CHAPTER 5

Staffing and Recruiting

Key Concepts

After completing this chapter, you will be able to define these supervisory terms:

- affirmative action
- compensation administration
- employee benefits
- employee training
- employment planning
- human resource inventory
- human resource management (HRM)
- layoff-survivor sickness

- orientation
- performance-simulation tests
- realistic job preview (RJP)
- recruitment
- reliability
- selection process
- sexual harassment
- validity
- websumés

Chapter Outcomes and Learning Objectives

After reading this chapter, you will be able to:

5-1. Describe the human resource management process.

5-2. Discuss the influence of government regulations on human resource decisions.

5-3. Contrast recruitment and downsizing options.

5-4. Explain the importance of validity and reliability in selection.

5-5. Describe the selection devices that work best with various kinds of jobs.

5-6. Identify various training methods.

5-7. Describe the goals of compensation administration and factors that affect wage structures.

5-8. Explain what is meant by the terms *sexual harassment* and *layoff-survivor sickness*.

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Responding to a Supervisory Dilemma

Scott Thomas/Corbis

Your interview day has finally arrived. You are all dressed up to make that lasting first impression. You finally meet Mrs. Landers, as she shakes your hand firmly and invites you to get comfortable. Your interview has started! This is the moment you've waited for.

The first few moments appear mundane enough. The questions to this point, in fact, seem easy. Your confidence is growing. That little voice in your head keeps telling you that you are doing fine—just keep going. Suddenly, the questions get tougher. Mrs. Landers leans back and asks about why you want to leave your current job—the one you've been in for only eighteen months. As you begin to explain that you want to leave for personal reasons, she begins to probe more. Her smile is gone and her body language is different. All right, you think, be honest. So, you tell Mrs. Landers that you want to leave because you think your boss is unethical and you don't want your reputation tarnished by being associated with this person. This has led to a number of public disagreements with your boss, and you're tired of dealing with the situation any longer. Mrs. Landers looks at you and replies: "If you ask me, that's not a valid reason for wanting to leave. It appears to me that you should be more assertive about the situation. Are you sure you're confident enough and have what it takes to make it in this company?" How dare she talk to you that way! Who does she think she is? You respond with an angry tone in your voice. Guess what? You've just fallen victim to one of the tricks of the interviewing business—the stress interview.

Stress interviews are becoming more commonplace in today's business. Every job produces stress, and at some point every worker has a horrendous day. So, these types of interviews become predictors of how you may react at work under less than favorable conditions. How so? Interviewers want to observe how you'll react when you are put under pressure. Those who demonstrate the resolve and strength to handle the stress indicate a level of professionalism and confidence. Those are the characteristics being assessed. People who react to the pressure interview in a more positive manner indicate that they will likely be able to handle the day-to-day irritations that exist at work. Those who don't, well…

On the other hand, stress interviews are staged events. Interviewers deliberately lead applicants into a false sense of security—the comfortable interaction. Then, suddenly and drastically, they change. They go on the attack. And it's usually a personal affront that picks on a weakness they've uncovered about the applicant. It's possibly humiliating; at the very least it's demeaning. So, should stress interviews be used? Should interviewers be permitted to assess professionalism and confidence and how one reacts to the everyday nuisances of work by putting applicants in confrontational scenarios? Does getting angry in an interview when pressured indicate one's propensity toward violence should things not always go smoothly at work? Should supervisors advocate the use of an activity that could possibly get out of control?

The quality of a department and the entire organization is to a large degree determined by the quality of people it employs. Success for most supervisors depends on finding the right employees with the necessary skills to successfully perform the tasks required to attain the company's strategic goals. Staffing and human resource management decisions and methods are critical to ensuring that the organization hires and keeps the right personnel.

The Human Resource Management Process

You may be thinking, Sure, personnel decisions are important. But aren't most of them made by people who specifically handle human resource issues? It's true that, in many organizations, a number of the activities grouped under the label human resource management (HRM) are done by specialists in human resources. In other cases, HRM activities may even be outsourced to companies. But not all supervisors may have HRM staff support. Small-business owners, for instance, are an obvious example of individuals who frequently must do their own hiring without the assistance of HRM specialists. Even supervisors in larger organizations are frequently involved in recruiting candidates, reviewing application forms, interviewing applicants, inducting new employees, making decisions about employee training, providing career advice to employees, and evaluating employees' performance. So, whether or not an organization provides HRM support activities, every supervisor is involved with human resource decisions in his or her unit.

**human resource
management (HRM)**
The process of finding, hiring,
training, and keeping employees in the
organization.
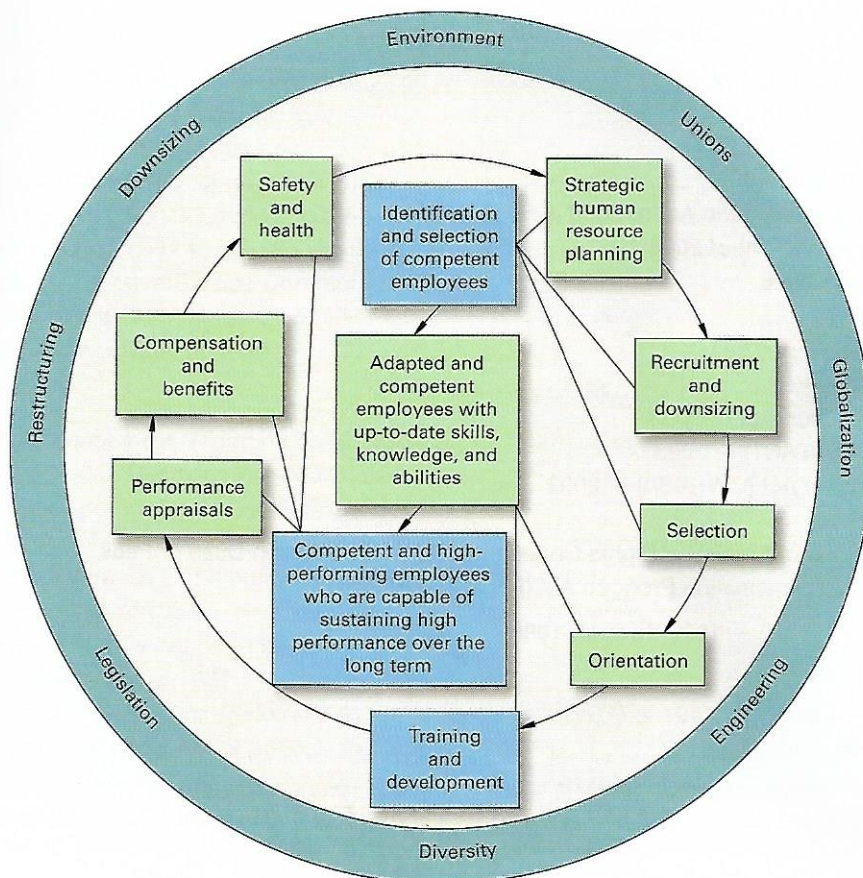
Recruiting
Selecting
Orienting
Training

Exhibit 5-1 introduces the key components of an organization's HRM process. It represents eight activities or steps—strategic human resource planning, recruitment and downsizing, selection, orientation, training and development, performance appraisal, compensation and benefits, safety and health—that, if properly executed, will staff an organization with competent, high-performing employees who are capable of sustaining their performance level over the long term.

The first three steps represent employment planning, which is the adding of staff through recruitment, the reduction in staff through downsizing, and selection. When executed properly, these steps lead to the identification and selection of competent employees. These activities are important to assist organizations in achieving their goals. Accordingly, once an organization's plans have been established and the organization's structure has been designed, it's now time to "add" the people. That's one of the most critical roles for supervisors.

Exhibit 5-1

The human resource management process.

Once you have selected competent people, you need to help them adapt to the organization and to ensure that their job skills and knowledge are kept current. You do this through orientation, training, and development. The last steps in the HRM process are designed to identify performance goals, correct performance problems if necessary, and help employees sustain a high level of performance over their entire work life. The activities involved include performance appraisal, compensation and benefits, and safety and health.

Notice in Exhibit 5-1 that the entire employment process is influenced by the external environment. Many of the factors introduced in Chapter 2 (e.g., globalization, downsizing, and diversity) directly affect all management practices. But their effect is probably most severe in the management of human resources because whatever happens to an organization ultimately influences what happens to its employees. So, every supervisor must have a fundamental understanding of the current laws and regulations governing equal employment opportunity (see "Something to Think about (and Promote Class Discussion): Is It Safe?").

OBJECTIVE 5-2
Discuss the influence of government regulations on human resource decisions.

The Legal Environment of HRM

Since the mid-1960s, the federal government has greatly expanded its influence over HRM decisions by enacting a wealth of laws and regulations (see Exhibit 5-2 for examples). As a result, today's supervisors must ensure that equal employment opportunities exist for job applicants and current employees. Decisions regarding who will be hired, for example, or which employees will be chosen for a training program must

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Here is a comprehensive list of federal employment laws HR professionals and supervisors need to be familiar with. Work with a partner to select one law from each grouping. Go online to locate a brief description of the law for presentation to the class.

2000 through 2010

Patient Protection and Affordable Care Act of 2010
Hiring Incentives to Restore Employment Act of 2010 (HIRE)
Health Care Education and Reconciliation Act of 2010
American Recovery and Reinvestment Act of 2009
Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA)
Generic Information Nondiscrimination Act (GINA) of 2008
Mental Health and Addiction Equity Act of 2008
Lilly Ledbetter Fair Pay Act of 2007
Pension Protection Act (PPA) of 2006
Veterans Benefits Improvement Act of 2004
Workforce Reinvestment and Adult Education Act of 2003
Fair and Accurate Credit Transactions Act (FACT) of 2003
Contract Work Hours and Safety Standards Act (CWHSSA) of 2002
Sarbanes-Oxley Act (SOX) of 2002
Executive Order 13201 of 2001 Notification of Employee Rights Concerning Payment of Union Dues or Fees
Energy Employees Occupational Illness Compensation Program Act (EEOICPA) of 2000

1990 through 1999

Women's Health & Cancer Rights Act of 1998
Immigration and Nationality Act (INA) of 1996
Mental Health Parity Act (MHPA) of 1996

Exhibit 5-2
Major U.S. federal laws and regulations related to HRM.

Health Insurance Portability and Accountability Act (HIPAA) of 1996
Newborns' and Mothers' Health Protection Act of 1996
Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994
OSHA Hazard Communication Standard of 1994
Family and Medical Leave Act (FMLA) of 1993
Federal Employees' Compensation Act (FECA) of 1993
Civil Rights Act of 1991
Americans with Disabilities Act (ADA) of 1990

1980 through 1989

Drug-Free Workplace Act of 1988
Employee Polygraph Protection Act (EPPA) of 1988
Worker Adjustment and Retraining Notification Act (WARN) of 1988
Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986
Immigration Reform and Control Act of 1986 (IRCA)
Migrant and Seasonal Agricultural Worker Protection Act (MSPA) of 1983

1970 through 1979

Equal Employment Opportunity Act of 1972
Mandatory Retirement Act of 1978
Pregnancy Discrimination Act, Title VII of 1978
Uniform Guidelines on Employee Selection Procedures of 1978
Federal Mine Safety and Health Act (Mine Act) of 1977
Employee Retirement Income Security Act (ERISA) of 1974
Privacy Act of 1974
Vietnam-Era Veterans Readjustment Act (VEVRA) of 1974
Rehabilitation Act 1973, Section 503
Occupational Safety And Health Act (OSHA) of 1970

1960 through 1969

Black Lung Benefits Act (BLBA) authorized by Title IV, Federal Coal Mine Health and Safety Act of 1969
Fair Credit reporting Act (FCRA) of 1969
Consumer Credit Protection Act (CCPA) of 1968
Jury Service and Selection Act of 1968
Age Discrimination in Employment Act (ADEA) of 1967
Executive Order 11246 of 1965 requiring Equal Employment Opportunity
McNamara-O'Hara Service Contract Act (SCA) of 1965
Title VII of the Civil Rights Act of 1964
Equal Pay Act (EPA) of 1963

1890 through 1959

Labor-Management Reporting and Disclosure Act (LMRDA) of 1959
National Labor Relations Act (NLRA) of 1947
Fair Labor Standards Act of (FLSA) of 1938
Walsh-Healey Act of 1936
Federal Insurance Contributions Act (FICA) of 1935
Copeland Act of 1934
Norris-LaGuardia Act of 1932
Davis Bacon Act of 1931
Longshore and Harbor Workers' Compensation Act (LHWCA) of 1927
Sherman Anti-Trust Act of 1890

Society for Human Resource Management (SHRM), "Federal Statutes, Regulations and Guidance," http://www.shrm.org/LegalIssues/FederalResources/FederalStatutesRegulationsandGuidance/Pages/default.aspx (accessed February 8, 2014).

Exhibit 5-2 *Continued*

be made without regard to race, sex, religion, age, color, national origin, or disability. Exceptions can occur only when special circumstances exist. For instance, a community fire department can deny employment to a firefighter applicant who uses a wheelchair. But if that same individual is applying for a desk job, such as fire department dispatcher, the disability cannot be used as a reason to deny employment. The issues involved, however, are rarely that clear-cut. For example, employment laws protect most employees whose religious beliefs require a specific style of dress—robes, long shirts, long hair, and the like. However, if the individual's job involves operating machinery where the

affirmative action
An active effort to recruit, select, train, and promote members of protected groups.

Something to Think about (and promote class discussion)

IS IT SAFE?

Today, most supervisors know that their hiring practices must meet the requirements of employment laws. As a result, rarely will you find a supervisor who blatantly excludes certain groups of people. This doesn't mean, however, that discrimination cannot occur. Employment practices that appear harmless may, in fact, keep certain people from having an equal chance. To see how this can happen, read the following situations that may arise in the employment process. After reading each one, check whether you feel it is a safe or a risky practice for an organization to be using. Don't be concerned with whether you think the practice is legal or illegal. Just consider whether you believe it's okay to do, or whether it could create problems for the organization.

	Safe	Risky
1. "Wanted: Recent college graduate to teach first grade in the local public school."	☒	☐
2. A waiter in an exclusive restaurant is fired when his supervisor finds out he tested positive for HIV.	☐	☒
3. You want to take twelve weeks off without pay to care for your new child during the busiest part of your work year, and your supervisor denies the request.	☐	☒
4. A Broadway theater hires a woman for the job of restroom attendant and assigns her to the men's restroom.	☐	☒
5. An applicant who uses a wheelchair is denied a job as a computer programmer. This seventy-five-person company is on the third floor and the building does not have elevators. Furthermore, door openings to offices are not wide enough for a wheelchair to pass safely—thus creating a safety hazard for the individual.	☒	☐
6. The company policy states: "Applicants applying for jobs in the organization must have, at a minimum, a high school diploma."	☒	☐
7. A pilot for Continental Airlines celebrates his sixty-fifth birthday. The following day, he is no longer permitted by his supervisor to fly the commercial flights he has been doing for the past twenty-eight years.	☒	☐
8. "Wanted: Sales rep to sell medical supplies to regional hospitals. The successful applicant must have five years of sales experience."	☒	☐

Trying to balance the should and should-nots of complying with these laws often falls under the realm of affirmative action. Many organizations have affirmative action programs to ensure that decisions and practices enhance the employment, upgrading, and retention of members from protected groups, such as minorities and females. That is, the supervisors in the organization not only refrain from discrimination but actively seek to enhance the status of members from protected groups.

Our conclusion is that supervisors are not completely free to choose whom they hire, promote, or fire. Although these regulations have significantly helped reduce employment discrimination and unfair employment practices in organizations, they have, at the same time, also reduced management's discretion over human resource decisions.

specific style of dress may be hazardous or unsafe in the work setting, a company could refuse to hire a person who would not adapt to a safer dress code.

Employment Planning

Employment planning is the process by which supervisors ensure that they have the right number and kinds of people in the right places, and at the right times, who are capable of effectively and efficiently completing tasks that will help the organization achieve its overall objectives. Employment planning, then, translates the organization's and department's goals into a personnel plan that will allow those goals to be achieved. Employment planning can be condensed into two steps: (1) assessing current human resources and (2) assessing future human resource needs and developing a program to meet them.

employment planning
Assessing current human resources and future human resource needs; developing a program to meet future human resource needs.

HOW DOES A SUPERVISOR CONDUCT AN EMPLOYEE ASSESSMENT?

Supervisors begin by reviewing their current human resource status. This review is typically done by generating a human resource inventory. In an era of sophisticated computer systems, it is not too difficult a task for most supervisors to generate a human resource inventory report. The input for this report is derived from forms completed by employees. Such reports might list the name, education, training, prior employment, languages spoken, capabilities, and specialized skills of each employee in the organization. This inventory allows a supervisor to assess what talents and skills are currently available in the department and elsewhere in the organization.

human resource inventory
A database listing name, education, training, prior employer, languages spoken, and other information for each employee in the organization.

HOW ARE FUTURE EMPLOYEE NEEDS DETERMINED?

Future human resource needs are determined by the department's goals. Demand for human resources (its employees) is a result of demand for what the department produces. On the basis of its estimate of total work to be completed, a supervisor can attempt to establish the number and mix of human resources needed to reach that revenue.

After a supervisor has assessed both current capabilities and future needs, he or she is better able to estimate shortages—both in number and in kind—and to highlight areas in which the department is overstaffed. A program can then be developed that matches these estimates with forecasts of future labor supply. So, employment planning provides information not only to guide current staffing needs but also to project future employee needs and availability.

Recruitment and Selection

Once supervisors know their current staffing levels—whether they are understaffed or overstaffed—they can begin to do something about it. If one or more vacancies exist, they can use the information gathered through job analysis (see Chapter 4) to guide them in recruitment, which is the process of locating, identifying, and attracting capable applicants. On the other hand, if employment planning indicates a surplus, management will want to reduce the labor supply within the organization. This activity initiates downsizing or layoff activities.

OBJECTIVE 5-3
Contrast recruitment and downsizing options.

recruitment
The process of locating, identifying, and attracting capable applicants.

WHERE DO SUPERVISORS LOOK TO RECRUIT CANDIDATES?

Candidates can be found by using several sources—including the World Wide Web. Exhibit 5-3 offers some guidance. The source that is used should reflect the local labor market, the type or level of position, and the size of the organization.

Source	Advantages	Disadvantages
Internal searches	Low cost; build employee morale; candidates are familiar with organization	Limited supply; may not increase proportion of protected-group employees
Advertisements	Wide distribution can be targeted to specific groups	Generate many unqualified candidates
Employee referrals	Knowledge about the organization provided by current employees; can generate strong candidates because a good referral reflects on the recommender	May not increase the diversity and mix of employees
Public employment agencies	Free or nominal cost	Candidates tend to be lower-skilled, although some skilled employees available
Private employment agencies	Wide contacts; careful screening; short-term guarantees often given	High cost
School placement	Large, centralized body of candidates	Limited to entry-level positions
Temporary help services	Fill temporary needs	Expensive
Employee leasing and independent contractors	Fill temporary needs, but usually for more specific, longer-term projects	Little commitment to organization other than current project

Exhibit 5-3
Traditional recruiting sources.

Are Certain Recruiting Sources Better Than Others? Do certain recruiting sources produce superior candidates? The answer is generally yes. The majority of studies have found that employee referrals produce the best candidates.[1] The explanation for this finding is intuitively logical. First, applicants referred by current employees are prescreened by those employees. Because the recommenders know both the job and the person being recommended, they tend to refer applicants who are well qualified for the job. Second, because current employees often feel that their reputation in the organization is at stake with a referral, they tend to refer others only when they are reasonably confident that the referral won't make them look bad. But this finding should not be interpreted to mean that supervisors should always opt for the employee-referred candidate. Employee referrals may not increase the diversity and mix of employees.

A Special Case: Online Recruiting Newspaper advertisements and the like may be on their way to extinction as primary sources for identifying job candidates. The reason: Internet recruiting. Nearly four out of five companies currently use the Internet to recruit new employees—increasingly by adding a recruitment section to their website.[2] Because almost every organization—small as well as large—creates its own website, these become natural extensions for finding new employees. Organizations planning to do a lot of Internet recruiting often develop dedicated sites specifically designed for recruitment. They have the typical information you might find in an employment advertisement—qualifications sought, experience desired, benefits provided. But they

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[1]"Employee Referral Programs: Highly Qualified New Hires Who Stick Around," *Canadian HR Reporter*, June 4, 2001, 21; and C. Lachnit, "Employee Referral Saves Time, Saves Money, Delivers Quality," *Workforce*, June 2001, 66–72.
[2]M. N. Martinez, "Get Job Seekers to Come to You," *HR Magazine*, August 2000, 42–52.

also allow the organization to showcase its products, services, corporate philosophy, and mission statement. This information increases the quality of applicants because those whose values don't mesh with the organization tend to self-select themselves out. The best designed of those websites include an online response form so that applicants don't need to send a separate résumé by mail, e-mail, or fax. Applicants only need to fill in a résumé page and click the "Submit" button. Many commercial Internet recruitment service companies—such as Monster.com—also provide these services.

Aggressive job candidates are also using the Internet. They set up their own web pages to "sell" their job candidacy—frequently called websumés. When they learn of a possible job opening, they encourage potential employers to "check me out at my website." There, applicants have standard résumé information, supporting documentation, and sometimes a video in which they introduce themselves to potential employers.

websumé
A web page used as a résumé.

Internet recruiting provides a low-cost means for most businesses to gain unprecedented access to potential employees worldwide. For example, a job posted online for San Francisco–based Joie de Vivre Hospitality cost $50. Had a supervisor used the more traditional local paper advertisement, the same ad would have cost $2,000.[3] It's also a way to increase diversity and find people with unique talents. Job-posting services create subgroup categories for employers looking, for example, to find bilingual workers, female attorneys, or African American engineers.

Finally, Internet recruiting won't be merely the choice of those looking to fill high-tech jobs. Computer availability and Internet access combined with increasing computer savvy have opened the door to the use of online recruiting for all kinds of nontechnical jobs—from those paying thousands of dollars a week to those paying minimum wage.

HOW DOES A SUPERVISOR HANDLE LAYOFFS?

In the past decade, most large U.S. corporations, as well as many government agencies and small businesses, have been forced to shrink the size of their workforce or restructure their skill composition. Downsizing has become a relevant means of meeting the demands of a dynamic environment.

What are a supervisor's downsizing options? Obviously, people can be "let go." But other choices may be more beneficial to the organization. Exhibit 5-4 summarizes a

Option	Description
Firing	Permanent involuntary termination
Layoffs	Temporary involuntary termination; may last only a few days or extend to years
Attrition	Not filling openings created by voluntary resignations or normal retirements
Transfers	Moving employees either laterally or downward; usually does not reduce costs but can reduce intraorganizational supply–demand imbalances
Reduced workweeks	Having employees work fewer hours per week, share jobs, or perform their jobs on a part-time basis
Early retirements	Providing incentives to older and more-senior employees for retiring before their normal retirement date
Job sharing	Having employees, typically two part-timers, share one full-time position

Exhibit 5-4
Downsizing options.

[3]M. Zall, "Internet Recruiting," *Strategic Finance*, June 2000, 66; S. L. Thomas and K. Ray, "Recruiting and the Web: High-Tech Hiring," *Business Horizons*, May/June 2000, 43; and M. Whitford, "Hi-Tech HR, Hotel," *Hotel and Motel Management*, October 16, 2000, 49.

supervisor's major downsizing options. But keep in mind, regardless of the method chosen, employees may suffer. We discuss this phenomenon for employees—both victims and survivors—later in this chapter.

selection process
The hiring process, designed to expand the organization's knowledge about an applicant's background, abilities, and motivation.

IS THERE A BASIC PREMISE TO SELECTING JOB CANDIDATES?

Once the recruiting effort has developed a pool of candidates, the next step in the employment process is to identify who is "best" qualified for the job. In essence, then, the selection process is a prediction exercise. It seeks to predict which applicants will be successful if hired. *Successful* in this case means performing well on the criteria the organization uses to evaluate its employees. In filling a network administrator position, for example, the selection process should be able to predict which applicants will be able to install, debug, and manage the organization's computer network properly. For a position as a sales representative, it should predict which applicants will be effective in generating high sales volumes. Consider, for a moment, that any selection decision can result in four possible outcomes. As shown in Exhibit 5-5, two of those outcomes would indicate correct decisions, but two would indicate errors.

A decision is correct (1) when the applicant was predicted to be successful (was accepted) and later proved to be successful on the job or (2) when the applicant was predicted to be unsuccessful (was rejected) and, if hired, would not have been able to do the job. In the former case, we have successfully accepted; in the latter case, we have successfully rejected. Problems occur, however, when we make errors by rejecting candidates who, if hired, would have performed successfully on the job (called reject errors) or by accepting those who subsequently perform poorly (accept errors). These problems are, unfortunately, far from insignificant.

A generation ago, reject errors meant only that the costs of selection would be increased because more candidates would have to be screened. Today, selection techniques that result in reject errors can open the organization to charges of employment discrimination, especially if applicants from protected groups are disproportionately rejected. Accept errors, on the other hand, have obvious costs to supervisors and their organizations, including the cost of training the employee, the costs generated or profits forgone because of the employee's incompetence, and the cost of severance and the subsequent costs of further recruiting and selection screening. The major thrust of any selection activity is therefore to reduce the probability of making reject errors or accept errors while increasing the probability of making correct decisions. We do this by using selection activities that are both reliable and valid.

reliability
An indication of whether a test or device measures the same thing consistently.

validity
A proven relationship between a selection device and some relevant criterion.

What Is Reliability? Reliability addresses whether a selection device measures the same thing consistently. For example, if a test is reliable, any single individual's score should remain fairly stable over time, assuming that the characteristics it is measuring also are stable. The importance of reliability should be self-evident. No selection device can be effective if it is low in reliability. Using such a device would be the equivalent of weighing yourself every day on an erratic scale. If the scale is unreliable—randomly fluctuating, say, ten to fifteen pounds every time you step on it—the results will not mean much. To be effective predictors, selection devices must possess an acceptable level of consistency.

	Selection Decision	
	Accept	Reject
Successful	Correct decision	Reject error
Unsuccessful	Accept error	Correct decision

(Later Job Performance)

Exhibit 5-5
Selection decision outcomes.

What Is Validity? Any selection device that a supervisor uses—such as application forms, tests, interviews, or physical examinations—must also demonstrate validity. That is, there must be a proven relationship between the selection device used and some relevant

measure. For example, a few pages ago we introduced a firefighter applicant who uses a wheelchair. Because of the physical requirements of a firefighter's job, someone who uses a wheelchair would be unable to pass the physical endurance tests. In that case, denying employment could be considered valid. But requiring the same physical endurance tests for the dispatching job would not be job related. Thus, the law prohibits supervisors from using any selection device that cannot be shown to be directly related to successful job performance. And that constraint goes for "entrance" tests, too; supervisors must be able to demonstrate that, once on the job, individuals with high scores on this test outperform individuals with low test scores. Consequently, the burden is on supervisors and their organizations to verify that any selection device used to screen applicants is related to job performance.

HOW EFFECTIVE ARE TESTS AND INTERVIEWS AS SELECTION DEVICES?

Supervisors can use a number of selection devices to reduce accept and reject errors. The best-known devices include written tests, performance-simulation tests, and interviews. Let's briefly review these devices, giving particular attention to the validity of each in predicting job performance. After we review them, we discuss when each should be used.

How Do Written Tests Serve a Useful Purpose? Typical written tests include tests of intelligence, aptitude, ability, and interest. Such tests have long been used as selection devices, although their popularity has run in cycles. Written tests were widely used for twenty years after World War II. Beginning in the late 1960s, however, they fell into disfavor. Written tests were frequently characterized as discriminatory, and many organizations could not validate that their written tests were job related. But since the late 1980s, written tests have made a comeback. Managers have become increasingly aware that poor hiring decisions are costly and that properly designed tests could reduce the likelihood of making such decisions. In addition, the cost of developing and validating a set of written tests for a specific job has come down markedly.

What Are Performance-Simulation Tests? What better way is there to find out whether an applicant for a technical writing position at Microsoft can write technical manuals than to have him or her do it? The logic of this question has led to the expanding interest in performance-simulation tests. Undoubtedly, the enthusiasm for these tests lies in the fact that they are based on job analysis data and therefore should more easily meet the requirement of job relatedness than do written tests. Performance-simulation tests are made up of actual job behaviors rather than substitutes. The best-known performance-simulation tests are work sampling (a miniature replica of the job) and assessment centers (simulating real problems a candidate may face on the job). The former is suited to routine jobs, the latter to selecting managerial personnel.

performance-simulation tests
Selection devices based on actual job behaviors, work sampling, and assessment centers.

What about Personality Profiles? Are there certain personality types that can be counted on to be more productive than others? And are there effective, reliable methods of selecting applicants who will perform well in the situations encountered on a particular job? Five factors of personality dimensions are identified by the Big Five model. They are the following:

Extroversion. Sociable, talkative, and assertive.
Agreeableness. Good-natured, cooperative, and trustworthy.
Conscientiousness. Responsible, dependable, persistent, and achievement oriented.
Emotional stability. Calm, enthusiastic, and secure.
Openness to experience. Imaginative, artistically sensitive, and intellectual.

Relationships have been shown to exist between these personality dimensions and on-the-job performance. One study of professionals, police, managers, salespeople, and skilled and semiskilled workers has shown conscientiousness to be a predictor of

job performance for these occupational groups. The other factors figure differently depending on the occupational group and the situation.[4]

Is the Interview Effective? The interview, along with the application form, is an almost universal selection device. Few of us have ever gotten a job without one or more interviews. The irony of this fact is that the value of the interview as a selection device has been the subject of considerable debate.[5]

Interviews can be reliable and valid selection tools, but too often they are not. When interviews are structured and well organized, and when interviewers are held to common questioning, interviews are effective predictors.[6] But those conditions do not characterize many interviews. The typical interview—in which applicants are asked a varying set of essentially random questions in an informal setting—often provides little in the way of valuable information.

All kinds of potential biases can creep into interviews if they are not well structured and standardized. To illustrate, a review of the research leads us to the following conclusions:

- Prior knowledge about the applicant will bias the interviewer's evaluation.
- The interviewer tends to hold a stereotype of what represents a "good" applicant.
- The interviewer tends to favor applicants who share his or her own attitudes.
- The order in which applicants are interviewed will influence evaluations.
- The order in which information is elicited during the interview will influence evaluations.
- Negative information is given unduly high weight.
- The interviewer may make a decision concerning the applicant's suitability within the first four or five minutes of the interview.
- The interviewer may forget much of the interview's content within minutes after its conclusion.
- The interview is most valid in determining an applicant's intelligence, level of motivation, and interpersonal skills.
- Structured and well-organized interviews are more reliable than unstructured and unorganized ones.[7]

What can supervisors do to make interviews more valid and reliable? (See the "News Flash! The Realistic Job Preview.") A number of suggestions have been made over the years. We list some in the section titled "Interviewing" at the end of this chapter.

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[4]S. Robbins and D. Decenzo, *Fundamentals of Management: Essential Concepts and Applications* (Upper Saddle River, NJ: Pearson Prentice Hall, 2008), 224.

[5]R. A. Posthuma, F. P. Morgeson, and M. A. Campion, "Beyond Employment Interview Validity: A Comprehensive Narrative Review of Recent Research and Trends Over Time," *Personnel Psychology* 55, no. 1 (Spring 2002), 1–81.

[6]A. I. Huffcutt, J. M. Conway, P. L. Roth, and N. J. Stone, "Identification and Meta-Analysis Assessment of Psychological Constructs Measured in Employment Interviews," *Journal of Applied Psychology* 86, no. 5 (October 2001), 897–913; and A. I. Huffcutt, J. A. Weekley, W. H. Wiesner, T. G. Degroot, and C. Jones, "Comparison of Situational and Behavioral Description Interview Questions for Higher-Level Positions," *Personnel Psychology* 54, no. 3 (Autumn 2001), 619–644.

[7]See E. Hermelin and I. T. Robertson, "A Critique and Standardization of Meta-Analytic Coefficients in Personnel Selection," *Journal of Occupational and Organizational Psychology* 73, no. 4 (September 2001), 253–277; C. H. Middendorf and T. H. Macan, "Note-Taking in the Employment Interview: Effects on Recall and Judgments," *Journal of Applied Psychology* 87, no. 2 (April 2002), 293–303; D. Butcher, "The Interview Rights and Wrongs," *Management Today*, April 2002, 4; and P. L. Roth, C. H. Can Iddekinge, A. I. Huffcutt, C. E. Eidson, and P. Bobko, "Corrections for Range Restriction in Structured Interview Ethnic Group Differences: The Value May Be Larger than Researchers Thought," *Journal of Applied Psychology* 87 (April 2002), 369–376.

News Flash!

THE REALISTIC JOB PREVIEW

Supervisors who treat the recruiting and hiring of employees as if the applicants must be sold on the job and exposed only to an organization's positive characteristics set themselves up to have a workforce that is dissatisfied and prone to high turnover.

Every job applicant acquires, during the hiring process, a set of expectations about the company and about the job for which he or she is interviewing. When the information an applicant receives is excessively inflated, a number of things happen that have potentially negative effects on the company. First, mismatched applicants who would probably become dissatisfied with the job and quit soon would be less likely to withdraw from the search process. Second, the absence of accurate information builds unrealistic expectations. Consequently, the new employees are likely to become quickly dissatisfied—leading to premature resignations. Third, new hires are prone to become disillusioned and less committed to the organization when they face the "harsh" realities of the job. In many cases, these individuals feel that they were duped or misled during the hiring process and, therefore, may become problem employees.

To increase job satisfaction among employees and reduce turnover, supervisors should provide a realistic job preview (RJP). An RJP includes both positive and negative information about the job and the company. For example, in addition to the positive comments typically expressed in the interview, the candidate would be told of the downside of joining the company. He or she might be told that there are limited opportunities to talk to coworkers during work hours, that promotional advancement is slim, or that work hours fluctuate so erratically that employees may be required to work during typical off hours (nights and weekends). Applicants who have been given a more RJP hold lower and more realistic job expectations for the jobs they'll be performing and are better able to cope with the job and its frustrating elements. The result is fewer unexpected resignations by new employees.

For supervisors, realistic job previews offer a major insight into the selection process—that retaining good people is as important as hiring them in the first place. Presenting only the positive aspects of a job to a job applicant may initially entice him or her to join the organization, but it may be an affiliation that both parties quickly regret.

Source: Based on S. L. Premack and J. P. Wanous, "A Meta-Analysis of Realistic Job Preview Experiments," *Journal of Applied Psychology* 70, no. 4 (November 1985), 706–720.

PREPARATION FOR THE INTERVIEW

Prepare for an interview with an applicant by reviewing job descriptions to find lists of tasks required by the job and lists of skills and experience required for the position. You may then use the lists as a guide during the interview. By using the lists, you can prepare and conduct multiple structured interviews while being certain you asked the same questions of all applicants.

realistic job preview (RJP)
A job interview that provides both positive and negative information about the job and the company.

Remember that all interview questions should be job related—don't ask if they're not! You may be able to determine the candidate's qualifications by stating the conditions or requirements of the job and then asking if the condition or requirement presents the candidate with a problem; this allows candidates to provide affirmative or negative responses without the necessity of providing details or specifics.

Remember to check federal, state, and local guidelines regarding employment regulations. You may wish to consult an attorney or the legal department of your organization before beginning the hiring process. Remember that you may inform the candidate that misleading statements or omissions of significant facts may be grounds for nonselection.

INTERVIEW QUESTIONS YOU SHOULDN'T ASK

During an interview, supervisors should never ask questions that:

- Identify applicants between forty and sixty-four years of age
- Inquire about U.S. citizenship prior to hiring
- Identify applicant's ancestry, place of birth, or native language
- Directly or indirectly relate to race or color
- Identify religious preference, holidays, or customs
- Reveal sex or gender
- Relate to education or training not required for the job
- Identify membership in nonprofessional clubs or organizations that are not job related
- Reveal applicant's family or marital status
- Regard child-care, children's ages, or non-job-related areas
- Identify conditions of discharge from the military
- Identify security clearance level
- Relate to applicant's credit history
- Identify height and weight if these factors do not affect ability to perform job
- Regard home ownership or rental status
- Relate to applicant's arrest record
- Reveal names and addresses of relatives unless they are employed by the organization
- Inquire about pregnancy
- Regard disability-related issues until after a conditional job offer has been made

INTERVIEW QUESTIONS YOU SHOULD ASK

During an interview supervisors may ask questions:

- Related to the applicant's ability to speak English if it is required for the job
- Regarding academic, vocational, or professional education pertaining to knowledge, skills, and abilities (KSAs) for the position
- Regarding membership in organizations if they are related to the job or KSAs for the position
- Related to travel, unusual hours, or overtime required by the job
- Stating the type of security clearance required for the position
- Regarding applicant's conviction for crimes
- Regarding applicant's physical ability to perform specific job functions
- Probing attendance at previous employers as long as you do not refer to illness or disability
- Identifying communication skills
- Demonstrating emotional maturity and behaviors
- Demonstrating decision-making ability
- Discussing applicant's experience in preparation for the position
- Identifying appropriate behaviors for specific work-related situations.[8]

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[8]"Interview Skills for Supervisors: Finding the Best Match," www.nps.gov/training/tel/Guides/Interview%20Skills_for_Supervisors_pg030405.pdf (accessed June 1, 2008); U.S. Equal Employment Opportunity Commission, http://www.eeoc.gov (accessed June 1, 2008); and "Human Resources Presents... Personnel Manager: Interview Subjects," www.doi.gov/hrm/pmanager/index.html (accessed June 1, 2008).

Comprehension Check 5-1

1. Employer action to make an active effort to recruit, select, and promote protected group members is called

   a. equal employment opportunity.
   b. effective supervision.
   c. human resource management.
   d. none of the above.

2. Which one of the following is *not* a traditional recruiting source?

   a. Internal searches
   b. Cyberspace recruiting
   c. Employee referrals
   d. Advertisements

3. *Validity* means

   a. consistency of measurement.
   b. equal employment opportunity for protected group members.
   c. a proven relationship exists between a selection device and some relevant criterion.
   d. all of the above.

4. True or false? Interviewers tend to give more weight to negative information than to positive information from a job candidate.

Orientation, Training, and Development

If supervisors have done their recruiting and selecting properly, they should have hired competent individuals who can perform successfully. But successful performance requires more than possession of certain skills. New hires must be acclimated to the organization's culture and be trained to do the job in a manner consistent with the organization's objectives. To achieve these ends, supervisors embark on two processes—orientation and training.

HOW DO YOU INTRODUCE NEW HIRES TO THE ORGANIZATION?

Once a job candidate has been selected, he or she needs to be introduced to the job and organization. This introduction is called the new employee orientation or onboarding process. The major objectives of orientation are to reduce the initial anxiety all new employees feel as they begin a new job; to familiarize new employees with the job, the work unit, and the organization as a whole; and to facilitate the outsider–insider transition. Job orientation expands on the information the employee obtained during the recruitment and selection stages. The new employee's specific duties and responsibilities are clarified, as well as how his or her performance will be evaluated. This is also the time to rectify any unrealistic expectations new employees might hold about the job. Work-unit orientation familiarizes the employee with the goals of the work unit, makes clear how his or her job contributes to the unit's goals, and includes introduction to his or her coworkers. Organization orientation informs the new employee about the organization's objectives, history, philosophy, procedures, and rules. This information should include relevant personnel policies such as work hours, pay procedures, overtime requirements, and benefits. A tour of the organization's physical facilities is often part of the orientation.

Supervisors have an obligation to make the integration of the new employee into the organization as smooth and as free of anxiety as possible. Successful orientation, whether formal or informal, results in an outsider–insider transition that

orientation
An expansion on information a new employee obtained during the recruitment and selection stages; an attempt to familiarize new employees with the job, the work unit, and the organization as a whole.

NASA Archive/Alamy

How are most pilots trained? Through intensive flight simulation programs. Simulators let pilots actually experience a variety of situations—some of them life threatening—without having to suffer the ill consequences of poor decisions. As a result, the pilots are exposed to a wide variety of events, most of which they will never have to deal with on the job. But if they do, they have been prepared.

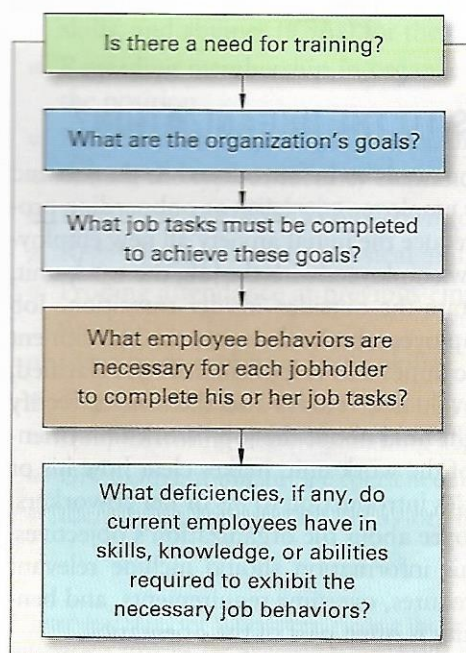makes the new member feel comfortable and fairly well adjusted, lowers the likelihood of poor work performance, and reduces the probability of a surprise resignation by the new employee only a week or two into the job.

WHAT IS EMPLOYEE TRAINING?

On the whole, planes don't cause airline accidents; people do. Most collisions, crashes, and other mishaps—nearly three-quarters of them—result from errors by the pilot or air traffic controller or from inadequate maintenance. These statistics illustrate the importance of training in the airline industry. These maintenance and human errors could be prevented or significantly reduced by better employee training.

Employee training is a learning experience in that it seeks a relatively permanent change in employees such that their ability to perform on the job improves. Thus, training involves changing skills, knowledge, attitudes, or behavior. This may mean changing what employees know; how they work; or their attitudes toward their jobs, coworkers, supervisors, and the organization. It has been estimated, for instance, that U.S. business firms alone spend billions of dollars a year on formal courses and training programs to develop workers' skills.[9] Supervisors, for the most part, are responsible for deciding when employees need training and what form that training should take. Determining training needs typically involves generating answers to several questions (see Exhibit 5-6). The leading questions in Exhibit 5-6 suggest the kinds of signals that can warn a supervisor that training may be necessary. The more obvious ones are related directly to productivity—that is, they may indicate that job performance is declining. These indications may include actual decreases in production numbers, lower quality, more accidents, and higher scrap or rejection rates. Any of these outcomes might suggest that worker skills need to be finetuned. Of course, we are assuming that the employee's performance decline is in no way related to lack of effort. Supervisors, too, must also recognize that training may be required because of a "future" element. Changes that are being imposed on employees as a result of job design or a technological breakthrough also require training.

employee training
Changing the skills, knowledge, attitudes, or behavior of employees. Determination of training needs is made by supervisors.

Exhibit 5-6
Determining training needs.

Is there a need for training?

What are the organization's goals?

What job tasks must be completed to achieve these goals?

What employee behaviors are necessary for each jobholder to complete his or her job tasks?

What deficiencies, if any, do current employees have in skills, knowledge, or abilities required to exhibit the necessary job behaviors?

How Are Employees Trained? Most training takes place on the job. The prevalence of on-the-job training can be attributed to the simplicity of such methods and their usually lower cost. However, on-the-job training can disrupt the workplace and result in an increase in errors while learning takes place. Also, some skill training is too complex to learn on the job. In such cases, it should take place outside the work setting.

What Are Some of the Typical Methods Used? Many different types of training methods are available. For the most part, however, we can classify them in two ways: on-the-job or off-the-job. We have summarized the most popular training methods in Exhibit 5-7.

[9]M. Dalahoussaye, "Show Me the Results," *Training*, March 2002, 28.

On-the-job training	Description
Apprenticeship	A time—typically two to five years—when an individual is under the guidance of a master worker to learn specific skills.
Job instruction training	A systematic approach to on-the-job training consisting of preparing the trainees by telling them about the job, presenting the instructions, having the trainees try the job to demonstrate their understanding, and placing trainees into the job under the lead of a resource person.
Off-the-job training	
Classroom lectures	Lectures designed to communicate specific interpersonal, technical, or problem-solving skills.
Multimedia	Using various media productions to demonstrate specialized skills and deliver specific information.
Simulation exercises	Training that occurs by actually performing the work. This may include case analysis, experiential exercises, roleplay, or group decision making.
Computer-based training	Simulating the work environment by programing a computer to imitate some of the realities of the job.
Vestibule training	Training on actual equipment used on the job, but conducted away from the actual work setting—a simulated workstation.
Programed instruction	Condensing training materials into highly organized, logical sequences. May include computer methods, interactive video disks, or virtual reality simulations.

Exhibit 5-7
Typical training methods.

How Can Supervisors Ensure That Training Is Working? It is easy to generate a new training program, but if the training effort is not evaluated, it becomes possible to rationalize any employee-training efforts.

Can we generalize how training programs are typically evaluated? The following is probably generalizable across organizations: Several supervisors, possibly representatives from HRM, and a group of workers who have recently completed a training program are asked for their opinions. If the comments are generally positive, the program may get a favorable evaluation and the organization will continue it until someone decides, for whatever reason, that it should be eliminated or replaced.

The reactions of participants or managers, although easy to acquire, are the least valid; their opinions are heavily influenced by factors that may have little to do with the training's effectiveness—such as difficulty, entertainment value, or personality characteristics of the instructor. However, trainees' reactions to the training may in fact provide feedback on how worthwhile the participants considered the training. Beyond general reactions, however, training must also be evaluated in terms of how much the participants learned, how well they are using their new skills on the job (did their behavior change?), and whether the training program achieved its desired results (reduced turnover, increased customer service, etc.)[10]

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[10]See, for example, R. E. Catalano and D. L. Kirkpatrick, "Evaluating Training Programs—The State of the Art," *Training and Development Journal* 22, no. 5 (May 1968), 2–9.

Performance Appraisals

It is important for supervisors to get their employees to behave in ways that the organization considers desirable. How do managers ensure that employees are performing as they are supposed to? In organizations, the formal means of assessing the work of employees is through a systematic performance appraisal process. We look at this topic in depth in Chapter 12.

OBJECTIVE 5-7
Describe the goals of compensation administration and factors that affect wage structures.

Compensation and Benefits

You open the newspaper and the following job advertisement grabs your attention. "Wanted: Hardworking individual who is willing to work sixty hours a week in a less-than-ideal environment. The job pays no money but gives you the opportunity to say 'I've done that.'" Sound intriguing to you? Probably not! In fact, although there are exceptions, most of us work for money. What our jobs pay and what benefits we get fall under the heading of compensation and benefits. Determining what these will be is by no means easy—and it's usually out of the hands of the immediate department supervisor. Although the supervisor will rarely set the wage rate, it's important to have an understanding of where the wage rate came from.

HOW ARE PAY LEVELS DETERMINED?

compensation administration
The process of determining a cost-effective pay structure that will attract and retain competent employees, provide an incentive for them to work hard, and ensure that pay levels will be perceived as fair.

How does an organization decide who gets paid $14.65 an hour and who receives $325,000 a year? The answer lies in compensation administration. The goals of compensation administration are to design a cost-effective pay structure that will attract and retain competent employees and to provide an incentive for these individuals to exert high energy levels at work. Compensation administration also attempts to ensure that whatever pay levels are determined will be perceived as fair by all employees. Fairness means that the established pay levels are adequate and consistent for the demands and requirements of the job. Therefore, the primary determination of pay is the kind of job an employee performs. Different jobs require different kinds and levels of skills, knowledge, and abilities—and these vary in their value to the organization. So, too, do the responsibility and authority held in certain positions. In short, the higher the skills, knowledge, and abilities—and the greater the authority and responsibility—the higher the pay.

Although skills, abilities, and the like directly affect pay levels, other factors may come into play. Pay levels may be influenced by the kind of business, the environment surrounding the job, geographic location, and employee performance levels and seniority. For example, private-sector jobs typically provide higher rates of pay than comparable positions in public and not-for-profit jobs. Employees who work under hazardous conditions (say, bridge builders operating two hundred feet in the air), work unusual hours (e.g., the overnight shift), or work in geographic areas where the cost of living is higher (e.g., New York City versus Tucson, Arizona) are typically more highly compensated. Likewise, employees who have been with an organization for a long time may have had a salary increase each year.

Irrespective of these factors, one other factor is most critical—the organization's compensation philosophy. Some organizations, for instance, don't pay employees any more than they have to. In the absence of a union contract that stipulates wage levels, those organizations have to pay only minimum wage for most of their jobs. On the other hand, some organizations are committed to paying their employees at or above area wage levels to emphasize that they want to attract and keep the best pool of talent.

WHY DO ORGANIZATIONS OFFER EMPLOYEE BENEFITS?

When an organization designs its overall compensation package, it has to look farther than just an hourly wage or annual salary. It has to take into account another element: employee benefits. Employee benefits are nonfinancial rewards that are designed to enrich employees' lives. They have grown in importance and variety over the past several decades. Once viewed as "fringes," today's benefit packages reflect great thought in an effort to provide something that each employee values.

employee benefits
Nonfinancial rewards designed to enrich employees' lives.

The benefits offered by an organization vary widely in scope. Most organizations are legally required to provide Social Security and workers' and unemployment compensation, but organizations also provide an array of benefits such as paid time off from work, life and disability insurance, retirement programs, and health insurance. The costs of some of these, such as retirement and health insurance benefits, are often paid by both the employer and the employee.

Current Issues in Human Resource Management

OBJECTIVE 5-8
Explain what is meant by the terms *sexual harassment* and *layoff-survivor sickness*.

We conclude this chapter by looking at several human resource issues facing today's supervisors. These are dealing with workforce diversity, workplace romance, sexual harassment, and layoff-survivor sickness.

WORKFORCE DIVERSITY

We discussed the changing makeup of the workforce previously in this book. Let's now consider how workforce diversity will affect such basic HRM concerns as recruitment, selection, and orientation.

Improving workforce diversity requires supervisors to widen their recruiting net. For example, the popular practice of relying on current employee referrals as a source of new job applicants tends to result in candidates who have similar characteristics to present employees. So, supervisors have to look for applicants in places where they haven't typically looked before. To increase diversity, supervisors are increasingly turning to nontraditional recruitment sources. These include women's job networks, over-fifty clubs, urban job banks, disabled people's training centers, ethnic newspapers, and gay-rights organizations. This type of outreach should enable the organization to broaden its pool of applicants.

Once a diverse set of applicants exists, efforts must be made to ensure that the selection process does not discriminate. Moreover, applicants need to be made comfortable with the organization's culture and be made aware of the supervisor's desire to accommodate their needs.

Finally, orientation is often difficult for women and minorities. Many organizations today, such as IBM and Hewlett-Packard, provide special workshops to raise diversity consciousness among current employees, as well as programs for new employees that focus on diversity issues. The thrust of these efforts is to increase individual understanding and appreciation of the differences each of us brings to the workplace.

THE WORKPLACE: REASONABLE GROUNDS FOR ROMANCE?

More and more workers are displaying high motivation to engage in and develop their careers; the consequent result is the incorporation of their occupation with pleasure and other aspects of daily life. In an attempt to maintain work–life balance, interpersonal socialization and attraction among colleagues has increasingly developed into the norm, particularly in terms of romance relationships. With more than 43 percent of employees seeking to "meet their mate" in the workplace, supervisors must work

with human resource professionals to develop new policies and procedures for dealing with these risky relationships. When romance relationships were taboo in the workplace, issues such as sexual harassment, favoritism, and potential retaliation were less common concerns that needed to be addressed. However, as nonplatonic relationships continue to develop, supervisors and human resource experts have reacted by taking accountability and developing a framework for dealing with such situations. According to a survey conducted by the Society for Human Resource Management (SHRM) only 20 percent of HR departments had verbal or written policies regarding workplace romance in 2005. Recent studies show those numbers have more than doubled to 42 percent.[11]

HR professionals have developed several alternatives for supervisors responding to, and dealing with, surfacing issues related to workplace romance. Many of the consequences to workers are contingent on the strictness of policies on romance, as well as the situation occurring between employees. SHRM research shows that 99 percent of organizations implementing policies regarding workplace romance forbid direct relationships between superiors and subordinates. At the same time, organizations recognize the difficulty in prohibiting relationships among employees of the same rank. Therefore, supervisors and HR staff may choose different options to deal with the romance and avoid legal allegations. Evident sexual interaction or physical contact during working hours likely would result in termination of both employees (20 percent). Often, to prevent romantic behavior and the establishment of a relationship, one employee may be transferred to a different department (34 percent). Occasionally, HR professionals in conjunction with supervisors may choose to implement a "love contract," which indicates that the relationship is consensual, and sets parameters to avoid legal action if the relationship goes awry (21 percent).[12]

Many organizations fear the involvement of supervisors and HR professionals in workplace romance may cross ethical and moral lines, but at the same time these professionals must take responsibility to prevent negative consequences of romance. Supervisors must learn to respond appropriately and consistently to office gossip and concerns regarding apparent relationships between employees of the same rank, as well as situations regarding a developing relationship between a superior and a subordinate.

WHAT IS SEXUAL HARASSMENT?

Sexual harassment is a serious issue in both public- and private-sector organizations. On average, more than 7,500 complaints were filed yearly from 2010 through 2013 with the Equal Employment Opportunity Commission (EEOC).[13] Not only have settlements in these cases incurred a substantial cost to the companies in terms of litigation, but also it is estimated that sexual harassment is the single biggest financial risk

[11]See F. J. Cavico, M. Samuel, and B. G. Mujtaba, "Office Romance: Legal Challenges and Strategic Implications," *International Journal of Management, IT and Engineering*, 2 (8, August 2012), 10–35, http://www.ijmra.us/project%20doc/IJMIE_AUGUST2012/IJMRA-MIE1479.pdf (accessed February 8, 2014); S. Kumar, "Managing Workplace Romance: An Emerging Challenge for Human Resource Leaders in Corporate World," National Conference on Emerging Challenges for Sustainable Business 2012 (June 2012), 954–964, http://domsiitr.minddevicetech.com/allpaper/Managing%20Workplace%20Romance_Surendra_HRM002.pdf (accessed February 8, 2014); D. Wilkie, "Forbidden Love: Workplace-Romance Policies Now Stricter," SHRM.org, September, 24, 2013, http://www.shrm.org/hrdisciplines/employeerelations/articles/pages/forbidden-love-workplace-romance-policies-stricter.aspx (accessed February 8, 2014); and Press Release, "Office Romance Is Here to Stay, but How Employers Deal with It Is Changing," SHRM.org, September, 24, 2013, http://www.shrm.org/about/pressroom/pressreleases/pages/officeromancesurvey.aspx (accessed February 8, 2014).
[12]Ibid.
[13]U.S. Equal Employment Opportunity Commission, "Sexual Harassment Charges FY 2010–FY 2013," EEOC, www.eeoc.gov/eeoc/statistics/enforcement/sexual_harassment_new.cfm (accessed February 8, 2014).

facing companies today—and can result in a more than 30 percent decrease in a company's stock price. At Mitsubishi, for example, the company paid out more than $34 million to three hundred women for the rampant sexual harassment they were exposed to.[14] But it's more than just jury awards. Sexual harassment results in millions lost in absenteeism, low productivity, and turnover.[15] Furthermore, sexual harassment is not just a U.S. phenomenon. It's a global issue. For instance, sexual harassment charges have been filed against employers in such countries as Japan, Australia, the Netherlands, Belgium, New Zealand, Sweden, Ireland, and Mexico.[16] Although discussions of sexual harassment cases often focus on the large awards granted by a court, there are other concerns for supervisors. Sexual harassment creates an unpleasant work environment for organization members and undermines their ability to perform their job. But just what is sexual harassment?

Sexual harassment can be regarded as any unwanted activity of a sexual nature that affects an individual's employment. It can occur between members of the opposite sex or of the same sex—between employees of the organization or an employee and a nonemployee. Much of the problem associated with sexual harassment is determining what constitutes this illegal behavior. In 1993, the EEOC cited three situations in which sexual harassment can occur. These are instances in which verbal or physical conduct toward an individual

Tomas Del Amo/Fotolia

Is the action of this supervisor sexual harassment? It is if it makes the employee feel that such action is creating an offensive work environment.

1. creates an intimidating, offensive, or hostile environment;
2. unreasonably interferes with an individual's work; or
3. adversely affects an employee's employment opportunities.

For many organizations and their supervisors, it's the offensive or hostile environment issue that is problematic.[17] Just what constitutes such an environment? For instance, does sexually explicit language in the office create a hostile environment? How about off-color jokes? Pictures of people totally undressed? The answer is: It could! It depends on the people in the department and the environment in which they work. What does this tell us? The point here is that we all must be attuned to what makes fellow employees uncomfortable—and if we don't know, then we should ask!

If sexual harassment carries with it potential costs to the organization, what can supervisors do for themselves and their organizations? The courts typically want to know two things—did the supervisor know about—or should the supervisor have known about—the alleged behavior and what was done to stop it? With the number and dollar

sexual harassment
Anything of a sexual nature that is required for getting a job, has an employment consequence, or creates an offensive or hostile environment, including sexually suggestive remarks, unwanted touching, sexual advances, requests for sexual favors, and other verbal and physical conduct of a sexual nature.

[14]N. F. Foy, "Sexual Harassment Can Threaten Your Bottom Line," *Strategic Finance*, August 2000, 56–57; and "Federal Monitors Find Illinois Mitsubishi Unit Eradicating Harassment," *Wall Street Journal*, September 7, 2000, A-8.
[15]L. J. Munson, C. Hulin, and F. Drasgow, "Longitudinal Analysis of Dispositional Influences and Sexual Harassment: Effects on Job and Psychological Outcomes," *Personnel Psychology*, Spring 2000, 21.
[16]See, for instance, G. L. Maatman, Jr., "A Global View of Sexual Harassment," *HR Magazine*, July 2000, 151–158.
[17]R. L. Wiener and L. E. Hurt, "How Do People Evaluate Social Sexual Conduct at Work? A Psychological Model," *Journal of Applied Psychology* 85 (February 2000), 75.

amounts of the awards against organizations today, there is even a greater need for supervisors to educate their employees on sexual harassment matters. Furthermore, in June 1998, the Supreme Court ruled that sexual harassment may have occurred even if the employee did not experience any "negative" job repercussions.[18] The Supreme Court's decision in this case indicates that "harassment is defined by the ugly behavior of the supervisor, not by what happened to the worker subsequently."[19]

Finally, whenever involved in a sexual harassment matter, a supervisor must remember that the harasser may have rights, too. This means that no action should be taken against someone until a thorough investigation has been conducted. Furthermore, the results of the investigation should be reviewed by an independent and objective individual before any action against the alleged harasser is taken. Even then, the harasser should be given an opportunity to respond to the allegation and have a disciplinary hearing if desired. Additionally, an avenue for appeal should exist for the alleged harasser—an appeal heard by someone in a higher level of management who is not associated with the case.

HOW DO "SURVIVORS" RESPOND TO LAYOFFS?

As we discussed in Chapter 2, one of the significant organizational trends in the past decade has been organizational downsizing. Many organizations have done a fairly good job of helping layoff victims by offering a variety of job-help services, psychological counseling, support groups, severance pay, extended health insurance benefits, and detailed communications. Although some affected individuals react negatively to being laid off (the worst cases involve returning to the separating organization and committing some form of violence), the assistance offered reveals that the organization does care about its former employees. Unfortunately, little has been done for those who have been left behind and have the task of keeping the organization going or even of revitalizing it.

It may surprise you to learn that both victims and survivors experience feelings of frustration, anxiety, and loss.[20] But layoff victims get to start over with a clean slate and a clear conscience. Survivors don't. A new syndrome seems to be popping up in more and more departments across organizations: layoff-survivor sickness. It is a set of attitudes, perceptions, and behaviors of employees who remain after involuntary employee reductions. Symptoms include job insecurity, perceptions of unfairness, guilt, depression, stress from increased workloads, fear of change, loss of loyalty and commitment, reduced effort, and an unwillingness to do anything beyond the required minimum.

layoff-survivor sickness
A set of attitudes, perceptions, and behaviors of employees who survive involuntary staff reductions.

To address this survivor syndrome, supervisors may want to provide opportunities for employees to talk to counselors about their guilt, anger, and anxiety. Group discussions can also provide an opportunity for the "survivors" to vent their feelings. Some organizations have used downsizing efforts as the spark to implement increased employee-participation programs such as empowerment and self-managed work teams. In short, to keep morale and productivity high, every attempt should be made to ensure that individuals who are still working in the organization know that they are a valuable and much-needed resource.

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[18]See, for instance, P. W. Dorfman, A. T. Cobb, and R. Cox, "Investigations of Sexual Harassment Allegations: Legal Means Fair—Or Does It?" *Human Resource Management* 39, no. 1 (Spring 2000), 33–39.
[19]W. L. Kosanovich, J. L. Rosenberg, and L. Swanson, "Preventing and Correcting Sexual Harassment: A Guide to the Ellerth/Faragher Affirmative Defense," *Employee Relations Law Journal* 28, no. 1 (Summer 2002), 79–99; and Milton Zall, "Workplace Harassment and Employer Liability," *Fleet Equipment*, January 2000, B1.
[20]P. P. Shah, "Network Destruction: The Structural Implications of Downsizing," *Academy of Management Journal* 43, no. 1 (February 2002), 101–112.

Here are eight practical tips supervisors can give to employees to help them overcome layoff-survivor sickness:

1. Remain calm and overcome panic and anxiety by developing a personal and professional plan for what to do *in case* of a layoff.

2. Recognize that survivor guilt is normal and it won't help to deny or internalize the pain, so be prepared to grieve the loss of colleagues and a personal sense of stability.

3. Talk it out and remember that keeping grief and frustration bottled up is a recipe for trouble, and it's not a sign of weakness to vent personal feelings.

4. Be honest and efficient at work and keep in mind that layoff survivors usually end up with heavier workloads, so it may be best to eliminate distractions from the work environment and schedule meetings rather than discuss work issues spontaneously with colleagues who stop by.

5. Unhook self-esteem from the company by breaking organizational codependence and finding a sense of value and purpose in a profession rather than in the company.

6. Become empowered by developing transferrable skills and being proactive about professional development.

7. Manage stress by practicing stress-management techniques after hours and keeping life in balance.

8. Maintain perspective by remembering that life is not the job, and if layoff-survivor sickness is incapacitating or resulting in dramatic work overload with no respite in sight, quit the job.[21]

Comprehension Check 5-2

5. The process of determining a cost-effective pay structure is called
   a. compensation administration.
   b. financial reward package.
   c. human resource management.
   d. human resource inventory.

6. Nonfinancial rewards designed to enrich employees' lives are called
   a. compensation administration.
   b. legally required perks.
   c. perquisites.
   d. employee benefits.

7. Which of the following situations can lead toward sexual harassment?
   a. Something of a sexual nature creates an intimidating or offensive work environment.
   b. Something of a sexual nature interferes with an individual's work.
   c. Something of a sexual nature adversely affects an employee's employment opportunities.
   d. All of the above are matters that can lead to sexual harassment.

8. True or false? Those left in an organization after other workers have been laid off often experience similar feelings of frustration, anxiety, and loss.

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[21]D. M. Noer, *Healing the Wounds: Overcoming the Trauma of Layoffs and Revitalizing Downsized Organizations* (San Francisco: Jossey Bass, 2009); M. Malugani, "Coping with Layoff Survivor Sickness," *Monster*, May 9, 2011, http://career-advice.monster.com/in-the-office/workplace-issues/layoff-survivor-sickness/article.aspx (accessed May 15, 2011).

Enhancing Understanding

SUMMARY

After reading this chapter, I can:

1. **Describe the human resource management process.** The human resource management (HRM) process seeks to staff the organization and to sustain high employee performance through strategic human resource planning, recruitment or downsizing, selection, orientation, training, performance appraisal, compensation and benefits, and safety and health and by dealing with contemporary issues in HRM.

2. **Discuss the influence of government regulations on human resource decisions.** Since the mid-1960s, the U.S. government has greatly expanded its influence over HRM decisions by enacting new laws and regulations. Because of the government's effort to provide equal employment opportunities, management must ensure that key HRM decisions—such as recruitment, selection, training, promotions, and terminations—are made without regard to race, sex, religion, age, color, national origin, or disability. Financial penalties can be imposed on organizations that fail to follow these laws and regulations.

3. **Contrast recruitment and downsizing options.** Recruitment seeks to develop a pool of potential job candidates. Typical sources include an internal search, advertisements, employee referrals, employment agencies, school placement centers, and temporary help services. Downsizing typically reduces the labor supply within an organization through options such as firing, layoffs, attrition, transfers, reduced workweeks, early retirements, and job sharing.

4. **Explain the importance of validity and reliability in selection.** All HRM decisions must be based on factors or criteria that are both reliable and valid. If a selection device is not reliable, it cannot be assumed to be a consistent measure. If a device is not valid, no proven relationship exists between it and relevant job criteria.

5. **Describe the selection devices that work best with various kinds of jobs.** Selection devices must match the job in question. Work sampling works best with low-level jobs. Assessment centers work best for managerial positions. The validity of the interview as a selection device increases at progressively higher levels of management.

6. **Identify various training methods.** Employee training can be on-the-job or off-the-job. Popular on-the-job methods include job rotation, understudying, and apprenticeships. The more popular off-the-job methods are classroom lectures, films, and simulation exercises.

7. **Describe the goals of compensation administration and factors that affect wage structures.** Compensation administration attempts to ensure that whatever pay levels are determined will be perceived as fair by all employees. Fairness means that the established levels of pay are adequate and consistent for the demands and requirements of the job. Therefore, the primary determination of pay is the kind of job an employee performs.

8. **Explain what is meant by *sexual harassment* and *layoff-survivor sickness*.** Sexual harassment is any unwanted activity of a sexual nature that affects an individual's employment—such as creating a hostile environment, interfering with work, or adversely affecting one's employment opportunities. Layoff-survivor sickness represents a set of attitudes, perceptions, and behaviors of employees who remain after involuntary employee reductions.

COMPREHENSION: Review and Discussion Questions

5-1. How does HRM affect all supervisors?

5-2. Contrast reject errors and accept errors. Which one is most likely to open a supervisor to charges of discrimination? Why?

5-3. What are the major problems of the interview as a selection device?

5-4. What is the relationship among selection, recruitment, and job analysis?

5-5. Compare and contrast orientation and employee training.

5-6. Should a supervisor have the right to choose employees without government interference in the hiring process? Explain your position.

5-7. What constitutes sexual harassment? Describe how supervisors and their companies can minimize the occurrences of sexual harassment in the workplace.

5-8. Why should supervisors be concerned with diversity in the workplace? What special HRM issues does diversity raise for them?

5-9. "Victims of downsizing are not those employees who were let go. Rather, the victims are the ones who have kept their jobs." Do you agree or disagree with this statement? Defend your position.

KEY CONCEPT CROSSWORD
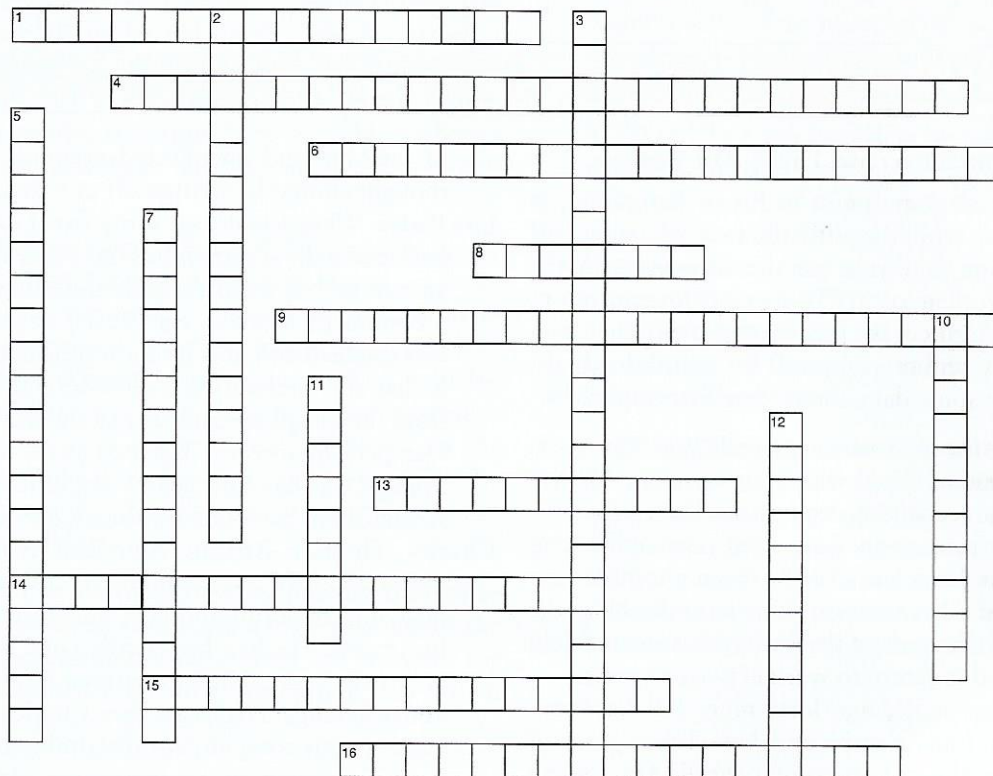
ACROSS

1. nonfinancial rewards designed to enrich employees' lives
4. determining a cost-effective pay structure
6. a selection device based on actual job behaviors
8. a web-based résumé
9. a database of employee skills, knowledge, and abilities
13. a formal introduction to the organization
14. assessing current employee resources and determining future employee needs
15. anything of a sexual nature that is required for getting or keeping a job, or one that creates an offensive work environment
16. making an effort to recruit, train, and promote minorities

DOWN

2. a means of changing the skills, attitudes, or behavior of employees
3. the process of finding, hiring, training, and keeping employees
5. an employment interview that reveals both positive and negative aspects about the job and the company
7. a means of determining who is the best candidate for a job opening
10. measuring consistently
11. showing a relationship between a selection device and some relevant criterion
12. the process of locating, identifying, and attracting capable applicants

Developing Your Supervisory Skills

GETTING TO KNOW YOURSELF

Before you can effectively supervise others, you must understand your present strengths and areas in need of development. To assist in this learning process, we encourage you to complete the following self-assessment from the Prentice Hall Self-Assessment Library 3.4.

■ Am I Experiencing Work/Family Conflict? (III. B. 3.)

After you complete the assessment, we suggest you retain the results and store them as part of your "portfolio of learning about yourself."

BUILDING A TEAM

5-10. An Experiential Exercise: Laying Off Workers

Every supervisor, at some point in his or her career, is likely to be faced with the difficult task of laying off employees. Assume that you are the supervisor in the accounting department of a 750-member organization. You have been notified by top management that you must permanently reduce your staff by two individuals. The following are some data about your five employees.

Janet McGraw: African American female, age thirty-six. Janet has been employed with your company for five years, all in the accounting department. Her evaluations over the past three years have been outstanding and above average. Janet has an MBA from a top-25 business school. She has been on short-term disability the past few weeks because of the birth of her second child and is expected to return to work in twenty weeks.

Bill Keeney: White male, age forty-nine. Bill has been with you for four months and has eleven years of experience in the company in payroll. He has an associate degree in business administration and bachelor's and master's degrees in accounting. He's also a CPA. Bill's evaluations over the past three years in the payroll department have been average, but he did save the company $150,000 on a suggestion he made regarding using electronic time sheets.

José Melendez: Hispanic male, age thirty-one. José has been with the company almost four years. His evaluations over the past three years in your department have been outstanding. He is committed to getting the job done and devoting whatever it takes. He has also shown initiative by taking job assignments that no one else wanted. And he has recovered a number of overdue and uncollected accounts that you had thought should be written off as a loss.

Lisa Parks: White female, age thirty-five. Lisa has been with your company seven years. Four years ago, Lisa was in an automobile accident while traveling on business to a customer's location. As a result of the accident, she was disabled and now uses a wheelchair. Rumors have it that she is about to receive several million dollars from the insurance company of the driver that hit her. Her performance the last two years has been above average. She has a bachelor's degree in accounting and specializes in computer information systems.

Charles Thomas: African American male, age forty-three. Charles just completed his joint master's degree in taxation and law, and recently passed the bar exam. He has been with your department the past four years. His evaluations have been good to above average. Five years ago, Charles won a lawsuit against your company for discriminating against him in a promotion to a supervisory position. Rumors have it that now, with his new degree, Charles is actively pursuing another job outside the company.

Given these five brief descriptions, make a recommendation on which two employees you will suggest to your boss be laid off. Discuss any other options that you feel can be used to meet the requirement of downsizing by two employees without resorting to layoffs. Discuss what you will do to (A) assist the two individuals who have been let go and (B) assist the remaining three employees. Then, in a group of three to five students, seek consensus on the question of who gets laid off. Be prepared to defend your actions.

INTERVIEWING

Every supervisor needs to develop his or her skills at interviewing. The following list highlights the key behaviors associated with this skill.

STEPS IN APPLYING THE SKILL

STEP 1: Review the job description and job specification. Reviewing pertinent information about the job provides valuable information about what you will assess the candidate on. Furthermore, relevant job requirements help eliminate interview bias.

STEP 2: Prepare a structured set of questions you want to ask all applicants for the job. By having a set of prepared questions, you ensure that the information you wish to elicit is attainable. Furthermore, by asking similar questions, you are able to better compare all candidates' answers against a common base.

STEP 3: Before meeting a candidate, review his or her application form and résumé. Doing so helps you to create a complete picture of the candidate in terms of what is represented on the résumé or application and what the job requires. You will also begin to identify areas to explore in the interview. That is, areas that are not clearly defined on the résumé or application but that are essential for the job will become a focal point in your discussion with the candidate.

STEP 4: Open the interview by putting the applicant at ease and by providing a brief preview of the topics to be discussed. Interviews are stressful for job candidates. By opening with small talk—such as about the weather—you give the candidate time to adjust to the interview setting. By providing a preview of topics to come, you are giving the candidate an "agenda." This helps the candidate begin framing what he or she will say in response to your questions.

STEP 5: Ask your questions and listen carefully to the applicant's answers. Select follow-up questions that naturally flow from the answers given. Focus on the responses as they relate to information you need to ensure that the candidate meets your job requirements. Any uncertainty you may still have requires a follow-up question to probe further for the information.

STEP 6: Close the interview by telling the applicant what is going to happen next. Applicants are anxious about the status of your hiring decision. Be up-front with the candidate regarding others who will be interviewed and the remaining steps in the hiring process. If you plan to make a decision in two weeks or so, let the candidate know what you intend to do. In addition, tell the applicant how you will let him or her know about your decision.

STEP 7: Write your evaluation of the applicant while the interview is still fresh in your mind. Don't wait until the end of your day, after interviewing several candidates, to write your analysis of a candidate. Memory can fail you! The sooner you complete your write-up after an interview, the better chance you have for accurately recording what occurred in the interview.

COMMUNICATING EFFECTIVELY

5-11. Visit your campus career center and make an appointment with a career counselor. During your meeting, ask the counselor for insight on how to succeed in interviews. Focus specifically on what kinds of things campus recruiters are looking for today, how you should prepare for the interview, and what kinds of questions you can expect to get in the interview. Once your appointment is completed, provide a three- to five-page summary of the interview, highlighting how the information can be useful for you in a future job search.

5-12. Go to the Equal Employment Opportunity Commission (EEOC) website at www.eeoc.gov. Research the process one must follow to file an EEOC charge. Also, review the sexual harassment data and summary statistics the EEOC collects. Identify the number of cases filed during the past three years in which data have been kept, how many of the cases were settled, and the amount of the monetary benefits awarded.

THINKING CRITICALLY

▶ Case 5-A: It Takes Two

Destiney Freeman, department supervisor at WhinCo, takes great pride in the organizational culture the company has worked diligently to establish. Employees are encouraged to develop healthy relationships among one another, and positive manager–employee relationships also serve a vital role. Recently, however, Destiney has been hearing breakroom gossip regarding other employees' concerns about a developing relationship between Timothy Kane and Rebecca Caldwell. Timothy is the shift supervisor of the sales merchandise department, where Rebecca serves as a sales specialist.

Timothy conducted onboarding and training sessions with Rebecca when she began her role at WhinCo. Since the first month under Timothy's supervision, it was obvious to other employees that their relationship was more than platonic. Recently, Destiney has received complaints that Timothy and Rebecca have developed an obvious, physical relationship that they often openly display in the workplace. As a supervisor, Destiney fears this behavior will not only disturb her employees, but also make the customers feel uncomfortable. Gossip has spread around the department about the employees' fear of managerial favoritism toward Rebecca. She has received additional work hours during the week, whereas other employees' hours continue to dwindle. Destiney has also considered that if the relationship goes awry the company's reputation may be at stake and result in legal repercussions.

To resolve the situation, Destiney is considering several solutions. Also, because ethical behavior is a strong part of the WhinCo organizational culture she wants to maintain that while making her decision regarding this case. Destiney's first solution includes setting a one-on-one meeting with each of the two employees where they will discuss the situation with her and develop a mutual solution. However, to appease her other employees, she is also considering moving Rebecca to a different department where she will not have direct contact with Timothy. The most drastic solution would involve dismissing both employees for their misconduct in the workplace. Destiney hopes to provide a solution that will alleviate employee concerns about the developing romance, while keeping in mind the rights of Timothy and Rebecca as employees.

RESPONDING TO THE CASE

5-13. Describe the potential risks of permitting romance in the workplace. How, and to what degree may these risks affect the organization and its employees?

5-14. As a department supervisor, what decision(s) should Destiney make in regard to this romance? How would you respond to other employees' uneasiness, while still maintaining an ethical stance toward the situation? Explain.

5-15. Upon acceptance of employment, should new hires be required to sign and agree to a contract to keep all relationships in the workplace platonic? If so, what consequences would result from breaking this upfront contract?

▶ Case 5-B: Staffing and Hiring

The temporary help industry plays an important role in the workplace by finding prequalified employees for employers who are undergoing seasonal or start-up operations or needing to fill positions open as a result of vacations or other employee work interruptions. Working for companies on a temporary basis can give job seekers a chance to test their desires and abilities at several situations before making a long-term commitment. Placement counselors in the temporary help industry generally need to have expertise in interviewing, understanding employer needs, finding temporary workers, explaining job functions, problem solving, and other communication-related skills.

Jameel Jackson worked for United Staffing during his college studies. The job started out as a standard part-time activity to help pay for expenses. Over time Jameel performed well in several assignments and was given the opportunity to learn more about the operations of a temporary help company. The experience was mutually beneficial. Jameel worked for different companies that did manufacturing, distribution, and service work; he performed work from assembly to loading and many types of office work. Jameel discovered that he was most interested in the office work using computer applications to record information, control functions, and analyze data. He found the office environment stimulating with its energy, variety of tasks, and creativity.

Jameel recently completed his undergraduate degree in management from a local college and has been offered

a position at United Staffing as a full-time staffing supervisor. His responsibilities will be to coordinate the part-time temporary work needs of several local companies. In addition he will work on two teams. One team responds to employer requests for a significant number of employees. The other team reviews the company's performance in meeting its customers' requests and analyzes the company's financial results.

RESPONDING TO THE CASE

5-16. Why is it important for Jameel to know about the laws and regulations that affect human resource practice?

5-17. Why is it important for Jameel to know how to determine staffing needs?

5-18. What are some recruiting methods that Jameel might use to ensure that he has the right employees to match the needs of employers?

5-19. Research the employment selection process of three businesses in your community. Ask questions like these: What type of and how much testing do they require? Is an application, résumé, or work sample required? Who conducts the interviews and how long are they? Who makes the final decision to hire a new employee? How long is the process?