CHAPTER 8: ORIENTATION AND EMPLOYEE TRAINING

CHAPTER SYNOPSIS

This chapter explains various approaches to employee orientation and training.

CHAPTER LEARNING OBJECTIVES

1. Define orientation.
2. Describe an orientation kit.
3. Define training.
4. Describe needs assessment.
5. Outline three categories of training objectives.
6. Describe job rotation.
7. Explain apprenticeship training.
8. Define virtual classroom.
9. Outline the seven principles of learning.
10. List the four areas of training evaluation.

ISSUES FOR REVIEW AND DISCUSSION

Figure 8.1 shows the relationships among human resource functions.

I. Orientation: The introduction of new employees to the organization, work unit, and job. Levels of orientation:

1. Organizational orientation

2. Departmental and job orientation

A. Shared responsibility: HR department and new employee’s immediate manager share responsibility for orientation. “Buddy system”: One of the new employee’s coworkers conducts job orientation.

B. Organizational orientation: General orientation that presents topics of relevance and interest to all employees.

C. Departmental and job orientation: Specific orientation that describes topics unique to new employee’s specific department and job.
D. Orientation kit: It may include an organization chart, maps, policy/procedures handbook, benefits, holidays, various forms, safety procedures, company newsletter, directory, and insurance plans.

E. Orientation length and timing: Recommend several short sessions, spread over several days; incorporate a positive attitude.

F. Follow-up and evaluation: Formally evaluate the effectiveness of the orientation program. Feedback from new employees is needed. Data to include in orientation evaluation:

1. Questionnaires
2. Selected in-depth interviews
3. Group discussion with newly settled employees

II. Training employees: A learning process that involves the acquisition of skills, concepts, rules, or attitudes to increase employee performance. Initial training can be crucial; usually the responsibility of managers or senior employees.

A. Needs assessment

1. A systematic analysis of the specific training activities the organization requires to achieve its objectives.
2. Identifying the skills needed by employees over the next five years.
3. Identifying problems of the organization that can be better addressed and/or solved through training.

B. Establishing training objectives

1. Instructional objectives: Who should be taught what, and when?
2. Organizational and departmental objectives: Impact of training on organizational and departmental outcomes (e.g. productivity, turnover, cost reduction, and absenteeism).
3. Individual performance and growth objectives: Behavioral/attitudinal outcomes; impact upon an individual’s own development.

III. Methods of training

A. On-the-job training and job rotation: Learning in actual settings under supervision. Table 8.1 summarizes the steps in the training process.
B. Apprenticeship training: Usually involves highly skilled occupations; covers theory as well as practical aspects. Federal standards exist for approved apprenticeship programs:

1. Opportunities to apply (free of discrimination)
2. Proper scheduling
3. Organized instruction (relevance)
4. Progressive wage structure
5. Proper facilities and supervision
6. Periodic evaluation, with appropriate records maintained
7. No discrimination in selection, employment, or training

C. Classroom training: Well suited to large groups.

D. Virtual classroom: Advantages of immediacy, overcoming distance and time obstacles.

IV. Evaluating training

A. Reaction: By trainees to training programs (what was liked, and why).

1. Questionnaires normally administered immediately following training, but can be administered several weeks later.

2. Enthusiasm of trainees cannot necessarily be taken as evidence of improved ability and performance.

B. Learning: Principles, facts, and concepts acquired in the training program.

1. Paper-and-pencil tests, standardized tests, trainers’ own tests used to measure learning in many areas.

2. To get accurate picture of what was learned, trainees should be tested both before and after the program.

C. Behavior: What trainee activities/habits were modified?

1. Systematic appraisal should be made of on-the-job performance on a before-and-after basis.

2. Appraisal by trainee, superior(s), subordinate(s), peers are all feasible.

3. Statistical analysis relating before/after performance to training.

4. Post-training appraisal several months after training so that trainees
5. Have opportunity to put what they have learned into practice.

6. A control group should be used.

D. Results: What were the results of the program in terms of factors such as reduced costs or reduction in turnover?

1. What fundamental benefits to the organization were realized?
2. Viewed in terms of factors such as lower costs, turnover, etc.

V. Principles of learning

A. Motivation to achieve personal goals: If training helps employees achieve most frequent objectives such as job security, financially and intellectually rewarding work, recognition, etc., learning process is greatly facilitated.

B. Knowledge of results: Continuous process of analyzing progress and establishing new objectives enhances learning. Frequently used tools for feedback include oral explanations, demonstrations, and written examinations by trainee. Primary purpose of learning curve: Feedback on trainee’s progress.

C. Reinforcement: Behavior that appears to lead to positive consequence tends to be repeated, while behavior that appears to lead to negative consequence tends not to be repeated.

D. Flow of the training program: How each part fits into the overall pattern.

E. Practice and repetition: Usually enhances effective learning.

F. Spacing of sessions: Trade-off in getting employee ready versus facilitating better learning/retention.

G. Whole or part training: Separately or all at once.

KEY TERMS WITH DEFINITIONS

- **Apprenticeship training:** Giving instruction, both on and off the job, in the practical and theoretical aspects of the work required in a highly skilled occupation.

- **Classroom training:** The most familiar training method; useful for quickly imparting information to large groups with little or no knowledge of the subject.
• **Departmental and job orientation:** Specific orientation that describes topics unique to the new employee’s specific department and job.

• **Job rotation (cross training):** Training that requires an individual to learn several different jobs in a work unit or department and perform each job for a specified time period.

• **Needs assessment:** A systematic analysis of the specific training activities the organization requires to achieve its objectives.

• **On-the-job training (OJT):** Training that shows the employee how to perform the job and allows him/her to do it under the trainer’s supervision.

• **Organizational orientation:** General orientation that presents topics of relevance and interest to all employees.

• **Orientation:** The introduction of new employees to the organization, work unit, and job.

• **Orientation kit:** A supplemental packet of written information for new employees.

• **Training:** Learning process that involves the acquisition of skills, concepts, rules, or attitudes to enhance employee performance.

**REVIEW QUESTIONS**

1. **What is orientation? General company orientation? Departmental and job orientation?**

   Orientation is the introduction of new employees. General company (organizational) orientation presents topics of relevance and interest to all employees. Departmental/job orientation describes topics unique to the employee’s needs in those specific areas.

2. **Outline several possible topics for a general company orientation.**

   - Overview of the company
   - Key policies and procedures review
   - Compensation
   - Fringe benefits
   - Safety and accident prevention
   - Employees and union relations
   - Physical facilities
• Economic factors

3. What is an orientation kit?

An orientation kit is a supplemental packet of written information for new employees. This kit, which is normally prepared by the human resource department, can provide a wide variety of materials. It may include an organization chart, maps, policy/procedures handbook, benefits, holidays, various forms, safety procedures, company newsletter, directory, and insurance plans. Many organizations require employees to sign a form indicating they have received and read the orientation kit.

4. What is training?

Training is a learning process that involves the acquisition of skills, concepts, rules, or attitudes to increase employee performance.

5. Define on-the-job-training and job rotation.

a) On-the-job training shows the employee how to perform within the setting and under supervision.

b) Job rotation (cross training) requires one to learn several jobs in a work setting and perform each job for a specified period.

6. Outline five steps to follow in training a new employee to perform a job.

• Preparation for learning
• Breakdown of work into key components
• Presentation of operations and knowledge
• Performance tryout
• Follow-up

7. Define apprenticeship training.

Apprenticeship training includes both theoretical and practical aspects of work required in a highly skilled occupation, imparted both on and off the job.

8. List and explain the four logical areas for evaluating training.

Training is evaluated in the following areas:
A. Reaction: Reaction by trainees to training programs.
B. Learning: Principles, facts, and concepts which were learned in the training program.
C. Behavior: Job behaviors that changed.
D. Results: Results seen in factors such as lower costs and turnover.

Principles of learning in all training programs should include both motivation to achieve personal goals and knowledge of results (feedback).

9. What is a virtual classroom?

A virtual classroom is an online teaching and learning environment that involves chat rooms, desktop video conferencing, Web sites, and e-mail distribution into a typical lecture-based system.

DISCUSSION QUESTIONS

1. Why are most training programs not evaluated?

It is too often assumed that the existence of training is self-legitimizing. Further, the lack of effort in extracting and analyzing feedback concerning training is a reflection upon overall HR planning—which itself often tends to be lacking. Efforts toward evaluation of training must deal with the difficulties in establishing causal relationships, which exist but are manageable.

2. Which principles of learning are applied in college classrooms? Which ones are most appropriate for use in college classrooms?

Motivation to achieve personal goals has its place in the college classroom, although some such goals are more transitory in nature than those of workplace situations. Knowledge of results (feedback) should have a prominent place in the classroom. Here again, the information relates to aspects that are mastered on a level somewhat removed from applications in a work setting. The flow of the training program is particularly important in college classrooms, since each segment of learning should be organized so that the student can see not only its purpose but also how it fits in with other parts of the program. In addition, later segments should build on those presented earlier. Practice and repetition also has a key role in helping students mastering the subjects taught in class.

3. Why are training programs one of the first areas to be eliminated when an organization's budget must be cut?
From a managerial perspective, the short-sightedness of such actions may be rationalized by lack of evidence supporting the value of training programs. However, this lack of evidence is more likely to result either from poorly planned training or from failure to evaluate effectiveness of the programs.

INCIDENT RESPONSES

8–1 Read the incident: Starting in a New Job

1. What do you think about the philosophy of this company pertaining to a new employee's first few weeks on the job?

The manager’s comments reveal a lackadaisical attitude toward commitments made and kept on behalf of new employees. This has resulted in a rapid meltdown of the “psychological contract” between Otis and his employer. New employees usually come into an organization optimistic about the new job and resulting training they are about to receive. However, if they are met with a poorly designed training program, potentially good employees become discouraged and feel ignored as did Otis. The result is a loss to the organization.

2. What suggestions do you have for Jack to help his company avoid similar problems of employee turnover in the future?

One solution would be to initiate a well-planned, enriching orientation program for all new employees. The orientation program would be so designed as to encompass the first week of employment and consist of more than just reading manuals. Also, specific training should be planned to follow immediately after the orientation program.

EXERCISE

Do Exercise 8.1 individually

In this activity, students concentrate upon means by which McDonalds can improve orientation and training in one of three areas: dealing with customers/order taking; food preparation; and routine cleanup operations. Nearly everyone’s experience as a customer will help to garner ideas on how these functions may be enhanced. Students are reminded to incorporate training objectives, learning principles, and evaluation in their plans.
CHAPTER 9: MANAGEMENT AND ORGANIZATIONAL DEVELOPMENT

CHAPTER SYNOPSIS

This chapter describes approaches to management and organizational development.

CHAPTER LEARNING OBJECTIVES

1. Define management development.
2. Describe a management inventory.
3. Describe a management succession plan.
4. Define the in-basket technique.
5. Describe a business simulation.
7. Define an assessment center.
8. Describe organizational development (OD).
9. Outline the four phases in organizational development.

ISSUES FOR REVIEW AND DISCUSSION

I. The management development process: A process concerned with developing the experience, attitude, and skills necessary to become or remain an effective manager. Figure 9.1 summarizes the total management development process.

II. Determining the net management requirements

A. Organizational objectives

1. Play an important role in determining the requirements for managers.
2. Management will need to be increased and upgraded.

B. Management inventory

1. Specialized type of skills inventory.
2. Provides information about current management.
3. Can be used to fill vacancies that occur unexpectedly.
4. Can pinpoint development activities for the entire organization.

C. Management succession plan

1. A chart or schedule that shows potential successors.
2. Generally kept confidential and can be computerized.

D. Changes in the management team: Flexibility needed due to uncertainties.

III. Needs assessment: A systematic analysis of the specific management development activities required by the organization to achieve its objectives; a necessary prelude to organizational development. Methods include:

A. Training needs survey
B. Competency studies
C. Task analysis
D. Performance analysis

Table 9.2 shows the comparison of the four approaches to determining management development needs.

IV. Establishing management development objectives

A. Must be in writing and be measurable
   1. Overall program
   2. Individual program

B. Broad areas
   1. Instructional
   2. Organizational and departmental
   3. Individual performance and growth

V. Methods used in management development: Table 9.3 summarizes some of the most popular methods of management development.

A. On-the-job methods
   1. Understudy assignments
   2. Coaching
   3. Experience
   4. Job rotation
   5. Special projects and committee assignments
B. Classroom training
   1. Lectures
   2. Case studies
   3. Role playing

C. Others
   1. In-basket technique
   2. Web-based training
   3. Business simulations
   4. Adventure learning
   5. University and professional association seminars

VI. Evaluation of management development activities: Table 9.4 provides a summary of the alternatives and possible measures for evaluation.

   A. Are the trainees happy with the course?
   B. Does the training course teach the concepts?
   C. Are the concepts used on the job?
   D. Does the application of the concepts positively affect the organization?

VII. Assessment centers: Formal method aimed at evaluating individuals’ potential as managers and their developmental needs.

VIII. Organizational development: Organization-wide, planned effort—managed from the top—to increase organizational effectiveness.

   A. Diagnosis phase: Use of questionnaires, attitude surveys, personal interviews, and direct observation to gather employee information.
   B. Strategy planning phase: Using collected data to develop an organizational improvement plan. The end result is to identify specific problem areas and outline steps for resolving the problems.
   C. Education: Sharing the diagnosis information with employees to help them realize the need for changed behavior. Can involve consultants and aforementioned techniques.

   1. Direct feedback: Change agent communicates information gathered in diagnostic and change-planning phases to involved parties.
2. Team building: Increases group cohesiveness and general group spirit. Specific activities used include:
   a. Clarifying employee roles
   b. Reducing conflict
   c. Improving interpersonal relations
   d. Improving problem-solving skills

3. Sensitivity training: Designed to make one more aware of oneself and one’s impact on others.

D. Evaluation: Follow-up using means similar to the diagnosis phase.

1. Objectives should be outcome oriented and should lend themselves to development of measurable criteria.
2. Evaluation effort should be methodologically sound:

   Presentation suggestion: Describe job tasks that are either well-suited or ill-suited to learning primarily through OJT.

**KEY TERMS WITH DEFINITIONS**

- **Adventure learning**: Programs that use many kinds of challenging outdoor activities to help participants achieve their goals.

- **Assessment center**: Formal method used in training and/or selection and aimed at evaluating an individual’s potential as a manager by exposing the individual to simulated problems that would be faced in a real-life managerial situation.

- **Business simulation**: Method of training that simulates an organization and its environment and requires a team of players to make operating decisions based on the situation.

- **Case study**: Method of classroom training in which the trainee analyzes real or hypothetical situations and suggests not only what to do but also how to do it.

- **Coaching**: Method of management development conducted on the job that involves experienced managers advising and guiding trainees in solving managerial problems.

- **Direct feedback**: Process in which the change agent communicates the information gathered through diagnosis directly to the affected people.
• **In-basket technique:** Method of training in which the participant is required to simulate the handling of a specific manager’s mail and telephone calls and to react accordingly.

• **Incident method:** Form of case study in which learners are initially given the general outline of a situation and receive additional information from the instructor only as they request it.

• **Management development:** Process concerned with developing the experience, attitudes, and skills necessary to become or remain an effective manager.

• **Management inventory:** Specialized, expanded form of skills inventory for an organization’s current management team; in addition to basic types of information, it usually includes a brief assessment of past performance and potential for advancement.

• **Management succession plan:** Chart or schedule that shows potential successors for each management position within the organization.

• **Needs assessment:** A systematic analysis of the specific management development activities required by the organization to achieve its objectives.

• **Organizational development (OD):** Organizationwide, planned effort managed from the top to increase performance through interventions and training.

• **Sensitivity training:** Method used in OD to make one more aware of oneself and one’s impact on others.

• **Team building:** Process by which a work group develops awareness of conditions that keep it from functioning effectively and takes action to eliminate these conditions.

• **Understudy assignments:** Method of on-the-job training in which one individual, designated as the heir to a job, learns the job from the present jobholder.

• **Web-based training:** Method of training in which material is presented on computer video screens via either the Internet or company intranet; participants are required to answer questions correctly before being allowed to proceed.

## REVIEW QUESTIONS

1. **Define management development.**

   Management development is a process concerned with developing the experience, attitude, and skills necessary to become—or to remain—an effective manager.
2. What is management inventory? What is a succession plan?

A management inventory is a specialized type of skills inventory that provides information about current management and can be used to fill vacancies. A succession plan is a chart or schedule that shows potential successors for each manager within the organization.

3. Name three classifications for overall management development objectives, and give examples of each.

Overall management development objectives fall within the broad areas of instructional, organizational/departmental, and individual performance/growth. Examples could include determining hours of training, lowering absenteeism, and specifying resulting attitudes, respectively.

4. Describe the following on-the-job methods of management development: understudy assignments, coaching, experience, job rotation, special projects, committee assignments.

a. Understudy assignments provide training for an individual who, as the designee for a job, learns from the present jobholder.
b. Coaching involves experienced managers who advise and guide trainees in solving managerial problems.
c. Experience allows for self-learning in daily job contact.
d. Job rotation requires an individual to learn several different jobs in a work unit, and perform each for a specified period of time.
e. Special projects require the trainee to learn about a particular subject as a means of development.
f. Committee assignments allow the individual to develop skills in working with others through the activities of regularly constituted or ad hoc committees.

5. Describe the following methods of training: lectures, case studies, role playing, in-basket technique, business simulations, adventure learning.

a. Lectures rely on teaching by the spoken word, and can include supplementary media.
b. Case studies involve student analysis of real or hypothetical situations and suggests not only what to do but also how to do it.
c. Role playing requires participants to assume and act out roles within a realistic situation.
d. In-basket technique is an instructional method whereby the trainee is required to simulate the handling of a specific manager’s correspondence and react accordingly.

e. Business simulations provide a setting of a company and its environment and require

f. teams of players to make decisions involving their company operations in competition with other teams.

g. Adventure learning uses many kinds of challenging outdoor activities, often involving physical risk, to help participants achieve their objectives.

6. What is an assessment center?

An assessment center provides a formal method aimed at evaluating individuals’ potential as managers and their developmental needs.

7. What is organizational development?

Organizational development is an organizationwide, planned effort that is managed from the top to increase organizational effectiveness.

8. Outline the phases of organizational development.

Phases of organizational development are diagnosis, strategic planning, education, and evaluation. Diagnosis involves gathering and analyzing information about the organization to determine the areas in need of improvement. Change planning involves developing a plan for organizational improvement based on the data obtained. Intervention/education involves sharing diagnostic information with the people affected by it and helping them realize the need for change. The intervention/education phase often involves the use of outside consultants working with individuals or employee groups. It can also involve the use of management development programs. The evaluation phase in effect repeats the diagnostic phase. In other words, after diagnosis, strategy planning, and education, data are gathered to determine the effects of the OD effort on the total organization. This information can then lead to more planning and education.

DISCUSSION QUESTIONS

1. Outline a system for evaluating a management development program for supervisors.
The evaluation of a management development program for supervisors should include determination of the following:

A. Are participants happy with program?
B. Does the program teach the essential concepts?
C. Are the concepts used on the job?
D. Does the application of the concepts positively affect the organization?

2. "It is impossible to evaluate the effectiveness of a supervisory development program." Discuss.

Any number of extraneous variables could determine the actual progression of management development. Like all HR functions, however, the real and opportunity costs of poor planning are usually evident. The development of supervisors must be undertaken with the same awareness of risk inherent in competitive market enterprises. Failure to approximate objective assessment should not be a result of lacked vigilance.

3. "Management games are fun, but you don't really learn anything from them." Discuss.

The benefits of management games are not limited to concrete or easily measured gains. Intangible values are often added as well. With proper selection and facilitation, such activities can leave indelible impressions of intellectual coalescing and social bonding upon the participants.

4. Organizational development generally takes several years to produce any positive results. Describe some of the positive results that might accrue from such a program, thus making the waiting period worthwhile.

Often a situation—one that would exact the commitments of those subject to prior relevant instruction—occurs sporadically or in a cyclical time frame. Such events legitimize prior efforts to the extent that they are significant in the progression of the organization, department, or person. Meanwhile, less evident progress (i.e., preventing plateaus that may otherwise occur) should not be overlooked.

INCIDENT RESPONSES

9–1 Read the incident: The 40-Year Employee

1. Who has failed, John or the company?
John has failed in that he has let a pattern develop that inhibits his personal creativity and initiative. He has fallen into the trap of letting progress pass him by and trying to rationalize his mistake by criticizing any innovations. It is apparent that the bank has allowed John the opportunity to advance with a growing organization, and has made reasonable accommodation for necessary technological advances. However, the company has also failed in not making greater efforts to help John realize his computer fears and overcome them through training.

2. Does the company owe something to a 40-year employee? If so, what?

Although the bank could have been more proactive in persuading John to stay a stride of company advances, it does not bear primary responsibility for John’s reluctant mindset. Since John has been a faithful employee for many years and given much to the organization, the bank should probably extend to him a significant training program with time off of work to learn the computer skills which he needs. Ultimately, performance should be the primary criterion in promotion as well as retention in a current position.

3. What type of development program would you recommend for John?

If he can demonstrate willingness, John’s considerable experience can be applied to a broad-based computer training program that may reverse his attitude toward automation. Also, job rotation to introduce John to other areas might open his mind to the importance of computerization. John might benefit from seeing how other groups perform the tasks that are required of his department.

9–2 Read the incident: Consolidating Three Organizations

1. Does organizational development hold the key to Ray’s question?

Yes; however, the earlier stages of organizational development should have been operating as Ray contemplated the rather sudden opportunity that resulted in acquiring a second outside firm—thus expanding to a much greater extent than planned. The ultimate goal of OD is to structure the environment in such a manner as to use the developed skills and abilities of individual managers to their fullest extent. By implementing an OD program, Ray can effectively analyze each manager’s strengths and weaknesses and align the organization accordingly.

2. As a personnel consultant, what recommendations would you make to him?
One might recommend a more gradual transition toward consolidation, given the need of newly-acquired firms and their personnel to adapt. Meanwhile, Ray needs to get a good feel for the present managers and employees of the two new acquisitions. Once this has been accomplished, Ray can begin molding his team with the use of a management development program. Once the strengths, weaknesses, and potential of all managers are assessed, the necessary decisions regarding organizational structure can be made.
CHAPTER 10: CAREER DEVELOPMENT

CHAPTER SYNOPSIS

This chapter explains how to manage career development.

CHAPTER LEARNING OBJECTIVES

1. Define career development and summarize its major objectives.
2. Name the three entities required to provide input for a successful career development program and briefly describe their respective responsibilities.
3. Describe the steps involved in implementing a career development program.
4. Define career pathing and career self-management.
5. List several myths employees hold related to career planning and advancement.
6. List several myths management holds related to career development.
7. Define a career plateau and a plateaued employee.
8. Describe the four principal career categories.
9. Explain the concept of a career lattice.
10. Distinguish between dual-career couples and dual-earner couples.
11. Define outplacement.
12. Explain what the glass ceiling is.
13. List some of the online career development resources that are available today.

ISSUES FOR REVIEW AND DISCUSSION

I. Why is career development necessary? With the help of career planning, an organization would hope to:

   A. Meet the immediate and future human resource needs of the organization on a timely basis.

   B. Inform the organization and the individual about career paths within the organization.

   C. Utilize existing human resources programs to the fullest by integrating the activities that select, assign, develop, and manage individual careers with the organization’s plans.

II. Who is responsible for career development?

   A. Organization’s responsibilities:

   
1. Has primary responsibility for instigating and ensuring career development.
2. Develop and communicate career options within the organization to the employee.
3. Promote conditions and create environment that will facilitate development of individual career plans by employees.

B. Employee’s responsibilities:

1. Has primary responsibility for preparing individual career plans.
2. A conscious effort is required to develop and sustain such a plan.
3. With organization’s help, employees may be encouraged to devote a few hours of company time each quarter to career planning.

C. Manager’s responsibilities: Following are suggestions for managers in improving career counseling skills:

1. Recognize limits of career counseling
2. Respect confidentiality
3. Establish a relationship with employee
4. Listen effectively
5. Consider alternatives
6. Seek and share information
7. Assist with goal definition and planning

Table 10.1 lists several roles a manager might perform to assist subordinates in developing their careers.

III. Implementing career development

A. Individual assessment

1. Abilities
2. Interests
3. Career goals

B. Assessment by the organization—determining individuals’ potential via:

1. Assessment centers
2. Personnel records
3. Performance appraisal process

C. Communicating career options—and opportunities: Post on organization’s intranet, advertise job vacancies, clearly identify possible paths of advancement within organization, and share HR planning forecasts with employees.
D. Career pathing—a sequence of developmental activities involving informal and formal education, training, and job experiences that help make an individual capable of holding a more advanced jobs in the future. Table 10.2 outlines the basic steps in career pathing.

E. Career self-management—an individual’s keeping pace with change in the relevant organization and industry as preparation for the future.

F. Career counseling—preferable to have immediate manager conduct counseling with appropriate input from human resource personnel.

IV. Reviewing career progress:

A. If individual periodically reviews both career plan and situation, he/she can make adjustments so that career development is not impaired.

B. A career plan that is not kept current becomes useless.

C. Complacency is the greatest danger.

D. The plan must be updated as the circumstances and the individual change.

V. Career-related myths

A. Myths held by employees

1. There is always room for one more person at the top.
2. The key to success is being in the right place at the right time.
3. Good subordinates make good superiors.
4. Career planning and development are functions of human resource personnel.
5. All good things come to those who work long, hard hours.
6. Rapid advancement along a career path is largely a function of the kind of manager one has.
7. The way to get ahead is to determine your weaknesses and then work hard to correct them.
8. Always do your best, regardless of the task.
9. It is wise to keep home life and work life separated.
10. The grass is always greener on the other side of the fence.

B. Myths held by managers

1. Career development will raise expectations.
2. We will be overwhelmed with requests.
3. Managers will not be able to cope.
4. We do not have the necessary systems in place.

VI. Dealing with career plateaus: Career plateauing takes place when an employee reaches a position from which he/she is not likely to be promoted further.

A. Employers are now depending more on older employees.

B. Today’s employees are generally educated and enter organizations at higher positions.

C. Fewer promotions occur during recessionary periods.

Principal career states include:

A. Learners: performance below standards; high potential for advancement

B. Stars: high current performance; high potential for advancement

C. Solid citizens: satisfactory performance; low chance of future advancement

D. Deadwood: unsatisfactory performance; little chance for advancement

Table 10.3 presents a model for classifying careers.

Three actions can aid in managing the plateauing process:

A. Prevent plateaues from becoming ineffective.

B. Integrate relevant career-related information systems.

C. Manage ineffective plateaues and frustrated employees more effectively.

Rehabilitating ineffective plateaues—Reasons to salvage ineffective plateaues:

A. Job knowledge

B. Organizational knowledge

C. Loyalty
D. Concern for the well-being of plateauees

Rehabilitating those who are ineffective:

A. Provide alternate means of recognition.

B. Develop new ways to make their current jobs more satisfying.

C. Effect revitalization through reassignment.

D. Utilize reality-based self-development programs.

E. Change managerial attitudes toward employees at a plateau.

VII. Career lattices—support career moves in all directions within an organization, not just up or down movement.

Table 10.4 presents some examples of ladder thinking compared to lattice thinking.

A. Goal of mass career customization (MCC): Align current and future career development options for employee with current and future requirements for organization in ways sustainable for both.

B. The MCC framework outlines a definite set of options along each of four core career dimensions:

1. Pace
2. Workload
3. Location/schedule
4. Role

C. MCC allows employees to modify their activities along the four dimensions as their personal and career situations evolve.

VIII. The impact of dual-employed couples and single-parent employees

A. With dual-earner couples, if one of the partners does not regard employment as integral to self-definition, employment for that partner would relate mainly to utility of the rewards or the job itself.

B. With dual-career couples, a high commitment and personal association with the work accompanies both individuals—not just one of them.
C. Single-parent working employees have needs and requirements that are different from those of families that have one parent at home.

D. Proactive corporate programs are being provided for more workers and include child and elder care, flexible work scheduling, job sharing, part-time work, telecommuting, parental leave, and personal time.

IX. Outplacement

A. Helps a terminated employee find a new job with another company.

B. The organization gains by terminating employees before they become deadwood.

C. The employees gain professional assistance in finding a new job that is better suited to their needs.

D. Can have a positive effect on overall morale at the organization.

X. Breaking the glass ceiling

A. Glass ceiling refers to invisible—yet real or perceived—barriers found in many organizations.

B. Such a barrier limits the executive advancement opportunities for women and minorities.

C. Some common practices that may contribute to this condition are:

1. Word-of-mouth recruiting.
2. Inadequate access to developmental opportunities.
3. Lack of responsibility among senior management for equal employment opportunity efforts.

D. The Glass Ceiling Commission’s suggestions for toppling job-advancement barriers:

1. Demonstrate commitment.
2. Hold line managers accountable for progress by including diversity in all strategic business plans.
3. Use affirmative action as a tool to ensure that all qualified individuals compete based on ability and merit.
4. Expand your pool of candidates.
5. Educate all employees about the strengths and challenges of gender, racial, ethnic, and cultural differences.
6. Initiate family-friendly programs that help men and women balance their work and family responsibilities.

XI. Career development online

A. Some of the online career planning resources being offered include:

1. Information about employment trends and job opportunities.
2. Self-assessment tools, such as personality tests and interest indicators, that employees can use to determine which jobs they might best pursue.
3. Links to online employment resources such as job listings and career development information.
4. Individual online job counseling, including advice on preparing for interviews.

B. Resources available on the Internet to help individuals with career development:

1. Job search guides
2. Self-assessment tools
3. Résumé preparation aids
4. Job listings
5. Career-related articles

KEY TERMS WITH DEFINITIONS

• Career development: An ongoing, formalized effort by an organization that focuses on developing and enriching the organization’s human resources in light of both the employees’ and the organization’s needs.

• Career pathing: A technique that addresses the specifics of progressing from one job to another in an organization.

• Career planning: Process by which an individual formulates career goals and develops a plan for reaching those goals.

• Career plateau: The point in an individual’s career where the likelihood of an additional promotion is very low.

• Career self-management: The ability to keep up with the changes that occur within the organization and industry and to prepare for the future.
• **Deadwood**: Individuals in an organization whose present performance has fallen to an unsatisfactory level and who have little potential for advancement.

• **Learners**: Individuals in an organization who have a high potential for advancement but are currently performing below standard.

• **Outplacement**: Benefit provided by an employer to help an employee leave the organization and get a job someplace else.

• **Solid citizens**: Individuals in an organization whose present performance is satisfactory but whose chance for future advancement is small.

• **Stars**: Individuals in an organization who are presently doing outstanding work and have a high potential for continued advancement.

• **Vision statement**: A concise statement of career goals in measurable terms.

**REVIEW QUESTIONS**

1. **Define career development and career planning.**

   Career development is an organization’s formalized focus upon developing and enriching its human resources from both its own perspective and that of the individual employee. Career planning is an individual’s formulation of career goals and development of a plan for reaching those goals.

2. **What are the three major objectives of career development from the organization’s viewpoint?**

   With the help of career planning, an organization would hope to:

   A. Meet the immediate and future human resource needs of the organization on a timely basis.
   B. Inform the organization and the individual about career paths within the organization.
   C. Utilize existing human resources programs to the fullest.

3. **What is the role of the individual employee in career development?**

   An individual who develops a career plan to reach career goals is more likely to reach these goals. Realistic career planning forces individuals to look at opportunities in relation to their abilities. A good career path identifies certain
milestones; when these milestones are reached, the employee will experience the satisfaction of achievement and continued motivation.

4. **What are the four basic steps in implementing a career development program?**

Implementation of a career development program includes:

- Individual assessment of abilities, interests, and career goals.
- Assessment by the organization of the individual’s abilities and potential via assessment centers, personnel records, and performance appraisal process.
- Communication of career options and opportunities within the organization.
- Career counseling to set realistic goals and plans for their accomplishment.

5. **What are career pathing and career self-management?**

Career pathing is a sequence of developmental activities involving informal and formal education, training, and job experiences that help make an individual capable of holding a more advanced job in the future. Career self-management is an individual’s keeping pace with change in the relevant organization and industry as preparation for the future.

6. **Give some specific suggestions for helping managers become better career counselors.**

The following are suggestions for managers in improving career counseling skills:

- Recognize limits of career counseling
- Respect confidentiality
- Establish a relationship with employee
- Listen effectively
- Consider alternatives
- Seek and share information
- Assist with goal definition and planning

7. **How often could an individual review and revise his or her career plan?**

With the organization’s help, employees may be encouraged to devote a few hours of company time each quarter to career planning. It must be realized that a conscious effort is required to develop and sustain such a plan.
8. Identify several myths employees often hold relating to career development and advancement.

Employees may gain a better perspective by confronting the following career-related myths:

- There is always room for one more person at the top.
- The key to success is being in the right place at the right time.
- Good subordinates make good superiors.
- Career planning and development are functions of human resource personnel.
- All good things come to those who work long, hard hours.
- Rapid advancement along a career path is largely a function of the kind of manager one has.
- The way to get ahead is to determine your weaknesses and then work hard to correct them.
- Always do your best, regardless of the task.
- It is wise to keep home life and work life separated.
- The grass is always greener on the other side of the fence.

9. Identify several myths managers often hold relating to career development.

Career development-related myths held by managers include the following:

- Career development will raise expectations.
- We will be overwhelmed.
- Managers will not be able to cope.
- We do not have the necessary systems in place.

10. Define the following categories: learners, stars, solid citizens, and deadwood.

Principal career states include:

- Learners: performance below standards; high potential for advancement.
- Stars: high current performance; high potential for advancement.
- Solid citizens: satisfactory performance; low chance of future advancement.
- Deadwood: unsatisfactory performance; little chance for advancement.

11. Name and briefly describe several an organization might use to rehabilitate inefficient plateauees.

Any of the following might help to rehabilitate those at an ineffective plateau:

- Provide alternate means of recognition.
• Develop new ways to make their jobs more satisfying.
• Effect revitalization through reassignment.
• Utilize reality-based self-development programs.
• Change managerial attitudes toward employees at a plateau.

12. **Distinguish between dual-career couples and dual-earner couples and identify some of the challenges these groups face.**

In the case of dual-earner couples, one of the partners would not regard employment as integral to their self-definition; for that partner, the employment would relate mainly to utility of the rewards or the job itself. With dual-career couples, a high commitment and personal association with the work accompanies both individuals—not just one of them. Alternative job arrangements are being provided for more workers in the “earner” category—e.g. part-time, telecommuting, flexible scheduling, and child/elder care.

13. **What is outplacement, and how does it actually work?**

Outplacement helps a terminated employee find a new job with another company. The organization gains by terminating employees before they become deadwood. The employees gain professional assistance in finding a new job that is better suited to their needs. Outplacement can have a positive effect on overall morale at the organization.

14. **What is the glass ceiling and what are the three most common practices that contribute to it?**

The term glass ceiling refers to an invisible—yet real or perceived—barriers found in many organizations; such a barrier limits the executive advancement opportunities for women and minorities. Some common practices that may contribute to this condition are: Word-of-mouth recruiting; inadequate access to developmental opportunities; and lack of responsibility among senior management for equal employment opportunity efforts.

15. **Name several types of online career planning resources currently available.**

Online career development resources include: information about trends and job opportunities; self-assessment tools; links to online employment sources; and individual online job counseling.

**DISCUSSION QUESTIONS**
1. **Do you think career development can adversely affect organizational performance in that the process sometimes convinces the involved parties to change jobs?**

There is no doubt that individuals with either considerable talent, multiple interests, or high motivation will sometimes leave an organization in pursuit of what they perceive to be more appropriate opportunities or challenges. This phenomenon, however, should not discourage managerial pursuit of career development for their firms. The opportunity costs of avoiding such development are likely to be far greater than the consequences of losing some good people. Also, it is likely that such people are less likely to be initially attracted to a firm that lacks adequate career development.

2. **Is the concept of career development realistic in today's rapidly changing environment?**

In a rapidly changing environment, one could argue that career development is even more essential than amid less dynamic conditions. Individuals are aware of the propensity to become marginalized if they do not keep up with the industry as well as the present firm competing within that industry. Employers realize that they must maximize their human resource strengths, and scan the environment for opportunities to exploit with the readied workforce they have developed.

3. **Discuss how career-related myths can inhibit career planning and growth.**

Several of the myths seem to suggest that an employee is safe in a rut as opposed to being proactive in career planning. Other myths attempt to rationalize those misconceptions by suggesting that a person can effectively bail out, and that the alternative path will always be more attractive. However, this reasoning is flawed because it largely omits the preparation efforts needed for individuals to meet potential opportunities.

4. **Is it better to tell a person that he or she has reached a plateau in the organization or to allow the person to maintain hope of eventual promotion?**

Career goals are subject to individual aspirations. For that reason, managers need to encourage employees to formulate career plans as a basis for performance and progression comparison. In such circumstances, the necessary prompting of an employee regarding an apparent plateau situation is much more meaningful as constructive and developmental feedback. This will allow the employee to recognize and address the problem, and will lead him to perceive his employer as being interested in and concerned about his career growth.
5. **What advice would you offer today's employees regarding the problems dual-employed couples face?**

The partners need to make sure that both understand the other’s views and feelings concerning work and career. They need to prioritize their objectives in shorter- and longer-term modes, and assess whether their efforts and plans are sufficiently moving them in the proper consensual direction. Hopefully, such a process would prevent one member of the couple from perceiving a role of inordinate self-sacrifice. As with dual-employed couples, single-parent employees have needs and requirements that are different from those of families that have one parent at home. Many organizations have responded to these needs by initiating family-friendly policies and programs. Proactive corporate programs include child and elder care, flexible work scheduling, job sharing, part-time work, telecommuting, parental leave, and personal time.

**INCIDENT RESPONSES**

10–1 **Read the incident: The Unhappy Power Line Installer**

1. **What advice might you give John?**

   John should be made aware of numerous continuing education options that do not necessarily demand pursuit of a four-year college degree. After establishing what he wants to do with his career, he should establish personal goals and objectives based on personal aspirations and values. Subsequently, a beneficial career plan can be developed.

2. **Would a career plan help a person like John?**

   Definitely. As a solid performer in his job, John exhibits potential for taking on responsibilities outside a narrow range. Being well-suited for his current job does not exclude prospects for enrichment within that job and related ones. It is very easy to become stagnant in a job without realizing what is happening. Having career goals would greatly help John avoid getting bogged down in his present job. A career plan leads one to think futuristically toward goal accomplishment.

3. **Is John's situation atypical of that of most employees?**

   At some point, a considerable number of basically satisfied employees are likely to perceive that better qualified coworkers are pulling away from them. Consequently, they become dissatisfied with themselves and their performance drops. A career plan would help prevent this situation from occurring.
EXERCISE

Do Exercise 10.1

This activity is associated with Exercise 10.2. Students are to simply rate themselves on the 10 statements regarding career counseling. Participants shall attempt not to be influenced by the scoring information (which appears prominently on the same page).

Do Exercise 10.2

In field testing this exercise among 70 participating students, it was found that approximately three-fourths of the 23 students who ranked counseling within the top four of their managerial development roles (Table 10.1) scored above 60 (counselor material or higher) in the activity’s questionnaire. The scoring of remaining students—those ranking counseling fifth or lower within Table 10.1—showed that about two-fifths scored above 60 on the questionnaire. While results of other groups will differ, similarly correlated tendencies would not be unexpected.
CHAPTER 11: PERFORMANCE MANAGEMENT SYSTEMS

CHAPTER SYNOPSIS

This chapter explains how to develop effective performance management systems.

CHAPTER LEARNING OBJECTIVES

1. Define performance.
2. Define performance appraisal.
3. Explain management by objectives.
5. Describe the graphic rating scale.
7. Describe essay appraisal.
10. Describe the work standards approach to performance appraisal.
11. Define leniency, central tendency, recency, and the halo effect.

ISSUES FOR REVIEW AND DISCUSSION

I. Understanding performance

A. Determinants of performance

1. Job performance: Net effect of employee’s effort as modified by abilities and role perceptions.
2. Performance in a given situation results from interrelationships among effort, abilities, and role perceptions.

B. Environmental factors as performance obstacles: Common potential performance obstacles include: employee’s lack of time or conflicting demands upon it, inadequate work facilities and equipment, restrictive policies that affect the job, lack of cooperation from others, type of supervision, temperature, lighting, noise, machine or equipment pacing, shifts, and luck.

C. Responsibilities of the human resource department in performance management:
1. Design performance management system and select methods and forms to be used for appraising employees.
2. Train managers in conducting performance appraisals.
3. Maintain a reporting system to ensure that appraisals are conducted on a timely basis.
4. Maintain performance appraisal records for individual employees.

Responsibilities of managers in performance appraisals:

1. Evaluate performance of employees.
2. Complete the forms used in appraising employees and return them to the human resource department.
3. Review appraisals with employees.
4. Establish a plan for improvement with employees.

II. Performance appraisal: Definition and uses

A. Performance appraisal involves determining and communicating how employees are performing the job, and establishing a plan of improvement.

B. Performance appraisal information is used for:

1. Making administrative decisions concerning employees
2. Prioritizing information about training needs
3. Improving performance
4. Input to the validation of procedures
5. Input to human resource planning

III. Performance appraisal methods

A. Management by objectives (MBO)

1. Generally used with professional and managerial employees.
2. Process establishes a clearly defined statement of objectives for the work to be performed by an employee.
3. Action plan is developed indicating how objectives are to be achieved.
4. Employee is allowed to implement the plan.
5. Degree of conformity with objectives is measured.
6. Corrective action taken when indicated.
7. New objectives established for the future.

For an MBO system to be successful:
1. Objectives should be quantifiable, measurable, challenging yet achievable, and should be expressed in writing and in clear, concise, unambiguous language.
2. Requires that employees participate in the objective-setting process.
3. The objectives and action plan serve as a basis for regular discussions between manager and employee concerning employee’s performance.

B. Multi-rater assessment (or 360-degree feedback): Managers, peers, customers, suppliers, or colleagues are asked to complete questionnaires on the employee being assessed; the person assessed also completes a questionnaire.

C. Graphic rating scale: method whereby the evaluator rates employee on factors such as quantity of work, dependability, job knowledge, and cooperativeness.

D. Behaviorally anchored rating scale (BARS): designed to assess behaviors required to successfully perform a job. The evaluator reads the list of “anchors” to find the anchor that best describes the employee’s performance.

1. The focus of is on functional behaviors demonstrated on the job.
2. Job dimension: Broad categories of duties and responsibilities that make up a job.
3. BARSs are developed through a series of meetings that managers and job incumbents attend. Managers and job incumbents:
   a. identify relevant job dimensions for the job.
   b. write as many behavioral anchors as possible for each job dimension.
   c. reach a consensus concerning scale values to be used and grouping of anchor statements for each scale value.
4. Advantages:
   a. Developed through active participation of both managers and job incumbents, which increases likelihood that it will be accepted.
   b. Anchors are developed from the observations and experiences of employees who actually perform the job.
   c. Provides specific feedback concerning an employee’s job performance.
5. Drawback:
   a. They take considerable time and commitment to develop.
   b. Separate forms must be developed for different jobs.

E. Critical-incident appraisal: With the critical incident method, the evaluator keeps a written record of incidents (both positive and negative) as they occur.
1. Drawbacks:

   a. The rater is required to jot down incidents regularly, which can be burdensome and time consuming.
   b. The definition of a critical incident is unclear and may be interpreted differently by different people.
   c. May lead to friction between manager and employees when employees believe manager is keeping a “book” on them.

F. Essay appraisal: With the essay method, the evaluator describes an individual’s performance in written narrative form.

1. Drawbacks:

   a. Length and content can vary considerably, depending on the rater; hence, difficult to compare.
   b. The writing skill of appraiser can affect appraisal; an effective writer can make an average employee look better than the actual performance warrants.

G. Checklist: the rater indicates yes-or-no responses to a series of questions upon which varying weights may be assigned.

1. Drawbacks:

   a. Evaluator is generally not aware of weights associated with each question.
   b. Raters can see positive or negative connotation of each question, which introduces bias.
   c. Time-consuming to assemble questions for each job category.
   d. A separate listing of questions must be developed for each job category.
   e. The questions can have different meanings for different raters.

H. Forced-choice rating: requires that the evaluator rank a set of statements describing how an employee carries out job responsibilities; with statements normally weighted.

1. Advantages:

   a. Attempts to eliminate evaluator bias by forcing rater to rank statements that are seemingly indistinguishable or unrelated.

2. Drawbacks:

   a. Irritates raters, who feel they are not being trusted.
   b. Results are difficult to communicate to employees.
I. Ranking methods: compare the performances of two or more employees.

1. Alternation ranking
2. Paired comparison ranking
3. Forced distribution: Figure 11.1 illustrates how the forced-distribution method works.

J. Work standards

1. Approach most frequently used with production employees.
2. A standard is set regarding the expected level of output and then comparing each employee’s performance to the standard.
3. Standards should reflect the normal output of a normal worker.
4. Advantage: Performance review is based on objective factors.
5. Criticism: Lack of comparability of standards for different job categories.

Table 11.7 summarizes the more common methods for setting work standards.

IV. Potential errors in performance appraisals

A. Leniency: consists of grouping of ratings at the high end instead of spreading them throughout the performance scale.

B. Central tendency: wherein most employees are rated as average.

C. “Recency” effect: bases evaluations on work more recently performed.

D. Halo effect: evaluators allow a single employee characteristic to influence their judgment.

V. Overcoming errors in performance appraisals: Methods of strengthening performance appraisal include:

A. Training raters.

B. Basing evaluation on job content.

C. Ensuring employee review of results.

VI. Providing feedback through the appraisal interview

A. Employees must participate in the appraisal process.
B. Management must use positive motivational techniques.

C. Mutual setting of objectives is needed.

D. Performance problem-solving should be approached via discussion.

E. Thought and preparation should be devoted to the interview.

F. Employees must appreciate the connection to organization rewards.

VII. Developing performance improvement plans

A. One’s present position.

B. The position that one wants to reach.

C. How one gets from current position to desired position.

VIII. Performance appraisal and the law: System may be illegal when its application leads to adverse impact on minorities, women, or the elderly. Suggestions for making performance appraisal systems more legally acceptable include:

A. Deriving the content of the appraisal system from job analyses.

B. Emphasizing work behaviors rather than personal traits.

C. Ensuring that the results of appraisals are communicated to employees.

D. Ensuring that employees give feedback during the appraisal interview.

E. Training managers in how to conduct proper evaluations.

F. Ensuring that appraisals are written, documented, and retained.

G. Ensuring that personnel decisions are consistent with performance appraisals.

KEY TERMS WITH DEFINITIONS

- **Behaviorally anchored rating scale (BARS):** Method of performance appraisal that determines an employee’s level of performance based on whether or not certain specifically described job behaviors are present.
• **Central tendency:** Tendency of a manager to rate most employees’ performance near the middle of the performance scale.

• **Checklist:** Method of performance appraisal in which the rater answers with a yes or no a series of questions about the behavior of the employee being rated.

• **Critical-incident appraisal:** Method of performance appraisal in which the rater keeps a written record of incidents that illustrate both positive and negative employee behaviors. The rater then uses these incidents as a basis for evaluating the employee’s performance.

• **Essay appraisal:** Method of performance appraisal in which the rater prepares a written statement describing an employee’s strengths, weaknesses, and past performance.

• **Forced-choice rating:** Method of performance appraisal that requires the rater to rank a set of statements describing how an employee carries out the duties and responsibilities of the job.

• **Graphic rating scale:** Method of performance appraisal that requires the rater to indicate on a scale where the employee rates on factors such as quantity of work, dependability, job knowledge, and cooperativeness.

• **Halo effect:** Occurs when a rater allows a single prominent characteristic of an employee to influence his/her judgment on each separate item in the performance appraisal.

• **Leniency:** Occurs in performance appraisals when a manager’s ratings are grouped at the positive end instead of being spread throughout the performance scale.

• **Management by objectives (MBO):** Consists of establishing clear and precisely defined statements of objectives for the work to be done by an employee, establishing an action plan indicating how these objectives are to be achieved, allowing the employee to implement the action plan, measuring objective achievement, taking corrective action when necessary, and establishing new objectives for the future.

• **Performance:** Degree of accomplishment of the tasks that make up an employee’s job.

• **Performance appraisal:** Process of evaluating and communicating to an employee how he/she is performing the job and establishing a plan for improvement.
• **Ranking methods:** Methods of performance appraisal in which the performance of an employee is ranked relative to the performance of others.

• **Regency:** Tendency of a manager to evaluate employees on work performed most recently—one or two months prior to evaluation.

• **Work standards approach:** Method of performance appraisal that involves setting a standard or an expected level of output and then comparing each employee’s level to the standard.

**REVIEW QUESTIONS**

1. **Define performance appraisal.**

   Performance appraisal involves determining and communicating how employees are performing the job, and establishing a plan of improvement.

2. **What is performance? What factors influence an employees' level of performance?**

   Performance is the degree of accomplishment of the tasks that make up an employee’s job. Determinants of performance are effort, abilities, and role perceptions.

3. **Give at least three uses of performance appraisal information.**

   Performance appraisal information is used for:
   - Making administrative decisions concerning employees
   - Prioritizing information about training needs
   - Improving performance
   - Input to the validation of selection procedures
   - Input to human resource planning

4. **Describe the following methods used in performance appraisal: a) management by objectives, b) multi-rater assessment, c) graphic rating scale, d) behaviorally anchored rating scale (BARS), e) critical incident, f) essay, g) checklist, h) forced choice ratings, j) ranking methods, j) work standards.**

   a. Management by objectives (MBO) is generally used with professional and managerial employees. The MBO process establishes a clearly defined statement of objectives for the work to be performed by an employee. An action plan is developed indicating how objectives are to be achieved. The
employee is allowed to implement the plan. The degree of conformity with objectives is measured. Corrective action is taken when indicated. New objectives for the future are established.

b. With multi-rater assessment, managers, peers, customers, suppliers, or colleagues are asked to complete questionnaires on the employee being assessed.

c. With the graphic rating scale method, the evaluator rates employee on factors such as quantity of work, dependability, job knowledge, and cooperativeness.

d. The behaviorally anchored rating scale (BARS) is designed to assess behaviors required to successfully perform a job. The evaluator reads the list of “anchors” to find the anchor that best describes the employee’s performance.

e. With the critical-incident method, the evaluator keeps a written record of incidents (both positive and negative) as they occur.

f. With the essay method, the evaluator describes an individual’s performance in narrative form.

g. With a checklist, the rater indicates yes-or-no responses to a series of questions. Varying weights may be assigned to each question.

h. Forced-choice rating requires that the evaluator rank a set of statements describing how an employee carries out job responsibilities. Statements are normally weighted.

i. Ranking methods compare the performances of two or more employees.

j. The work standards approach is most frequently used with production employees. A standard is set regarding the expected level of output and then comparing each employee’s performance to the standard. Work standards should reflect the normal output of a normal worker. Performance review is based on objective factors.

5. Define the following types of performance appraisal errors: a) leniency, b) central leniency, c) recency, d) halo effect.

   a. Leniency consists of grouping of ratings at the high end instead of spreading them throughout the performance scale.

   b. With central tendency, most employees are rated as average.

   c. The recency effect bases evaluations on work more recently performed.
d. A halo effect results when evaluators allow a single employee characteristic to influence their judgment.

6. Outline some conditions associated with the success or failure of appraisal interviews.

Key conditions for appraisal interviews include the following:

- Employees must participate in the appraisal process.
- Management must use positive motivational techniques.
- Mutual setting of objectives is needed.
- Performance problem-solving should be approached via discussion.
- Thought and preparation should be devoted to the interview.
- Employees must appreciate the connection to organization rewards.

7. Describe some conditions that might make a performance appraisal system illegal.

A performance appraisal system may be illegal when its application leads to adverse impact on minorities, women, or the elderly.

8. Outline some recommendations for ensuring a legally acceptable performance appraisal system.

Methods of strengthening legality in performance appraisal include:

- Training raters
- Basing evaluation on job content
- Ensuring employee review of results

DISCUSSION QUESTIONS

1. How often do you think performance appraisals should be conducted?

There seems to be no real consensus on how frequently performance appraisals should be done, but in general the answer is as often as necessary to let employees know what kind of job they are doing and, if performance is not satisfactory, the measures that must be taken for improvement. For many employees, this cannot be accomplished through one annual performance appraisal. Therefore, it is recommended that for most employees, informal performance appraisals be conducted two or three times a year in addition to an annual formal performance appraisal.
2. What do you think about discussing salary raises and promotions during the performance appraisal interview?

Many believe that this is appropriate; however, some note that this is more likely to occur when an employee lacks confidence in managers’ handling of such matters. Others feel that such discussions are best reserved for separate occasions so as not to overcomplicate—and perhaps unduly bias—the appraisal process.

3. What performance appraisal method do you believe would best apply to the evaluation of a college professor?

Most students consider teaching ability to be the core upon which a professor is evaluated. However, views on how this is determined may depend upon the type of college. In a larger research university, the professor is expected to conduct more studies or experiments as a partial basis for what is taught. In many regional and smaller schools, the professor is responsible for more classes and students, so in-class methodology takes precedence. Comments are often made by students that their contribution is either staid and [the instrument is] in need of periodic refinement, or that—in their perception—it counts for too little. In any event, they agree that observation is an indispensable element to supplement survey questionnaires.

4. Was your last exam a performance appraisal? Use your last exam to discuss both the reasons for using performance appraisals and the limitations of such appraisals.

The scope of any class exam is considered essential by the students. However, some are able to admit that they sometimes arbitrarily narrow their preparation range beyond that suggested by the instructor. When there is both understanding and adequate coverage of an upcoming exam’s content, most students shift attention to the secondary concern—that of fair and consistent assessment of their efforts. Therefore, it becomes a question of validity and reliability. While students believe that other means of assessment are useful, they agree that exams are important means of confirmation and closure.

INCIDENT RESPONSES

11–1 Read the incident: The College Admissions Office

1. What would you do at this point if you were the director of admissions?

Bob needs to be made aware of the director’s concerns regarding his performance. Bob may be offered counseling that would help him adjust to his new circumstances. It is easy to understand why Bob has not worked out in his new
position. Everyone can feel sympathetic toward his problem. However, the crux of job evaluation is performance. Although Bob’s personal problems are the cause for his sub-par performance, they do not excuse it. As director you should explain to Bob that you are aware of these problems, but that they should not interfere with his performance on the job.

2. Describe how you might effectively use a performance appraisal in this situation.

This may involve setting goals to not merely meet the job requirements, but to progress measurably in areas that must be stabilized in order for Bob to gain and maintain overall success. Initially, the director should point out to Bob how his performance is below standard and what he needs to do in order to improve it. Additional training would be appropriate to help Bob in those areas.

11–2 Read the incident: The Lackadaisical Plant Manager

1. What would you do if you were in Leonard's place?

Given Leonard’s suspicions about the possible negative side effects of Paul’s drug prescription, it would be wise to recommend that Paul obtain additional medical tests and opinions as to whether this is a valid concern that could be safely addressed. Heretofore, it appears that Paul’s below-average performance in the areas of plant safety and health matters and his reaction to the demands of top management have not had much affect on his salary increase. One would, therefore, clearly indicate to Paul that these areas were important and that subsequent salary raises would reflect his accomplishments in these areas.

2. What could have been done differently during the performance appraisal session?

Increased dialog (and listening on Leonard’s part) may have led to earlier and more concrete discoveries as to why Paul excelled in some areas but fell short in others. The performance appraisal should have been separate from the salary review. Telling Paul that he was getting his raise nullified any criticisms mentioned on the performance appraisal and, in effect, reinforced his lack of attention to both plant safety/health and reactions to top management. Paul’s salary adjustment should have reflected his below-average performance in such areas.
DO THE EXERCISE

The present appraisal system has one fundamental drawback vis-à-vis its usability. Rewards-to-performance linkage gained more perceived motivation from employees rather than such arrangements where merit seemed less consequential. The supervisors themselves did not take it seriously as it was rarely used for promotions or pay raises. To be more useful, a performance appraisal should include giving positive feedback to employees, improving future employee performance, developing employee capabilities, and providing data for promotion and compensation.