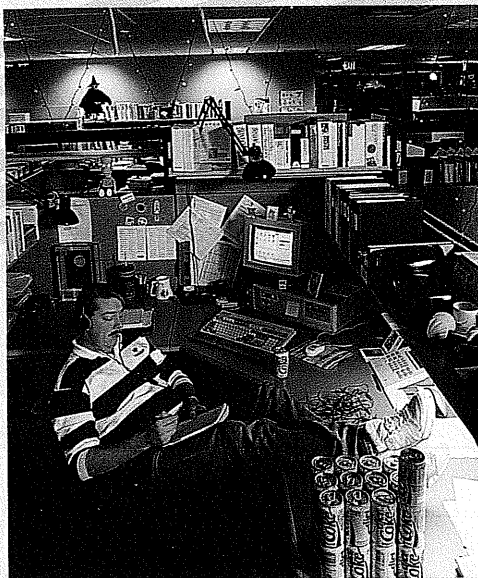


Microsoft is growing fast. It is adding approximately 150 new employees every month. Its continued success depends on its recruiters finding and hiring the best people available.



Microsoft Corp. is on its way to becoming *the* business success story of the late 20th century.¹ Established in 1975, this maker of

personal computer software has experienced unprecedented growth. For instance, in 1990, sales hit \$1.2 billion; in 1991, they shot up to \$1.8 billion; and despite an economic recession sales grew to \$2.7 billion in 1992. The stock market now values Microsoft at more than General Motors or IBM. Microsoft's success has made its co-founder, Bill Gates, the richest man in America.

But Microsoft is a knowledge-based business. Its continued growth depends on a steady stream of bright and motivated employees. As one senior vice president recently put it, "You can't hire bad programmers and get great software." In 1989, the company had 4,000 people on its payroll. By 1992, that number had passed 10,000. The task of filling Microsoft's staffing needs is truly overwhelming. To illustrate, in one recent year, Microsoft recruiters reviewed more than 120,000 résumés and conducted 7,400 face-to-face interviews in order to hire 2,000 new people.

Finding and hiring the best is top priority at Microsoft. When Bill Gates was asked about the most important thing he had done for the company in the previous year, he answered, "I hired a lot of smart people."

How does Microsoft find and select its people? Recruiters visit over 130 college campuses a year. Job candidates may be looked over several times on campus before they are flown to the company's headquarters outside Seattle. There, they spend a day being interviewed by at least four staffers from different parts of the organization. And interviewers' questions emphasize creativity and problem-solving skills rather than specific programming knowledge. Moreover, Microsoft's salaries tend to be on the low side, and sixty- to eighty-hour workweeks are common. So the company looks for individuals who value winning more than rewards. Of course, any interviewees who've done their homework know that stock options given to high-performing employees have made more than 2,000 of them millionaires.

Microsoft's selection process is obviously working. The firm has earned a reputation for hiring much of America's best young technical, marketing, and management talent. If the proof of the pudding is in the eating, Microsoft's growth record validates the effectiveness of its selection process.

As Microsoft illustrates, the quality of an organization is, to a large degree, merely the summation of the quality of people it hires and holds. Getting and keeping competent personnel is critical to the success of every organization, whether the organization is just starting or well established. Therefore, part of every manager's job in the organizing function is filling positions—that is, putting the right person into the right job.

Managers and Personnel Departments

Some readers may be thinking, "Sure, personnel decisions are important, but aren't they made by people in personnel departments? These aren't decisions that *all* managers are involved in."

It's true that, in large organizations, a number of the activities grouped under the label *human resource management* (HRM) often are done by specialists in personnel or human resource development. However, not all managers work in organizations that have formal personnel departments; and even those who do still have to be engaged in some human resource activities.

Small-business managers are an obvious example of individuals who frequently must do their hiring without the assistance of a personnel department. But even managers in billion-dollar corporations are involved in recruiting candidates, reviewing application forms, interviewing applicants, inducting new employees, appraising employee performance, making decisions about employee training, and providing career advice to subordinates. Whether or not an organization has a personnel department, *every* manager is involved with human resource decisions in his or her unit.

The Human Resource Management Process

human resource management process

Activities necessary for staffing the organization and sustaining high employee performance.

Figure 12-1 introduces the key components of an organization's **human resource management process**. It represents nine activities, or steps (the beige-shaded boxes), that, if properly executed, will staff an organization with competent, high-performing employees who are capable of sustaining their performance level over the long term.

The first four steps represent *human resource planning*, the adding of staff through *recruitment*, the reduction in staff through *decrutment*, and *selection*, resulting in the identification and selection of competent employees. Once you've got competent people, you need to help them adapt to the organization and ensure that their job skills and knowledge are kept current. You do this through *orientation* and *training*. The last steps in the HRM process are designed to identify performance problems, correct them, and help employees to sustain a high level of performance over their entire career. The activities included here include *performance appraisal*, *career development*, and, where employees are unionized, *labor-management relations*.

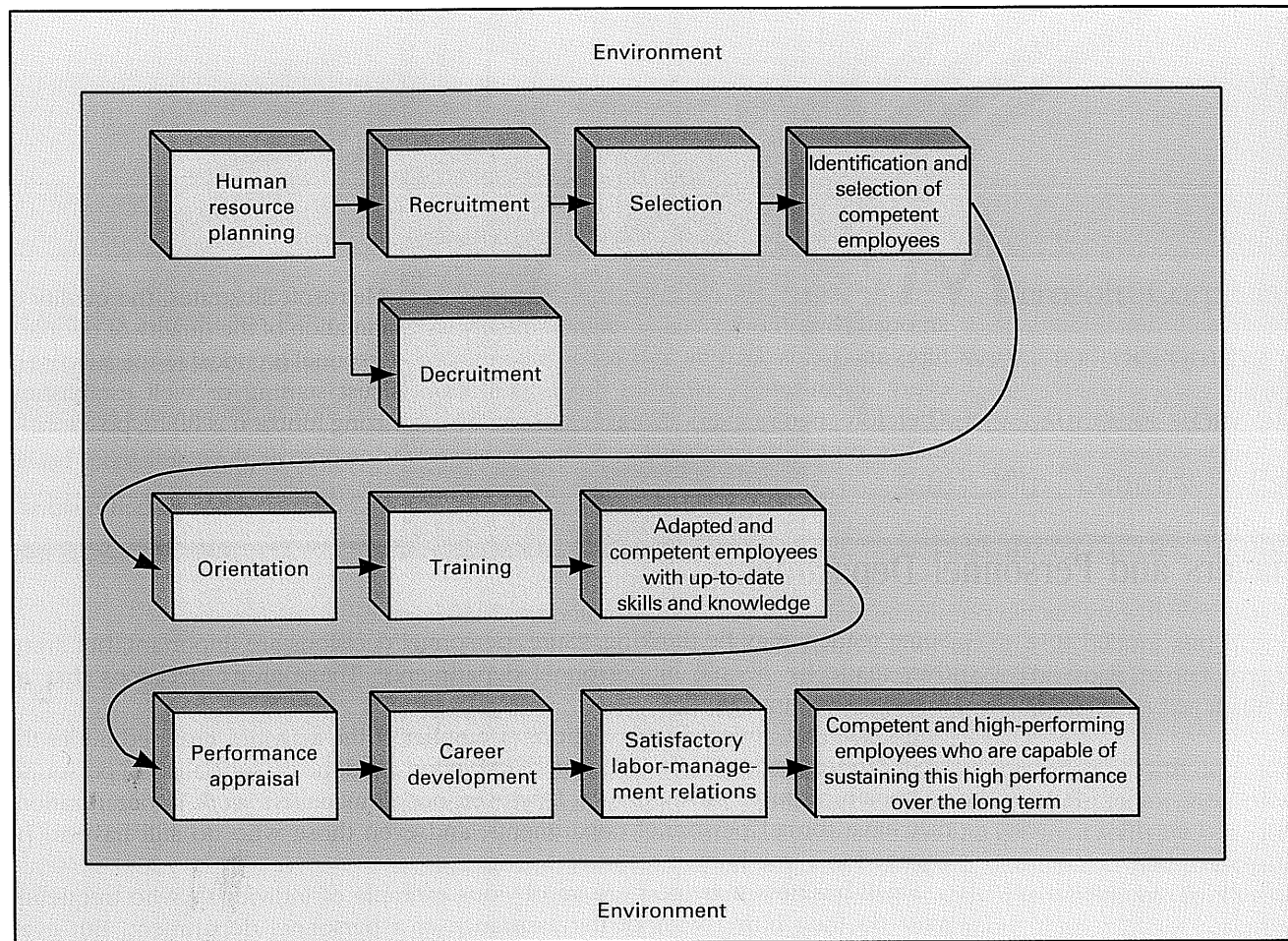


FIGURE 12-1
The Human Resource Management Process

Notice in Figure 12-1 that the entire HRM process is influenced by the external environment. In Chapter 3 we elaborated on the constraints that the environment places on management. Those constraints are probably most severe in the management of human resources. Before we review the nine steps in the process, therefore, we will briefly examine how environmental forces influence the process.

Important Environmental Considerations

Numerous environmental forces impinge on human resource management activities. For instance, approximately 16 percent of the U.S. work force is unionized. In unionized organizations, many key personnel decisions are regulated by the terms of collective bargaining agreements. These agreements usually define such things as recruitment sources; criteria for hiring, promotions, and layoffs; training eligibility; and disciplinary practices. But no environmental constraint can match the influence of government laws and regulations.

Since the mid-1960s, the federal government has greatly expanded its influence over HRM decisions by enacting new laws and regulations. (See Table 12-1.) As a result of this legislation, employers today must ensure that equal employment opportunities exist for job applicants and current employees. Decisions regarding who will

TABLE 12-1 Major U.S. Federal Laws and Regulations Related to Human Resource Management

| Year | Law or Regulation | Description |
|------------------------|---|--|
| 1963 | Equal Pay Act | Prohibits pay differences based on sex for equal work |
| 1964 (amended in 1972) | Civil Rights Act, Title VII | Prohibits discrimination based on race, color, religion, national origin, or sex |
| 1967 (amended in 1975) | Age Discrimination in Employment Act | Prohibits age discrimination against employees between 40 and 65 years of age |
| 1973 | Vocational Rehabilitation Act | Prohibits discrimination on the basis of physical or mental disabilities |
| 1974 | Privacy Act | Gives employees the legal right to examine letters of reference concerning them |
| 1978 | Pregnancy Discrimination Act, Title VII | Prohibits dismissal of women because of pregnancy alone and protects job security during maternity leaves |
| 1978 | Mandatory Retirement Act | Prohibits the forced retirement of most employees before the age of 70 |
| 1986 | Immigration Reform and Control Act | Prohibits unlawful employment of aliens and unfair immigration-related employment practices |
| 1988 | Polygraph Protection Act | Limits an employer's ability to use lie detectors |
| 1988 | Worker Adjustment and Retraining Notification Act | Requires employers to provide 60 days' notice before a facility closing or mass layoff |
| 1990 | Americans with Disabilities Act | Prohibits employers from discriminating against individuals with physical or mental disabilities or the chronically ill |
| 1991 | Civil Rights Act of 1991 | Reaffirms and tightens prohibition of discrimination; permits individuals to sue for punitive damages in cases of intentional discrimination |

be hired, for example, or which employees will be chosen for a management training program must be made without regard to race, sex, religion, age, color, or national origin. Exceptions can occur only for requirements that are **bona fide occupational qualifications (BFOQ)**. This explains why, for instance, airlines today have flight attendants of both sexes and of varying ages. In the early 1960s, airlines hired almost exclusively flight attendants who were young, attractive females. But age, beauty, and gender are not BFOQs for this job; and so such criteria had to be dropped.

Many organizations have **affirmative action programs** to ensure that decisions and practices enhance the employment, upgrading, and retention of members from protected groups, such as minorities and females. That is, not only will the organization refrain from discrimination, but it will actively seek to enhance the status of members from protected groups. Why are organizations taking this affirmative

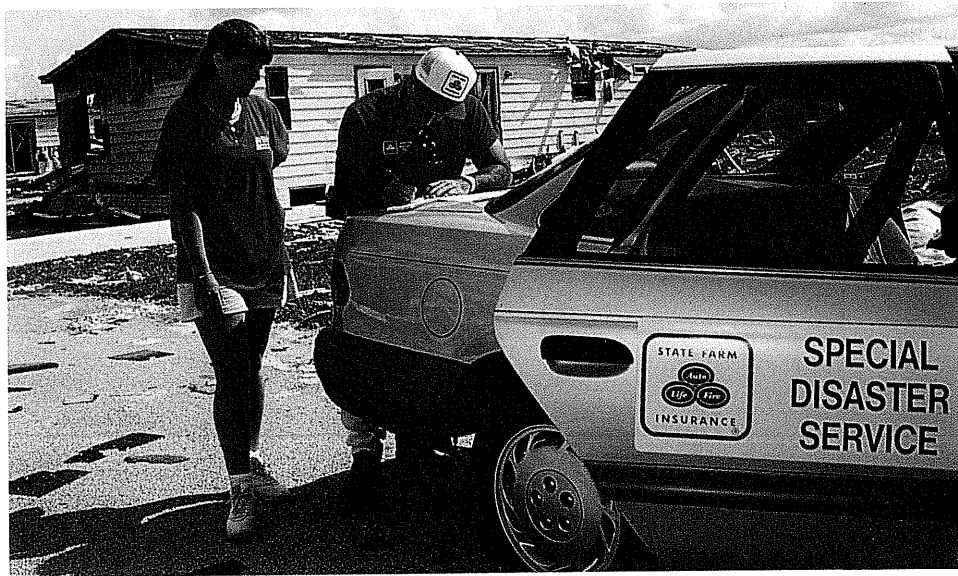
bona fide occupational qualifications (BFOQ)

A criterion such as sex, age, or national origin may be used as a basis for hiring if it can be clearly demonstrated to be job related.

affirmative action programs

Programs that enhance the organizational status of members of protected groups.

In 1992, State Farm Insurance Companies paid \$157 million to settle with 814 California women who claimed to have been denied sales jobs in the 1980s and late 1970s because of gender bias. State Farm had previously paid \$33 million to other California women who won or settled sex-discrimination cases against the insurer. State Farm appears to be correcting its past mistake: More than 50 percent of all State Farm agents appointed in recent years have been women.



stance? On the ethical side, they have a social responsibility to improve the status of protected group members. On the economic side, the cost of defending the organization against charges of discrimination can be enormous. As an example, Sears, Roebuck spent over twelve years and \$20 million in legal fees and employed 250 full-time people to defend itself successfully against accusations by the Equal Employment Opportunity Commission that its past hiring practices had discriminated against females.²

Our conclusion is that managers are not completely free to choose who they hire, promote, or fire. While these regulations have significantly helped to reduce discrimination and unfair employment practices in organizations, they have, at the same time, also reduced management's discretion over human resource decisions.

Human Resource Planning

human resource planning

The process by which management ensures that it has the right personnel, who are capable of completing those tasks that help the organization reach its objectives.

Human resource planning is the process by which management ensures that it has the right number and kinds of people in the right places, and at the right times, who are capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives. Human resource planning, then, translates the organization's objectives into terms of the workers needed to meet those objectives.³

Human resource planning can be condensed into three steps: (1) assessing current human resources, (2) assessing future human resource needs, and (3) developing a program to meet future human resource needs.

Current Assessment

Management begins by reviewing its current human resource status. This is typically done by generating a *human resource inventory*. In an era of sophisticated computer systems, it is not too difficult a task for most organizations to generate a human resource inventory report. The input for this report is derived from forms completed

by employees. Such reports might list the name, education, training, prior employment, languages spoken, capabilities, and specialized skills of each employee in the organization. This inventory allows management to assess what talents and skills are available.

job analysis

An assessment that defines jobs and the behaviors necessary to perform them.

Another part of the current assessment is the **job analysis**. While the human resource inventory is concerned with telling management what individual employees can do, job analysis is more fundamental. It defines the jobs within the organization and the behaviors that are necessary to perform those jobs. For instance, what are the duties of a purchasing specialist, grade 3, who works for Boise Cascade? What minimal knowledge, skills, and abilities are necessary for the adequate performance of a grade 3 purchasing specialist's job? How do the requirements for a purchasing specialist, grade 3, compare with those for a purchasing specialist, grade 2, or for a purchasing analyst? These are questions that job analysis can answer. It seeks to determine the kind of people needed to fill each job and culminates in job descriptions and job specifications.

There are several methods for analyzing jobs. There is the observation method, in which employees are either watched directly or filmed on the job. Employees can also be interviewed individually or in a group. A third method is the use of structured questionnaires on which employees check or rate the items they perform in their jobs from a long list of possible task items. A fourth method is the use of a technical conference, at which "experts"—usually supervisors with extensive knowledge of a job—identify its specific characteristics. A fifth method is to have employees record their daily activities in a diary or notebook, which can then be reviewed and structured into job activities.

Information gathered by using one or more of these methods allows management to draw up a **job description** and **job specification**. The former is a written statement of what a jobholder does, how it is done, and why it is done. It typically portrays job content, environment, and conditions of employment. The job specification states the minimum acceptable qualifications that an incumbent must possess to perform a given job successfully. It identifies the knowledge, skills, and abilities needed to do the job effectively.

The job description and specification are important documents when managers begin recruiting and selecting. The job description can be used to describe the job to potential candidates. The job specification keeps the manager's attention on the list of qualifications necessary for an incumbent to perform a job and assists in determining whether candidates are qualified.

Future Assessment

Future human resource needs are determined by the organization's objectives and strategies.

Demand for human resources is a result of demand for the organization's products or services. On the basis of its estimate of total revenue, management can attempt to establish the number and mix of human resources needed to reach these revenues. In some cases, the situation may be reversed. Where particular skills are necessary and in scarce supply, the availability of satisfactory human resources determines revenues. This might be the case, for example, in a tax consulting firm that finds it has more business opportunities than it can handle. Its only limiting factor in building revenues might be its ability to locate and hire staff with the qualifications necessary to satisfy the consulting firm's clients. In most cases, however, the overall organizational goals and the resulting revenue forecast provide the major input determining the organization's human resource demand requirements.

job description

A written statement of what a jobholder does, how it is done, and why it is done.

job specification

A statement of the minimum acceptable qualifications that an incumbent must possess to perform a given job successfully.

Developing a Future Program

After it has assessed both current capabilities and future needs, management is able to estimate shortages—both in number and in kind—and to highlight areas in which the organization will be overstaffed. A program can then be developed that can match these estimates with forecasts of future labor supply. So human resource planning not only provides information to guide current staffing needs, but also provides projections of future personnel needs and availability.

Recruitment and Decruitment

recruitment

The process of locating, identifying, and attracting capable applicants.

decruitment

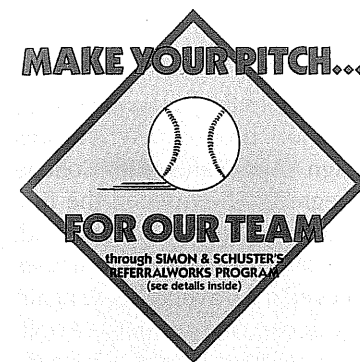
Techniques for reducing the labor supply within an organization.

Once managers know their current personnel status (whether they are understaffed or overstaffed), they can begin to do something about it. If one or more vacancies exist, they can use the information gathered through job analysis to guide them in **recruitment**—that is, the process of locating, identifying, and attracting capable applicants.⁴ On the other hand, if human resource planning indicates a surplus, management will want to reduce the labor supply within the organization. This activity is called **decruitment**.⁵

Where does a manager look to recruit potential candidates? Table 12-2 offers some guidance. The source that is used should reflect the local labor market, the type or level of position, and the size of the organization.

TABLE 12-2 Major Sources of Potential Job Candidates

| Source | Advantages | Disadvantages |
|-----------------------------|---|--|
| Internal search | Low cost; builds employee morale; candidates are familiar with organization | Limited supply; may not increase proportion of employees from protected groups |
| Advertisements | Wide distribution; can be targeted to specific groups | Generates many unqualified candidates |
| Employee referrals | Knowledge about the organization provided by current employee; can generate strong candidates because a good referral reflects on the recommender | May not increase the diversity and mix of employees |
| Public employment agencies | Free or nominal cost | Candidates tend to be unskilled or minimally trained |
| Private employment agencies | Wide contacts; careful screening; short-term guarantees often given | High cost |
| School placement | Large, centralized body of candidates | Limited to entry-level positions |
| Temporary help services | Fills temporary needs | Expensive; generally limited to routine or narrowly defined skills |



Simon & Schuster publishers offers a \$600 finders fee for referring job applicants that are eventually hired.



For filling senior executive jobs—like Linda Rice's position as Chief Operating Officer at Johnson Publications—organizations often rely on executive search firms with national contacts. A wider set of candidates is justified because of the potential impact the decisions of such managers will have on an organization's future.

Regardless of the type of position or its attractiveness, it is generally easier to recruit in large labor markets than in small ones. If for no other reasons, large labor markets like New York or Chicago have a greater supply of workers. Of course, this generalization has to be moderated by unemployment levels, wage rates, and other factors. But in large markets, recruitment efforts can be directed locally—to newspapers, employment agencies, colleges, or referrals by current employees.

The type or level of a position influences recruitment methods. The greater the skill required or the higher the position in the organization's hierarchy, the more the recruitment process will expand to become a regional or national search.

The scope of recruitment and the amount of effort devoted to it will also be influenced by the size of the organization. Generally, the larger the organization, the easier it is to recruit job applicants. Larger organizations have a larger pool of internal candidates from which to choose to fill positions above the lowest level. They have more visibility and, typically, more prestige. Also, larger organizations are often perceived as offering greater opportunities for promotions and increased responsibility.

Are certain recruiting sources superior to others? More specifically, do certain recruiting sources produce superior candidates. The answer is yes. The majority of studies find that employee referrals prove to be superior.⁶ The explanation for this finding is intuitively logical. First, applicants referred by current employees are prescreened by these employees. Because the recommenders know both the job and the person being recommended, they tend to refer applicants who are better qualified for the job. Second, because current employees often feel their reputation in the organization is at stake with a referral, they tend to refer others only when they are reasonably confident that the referral won't make them look bad.

In the past decade, most large U.S. corporations, as well as many government agencies and small businesses, have been forced to engage in some decruitment activities. The decline in many manufacturing industries, market changes, foreign competition, and mergers have been the primary causes of personnel cutbacks.

Decruitment is not a pleasant task for any manager to perform. But as many organizations are forced to shrink the size of their work force or restructure their skill composition, decruitment is becoming an increasingly important part of human resource management.

What are a manager's decruitment options? Obviously, people can be fired. But other choices may be more beneficial to the organization and/or the employee.⁷ Table 12-3 summarizes a manager's major options.

TABLE 12-3 Decruitment Options

| Option | Description |
|-------------------|--|
| Firing | Permanent involuntary termination. |
| Layoffs | Temporary involuntary termination; may last only a few days or extend to years. |
| Attrition | Not filling openings created by voluntary resignations or normal retirements. |
| Transfers | Moving employees either laterally or downward; usually does not reduce costs but can reduce intra-organizational supply-demand imbalances. |
| Reduced workweeks | Having employees work fewer hours per week, share jobs, or perform their jobs on a part-time basis. |
| Early retirements | Providing incentives to older and more senior employees for retiring before their normal retirement date. |

Selection

A new college graduate with a degree in accounting walked into the personnel office of a medium-sized corporation not long ago in search of a job. Immediately, she was confronted by two doors, one of which displayed the sign “Applicants With College Degree” and the other, “Applicants Without College Degree.” She opened the first door. As soon as she did so, she was confronted by two more doors. The first said, “Applicants with Grade Point Average of 3.0 or Greater,” and the other, “Applicants with Grade Point Average of Less Than 3.0.” Having achieved a 3.6 average, she again chose the first door—and was once again faced by two doors, one reading, “Applicants with Management Majors,” and the other, “Applicants with Nonmanagement Majors.” Having an accounting degree, she opened the second of these doors—and found herself out in the street.⁸

Although this story is fictitious, it does convey the essence of the selection process. When human resource planning identifies a personnel shortage and develops a pool of applicants, it needs some method for screening the applicants to ensure that the most appropriate candidate is awarded the job. That screening method is the **selection process**.

selection process

The process of screening job applicants to ensure that the most appropriate candidates are hired.

Foundations of Selection

Selection is a prediction exercise. It seeks to predict which applicants will be successful if hired. “Successful” in this case means performing well on the criteria the organization uses to evaluate personnel. In filling a sales position, for example, the selection process should be able to predict which applicants will generate a high volume of sales; for a position as a high school teacher, it should predict which applicants will be effective educators.

Prediction Consider, for a moment, that any selection decision can result in four possible outcomes. As shown in Figure 12-2, two of these outcomes would indicate correct decisions, but two would indicate errors.

A decision is correct when the applicant was predicted to be successful and later proved to be successful on the job or when the applicant was predicted to be unsuccessful and would perform accordingly if hired. In the former case, we have successfully accepted; in the latter case, we have successfully rejected.

Problems occur when we make errors by rejecting candidates who would later perform successfully on the job (reject errors) or accepting those who subsequently perform poorly (accept errors). These problems are, unfortunately, far from insignifi-

FIGURE 12-2
Selection Decision Outcomes

| | | Selection Decision | |
|-----------------------|--------------|--------------------|------------------|
| | | Accept | Reject |
| Later Job Performance | Successful | Correct decision | Reject error |
| | Unsuccessful | Accept error | Correct decision |

MANAGERS
WHO MADE A
DIFFERENCE



Julie Stasch at Stein & Company



Julie Stasch is president of Stein & Company, a major real estate developer in Chicago.⁹ She joined the company in 1976 and rose through the ranks to become president in 1991. Among her accomplishments has been her role in creating the Female Employment Initiative (FEI).

Stasch was unhappy with the low number of women in high-paid, skilled construction jobs. Contractors would rationalize the situation by arguing that, although they’d love to hire women, unions didn’t have any women in their ranks. The unions would argue that, although they too would love to admit more women, contractors didn’t want to hire them. Instead of seeking change through the courts, Stasch, with the full support of her company, created FEI in 1988 as a committee of ten influential women from Chicago contracting and nonprofit groups. As consultants paid by Stein & Company, committee members encouraged women to seek skilled construction jobs, helped train these women, and worked with employers to make job sites more woman-friendly.

Through Stasch’s efforts, eighty-five of the 500 tradespeople who built the thirty-story Ralph H. Metcalfe Federal Building in Chicago were women, as were seventy-five of the workers who built U.S. Gypsum’s headquarters. Additionally, more than 200 women are working on Stein & Company’s new projects in Chicago—a convention center and a sports arena.

A generation ago reject errors meant only that the costs of selection would be increased because more candidates would have to be screened. Today, selection techniques that result in reject errors can open the organization to charges of discrimination, especially if applicants from protected groups are disproportionately rejected. Accept errors, on the other hand, have very obvious costs to the organization, including the cost of training the employee, the costs generated or profits forgone because of the employee’s incompetence, and the cost of severance and the subsequent costs of further recruiting and selection screening. The major thrust of any selection activity is therefore to reduce the probability of making reject errors or accept errors, while increasing the probability of making correct decisions.

validity

The proven relationship that exists between a selection device and some relevant criterion.

Validity Any selection device that a manager uses—such as application forms, tests, interviews, or background investigations—must demonstrate **validity**. That is, there must be a proven relationship between the selection device and some relevant criterion. For example, the law prohibits management from using a test score as a selection device unless there is clear evidence that, once on the job, individuals with high scores on this test outperform individuals with low test scores.

The burden is on management to support that any selection device it uses to differentiate applicants is related to job performance. While management can give applicants an intelligence test and use the results to help make selection decisions, it must be prepared to demonstrate, if challenged, that this intelligence test is a valid measure; that is, that scores on the test are positively related to later job performance.

reliability

The ability of a selection device to measure the same thing consistently.

Reliability In addition to being valid, a selection device must also demonstrate reliability. **Reliability** indicates whether the device measures the same thing consistently. For example, if a test is reliable, any single individual's score should remain fairly stable over time, assuming that the characteristics it is measuring are also stable.

The importance of reliability should be evident. No selection device can be effective if it is low in reliability. That is equivalent to weighing yourself everyday on an erratic scale. If the scale is unreliable—randomly fluctuating, say, ten to fifteen pounds every time you step on it—the results will not mean much. To be effective predictors, selection devices must possess an acceptable level of consistency.

Selection Devices

Managers can use a number of selection devices to reduce accept and reject errors. The best-known devices include an analysis of the prospects' completed application form, written and performance-simulation tests, interviews, background investigations, and in some cases a physical examination. Let us briefly review each of these devices, giving particular attention to the validity of each in predicting job performance. After we review the devices, we will discuss when each should be used.

The Application Form Almost all organizations require candidates to fill out an application. It may be only a form on which a prospect gives his or her name, address, and telephone number. At the other extreme, it might be a comprehensive personal history profile, detailing the applicant's activities, skills, and accomplishments.

Hard and relevant biographical data that can be verified—for example, rank in high school graduating class—have shown to be valid measures of performance for some jobs.¹⁰ Additionally, when application form items have been appropriately weighted to reflect job relatedness, the device has proven a valid predictor for such diverse groups as salesclerks, engineers, factory workers, district managers, clerical employees, and technicians.¹¹ But, typically, only a couple of items on the application prove to be valid predictors, and then only for a specific job. Use of weighted applications for selection purposes is difficult and expensive because the weights have to be validated for each specific job and must be continually reviewed and updated to reflect changes in weights over time.

Written Tests Typical written tests include tests of intelligence, aptitude, ability, and interest. Such tests have long been used as selection devices, although their popularity has run in cycles. Written tests were widely used for twenty years following World War II. Beginning in the late 1960s, however, they fell into disfavor. Written tests were frequently characterized as discriminatory, and many organizations couldn't validate that their written tests were job related.¹² But since the late 1980s, written tests have made a comeback.¹³ Managers have become increasingly aware that poor hiring decisions are costly, and that properly designed tests could reduce the likelihood of these decisions occurring. In addition, the cost of developing and validating a set of written tests for a specific job has come down markedly. "Ten years ago," says an executive at Personnel Decisions Inc., "if an employer called us and wanted to put together a test battery for salespeople or copywriters . . . we told him [or her] it would take \$100,000 and six months. Now we're talking about \$6,000 and a couple of weeks."¹⁴

A review of the evidence finds that tests of intellectual ability, spatial and mechanical ability, perceptual accuracy, and motor ability are moderately valid predictors for many semiskilled and unskilled operative jobs in industrial organizations.¹⁵ And intelligence tests are reasonably good predictors for supervisory positions.¹⁶ However, an enduring criticism of written tests is that intelligence, and other tested

| LAST NAME | FIRST | INITIAL | DATE |
|--|-------|---------|------|
| <small>THIS APPLICATION IS NOT A CONTRACT BETWEEN THE APPLICANT AND THE EMPLOYER. IT IS A STATEMENT OF THE APPLICANT'S CURRENT STATUS AND INTEREST IN THE COMPANY. IT IS NOT A GUARANTEE OF EMPLOYMENT. THE EMPLOYER MAY BE NECESSARILY RELEGATED TO THE COMPANY'S DISCRETION TO ACCEPT OR REJECT THIS APPLICATION. THE APPLICANT'S ACCEPTANCE OF THIS APPLICATION DOES NOT CONSTITUTE AN OFFER OF EMPLOYMENT. THE APPLICANT'S ACCEPTANCE OF THIS APPLICATION DOES NOT CONSTITUTE AN OFFER OF EMPLOYMENT. THE APPLICANT'S ACCEPTANCE OF THIS APPLICATION DOES NOT CONSTITUTE AN OFFER OF EMPLOYMENT.</small> | | | |

The trend in recent years has been towards shorter application forms essentially focusing on education and experience.

An applicant for a paint-sealer position at Mazda participates in a performance simulation test.



characteristics, can be somewhat removed from the actual performance of the job itself. For example, a high score on an intelligence test is not necessarily a good indicator that the applicant will perform well as a computer programmer. This criticism has led to an increased use of performance simulation tests.

Performance Simulation Tests What better way to find out whether an applicant for a technical-writing position at McDonnell-Douglas can write technical manuals than by having him or her do it? The logic of this question has led to the expanding interest in performance simulation tests. Undoubtedly, the enthusiasm for these tests lies in the fact that they are based on job analysis data and therefore should more easily meet the requirement of job relatedness than do written tests. Performance simulation tests are made up of actual job behaviors rather than surrogates.

The best-known performance simulation tests are work sampling and assessment centers. The former is suited to routine jobs, the latter to selecting managerial personnel.

Work sampling involves presenting applicants with a miniature replica of a job and having them perform a task or set of tasks that are central to the job. Applicants demonstrate that they possess the necessary talents by actually doing the tasks. By carefully devising work samples based on job analysis data, management can determine the knowledge, skills, and abilities needed for each job. Each work sample element is then matched with a corresponding job performance element. For instance, a work sample for a job that involves computations on a calculator would require applicants to make similar computations.

The results from work sample experiments have generally been impressive. They have almost always yielded validity scores that are superior to those of written aptitude, personality, or intelligence tests.¹⁷

A more elaborate set of performance simulation tests, specifically designed to evaluate a candidate's managerial potential, is administered in **assessment centers**. In assessment centers, line executives, supervisors, or trained psychologists evaluate candidates as they go through two to four days of exercises that simulate real problems they would confront on the job. Based on a list of descriptive dimensions that the actual job incumbent has to meet, activities might include interviews, in-basket problem-solving exercises, group discussions, and business decision games.

work sampling

A personnel selection device in which job applicants are presented with a miniature replica of a job and are asked to perform tasks central to that job.

assessment centers

Places in which job candidates undergo performance simulation tests that evaluate managerial potential.

The evidence for the effectiveness of assessment centers is extremely impressive. They have consistently demonstrated results that predict later job performance in managerial positions.¹⁸ Although they are not cheap, the selection of an ineffective manager is undoubtedly far more costly.

Interviews The interview, along with the application form, is an almost universal selection device.¹⁹ Not many of us have ever gotten a job without one or more interviews. The irony of this is that the value of the interview as a selection device has been the subject of considerable debate.²⁰

Interviews *can* be valid and reliable selection tools, but too often they're not. When interviews are structured and well-organized, and when interviewers are held to common questioning, interviews are effective predictors.²¹ But those conditions don't characterize most interviews. The typical interview—in which applicants are asked a varying set of essentially random questions in an informal setting—usually provide little in the way of valuable information.

There are all kinds of potential biases that can creep into interviews if they are not well structured and standardized. To illustrate, a review of the research leads us to the following conclusions:

1. Prior knowledge about the applicant will bias the interviewer's evaluation.
2. The interviewer tends to hold a stereotype of what represents a "good" applicant.
3. The interviewer tends to favor applicants who share his or her own attitudes.
4. The order in which applicants are interviewed will influence evaluations.
5. The order in which information is elicited during the interview will influence evaluations.
6. Negative information is given unduly high weight.
7. The interviewer often makes a decision concerning the applicant's suitability within the first four or five minutes of the interview.
8. The interviewer forgets much of the interview's content within minutes after its conclusion.
9. The interview is most valid in determining an applicant's intelligence, level of motivation, and interpersonal skills.²²

What can managers do to make interviews more valid and reliable? Specifically, we suggest: (1) structuring a fixed set of questions for all applicants; (2) having detailed information about the job for which applicants are interviewing; (3) minimizing any foreknowledge of applicants' background, experience, interests, test scores, or other characteristics; (4) asking behavioral questions that require applicants to give detailed accounts of actual job behaviors (for example: Give me a specific example of a time you had to reprimand an employee, tell me what action you took, and describe the result); (5) using a standardized evaluation form; (6) taking notes during the interview; and (7) avoiding short interviews that encourage premature decision making.²³

Background Investigation Background investigations are of two types: verifications of application data and reference checks. The first type has proven to be a valuable source of selection information, whereas the latter is essentially worthless. Let's briefly review each.

Several studies indicate that verifying "facts" given on the application form pays dividends. A significant percentage of job applicants—upwards of 15 percent—exaggerate or misrepresent dates of employment, job titles, past salaries, or reasons for leaving a prior position.²⁴ Confirmation of hard data on the application with prior employers is therefore a worthwhile endeavor.

The reference check is used by many organizations but is extremely difficult to justify. Whether they are work related or personal, references provide little valid information for the selection decision.²⁵ Employers are frequently reluctant to give candid evaluations of a former employee's job performance for fear of legal repercussions. In fact, a survey found that only 55 percent of human resource executives would "always" provide accurate references to a prospective employer. Moreover, 7 percent said they would never give an accurate reference.²⁶ Personal likes and dislikes also heavily influence the type of recommendation given. Personal references are likely to provide biased information. Who among us doesn't have three or four friends who will speak in glowing terms about our integrity, work habits, positive attitudes, knowledge, and skills?

Physical Examination For jobs with certain physical requirements, the physical examination has some validity. However, this includes a very small number of jobs today. In almost all cases, the physical examination is done for insurance purposes. Management wants to eliminate insurance claims for injuries or illnesses contracted prior to being hired.

Great care must be taken to ensure that physical requirements are job related and do not discriminate. Some physical requirements may exclude certain disabled persons, when, in fact, such requirements do not affect job performance.

What Works Best and When

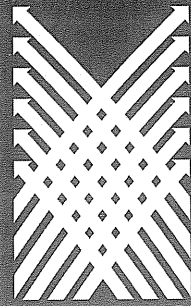
Many selection devices are of limited value to managers in making selection decisions. An understanding of strengths and weaknesses of each will help you to determine when each should be used. We offer the following advice to guide your choices.

Since the validity of selection devices varies for different types of jobs, you should use only those devices that predict for a given job. (See Table 12-4.) The application form offers limited information. Traditional written tests are reasonably effective devices for routine jobs. Work samples, however, are clearly preferable to written tests. For managerial selection, the assessment center is strongly recommended. If the interview has a place in the selection decision, it is most likely among less-routine jobs, particularly middle- and upper-level managerial positions. The interview is a

TABLE 12-4 Quality of Selection Devices as Predictors

| Selection Device | Position ^a | | | |
|----------------------------------|-----------------------|-----------------------------|-----------------------|-------------------|
| | Senior Management | Middle and Lower Management | Complex Nonmanagerial | Routine Operative |
| Application Form | 2 | 2 | 2 | 2 |
| Written tests | 1 | 1 | 2 | 3 |
| Work samples | — | — | 4 | 4 |
| Assessment center | 5 | 5 | — | — |
| Interviews | 4 | 3 | 2 | 2 |
| Verification of application data | 3 | 3 | 3 | 3 |
| Reference checks | 1 | 1 | 1 | 1 |
| Physical exam | 1 | 1 | 1 | 2 |

^a Validity is measured on a scale from 5 (highest) to 1 (lowest).



Is It Wrong to Write a “Creative” Résumé?

Almost all of us have written, or will write, a résumé to give to prospective employers. It summarizes our background, experiences, and accomplishments. Should it be 100 percent truthful? Let's take a few examples.

Person A leaves a job where his title was “Credit Clerk.” When looking for a new job, he describes his previous title as “Credit Analyst.” He thinks it sounds more impressive. Is this retitling of a former job wrong?

Person B made \$2700 a month when she left her previous job. On her résumé, she says that she was making \$2900. Is that wrong?

Person C, about eight years ago, took nine months off between jobs to travel overseas. Afraid that people might consider her unstable or lacking in career motivation, she puts down on her résumé that she was engaged in “independent consulting activities” during the period. Was she wrong?

Person D is fifty years old with an impressive career record. He spent five years in college thirty years ago, but he never got a degree. He is being considered for a \$150,000-a-year vice presidency at another firm. He knows that he has the ability and track record to do the job, but he won't get the interview if he admits to not having a college degree. He knows that the probability that anyone would check his college records is very low. Should he put on his résumé that he completed his degree?

Falsehoods on résumés are widespread. A recent survey of 200 applicants found that 30 percent reported incorrect dates of employment.²⁸ Eleven percent misrepresented reasons for leaving a previous job to cover up the fact that they were fired. Some falsely claimed college degrees or totally fabricated work histories. In a larger study of 11,000 applicants, 488 failed to disclose criminal records; most of these were drug or alcohol offenses, but some were as serious as rape or attempted murder.

Is it wrong to write a “creative” résumé? What deviations from the truth, if any, would *you* make?

reasonably good device for discerning intelligence and interpersonal skills.²⁷ These are more likely to be related to job performance in nonroutine activities, especially in senior managerial positions. Verification of application data is valuable for all jobs. Conversely, reference checks are generally worthless for all jobs. Finally, physical examinations rarely provide any valid selection information.

Orientation

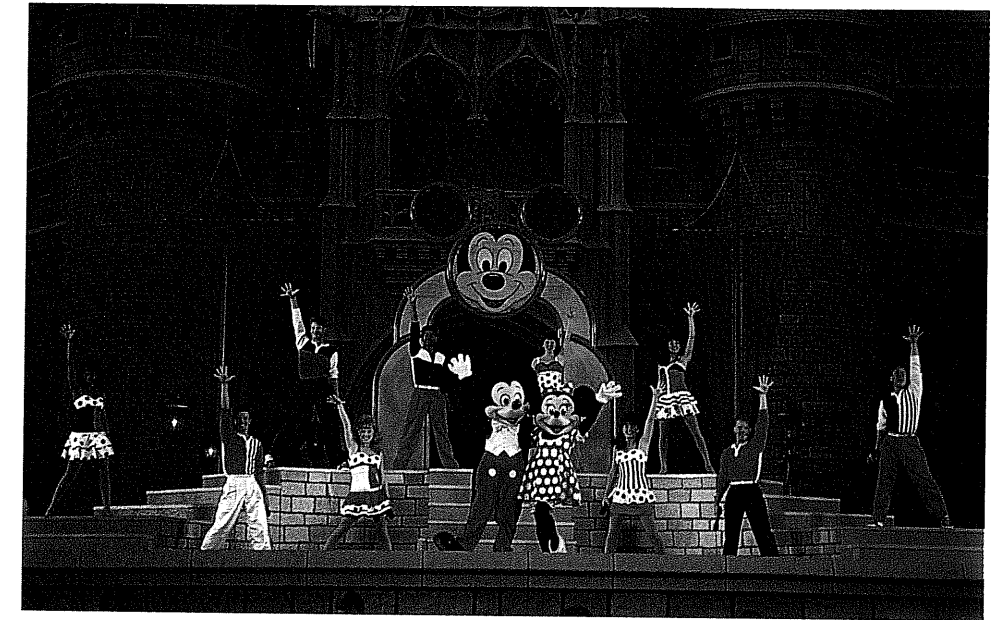
orientation

The introduction of a new employee into his or her job and the organization.

Once a job candidate has been selected, he or she needs to be introduced to the job and organization. This introduction is called **orientation**.

The major objectives of orientation are to reduce the initial anxiety all new employees feel as they begin a new job; to familiarize new employees with the job, the work unit, and the organization as a whole; and to facilitate the outsider-insider transition. Job orientation expands on the information the employee obtained during the recruitment and selection stages. The new employee's specific duties and responsibilities are clarified, as well as how his or her performance will be evaluated. This is

All new Disney World employees go through an eight-hour orientation program, followed by forty hours of apprenticeship training on park grounds. The purpose is to familiarize the employees with Disney's history, traditions, policies, expectations, and ways of doing things.



also the time to rectify any unrealistic expectations new employees might hold about the job. Work unit orientation familiarizes the employee with the goals of the work unit, makes clear how his or her job contributes to the unit's goals, and includes introduction to his or her co-workers. Organization orientation informs the new employee about the organization's objectives, history, philosophy, procedures, and rules. This should include relevant personnel policies and benefits such as work hours, pay procedures, overtime requirements, and fringe benefits. A tour of the organization's physical facilities is often part of the organization orientation.

Many organizations, particularly large ones, have formal orientation programs. Such a program might include a tour of the offices or plant, a film describing the history of the organization, and a short discussion with a representative of the personnel department, who describes the organization's benefit programs. Other organizations utilize an informal orientation program in which, for instance, the manager assigns the new employee to a senior member of the unit, who introduces the new employee to immediate co-workers and shows him or her the locations of the rest rooms, cafeteria, coffee machine, and the like.

Management has an obligation to make the integration of the new employee into the organization as smooth and as free of anxiety as possible. Successful orientation, whether formal or informal, results in an outsider-insider transition that makes the new member feel comfortable and fairly well adjusted, lowers the likelihood of poor work performance, and reduces the probability of a surprise resignation by the new employee only a week or two into the job.

Employee Training

On the whole, planes don't cause airline accidents, people do. Most collisions, crashes, and other mishaps—about 74 percent to be exact—result from errors by the pilot or air traffic controller or inadequate maintenance. Weather and structural failures cause only 15 percent of accidents.²⁹ We cite these statistics to illustrate the importance of training in the airline industry. These maintenance and human errors could be prevented or significantly reduced by better employee training.

As job demands change, employee skills have to be altered and updated. It has

been estimated, for instance, that U.S. business firms alone spend an astounding \$30 billion a year on formal courses and training programs to build workers' skills. And that figure might go to \$47 billion if President Clinton is successful in implementing his proposal, which will require that all firms with more than 100 employees either spend the equivalent of 1.5 percent of their payroll on training or pay those sums into a public training fund.³⁰ Management, of course, is responsible for deciding when subordinates are in need of training and what form that training should take.

Skill Categories

We can dissect employee skills into three categories: technical, interpersonal, and problem solving. Most employee training activities seek to modify one or more of these skills.

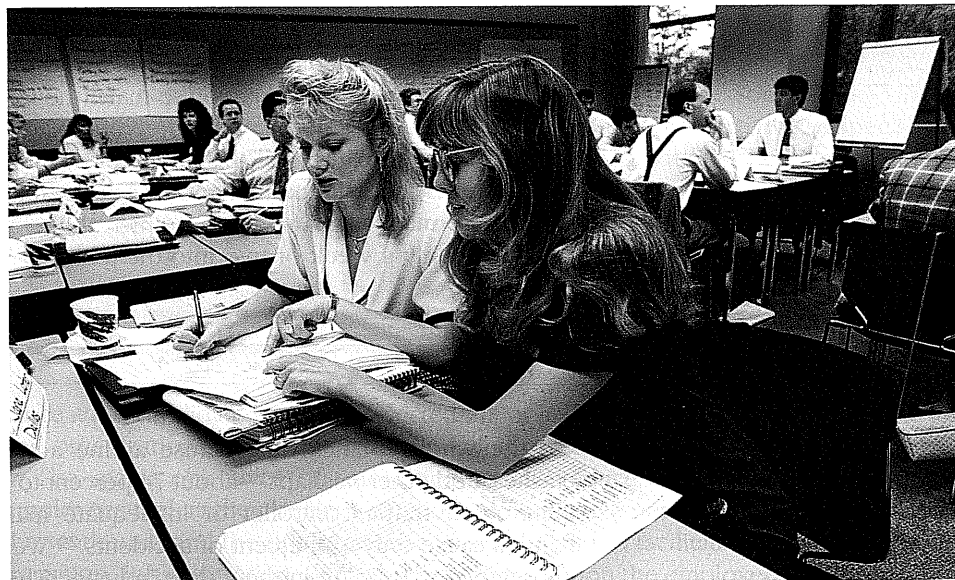
Technical Most training is directed at upgrading and improving an employee's technical skills. This includes basic skills—the ability to read, write, and perform mathematical computations—as well as job-specific competencies.³¹

In the past ten years, the majority of jobs have become more complex. Computerized factories and offices, digitally controlled machines, and other types of sophisticated technology require that employees have math, reading, and computer skills. How, for example, can employees master statistical process control or the careful measurement and self-inspection needed for tool changes in flexible manufacturing systems if they can't make basic math calculations or read detailed operating manuals? Or how can most clerical personnel do their jobs effectively without the ability to understand word processing programs and electronic mail systems?

Interpersonal Almost every employee belongs to a work unit. To some degree, work performance depends on the employee's ability to interact effectively with his or her co-workers and boss. Some employees have excellent interpersonal skills. Others require training to improve theirs. This includes learning how to be a better listener, how to communicate ideas more clearly, and how to reduce conflict.

One employee who had had a history of being difficult to work with found that a

These accountants are participating in Arthur Andersen Worldwide's professional development training program. This firm recently spent \$322 million in one year on the education and training of its employees.



three-hour group session in which she and co-workers openly discussed how each perceived the other significantly changed the way she interacted with her peers. Her co-workers were unanimous in describing her as arrogant. They all interpreted her requests as sounding like orders. Now aware of this tendency, she began to make conscious efforts to change the tone and content of her requests, and this had very positive results in her relationships with her colleagues.

Problem Solving Many employees find that they have to solve problems on their job. This is particularly true in jobs that are of the nonroutine variety. When the problem-solving skills of employees are deficient, management might want to improve these skills through training. This would include participating in activities to sharpen logic, reasoning, and skills at defining problems; assessing causation; developing alternatives; analyzing alternatives; and selecting solutions.

Training Methods

Most training takes place on the job. This can be attributed to the simplicity of such methods and their usually lower cost. However, on-the-job training can disrupt the workplace and result in an increase in errors while learning takes place. Also, some skill training is too complex to learn on the job. In such cases, it should take place outside the work setting.

On-the-Job Training Popular on-the-job training methods include job rotation and understudy assignments. Job rotation involves lateral transfers that enable employees to work at different jobs. Employees get to learn a wide variety of jobs while gaining increased insight into the interdependency between jobs and a wider perspective on organizational activities. New employees frequently learn their jobs by understudying a seasoned veteran. In the trades, this is usually called an *apprenticeship*. In white-collar jobs, it is called a *coaching*, or *mentor*, relationship. In each, the understudy works under the observation of an experienced worker, who acts as a model whom the understudy attempts to emulate.

Both job rotation and understudy assignments apply to the learning of technical skills. Interpersonal and problem-solving skills are acquired more effectively by training that takes place off the job.

Off-the-Job Training There are a number of off-the-job training methods that managers may want to make available to employees. The more popular are classroom lectures, films, and simulation exercises. *Classroom lectures* are well suited for conveying specific information. They can be used effectively for developing technical and problem-solving skills. *Films and videos* can also be used to explicitly demonstrate technical skills that are not easily presented by other methods. Interpersonal and problem-solving skills may be best learned through *simulation exercises* such as case analyses, experiential exercises, role playing, and group interaction sessions. However, complex computer models, such as those used by airlines in the training of pilots, are another kind of simulation exercise, which in this case is used to teach technical skills. So, too, is **vestibule training**, in which employees learn their jobs on the same equipment they will be using, only the training is conducted in a simulated work environment, not on the actual work floor. Most airplane maintenance trainees learn to repair engines and correct maintenance problems in specially created vestibule labs containing actual aircraft that simulate real working conditions. This provides for careful control of learning experiences—allowing trainees to handle every conceivable problem—while minimizing interference with an airline's actual ongoing maintenance operations.

vestibule training

Training in which employees learn on the same equipment they will be using but in a simulated work environment.

Performance Appraisal

performance appraisal

The evaluation of an individual's work performance in order to arrive at objective personnel decisions.

written essay

A performance appraisal technique in which an evaluator writes out a description of an employee's strengths, weaknesses, past performance, and potential and then makes suggestions for improvement.

critical incidents

A performance appraisal technique in which an evaluator lists key behaviors that separate effective from ineffective job performance.

graphic rating scales

A performance appraisal technique in which an evaluator rates a set of performance factors on an incremental scale.

Performance appraisal is a process of evaluating individuals in order to arrive at objective personnel decisions. As shown in Table 12-5, organizations use performance appraisals to make a number of human resource decisions. Performance appraisals are used to decide who gets merit pay increases and other rewards. They provide feedback to employees on how the organization views their performance. Appraisals also identify training and development needs; they pinpoint employee skills and competencies that are currently inadequate but for which remedial programs can be developed. They provide input into human resource planning and guide promotion, transfer, and termination decisions. Finally, performance appraisals are occasionally used for personnel research—specifically, as a criterion against which to validate selection and development programs.

Performance Appraisal Methods

Obviously, performance appraisals are important. But how do you evaluate an employee's performance? That is, what are the specific techniques for appraisal? The following discussion reviews the major performance appraisal methods.³²

Written Essays Probably the simplest method of appraisal is to write a narrative describing an employee's strengths, weaknesses, past performance, and potential and then to provide suggestions for improvement. The **written essay** requires no complex forms or extensive training to complete. However, a "good" or "bad" appraisal may be determined as much by the evaluator's writing skill as by the employee's actual level of performance.

Critical Incidents The use of **critical incidents** focuses the evaluator's attention on those critical or key behaviors that separate effective from ineffective job performance. The appraiser writes down little anecdotes that describe what the employee did that was especially effective or ineffective. The key here is that only specific behaviors are cited, not vaguely defined personality traits. A list of critical incidents for a given employee provides a rich set of examples from which to point out to the employee his or her desirable and undesirable behaviors.

Graphic Rating Scales One of the oldest and most popular methods of appraisal is **graphic rating scales**. This method lists a set of performance factors such as quantity and quality of work, job knowledge, cooperation, loyalty, attendance,

TABLE 12-5 Primary Uses for Performance Appraisals

| Use | Percent ^a |
|----------------------|----------------------|
| Compensation | 85.6 |
| Performance feedback | 65.1 |
| Training | 64.3 |
| Promotion | 45.3 |
| Personnel planning | 43.1 |
| Retention/discharge | 30.3 |
| Research | 17.2 |

^a Based on responses from 600 organizations.

Source: "Performance Appraisal: Current Practices and Techniques," *Personnel*, May-June 1984, p. 57, © 1984 American Management Association, New York. By permission of the publisher. All rights reserved.

behaviorally anchored rating scales (BARS)

A performance appraisal technique in which an evaluator rates employees on specific job behaviors derived from performance dimensions.

multiperson comparison

A performance appraisal technique in which individuals are compared to one another.

group order ranking

A performance appraisal approach that groups employees into ordered classifications.

individual ranking

A performance appraisal approach that ranks employees in order from highest to lowest.

paired comparison

A performance appraisal approach in which each employee is compared to every other employee and rated as either the superior or weaker member of the pair.

honesty, and initiative. The evaluator then goes down the list and rates each on an incremental scale. The scales typically specify five points; a factor such as job knowledge might be rated from 1 ("poorly informed about work duties") to 5 ("has complete mastery of all phases of the job").

Why are graphic ratings scales so popular? Though they don't provide the depth of information that essays or critical incidents do, they are less time consuming to develop and administer. They also allow for quantitative analysis and comparison.

Behaviorally Anchored Rating Scales An approach that has received a great deal of attention in recent years involves **behaviorally anchored rating scales (BARS)**.³³ These scales combine major elements from the critical incident and graphic rating scale approaches: The appraiser rates an employee according to items along a numerical scale, but the items are examples of actual behavior on a given job rather than general descriptions or traits.

Behaviorally anchored rating scales focus on specific and measurable job behaviors. Key elements of jobs are broken down into performance dimensions, and then specific illustrations of effective and ineffective behaviors are identified for each performance dimension. The result is behavioral descriptions such as "anticipates," "plans," "executes," "solves immediate problems," "carries out orders," and "handles emergency situations." So, for example, a manager might rate one of her subordinate supervisors on a five-point scale of 0 (almost never) to 4 (almost always) for statements such as: "Distributes overtime equally taking seniority into account" or "Tells workers that if they have questions or problems to feel free to come and talk to him or her."

Multiperson Comparisons **Multiperson comparisons** compare one individual's performance to those of one or more others. It is a relative, not an absolute, measuring device. The three most popular uses of this method are group order rankings, individual ranking, and paired comparisons.

The **group order ranking** requires the evaluator to place employees into a particular classification such as "top one-fifth" or "second one-fifth." This method is often used in recommending a student for graduate school. Evaluators are asked to rank the student in the top 5 percent, the next 5 percent, the next 15 percent, and so forth. When this method is used to appraise employees, managers rank all their subordinates. If a rater has twenty subordinates, only four can be in the top fifth, and, of course, four must be relegated to the bottom fifth.

The **individual ranking** approach requires the evaluator merely to list the employees in order from highest to lowest. Only one can be "best." In an appraisal of thirty subordinates, the difference between the first and second employee is assumed to be the same as that between the twenty-first and twenty-second. Even though some employees may be closely grouped, there can be no ties.

In the **paired comparison** approach, each employee is compared to every other employee in the comparison group and rated as either the superior or weaker member of the pair. After all paired comparisons are made, each employee is assigned a summary ranking based on the number of superior scores he or she achieved. While this approach ensures that each employee is compared against every other, it can become unwieldy when large numbers of employees are being assessed.

Multiperson comparisons can be combined with other methods to yield a blend of the best from both absolute and relative standards. For example, a college could use the graphic rating scale and the individual ranking methods to provide more accurate information about its students' performance. An absolute grade (A, B, C, D, or F) could be assigned and a student's relative rank in a class ascertained. A prospective employer or graduate school admissions committee could then look at two students who each got a "B" in financial accounting and draw considerably different conclusions about each when next to one grade it says "ranked fourth out of twenty-six,"

while next to the other it says “ranked seventeenth out of thirty.” Obviously, the latter instructor gives out many more high grades.

Objectives We previously introduced Management by Objectives in our discussion on planning. MBO, however, is also a mechanism for appraising performance. In fact, it is the preferred method for assessing managers and professional employees.³⁴

With MBO, employees are evaluated by how well they accomplish a specific set of objectives that have been determined to be critical in the successful completion of their jobs. As you’ll remember from our discussion in Chapter 7, these objectives need to be tangible, verifiable, and measurable.

MBO’s popularity among managerial personnel is probably due to its focus on end goals. Managers tend to emphasize such results-oriented outcomes as profit, sales, and costs. This emphasis aligns with MBO’s concern with quantitative measures of performance. Because MBO emphasizes ends rather than means, this appraisal method allows managers the discretion to choose the best path for achieving their goals.

Providing Feedback in the Appraisal Review

Many managers are reluctant to give a formal performance appraisal review for each employee. Why? Probably the two main reasons are that (1) they lack complete confidence in the appraisal method used and (2) they fear a confrontation with the employee or an unpleasant reaction from him or her if the results are not overwhelmingly positive. Nevertheless, managers should conduct such reviews because they are the primary means by which employees gain feedback on their performance.

An effective review—in which the employee perceives the appraisal as fair, the manager as sincere, and the climate as constructive—is likely to result in the employee leaving the interview in an upbeat mood, informed about the performance areas in which he or she needs to improve and determined to correct the deficiencies. Unfortunately, this is not the usual outcome of appraisal reviews.

The problem is that performance appraisal reviews have a built-in barrier. Statistically speaking, half of all employees must be below-average performers. But evidence tells us that the *average* employee’s estimate of his or her own performance level generally falls around the seventy-fifth percentile.³⁵ In other words, employees tend to form inflated assessments of their own performances. The good news the manager does convey may be perceived as not good enough. In Chapter 16, where we discuss feedback skills, we’ll provide suggestions for making the best of a tough situation.

Career Development

career

The sequence of positions occupied by a person during the course of a lifetime.

The term *career* has a number of meanings. In popular usage, it can mean advancement (“his career is progressing nicely”), a profession (“she has chosen a career in medicine”), or a lifelong sequence of jobs (“his career has included fifteen jobs in six different organizations”). For our purposes, we define a **career** as the “sequence of positions occupied by a person during the course of a lifetime.”³⁶ By this definition, it is apparent that we all have, or will have, careers. Moreover, the concept is as relevant to transient, unskilled laborers as to engineers or physicians.

Why should an organization be concerned with careers? More specifically, why should management spend time on career development? Focusing on careers forces management to adopt a long-term perspective on its human resources. An effective



Career development has become increasingly important for employees as the environment has become more turbulent. Captain Jeffrey Davis, a seven-year Army veteran, is one of more than half a million soldiers whose jobs will be eliminated by 1997. While he dreamed of a long-term career in the Army, he now has to look at how he can transfer the skills he learned in the military to civilian life.

FIGURE 12-3
Stages in Career Development

Source: D. T. Hill, *Careers in Organization* (Glenview, IL: Scott, Foresman and Company, 1976), p. 57. With permission of author.

career development program ensures that needed talent will be available and that minorities and women get opportunities for growth and development. It also improves the organization’s ability to attract and retain highly talented personnel.

Career Stages

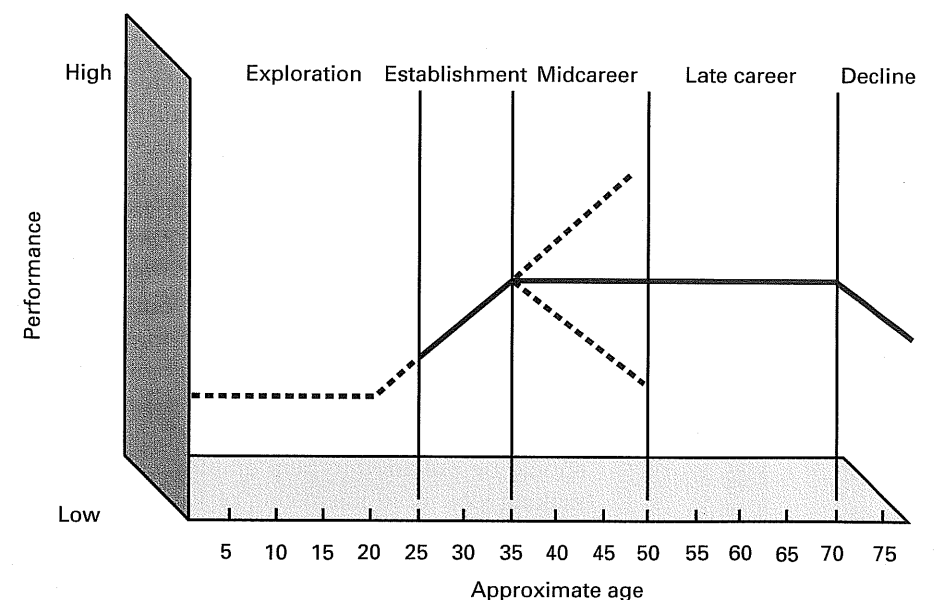
The most popular way of analyzing and discussing careers is to view them as a series of stages.³⁷ In this section, we’ll develop a five-stage model that is generalizable to most people during their adult years, regardless of the type of work they do.

Most individuals begin to form ideas about their careers during their elementary and secondary school years. Their careers begin to wind down as they reach retirement age. We can identify five career stages that most people will go through during these years: exploration, establishment, midcareer, late career, and decline. These stages are depicted in Figure 12-3.

Exploration Individuals make critical choices about their careers even before they enter the work force on a paid basis. The influence of relatives, teachers, and friends, as well as television programs and films, begins to narrow alternatives very early in people’s lives and leads them in certain directions.

The exploration period ends for most people when they are in their mid-20s and make the transition from school to work. From an organizational standpoint, this stage has the least relevance, since it occurs prior to employment. It is relevant, however. The exploration period is a time when a person develops a number of expectations about his or her career, many of which are unrealistic. Such expectations may, of course, lie dormant for years and then pop up later to frustrate both employee and employer.

Establishment The establishment period begins with the search for work and includes getting the first job, being accepted by one’s peers, learning the job, and gaining the first tangible evidence of success or failure in the real world. This stage is characterized by steadily improving performance, making mistakes, and learning from mistakes.



Midcareer Most people don't face their first severe career dilemmas until they reach the midcareer stage. This is a time when a person's performance may continue to improve, level off, or begin to deteriorate. An important fact about this stage is that the individual is no longer seen as a "learner." Mistakes carry greater penalties. Individuals who successfully make the transition to this stage receive greater responsibilities and rewards. For others, it may be a time of reassessment, job changes, adjustment of priorities, or pursuit of alternative life-styles (for example, divorce, going back to school, making a major geographical move).

This stage has become, and will continue to be, particularly relevant to baby boomers—those people born between 1946 and 1964—because of career plateauing.³⁸ The enormous size of this group, coupled with the unprecedented restructuring of organizations to make them flatter and more efficient, translates into significantly reduced advancement prospects for employees now in their 30s and 40s. While the mid-career stage was typically just a step on an upwardly moving promotion path for previous generations, it is increasingly becoming a time of anxiety and frustration for much of today's work force.

Late Career For people who continue to grow through the midcareer stage, the late career usually is a pleasant time when they can relax a bit and play the part of elder statesperson. Their value to the organization lies in their judgment, built up over many years and through varied experiences, and their ability to share their knowledge with others.

For those whose performances have stagnated or deteriorated during the previous stage, the late career brings the reality that they will not have an everlasting impact or change the world as they had once thought. It is a time when individuals recognize that they have decreased work mobility and might be locked into their current jobs.

Decline The final stage in a career is difficult for everyone but, ironically, it is probably hardest on those who have had continued success in the earlier stages. After several decades of achievement and high levels of performance, the time has come for retirement. One is forced to step out of the limelight and give up a major component of one's identity. For modest performers or those who have seen their performance deteriorate over the years, it may be a pleasant time. The frustrations that have been associated with work will be left behind.

Applying the Career Stage Model The concept of career stages can be of great benefit to managers. The following are some possible insights.

New employees often hold unrealistic expectations about their work. A **realistic job preview**—in which job candidates are exposed to negative as well as positive information about the job and organization—can reduce the number of surprise resignations.³⁹ Employees in the establishment stage need training and mentoring to ensure that they have the abilities to perform their jobs well and to provide them with guidance and encouragement.

Managers should keep an eye out for employees who, in midcareer, fail to understand that they are no longer apprentices and that mistakes now carry penalties. Disciplinary action is more likely to be necessary at this stage, when employees first start to show signs of insecurity. Younger employees may be threats. Midcareer failures will occur, but so too will frustration, boredom, and burnout. Managers should be prepared to help employees with their insecurities and consider ways of making jobs more interesting or varied.

Individuals in their late careers make excellent mentors. Managers should exploit this resource. Managers also need to recognize that people in the late career stage frequently undergo significant changes in personal priorities. They may become less interested in work or prefer more free time or a less stressful position instead of more money.

realistic job preview

Exposing job candidates to both negative and positive information about a job and an organization.

Finally, managers should recognize that the decline stage is difficult for every employee to confront. Periods of depression are not uncommon. Employees may also become more hostile and aggressive.

Keys to a Successful Management Career

If you choose a career in management, there are certain keys to success you should consider (see Figure 12-4). The following discussion makes some suggestions based on proven tactics that managers have used to advance their careers.⁴⁰

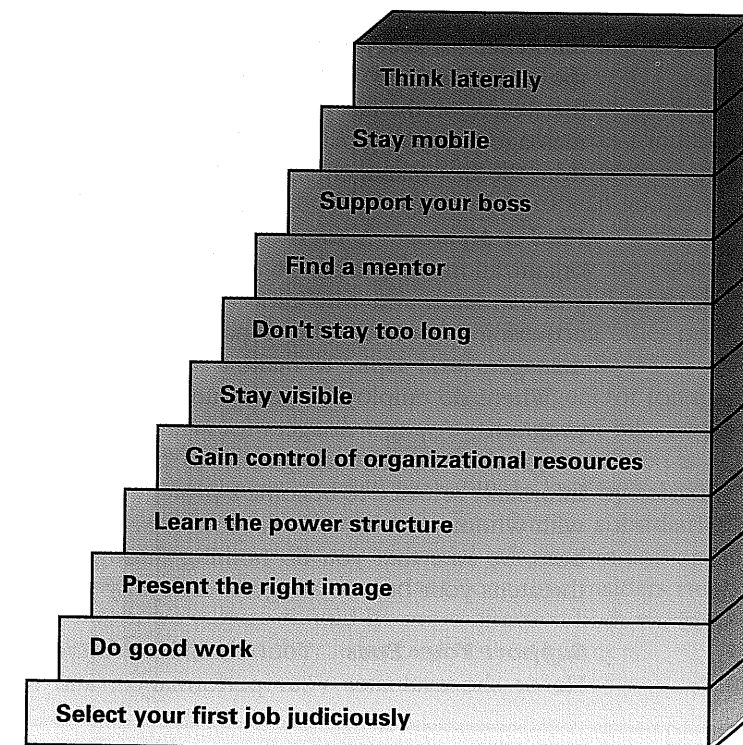
Select Your First Job Judiciously All first jobs are not alike. Where managers begin in the organization has an important effect on their subsequent career progress. Specifically, the evidence suggests that, if you have a choice, you should select a powerful department as the place to start your management career.⁴¹ Managers who start out in departments that are high in power within the organization are more likely to advance rapidly throughout their careers.

Do Good Work Good work performance is a necessary (but not sufficient) condition for managerial success. The marginal performer may be rewarded in the short term, but his or her weaknesses are bound to surface eventually and cut off career advancement. Good work performance is no guarantee of success, but without it the probability of a successful management career is low.

Present the Right Image Assuming that a particular set of managers are all performing well, the ability to align one's image with that sought by the organization is certain to be interpreted positively.

The manager should evaluate the organization's culture so that he or she understands what the organization wants and values from its managers. Then the manager is equipped to project the appropriate image in terms of style of dress; associates one

FIGURE 12-4
Steps to a Successful
Management Career



should and should not cultivate; whether one should project a risk-taking or risk-averse stance; the organization's preferred leadership style; whether conflict should be avoided, tolerated, or encouraged; the importance attributed to getting along well with others; and so forth.

Learn the Power Structure The authority relationships defined by the organization's formal structure explain only part of the influence patterns within an organization. It's of equal or greater importance to know and understand the organization's power structure. The effective manager needs to learn "who is really in charge, who has the goods on whom, what are the major debts and dependencies—all things that are not reflected by the neat boxes in the table of organization. Once he [or she] has this knowledge he [or she] can navigate with more skill and ease."⁴²

Gain Control of Organizational Resources The control of organizational resources that are scarce and important is a source of power. Knowledge and expertise are particularly effective resources to control. They make you more valuable to the organization and therefore more likely to gain security and advancement.

Stay Visible Because the evaluation of managerial effectiveness can be very subjective, it is important that your boss and those in power in the organization be made aware of your contribution. If you are fortunate enough to have a job that brings your accomplishments to the attention of others, taking direct measures to increase your visibility might not be needed. But your job may require you to handle activities that are low in visibility, or your specific contribution may be indistinguishable because you are part of a group endeavor. In such cases—without creating the image of being a braggart—you will want to call attention to yourself by giving progress reports to your boss and others, being seen at social functions, being active in your professional associations, developing powerful allies who speak positively about you, and engaging in other similar tactics.

Don't Stay Too Long in Your First Job The evidence indicates that, given a choice between staying in your first management job until you've "really made a difference" or accepting an early transfer to a new job assignment, you should go for the early transfer.⁴³ By moving quickly through different jobs, you signal to others that you're on the fast track. This, then, often becomes a self-fulfilling prophesy. The message to aspiring managers is to start fast by seeking early transfers or promotions from the first management job.

Find a Mentor A **mentor** is an individual, typically someone higher up in the organization, who takes on a protégé as an ally. A mentor is someone from whom you can learn and who can encourage and help you. The evidence indicates that acquiring a sponsor who is part of the organization's power core is essential for managers who aspire to make it to the top.⁴⁴

Where do employees get a mentor? Some organizations have formal mentoring programs. Young managers for whom the organization has high expectations are assigned to senior managers who play mentoring roles. More typically, you are informally selected to become a protégé by your boss or someone in the organization with whom you share similar interests. If your mentor is someone other than your boss, be sure that you do nothing through your mentor-protégé relationship that threatens your boss or suggests disloyalty on your part.

Support Your Boss Your immediate future is in the hands of your current boss. He or she evaluates your performance, and few young managers are powerful

enough to challenge their boss and survive. You should make the effort to help your boss succeed, be supportive if your boss is under siege, and find out what criteria he or she will be using to assess your effectiveness. Don't undermine your boss. Don't speak negatively of your boss to others. If your boss is competent, visible, and in possession of a power base, he or she is likely to be on the way up in the organization. By being perceived as supportive, you might find yourself pulled along too. At worst, you will have established an ally higher up in the organization. If your boss's performance is poor and his or her power is low, you should use your mentor (if you have one) to arrange a transfer. It's hard to have your competence recognized or your positive performance evaluation taken seriously if your boss is perceived as incompetent.

Stay Mobile Managers are likely to move upward more rapidly if they indicate a willingness to move to different geographical locations and across functional lines within the organization. Career advancement may also be facilitated by a willingness



Sherry Lansing, the recently named head of Paramount Pictures, has been mentored throughout her career by Stanley R. Jaffe. When Jaffe took over as president of Paramount Communications, he confidently turned to Ms. Lansing to improve performance at the company's film studio.

mentor

A person who sponsors or supports another employee who is lower in the organization.

MANAGING FROM A GLOBAL PERSPECTIVE



Selecting Managers for Global Assignments

William Stewart is a thirty-year-old American bachelor who worked for computer giant NEC in Tokyo.⁴⁶ He understands the Japanese way of doing business: sixteen-hour days six days a week, heavy-duty golfing, and after-work drinking. He also recognizes that Japanese work demands would make it nearly impossible for him to have an American wife and hold his job in Tokyo. "Japanese wives and kids understand Dad is not going to be seen much. American families wouldn't stand for it."

Most global organizations have made significant strides since the 1970s, when it was widely believed that "working abroad is working abroad."⁴⁷ Transferring managers into new and different national cultures, without careful thought and proper selection, sets those managers up to fail.

Most research on the transfer of managers between diverse countries—particularly the moving of U.S. executives overseas—indicates a fairly high failure rate. Of particular interest is the finding that U.S. executives seem to fail at a rate that is considerably higher than those of European and Japanese managers transferred to new countries.

Why don't more managers succeed when they are placed in foreign countries? One possible reason is that most organizations still select transfer candidates on the basis of technical competence alone, ignoring other predictors of success such as language skills, flexibility, and family adaptability.⁴⁸

A contingency approach to selecting managers for foreign assignments in subsidiaries has been proposed, based on the type of information and control required.⁴⁹ When jobs are largely technical, information is objective, and control is bureaucratic, organizations will probably do best by selecting technically competent outsiders for relatively short tours to foreign subsidiaries. However, for longer-term assignments in posts where social information and an understanding of organizational norms are more important, long-time insiders steeped in the organization's culture should be more effective both working in the subsidiary and communicating what they learn back to headquarters.

to change organizations. In slow-growth, stagnant, or declining organizations, mobility should be of even greater importance to the ambitious manager.

The appearance of maintaining interorganizational mobility, when coupled with control of organizational resources, can be particularly effective. If senior management needs what you have and is fearful that you might leave, it is not likely to ignore your needs. One fast-rising manager was very competent, possessed some unique skills, but also took great strides to keep himself visible in his industry. He made a habit of regularly mentioning to those in the powerful inner circle of his firm that he received a steady stream of job offers from competitors (which was true) but that as long as he continued to receive increasingly responsible positions and large salary increases, he had no intention of leaving his firm. This strategy has continued to pay dividends for this manager. He has received three promotions in five years and increased his salary fourfold.

Think Laterally Our final suggestion acknowledges the changing world of management in the 1990s. Because of management restructuring and the flattening of hierarchies, there are fewer rungs on the promotion ladder in many organizations. To survive in this environment, it's a good idea to think in terms of lateral career moves.⁴⁵

In the 1960s and 1970s, people who made lateral moves were assumed to be mediocre performers. Not anymore. Lateral shifts are now a viable career consideration. They give individuals a wider range of experiences, which enhances long-term mobility. In addition, these moves help to energize people by making work more interesting and satisfying. So if you're not moving ahead in your organization, consider a lateral move internally or a lateral shift to another organization.

Labor-Management Relations

labor union

An organization that represents workers and seeks to protect their interests through collective bargaining.

As we mentioned at the beginning of this chapter, approximately 16 percent of the U.S. labor force belongs to a **labor union**. These unions represent workers and seek to protect and promote their members' interests through collective bargaining (see Table 12-6 for why employees join unions). Even though almost one-in-six Americans belong to a union, the figures are considerably higher in other countries. For

TABLE 12-6 Why Do Employees Join Unions?

1. *Unions influence the wage and effort outcome.* Unions bargain for their members over wages, hours, and working conditions. The result of this bargaining determines the amount of pay, the hours of employment, the amount of work required during a given period, and the conditions of employment.
2. *Unions establish a security system with employers.* Unions have a security agreement with employers that, in effect, defines the union's power. It can control, for example, whom the employer may hire and whether employees must join the union. It may also restrict the employer from contracting out work to other organizations.
3. *Unions influence the administration of rules.* Unions provide workers with an opportunity to participate in determining the conditions under which they work; unions also have specific grievance procedures by which they can protest conditions they believe to be unfair.
4. *Unions have political power in the state and over the economy.* Unions have not been reluctant to exert political muscle to gain through legislation what they have been unable to win at the bargaining table. Unions use their lobbying efforts to support legislation that is in labor's interests.

Michigan Pontiac autoworkers discuss job concerns at a union meeting.



example, in Japan and Germany, respectively, 28 percent and 43 percent of the labor force belongs to a union.⁵⁰

U.S. labor unions did not do well in the 1980s.⁵¹ In response to intense global competition, particularly in the manufacturing sector, management both reduced the size of its unionized work force and imposed high concessionary demands on those union jobs that remained. The steel division of USX Corp., for instance, slashed its unionized work force from 50,000 in 1982 to 18,000 by 1991.⁵² As a whole, few union members in the United States were able to keep their pay increases equal to increases in the Consumer Price Index.⁵³

The 1990s may be a different story. The prospects for organized labor look relatively upbeat largely because union workers have already given up so much.⁵⁴ There is little indication that U.S. unions will regain the clout they had back in the 1950s or 1960s, but the precipitous decline may be over.

In this section, we want to briefly discuss **labor-management relations**—that is, the formal interactions between labor unions and the organization's management.

labor-management relations

The formal interactions between unions and an organization's management.

Why Good Labor-Management Relations Are Important

For many managers in unionized organizations, the management of human resources is largely composed of following procedures and policies laid out in the labor contract. Decisions about where recruitment is done, how employees are selected, who is trained, how compensation is determined, and how disciplinary procedures are carried out are no longer unilateral prerogatives of management for jobs within the union's province. Such decisions are substantially made at the time the labor contract is negotiated. The development of good labor-management relations can produce a number of positive outcomes for management during these negotiations: for instance, work rules that don't place unreasonable constraints on managerial decision options and reduced threats of costly strikes and work stoppages.⁵⁵

The Collective Bargaining Process

The negotiation, administration, and interpretation of a labor contract are achieved through **collective bargaining**. The following discussion summarizes how the process typically flows in the private sector among U.S. firms.

collective bargaining

A process for negotiating a union contract and for administering the contract after it has been negotiated.

Organizing and Certification Efforts to organize a group of employees may begin when employee representatives ask union officials to visit the employees' organization and solicit members or when the union itself initiates a membership drive. Either way, the law requires that a union must secure signed authorization cards from at least 30 percent of the employees that it desires to represent. If the 30 percent goal is achieved, either the union or management will file a petition with a federal agency—the National Labor Relations Board (NLRB)—requesting a representation election.

When the NLRB receives the required number of authorization cards, it evaluates them, verifies that legal requirements have been satisfied, and then clarifies the appropriate bargaining unit—that is, it identifies which employees the union will represent if it wins the election.

A secret ballot election is usually called within twenty-five days after the NLRB receives the authorization cards. If the union gets a majority in this election, the NLRB certifies the union and recognizes it as the exclusive bargaining representative for all employees within the specified bargaining unit. Should the union fail to get a majority, another election cannot be held for one year.

Occasionally, employees become dissatisfied with a certified union. In such instances, employees may request a decertification election by the NLRB. If a majority of the members vote for decertification, the union is out.

Preparation for Negotiation Once a union has been certified, management will begin preparing for negotiations. It will gather information on the economy, copies of recently negotiated contracts between other unions and employers, cost-of-living data, labor market statistics, and similar environmental concerns. It will also gather internal information on grievance and accident records, employee performance reports, and overtime figures.

This information will tell management their organization's current labor-performance status, what similar organizations are doing, and what it can anticipate from the economy in the near term. Management then uses these data to determine what it can expect to achieve in the negotiation. What can it expect the union to ask for? What is management prepared to acquiesce on?

Negotiation Negotiation customarily begins when the union delivers a list of demands to management. These are typically ambitious in order to create room for trading in the later stages of negotiation. Not surprisingly, management's initial response is typically to counter by offering little more than the terms of the previous contract. In recent years, some managements have even begun by proposing a reduction in wages and benefits and demanding that the union take a lesser role in the organization's decision-making process.

These introductory proposals usually initiate a period of long and intense bargaining. Compromises are made, and after an oral agreement is achieved, it is converted into a written contract. Finally, negotiation concludes with the union's representatives submitting the contract to its members for ratification.

Contract Administration Once a contract is agreed upon and ratified, it must be administered. The way in which it will be administered is included in the contract itself.

Probably the most important element of contract administration has to do with the spelling out of a procedure for handling contractual disputes. Almost all collective bargaining agreements contain formal procedures for resolving grievances over the interpretation and application of the contract.

Current Issues in Human Resource Management

We conclude by discussing several contemporary issues facing today's managers. These include managing work force diversity, dual career couples, and sexual harassment.

Managing Work Force Diversity

We've previously discussed the changing makeup of the work force in several places in this book. Let's now consider how work force diversity will affect such basic HRM concerns as recruitment, selection, and orientation and training.

Recruitment Improving work force diversity requires managers to widen their recruiting net. For example, the popular practice of relying on current employee referrals as a source of new job applicants tends to result in candidates who have similar characteristics to present employees. So managers have to look for applicants in places where they haven't typically looked before.

To increase diversity, managers are increasingly turning to nontraditional recruitment sources. This includes women's job networks, over-fifty clubs, urban job banks, disabled peoples' training centers, ethnic newspapers, and gay-rights organizations.

Selection Once a diverse set of applicants exists, efforts must be made to ensure that the selection process doesn't discriminate. Moreover, applicants need to be made comfortable with the organization and be made aware of management's desire to accommodate their needs.

Orientation and Training The outsider-insider transition is often more difficult for women and minorities. Many organizations provide special workshops to raise diversity consciousness among current employees as well as programs for new employees that focus on diversity issues. For example, Hewlett-Packard conducts training on cultural differences between American-Anglos and Mexicans, Indo-Chinese, and Filipinos at a San Diego plant; and Monsanto's two-day diversity program directly addresses racial, ethnic, and gender stereotypes.⁵⁶ In addition, a number of companies have instituted special mentoring programs to deal with the reality that lower-level female and minority managers have few role models with whom to identify.

Dual-Career Couples

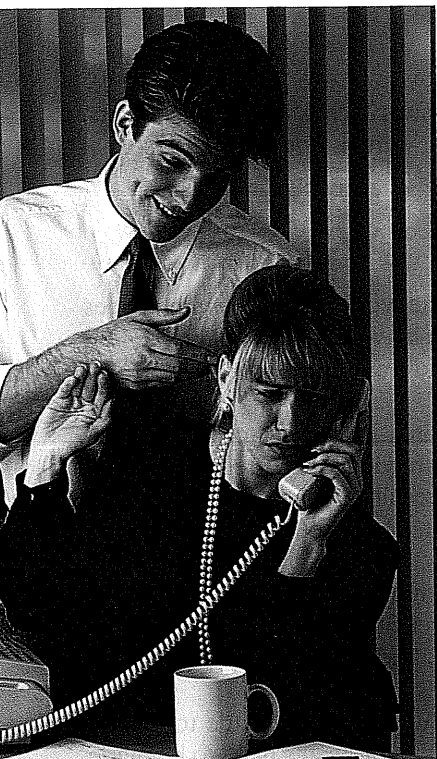
The number of **dual-career couples**—couples in which both partners have a professional, managerial, or administrative occupation⁵⁷—have expanded dramatically in the United States in recent years as married women have gained professional credentials and sought jobs outside the home. An organization's human resource management policies need to reflect this trend and the special problems it creates for couples. Special attention needs to be specifically given to the organization's policies regarding nepotism, transfers, and conflicts of interest.⁵⁸

The issue of nepotism concerns spouses who both work for the same employer. Recent evidence indicates that only about 10 percent of organizations have a strict no-relatives-allowed policy. However, most organizations prohibit spouses from working in the same department or one directly supervising the other.⁵⁹

Dual-career couples have become a major factor affecting organizations' relocation policies. Promotions represent a good illustration. When managers were pre-

dual-career couples

Couples in which both partners have a professional, managerial, or administrative occupation.



Conduct that many men consider unobjectionable may offend women. As such, it becomes sexual harassment.

sexual harassment

Behavior marked by sexually suggestive remarks, unwanted touching and sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature.

dominantly male and their wives either were not employed or held low-skilled jobs, organizations could design development programs entailing extensive transfers and correctly assume that their managers would readily accept such moves. However, dual-career couples have shown far greater reluctance to pull up roots for one member's promotion opportunity. For dual-career couples, a promotion of one member that requires a geographical move becomes a joint decision that must consider the financial implications for both members and job opportunities for the other member in the new location. As a result, organizations will have to expand formal spouse relocation policies to include assuming a portion of the spouse's job search costs, giving the spouse priority on jobs at the new location, and providing career counseling that includes assessment, planning, and placement assistance.⁶⁰

Another challenge that dual-career couples create for organizations is the conflict of interest created by a partner who holds a key position in a competing organization. Such situations can allow confidential information to find its way easily into the competitor's hands. Most organizations will probably continue to trust their employees to use good judgment in handling potential conflicts of interest. However, we can expect to see an increasing number of organizations requiring employees to sign loyalty statements or even developing policies that prohibit spouses from working for or holding key positions with major competitors.⁶¹

Sexual Harassment

Professor Anita Hill's widely publicized allegations of sexual harassment against the U.S. Supreme Court nominee Clarence Thomas in the fall of 1991 single-handedly moved the topic of sexual harassment to the top of many organizations' education agendas.⁶²

Since 1980, U.S. courts generally have used guidelines from the federal Equal Employment Opportunity Commission to define **sexual harassment**. Sexual harassment generally encompasses sexually suggestive remarks, unwanted touching and sexual advances, requests for sexual favors, and other verbal and physical conduct of a sexual nature. It is considered illegal, a violation of the federal civil rights law.⁶³

From management's standpoint, sexual harassment is a growing concern because it intimidates employees, interferes with job performance, and exposes the organization to liability. On this last point, the courts have ruled that if the employee who is guilty of sexual harassment is a supervisor or agent for an organization, then the organization is liable for sexual harassment, regardless of whether the act was authorized or forbidden by the organization or whether the organization knew of the act.

To avoid liability, management must establish a clear and strong policy against sexual harassment.⁶⁴ That policy should then be reinforced by regular discussion sessions in which managers are reminded of the rule and carefully instructed that even the slightest sexual overture to another employee will not be tolerated. At AT&T, for instance, all employees have been specifically advised that they can be fired for making repeated unwelcome sexual advances, using sexually degrading words to describe someone, or displaying sexually offensive pictures or objects at work.

Summary

This summary is organized by the chapter-opening learning objectives found on page 339.

1. The human resource management process seeks to staff the organization and sustain high employee performance through human resource planning, recruitment or decruitment, selection, orientation, training, performance appraisal, career development, and labor-management relations.

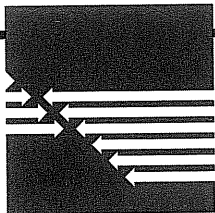
2. Since the mid-1960s, the U.S. government has greatly expanded its influence over HRM decisions by enacting new laws and regulations. Because of the government's effort to provide equal employment opportunities, management must ensure that key HRM decisions—such as recruitment, selection, training, promotions, and terminations—are made without regard to race, sex, religion, age, color, or national origin. Extensive financial penalties can be imposed on organizations that fail to follow these laws and regulations.
3. A job description is a written statement of what a jobholder does, how it's done, and why it's done. A job specification states the minimum acceptable qualifications that an incumbent must possess to perform a given job successfully.
4. Recruitment seeks to develop a pool of potential job candidates. Typical sources include an internal search, advertisements, employee referrals, employment agencies, school placement centers, and temporary help services. Decruitment reduces the labor supply within an organization through options such as firing, layoffs, attrition, transfers, reduced workweeks, and early retirements.
5. The quality of a selection device is determined by its validity and reliability. If a device is not valid, then no proven relationship exists between it and relevant job criteria. If a selection device isn't reliable, then it cannot be assumed to be a consistent measure.
6. Selection devices must match the job in question. Work samples work best with low-level jobs. Assessment centers work best for managerial positions. The validity of the interview as a selection device increases at progressively higher levels of management.
7. Employee training can be on-the-job or off-the-job. Popular on-the-job methods include job rotation, understudying, and apprenticeships. The more popular off-the-job methods are classroom lectures, films, and simulation exercises.
8. Six performance appraisal methods are: (a) written essays—written descriptions of an employee's strengths, weaknesses, past performance, potential, and areas in need of improvement; (b) critical incidents—lists of key behaviors that separate effective from ineffective job performances; (c) graphic rating scales—ratings of performance factors on an incremental scale; (d) BARS—rating employees on specific job behaviors derived from performance dimensions of the job; (e) multiperson comparisons—comparing individual employees against one another; and (f) objectives—evaluating employees against tangible, verifiable, and measurable objectives.
9. The five career stages are exploration, establishment, midcareer, late career, and decline.
10. The collective bargaining process begins with a union organizing effort and attainment of NLRB certification. Once a union has been certified, management begins preparation for negotiations by reviewing internal documents and environmental data. Negotiations then proceed, which often involve long and intense bargaining, leading to a written contract. Once a contract is agreed upon and ratified, it must be administered, and a procedure must be spelled out for handling contract disputes.
11. HRM practices can facilitate work force diversity by widening the recruitment net, eliminating any discriminatory practices in the selection process, making applicants aware of the willingness to accommodate their needs, and providing programs that focus on diversity issues.
12. Sexual harassment is a growing concern for management because it intimidates employees, interferes with job performance, and exposes the organization to liability.

Review Questions

1. How does HRM affect all managers?
2. What are the possible sources for finding new employees?
3. Contrast reject errors and accept errors. Which one is most likely to open an employer to charges of discrimination? Why?
4. Why is decruitment now a major concern for managers?
5. What are the major problems of the interview as a selection device?
6. Identify three skill categories for which organizations do employee training.
7. What is the goal of orientation?
8. How does MBO affect performance appraisals?
9. Contrast the advantages and disadvantages of written essays, graphic rating scales, and BARS.
10. What constitutes sexual harassment?

Discussion Questions

1. What is the relationship between selection, recruitment, and job analysis?
2. Do you think there are moral limits on how far a prospective employer should delve into an applicant's life by means of interviews and tests?
3. Assume that you are the human resources director for a company that has 75 employees and is expanding rapidly. What specific practices would you institute to facilitate the hiring of females and minorities?
4. Do you feel that the government should be able to influence the HRM process of organizations through legislation and regulations? Support your position.
5. Assuming that management is already responsive to employee needs, do you think that labor unions benefit employees? Support your position.



SELF-ASSESSMENT EXERCISE

How do You Define Life Success?

People have different ideas about what it means to be successful. Please rate each of the following ideas on life success by circling the number that best represents its importance to you.

| | Always Important | Very Often Important | Fairly Often Important | Occasionally Important | Never Important |
|---------------------------------------|------------------|----------------------|------------------------|------------------------|-----------------|
| 1. Getting others to do what I want | 5 | 4 | 3 | 2 | 1 |
| 2. Having inner peace and contentment | 5 | 4 | 3 | 2 | 1 |

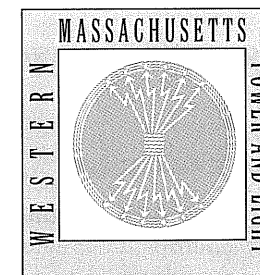
| | Always Important | Very Often Important | Fairly Often Important | Occasionally Important | Never Important |
|---|------------------|----------------------|------------------------|------------------------|-----------------|
| 3. Having a happy marriage | 5 | 4 | 3 | 2 | 1 |
| 4. Having economic security | 5 | 4 | 3 | 2 | 1 |
| 5. Being committed to my organization | 5 | 4 | 3 | 2 | 1 |
| 6. Being able to give help, assistance, advice, and support to others | 5 | 4 | 3 | 2 | 1 |
| 7. Having a job that pays more than peers earn | 5 | 4 | 3 | 2 | 1 |
| 8. Being a good parent | 5 | 4 | 3 | 2 | 1 |
| 9. Having good job benefits | 5 | 4 | 3 | 2 | 1 |
| 10. Having a rewarding family life | 5 | 4 | 3 | 2 | 1 |
| 11. Raising children to be independent adults | 5 | 4 | 3 | 2 | 1 |
| 12. Having people work for me | 5 | 4 | 3 | 2 | 1 |
| 13. Being accepted at work | 5 | 4 | 3 | 2 | 1 |
| 14. Enjoying my non-work activities | 5 | 4 | 3 | 2 | 1 |
| 15. Making or doing things that are useful to society | 5 | 4 | 3 | 2 | 1 |
| 16. Having high income and the resulting benefits | 5 | 4 | 3 | 2 | 1 |
| 17. Having a sense of personal worth | 5 | 4 | 3 | 2 | 1 |
| 18. Contributing to society | 5 | 4 | 3 | 2 | 1 |
| 19. Having long-term job security | 5 | 4 | 3 | 2 | 1 |
| 20. Having children | 5 | 4 | 3 | 2 | 1 |
| 21. Getting good performance evaluations | 5 | 4 | 3 | 2 | 1 |
| 22. Having opportunities for personal creativity | 5 | 4 | 3 | 2 | 1 |
| 23. Being competent | 5 | 4 | 3 | 2 | 1 |
| 24. Having public recognition | 5 | 4 | 3 | 2 | 1 |
| 25. Having children who are successful emotionally and professionally | 5 | 4 | 3 | 2 | 1 |
| 26. Having influence over others | 5 | 4 | 3 | 2 | 1 |

| | Always Important | Very Often Important | Fairly Often Important | Occasionally Important | Never Important |
|---|---------------------|----------------------------|------------------------------|---------------------------|--------------------|
| 27. Being happy with my private life | 5 | 4 | 3 | 2 | 1 |
| 28. Earning regular salary increases | 5 | 4 | 3 | 2 | 1 |
| 29. Having personal satisfaction | 5 | 4 | 3 | 2 | 1 |
| 30. Improving the well-being of the work force | 5 | 4 | 3 | 2 | 1 |
| 31. Having a stable marriage | 5 | 4 | 3 | 2 | 1 |
| 32. Having the confidence of my bosses | 5 | 4 | 3 | 2 | 1 |
| 33. Having the resources to help others | 5 | 4 | 3 | 2 | 1 |
| 34. Being in a high-status occupation | 5 | 4 | 3 | 2 | 1 |
| 35. Being able to make a difference in something | 5 | 4 | 3 | 2 | 1 |
| 36. Having money to buy or do anything | 5 | 4 | 3 | 2 | 1 |
| 37. Being satisfied with my job | 5 | 4 | 3 | 2 | 1 |
| 38. Having self-respect | 5 | 4 | 3 | 2 | 1 |
| 39. Helping others to achieve | 5 | 4 | 3 | 2 | 1 |
| 40. Having personal happiness | 5 | 4 | 3 | 2 | 1 |
| 41. Being able to provide quality education for my children | 5 | 4 | 3 | 2 | 1 |
| 42. Making a contribution to society | 5 | 4 | 3 | 2 | 1 |

Turn to page SK-4 for scoring directions and key.

Source: Barbara Parker and Leonard H. Chusmir, *Development and Validation of the Life Success Measures Scale*. Miami: Florida International University, 1991. Used with permission.

FOR YOUR
IMMEDIATE
ACTION



To: Sandra Gillies; Director of Human Resources
From: L. William Mullane; Chairman
Subject: Sexual Harassment

It has come to my attention that some of our people are not clear on what practices do or do not constitute sexual harassment. This is an area that cannot be ambiguous. We need to take immediate action toward developing training for all our employees and developing a workable procedure to handle complaints.

I want to make the issue of sexual harassment the primary topic of next month's executive board meeting. To facilitate discussion, I'd like you to develop a working paper (not to exceed two pages) that would describe (1) the content of an initial two-hour workshop on sexual harassment and (2) an appropriate procedure that all employees can follow if they believe that they have been sexually harassed.

This is a fictionalized account of a potentially real problem. It was written for academic purposes only and is not meant to reflect either positively or negatively on actual management practices at Western Massachusetts Power & Light.