leave, she was transferred from a key job in the Structured Trade Finance Group to a support position that would (Li recalls being told) be "more manageable" for her. Upon her return from maternity leave, Li tried to transfer from her temporary support post to a revenue-generating job, but she was instead transferred to another support role. Three years later, following a second maternity leave, Li received a call announcing that her job had been eliminated in a "restructuring."

At Bank of Tokyo-Mitsubishi, Paula Best was progressing well in her career. She was responsible for securities lending and apparently handled the responsibility well enough that the bank added management of international lending to the scope of her job. Best thought she should be made a vice president, like the other employees who reported to the department manager of securities lending. What was holding back her promotion? It wasn't her performance, according to the appraisals; she was rated at the level of "Achieves +," and Best recalls that her vice president promised her a promotion. After two more years and still no promotion, Best, who is African American, complained to the bank's personnel department and then to the Equal Employment Opportunity Commission that she believed she was a victim of sex and race discrimination. Soon thereafter, Best and four other employees in her department were laid off.

How could three employees with glowing performance appraisals be laid off by the institutions that once seemed to value them? Of course, one possibility is that the recent financial crisis required all of these institutions to make hard choices among many valued employees. It's also possible that the three women's performance deteriorated in the time after their last favorable review. Two of the three employers have publicly claimed that their decisions were justified. Merrill Lynch has said that Bostjancic's manager treated her appropriately after her maternity leave; Bank of Tokyo says it fully investigated Best's complaints and found that management had made appropriate decisions, given her level of responsibility.

Whether or not these decisions were justified, they have proved costly in terms of negative publicity and legal actions. Bostjancic filed a discrimination lawsuit, which is ongoing as of this writing. Li filed a discrimination lawsuit against Citigroup, which was settled to avoid further expense. Best is part of a class-action lawsuit filed against Bank of Tokyo. Meanwhile, among the hundreds of thousands of financial-industry jobs lost in the financial crisis, almost three-quarters of the layoffs have involved women. Notable examples include Zoe Cruz, who had been co-president at Morgan Stanley, and Erin Callan, formerly chief financial officer at Lehman Brothers. The impact is especially dramatic in top-level jobs, where women were already scarce. In one recent survey of executives across industries, 19 percent of women said they'd been laid off in the past two years, compared with 6 percent of male executives.

SOURCES: Anita Raghavan, "Terminated: Why the Women of Wall Street Are Disappearing," *Forbes*, March 16, 2009, Business & Company Resource Center, http://galenet.galegroup.com; Alan Kline and Rebecca Sausner, "Taking Charge in Turbulent Times," *US Banker*, October 1, 2009, Business & Company Resource Center, http://galenet.galegroup.com; and Geraldine Fabrikant, "Bank of America Hires Former Top Citigroup Executive," *The New York Times*, August 4, 2009, Business & Company Resource Center, http://galenet.galegroup.com.

### Questions

1. Which purposes of performance management did the appraisals described in this case fulfill? Which purposes did they *not* fulfill?
2. How can managers and HR departments minimize the likelihood of disputes arising over whether employees are continuing to perform at the same level?
3. If you had been in the HR departments of the companies described in this case, and the employees had come to you with their concerns, what would you have done in each situation?

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### Review

- Chapter learning objectives
- Test Your Knowledge: Appraisal Methods and Potential Errors in the Rating Process

### Application

- Manager's Hot Seat segment: "Project Management: Steering the Committee"
- Video case and quiz: "Now Who's Boss?"
- Self-Assessment: Conduct an Assessment of Your Job or Project
- Web exercise: Visit HRNet
- Small-business case: Appraisals Matter at Meadow Hills Veterinary Center

### Practice

- Chapter quiz