

### 3. *Knowledge, Skills, and Abilities*

Considerable knowledge of principles and practices of HRM, including staffing, compensation, training, and performance evaluation.

### 4. *Responsibility*

Supervises the human resource activities of six office managers, one clerk, and one assistant.

## Choosing Among Finalists for the Job of Human Resources Director

Assume that NII, after weighing its options, decided to use the following selection methods to assess applicants for the HR director job: résumé, cognitive ability test, job knowledge test, structured interview, and questions (f) and (g) from the list of generic interview questions.

NII advertised for the position extensively, and out of a pool of 23 initial applicants, it was able to come up with a list of three finalists. Shown in the accompanying exhibit are the results from the assessment of the three finalists using these selection methods. In addition, information from an earlier résumé screen is included for possible consideration. For each finalist, you are to decide whether you would be willing to hire the person and why.

### Exhibit

#### Results of Assessment of Finalists for Human Resources Director Position

|        | Finalist 1 —<br>Lola Vega                                                                                                                                                                 | Finalist 2 —<br>Sam Fein                                                                                                                                                                                                   | Finalist 3 —<br>Shawanda Jackson                                                                                                                                                                                                         |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Résumé | GPA 3.9/Cornell University<br>B.S. Human Resource Mgmt.<br>5 years' experience in HRM <ul style="list-style-type: none"> <li>• 4 years in recruiting</li> </ul> No supervisory experience | GPA 2.8/SUNY Binghamton<br>B.B.A. Finance<br>20 years' experience in HRM <ul style="list-style-type: none"> <li>• Numerous HR assignments</li> <li>• Certified HR professional</li> </ul> 15 years' supervisory experience | GPA 3.2/Auburn University<br>B.B.A. Business and English<br>8 years' experience in HRM <ul style="list-style-type: none"> <li>• 3 years HR generalist</li> <li>• 4 years compensation analyst</li> </ul> 5 years' supervisory experience |

result, procedures must be implemented to ensure that manual and computer files with sensitive data are kept private and confidential.

Two areas of legal concern for internal selection decisions are the UGESP and the glass ceiling. In terms of the UGESP, particular care must be taken to ensure that internal selection methods are valid if adverse impact is occurring. To minimize glass ceiling effects, organizations should make greater use of selection plans and more objective internal assessment methods, as well as help impart the KSAOs necessary for advancement.

## DISCUSSION QUESTIONS

1. Explain how internal selection decisions differ from external selection decisions.
2. What are the differences among peer ratings, peer nominations, and peer rankings?
3. Explain the theory behind assessment centers.
4. Describe the three different types of interview simulations.
5. Evaluate the effectiveness of seniority, assessment centers, and job knowledge as substantive internal selection procedures.
6. What steps should be taken by an organization that is committed to shattering the glass ceiling?

## ETHICAL ISSUES

1. Given that seniority is not a particularly valid predictor of job performance, do you think it's unethical for a company to use it as a basis for promotion? Why or why not?
2. Vincent and Peter are sales associates and are up for promotion to sales manager. In the last five years, on a 1 = poor to 5 = excellent scale, Vincent's average performance rating was 4.7 and Peter's was 4.2. In an assessment center that was meant to simulate the job of sales manager, on a 1 = very poor to 10 = outstanding scale, Vincent's average score was 8.2 and Peter's was 9.2. Other things being equal, who should be promoted? Why?

## APPLICATIONS

### Changing a Promotion System

Bioglass, Inc. specializes in sales of a wide array of glass products. One area of the company, the commercial sales division (CSD), specializes in selling high-tech

mirrors and microscope and photographic lenses. Sales associates in CSD are responsible for selling the glass products to corporate clients. In CSD there are four levels of sales associates, ranging in pay from \$28,000 to \$76,000 per year. There are also four levels of managerial positions in CSD; those positions range in pay from \$76,000 to \$110,000 per year (that's what the division president makes).

Tom Caldwell has been a very effective sales associate. He has consistently demonstrated good sales techniques in his 17 years with Bioglass and has a large and loyal client base. Over the years, Tom has risen from the lowest level of sales associate to the highest. He has proved himself successful at each stage. An entry-(first-) level management position in CSD opened up last year, and Tom was a natural candidate. Although several other candidates were given consideration, Tom was the clear choice for the position.

However, once in the position, Tom had a great deal of difficulty being a manager. He was not accustomed to delegating and rarely provided feedback or guidance to the people he supervised. Although he set goals for himself, he never set performance goals for his workers. Morale in Tom's group was low, and group performance suffered. The company felt that demoting Tom back to sales would be disastrous for him and present the wrong image to other employees; firing such a loyal employee was considered unacceptable. Therefore, Bioglass decided to keep Tom where he was but never promote him again. It was also considering enrolling Tom in some expensive managerial development programs to enhance his management skills.

Meanwhile, Tom's replacement, although successful at the lower three levels of sales associate positions, was having a great deal of difficulty with the large corporate contracts that the highest-level sales associates must service. Two of Tom's biggest clients had recently left Bioglass for a competitor. CSD was confused about how such a disastrous situation had developed when they seemed to make all the right decisions.

Based on this application and your reading of this chapter, answer the following questions:

1. What is the likely cause of CSD's problems?
2. How might CSD, and Bioglass more generally, make better promotion decisions in the future? Be specific.
3. In general, what role should performance appraisals play in internal selection decisions? Are there some cases in which they are more relevant than others? Explain.

### Promotion From Within at Citrus Glen

Mandarine "Mandy" Pamplémousse is vice president of HR for Citrus Glen, a juice producer based in south Florida that supplies orange and grapefruit juice to grocery stores, convenience stores, restaurants, and food processors throughout the

towns on the Cape (Falmouth and Buzzards Bay). Randy contracted with a local builder and the construction/renovation of the four shops is well under way.

The task that is occupying Randy's attention now is how to staff the shops. Two weeks ago, he placed advertisements in three area newspapers. So far, he has received 100 applications. Randy has done some informal HR planning and figures he needs to hire 50 employees to staff the four shops. Being a novice at this, Randy is unsure how to select the 50 people he needs to hire. Randy consulted his friend Mary, who owns the lunch counter at the airport. Mary told Randy that she used interviews to get "the most knowledgeable people possible" and recommended it to Randy because her people had "generally worked out well." While Randy greatly respected Mary's advice, on reflection several questions came to mind. Does Mary's use of the interview mean that it meets Randy's requirements? How could Randy determine whether his chosen method of selecting employees was effective or ineffective?

Confused, Randy also sought the advice of Professor Ray Higgins, from whom Randy took an HR management course while getting his business degree. After learning of the situation and offering his consulting services, Professor Higgins suggested that Randy choose one of two selection methods (after paying Professor Higgins's consulting fees, he cannot afford to use both methods). The two methods Professor Higgins recommended are the interview (as Mary recommended) and a work sample test that entails scooping ice cream and serving it to a customer. Randy estimates that it would cost \$100 to interview an applicant and \$150 per applicant to administer the work sample. Professor Higgins told Randy that the validity of the interview is  $r = .30$  while the validity of the work sample is  $r = .50$ . Professor Higgins also informed Randy that if the selection ratio is .50, the average score on the selection measure of those applicants selected is  $z = .80$  (.80 standard deviations above the mean). Randy plans to offer employees a wage of \$6 per hour. (Over the course of a year, this would amount to a \$12,000 salary.)

Based on the information presented above, Randy would really appreciate it if you could help him answer the following questions:

1. How much money would Randy save using each selection method?
2. If Randy can use only one method, which should he use?
3. If the number of applicants increases to 200 (more applications are coming in every day), how will your answers to questions 1 and 2 change?
4. What limitations are inherent in the estimates you have made?

### Choosing Entrants Into a Management Training Program

Come As You Are, a convenience store chain headquartered in Fayetteville, Arkansas, has developed an assessment program to promote nonexempt employees into its management training program. The minimum entrance requirements for the

program are five years of company experience, a college degree from an accredited university, and a minimum acceptable job performance rating (3 or higher on a 1–5 scale). Anyone interested in applying for the management program can enroll in the half-day assessment program, where the following assessments are made:

1. Cognitive ability test
2. Integrity test
3. Signed permission for background test
4. Brief (30-minute) interview by various members of the management team
5. Drug test

At the Hot Springs store, 11 employees have applied for openings in the management training program. The selection information on the candidates is provided in the exhibit on the next page. (The scoring key is provided at the bottom of the exhibit.) It is estimated that three slots in the program are available for qualified candidates from the Hot Springs location. Given this information and what you know about external and internal selection, as well as staffing decision making, answer the following questions:

1. How would you go about deciding whom to select for the openings? In other words, without providing your decisions for the individual candidates, describe how you would weigh the various selection information to reach a decision.
2. Using the decision-making process from the previous question, which three applicants would you select for the training program? Explain your decision.
3. Although the data provided in the exhibit reveal that all selection measures were given to all 11 candidates, would you advise Come As You Are to continue to administer all the predictors at one time during the half-day assessment program? Or, should the predictors be given in a sequence so that a multiple hurdles or combined approach could be used? Explain your recommendation.

### TANGLEWOOD STORES CASE

The cases you have considered up to this point have involved making aggregated decisions about a large number of applicants. After gathering relevant information, there is still the important task of determining how to combine this information to arrive at a set of candidates. This case combines several concepts from the chapters on selection and decision making.