

Introduction to Human Resource Management

Learning Objectives

1. Define human resource management.
2. Identify the human resource management functions.
3. Describe who performs human resource management activities.
4. Explain how HR serves as a strategic business partner.
5. Identify the elements of the dynamic HRM environment.
6. Explain the importance of corporate culture and human resource management.

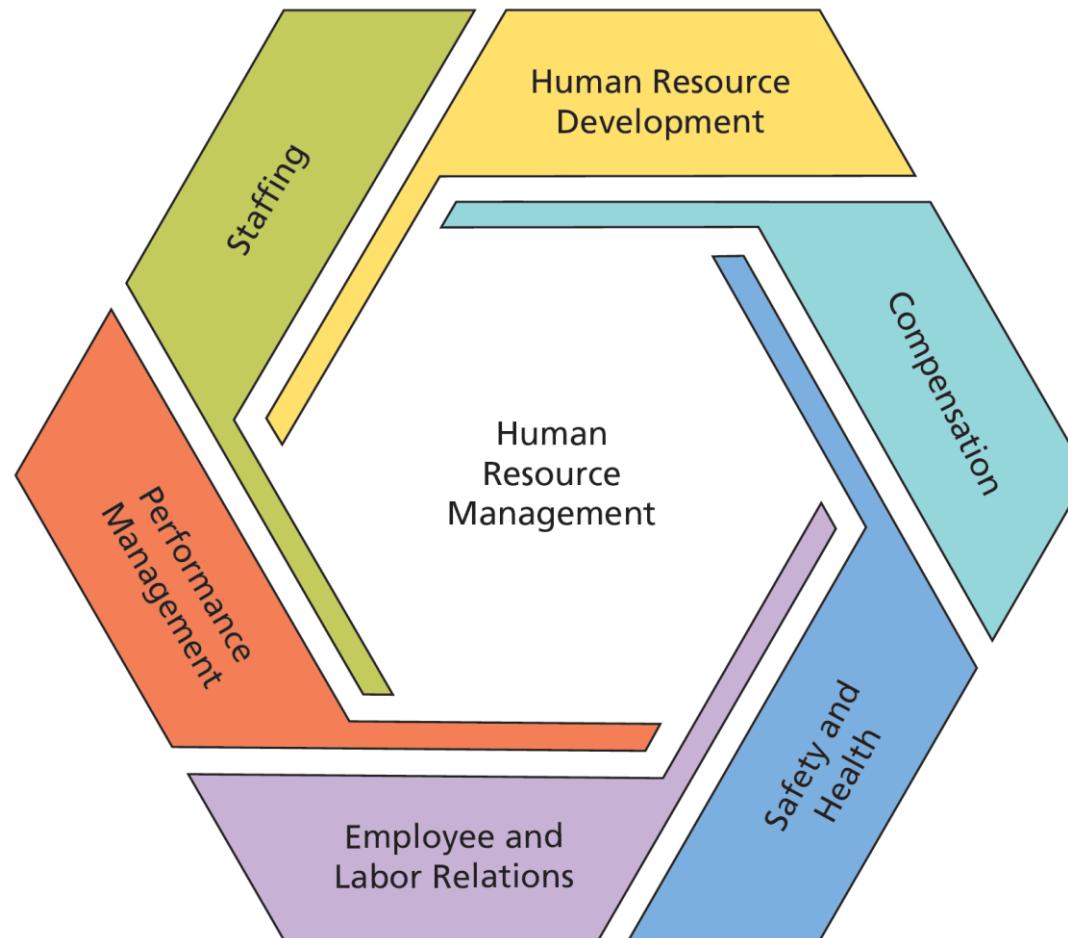
Learning Objectives (Cont.)

7. Describe the importance of employer branding.
8. Discuss human resource management issues for small businesses.
9. Identify ways that country culture influences global business.
10. Describe the human resource management profession.

Human Resource Management (HRM)

- Utilization of individuals to achieve organizational objectives
- Concern of all managers at every level
- Face a multitude of challenges

Human Resource Management Functions



Staffing

Process of ensuring the organization always has:

- Required number of employees
- Employees with appropriate skills
- Employees in the right jobs at the right time
- Constant job analysis, human resource planning, recruitment, and selection

Job Analysis

- Systematic process of determining skills, duties, and knowledge required for performing jobs in an organization
- Impacts virtually every aspect of HRM

Human Resource Planning

- Matching internal and external supply of people with anticipated job openings over a specified period of time
- Sets the stage for recruitment and other HR actions

Recruitment and Selection

Recruitment: Attracting individuals to apply for jobs

- Must be timely
- Applicants need appropriate qualifications
- Need sufficient number of applicants

Selection: Choosing individual best suited for a particular position and the organization

Performance Management

- Goal-oriented process to ensure organizational processes are in place to maximize productivity
- Applies to employees, teams, and ultimately, the organization

Performance Appraisal

- Formal system of review and evaluation
 - Individual
 - Team

Human Resource Development

- Major HRM functions include:
 - Training
 - Development
 - Career planning
 - Career development
 - Organization development

Training and Development

- **Training:** Providing learners with knowledge and skills needed for their present jobs
 - Relatively short-term focus
- **Development:** Offering learning that goes beyond present job
 - Relatively long-term focus

Career Planning and Development

- **Career planning:** Ongoing process
 - Individual sets career goals
 - Identifies means to achieve them
- **Career development:** Formal approach used by the organization
 - Ensures a pipeline of people with proper qualifications and experiences

Organization Development

Planned and systematic attempt to:

- Make the organization more effective
- Create a positive behavioral environment

Compensation

All rewards that individuals receive as a result of their employment

- Financial compensation
- Nonfinancial compensation

Financial Compensation

- **Direct (Core Compensation):** Pay employee receives in form of wages, salaries, bonuses, or commissions
- **Indirect (Employee Benefits):** Benefits employee receives such as paid vacations, sick leave, holidays, medical insurance

Nonfinancial Compensation

Satisfaction that employees receive from:

- Job itself
- Psychological and/or physical environment

Employee and Labor Relations

- Businesses are required by law to recognize a union and bargain with it in good faith if the firm's employees want union representation
- Human resource activity with a union is often referred to as **industrial (labor management) relations**

Internal Employee Relations

Internal Labor Relations: Movement of employees within the organization

Examples:

- Promotions
- Demotions
- Terminations
- Resignations

Safety and Health

- **Safety:** Protecting employees from injuries caused by work-related accidents
- **Health:** Employees' freedom from illness and their general physical and mental well-being

Interrelationships of HRM Functions

- All HRM functions are interrelated so that each function affects the others
- For example, a pay-for-performance compensation plan depends upon reliable and valid performance appraisal practices

Who Performs Human Resource Management Tasks?

- Human resource professionals
- Line managers
- HR outsourcing
- HR shared service centers
- Professional employer organization
(employee leasing)

Human Resource Professional

- Historically, the HR professional was responsible for each of the six HR functions
- Acts in advisory or staff capacity
- Works with other managers to help them deal with human resource matters
- Today, HR departments continue to get smaller

Line Managers

- **Line managers** directly oversee the accomplishment of the organization's primary goals
- Involved with human resources by nature of their jobs
- Now performing some duties typically conducted by HR

HR Outsourcing

- Transfers responsibility to an external provider
 - Discrete services (e.g., health benefits administration)
 - Business process outsourcing (BPO) (e.g., the administration of all HR functional areas)

HR Shared Service Centers (SSCs)

- Take routine, transaction-based activities that are dispersed and consolidates them in one location
- Provide an alternative to HR outsourcing

Professional Employer Organization (Employee Leasing)

- Company that leases employees to other businesses
- Advantages:
 - Economies of scale
 - Greater job mobility for workers
 - Job security through leasing company
 - PEO can handle compliance requirements of programs

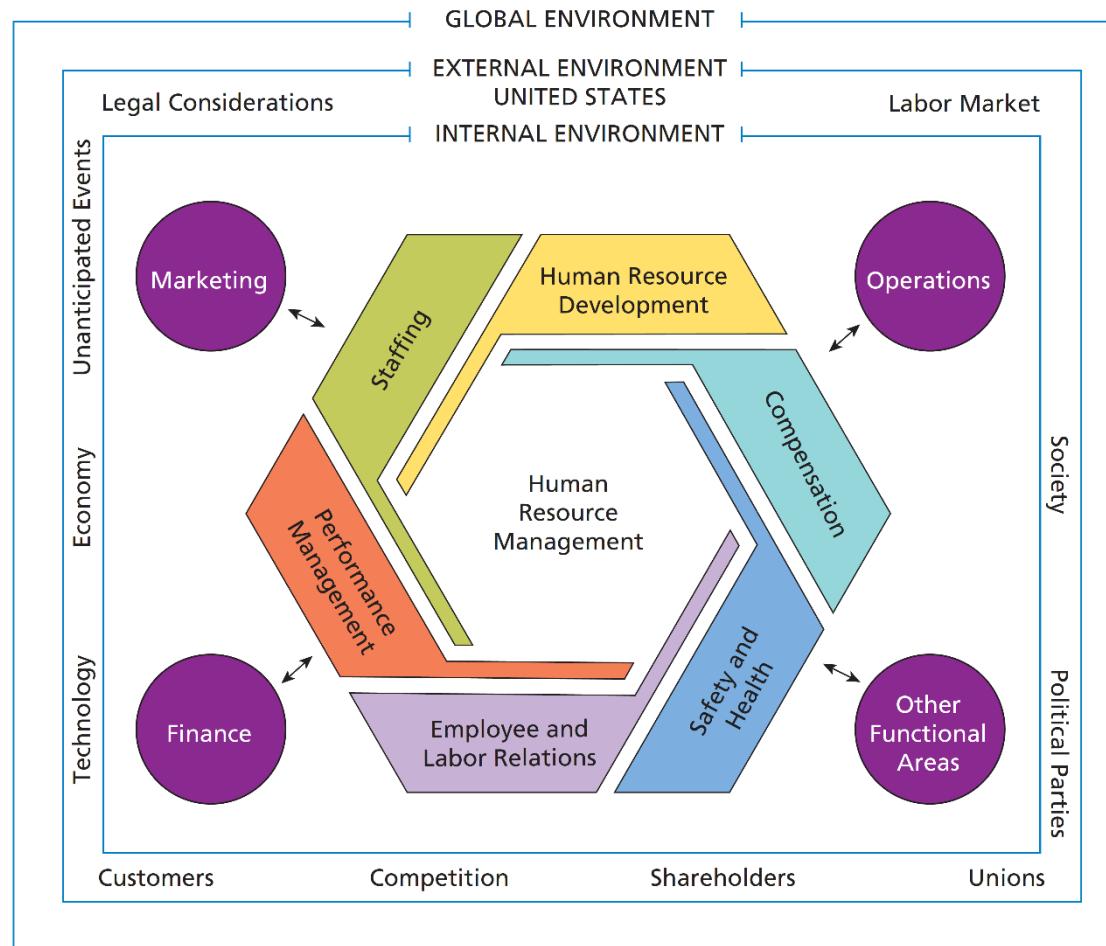
HR as a Strategic Business Partner

- HR professionals must understand the company's business (e.g., sale of medical equipment)
- HR professionals must use this knowledge to support competitive advantage
 - Recruit and select the most highly qualified individuals
 - Manage performance and compensate based on performance that supports competitive advantage
 - HR development such as training to ensure that employees are as knowledgeable as possible about their jobs

Employees as Human Capital

- **Capital** refers to the factors that enable companies, for example, to generate income, higher economic value, strong positive brand identity, and reputation. There is a variety of capital, including financial capital:
 - Cash
 - Capital equipment (for example, state-of-the-art robotics used in manufacturing)
- **Human capital**, as defined by economists, refers to sets of collective skills, knowledge, and ability that employees can apply to create value for their employers

Dynamic Human Resource Management Environment



Legal Considerations

- Federal, state, and local legislation
- Court decisions
- Presidential executive orders

Labor Market

- Potential employees located within certain geographic area
- Demographic shifts (more older workers) are associated with workforce preparedness
- Always changing

Society

Firm must accomplish its purpose while complying with societal norms

- **Ethics:** Deals with what is good and bad, or right and wrong, and with moral duty and obligation
- **Corporate social responsibility:** Implied, enforced, or felt obligation of managers to serve or protect interests of groups other than themselves

Political Parties

- Related to society are political parties
- The Democratic and Republican parties are the two major political parties in the United States
- Differing opinions on how HRM should be accomplished (government intervention such as laws vs. market forces)

Unions

- Group of employees who have joined together to collectively bargain with their employer
- The union becomes a third party when dealing with the company

Shareholders

- Owners of a corporation
- Have invested money in the firm
- May challenge programs put forth by management to be beneficial to the organization

Competition

- In product or service and labor markets
- Firms must maintain a supply of competent employees
- Bidding war often results

Customers

- People who actually use firm's goods and services
- Employment practices should not antagonize members of the market that the firm serves
- Workforce should be capable of providing top-quality goods and services

HR Technology

Rapid technological changes provide:

- Increased sophistication
- Ability to design more useful human resource information systems (HRIS)

Economy

- When economy is booming, it is often more difficult to recruit qualified workers
- In economic downturn, more applicants are typically available

Unanticipated Events

- Unforeseen occurrences in external environment
- Require a tremendous amount of adjustment with regard to HRM

Corporate Culture and HRM

Corporate culture: System of shared values, beliefs, and habits within an organization that interacts with the formal structure to produce behavioral norms

Employer Branding

The firm's corporate image or culture created to attract and retain the type of employees the firm is seeking. It is what the company stands for in the public eye.

Human Resource Management in Small Businesses

- Many college graduates obtain jobs in small businesses
- Same HR functions must be accomplished
- Manner in which they are accomplished may differ

Country Culture and Global Business

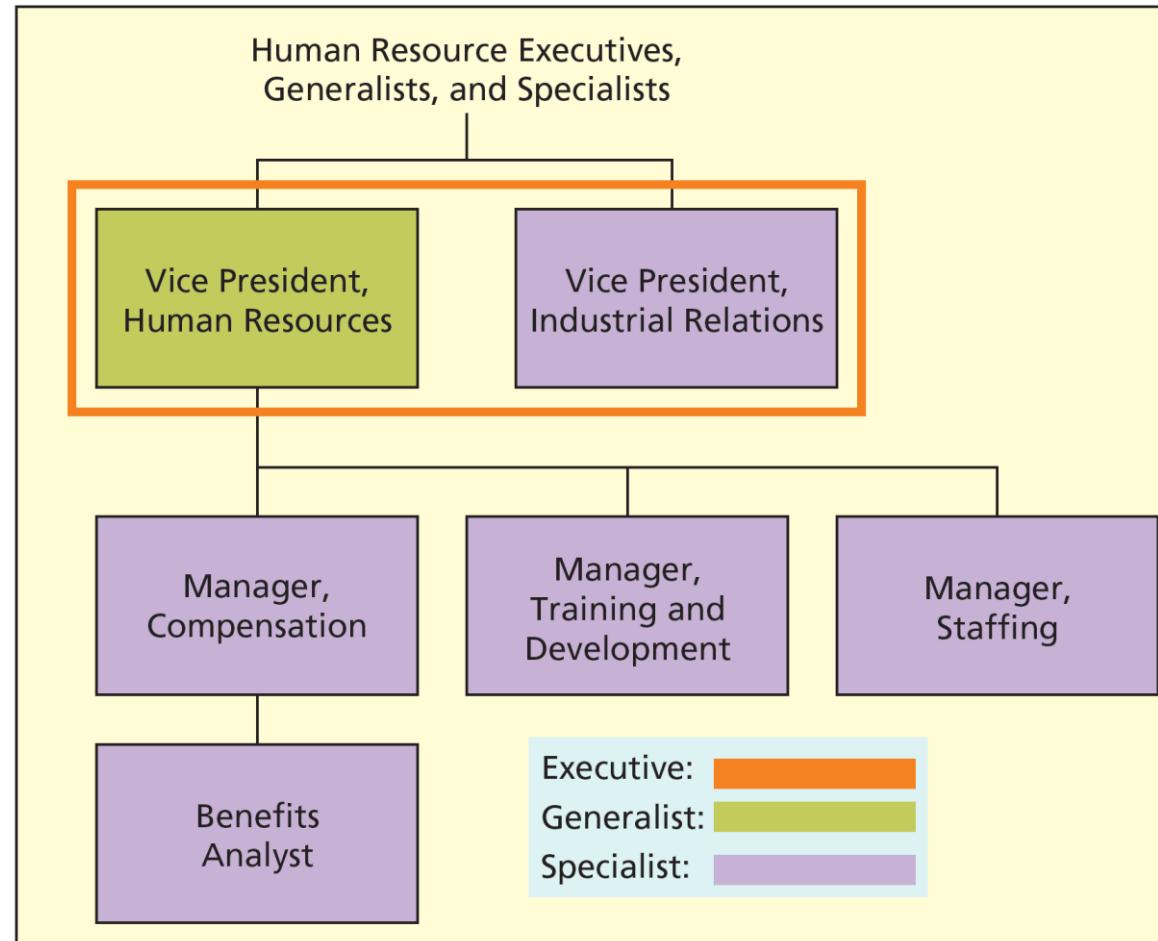
- A **country's culture** is a set of values, symbols, beliefs, languages, and norms that guide human behavior within the country
- Cultural differences between countries are a major factor influencing global business
- Cultural misunderstandings are common

Describe the HR Profession

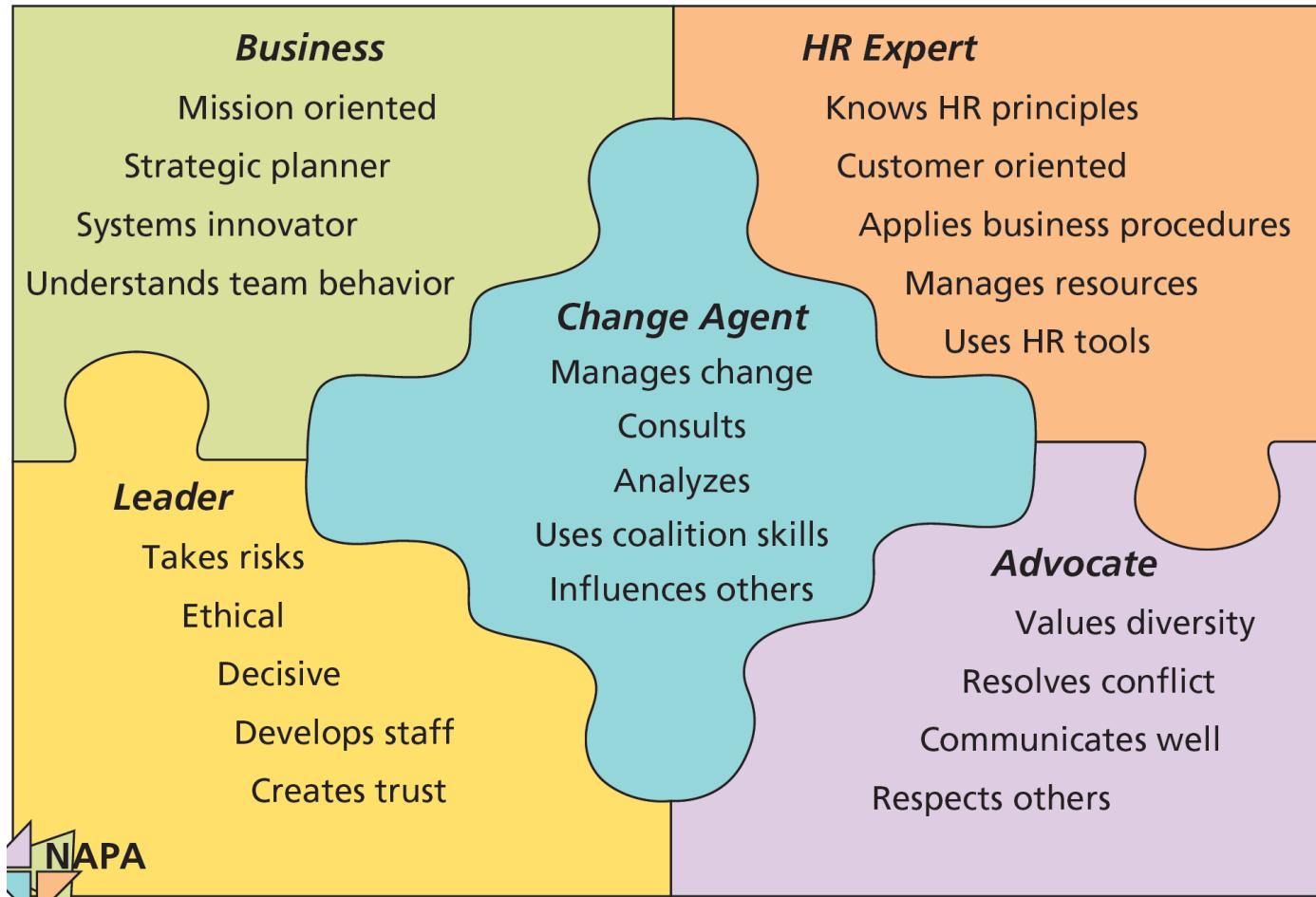
Various designations are used within the HR profession:

- **Executive:** A top-level manager who reports directly to the corporation's CEO or to the head of a major division
- **Generalist:** Employee who may be an executive, performs tasks in a variety of several or all of the six functional areas of HRM
- **Specialist:** Employee who may be an HR executive, manager, or non-manager who is typically concerned with only one of the six functional areas of HRM

Human Resource Executives, Generalists, and Specialists



Competency Model for HR Professionals



Describe the HR Profession

- **Profession:** A vocation characterized by the existence of a common body of knowledge and a procedure for certifying members
- Performance standards are established by members of the profession rather than by outsiders; that is, the profession is self-regulated
- Most professions have effective representative organizations that permit members to exchange ideas of mutual concern (e.g., Society for Human Resource Management)

Expected Growth of the HR Profession

- Employment of HR professionals is projected to grow 13 percent from 2012 to 2022
- Employment growth largely depends on the performance and growth of individual companies



Strategic Planning, Human Resource Planning, and Job Analysis

Learning Objectives

1. Describe the strategic planning process.
2. Explain the human resource planning process.
3. Describe forecasting requirements.
4. Summarize forecasting human resource availability.
5. Explain what a firm can do when either a shortage or surplus of workers exists.
6. Describe strategic succession planning in today's environment.
7. Describe the types of information required for job analysis and the reasons for conducting it.

Learning Objectives (Cont.)

8. Summarize the types of job analysis information.
9. Explain the various job analysis methods.
10. Describe the components of a job description.
11. Explain the Standard Occupational Classification (SOC) and the Occupational Information Network (O*NET).
12. Summarize job analysis for team members.
13. Explain how job analysis helps satisfy various legal requirements.

Learning Objectives (Cont.)

14. Describe what competencies and competency modeling are.
15. Summarize job design concepts.
16. Describe the importance of global talent management.

Strategic Planning

- Four steps:
 - Determination of the organizational mission
 - Assessment of the organization and its environment
 - Setting of specific objectives or direction
 - Determination of strategies to accomplish those objectives

Strategic Planning/Implementation Process

MISSION DETERMINATION

Decide what is to be accomplished (purpose)

Determine principles that will guide the effort

ENVIRONMENTAL ASSESSMENT

External: Determining external conditions, *threats*, and *opportunities*

Internal: Determining competencies, *strengths*, and *weaknesses* within the organization.

OBJECTIVE SETTING

Specifying corporate-level objectives that are:

- Challenging but attainable
- Measurable
- Time-specific
- Documented
(written)

STRATEGY SETTING

Specifying and documenting corporate-level strategies and planning

STRATEGY IMPLEMENTATION

Mission Determination

- The **mission** is a unit's continuing purpose or reason for being
- The corporate mission is the sum total of the organization's ongoing purpose
- Arriving at a mission statement should involve answering questions such as:
 - What are we in management attempting to do for whom?
 - Should we maximize profit so shareholders will receive higher dividends or so share price will increase?

Environmental Analysis

- Environmental analysis entails an assessment of *strengths* and *weaknesses* in the internal environment and the *threats* and *opportunities* from the external environment
- Environmental analysis is often considered to be a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats)

Objective Setting

- *Objectives* are the desired end results of any activity
- Objectives should have four basic characteristics:
 - They should be expressed in writing
 - They should be measurable
 - They should be specific as to time
 - They should be challenging but attainable

Strategy Setting

- First of two strategic options:
 - *Lowest-cost strategy* focuses on gaining competitive advantage by being the lowest-cost producer of a product or service within the marketplace
 - Lowest-cost strategies require aggressive construction of efficient-scale facilities and vigorous pursuit of cost minimization in such areas as operations, marketing, and HR

Strategy Setting (Cont.)

- Second of two strategic options:
 - *Differentiation strategies* focus on developing products or services that are unique from those of their competitors
 - Differentiation strategy can take many forms, including design or brand image, technology, features, customer service, and price

Strategy Implementation

- Leadership
- Organizational Structure
- Information and Control Systems
- Technology
- Human Resources

Human Resource Planning (Workforce Planning)

Matching the internal and external supply of candidates with job openings anticipated in the organization over a specific period of time

Human Resource Planning Process

External Environment
Internal Environment

Strategic Planning

Human Resource Planning

Forecasting Human Resource Requirements

Comparing Requirements and Availability

Forecasting Human Resource Availability

Demand = Supply

Surplus of Workers

Shortage of Workers

No Action

Restricted Hiring,
Reduced Hours, Early
Retirement, Layoffs,
Downsizing

Recruitment

Selection

Requirements Forecast

Determining:

- Number
- Skills
- Location of employees that the organization will need at future dates in order to meet goals

Techniques for Forecasting Human Resource Requirements

- Zero-base forecast
- Bottom-up forecast
- Relationship between volume of sales and number of workers required

Zero-Base Forecast

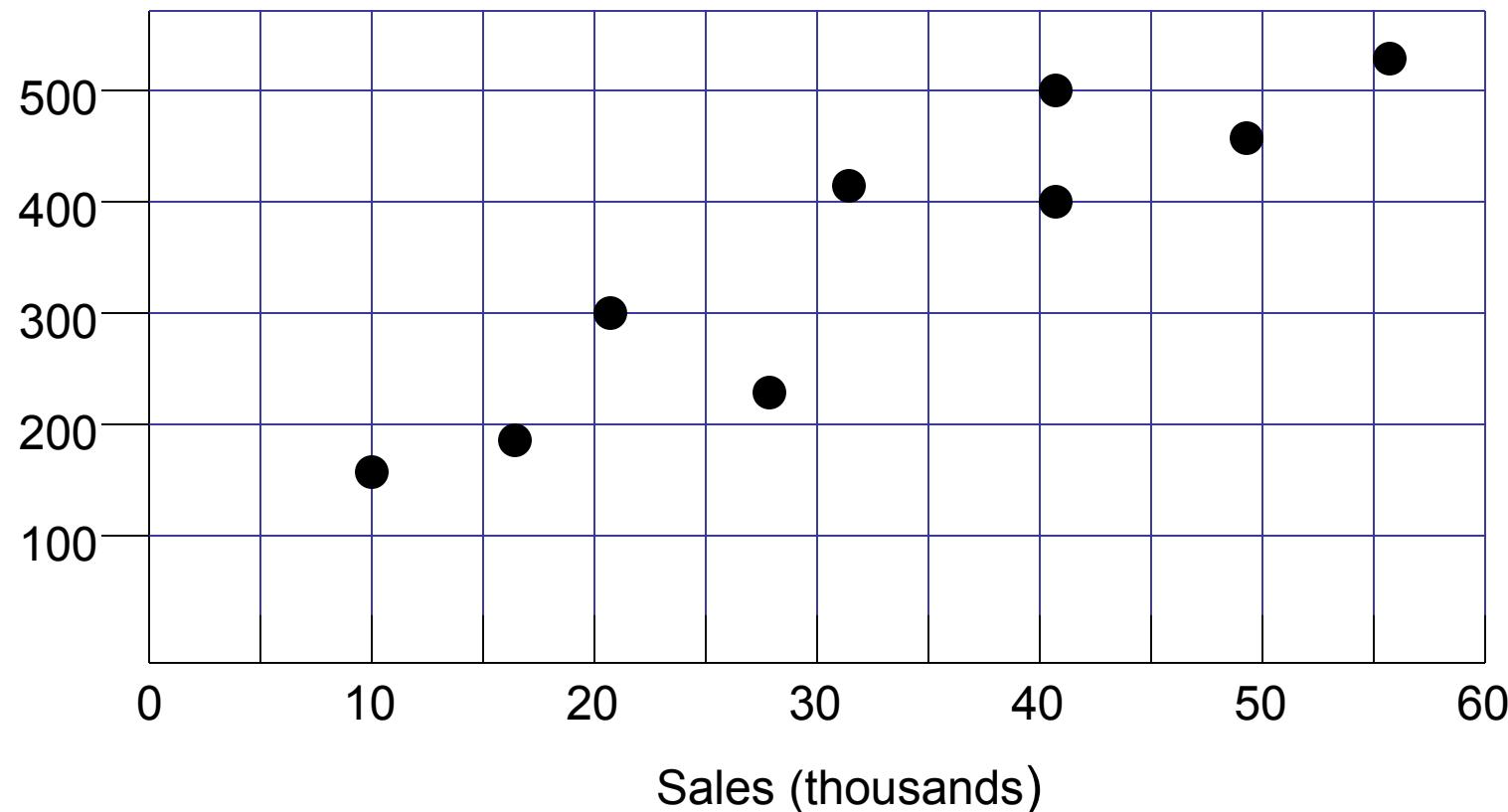
- Uses current level of staffing as starting point for determining future staffing needs
- Essentially the same procedure as zero-base budgeting
- Key is a thorough analysis of human resource needs

Bottom-Up Forecast

Each level of organization, starting with lowest, forecasts its requirements to provide aggregate of employment needs

The Relationship of Sales Volume to Number of Employees

Number of Employees



Availability Forecast

Determination of:

- Whether firm will be able to secure employees with necessary skills
- Sources from which to obtain employees

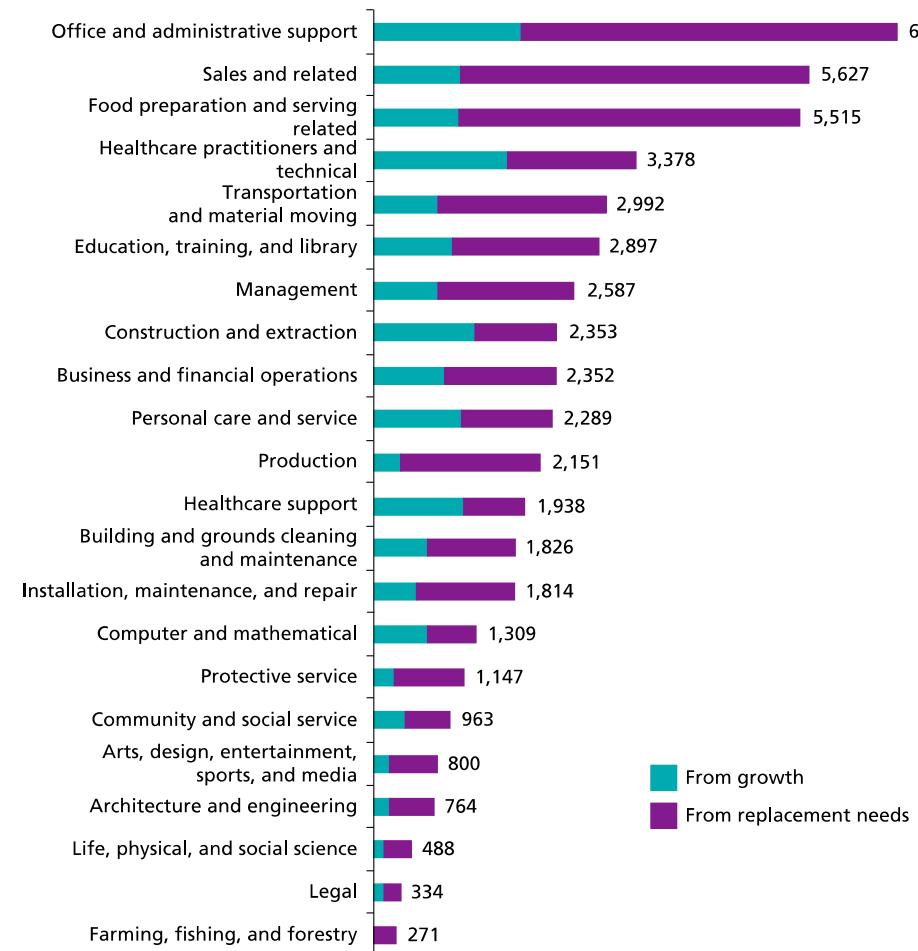
Shortage of Workers Forecasted

- Innovative recruiting
- Compensation incentives
- Training programs
- Modified selection standards

Surplus of Employees

When a comparison of requirements and availability indicates a worker surplus will result, most companies look to alternatives to layoffs, but downsizing may ultimately be required

Job Openings, 2012-2022 (in '000s)



Alternatives to Layoffs

- Although layoffs can be a necessary cost-cutting measure, alternatives include:
 - Restricted hiring policy
 - Early retirement
 - Encouraging workers to use vacation time
 - Swapping employees
 - Moving employees from full-time to 30 hours a week without reducing health benefits

Alternatives to Layoffs (Cont.)

- Job-sharing arrangements
- Reduce the workweek
- Offer an unpaid holiday option
- Sabbaticals for selected employees

Succession Planning

- Process of ensuring that qualified persons are available to assume key managerial positions once the positions are vacant
- Goal is to help ensure a smooth transition and operational efficiency

Small Business Succession Planning

- Just as, or more, important for small businesses
- Company could face economic and tax disasters
- Just 10% survive to the third generation
- Disaster stories are readily available

Job Analysis

Job analysis is the systematic process of determining the skills, duties, and knowledge required for performing jobs in an organization.

When Job Analysis Is Performed

- When the organization is founded and a job analysis program is initiated
- When new jobs are created
- When existing jobs are changed significantly

Job Analysis Should Answer

- What physical and mental tasks does the worker accomplish?
- When is the job to be completed?
- Where is the job to be accomplished?
- How does the worker do the job?
- Why is the job done?
- What qualifications are needed to perform the job?

Job

- Consists of group of tasks that must be performed for organization to achieve its goals
- May require the services of one person, such as the company's president
- May require the services of 75 people, such as machine operators in a large firm

Position

- Collection of tasks and responsibilities performed by one person
- There is a position for every individual in an organization

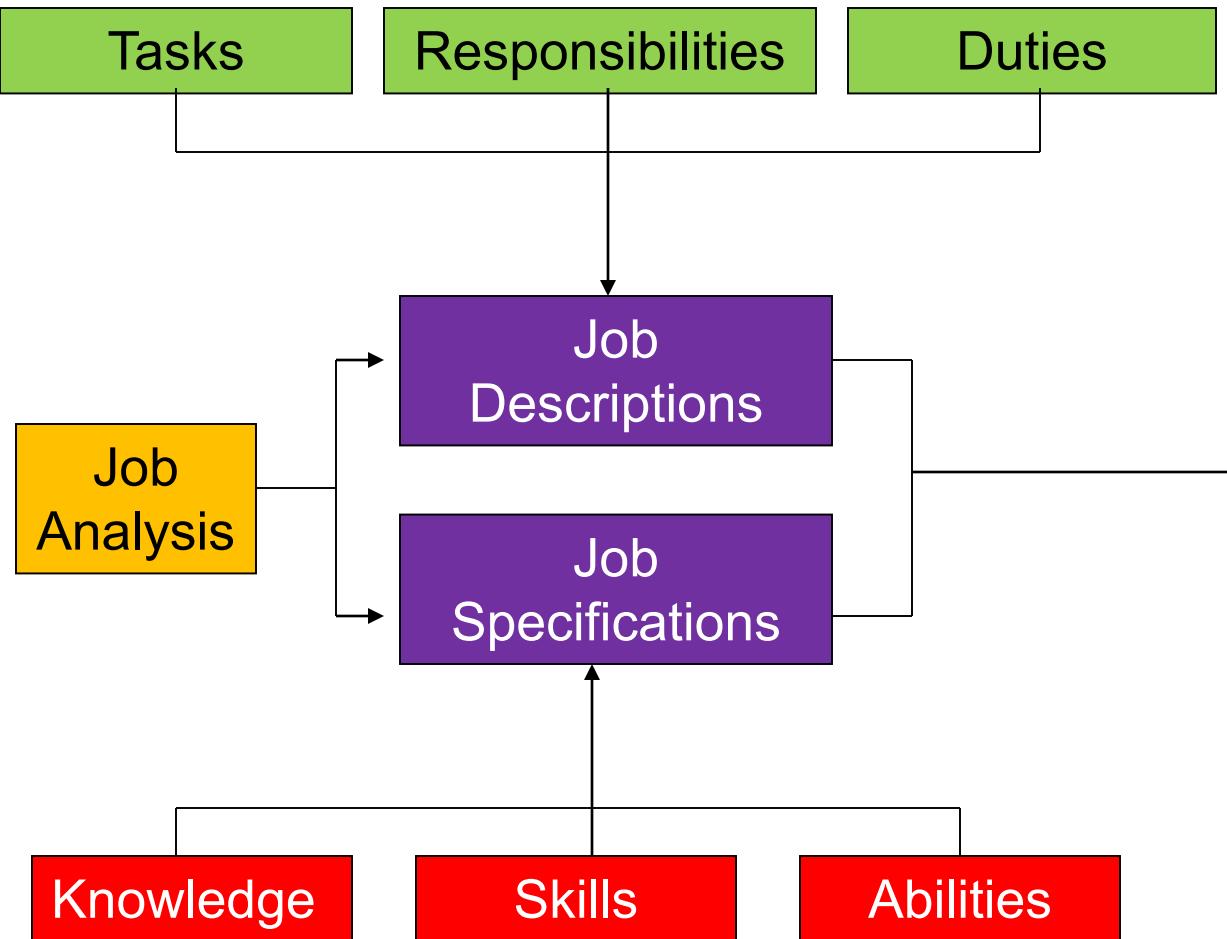
Job Description/Job Specification

- **Job Description:** Provides information regarding the essential tasks, duties, and responsibilities of the job
- **Job Specification:** Minimum acceptable qualifications a person needs to perform a particular job

Reasons for Conducting Job Analysis

- Job analysis has an impact on every aspect of HR practice:
 - Staffing
 - Training and Development
 - Performance Appraisal
 - Compensation
 - Safety and Health
 - Employee and Labor Relations
 - Legal considerations

Job Analysis: A Basic Human Resource Management Tool



- Staffing
- Training and Development
- Performance Appraisal
- Compensation
- Safety and Health
- Employee and Labor Relations
- Legal Considerations

Job Analysis Information

- Job's actual duties and responsibilities
- Worker-oriented activities:
- Machines, tools, and equipment
- Personal requirements (e.g., experience)
- Job standards
- Work schedule
- Financial and nonfinancial compensation
- Working conditions

Job Analysis Methods

- Questionnaires
- Observation
- Interviews
- Employee recording
- Combination of methods

Questionnaires

- Structured questionnaires given to employees
- Typically quick and economical
- Potential problems:
 - Employees might lack verbal skills
 - Employees might exaggerate the significance of their tasks

Observation

- Analyst watches worker perform job tasks and records observations
- Used primarily to gather information emphasizing manual skills
- Often insufficient when used alone
- Difficult when mental skills are dominant in a job

Interviews

- Interview both employee and supervisor
- Interview employee first, helping him or her describe duties performed
- After interviews, analyst normally contacts supervisor for additional information

Employee Recording

- Employees describe daily work activities in diary or log
- Valuable in understanding highly specialized jobs
- Problem: Employees might exaggerate job importance

Combination of Methods

- Analysts usually use more than one method
- Clerical and administrative jobs (example):
 - Questionnaires supported by interviews and limited observation
 - Production jobs: Interviews supplemented by extensive work observation

Conducting Job Analysis

People who participate in job analysis should include, at a minimum:

- Employee
- Employee's immediate supervisor

Job Description

- Document that states:
 - Tasks
 - Duties
 - Responsibilities
- Needs to be relevant and accurate

Items Frequently Included in a Job Description

- Major duties performed
- Percentage of time devoted to each duty
- Performance standards to be achieved
- Working conditions and possible hazards
- Number of employees performing job
- The person to whom the employee reports
- The machines and equipment used for job

Proper Language in the Job Description

- Keep each statement crisp and clear
- Structure sentences in classic verb/object and explanatory phrases
- Always use present tense of verbs
- Use explanatory phrases telling why, how, where
- Omit any unnecessary articles
- Use unbiased terminology
- Avoid using words that are subject to differing interpretations

Content of a Job Description

- **Job Identification** – Job title, department, reporting relationship, and job number or code
- **Job Analysis Date** – Aids in identifying job changes that make description obsolete
- **Job Summary** – Concise overview of job
- **Duties Performed** – Major duties of job

Job Specification

- Minimum qualifications worker should possess
- Should reflect **minimum**, not **ideal**, qualifications
- Often a major section of a job description

Problems If Job Specifications Are Inflated

- Could systematically eliminate minorities or women from consideration
- Compensation costs could increase
- Vacancies could be more difficult to fill

Standard Occupational Classification (SOC)

- Job descriptions for all U.S. workers in more than 800 occupations
- 2010 SOC replaces the 2000 system

Representative SOC Description for HR Professionals

- **13-1071 Human Resources Specialists**
- Perform activities in the human resource area. Includes employment specialists who screen, recruit, interview, and place workers. Excludes "Compensation, Benefits, and Job Analysis Specialists" (13-1141) and "Training and Development Specialists" (13-1151).
- Illustrative examples: *Staffing Coordinator, Personnel Recruiter, Human Resources Generalist*

Representative SOC Description for HR Professionals (Cont.)

- **11-3111 Compensation and Benefits Managers**
- Plan, direct, or coordinate compensation and benefits activities of an organization. Job analysis and position description managers are included in "Human Resource Managers" (11-3121).
- Illustrative examples: *Wage and Salary Administrator, Employee Benefits Director, Compensation Director*

Occupational Information Network (O*NET)

- Comprehensive government-developed database of:
 - Worker attributes
 - Job characteristics
- Primary source of occupational information

Job Analysis for Team Members

- With team design, there are no narrow jobs
- Work that departments do is often bundled into teams
- Last duty shown on standard job description, “*And any other duty that may be assigned,*” is increasingly becoming THE job description

Job Analysis and the Law

- **Fair Labor Standards Act:** Employees categorized as exempt or nonexempt
- **Equal Pay Act:** Similar pay must be provided to women if jobs, as shown in job descriptions, are not substantially different
- **Civil Rights Act:** Basis for adequate defenses against unfair discrimination

Job Analysis and the Law (Cont.)

- **Occupational Safety and Health Act (OSHA):** Employer must specify job elements that endanger health or are considered unsatisfactory or distasteful by most people
- **Americans with Disabilities Act (ADA)/ADA Amendments Act:** Employer must make reasonable accommodations for disabled workers

Job Enrichment

- Basic changes in content and level of responsibility of job to provide greater challenge to worker
- Provides a vertical expansion of responsibilities

Competencies and Competency Modeling

Competencies refer to an individual's capability to orchestrate and apply combinations of knowledge, skills, and abilities consistently over time to perform work successfully in the required work situations

Competencies and Competency Modeling (Cont.)

Competency modeling specifies and defines all the competencies necessary for success in a group of jobs that are set within an industry context

U.S. Department of Labor Competency Model

Occupation-Related Competencies

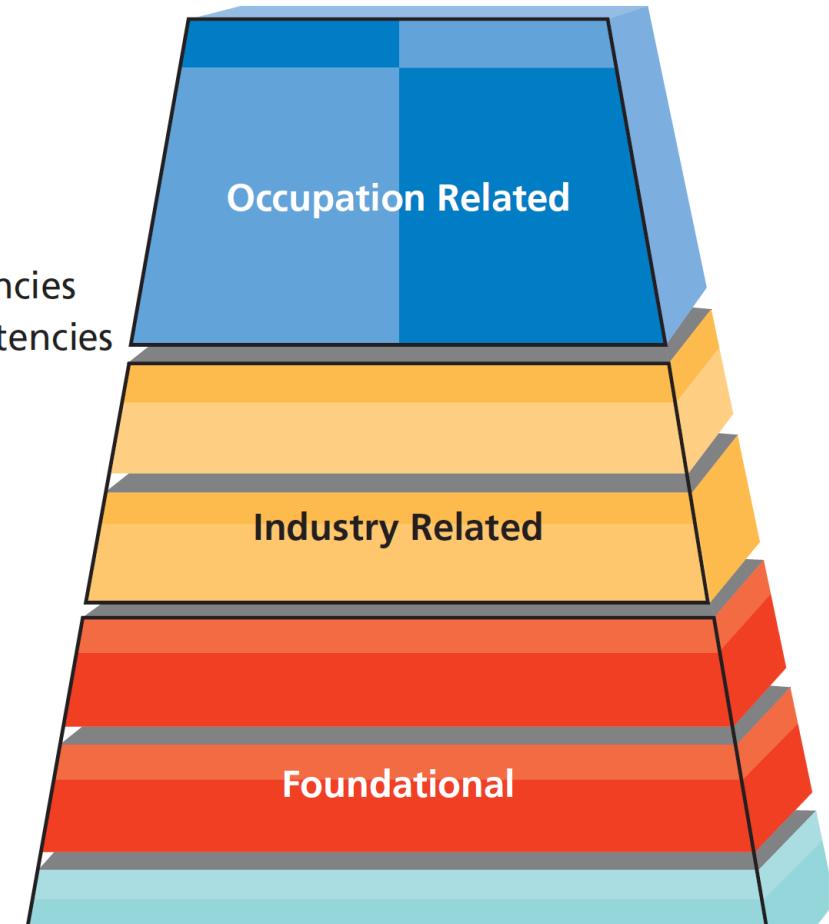
- Tier 9 – Management Competencies
- Tier 8 – Occupation-Specific Requirements
- Tier 7 – Occupation-Specific Technical Competencies
- Tier 6 – Occupation-Specific Knowledge Competencies

Industry-Related Competencies

- Tier 5 – Industry-Sector Technical Competencies
- Tier 4 – Industry-Wide Technical Competencies

Foundational Competencies

- Tier 3 – Workplace Competencies
- Tier 2 – Academic Competencies
- Tier 1 – Personal Effectiveness Competencies



Job Design

Process of determining:

- Specific tasks to be performed
- Methods used in performing these tasks
- How a job relates to other work in organization

Job Enrichment

- **Job enrichment** consists of basic changes in the content and level of responsibility of a job so as to provide greater challenges to the worker
- Job enrichment provides a vertical expansion of responsibilities

Job Enlargement

- Changes in scope of job to provide greater variety to worker
- All of the tasks at the same level of responsibility
- Sometimes called cross-training

Job Rotation

- Moving employees from one job to another to broaden their experience
- Often required for higher-level tasks
- Can be effective in protecting a company against the loss of key employees

Reengineering

- Fundamental rethinking
- Radical redesign of business processes
- Aims to achieve dramatic improvements in critical measures of performance such as:
 - Cost
 - Quality
 - Service
 - Speed

Global Talent Management

- Strategic endeavor to optimize use of human capital
- Enables an organization to drive short- and long-term results
- Builds culture, engagement, capability, and capacity through integrated talent acquisition, development, and deployment processes that are aligned to business goals

Recruitment

Learning Objectives

1. Define *recruitment*.
2. Describe the recruitment process.
3. Explain internal recruitment methods.
4. Identify external recruitment sources.
5. Explain recruiting technology.
6. Identify traditional external recruitment methods.

Learning Objectives (Cont.)

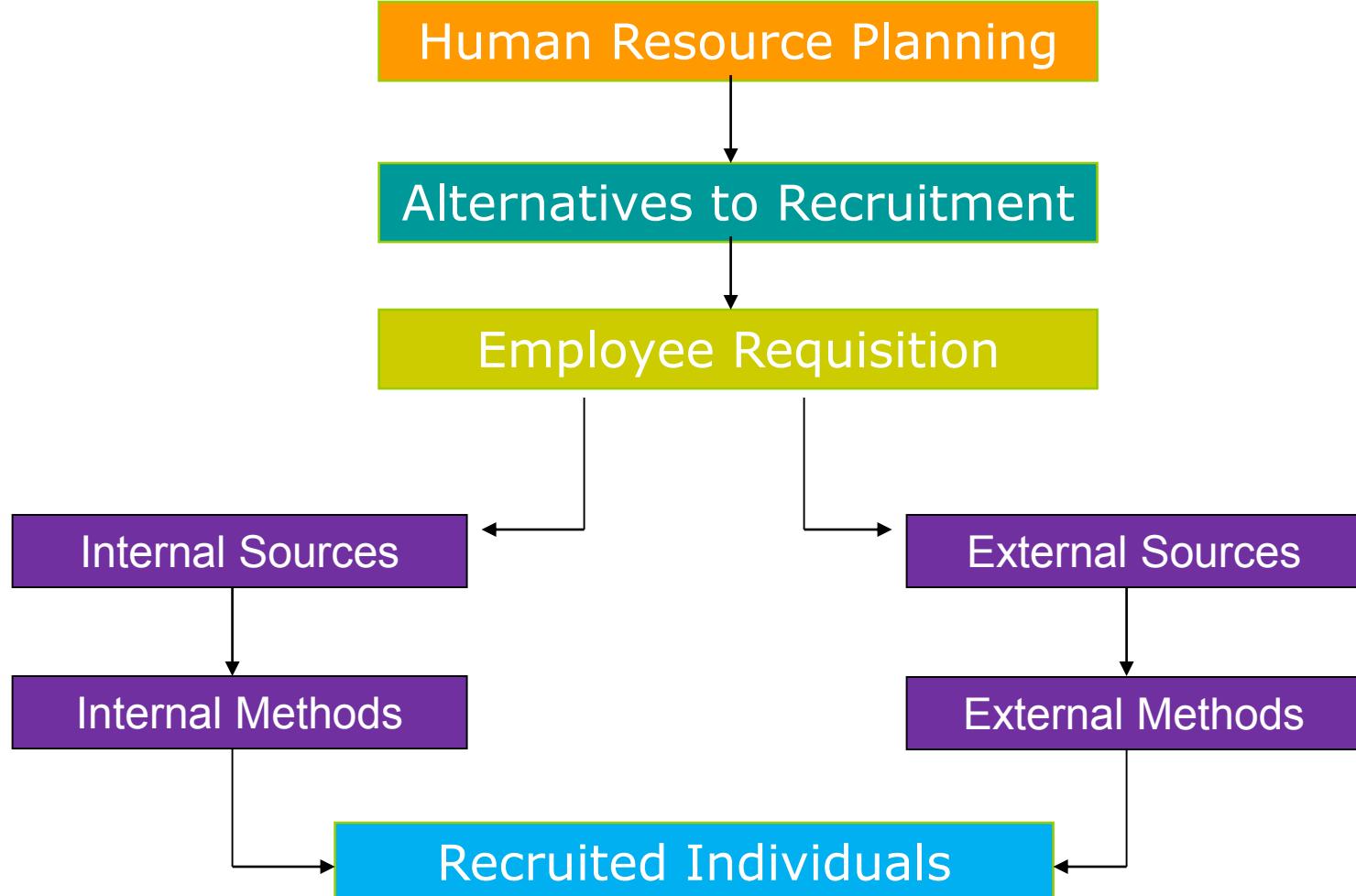
7. Describe how recruitment methods and sources are tailored to each other.
8. Summarize the environment of recruitment.
9. Describe alternatives to recruitment.
10. Explain the global implications for recruitment.

Recruitment

- Process of attracting individuals:
 - On a timely basis
 - In sufficient numbers
 - With appropriate qualifications
- Encouraging them to apply for jobs

RECRUITMENT PROCESS

External Environment
Internal Environment



Employee Requisition

- Recruitment begins with *employee requisition*
- Document specifies:
 - Job title
 - Department
 - Date employee is needed
 - Other details

Recruitment Sources and Methods

- **Recruitment methods:** Means by which potential employees can be attracted to firm
- **Recruitment sources:** Places where qualified individuals are found

Internal Recruitment Methods

- Human resource databases
- Job posting
- Job bidding
- Employee referral

Job Posting and Job Bidding

- **Job posting:** Procedure to inform employees of existing job openings
- **Job bidding:** Procedure that permits individuals in organization to apply for posted job

Employee Referrals

- Number-one way workers find a job
- Referrals better qualified and stay on job longer
- Recruit new hires through employee-referral incentive programs
- Employee enlistment

Why External Recruitment Is Needed

- Fill entry-level jobs
- Acquire skills not possessed by current employees
- Obtain employees with different backgrounds to provide diversity of ideas

External Recruitment Sources

- High schools and vocational schools
- Community colleges
- Colleges and universities
- Competitors in the labor market
- Former employees
- Unemployed workers
- Military personnel
- Self-employed workers
- Ex-offenders

High Schools and Vocational Schools

- Clerical and other entry-level employees
- Some companies work with schools
- Companies may loan employees to schools

Community Colleges

- Sensitive to specific employment needs in local labor market
- Graduate highly sought-after students with marketable skills

Colleges and Universities

- Professional, technical, and management employees
- Placement directors, faculty, and administrators

Competitors in the Labor Market

- Used when relevant experience is needed
- Smaller firms look for employees trained by larger organizations
- **Poaching:** Actively recruiting employees from competitors

Former Employees

- In past, punished with no-return policies
- Smart employers try to get their best ex-employees to come back
- Also called *boomeranging*

Unemployed Workers

- Qualified applicants become unemployed every day
- Companies:
 - Go out of business
 - Cut back operations
 - Merge with other firms
- Employees are laid off

Military Personnel

- Proven work history
- Flexible, motivated, drug free
- Goal and team oriented

Self-Employed Workers

- Technical
- Professional
- Administrative
- Entrepreneurial

Ex-Offenders

- Ex-offenders are a viable labor pool for restaurants
- Often work third shift
- Some organizations actively support hiring of ex-offenders

Mobile Recruiting

- Recruiting via mobile technology is moving at light-speed
- Mobile recruiting has generated blogs, webinars, seminars, e-newsletters, and online groups committed to learning more

Online Recruitment

- Biggest change in way that organizations recruit
- Revolutionized the way companies recruit and job seekers find jobs

Internet Recruiter

- Also called *cyber recruiter*
- The more a company recruits on Internet, the greater the need for Internet recruiters
- High-tech firms have greatest needs

Virtual Job Fair

- Online recruiting method to attract large number of applicants
- Attracts wider range of applicants than might attend live fair

Corporate Career Web site

- Accessible from company homepage
- Lists company positions available
- Provides way for applicants to apply for specific jobs
- Major resource for job seekers and companies
- Should be used as a selling device

Weblogs (Blogs)

- Use Google or a blog search engine
- Type in a key phrase, like “marketing jobs”
- Can be used for stealthy background checks

General-Purpose Job Boards

- Job seekers can search for jobs by:
 - Category
 - Experience
 - Education
 - Location
 - Any combination of categories
- Monster.com
- CareerBuilder.com

Niche Sites

- Web sites that cater to a specific profession
- A site for virtually everyone

Contract Workers' Sites

- Sites are available to assist contract workers
- These let workers advertise skills, set their price, and pick employers
- Freelance.com
- Guru.com

Hourly Workers' Job Sites

- Attract blue-collar and service workers
- Most pursue jobs by filling out applications
- Allow job seekers to build applications
- Often have bilingual call center

Traditional External Recruitment Methods

- Media advertising
- Employment agencies—private and public
- Recruiters
- Job fairs
- Internships
- Executive search firms
- Professional associations
- Unsolicited applicants
- Open houses
- Event recruiting
- Sign-on bonuses
- Competitive games

Media Advertising

- Media such as:
 - Radio
 - Newspaper
 - Television
 - Industry publications
- Previous experiences suggest the best approach
- Newspaper advertising has declined because of online recruiting

Private Employment Agencies

- Often called headhunters
- Best known for recruiting white-collar employees
- Used for virtually every kind of position
- Not paid until a person is placed

Public Employment Agencies

- Operated by each state
- Receive policy direction from U.S. Employment Service
- Increasingly involved in matching people with technical, professional, and managerial positions

Recruiters

Used with:

- Technical
- Vocational
- Community colleges
- Colleges and universities

Job Fairs

- Attract large number of applicants to one location
- Opportunity to meet large number of candidates in short time

Internships

- Places student in a temporary job
- No obligation
- Temporary job for summer
- Part-time job during school year
- Students bridge gap from theory to practice

Executive Search Firms

- Locate experienced professionals and executives
- Target ideal candidates
- Find those not actively looking for a job

Professional Organizations

- Recruitment and placement services
- Society for Human Resource Management operates job referral service

Unsolicited Applicants

- Organization that has reputation of being a good place to work, may be able to attract qualified prospects even without extensive recruitment efforts
- Go to the firm's Web site and *walk in* by making an application online

Open Houses

- Pair potential hires and managers in warm, casual environment
- Encourage on-the-spot job offers
- Cheaper and faster than agencies
- May attract more unqualified candidates

Event Recruiting

- Opportunity to promote image of company
- Recruiters go to events where people attend that the firm is seeking

Sign-On Bonuses

- Used where severe shortages of highly skilled workers exist
- Amounts vary dramatically

Competitive Games

- Unique way to get individuals interested in applying for technical positions
- Google makes use of recruiting games
- TopCoder creates software coding competitions

Tailoring Recruitment Methods to Sources

- Tailored to each firm's needs
- Sources and methods vary according to position being filled

Methods and Sources of Recruitment for an Information Technology Manager

External Sources	External Methods	Online recruiting	Media advertising	Employment agencies	Recruiters	Job Fairs	Internships	Executive search firms	Professional associations	Unsolicited applicants	Open houses	Event recruiting	Sign-on bonuses	High Tech Competition
		X	X	X	X	X	X	X	X	X	X	X	X	X
High/vocational schools														
Military personnel														
Community colleges														
College and universities														
Former employees														
Competitors in the labor market	X	X	X					X	X					
Unemployed														
Self-employed														

Environment of Recruitment

- Labor market conditions
- Active or passive job seekers
- Legal considerations

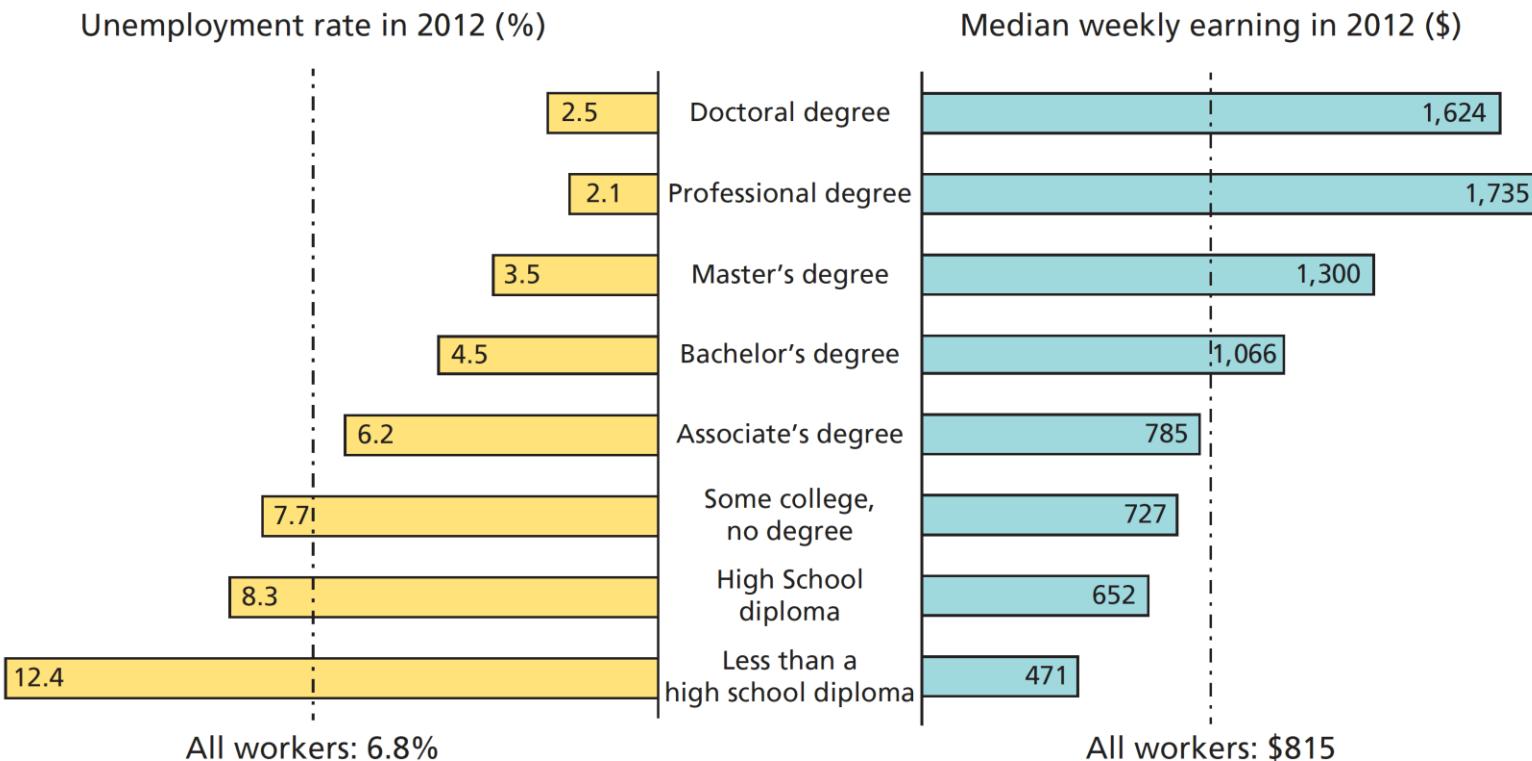
Labor Market Conditions

- Demand for and supply of specific skills
- Labor market for many professional and technical positions is global

Labor Market Conditions (Cont.)

- Possessing a college degree used to be passport to securing a good job
- Skills to perform crafts such as welders, pipe fitters, painters, and machinists are needed
- New technology may require that workers have a specialized degree

Earnings and Unemployment Rates by Educational Attainment



Active or Passive Job Seekers

- **Active job seekers:** Committed to finding another job
- **Passive candidates:** Typically employed, satisfied with their employer, and content in their current role
- Recruitment methods often differ

Legal Considerations

- Candidate and employer first make contact during recruitment
- Essential to emphasize nondiscriminatory practices
- U.S. Department of Labor has issued guidelines concerning online recruiting policies

Labor Department Guidelines

- Keep detailed records
- Identify criteria used
- Be able to explain why a person with protected status was not hired
- Companies with more than 100 employees keep records for a minimum of 2 years
- 50 employees if dealing with the OFCCP

Labor Department Guidelines (Cont.)

- Threshold coverage is 50 employees if dealing with OFCCP
- Enables compilation of demographic data
- Employers must keep records of any and all expressions of interest through the Internet

Alternatives to Recruitment

- Promotion policies
- Overtime
- Onshoring

Promotion From Within

- Filling vacancies above entry-level positions with current employees
- Incentive to strive for advancement
- Organization usually aware of employees' capabilities
- Good goal: 80%

Overtime

- Most commonly used method of meeting short-term fluctuations in work volume
- Avoids recruitment, selection, and training costs
- Employees benefit from increased profit
- Potential problems

Onshoring

- Moving jobs not to another country but to lower cost American cities
- Government may require onshore handling of certain financial, health, and defense data

A Global Perspective: Reshoring

- Reverse of offshoring and involves bringing work back to the United States
- Need to calculate the real impact of offshoring because there are often hidden expenses

Outsourcing and Offshoring

- **Outsourcing:** Transfers responsibility to external provider
- **Offshoring:** Migration of all or a significant part of development, maintenance, and delivery of services to vendor located in another country
- **Reshoring:** The reverse of offshoring and involves bringing work back to the United States or to the country of origin



Selection

Learning Objectives

1. Explain the significance of employee selection.
2. Describe the selection process.
3. Explain the importance of preliminary screening.
4. Describe reviewing applications and résumés.
5. Describe the use of tests in the selection process.
6. Explain the use of the employment interview.

Learning Objectives (Cont.)

7. Explain pre-employment screening and background checks.
8. Describe the selection decision.
9. Describe human capital metrics and explain the metrics for evaluating recruitment/selection effectiveness.
10. Identify environmental factors that affect the selection process.
11. Discuss selection in a global environment.

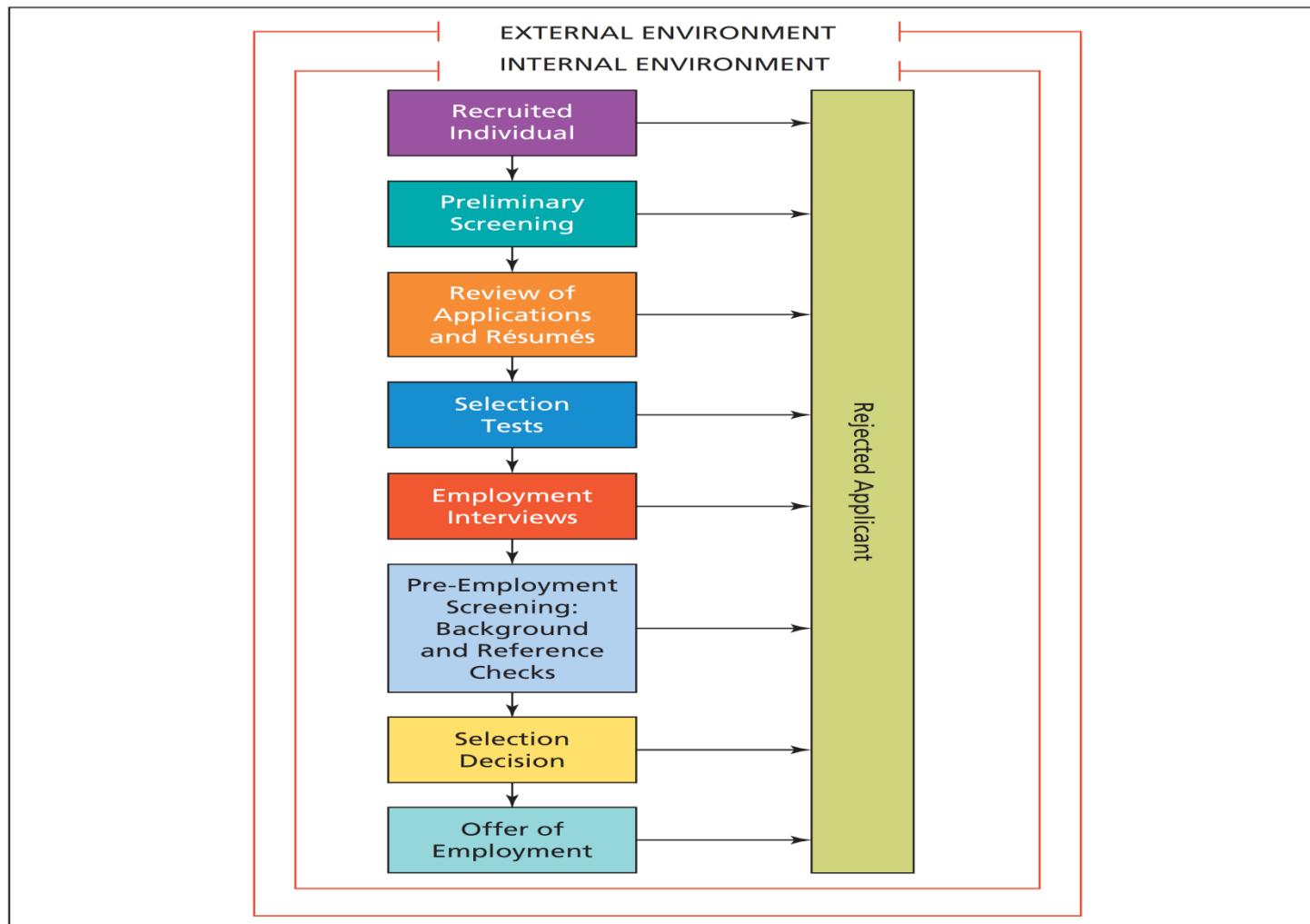
Significance of Employee Selection

- Goal is to match people with jobs and the company
- When properly done, selection can lead to improved productivity
- Mismatches (under- or over-qualified persons) will likely lead to ineffective performance and turnover

Selection

- Process of choosing the individual best suited for particular position and organization from a group of applicants
- Goal is to properly match people with jobs and organization
- Selecting wrong person for any job can be costly

The Selection Process



Preliminary Screening

- Removes obviously unqualified individuals
- Benefit: Applicant may be qualified for another position with the firm

Review of Applications

- Essential information is included and presented in a standardized format
- Application form must reflect firm's informational needs and EEO requirements
- Preprinted statements are usually included:
 - Certifies that information provided is accurate
 - Should state position is *employment at will*
 - Gives permission for background check

Review of Résumés

- Résumé: Goal-directed summary of a person's experience, education, and training developed for use in the selection process
- Professional/managerial applicants often begin selection process by submitting résumé
- Concept of relevancy is crucial in selling the applicant to the company

Résumés and Keywords

- Most large companies now use automated tracking systems
- Résumés deviating from required style are ignored
- **Keywords:** Job-related words or phrases used to search databases
- **Keyword résumé:** Adequate description of job seeker's characteristics and industry-specific experience using keyword terms

Selection Tests

- Reliable and accurate means of selecting qualified candidates
- Cost is small in comparison
- Identify attitudes and job-related skills that interviews cannot recognize

Potential Problems of Using Selection Tests

- *Can do* versus *will do*
- Test anxiety
- Legal liabilities

Characteristics of Properly Designed Selection Tests

- **Standardization:** Uniformity of procedures and conditions of administering test
- **Objectivity:** Everyone scoring a test obtains same results
- **Norms:** Frame of reference for comparing applicant's performance with that of others

Characteristics of Properly Designed Selection Tests (Cont.)

- **Reliability:** Provides consistent results
- **Validity:** Measures what it is supposed to measure (basic requirement)
- **Requirement for job relatedness:** Must not have adverse impact on minorities, females, and individuals with backgrounds or characteristics protected under law

Test Validation Approaches

- **Criterion-related validity:** Comparing scores on selection tests to some aspect of job performance
- **Content validity:** Includes certain tasks actually required by job
- **Construct validity:** Measures certain traits or qualities important in performing job

Forms of Criterion-Related Validity

- **Concurrent validity:** Obtaining test scores and the criterion data at essentially the same time
- **Predictive validity:** Administering a test and later obtaining the criterion information

Employment Tests

- **Achievement test:** A test of current knowledge and skills
- **Cognitive Ability test:** A test that determines general reasoning ability, memory, vocabulary, verbal fluency, and numerical ability
- **Aptitude test:** A test of how well a person can learn or acquire skills or abilities

Types of Employment Tests

- Cognitive ability
- Psychomotor abilities
- Personality
- Job knowledge
- Work-sample
- Unique types
 - genetic
 - graphoanalysis
 - polygraphs

Cognitive Ability Tests

- Measures individual's ability to learn, as well as to perform a job
- Form of IQ test
- Helpful in identifying job candidates who have extensive knowledge bases

Psychomotor Abilities Tests

- Strength
- Coordination
- Dexterity
- Miniaturization in assembly operations

Personality Tests

- Self-reported measure of:
 - Traits
 - Temperaments
 - Dispositions
- Tap into softer areas, such as leadership, teamwork, and personal assertiveness

Job-Knowledge Tests

- Measure candidate's knowledge of duties of position for which he or she is applying
- Are commercially available

Work-Sample

- Perform set of tasks representative of job
- Job related
- Produces high validity
- Reduces adverse impact
- More acceptable to applicants

Online Assessment

Organizations increasingly are using the Internet to test applicants

- Makes it faster and easier to process applications
- Can check job applicants on their alleged technical abilities

Assessment Centers

- Require candidates to perform activities similar to those on the job
- Examples:
 - In-basket exercises
 - Management games
 - Leaderless discussion groups
 - Mock interviews

Unique Forms of Testing—Genetic Testing

- Tests performed to identify predisposition to inherited diseases, including cancer, heart disease, neurological disorders, and congenital diseases
- Genetic Information Nondiscrimination Act of 2008—Designed to prohibit improper use of genetic information in health insurance and employment

Unique Forms of Testing— Graphoanalysis (Handwriting Analysis)

- Many people view handwriting analysis in same context as psychic readings or astrology
- In Europe, many employers use it to screen and place job applicants

Unique Forms of Testing— Polygraph Tests

- Can confirm or refute application information
- Employee Polygraph Protection Act of 1988 severely limited use in private sector

Employment Interview

- Goal-oriented conversation where interviewer and applicant exchange information
- Continues to be primary method used to evaluate applicants
- At this point, candidates are assumed to be qualified

Interview Planning

- Physical location of the interview should be both pleasant and private
- Develop a job profile based on job description/specification
- Questions should be prepared that relate to the qualities needed

Content of the Interview

- Seek additional job-related information and examples of past job-related behaviors:
 - Occupational experience
 - Academic achievement
 - Interpersonal skills
 - Personal qualities
- Provide information about:
 - Company
 - Job
 - Expectations

Types of Interviews

- Unstructured
- Structured
- Behavioral
- Situational

Unstructured Interview

- Asks probing, open-ended questions
- Encourages applicant to do much of the talking
- Is often time consuming
- Potential legal issues

Structured Interview

- Series of job-related questions asked of each applicant
- Increases reliability and accuracy by reducing subjectivity and inconsistency of unstructured interviews

Behavioral Interview

- Behavioral questions prompt applicants to relate actual incidents relevant to target job
- Look for three main things:
 - Description of a challenging situation
 - What the candidate did about it
 - Measurable results
- Example: Describe a situation where you were responsible for motivating others

Situational Interview

- Creates hypothetical situations candidates would be likely to encounter on the job and ask how they would handle them
- Example: One of your employees has shown a significant decline in productivity. How would you handle it?

Methods of Interviewing

- **One-on-one interview:** Applicant meets one-on-one with interviewer
- **Group interview:** Several applicants interact in presence of one or more interviewers
- **Board interview:** Several firm representatives interview candidate at same time
- **Multiple interviews:** Applicants typically interviewed one-on-one by peers, subordinates, and supervisors

Methods of Interviewing (Cont.)

- **Video Interview:** Involves an applicant being interviewed with both individuals being in different locations
- **Stress interview:** Interviewer intentionally creates anxiety

Realistic Job Previews

- Provide both positive and negative job information to applicant in unbiased manner
- Convey information about tasks person would perform and behavior required to fit into organization's culture

Potential Interviewing Problems

- Inappropriate questions
- Permitting non-job-related information
- Interviewer bias
- Interviewer domination
- Lack of training
- Nonverbal communication

Inappropriate Questions

- Basic rule: Ask only job-related questions
- Interview is a “test,” subject to same validity requirements as any other step in the selection process
- Historically, interview has been more vulnerable to charges of discrimination than any other tool used in the selection process

Permitting Non-Job-Related Information

- If candidate begins volunteering personal information not related to job, interviewer should steer conversation back on course
- Engaging in friendly chitchat with candidates might be pleasant
- In our litigious society, it may be the most dangerous thing interviewer can do

Interviewer Bias

Interviewer makes assumptions about interviewee which may be incorrect and lets these biases influence the selection decision

- *Stereotyping bias:* Occurs when interviewer assumes that applicant has certain traits because they are members of a certain class
- *Positive halo bias:* Occurs when interviewer generalizes one positive impression feature of the candidate

Interviewer Bias (Cont.)

- *Horn error bias:* Occurs where interviewer's first impression of candidate creates a negative first impression that exists throughout interview
- *Halo Effect:* Occurs where interviewer's first impression of candidate creates a positive first impression that exists throughout interview
- *Contrast bias:* Occurs when, for example, interviewer meets with several poorly qualified applicants and then confronts a mediocre candidate
- *Premature judgment bias:* Interviewer makes judgment about candidates in first few minutes of interview
- *Interview illusion bias:* Belief in ability was exaggerated

Interviewer Domination

- Relevant information must flow both ways
- Interviewers must learn to be good listeners as well as suppliers of information

Lack of Training

- Interview is much more than carrying on conversation with another person
- Expense of training employees in interviewing skills can be easily justified
- What does “Tell me about yourself” mean to a trained interviewer?

Nonverbal Communication

- Body language is nonverbal communication in which physical actions, such as gestures and facial expressions, convey thoughts and emotions
- Avoid sending inappropriate or unintended nonverbal signals

Concluding the Interview

- When interviewer has obtained necessary information and answered applicant's questions, he or she should conclude the interview
- Tell applicant he or she will be notified of the selection decision shortly
- Management must then determine whether candidate is suitable for the open position and organization

Pre-Employment Screening: Background Checks

- Determine accuracy of information submitted or determine if vital information was not submitted
- Principal reason is to hire better workers
- Background investigations involve obtaining data from various sources
- Intensity of background investigations depends on the nature of the open position

Continuous Background Investigation

- Some employers are screening their employees on an ongoing basis
- Financial devastation, marital collapse, or a medical crisis can send a person with a clean record over the edge

Background Investigation with Social Networking

- Increasingly being used to conduct background investigations
- Use an applicant's Facebook, LinkedIn, and postings made on an industry blog to find out about individuals they are considering hiring

Hiring Standards to Avoid

- Some standards used in background investigation have potential to violate equal employment opportunity and affirmative action laws
- When HR management practices eliminate substantial numbers of minority or women applicants (*prima facie* evidence), the burden of proof is on the employer to show that the practice is job related
- Examples: Criminal conviction and credit checks

Fair Credit Reporting Act

- Amended in 1997
- Places new obligations on employers who use certain information brought to light through background investigations

Reference Checks

- Information from individuals who know applicant
- Provide additional insight into information furnished by applicant
- Verify accuracy of information
- Possible flaw: Virtually everyone can name three or four individuals willing to make favorable statements

Reference Checks (Cont.)

- Many state laws shield employers from liability for harm to an ex-employee based on job references.
- Two schools of thought:
 - Don't tell them anything
 - Honesty is the best policy

Automated Reference Checking

- References are anonymous, more efficient, and more comprehensive
- It is the candidate, not the recruiter, who contacts references
- Referencing is much faster

Negligent Hiring

- Liability company incurs when it fails to conduct reasonable investigation of applicant's background, and then assigns potentially dangerous person to position where he or she can inflict harm
- Risk of harm to third parties requires a higher standard of care

Selection Decision

- Most critical step
- Person whose qualifications most closely conform to requirements of open position and organization should be selected

Medical Examination

- Americans with Disabilities Act does not prohibit pre-employment medical examinations
- Determines point at which they may be administered during selection process
- Determines whether applicant is physically capable of performing the work

Notification to Candidates

- Results should be made known to candidates as soon as possible
- Delay may result in firm losing prime candidate
- Unsuccessful candidates should also be promptly notified

Metrics for Judging Recruiting and Selection Effectiveness

- Measures of HR performance
- Task of measuring and understanding how they contribute to the bottom line is often difficult
- No one-size-fits-all metric

Metrics for Evaluating Recruitment/Selection Effectiveness

- **Quality of hire:** Most important metric to use in the selection process
- **Time required to hire:** Shorter the time to hire, the more efficient the HR department
- **New hire retention:** Percent of new hires that remain with company after one or two years

Metrics for Evaluating Recruitment Effectiveness

- **Hiring manager overall satisfaction:** Manager is largely responsible for success of his or her department
- **Turnover rate:** Average number of times employees have to be replaced during a year
- **Cost per hire:** Determined by dividing recruiting expenses by number of recruits hired

Metrics for Evaluating Recruitment Effectiveness (Cont.)

- **Selection rate:** Number of applicants hired from group of candidates; expressed as a percentage
- **Acceptance rate:** Number of applicants who accepted the job divided by number who were offered the job
- **Yield rate:** Percentage of applicants from particular source and method that make it to next stage of selection process

Environmental Factors Affecting the Selection Process

- Other HR functions
- Legal considerations
- Decision-making speed
- Organizational hierarchy
- Applicant pool
- Type of organization
- Probationary period
- Organizational fit

Other HR Functions

Selection process affects, and is affected by, virtually every other HR function

Legal Considerations

- Greatly influenced by legislation, executive orders, and court decisions
- Guiding principle: Why am I asking this question?
- If information is job related, usually asking for the information is appropriate

Speed of Decision Making

- Time available to make the selection decision can have major effect on selection process
- Conditions also can impact the needed speed of decision making

Organizational Hierarchy

- Different approaches to selection are generally taken for filling positions at different levels in the organization

Applicant Pool and Selection Ratio

- **Applicant pool:** Number of qualified applicants recruited for a particular job
- **Selection ratio:** Number of people hired for a particular job compared to number of people in the applicant pool

Type of Organization

- **Private sector:** Screen applicants with regard to how they can help achieve profit goals
- **Government civil service systems:** Identify qualified applicants through competitive examinations
- **Not-for-profit organizations:** Applicants must be qualified and dedicated to work

Probationary Period

- Period that permits evaluating an employee's ability based upon performance
- May be a substitute for certain phases of the selection process
- Must be job related

Organizational Fit

- Management's perception of the degree to which the prospective employee will fit in with the firm's culture or value system
- Poor fit—The chemistry was just not right

Selection Technology— Applicant Tracking Systems

- Software application designed to help an enterprise select employees more efficiently
- Permits managers to oversee the entire selection process
- Compile job applications electronically
 - Quickly amass candidates
 - Set up interviews
 - Get new hires on board

Selection Technology: Candidate Relationship Management

- Help manage potential and actual applicants in an organized manner
- Capability to search the Internet, and then adds and catalogues resumes and other information to the database
- Ability to link with other applicant tracking systems and any Web site

Selection in the Global Environment

- Country's culture plays a major role in determining whether an executive will be successful or not
- Majority of firms are deeply rooted in the culture of their home countries



Training and Development

Learning Objectives

1. Summarize the training and development process.
2. Explain how to determine specific training and development needs and objectives.
3. Summarize various training methods.
4. Describe alternative training and development delivery systems.
5. Summarize training and development implementation issues.

Learning Objectives (Cont.)

6. Explain the metrics for evaluating training and development.
7. Describe factors that influence training and development.
8. Summarize some human resource management training initiatives.
9. Explain the concept of careers and career paths.
10. Identify career planning approaches.

Learning Objectives (Cont.)

11. Discuss career development and career development methods.
12. Describe management development.
13. Define *organization development (OD)* and describe various OD techniques.
14. Summarize the learning organization idea as a strategic mind-set.
15. Identify some training issues in the global context.

Training and Development Elements

	<i>Short Term</i>	<i>Long Term</i>
<i>Groups / Organization</i>	Organizational Development	Organizational Learning
<i>Individuals</i>	Training	Career Management

Training and Development (T&D)

- **Training:** Provides learners with the knowledge and skills needed for their present jobs. Designed to improve competencies and organizational performance
- **Development:** Involves learning that goes beyond today's job and has a more long-term focus

Organization Development (OD)

- Planned and systematic attempts to change the organization
- Designed to develop more open, productive, and compatible workplace despite differences in personalities, cultures, or technologies
- Applies to entire system, such as a company or plant
- Intervention methods include survey feedback, quality circles, and team building

Learning Organization

- Recognizes the importance of continuous performance-related T&D and takes appropriate action; basic characteristics:
 - Provides supportive learning environment
 - Provides specific learning processes and practices
 - Leadership behavior in organization supports and reinforces learning
- Learning programs aligned with strategic corporate goals

Training and Development (T&D) Process

External Environment

Internal Environment

Determine Specific T&D
Needs

Establish Specific T&D
Objectives

Select T&D Method(s)
and Delivery System(s)

Implement T&D Programs

Evaluate T&D Programs

Determining Specific Training and Development Needs

Must take a systematic approach to addressing bona fide needs:

- Organizational analysis
- Task analysis
- Person analysis

Establishing Specific Training and Development Objectives

- Desired end results must be determined
- Clear and concise learning objectives must be formulated

Training Program: Employment Compliance

Training Area: Employment Compliance

Purpose To provide the supervisor with

1. Knowledge and value of consistent human resource practices
2. The intent of Equal Employment Opportunity Commission (EEOC) legal requirements
3. The skills to apply them

Objectives To be able to

1. Cite the supervisory areas affected by employment laws on discrimination
2. Identify acceptable and unacceptable actions
3. State how to get help on EEOC matters
4. Describe why we have disciplinary action and grievance procedures
5. Describe our disciplinary action and grievance procedures, including who is covered

T&D Methods

- Classroom method
- E-learning
- Case study
- Behavior modeling
- Role playing
- Apprenticeship training
- Team training
- Training (business) games
- In-basket training
- On-the-job training

Classroom Method

- Continues to be effective for many types of employee training
- Conveys great deal of information in a relatively short time
- Allows for real-time discussion
- Charisma or personality that the instructor brings to class

E-Learning

- T&D method for online instruction
- Takes advantage of technology for greater flexibility of instruction
- Often most convenient delivery method for adult learners
- Major advantage is cost

Live Virtual Classroom

- Uses web-based platform to deliver live, instructor-led training to geographically dispersed learners
- Training can now be provided in blocks of time
- Provides both cost savings and convenience

Case Study

- Trainees study the information provided by the case
- Make decisions based on it
- Often used with instructor who serves as facilitator

Behavior Modeling

- Trainees learn by copying or replicating behaviors of others
- Shows managers how to handle various situations

Behavior Modeling and Twittering

Twittering can be a way to augment behavior modeling

- A person who excels at a task sends out frequent updates about what he or she is doing
- Select exemplary performers to post regularly, and pick those who should follow their posts

Role-Playing

- Participants respond to specific problems they encounter in jobs by acting out real-world situations
- Used to teach skills such as:
 - Interviewing
 - Grievance handling
 - Performance appraisal reviews
 - Conference leadership
 - Team problem solving
 - Communication

Training Games

- Aid in group dynamic process
- Encourage learner involvement and stimulate interest
- Retain 75% of the knowledge they acquire when playing games

Business Games

- Permit participants to assume roles such as president, controller, or marketing vice president of two or more similar hypothetical organizations
- Compete against each other by manipulating selected factors in a particular business situation

In-Basket Training

Participant is asked to establish priorities for and then handle number of typical:

- Business papers or e-mail messages
- Memoranda
- Reports
- Telephone messages

On-the-Job Training

- Informal T&D method
- Permits employee to learn job tasks by actually performing them
- Most commonly used T&D method
- No problem transferring what has been learned to the actual task

Apprenticeship Training

- Combines classroom instruction with on-the-job training
- Traditionally used in skilled trade jobs
- Earns less than master craftsman who is instructor

Team Training

- Focuses on imparting knowledge and skills on individuals who are expected to work collectively toward meeting a common objective
- Two types:
 - Team coordination training
 - Cross-training

Training & Development Delivery Systems

- Corporate universities
- Colleges and universities
- Community colleges
- Online higher education
- Vestibule system
- Video media
- Simulators
- Social networking

Corporate Universities

- Delivery system provided under umbrella of organization
- Focused on creating organizational change
- Proactive and strategic
- Recent years have seen decline of corporate universities

Colleges and Universities

- Primary method for training professional, technical, and management employees
- Corporate training programs often partner with colleges and universities

Community Colleges

- Publicly funded higher education
- Deliver vocational training and associate degree programs
- Rapid technological changes and corporate restructuring have created new demand

Online Higher Education

- Educational opportunities include degree and training programs
- Delivered either entirely or partially via Internet
- Allows employees to attend class at lunchtime, during day, or in evening
- Reduces or eliminates commute to school

Types of Online Higher Education

- Hybrid programs
- Online synchronized study
- Asynchronous learning

Vestibule System

- Occurs away from production area
- Uses equipment that closely resembles equipment actually used on the job
- Removes employee from pressure to produce while learning
- Emphasis on learning skills required for job

Simulators

- Devices or programs that are located away from the job site
- Replicate actual job demands
- Example: Flight simulators used to train pilots

Informal Training through Social Networking

- Today's employees interact, learn, and work in much different ways and styles
- Often takes place outside the corporate training departments
- **Constructivism:** Teacher guides the learner toward multiple learning sources, rather than acting as the sole source of knowledge

Implementing Human Resource Development Programs

- Often difficult
- Many managers are action-oriented and feel they are too busy to engage in T&D efforts
- Qualified trainers must be available
- T&D requires a high degree of creativity

Metrics for Evaluating Training and Development

- Reactions
- Learning
- Behavior
- Organizational results
- Benchmarking

Reactions

- Measure level of customer satisfaction
- Overall experience could bias some reports
- Good way to quickly and inexpensively obtain feedback

Learning

- Determines what participants have learned
- Pre-test/post-test control group design
- Differences are attributed to training provided
- Problem: Controlling external variables

Behavior

- Tests give little insight into whether participants will change their behavior
- Best demonstration of value is when learning translates into lasting behavioral change
- Transfer of training:
 - Generalization
 - Maintenance

Organizational Results

- Asks whether training programs have actually impacted company performance
- Example: Comparing accident rates before and after training provides a useful metric of success

Return-on-Investment from Training

- Example of an *organizational results* training metric
- Highest level of determining training effectiveness is return-on-investment (ROI) from training
- CEOs want to see value in terms that they can appreciate, such as business impact, business alignment, and return-on-investment

Benchmarking

- Example of an *organizational results* training metric
- Process of monitoring and measuring firm's internal processes, such as operations, and then comparing data with information from companies that excel in those areas
- Focus on metrics, such as training costs, ratio of training staff to employees, and whether new or more traditional delivery systems are used

Factors Influencing T&D

- Top management support
- Shortage of skilled workers
- Technological advances
- Global complexity
- Learning styles
- Other human resource functions

Top Management Support

- Without it, T&D program will not succeed
- Most effective way to achieve success is for executives to provide needed resources to support T&D effort
- Training professionals are having to do more with less

Shortage of Skilled Workers

- Major shortages of future skilled workers
- Employers are begging for skilled workers
- Training needs are changing
- Executives are increasingly demanding additional skills

Technological Advances

- Change is occurring at an amazing speed
- Knowledge doubling every year
- No factor has influenced T&D more than technology

Global Complexity

- World is getting more complex
- Entire world provides opportunities and threats
- How will training change in this global environment?

Learning Styles

- No best way to learn that suits everyone
- Need to use a wide range of training methods
- Adults retain:
 - 20% of what they read and hear
 - 40% of what they see
 - 50% of what they say
 - 60% of what they do
 - 90% of what they see, hear, say, and do

Other HR Functions

- Other human resource functions can also have crucial impact on T&D
- If recruitment-and-selection efforts or its compensation package attract only marginally qualified workers, firm will need extensive T&D programs
- Safety and health programs also affected

HR Training Initiatives

- Orientation (onboarding)
- Ethics
- Compliance (e.g., Equal Employment Opportunity)
- Diversity
- Safety

Orientation (Onboarding)

- Initial T&D effort designed for employees
- Goal is to inform them about company, job, and workgroup
- Helps them decide whether or not to stay at a company within their first 6 months

Purposes of Orientation

- Employment situation
- Company policies and rules
- Compensation and benefits
- Corporate culture
- Team membership
- Employee development
- Socialization

Career

- General course person chooses to pursue throughout working life
- Sequence of work-related positions an individual has occupied
- Today there are few relatively static jobs

Career Path

- Flexible line of movement through which person may travel during work life
- Various career paths, some of which are traditional and others that have developed as the employment relationship has changed

Types of Career Paths

- Traditional career path
- Network career path
- Lateral skill path
- Dual career path
- Adding value to your career
- Demotion
- Free agents (being one's own boss)

Traditional Career Path

- Employee progresses vertically in organization from one specific job to the next
- Not as viable a career path option today

Network Career Path

- Both vertical job sequence and horizontal opportunities
- Experience interchangeable at certain levels
- Broad experience at one level needed before promotion to next level

Lateral Skill Path

- Involves lateral moves within company
- Employee becomes revitalized and finds new challenges
- No pay or promotion involved
- Offers opportunities to develop new skills

Dual Career Path

- Technical specialists contribute expertise without having to become managers
- Often established to encourage and motivate professionals

Adding Value to Retain Present Job

- Workers view themselves as independent contractors who must constantly improve their skills to continually add value to organization
- Workers need to develop own plan and “toolbox” of personal skills

Demotion

- More realistic option today, due to limited promotional opportunities and fast pace of technological change
- Senior employee can escape unwanted stress without being a failure

Free Agents

Take charge of all or part of career by being own boss or working for others in ways that fit particular needs or wants

Career Planning

- Ongoing process whereby an individual:
 - Sets career goals
 - Identifies means to achieve them
- Does not necessarily entail promotions
- Flexible process with multiple contingencies for life's work
- Should evaluate abilities and interests
- Self-assessment and formal methods

Career Planning: The Self-Assessment

- Process of learning about oneself
- Helps avoid mistakes
- Not a singular event
- A continuous process
- Individual responsibility

Strength/Weakness Balance Sheet

- Self-evaluation process developed by Benjamin Franklin
- Assists people in becoming aware of strengths and weaknesses
- Individual lists perceived strengths and weaknesses
- Perception of weakness often becomes a self-fulfilling prophecy

Strength/Weakness Balance Sheet (Cont.)

TABLE 8-1

Strength/Weakness Balance Sheet

Strengths	Weaknesses
Work well with people.	Do not like constant supervision.
Good manager of people.	Often say things without realizing consequences.
Hard worker.	
Lead by example.	
People respect me as being fair and impartial.	Cannot stand to sit at a desk all the time.
Tremendous amount of energy.	Basically a rebel at heart but have portrayed myself as just the opposite. My conservatism has gotten me jobs that I emotionally did not want.
	Am sometimes nervous in an unfamiliar environment. Interest level hits peaks and valleys.
Get the job done when it is defined.	Many people look on me as being unstable.
Excellent at organizing other people's time.	Not a tremendous planner for short range.
Can get the most out of people who are working for me.	Exclusively better at long-range planning.
	Impatient—want to have things happen fast.
Have a great amount of empathy.	Do not like details.

Likes and Dislikes Survey

- Assists individuals in recognizing restrictions they place on themselves
- Identifies desirable and undesirable job qualities

Likes and Dislikes Survey (Cont.)

TABLE 8-2**Likes and Dislikes Survey**

Likes	Dislikes
Enjoy traveling	Do not want to work for a large firm
Would like to live in the Southeast United States	Would not want to work in a large city
Enjoy being my own boss	Would not like to work behind a desk all day
Would like to live in a medium-sized city	Would not like to wear suits all the time
Enjoy watching football and baseball	
Enjoy playing racquetball	

Formal Assessment

- **Formal assessment:** The use of established external approaches to facilitate evaluation of an issue at hand
- Perhaps the most well-known example is the Myers-Briggs Type Indicator. This assessment tool contains dozens of questions that elicit an individual's preferences for how they would behave in different situations

Myers-Briggs Type Inventory

Describes four preferences for how a person would behave in different situations:

- Energy
- Information-gathering
- Decision making
- Lifestyle

Career Development

- Formal approach used by organization to ensure people with proper qualifications and experiences are available when needed
- *Career planning* rests with the employee. However, *career development* must closely parallel individual career planning if a firm is to retain its best and brightest workers

Career Development Objectives

- Satisfaction of employees' specific development needs
- Improvement of performance
- Increased employee loyalty, motivation, and retention
- Method of determining training and development needs

Career Development Objectives (Cont.)

- Effective development of available talent
- Self-appraisal opportunities for employees considering new or nontraditional career paths
- Development of career paths that cut across divisions and geographic locations
- Demonstration of tangible commitment to developing diverse work environment

Career Development Methods

- Manager/employee self-service
- Discussion with knowledgeable individuals
- Company material
- Performance appraisal system
- Workshops

Management Development

- Upgrading skills and knowledge needed in current and future managerial positions
- Managers keep up with latest developments in their fields while managing ever-changing workforce in dynamic environment
- First-line supervisors, middle managers, and executives may all participate

Mentoring

- Approach to advising, coaching, and nurturing
- Creating practical relationship to enhance:
 - Individual career
 - Personal and professional growth and development
- Mentor can be located anywhere
- Relationship can be formal or informal

Coaching

- Often considered responsibility of immediate boss or supervisor
- Coach provides assistance much like a mentor would
- Customized employee development

Reverse Mentoring

- Process through which older employees learn from younger employees
- Existence of these two diverse groups has led to reverse mentoring

Organization Development (OD) (as noted earlier)

- Planned and systematic attempts to change the organization
- Designed to develop more open, productive, and compatible workplace despite differences in personalities, cultures, or technologies
- Applies to entire system, such as a company or plant
- Intervention methods include survey feedback, quality circles, and team building

Survey Feedback

- Process of collecting data from organizational unit through use of questionnaires, interviews, and other objective data
- Can be used to create working environments that lead to better working relationships, greater productivity, and increased profitability

Survey Feedback Steps

- Members of organization involved in planning survey
- All members of organizational unit participate in survey
- OD consultant usually analyzes data and tabulates results
- Data feedback
- Feedback meetings

Quality Circles

Groups of employees who voluntarily meet regularly with supervisors to:

- Discuss problems
- Investigate causes
- Recommend solutions

Team Building

- Conscious effort to develop effective workgroups
- Uses self-directed teams
- Small group of employees responsible for entire work process
- Members work together to improve their operation

Learning Organization as a Strategic Mindset

- Recognizes the importance of continuous performance-related T&D and takes appropriate action; basic characteristics:
 - Provides supportive learning environment
 - Provides specific learning processes and practices
 - Leadership behavior in organization supports and reinforces learning
- Learning programs aligned with strategic corporate goals

Training in the Global Context

- Training approaches differ around the world
- Apprenticeship model is more prevalent in Europe, particularly Germany, than in the United States
- Language and cultural differences play an important role (e.g., literal translations not always evident in two different languages)



Performance Management and Appraisal

Learning Objectives

1. Describe performance management.
2. Define performance appraisal.
3. Identify the uses of performance appraisal.
4. Discuss the performance appraisal process.
5. Identify the various performance criteria (standards) that can be established.
6. Identify who may be responsible for performance appraisal.
7. Explain the performance appraisal period.
8. Describe the various performance appraisal methods.

Learning Objectives (Cont.)

9. List the problems that have been associated with performance appraisal.
10. Explain the characteristics of an effective appraisal system.
11. Describe the legal considerations associated with performance appraisal.
12. Explain how the appraisal interview should be conducted.
13. Discuss how performance appraisal is affected by a country's culture.

Performance Management (PM)

- Goal-oriented process ensuring processes are in place to maximize productivity at employee, team, and organizational levels
- Close relationship between incentives and performance.
- Dynamic, ongoing, continuous process
- Each part of the system is integrated and linked for continuous organizational effectiveness

Performance Appraisal

- Formal system of review and evaluation of individual or team task performance
- Often negative, disliked activity that seems to elude mastery

Uses of Performance Appraisal

- Human resource planning
- Recruitment and selection
- Training and development
- Career planning and development
- Compensation programs
- Internal employee relations
- Assessment of employee potential

Performance Appraisal Process

External Environment

Internal Environment



Establish Performance Criteria (Standards)

- Traits
- Behaviors
- Competencies
- Goal achievement
- Improvement potential

Traits

- Employee traits such as attitude, appearance, and initiative are basis for some evaluations
- May be unrelated to job performance or be difficult to define
- Certain traits may relate to job performance

Caution on Traits: *Wade v. Mississippi Cooperative Extension Service*

In performance appraisal system, general characteristics such as “*leadership, public acceptance, attitude toward people, appearance and grooming, personal conduct, outlook on life, ethical habits, resourcefulness, capacity for growth, mental alertness, loyalty to organization*” are susceptible to partiality and to the personal taste, whim, or fancy of the evaluator as well as patently subjective in form and obviously susceptible to completely subjective treatment by those conducting the appraisals”

Behaviors

- Organizations may evaluate employee's task-related behavior or competencies
- Examples are leadership style, developing others, teamwork and cooperation, or customer service orientation
- If certain behaviors result in desired outcomes, there is merit in using them in evaluation process

Competencies

- Broad range of knowledge, skills, traits, and behaviors
- May be technical in nature, business oriented, or related to interpersonal skills
- Should be those that are closely associated with job success

Goal Achievement

- Use if organizations consider *ends* more important than *means*
- Should be within control of individual or team
- Should be those results that lead to firm's success

Improvement Potential

- Many criteria used focus on past
- Cannot change past
- Should emphasize future

Responsibility for Appraisal

- Immediate supervisor
- Subordinates
- Peers and team members
- Self-appraisal
- Customer appraisal
- 360-degree feedback

Immediate Supervisor

- Traditionally most common choice
- Usually in excellent position to observe employee's job performance
- Has responsibility for managing particular unit

Subordinates

- Our culture has viewed evaluation by subordinates negatively
- Some firms find that evaluation of managers by subordinates is both feasible and needed
- Issues:
 - Could be seen as a popularity contest
 - Possible reprisal against employees

Peers and Team Members

- Work closely with evaluated employee and probably have undistorted perspective on typical performance
- Problems include reluctance of some people who work closely together, especially on teams, to criticize each other

Self-Appraisal

- If employees understand their objectives and the criteria used for evaluation, they are in a good position to appraise own performance
- Employee development is self-development
- Self-appraisal may make employees more highly motivated

Customer Appraisal

- Customer behavior determines firm's degree of success
- Demonstrates commitment to customer
- Holds employees accountable
- Fosters change

360-Degree Feedback

- Input from multiple sources such as supervisors, subordinates, peers, and customers
- Shifting responsibility to multiple sources helps to reduce or eliminate common appraisal errors
- Process is more legally defensible

The Appraisal Period

- Prepared at specific intervals
- Usually annually or semiannually
- Period may begin with employee's date of hire
- All employees may be evaluated at same time

Performance Appraisal Systems

- Trait systems
- Comparison systems
- Behavioral systems
- Results-based systems

Trait Systems

- Evaluate employees based on traits (for example):
 - Quality of work
 - Dependability
- Limitations (e.g., traits represent a predisposition for behavior, but not behavior itself)

Trait-Oriented Performance Appraisal

FIGURE 7-2
A Trait-Oriented
Performance Appraisal
Rating Form

<i>Employee's Name:</i>	<i>Employee's Position:</i>			
<i>Supervisor's Name:</i>	<i>Review Period:</i>			
<i>Instructions:</i> For each trait, circle the phrase that best represents the employee.				
1. Diligence				
a. outstanding	b. above average	c. average	d. below average	e. poor
2. Cooperation with others				
a. outstanding	b. above average	c. average	d. below average	e. poor
3. Communication skills				
a. outstanding	b. above average	c. average	d. below average	e. poor
4. Leadership				
a. outstanding	b. above average	c. average	d. below average	e. poor
5. Decisiveness				
a. outstanding	b. above average	c. average	d. below average	e. poor

Comparison Systems

- Evaluate an employee's performance against that of another
- Employees ranked from the best performer to the poorest performer
- Supervisors judge overall performance or specific ones (e.g., timeliness)

Paired Comparison

- Variation of ranking method
- Compares performance of each employee with every other employee in group

Paired Comparison System

FIGURE 7-4
A Paired Comparison Performance Appraisal Rating Form

Instructions: Please indicate by placing an X which employee of each pair has performed most effectively during the past year.

<input checked="" type="checkbox"/> Bob Brown	<input type="checkbox"/> Mary Green
<input type="checkbox"/> Mary Green	<input checked="" type="checkbox"/> Jim Smith
<input checked="" type="checkbox"/> Bob Brown	<input type="checkbox"/> Mary Green
<input type="checkbox"/> Jim Smith	<input checked="" type="checkbox"/> Allen Jones
<input type="checkbox"/> Bob Brown	<input checked="" type="checkbox"/> Jim Smith
<input checked="" type="checkbox"/> Allen Jones	<input type="checkbox"/> Allen Jones

Forced Distribution

- Rater assigns individual in work group to limited number of categories
- Assumes all groups of employees have same distribution
- Proponents of forced distribution believe:
 - They facilitate budgeting
 - They guard against weak managers who are too timid to get rid of poor performers

Forced Distribution (cont.)

- Require managers to be honest with workers about how they are doing
- Also called a rank-and-yank system
- Unpopular with many managers
- May damage morale and generate mistrust of leadership
- Rankings may be way for companies to easily rationalize firings

Forced Distribution System

FIGURE 7-3
A Forced Distribution Performance Appraisal Rating Form

Instructions: You are required to rate the performance for the previous 3 months of the 15 workers employed as animal keepers to conform with the following performance distribution:

- *15 percent* of the animal keepers will be rated as having exhibited poor performance.
- *20 percent* of the animal keepers will be rated as having exhibited below-average performance.
- *35 percent* of the animal keepers will be rated as having exhibited average performance.
- *20 percent* of the animal keepers will be rated as having exhibited above-average performance.
- *10 percent* of the animal keepers will be rated as having exhibited superior performance.

Use the following guidelines for rating performance. On the basis of the five duties listed in the job description for animal keeper, the employee's performance is characterized as:

- *Poor* if the incumbent performs only one of the duties well.
- *Below average* if the incumbent performs only two of the duties well.
- *Average* if the incumbent performs only three of the duties well.
- *Above average* if the incumbent performs only four of the duties well.
- *Superior* if the incumbent performs all five of the duties well.

Behavioral Systems

- Rates extent to which employees display successful job performance behaviors
- When correctly constructed, behavioral systems are relatively free of rater errors
- Three types:
 - Critical Incident Technique (CIT)
 - Behaviorally Anchored Rating Scales (BARS)
 - Behavioral Observation Scale (BOS)

Critical Incident Technique (CIT)

FIGURE 7-5**A Critical Incidents Performance Appraisal Rating Form**

Instructions: For each description of work behavior, circle the number that best describes how frequently the employee engages in that behavior.

1. The incumbent removes manure and unconsumed food from the animal enclosures.

1	2	3	4	5
Never	Almost never	Sometimes	Fairly often	Very often

2. The incumbent haphazardly measures the feed items when placing them in the animal enclosures.

1	2	3	4	5
Never	Almost never	Sometimes	Fairly often	Very often

3. The incumbent leaves refuse dropped by visitors on and around the public walkways.

1	2	3	4	5
Never	Almost never	Sometimes	Fairly often	Very often

4. The incumbent skillfully identifies instances of abnormal behavior among the animals, which represent signs of illness.

1	2	3	4	5
Never	Almost never	Sometimes	Fairly often	Very often

Behaviorally Anchored Rating Scales (BARS)

- Combines traditional rating scales and critical incidents methods
- Job behaviors derived from critical incidents described more objectively

Behaviorally Anchored Rating Scale (BARS) (Cont.)

TABLE 7-1**BARS for Factor: Ability to Present Positive Company Image**

Clearly Outstanding Performance:	Makes excellent impression on college recruits. Carefully explains positive aspects of the company. Listens to applicant and answers questions in a very positive manner.
Excellent Performance:	Makes good impression on college recruits. Answers all questions and explains positive aspects of the company. Answers questions in a positive manner.
Good Performance:	Makes a reasonable impression on college recruits. Listens to applicant and answers questions in knowledgeable manner.
Average Performance:	Makes a fair impression on college recruits. Listens to applicant and answers most questions in a knowledgeable manner.
Slightly Below Average Performance:	Attempts to make a good impression on college recruits. Listens to applicants but at times could be expected to have to go to other sources to get answers to questions.
Poor Performance:	At times makes poor impression on college recruits. Sometimes provides incorrect information to applicant or goes down blind avenues before realizing mistake.
Very Poor Performance:	Even with repeated instructions continues to make a poor impression. This interviewer could be expected to turn off college applicant from wanting to join the firm.

Behavioral Observation Scales

- Similar to BARS in its development
- Compared to BARS, BOS focuses exclusively on positive performance behaviors
- Appropriate for jobs that require observable behaviors
- Requires observation of job behaviors on a regular basis

Results-Based Systems

- Focuses on measurable outcomes such as sales, accident rates, and productivity
- Selection of results depends on:
 - Relevance of results toward strategic goals
 - Reliability with which results can be measured
 - Validity of performance measure

Management by Objectives

- Supervisors and employees decide on performance objectives
- They decide whether objectives are tied to the company's strategic goals
- Progress is reviewed and decisions such as objective revision are made
- A concern is a “results at any cost” mentality

Work Standards

- Compares performance to predetermined standard
- Standards: Normal output of average worker operating at normal pace
- Time study and work sampling used
- Workers need to know how standards were set

Work Standards Example

FIGURE 7-6**Calculation of a Piecework Award for a Garment Worker**

Piecework standard: 15 stitched garments per hour

Hourly base pay rate awarded to employees when the standard is not met: \$4.50 per hour

That is, workers receive \$4.50 per hour worked regardless of whether they meet the piecework standard of 15 stitched garments per hour.

Piecework incentive award: \$0.75 per garment stitched per hour above the piecework standard

Guaranteed Hourly Base Pay (\$)	Piecework Award (No. of Garments Stitched above the Piecework Standard × Piecework Incentive Award)	Total Hourly Earnings (\$)
First hour 4.50	$10 \text{ garments} \times \$0.75/\text{garment} = \$7.50$	12.00
Second hour 4.50	Fewer than 15 stitched garments, thus piecework award equals \$0	4.50

Problems in Performance Appraisal

- Appraiser discomfort
- Subjectivity
 - Bias errors
 - Contrast errors
 - Errors of central tendency
 - Errors of leniency or strictness
- Employee anxiety

Appraiser Discomfort

- Performance appraisal process cuts into manager's time
- Experience can be unpleasant when employee has not performed well

Lack of Objectivity

- Factors such as attitude, appearance, and personality are difficult to measure
- Factors may have little to do with employee's job performance
- May place evaluator and company in untenable positions

Bias Errors

- First-impression effect
- Halo effect (positive halo)
- Horn effect (negative halo)
- Similar-to-me effect
- Illegal discriminatory bias

Contrast Errors

- Supervisors make **contrast errors** when they compare an employee with other employees rather than to specific, explicit standards
- Some comparisons qualify as errors because other employees are required to perform only at minimum acceptable standards
- Employees performing at minimally acceptable levels should receive satisfactory ratings, even if every other employee doing the job is performing at outstanding levels

Central Tendency

- Error occurs when employees are incorrectly rated near average or middle of the rating scale
- May be encouraged by some rating scale systems requiring evaluator to justify extremely high or extremely low ratings

Leniency/Strictness

- **Leniency:** Giving undeserved high ratings
- **Strictness:** Being unduly critical of employee's work performance
- Worst situation is when firm has both lenient and strict managers and does nothing to level inequities

Employee Anxiety

- Evaluation process may create anxiety for appraised employee
- Opportunities for promotion, better work assignments, and increased compensation may hinge on results

Characteristics of Effective Appraisal System

- Job-related criteria
- Performance expectations
- Standardization
- Trained appraisers
- Continuous open communication
- Performance reviews
- Due process

Job-Related Criteria

- Most basic criterion needed in employee performance appraisals
- *Uniform Guidelines* and court decisions are clear on this point

Performance Expectations

- Managers and subordinates must agree on performance expectations in advance of appraisal period
- If employees clearly understand expectations, they can evaluate their own performance and make timely adjustments

Standardization

Firms should use same evaluation instrument for all employees in the same job category who work for the same supervisor

Trained Appraisers

- Seldom receive training on how to conduct effective evaluations
- Training should be ongoing
- Includes how to rate employees and how to conduct appraisal interviews

Continuous Open Communication

- Employees need to know how well they are performing
- Good appraisal system provides highly desired feedback on continuing basis
- Should be few surprises in performance review

Conduct Performance Reviews

- Special time should be set for formal discussion of employee's performance
- Withholding appraisal results is absurd
- Performance review allows employees to detect any errors or omissions in appraisal
- Employee may simply disagree with evaluation and want to challenge it

Due Process

- Provides employees opportunity to appeal appraisal results
- Must have procedure for pursuing grievances and having them addressed objectively

Legal Implications

- Employee lawsuits may result from negative evaluations
- Unlikely that any appraisal system will be immune to legal challenge

Appraisal Interview

- Achilles heel of entire evaluation process
- Scheduling interview
- Interview structure
- Use of praise and criticism
- Employee's role
- Concluding interview

Scheduling the Interview

- Employees typically know when their interview should take place
- Anxiety tends to increase if their supervisor delays the meeting

Interview Structure

- Discuss employee's performance
- Assist employee in setting goals and personal development plans for next appraisal period
- Suggesting means for achieving established goals, including support from manager and firm

Conducting Separate Interviews

- Conduct separate interviews for discussing:
 - Employee performance and development
 - Pay
- When pay emerges in interview, it tends to dominate conversation
- Performance improvement then takes a back seat

Use of Praise and Criticism

- Praise is appropriate when warranted
- Criticism, even if warranted, is especially difficult to give
- “Constructive” criticism is often not perceived that way

Employee's Role

- Should go through diary or files and make notes of all projects, regardless of their success
- Information should be on appraising manager's desk well before review

Concluding the Interview

- Ideally, employees will leave interview with positive feelings about management, company, job, and themselves
- Cannot change past behavior; future performance is another matter
- Interview should end with specific and mutually agreed-upon plans for employee's development

Performance Appraisal and a Country's Culture

- Special problems when translated into different cultural environments
- Chinese managers often have different idea about what performance is than do Western managers
- Culture also plays significant role in success and failure of performance appraisal systems in the Middle East

