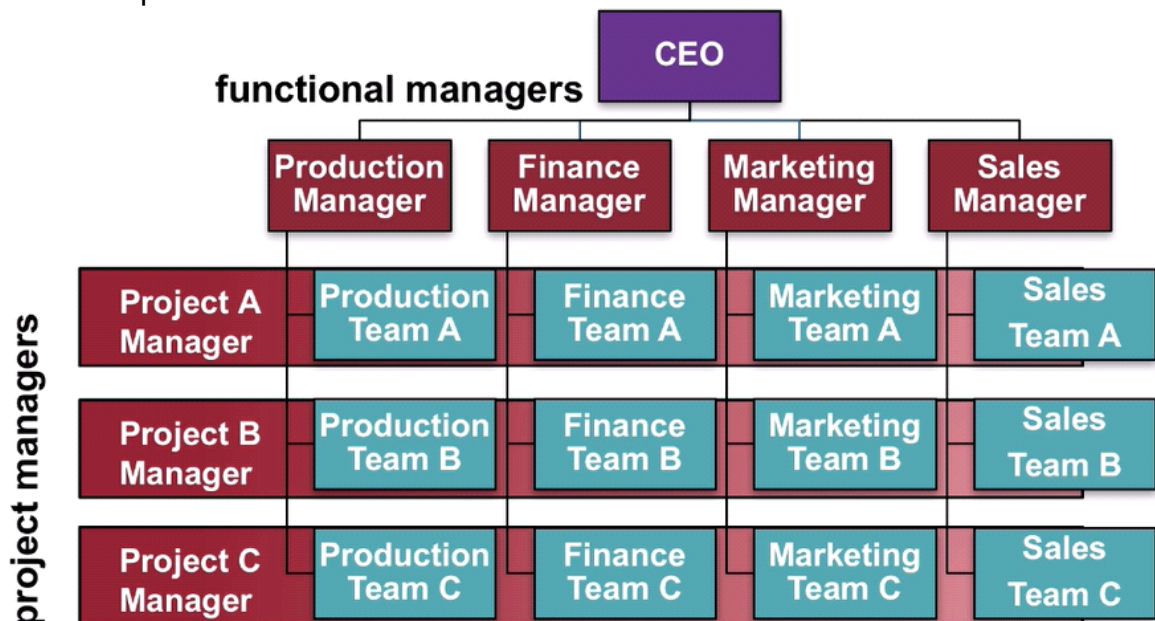
- Fewer (if any) levels of management

- More broadly defined jobs
- Common in smaller organizations
- Employee empowerment, collaborative, power struggles



Organizational Charts: Matrix

- Ideal in the case of multiple projects or products
- Two lines of accountability
- Organized, communicative
- Conflicts possible



Job Analysis: Step 2 - Choose Sources of Job Info

Subject Matter Experts (SMEs)

- Incumbent:
 - Individual currently holding position
 - Knowledgeable about job
 - Exaggeration possible
- Supervisor:
 - Has charge over a workplace
 - Knowledgeable about job importance
 - Less knowledgeable about day-to-day events
- Job Analyst:
 - Can provide objective assessment
 - Inside knowledge of organization may be limited

Job Analysis: Step 3 - Gather Job Info

Direct Observation:

- Observe incumbents in the performance of their duties
- Record nature, frequency, duration, outputs, equipment
- Ideal for jobs involving observable physical activities
- Incumbents may change behaviour when observed

Interview:

- Can be conducted alone or in groups
- Supervisors should not be present during incumbent interviews (can be interviewed separately, may be asked to verify employee data)
- SMEs may not provide accurate information to protect own interest (exaggerate, omit)

Questionnaire:

- Instruments completed by SMEs
- Can include closed-ended items or open-ended questions
- Existing validated questionnaires or develop own

Job Analysis: Step 4 - Develop Key Documents

- Collected information is used to develop:

Job Description: what a job entails

- Tasks
- Duties
- Responsibilities
- TDRs

Job Specification: characteristics needed to perform a job

- Knowledge
- Skills
- Abilities
- Other characteristics
- KSAOs

Parts of a Job Description:

- **Title:** title of the job
- **Summary:** short description of nature of job
- **Equipment:** tools, equipment, etc. needed to perform job effectively
- **Environment:** working conditions of the job
- **Activities:** description of duties, responsibilities, expected behaviour, social interactions

Parts of a Job Description (Example):

- **Title:** dog groomer
- **Summary:** ensure a high level of customer satisfaction through the provision of top-quality grooming services that are capable of accommodating unique

customer needs

- **Equipment:** electric hair clippers, nail clippers, table dryer
- **Environment:** fast-paced, team-based, may work with difficult pets
- **Activities:** scheduling appointments, shampooing, haircutting, nail trimming, ear cleaning, dental cleaning

Parts of a Job Specification (KSAOs):

- **Knowledge:** factual or procedural information necessary for successfully performing a task
- **Skill:** developed capacities necessary for performing a certain task
- **Ability:** general enduring capability that individuals possess
- **Other:** personality traits, personal qualities, licensing

Parts of a Job Specification (Example):

- **Knowledge:** canine health/anatomy, grooming procedures
- **Skill:** haircutting, nail clipping
- **Ability:** hand-eye coordination
- **Other:** sociable, caring

Competency Modelling: What is it?

- Alternative to traditional job analysis
- Reflects movement toward fluid roles, greater employee empowerment
- Process for determining the **competencies** that are characteristic of high performance
- **Competencies:** observable characteristics, defined in behavioural terms, that facilitate high job performance and benefit the organization
- **Example:**
 - **Teamwork** - actively participates as a member of the team toward the complete of team goals
 - Contributes in team meetings, informal team gatherings, and other team settings
 - Develops productive and cooperative relations with other team members
 - Expresses disagreement with other members of the team in a constructive manner

Competency Categories

Core: characteristics that apply to all members of the organization

- e.g., interpersonal communication, stress tolerance

Cross-Functional: characteristics that apply to members of a given job group

- e.g., reading maps (pilots, navigators)

Functional: characteristics that apply to a specific job

- e.g., ability to fly a plane (pilots)

Lecture 3: Employee Recruitment

Recruitment: What is it?

- Process of identifying and attracting potential employee
- Generation of an **applicant pool** for a job vacancy (set of candidates who express interest in the position)
- Provides qualified candidates for subsequent selection

Sources of Recruitment: Internal

- Seeking individuals who currently hold positions in the organization
- May be conscious or dictated by policy
- Advantages:
 - Less taxing on time and resources
 - Lower risk
 - Boosts employee morale
- Limitations:
 - Potential resentment
 - Maintenance of status quo

Sources of Recruitment: External

- Seeking individuals who do not currently hold positions in the organization
- Numerous strategies available
- Advantages:
 - Larger applicant pool
 - Greater innovation
- Limitations:
 - May affect workplace morale
 - Higher risk
 - More taxing on resources
- Active:
 - Actively looking for new opportunities
 - Available immediately
- Passive:
 - Not actively looking for new opportunities
 - Not available immediately

Online Recruitment:

- Electronic databases (job websites, corporate websites)
- Attract passive job seekers
- Large and diverse applicant pool

- High cost to review
- Low cost to post

Print Media Recruitment:

- Newspapers, magazine, trade journals
- Consider lead times
- Newspapers for applicant with local knowledge
- Trade journals for specialized work

Campus Recruitment:

- Recruiting from universities, colleges, technical schools
- Innovative and cutting edge
- Low experience
- May not be long-term

Managing Expectations in Recruitment

- Help manage employee expectations
- Provide a balanced view of the job and organization
- Balance **promotion of employer brand** and **realistic job preview**
- Employer Brand:
 - Reflects an organization's reputation as a place to work
 - Establish reputation as employer of choice
 - Favourable features: compensation, flexibility, social responsibility, well-being, social events
 - Can be controlled to some extent
- Realistic Job Preview:
 - Tool that provide candidates with a realistic view of what a job entails
 - Communicate positive and negative aspects of job
 - Perception of trustworthiness, organizational commitment, retention

Unit 3: Employee Selection

Monday, January 25, 2021 2:42 PM

Lesson 1: Preliminary Screening

Preliminary Screening: What is it?

- Review application and/or resumes
- Eliminate candidates not meeting basic selection criteria
- Basic selection criteria linked to job description and job specification

Screening Methods

- Application Form:
 - Standardized
 - May include: contact info, education, work experience, certifications, skills
 - Avoid asking about prohibited grounds
- Resume:
 - Not standardized
 - Included information varies
 - Often tailored to job
 - Potential inclusion of problematic information

Lesson 2: Reliability & Validity in Selection Testing

Selection Testing: What is it?

- Administer test(s) to retained candidates
- Assess knowledge, skills, abilities, other attributes
- Rooted in job analysis
- Test questions should not violate human rights legislation
- Select test that provide accurate information (i.e., reliable and valid)

Reliability in Selection Testing

- Extent to which a test produces consistent or stable results
- Test-Retest:
 - Test produces same/similar results across testing occasions
 - **Test of leadership** - administered two weeks apart to a given individual yields the same score
- Inter-Rater:

- Test produces same/similar results across raters
- Ratings from two members of an organization are the same for a given individual

Validity in Selection Testing

- Extent to which a test measures what it is supposed to measure
- 4 Kinds of Validity:
 - Construct Validity
 - Content Validity
 - Face Validity
 - Criterion-related Validity

Construct Validity

- **Construct**: attribute of a person that cannot be measured directly, but can be assessed using different indicators
- Working memory
- Visual-spatial processing
- Quantitative reasoning
- **Construct Validity**: degree to which a test is an accurate measure of the construct it purports to measure
- **Convergent**:
 - Degree to which scores from two tests that measure the same or similar constructs are related
 - **Test of self-esteem** - correlating positively with tests of confidence, self-worth, self-esteem
- **Discriminant**:
 - Degree to which scores from two tests that measure unrelated constructs are unrelated
 - **Test of self-esteem** - correlating minimally or not at all with tests of intelligence

Criterion-Related Validity

- **Criterion-Related Validity**: degree to which scores on a test are related to a specific outcome (e.g., work behaviours, overall job performance)
- **Concurrent**:
 - Degree to which test scores are related to current performance
 - **Test of empathy** - is related to current teamwork skills
- **Predictive**:
 - Degree to which test scores are related to future performance
 - **Test of empathy** - is related to future leadership skills

Content Validity

- Degree to which a test covers all facets of a given construct
- Test items should be representative of the construct being measured
- Judged by experts in the field
- Mental toughness: Confidence, Challenge, Commitment, Control

Face Validity

- Degree to which a test is subjectively viewed as measuring what it is supposed to measure
- Judged by test-takers
 - Applicants complete a math test requiring them to add, subtract, multiply, and divide
 - Applicants are presented with scenarios in which fictional characters pay with large bills for purchases, and they must indicate the correct change required for each scenario
- Greater effort and perceived fairness
- May not be helpful for undesirable characteristics

Lesson 3: Types of Selection Tests

Test Types: Aptitude and Achievement

- Aptitude Test:
 - Assesses how well an individual can learn a skill (potential)
 - e.g., Office Skills Test
- Achievement Test:
 - Assesses how an individual's existing knowledge and skills
 - e.g., existing PowerPoint skills

Test Types: Cognitive Ability

- General level of intelligence
- Proficiency at processing thoughts and ideas
- Includes:
 - Problem solving
 - Reasoning
 - Abstract thinking
 - Numerical comprehension
 - Verbal comprehension
- Advantages:
 - Predictive of job performance

- Predictive of adjustment
- Predictive of career trajectory
- Fast and easy to administer
- Limitations:
 - Test-takers may have negative reactions
 - Adverse impact on minority groups
- Example: Wonderlic Personnel Test
 - 50 multiple choice questions
 - 12 minute time limit
 - Scored as the sum of correct responses provided
 - *If a piece of rope costs 20 cents per 2 feet, how many feet can you buy for \$30?*
 - Quarterbacks in football - Pat McInally, Bengals

Test Types: Physical Ability

- e.g., strength, endurance, flexibility, balance, coordination
- Extent to which the physical capabilities of applicants are sufficient given demands of job
- Should be linked to detailed job analysis
- Typically pass/fail in nature
- Advantages:
 - Increased workplace safety
 - Greater productivity
 - Cannot be faked easily
- Limitations:
 - Taxing on time and resources
 - Contrived setting are common
 - May disproportionately screen out members of protected classes

Test Types: Personality

- Personality:
 - Pattern of thoughts, feelings, and actions that are characteristic of a person
 - Consists of a collection of traits
 - Traits exist on a continuum
- Big Five Personality Model (OCEAN):
 - Openness to Experience: curious, creative, openminded
 - Conscientiousness: organized, responsible, efficient, high job performance
 - Extraversion: sociable, assertive, energetic
 - Agreeableness: compassionate, kind, caring
 - Neuroticism: anxious, insecure, easily stressed (vs. Emotional Stability)

- Advantages:
 - Predictive of job-relevant behaviours and tendencies
 - Fast and easy to administer
- Limitations:
 - Susceptible to faking and social desirability to responding

Test Types: Integrity

- Specific type of personality test
- Assesses tendency to be honest, trustworthy, dependable (valid)
- Used to determine whether employee will engage in counterproductive work behaviour
- Can result in false positives

Test Types: Medical

- Carried out to:
 - Assess whether applicants meet minimum standards of health
 - Establish a minimum baseline of health
- May expose sensitive information about applicant
 - Show link between medical data and job performance
 - Conduct testing after conditional offer of employment

Test Types: Substance Use

- Employers see it as a way to reduce problem behaviours
- May be seen as discriminatory
- Testing is permissible when:
 - Link between substance use and effective job performance is evident
 - Hiring for safety-sensitive positions
 - Applicant has disclosed struggles with addiction
 - Conditional offer of employment has been made

Lesson 4: Other Selection Methods and Selection Decisions

Selection Interview: What is it?

- Designed to predict job performance based on applicants' oral responses to questions
- May be conducted one-one-one, with numerous interviewers (panel), with numerous interviewees (mass)
- One of the most commonly used selection methods

Selection Interview: Reasons for Use

- Multi-purpose (qualifications, communication, interpersonal)
- Opportunity to promote employer brand
- Illusion of validity

Issues with Selection Interviews

- Halo/Horns Effect:
 - Initial impression distorts how candidate is assessed
 - Biased interpretation of responses
- Similar-to-Me Bias:
 - Favourable ratings when candidate is similar to interviewer
 - Impacts diversity
- Leading:
 - Verbal or non-verbal
 - Leads candidate to expected answer

Structure of Selection Interviews

- Unstructured:
 - Questions differ across candidates
 - Flexible
 - No standard scoring
- Structured:
 - Set sequence of questions
 - May be inflexible
 - Responses are scored, allowing for comparisons
- Mixed:
 - Pre-set standard questions
 - Candidate specific questions
 - Comparisons possible
 - Richer details

Background Check: What is it?

- Verification of details provided through resume and application form
- Must have signed permission
- Examples:
 - Basic: education, work history
 - Credit Check: financial history
 - Criminal Check: criminal history

Reference Check: What is it?

- Obtain applicant details from provided references (supervisor, co-worker, mentor, client)
- Standardized questions informed by job analysis
- Secure permission in writing
- Level of detail will depend on existing policies

Reference Checks and Defamation

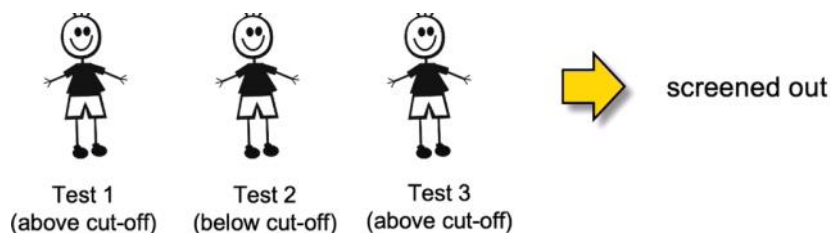
- Defamation:
 - Communication of false info about an individual capable of hurting their reputation
 - Libel or slander
 - Can claim "justification" or claim "qualified privilege"

Negligent Hiring

- Legal claim made against an employer
- Employer fails to verify details during screening
- Employer knowingly ignores important details about applicants' qualifications
- Thorough reference and background checks

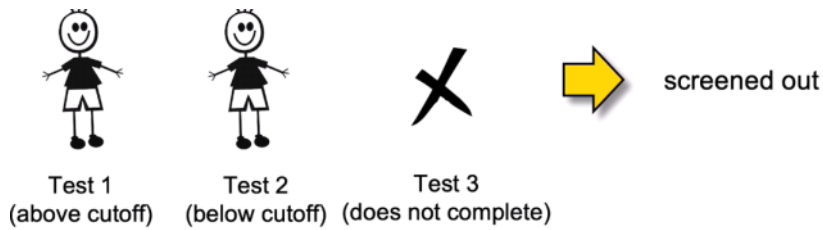
Selection Decision Approaches: Multiple Cut-Off

- Cut-off is established for each selection tool
- All applicants complete all tests and/or procedures
- Applicants who meet or exceed the cut-off for all tools are retained



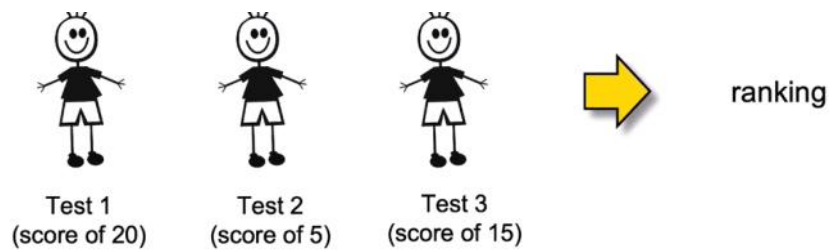
Selection Decision Approaches: Multiple Hurdles

- Cut-off is established for each selection tool
- Applicants complete tools one at a time, and proceed to the next tool only if they have met or exceeded the cut-off for the previous tool
- Applicants who meet or exceed the cut-off for all tools are retained



Selection Decision Approaches: Compensatory Model

- Candidate is scored on each test and/or procedure
- Scores inputted into a statistical equation that produces overall score (high scores can compensate for low scores)
- Candidates ranked on basis of overall score



Unit 4: Training & Appraisal Employees

Tuesday, February 9, 2021 9:37 PM

Lesson 1: Introduction to Employee Training

Training: What is it?

- Process of teaching employees the basic knowledge, skills, and behaviours they need to perform their jobs
- Ensures that employees can do their job correctly and safely
- Applicable to new hires and existing employees
- Should be assessed on a regular basis

Benefits of Training

- Better job performance
- Decreased accidents and injuries
- Increased employee engagement and satisfaction
- Greater employee retention
- Enhanced employer brand

Benefits of Training: Negligent Training

- Employer fails to provide sufficient training to employee
- Actions of employee result in injuries or loss
- Can stem from under-training or improper following of training procedures

Lesson 2: Training Program Development

Step 1: Training Needs Analysis

- Process of determining the training that needs to be completed so that employees can do their job well
- Identify new training opportunities or gaps in existing training
- Organization Analysis:
 - Establishes training context by examining:
 - Goals of the organization
 - Organizational training climate
 - Barriers to training (e.g., budget, time, space, expertise)
- Person Analysis:
 - Identifies who will receive the training
 - Clarifies trainees' existing level of knowledge
 - Examines characteristics of trainees (e.g., availability, learning styles)
- Task Analysis:

- Task:
 - Observable action designed to contribute to the accomplishment of a goal
 - Jobs consist of numerous tasks
 - Doctor: administers medicine, performs surgery, supervise trainee doctor, maintain medical records
- Identifies key job-related tasks
 - Measurable description of performance standard
 - Frequency
 - Skills and knowledge required
 - Conditions under which task is performed
- Measurable description of **performance standard** (performance threshold that must be met to indicate an acceptable level of performance) ex-server should provide accurate food/wine pairings to customers without error and without the need for notes
- Informs the content of the training and its objectives

Step 2: Method of Instruction

- Traditional Training Techniques - Classroom Training:
 - Typically instructor leading group in lecture-style sessions
 - Effective for large groups
 - Loss of productivity
 - Slower feedback
 - Blended learning for higher engagement
- Traditional Training Techniques - On-the-Job Training:
 - Trainee practices job skills at workplace under guidance
 - Regular feedback
 - Not taxing on resources
 - Trainees can be productive
 - Mentors may be ineffective
 - Accidents can occur
- Traditional Training Techniques - Adventure Based Learning:
 - Involved participating in challenging, structured physical activities
 - Cooperation, teamwork, trust, communication, problem-solving, conflict management, leadership
 - Effective for team-based and managerial jobs
 - Taxing on time and resources
 - Loss of productivity
- Technology-Enabled Learning - E Learning:
 - Web-based or computer-based
 - Typically less expensive than classroom training
 - Consistent (multi-regional organizations benefit)
 - Dependant on learner motivation
- Technology-Enabled Learning - Simulations:
 - Place trainees in situations similar to those encountered on the job
 - Immersive

- Trainees tend to be very receptive to this approach
- Expensive to develop and maintain

Step 3: Validation

- Pilot-test the program
- Administer to representative sample of trainees
- Assess whether training objectives have been met

Step 4: Implementation

- Implement the training within organization
- Aiming to maximize **transfer of training** (extent to which behaviours learned during training will be performed on the job)
 - Similarity of training situation to job situation
 - Opportunities to practice what is learned
 - Frequent feedback

Step 5: Evaluation

- Kirkpatrick's Training Evaluation Model:
 1. Reaction:
 - Reactions or feelings of trainees about the training
 - Was it enjoyable? Engaging? Relevant? Effective?
 2. Learning:
 - Assess whether trainees learned what they were supposed to learn
 - Extent to which training objectives were met
 - Tests or quizzes commonly used
 3. Behaviour:
 - Changes in performance exhibited on the job as result of the training
 - i.e., transfer of training
 - Measured through observation and interviews
 4. Results:
 - Assess organizational benefits that stem from training
 - Ex: increased sales, increased customer satisfaction, better products

Lesson 3: Performance Management

Performance Management: What is it?

- System that defines, measures, and develops the performance of the workforce within the organization
- Aligns employee's activities with the overall strategy of an organization
- Benefits both employees and the organization

The Performance Management Process

- Organizational Goals: financial or non-financial outcomes that the organization hopes to achieve
- Employee Objectives: translate organizational goals into measurable and time-bound employee objectives
- Monitoring and Support: monitoring, frequent feedback, provision of supports by organization
- Evaluation: assess degree to which objectives were met and set new objectives
- Consequences: meaningful consequences administered, if applicable

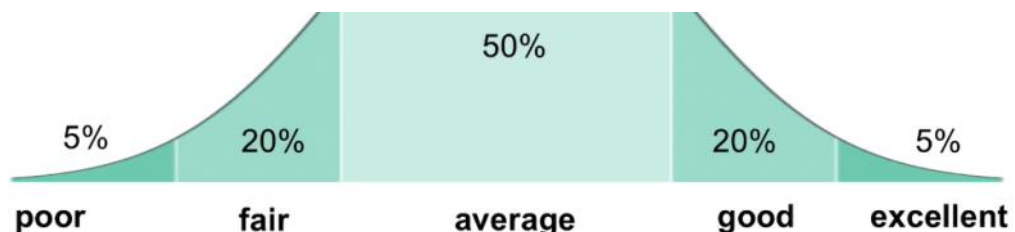
Purpose of Performance Management Systems

- Strategic Purpose: aligns employee efforts and organizational goals
- Administrative Purpose: informs administrative decisions-making
- Developmental Purpose: helps employees to improve and grow

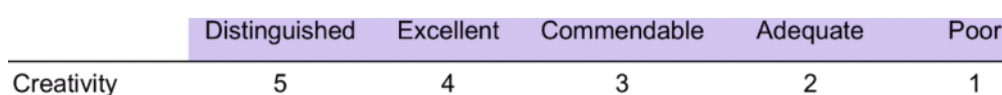
Lesson 4: Performance Appraisal

Performance Appraisal Methods

- Alternation Ranking Method:
 - Identify highest and lowest-performing employees, in an iterative manner
 - Difficult in large organizations
 - Resultant feedback is not informative
- Paired Comparison Method:
 - Each employee is compared with every other employee
 - Employees are ranked based on overall comparisons
- Force Distribution Method:
 - Predetermined percentage of employees placed into performance categories
 - Useful for large organizations
 - May unfairly limit recognition of high-performing employees
 - Feedback may be limited



- Graphic Rating Scale:
 - Extent to which each employee shown proficiency on a given dimension
 - Ratings are made using an established scale
 - Good feedback regarding specific characteristics
 - Lack of clarity between performance levels



	Distinguished	Excellent	Commendable	Adequate	Poor
Creativity	5	4	3	2	1
Initiative	5	4	3	2	1
Leadership	5	4	3	2	1

- **Behaviourally Anchored Rating Scales (BARS):**
 - Key performance dimensions are identified
 - Rating scale is developed for each performance dimensions
 - Behavioural exemplars are developed for each level on the rating scale
 - Clearer criteria and feedback
 - Consistency in ratings
 - Time-consuming to develop

Respect for Others	Exceeds expectations (3)	Meets expectations (2)	Below expectations (1)
	<ul style="list-style-type: none"> • offers encouragement to team members • expresses interest in team members' ideas • helps to moderate conflicts 	<ul style="list-style-type: none"> • listens to and is respectful of teams members • willing to come to a consensus on team decisions 	<ul style="list-style-type: none"> • does not/will not listen to team members • often interrupts • makes crude comments

Sources of Appraisal Information

- **Supervisor:**
 - Knowledgeable and motivated
 - Limited observation opportunities
- **Peer:**
 - Knowledgeable and present
 - Logrolling possible
- **Subordinate:**
 - Fear of consequences
 - Overemphasis on employee satisfaction
- **Self:**
 - Aware of own behaviour
 - Inflation of ratings

360-Degree Appraisal

- Using multiple rating sources when evaluating an employee
- Questionnaire made up of rating sales and open-ended items
- Confidential and anonymous
- Strengths and weaknesses identified
- **Advantages:**
 - Detailed feedback possible
 - Rater bias is reduced
 - Greater production of fairness

- Limitations:
 - Time-consuming
 - Follow-up not possible
 - Not applicable to all organizations

Errors in Performance Measurement

- Primacy Effect: first impression made by employee affects all subsequent ratings
- Recency Effect: ratings are based on most recent work behaviour
- Leniency Error: assigning inaccurately high ratings to all employees
- Strictness Error: assigning inaccurately low ratings to all employees
- Central Tendency Error: inaccurately rating all employees at/near the middle of a rating scale

Unit 5: Intro to Marketing & The Marketing Environment

Thursday, February 18, 2021 9:05 PM

Lesson 1: Intro to Marketing

Marketing: What is it?

- The process of creating, communicating, and delivering goods or services to meet organizational objectives and customer needs
- Organizational Objectives: short-term and long-term goals that the organization seeks to accomplish, which allow it to become more successful
- Customer Needs: states of felt deprivation, including physical, social, and individual needs

The Marketing Process

- Series of marketing decisions and actions intended to address marketing goals
- Maximize customer values
- Customer Value: perceived benefits of a product versus the costs associated with that product

The Marketing Process: Situation Analysis

- a.k.a needs assessment
- Identify unfulfilled customer needs
- Define potential customers
- Assess potential competitors
- Assess internal capabilities

The Marketing Process: Select Target Market

- Group sharing a number of defining qualities to which marketers direct their marketing efforts
- Assumption that all individuals in target market will respond similarly to marketing strategy
- Examples:
 - Starbucks: 25-40 years old, working professionals and students
 - Snapchat: high school and college students, female

The Marketing Process: Develop Marketing Strategy

The Marketing Mix:

- Controllable factors that inform an organization's marketing strategy

- Influence customer's decision to buy a product
- Product:
 - Finalize what product to market
 - Include important features
 - Establish product design, packaging, labeling, warranty
 - Product differentiation is important
- Price:
 - Determine price of product
 - Fair and competitive but capable of generating profits
 - Influenced by: cost of manufacturing, cost of distribution, cost of promotion
desired profit level, competition, desirability (Apple)
- Place:
 - a.k.a distribution strategy
 - How product or service gets to customers
 - Channel by which product or service sold (online, in-store, both)
 - Breadth of distribution
- Promotion:
 - Develop messaging about product
 - Should be directed at target market
 - Highlight features and benefits
 - Disseminate via selected strategies

The Marketing Process: Build Customer Relationships

- Attract and retain customers
- Loyalty Programs:
 - Intended to promote frequent buying
 - Promotes brand engagement
 - Ex: points cards, tiered rewards
- Customer Relationship Management (CRM) Programs:
 - Collects and analyze customer information
 - Automates customized interaction with customers
 - Increased sales and customer satisfaction

Lesson 2: Evolution of Business Philosophies

Product Orientation - 1900

- Shortage of manufactured goods relative to demand
- Focus on manufacturing quality products at affordable price
- Little attention paid to customer needs
- Mass production (large volume, consistent, lower cost)
- Narrow product lines to maximize efficiency

Selling Orientation - 1920-1930

- Goal is to sell as many products as possible
- Selling existing products rather than developing new ones
- Focus is on sales and promotion
- Little attention paid to customer needs
- Prioritize short-term selling over long-term relationships
- The Hard Sell:
 - Aggressive sales approach that uses direct and forceful messaging
 - Large volume of product information shared
 - Sense of urgency designed to promote immediate purchase
 - May be seen as manipulative and overwhelming

Marketing Orientation - 1950-1990

- Blanket sales approaches ineffective
- Focus is on customer needs
- Research-driven programs
- Develop new products and improve existing products
- Increased customer loyalty

Socially Responsible Marketing Orientation - 1990-2000

- Customer choice is not always needs-based
- Customers purchases as a show of support for organizations
- Environmental impact, labour standards, social causes
- Improved brand reputation
- Can be seen as insincere
- Cause Marketing:
 - Cooperative effort between a for-profit and a non-profit organization for their mutual benefit
 - "You buy, we'll give" approach as most common
 - General Mills' "Save Lids to Save Lives"

Social Media Marketing Orientation - 2006

- Marketing withing social media platforms
- Create shareable content
- Brand democratization
- Consumer Generated Content:
 - Online content related to a branded good created by consumers for consumers
 - Influencer marketing
 - Influencer Marketing: endorsement of a product or service by popular or influential users of social media platforms

Lesson 3: The Marketing Environment

Environmental Scanning

- Continually acquiring information on events occurring outside the organization
- Identify trends, opportunities and threats that impact marketing strategies
- Includes: competitive forces, economic forces, demographic forces, social forces

Competitive Forces: Competitor Types

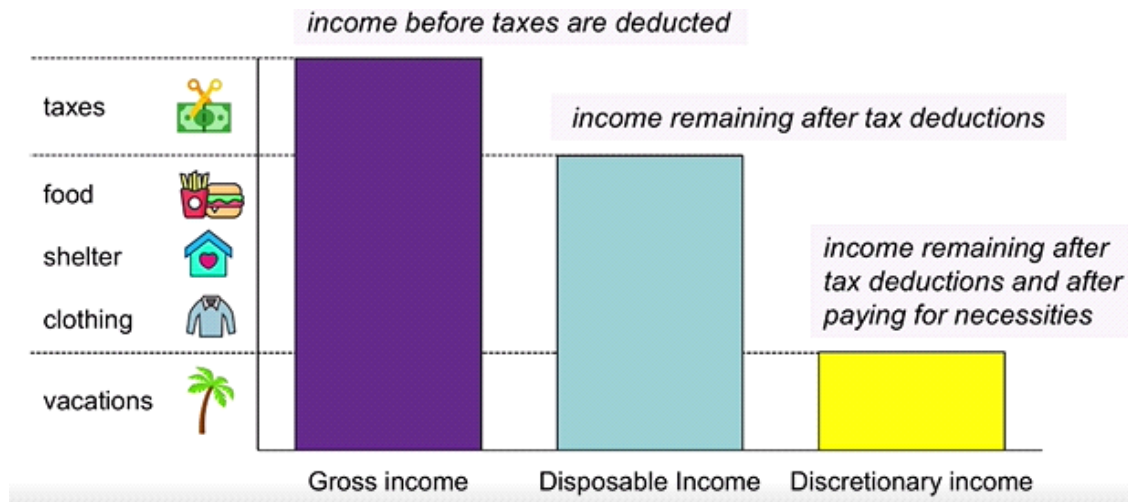
- Direct Competitors:
 - Similar products sold in the same category
 - Ex: Coke vs Pepsi
 - Innovation and branding
- Indirect Competitors:
 - Products that satisfy similar needs
 - Coke vs other bevs
 - Product line expansion

Competitive Forces: Nature of Competition

Market Structures:

- Monopoly:
 - One organization serves the entire market
 - No substitutes available
 - Government regulations typically in place to ensure fair treatment of customers
 - Ex: hydro one
- Oligopoly:
 - Few large organizations control the market
 - New organizations struggle to enter market
 - "follow the leader" mentality
 - Brand image is important
 - Ex: Microsoft, Apple
- Monopolistic Competition:
 - Numerous large and small organizations with similar products
 - Substitute products always available
 - Emphasis placed on product differentiation and promotion
- Pure Competition:
 - Numerous small sellers providing a nearly identical product
 - Output of a single seller is only a small portion of the total output of a product
 - Each seller has little unique influence

Economic Forces: Income



- Customer spending is impacted by economic changes
- Economic downturn associated with prioritization of basic necessities
- Economic boom associated with increased demand for non-essential products

Demographic Forces

- Characteristics of a population (ex: age, gender, ethnicity, education)
- Aging Population:
 - Vitality and health
 - Security
 - Travel and hobbies
- Influential Millennials:
 - Mobile and social media platforms
 - Social and environmental causes
- Urban Living:
 - Small space living
 - Transportation services
- Greater Diversity:
 - Cultures, identities, roles
 - Representation in advertising
 - Expanded product lines

Social Forces: Environmental Awareness

- Green Marketing:
 - Highlighting the environmental benefits of products or services
 - Highlighting the environmental awareness of a brand
- Green Washing:
 - Misleading claim made about the environmental benefits of a product or brand

Unit 6: Consumer Behaviour Part 1

Monday, February 22, 2021 12:29 PM

Lesson 1: Intro to Consumer Behaviour

Consumer Behaviour: What is it?

- Observable actions a person takes when purchasing and using products
- Purchase Activities:
 - How consumers acquire products
 - Includes the purchase decision process
- Consumption Activities:
 - When, where, how, why people use products
 - May include symbolic meaning
- Emerged in the 1950s as a research area following a reliance on case studies and anecdotal information collection
- Factors that have an impact on consumers' actions (psychological, social, personal, situational)

Lesson 2: The Purchase Decision Process

Purchase Decision Process

- Series of steps that a consumer will take to make a purchasing decision
- 1. Problem Recognition
 - Sufficiently large disconnect between actual state and ideal state
 - **Needs Recognition:** identify need, actual state declines, act to reach ideal state (hungry)
 - **Opportunity Recognition:** identify opportunity, ideal state moves up, act to reach ideal state (new iPhone/car)
- 2. Information Search
 - Find information about what products may address the problem
 - Internal:
 - Prior knowledge exists
 - Memory, past experiences
 - External:
 - No or limited prior knowledge likely
 - Personal sources, public sources, market-dominated sources
- 3. Evaluation of Alternatives
 - Evaluate and compare all products on attributes that have the ability to deliver the benefit that they are seeking
 - Awareness Set:

- **Evoked Set (Consideration Set):** positive impression
- **Inert Set:** no impression
- **Inept Set:** negative impression
- 4. Purchase Decision
 - a. What will be purchased
 - b. From whom to purchase
 - Price point
 - Return policy
 - Convenience
 - Knowledge of / experience with seller
 - c. When to purchase
 - Sales / promotions
 - Shopping experience
 - Time pressure to buy
 - Finances
- 5. Post-Purchase Evaluation
 - Compare product to expectations to assess satisfaction
 - Impacts future behaviours:
 - Whether product will be purchased again
 - Whether additional products from the brand will be purchased
 - Whether the product or brand will be recommended
 - Cognitive Dissonance Theory (Leon Festinger):
 - State of simultaneously holding conflicting beliefs or taking action that conflicts with beliefs
 - Results in tension or anxiety
 - Is uncomfortable and people are motivated to reduce it
 - Change belief, change behaviour, rationalize existence of belief and behaviour
 - Smoking is harmful -> stressed -> stop smoking or deny health impact of smoking or rationalize why smoking makes sense
 - Post-purchase cognitive dissonance may occur
 - Purchase of one product contrasted against positive aspects of other products
 - Tension from comparisons can be reduced by follow-up seller and by marketing strategies focused on differentiation




Involvement in the Purchase Decision Process

- Effort, energy, time differs based on **consumer involvement**
- Consumer Involvement: interest and importance that a consumer attaches to the purchase and consumption of a product
- High involvement if:
 - Expensive
 - Bought infrequently
 - Impact social image

Variations in the Purchase Decision Process

low ← involvement → high

	Problem solving variations		
	Routine	Limited	Extended
Number of brands examined	one	several	many
Number of sellers considered	some	several	many
Number of product attributes evaluated	one	some	many
Number of external information sources used	none	some	many
Time spent searching	minimal	moderate	considerable

Lesson 3: The Problem with Choice

Consumer Behaviour and Choice

- Brands, models, features
- Previous theories proposed that desire for choice is infinite



Choice Overload Hypothesis: What is it?

- a.k.a. the paradox of choice
- Suggests that extensive choice can be demotivating
- Choice can be cognitively taxing
- Iyengar & Lepper (2000) compared:
 - Limited (psychologically manageable) choice
 - Extensive (psychological excessive) choice

Choice Overload Hypothesis: Evidence

- Iyengar & Lepper (2000) - Study 1, Jams

Limited Choice



Extensive Choice



- Customers with extensive choice:
 - Were more attracted to the booth
 - Were equally likely to sample jams
 - Were less likely to purchase

- Iyengar & Lepper (2000) - Study 2, Essay Topics

Limited Choice



Extensive Choice



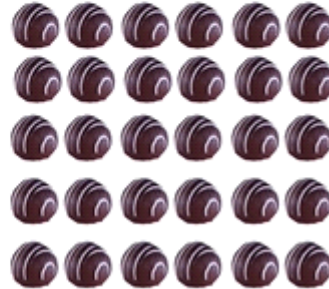
- Students with extensive choice:
 - Were less likely to turn in the assignment
 - Received lower grades on their assignment (lower quality)

- Iyengar & Lepper (2000) - Study 3, Chocolates

Limited Choice



Extensive Choice



- Participants with extensive choice:
 - Spent more time deciding
 - Enjoyed decision-making process
 - Found decision-making process to be difficult and frustrating
 - Were less satisfied with their chosen chocolate

Choice Overload Hypothesis: Evaluation

- Results do not hold up when:
 - Decision-making self-efficacy is high
 - A clear prior preference exists
 - One is experiencing positive affect
- Meta-analysis that tested hypothesis found little supporting evidence

Lesson 4: Situational Influences on the Purchase Decision Process

Situational Influences

- Factors pertaining to considerations, time, and location that impact the purchase decision process:
 - Physical Surroundings:
 - Physical characteristics of retail space
 - **Atmospherics**: controllable factors that set ambience
 - **Layout**: design of floor space, online tracking
 - Crowding (spatial, people)
 - Social Surroundings:
 - Interactions with others
 - Social shopping versus solitary shopping (purchases made, amount spent)
 - Role of others in our lives (shopping behaviour, impulse buys)
 - Temporal Effects:
 - Time of day (more variety as day progresses)

- Time of year (comfort products with less daylight)
- Amount of time available (lowest price, most recognizable)
- Antecedent States:
 - Momentary conditions
 - Emotional state (familiarity vs. novelty)
 - Energy level (self-regulation vs. impulsive buying)
 - Cash on hand
- Purchase Task:
 - Goal of a shopping trip
 - Casual shoppers versus those with intent to select
 - Embarrassing items = more items purchased

Sensory Marketing: What is it?

- Marketing that engages the sense and affects consumer perception
- Appeals to sight, sound, taste, touch, smell
- Evokes memories, create emotional response
- Aiming for congruence
 - Congruence: match between the sensation and the environment

Sensory Marketing: Sound (Music)

- Genre:
 - Category of music
 - Can be used to attract and deter customers
 - Can affect spending
- Volume:
 - Loudness of music
 - High volume increases stress response
 - Low volume can be unwelcome
- Tempo:
 - Speed of beat (bpm)
 - Longer browsing at slower tempos
 - Can help control store traffic

Sensory Marketing: Smell

- Ambient scents capable of:
 - Attracting customers
 - Increasing browsing time
 - Increasing product interaction
 - Increasing spending
- Learned View of Odour Preference
 - **Associative Learning:** process by which we come to associate certain sensations with particular feelings
 - Scent -> Event -> Emotion

turns into
Scent -> Emotion

- Evidence from cross-cultural studies (e.g., wintergreen)
- In contrast to innate view of odour preference

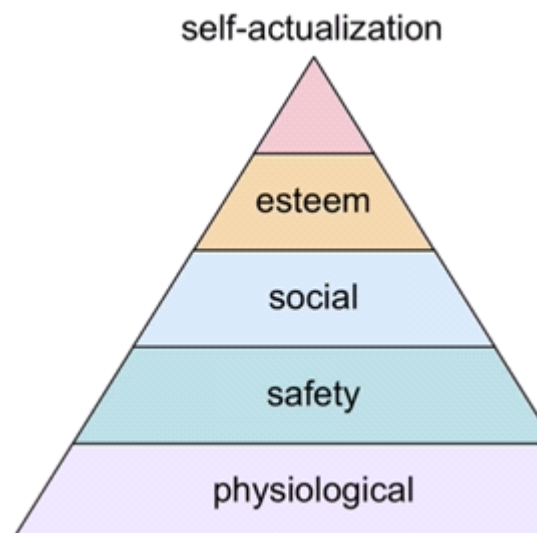
Unit 7: Consumer Behaviour Part 2

Tuesday, March 16, 2021 4:12 PM

Lesson 1: Psychological Influences - Motivation & Self-Concept

Psychological Influences

- Pertain to the workings of the mind
- Individual processes that affect behaviours
- Help marketers to understand **why** and **how** consumers behave the way they do
- Include: motivation, self-concept, perception, learning, attitudes
- Motivation:
 - Energizing force that stimulates behaviour to satisfy a need
 - Starts with the identification of unmet needs
- Need:
 - State of self deprivation
 - Absence of something useful
 - Motivational driver
- Maslow's Hierarchy of Needs:
 - Understand basis and patterns of motivation
 - Some needs take precedence over others
 - Largely subconscious
 - Deficiency needs (D-needs): physiological, safety, social, esteem
 - Growth/Being need (B-needs): self-actualization



- Physiological:
 - Basic physical requirement for human survival
 - Universal
 - e.g., food, water, sleep, shelter
- Safety:
 - Freedom from harm and fear

- Sense of security, stability, comfort
 - e.g., financial security, well-being
- Social:
 - Need to feel accepted by others
 - Need for fulfilling relationships
 - e.g., love, affection, friendship
- Esteem:
 - Need for recognition from others (lower)
 - Need for positive self-image (higher)
 - e.g., status, confidence
- Self-Actualization:
 - Need to reach full potential
 - Focus is on self-awareness and personal growth
 - Expressed in differing ways
- Maslow's Hierarchy of Needs: Criticism
 - Little empirical evidence in support of ranking of needs
 - Needs as more dynamic and intertwined
 - Theory developed on basis of restricted samples
 - Healthiest 1% of college students
 - Differences in needs and need hierarchies across cultures
 - Individualistic vs. collectivist

Psychological Influences: Self-Concept

- Self-Concept:
 - Collection of ideas and beliefs about oneself
 - Liable to change as we grow
 - Real (Actual) Self: reflects who you truly and objectively are. Attributes, personality traits (brown hair, siblings, insecure, etc.)
 - Self-Image: how we see ourselves
 - Looking-Glass Self: how we think others perceive us (if people laugh at things you say, you might think you are funny)
 - Ideal Self: who we aspire to be. Who we want to be in the future
 - Buy products to match looking-glass to become ideal self.

Lesson 2: Psychological Influences - Perception

Psychological Influences: Perception

- Process by which an individual selects, organizes, interprets, responds to information to create a meaningful picture of the world
- Coca-Cola vs. Pepsi

- Chemical compositions are very similar
- Blind taste tests show that most people don't have the sensory ability to discriminate between the two
- Most have a strong preference for one vs. the other and perceive difference to exist
- Functional magnetic resonance imaging (fMRI) tech used to assess responding during two taste tests
- Taste Test #1 - Anonymous:
 - Coke and Pepsi were equally preferred
 - Activity in reward centres of brain
- Taste Test #2 - Brand-cued:
 - Greater preference for Coke
 - Activity in brain structures associated with emotions, memories, learning

Neuromarketing

- Use of neuroimaging tools (e.g., fMRI) and physiological measures (e.g., eye tracking, heart rate) to understand consumer behaviour
- Examine brain and physiological response to marketing stimuli
- Purchase of products can be predicted based on brain activity changes
- Preference of matte potato chip bag to glossy potato chip bag
- Several suggestions: visually unique, resembles paper
- Does not trigger activity in areas of the brain associated with feelings of guilt

Perceptual Selectivity

- Selective Exposure: choose the content that receives attention
- Selective Perception: pay attention to content that is salient
- Selective Comprehension: interpret information so that it is consistent with our attitudes/beliefs
- Selective Retention: remember only relevant information

Lesson 3: Psychological Influences - Learning & Attitudes

Psychological Influences: Learning

- Behavioural Learning
 - Behaviours as learned habits acquired through association between a stimulus and a consequences
 - Drive -> Cue -> Response -> Reinforcement
 - Drive: condition that impels a person to act
 - Cue: stimulus that tells you how to respond
 - Response: reaction to the cue
 - Reinforcement: effect of the response (consequence)

- Behavioural Learning: Stimulus Generalization
 - Occurs when a response to one cue is evoked by another similar cue
 - Increases with cue similarity
 - Relevant to the introduction of new products and copycat brands
- Behavioural Learning: Stimulus Discrimination
 - One's ability to perceive differences among similar products or brands
 - Brands use unique packaging and messaging in an effort to stand out
- Cognitive Learning
 - Knowledge is acquired through one's own information processing
 - Learners take in, interpret, store, and retrieve information to inform actions
 - Can occur through own experiences
 - Can occur through observation of others

Psychological Influences: Attitudes

- Evaluation of an ideas, event, object, or person
- Attitudes:
 - Beliefs: assumptions we believe to be true based on past experience and available information
 - Values: principles, standards, or qualities that are held in high regard (e.g., honesty, equality)
- Attitude Change
 - Change beliefs about extent to which product has certain attributes
 - e.g., eggs
 - Change perceived important of attributes
 - Pepsi
 - Add new attributes
 - iPhone

Lesson 4: Socio-Cultural Factors

Socio-Cultural Influences

- Influences that stem from one's relationships with others
- Includes social influences and cultural influences

Socio-Cultural Influences: Reference Group

- Reference Group: group of people who with common interests who influence an individual's attitudes and behaviours
- Membership: you belong to this group
 - Most easily identified by marketers
- Aspiration: you wish to be a part of this group
 - Anticipatory or symbolic
- Dissociative: you distance yourself from this group

Socio-Cultural Influences: Family

- **Consumer Socialization**: process by which people acquire the skills, knowledge, and attitudes necessary to function as consumers
- Direct discussion, observation
- Also influenced by peers, media
- **Family Life Cycle**:
 - A family's progression from formation to retirement
 - Each phase bringing distinct needs and purchasing behaviours
 - Bachelor -> Newly Married -> Full Nest -> Empty Nest -> Solitary Survivor
 - **Bachelor**:
 - Personal appearance
 - Basic furniture and kitchen appliances
 - Impulsive purchases
 - **Newly Married**:
 - Financial stability
 - Durable goods, vacations, gifts
 - Joint decision making
 - **Full Nest**:
 - Numerous stages
 - Home necessities, child needs
 - Savings (education, retirement)
 - **Empty Nest**:
 - Retirement
 - Vacations, hobbies, medical
 - Family support
 - **Solitary Survivor**:
 - Reduction in income
 - Security, medical costs
 - Downgrade property

Socio-Cultural Influences: Culture

- **Culture**
 - Set of values, ideas, and attitudes that are learned and shared among the member of a group
 - Consumers' purchasing decisions are often aligned with their culture
- **Values**
 - Widely held beliefs about what is socially acceptable or desirable
- **Individualistic (US)**
 - Individuality
 - Efficiency
 - Freedom
 - Ambition

- Collectivist (Japan)
 - Cooperation
 - Effort
 - Order
 - tradition