

Chapter 17

Human Resources Policies and Practices

(Click on the title when connected to the Internet for online video teaching notes)

LEARNING OBJECTIVES (ppt17-1)

After studying this chapter, students should be able to:

1. Define *initial selection*, and identify the most useful methods.
2. Define *substantive selection*, and identify the most useful methods.
3. Define *contingent selection*, and contrast the arguments for and against drug testing.
4. Compare the four main types of training.
5. Contrast formal and informal training methods
6. Contrast on-the-job and off-the-job training.
7. Describe the purposes of performance evaluation and list the methods by which it can be done.
8. Show how managers can improve performance evaluations.
9. Describe how organizations can manage work-family conflicts.
10. Show how a global context affects human resource management.

INSTRUCTOR RESOURCES

Text Exercises

- International OB: Does Personality Testing Work Outside the United States?
- Myth or Science? It's First Impressions That Count
- An Ethical Choice: Is Honesty the Best Policy in Getting a Job?
- Point/CounterPoint: Telecommuting Makes Good Business Sense
- Questions for Review
- Experiential Exercise: Evaluating Performance and Providing Feedback
- Ethical Dilemma: Is It Unethical to "Shape" Your Résumé?

Text Cases

- Case Incident 1: Peering Into Your Past

- Case Incident 2: Job Candidates Without Strong SAT Scores Need Not Apply

Instructor's Choice

This section presents an exercise that is NOT found in the student's textbook. Instructor's Choice reinforces the text's emphasis through various activities. Some Instructor's Choice activities are centered on debates, group exercises, Internet research, and student experiences. Some can be used in-class in their entirety, while others require some additional work on the student's part. The course instructor may choose to use these at anytime throughout the class—some may be more effective as icebreakers, while some may be used to pull together various concepts covered in the chapter.



WEB EXERCISES

At the end of each chapter of this Instructor's Manual, you will find suggested exercises and ideas for researching the WWW on OB topics. The exercises "Exploring OB Topics on the Web" are set up so that you can simply photocopy the pages, distribute them to your class, and make assignments accordingly. You may want to assign the exercises as an out-of-class activity or as lab activities with your class.

SUMMARY AND IMPLICATIONS FOR MANAGERS

An organization's human resource policies and practices create important forces that shape employee behavior and attitudes. In this chapter, we specifically discuss the influence of selection practices, training and development programs, and performance-evaluation systems.

Selection Practices If properly designed, an organization's selection practices will identify competent candidates and accurately match them to the job and the organization.

Although employee selection is far from a science, some organizations fail to design a selection system that can achieve the right person–job fit. When hiring errors are made, the chosen candidate's performance may be less than satisfactory without an investment in training to improve his or her skills. At worst, the new hire will prove unacceptable, and the firm will need to find a replacement. Individuals who are less qualified or who otherwise don't fit the organization are also likely to feel anxious, tense, uncomfortable, and likely dissatisfied with the job.

Training and Development Programs The most obvious effect of training programs is direct improvement in the skills necessary to successfully complete the job. Increased ability thus improves potential, but whether that potential becomes realized is largely an issue of motivation.

A second benefit of training is that it increases an employee's self-efficacy, a person's expectation that he or she can successfully execute the behaviors required to produce an outcome (see Chapter 6). Employees with high self-efficacy have strong expectations about their abilities to perform in new situations. They're confident and expect to be successful. Training, then, is a means to positively affect self-efficacy because employees may be more willing to undertake job tasks and exert a high level of effort. Or in expectancy terms (see Chapter 6), individuals are more likely to perceive their effort as leading to performance.

This chapter begins with an update on the Wonderlic Personality Test introduced in Chapter 2. Its application here is the National Football League where it's used to assess the capabilities of players in various positions. In general, the findings support the tradition that the most intelligent players occupy the positions of quarterback and offensive line.

BRIEF CHAPTER OUTLINE

- I. Selection Practices (ppt17-2)
 - A. Introduction
 1. The objective of effective selection is to match individual characteristics with the requirements of the job.
 - B. How the Selection Process Works (Exhibit 17-1)
 1. Applicants go through several sections: initial, substantive, and contingent
 - C. Initial Selection (ppt17-3)
 1. Application Form
 2. Background Checks
 - D. Substantive Selection (ppt17-4)
 1. Introduction
 - a. Heart of the selection process
 - b. Used after passing initial screening
 2. Written Tests
 - a. Typical written tests are tests of intelligence, aptitude, ability, interest, and integrity.
 - b. The evidence is impressive that these tests are good predictors.
 3. Performance Simulation Tests
 - a. Performance simulation tests have increased in popularity during the past two decades. Based on job analysis data, they more easily meet the requirement of job relatedness.
 - b. The two best-known performance simulation tests are work sampling and assessment centers. The former is suited to routine jobs. The latter is relevant for the selection of managerial personnel.
 4. Interviews (ppt17-5)
 - a. Throughout most of the world this is not the case. The interview continues to be the device most frequently used. It also seems to carry a great deal of weight.
 - b. The candidate who performs poorly in the employment interview is likely to be cut, regardless of his/her experience, test scores, or letters of recommendation, and vice versa.
 - c. This is important because of the unstructured form of most selection interviews.
 - d. The unstructured interview—short in duration, casual, and made up of random questions—is an ineffective selection device.
 - e. Most organizations use interviews as more than a prediction of performance device.
 - E. Contingent Selection (ppt17-6)
 1. Once an applicant has passed substantive selection (such as background checks, interviews, etc.), person is ready to be hired subject to a final check.
 2. One common contingent method is a drug test.
 3. Under the Americans with Disabilities Act, firms may not require employees to pass a medical exam before a job offer is made.
- II. Training and Development Programs (ppt17-7)
 - A. Introduction
 1. Skills deteriorate and can become obsolete.
 - B. Types of Training
 1. Introduction
 2. There are four general skill categories for training—basic literacy, technical, interpersonal, and problem solving. In addition, we briefly discuss ethics training.

- a. Basic Literacy Skills
 - i. Ninety million American adults are functionally illiterate; 50 percent of the U.S. population reads below the eighth-grade level; 40 percent of the U.S. labor force and more than 50 percent of high school graduates don't possess the basic work skills needed to perform in today's workplace.
 - b. Technical Skills
 - i. Most training is directed at upgrading and improving an employee's technical skills.
 - c. Interpersonal Skills
 - i. Almost all employees belong to a work unit. To some degree, their work performance depends on their ability to effectively interact.
 - d. Problem-Solving Skills
 - i. Managers and employees who perform nonroutine tasks have to solve problems.
 - e. What about Ethics Training? (ppt17-8)
 - i. Seventy-five percent of employees working in the 1000 largest U.S. corporations receive ethics training.
 - ii. Ethics cannot be formally "taught" but must be learned by example.
- C. Training Methods (ppt17-9)
- 1. Training methods are most readily classified as formal or informal and on-the-job or off-the-job.
 - 2. Historically, training meant formal training. It is planned in advance and has a structured format.
 - 3. Organizations are increasingly relying on informal training.
 - 4. On-the-job training includes job rotation, apprenticeships, understudy assignments, and formal mentoring programs.
 - 5. The most popular is live classroom lectures.
 - a. It also encompasses videotapes, public seminars, self-study programs, Internet courses, satellite-beamed television classes, and group activities that use role-plays and case studies.
 - 6. Recently, e-training (computer-based training) is the fastest growing training delivery mechanism.
 - a. E-learning systems emphasize learner control over the pace and content of instruction, allow e-learners to interact through online communities, and incorporate other techniques such as simulations and group discussions.
- D. Individualize Formal Training to Fit the Employee's Learning Style (ppt17-10)
- 1. Individuals process, internalize, and remember new and difficult material differently. Therefore, effective formal training should be individualized to the learning style of the employee.
 - 2. Some examples of different learning styles include reading, watching, listening, and participating.
- E. Evaluating Effectiveness (ppt17-11)
- 1. The effectiveness of a training program can refer to the level of student satisfaction, the amount students learn, the extent to which they transfer the material from training to their jobs, or the financial return on investments in training.
 - 2. The success of training also depends on the individual.
 - 3. The climate also is important: when trainees believe there are opportunities and resources to let them apply their newly learned skills, they are more motivated and do better in training programs.

III. Performance Evaluation (ppt17-12)

A. Purposes of Performance Evaluation

1. Management uses evaluations for general human resource decisions, such as promotions, transfers, and terminations.
 2. Evaluations identify training and development needs.
 3. They *provide feedback to employees* on how the organization views their performance and are often the *basis for reward allocations* including merit pay increases.
- B. What Do We Evaluate? (ppt17-13)
1. Introduction
 - a. The criteria or criterion used to evaluate performance has a major influence on performance. The three most popular sets of criteria are individual task outcomes, behaviors, and traits.
 2. Individual Task Outcomes
 - a. If ends count, rather than means, then management should evaluate an employee's task outcomes.
 3. Behaviors
 - a. When it is difficult to identify specific outcomes that can be directly attributable to an employee's actions, then management evaluates the employee's behavior.
 4. Traits
 - a. The weakest set of criteria is individual traits because they are farthest removed from the actual performance of the job itself.
- C. Who Should Do the Evaluating? (ppt17-14)
1. By tradition the task has fallen to managers, because they are held responsible for their employees' performance.
 2. But others may do the job better. A recent survey found about half of executives and 53 percent of employees now have input into their performance evaluations.
 3. In most situations, in fact, it is highly advisable to use multiple sources of ratings.
 4. Any individual performance rating may say as much about the rater as about the person being evaluated.
 5. The latest approach to performance evaluation is 360-degree evaluations.
 - a. These provide performance feedback from the employee's full circle of daily contacts, from mailroom workers to customers to bosses to peers (see Exhibit 17-2).
- D. Methods of Performance Evaluation (ppt17-15)
1. Written Essays
 - a. The simplest method of evaluation is to write a narrative describing an employee's strengths, weaknesses, past performance, potential, and suggestions for improvement.
 2. Critical Incidents
 - a. Focuses on those behaviors that are key in making the difference between executing a job effectively and executing it ineffectively
 3. Graphic Ratings Scales (ppt17-16)
 - a. A set of performance factors, such as quantity and quality of work, depth of knowledge, cooperation, loyalty, attendance, honesty, and initiative, is listed.
 - b. The evaluator then goes down the list and rates each on incremental scales. The scales typically specify five points.
 4. Behaviorally Anchored Rating Scales (ppt17-17)
 - a. BARS combine major elements from the critical incident and graphic rating scale approaches. The appraiser rates the employees based on items along a continuum, but the points are examples of actual behavior.
 - b. BARS specify definite, observable, and measurable job behavior.
 5. Forced Comparisons (ppt17-18)

- a. This method evaluates one individual's performance against the performance of one or more. It is a relative rather than an absolute measuring device.
 - b. The three most popular are group order ranking, individual ranking, and paired comparisons.
 - E. Suggestions for Improving Performance Evaluations (ppt17-19)
 - 1. Introduction
 - a. Evaluators can make leniency, halo, and similarity errors, or use the process for political purposes.
 - 2. Use Multiple Evaluators
 - a. As the number of evaluators increases, the probability of attaining more accurate information increases.
 - 3. Evaluate Selectively
 - a. Evaluate only those areas in which you have some expertise.
 - 4. Train Evaluators
 - a. There is substantial evidence that training evaluators can make them more accurate raters.
 - 5. Provide Employees with Due Process
 - a. The concept of due process increases the perception that employees are treated fairly.
 - F. Providing Performance Feedback (ppt17-20)
 - 1. Managers are often uncomfortable discussing weaknesses with employees.
 - 2. In fact, unless pressured by organizational policies and controls, managers are likely to ignore this responsibility.
 - G. Solutions to Improving Feedback
 - 1. Train managers how to give effective feedback.
 - 2. Use performance review as a counseling activity rather than as a judgment process.
- IV. Managing Work-Life in Organizations
- A. Work-life conflicts grabbed management's attention in the 1980s, largely as a result of the growing number of women, with dependent children, entering the workforce.
 - B. In response, most major organizations took actions to make their workplaces more family friendly.
 - C. But organizations quickly realized work-life conflicts were not limited to female employees with children.
 - D. Organizations are modifying their workplaces with scheduling options and benefits to accommodate the varied needs of a diverse workforce.
 - E. Exhibit 17-4 lists some initiatives to help employees reduce work-life conflicts. (ppt17-21)
 - 1. Time pressures aren't the primary problem underlying these conflicts.
 - 2. It's the psychological incursion of work into the family domain and vice versa when people are worrying about personal problems at work and thinking about work problems at home.
 - F. Not surprisingly, people differ in their preference for scheduling options and benefits.
 - 1. Some prefer organizational initiatives that better segment work from their personal lives, as flextime, job sharing, and part-time hours do by allowing employees to schedule work hours less likely to conflict with personal responsibilities.
- V. Global Implications (ppt17-22)
- A. Many of the human resource policies and practices discussed in this chapter have to be modified to reflect cultural differences.

1. But those like training, participation, and results-oriented appraisals that have been shown to be important predictors of product and financial performance in North America have also been linked to higher performance and lower turnover in east and Southeast Asia.
 2. To illustrate differences across cultures in the implementation and success of HRM practices, let's briefly look at the universality of selection practices and the importance of performance evaluation in different cultures.
- B. Recruiting and Selection
1. You might suspect that cultural values lead to different effects for recruiting messages, and research backs up this intuition.
 2. The use of educational qualifications in screening candidates seems to be a universal practice, but different countries emphasize different selection techniques.
 3. Global firms that attempt to implement standardized worldwide selection practices can expect considerable resistance from local managers.
- C. Training and Development
1. To understand how national culture affects training, let's think about how it might influence the way people learn and apply their new skills.
- D. Performance Evaluation
1. Many cultures are not particularly concerned with performance appraisal or look at it differently than do managers in the United States and Canada.
 2. Let's examine performance evaluation in the context of four cultural dimensions: individualism/collectivism, a person's relationship to the environment, time orientation, and focus of responsibility.
 - a. Individual-oriented cultures such as the United States emphasize formal performance-evaluation systems more than informal systems.
 3. U.S. and Canadian organizations hold people responsible for their actions because people in these countries believe they can dominate their environment.
 4. Some countries, such as the United States, have a short-term time orientation.
 5. Israel's culture values group activities much more than does the culture of the United States or Canada.
- VI. Summary and Implications for Managers (ppt17-23)
- A. An organization's human resource policies and practices create important forces that shape employee behavior and attitudes.
- B. In this chapter, we specifically discussed the influence of selection practices, training and development programs, and performance-evaluation systems.
- C. Selection Practices
1. If properly designed, an organization's selection practices will identify competent candidates and accurately match them to the job and the organization.
 2. Although employee selection is far from a science, some organizations fail to design a selection system that can achieve the right person-job fit.
 3. When hiring errors are made, the chosen candidate's performance may be less than satisfactory without an investment in training to improve his or her skills.
 4. At worst, the new hire will prove unacceptable, and the firm will need to find a replacement.
 5. Individuals who are less qualified or who otherwise don't fit the organization are also likely to feel anxious, tense, uncomfortable, and likely dissatisfied with the job.
- D. Training and Development Programs
1. The most obvious effect of training programs is direct improvement in the

skills necessary to successfully complete the job. Increased ability thus improves potential, but whether that potential becomes realized is largely an issue of motivation.

2. A second benefit of training is that it increases an employee's self-efficacy, a person's expectation that he or she can successfully execute the behaviors required to produce an outcome (see Chapter 6).
 3. Employees with high self-efficacy have strong expectations about their abilities to perform in new situations.
 4. They're confident and expect to be successful. Training, then, is a means to positively affect self-efficacy because employees may be more willing to undertake job tasks and exert a high level of effort. Or in expectancy terms (see Chapter 6), individuals are more likely to perceive their effort as leading to performance.
- E. Performance Evaluation
1. A major goal of performance evaluation is to assess an individual's performance accurately as a basis for allocating rewards.
 2. If evaluation is inaccurate or emphasizes the wrong criteria, employees will be over- or under-rewarded.
 3. As demonstrated in Chapter 7, in our discussion of equity theory, evaluations perceived as unfair can result in reduced effort, increases in absenteeism, or a search for alternative job opportunities.
 4. The content of the performance evaluation also influences employee performance and satisfaction.
 5. Specifically, performance and satisfaction are increased when the evaluation is based on behavioral and results-oriented criteria, when career issues as well as performance issues are discussed, and when the employee has an opportunity to participate in the evaluation.

EXPANDED CHAPTER OUTLINE

- I. Selection Practices
 - A. Introduction
 1. The objective of effective selection is to match individual characteristics with the requirements of the job.
 - B. How the Selection Process Works (Exhibit 17-1)
 1. Applicants go through several sections: initial, substantive, and contingent
 - C. Initial Selection
 1. Application Form
 - a. Good initial screen
 - b. Takes little time
 2. Background Checks
 3. 80% of employees check references
 4. Rarely is useful information gained
 - D. Substantive Selection
 1. Introduction
 - a. Heart of the selection process
 - b. Used after passing initial screening
 2. Written Tests
 - a. Typical written tests are tests of intelligence, aptitude, ability, interest, and integrity.
 - b. Long popular as selection devices, they are in decline because such tests have frequently been characterized as discriminating, and they were not validated.
 - c. Tests in intellectual ability, spatial and mechanical ability, perceptual accuracy, and motor ability have shown to be moderately valid predictors for many semiskilled and unskilled operative jobs.
 - d. Intelligence tests are particularly good predictors for jobs that require cognitive complexity.
 - e. Japanese automakers in the United States rely heavily on written tests focusing on skills such as reading, mathematics, mechanical dexterity, and ability to work with others.
 - f. As ethical problems have increased in organizations, integrity tests have gained popularity.
 - g. Paper-and-pencil tests that measure dependability, carefulness, responsibility, and honesty
 - h. The evidence is impressive that these tests are good predictors.
 3. Performance Simulation Tests
 - a. Performance simulation tests have increased in popularity during the past two decades. Based on job analysis data, they more easily meet the requirement of job relatedness.
 - b. The two best-known performance simulation tests are work sampling and assessment centers. The former is suited to routine jobs. The latter is relevant for the selection of managerial personnel.
 - c. Work sampling tests
 - i. Hands-on simulations of part or all of the job that must be performed by applicants
 - ii. Work samples are based on job analysis data.
 - iii. Each work sample element is matched with a corresponding job performance element.
 - iv. Work samples yield valid data superior to written aptitude and personality tests.
 - d. Assessment centers

- i. Assessment centers use a more elaborate set of performance simulation tests, specifically designed to evaluate a candidate's managerial potential.
 - ii. Line executives, supervisors, and/or trained psychologists evaluate candidates as they go through one to several days of exercises that simulate real problems.
 - iii. Assessment centers have consistently demonstrated results that predict later job performance in managerial positions.
4. Interviews
 - a. Throughout most of the world this is not the case. The interview continues to be the device most frequently used. It also seems to carry a great deal of weight.
 - b. The candidate who performs poorly in the employment interview is likely to be cut, regardless of his/her experience, test scores, or letters of recommendation, and vice versa.
 - c. This is important because of the unstructured form of most selection interviews.
 - d. The unstructured interview—short in duration, casual, and made up of random questions—is an ineffective selection device.
 - e. The data are typically biased and often unrelated to future job performance.
 - f. The Structured Interview reduces biases:
 - i. Uses a standardized set of questions
 - ii. Provides interviewers with a uniform method of recording information
 - iii. Standardizes the rating of the applicant's qualifications reducing the variability in results across applicants and increasing the validity of the interview
 - g. Most organizations use interviews as more than a prediction of performance device.
 - i. Companies use them to assess applicant–organization fit.
 - ii. So in addition to evaluating specific, job-related skills, they are looking at personality characteristics and personal values to find individuals who fit the organization's culture and image.
- E. Contingent Selection
 1. Once an applicant has passed substantive selection (such as background checks, interviews, etc.) person is ready to be hired subject to a final check.
 2. One common contingent method is a drug test.
 - a. For both legal and practical reasons, drug tests typically screen out individuals who have used marijuana but not alcohol—alcohol is legal and leaves the system in 24 hours.
 3. Under the Americans with Disabilities Act, firms may not require employees to pass a medical exam before a job offer is made.
 - a. They can conduct medical exams *after* making a contingent offer, to determine whether an applicant is physically or mentally able to do the job.
- II. Training and Development Programs
 - A. Introduction
 1. Skills deteriorate and can become obsolete.
 2. U.S. corporations with 100 or more employees spent \$60.7 billion in one recent year on formal training for 50 million workers.
 - B. Types of Training
 1. Introduction

2. There are four general skill categories for training—basic literacy, technical, interpersonal, and problem solving. In addition, we briefly discuss ethics training.
 - a. Basic Literacy Skills
 - i. Ninety million American adults are functionally illiterate; 50 percent of the U.S. population reads below the eighth-grade level; 40 percent of the U.S. labor force and more than 50 percent of high school graduates don't possess the basic work skills needed to perform in today's workplace.
 - ii. Organizations find they must provide basic reading and math skills for their employees.
 - iii. Math skills are needed for understanding numerical control equipment.
 - iv. Better reading and writing skills are needed to interpret process sheets and work in teams.
 - b. Technical Skills
 - i. Most training is directed at upgrading and improving an employee's technical skills.
 - ii. Technical training is important for two reasons—new technology and new structural designs.
 - iii. Jobs change as a result of new technologies and improved methods.
 - iv. In addition, technical training has become increasingly important because of changes in organization design.
 - c. Interpersonal Skills
 - i. Almost all employees belong to a work unit. To some degree, their work performance depends on their ability to effectively interact.
 - ii. These skills include how to be a better listener, how to communicate ideas more clearly, and how to be a more effective team player.
 - d. Problem-Solving Skills
 - i. Managers and employees who perform nonroutine tasks have to solve problems.
 - ii. Problem-solving training might include activities to sharpen logic, reasoning, and problem-defining skills, as well as abilities to assess causation, develop alternatives, analyze alternatives, and select solutions.
 - e. What about Ethics Training?
 - i. Seventy-five percent of employees working in the 1000 largest U.S. corporations receive ethics training.
 - ii. Critics argue that ethics are based on values, and value systems are fixed at an early age.
 - iii. Ethics cannot be formally “taught” but must be learned by example.
 - iv. Supporters of ethics training argue that values can be learned and changed after early childhood.
 - v. Even if it could not, it helps employees to recognize ethical dilemmas, become more aware of the ethical issues underlying their actions, and reaffirms an organization's expectations.
- C. Training Methods
 1. Training methods are most readily classified as formal or informal and on-the-job or off-the-job.
 2. Historically, training meant formal training. It is planned in advance and has a structured format.
 3. Organizations are increasingly relying on informal training.
 - a. Unstructured, unplanned, and easily adapted to situations and individuals

- b. Most informal training is nothing other than employees helping each other out. They share information and solve work-related problems with one another.
 4. On-the-job training includes job rotation, apprenticeships, understudy assignments, and formal mentoring programs.
 - a. The primary drawback of these methods is that they often disrupt the workplace.
 - b. Organizations are investing increasingly in off-the-job training—nearly \$60 billion annually. What types of training might this include?
 5. The most popular is live classroom lectures.
 - a. It also encompasses videotapes, public seminars, self-study programs, Internet courses, satellite-beamed television classes, and group activities that use role-plays and case studies.
 6. Recently, e-training (computer-based training) is the fastest growing training delivery mechanism.
 - a. E-learning systems emphasize learner control over the pace and content of instruction, allow e-learners to interact through online communities, and incorporate other techniques such as simulations and group discussions.
 - b. Computer-based training that let learners actively participate in exercises and quizzes was more effective than traditional classroom instruction.
 - c. On the positive side, e-training increases flexibility because organizations can deliver materials anywhere, anytime.
 - d. On the other hand, it's expensive to design self-paced online materials, employees miss the social interaction of a classroom, online learners are more susceptible to distractions, and "clicking through" training without actually engaging in practice activities provides no assurance employees have actually learned anything.
- D. Individualize Formal Training to Fit the Employee's Learning Style
 1. Individuals process, internalize, and remember new and difficult material differently. Therefore, effective formal training should be individualized to the learning style of the employee.
 2. Some examples of different learning styles include reading, watching, listening, and participating.
 3. You can translate these styles into different learning methods.
 4. Readers should be given books or other reading material to review.
 5. Watchers should get the opportunity to observe modeling of the new skills.
 6. Listeners will benefit from hearing.
 7. Participants will benefit most from experiential opportunities.
 8. These different learning styles are not mutually exclusive.
 9. If you know the preferred style of an employee, you can design his/her formal training program to optimize this preference.
- E. Evaluating Effectiveness
 1. The effectiveness of a training program can refer to the level of student satisfaction, the amount students learn, the extent to which they transfer the material from training to their jobs, or the financial return on investments in training.
 - a. Rigorous measurement of multiple training outcomes should be a part of every training effort.
 - b. Not all training methods are equally effective.
 2. The success of training also depends on the individual.
 - a. If individuals are unmotivated, they will learn very little.

- b. Personality is important: those with an internal locus of control, high conscientiousness, high cognitive ability, and high self-efficacy learn more.
3. The climate also is important: when trainees believe there are opportunities and resources to let them apply their newly learned skills, they are more motivated and do better in training programs.
4. After-training support from supervisors and coworkers has a strong influence on whether employees transfer their learning into new behavior.
5. An effective training program requires not just teaching the skills but also changing the work environment to support the trainees.

III. Performance Evaluation

A. Purposes of Performance Evaluation

1. Management uses evaluations for general human resource decisions, such as promotions, transfers, and terminations.
2. Evaluations identify training and development needs.
3. They pinpoint employee skills and competencies needing development.
4. Criterion against which selection and development programs are validated.
5. They *provide feedback to employees* on how the organization views their performance and are often the *basis for reward allocations* including merit pay increases.
6. We will emphasize performance evaluation in its role as a mechanism for providing feedback and as a determinant of reward allocations.

B. What Do We Evaluate?

1. Introduction
 - a. The criteria or criterion used to evaluate performance has a major influence on performance. The three most popular sets of criteria are individual task outcomes, behaviors, and traits.
2. Individual Task Outcomes
 - a. If ends count, rather than means, then management should evaluate an employee's task outcomes.
3. Behaviors
 - a. When it is difficult to identify specific outcomes that can be directly attributable to an employee's actions, then management evaluates the employee's behavior.
 - b. The behaviors need not be limited to those directly related to individual productivity.
 - c. Including subjective or contextual factors in a performance evaluation, as long as they contribute to organizational effectiveness, may not only make sense—it may also improve coordination, teamwork, cooperation, and overall organizational performance.
4. Traits
 - a. The weakest set of criteria is individual traits because they are farthest removed from the actual performance of the job itself.
 - b. Traits may or may not be highly correlated with positive task outcomes, but only the naive would ignore the reality that such traits are frequently used in organizations for assessing performance.

C. Who Should Do the Evaluating?

1. By tradition the task has fallen to managers, because they are held responsible for their employees' performance.
2. But others may do the job better.
 - a. With many of today's organizations using self-managed teams, telecommuting, and other organizing devices that distance bosses from employees, the immediate superior may not be the most reliable judge of an employee's performance.

- b. Peers and even subordinates are being asked to take part in the process, and employees are participating in their own evaluation.
 3. A recent survey found about half of executives and 53 percent of employees now have input into their performance evaluations.
 - a. As you might expect, self-evaluations often suffer from over-inflated assessment and self-serving bias, and they seldom agree with superiors' ratings.
 - b. They are probably better suited to developmental than evaluative purposes and should be combined with other sources of information to reduce rating errors.
 4. In most situations, in fact, it is highly advisable to use multiple sources of ratings.
 5. Any individual performance rating may say as much about the rater as about the person being evaluated.
 - a. By averaging across raters, we can obtain a more reliable, unbiased, and accurate performance evaluation.
 6. The latest approach to performance evaluation is 360-degree evaluations.
 - a. These provide performance feedback from the employee's full circle of daily contacts, from mailroom workers to customers to bosses to peers (see Exhibit 17-2).
 - b. The number of appraisals can be as few as 3 or 4 or as many as 25; most organizations collect 5 to 10 per employee.
 - c. Some firms using 360-degree programs are Alcoa, DuPont, and Levi Strauss.
 - d. By relying on feedback from coworkers, customers, and subordinates, these organizations are hoping to give everyone a sense of participation in the review process and gain more accurate readings on employee performance.
 - e. Evidence on the effectiveness of the 360-degree evaluation is mixed. It provides employees with a wider perspective on their performance, but many organizations don't spend the time to train evaluators in giving constructive criticism.
 - f. Some allow employees to choose the peers and subordinates who evaluate them, which can artificially inflate feedback.
 - g. It's also difficult to reconcile disagreements between rater groups.
- D. Methods of Performance Evaluation
 1. Written Essays
 - a. The simplest method of evaluation is to write a narrative describing an employee's strengths, weaknesses, past performance, potential, and suggestions for improvement.
 - b. No complex forms or extensive training is required, but the results often reflect the ability of the writer.
 2. Critical Incidents
 - a. Focuses on those behaviors that are key in making the difference between executing a job effectively and executing it ineffectively.
 - b. The appraiser writes down anecdotes that describe what the employee did that was especially effective or ineffective. A list of critical incidents provides a rich set of examples to discuss with the employee.
 3. Graphic Ratings Scales
 - a. A set of performance factors, such as quantity and quality of work, depth of knowledge, cooperation, loyalty, attendance, honesty, and initiative, is listed.
 - b. The evaluator then goes down the list and rates each on incremental scales. The scales typically specify five points.
 - c. Popular because they are less time consuming to develop and administer

- and allow for quantitative analysis and comparison.
- d. The major drawback is that they do not provide the depth of information that essays or critical incidents do.
4. Behaviorally Anchored Rating Scales
 - a. BARS combine major elements from the critical incident and graphic rating scale approaches. The appraiser rates the employees based on items along a continuum, but the points are examples of actual behavior.
 - b. BARS specify definite, observable, and measurable job behavior.
 - c. Examples of job-related behavior and performance dimensions are found by asking participants to give specific illustrations of effective and ineffective behavior regarding each performance dimension.
 - d. The results of this process are behavioral descriptions, such as: anticipates, plans, executes, solves immediate problems, carries out orders, and handles emergency situations.
 5. Forced Comparisons
 - a. This method evaluates one individual's performance against the performance of one or more. It is a relative rather than an absolute measuring device.
 - b. The three most popular are group order ranking, individual ranking, and paired comparisons.
 - i. The group order ranking requires the evaluator to place employees into a particular classification, such as top one-fifth or second one-fifth.
 - (a) This method is often used in recommending students to graduate schools.
 - ii. The individual ranking approach rank-orders employees from best to worst.
 - (a) This approach assumes that the difference between the first and second employee is the same as that between the twenty-first and twenty-second.
 - (b) This approach allows for no ties.
 - (c) One parallel to forced ranking is forced distribution of college grades.
 - (d) Why would universities do this?
 - (i) As shown in Exhibit 17-3, the average GPA of a Princeton University undergraduate has gotten much higher over time.
- E. Suggestions for Improving Performance Evaluations
1. Introduction
 - a. Evaluators can make leniency, halo, and similarity errors, or use the process for political purposes.
 2. Use Multiple Evaluators
 - a. As the number of evaluators increases, the probability of attaining more accurate information increases.
 - b. If a set of evaluators judges a performance, the highest and lowest scores are dropped, and the final performance evaluation is made up from the cumulative scores of those remaining.
 - c. If an employee has had ten supervisors, nine having rated her excellent and one poor, we can discount the value of the one poor evaluation.
 3. Evaluate Selectively
 - a. Evaluate only those areas in which you have some expertise.
 - b. If raters make evaluations on only those dimensions that they are in a good position to rate, we increase the inter-rater agreement and make the evaluation a more valid process.
 - c. Appraisers should be as close as possible, in terms of organizational level, to the individual being evaluated.

4. Train Evaluators
 - a. There is substantial evidence that training evaluators can make them more accurate raters.
 - b. Common errors have been minimized or eliminated in workshops where managers practice. However, the effects of training appear to diminish over time.
5. Provide Employees with Due Process
 - a. The concept of due process increases the perception that employees are treated fairly.
 - b. Three features characterize due process systems:
 - i. Individuals are provided with adequate notice of what is expected of them.
 - ii. All relevant evidence is aired in a fair hearing so individuals affected can respond.
 - iii. The final decision is based on the evidence and is free from bias.
 - c. There is considerable evidence that evaluation systems often violate employees' due process by:
 - i. Providing them with infrequent and relatively general performance feedback.
 - ii. Allowing them little input into the appraisal process.
 - iii. Knowingly introducing bias into performance ratings.
- F. Providing Performance Feedback
 1. Managers are often uncomfortable discussing weaknesses with employees.
 2. In fact, unless pressured by organizational policies and controls, managers are likely to ignore this responsibility.
 - a. Even though almost every employee could stand to improve in some areas, managers fear confrontation when presenting negative feedback.
 - b. Employees become defensive.
 - c. Employees tend to have inflated assessments of their own behavior.
- G. Solutions to Improving Feedback
 1. Train managers on how to give effective feedback.
 2. Use performance review as a counseling activity rather than as a judgment process.

IV. Managing Work-Life in Organizations

- A. Work-life conflicts grabbed management's attention in the 1980s, largely as a result of the growing number of women, with dependent children, entering the workforce.
- B. In response, most major organizations took actions to make their workplaces more family friendly.
 1. They introduced on-site childcare, summer day camps, flextime, job sharing, leaves for school functions, telecommuting, and part-time employment.
- C. But organizations quickly realized work-life conflicts were not limited to female employees with children.
 1. Male workers and women without children were also facing this problem.
 2. Heavy workloads and increased travel demands, for instance, made it increasingly hard for many employees to meet both work and personal responsibilities.
 3. A Harvard study found 82 percent of men between the ages of 20 and 39 said a "family-friendly" schedule was their most important job criterion.
- D. Organizations are modifying their workplaces with scheduling options and benefits to accommodate the varied needs of a diverse workforce.
 1. Employees at the corporate office of retailer Eddie Bauer have flexible scheduling, plus a full array of on-site services, including dry cleaning pickup and delivery, an ATM, a gym with personal trainers, flu shots, Weight

Watchers classes, and financial seminars.

- E. Exhibit 17-4 lists some initiatives to help employees reduce work–life conflicts.
 - 1. Time pressures aren't the primary problem underlying these conflicts.
 - 2. It's the psychological incursion of work into the family domain and vice versa when people are worrying about personal problems at work and thinking about work problems at home.
 - 3. This suggests organizations should spend less effort helping employees with time-management issues and more helping them clearly segment their lives.
 - 4. Keeping workloads reasonable, reducing work-related travel, and offering on-site quality childcare are examples of practices that can help in this endeavor.
- F. Not surprisingly, people differ in their preference for scheduling options and benefits.
 - 1. Some prefer organizational initiatives that better segment work from their personal lives, as flextime, job sharing, and part-time hours do by allowing employees to schedule work hours less likely to conflict with personal responsibilities.
 - 2. Others prefer ways to integrate work and personal life, such as on-site childcare, gym facilities, and company-sponsored family picnics.
- V. Global Implications
 - A. Many of the human resource policies and practices discussed in this chapter have to be modified to reflect cultural differences.
 - 1. But those like training, participation, and results-oriented appraisals that have been shown to be important predictors of product and financial performance in North America have also been linked to higher performance and lower turnover in east and Southeast Asia.
 - 2. To illustrate differences across cultures in the implementation and success of HRM practices, let's briefly look at the universality of selection practices and the importance of performance evaluation in different cultures.
 - B. Recruiting and Selection
 - 1. You might suspect that cultural values lead to different effects for recruiting messages, and research backs up this intuition.
 - a. One study found that respondents high in power distance viewed organizational reputation as a more important job choice factor than did individuals who were lower in power choice.
 - b. A recent study of 300 large organizations in 22 countries demonstrated that selection practices differ by nation.
 - 2. The use of educational qualifications in screening candidates seems to be a universal practice, but different countries emphasize different selection techniques.
 - a. Structured interviews were popular in some countries and nonexistent in others.
 - b. The study authors suggested that "certain cultures may find structured interviews antithetical to beliefs about how one should conduct an interpersonal interaction or the extent to which one should trust the judgment of the interviewer."
 - c. Other research shows that across the Netherlands, the United States, France, Spain, Portugal, and Singapore, most applicants prefer interviews and work sample tests and dislike use of personal contacts and integrity tests.
 - d. There was little variation in preferences across these countries.
 - e. These studies, combined with earlier research, tell us there is great variation in recruiting and selection processes across countries but also important commonalities.

3. Global firms that attempt to implement standardized worldwide selection practices can expect considerable resistance from local managers.
 - a. Managers need to modify policies and practices to reflect culture-based norms and social values, as well as legal and economic differences.
- C. Training and Development
1. To understand how national culture affects training, let's think about how it might influence the way people learn and apply their new skills.
 - a. A study of 68 organizations in 14 different countries found that in nations high in uncertainty avoidance, safety training had a smaller impact because employees already tend to practice safe behavior without training.
 - b. They were less likely to apply job safety training in novel situations, however, because they were more prone to follow standard operating procedures. More research on how to provide effective training internationally is needed.
- D. Performance Evaluation
1. Many cultures are not particularly concerned with performance appraisal or look at it differently than do managers in the United States and Canada.
 2. Let's examine performance evaluation in the context of four cultural dimensions: individualism/collectivism, a person's relationship to the environment, time orientation, and focus of responsibility.
 - a. Individual-oriented cultures such as the United States emphasize formal performance-evaluation systems more than informal systems.
 - i. They advocate written evaluations performed at regular intervals, the results of which managers share with employees and use in the determination of rewards.
 - ii. On the other hand, the collectivist cultures that dominate Asia and much of Latin America are characterized by more informal systems—downplaying formal feedback and disconnecting reward allocations from performance ratings.
 - b. Some of these differences may be narrowing, however.
 - c. In Korea, Singapore, and even Japan, the use of performance evaluation has increased dramatically in the past decade, though not always smoothly or without controversy.
 - d. One survey of Korean employees revealed that a majority questioned the validity of their performance-evaluation results.
 3. U.S. and Canadian organizations hold people responsible for their actions because people in these countries believe they can dominate their environment.
 - a. In Middle Eastern countries, on the other hand, performance evaluations aren't widely used because managers tend to see people as subject to their environment.
 4. Some countries, such as the United States, have a short-term time orientation.
 - a. Performance evaluations are likely to be frequent in such a culture—at least once a year. In Japan, however, where people hold a long-term time frame, performance appraisals may occur only every 5 or 10 years.
 5. Israel's culture values group activities much more than does the culture of the United States or Canada.
 - a. So, whereas North American managers traditionally emphasize the individual in performance evaluations, their counterparts in Israel are more likely to emphasize group contributions and performance.

VI. Summary and Implications for Managers

- A. An organization's human resource policies and practices create important forces

- that shape employee behavior and attitudes.
- B. In this chapter, we specifically discussed the influence of selection practices, training and development programs, and performance-evaluation systems.
- C. Selection Practices
1. If properly designed, an organization's selection practices will identify competent candidates and accurately match them to the job and the organization.
 2. Although employee selection is far from a science, some organizations fail to design a selection system that can achieve the right person-job fit.
 3. When hiring errors are made, the chosen candidate's performance may be less than satisfactory without an investment in training to improve his or her skills.
 4. At worst, the new hire will prove unacceptable, and the firm will need to find a replacement.
 5. Individuals who are less qualified or who otherwise don't fit the organization are also likely to feel anxious, tense, uncomfortable, and likely dissatisfied with the job.
- D. Training and Development Programs
1. The most obvious effect of training programs is direct improvement in the skills necessary to successfully complete the job. Increased ability thus improves potential, but whether that potential becomes realized is largely an issue of motivation.
 2. A second benefit of training is that it increases an employee's self-efficacy, a person's expectation that he or she can successfully execute the behaviors required to produce an outcome (see Chapter 6).
 3. Employees with high self-efficacy have strong expectations about their abilities to perform in new situations.
 4. They're confident and expect to be successful. Training, then, is a means to positively affect self-efficacy because employees may be more willing to undertake job tasks and exert a high level of effort. Or in expectancy terms (see Chapter 6), individuals are more likely to perceive their effort as leading to performance.
- E. Performance Evaluation
1. A major goal of performance evaluation is to assess an individual's performance accurately as a basis for allocating rewards.
 2. If evaluation is inaccurate or emphasizes the wrong criteria, employees will be over- or under-rewarded.
 3. As demonstrated in Chapter 7, in our discussion of equity theory, evaluations perceived as unfair can result in reduced effort, increases in absenteeism, or a search for alternative job opportunities.
 4. The content of the performance evaluation also influences employee performance and satisfaction.
 5. Specifically, performance and satisfaction are increased when the evaluation is based on behavioral and results-oriented criteria, when career issues as well as performance issues are discussed, and when the employee has an opportunity to participate in the evaluation.