Human Resources

This part of *Business* **is concerned with the most important and least predictable of all resources—people. We begin by examining the human resources efforts that organizations use to hire, develop, and retain their best employees. Then we discuss employee motivation and satisfaction. Finally, we look at organized labor and probe the sometimes controversial relationship between business management and labor unions.**

Attracting and Retaining the Best Employees

9

Learning Objectives

What you will be able to do once you complete this chapter:

1 Describe the major components of human resources management.

2 Identify the steps in human resources planning.

3 Describe cultural diversity and understand some of the challenges and opportunities associated with it.

4 Explain the objectives and uses of job analysis.

5 Describe the processes of recruiting, employee selection, and orientation.

6 Discuss the primary elements of employee compensation and benefits.

7 Explain the purposes and techniques of employee training and development.

8 Discuss performance appraisal techniques and performance feedback.

9 Outline the major legislation affecting human resources management.

inside business

Wegmans Has "a Propensity to Serve"

After more than nine decades of business success, Wegmans has proven itself to be much more than a profitable, family-owned grocery retailer. It has also gained widespread recognition as one of the best employers in the United States.

Wegmans started as a small fruit-and-vegetable store in 1916 and has since expanded from its base in Rochester, New York, to become a regional chain that stretches across the Northeast and rings up $5 billion in annual sales. The first Wegmans supermarket was large for its time, with about 20,000 square feet. Today, a typical Wegmans store covers 145,000 square feet and includes a pharmacy, bakery, café, and florist. Keeping a busy supermarket of that size running smoothly requires hundreds of full- and part-time managers and employees. Because the company operates 75 stores, many open around the clock, it also needs a full complement of headquarters and warehouse staff to support its retail operations.

Wegmans currently has a total workforce of 37,000; by 2020, it expects to have 60,000 employees. Employees are more than statistics for Wegmans—they are a vital competitive advantage. The company is particular about who it hires. It seeks out talented applicants who have top-notch skills and "a propensity to serve." Believing in the business possibilities of diversity, Wegmans deliberately reaches out to a broad population of potential employees, a strategy that has won awards locally and nationally.

High turnover is the norm for the supermarket industry, but not at Wegmans. More than 4,000 of its employees have been with the firm for 15 years (and sometimes longer). Wegmans works hard to retain employees by providing the training they need to be successful, respecting their abilities, challenging them to do their best, and giving them the power to satisfy customers. The company offers an excellent package of pay and benefits, and it regularly surveys its employees to learn what they think of its policies and practices. Small wonder that the last time Wegmans opened a new store, it was bombarded with 6,147 applications for 550 positions.[1]

Did You Know?

Wegmans, a family-owned retailer with 37,000 employees and $5 billion in annual sales, has made 13 consecutive appearances on *Fortune*'s yearly list of "100 Best Companies to Work For."

Wegmans devotes considerable time and resources to hire the right people and to take actions to make them satisfied with their jobs. We begin our study of human resources management (HRM) with an overview of how businesses acquire, maintain, and develop their human resources. After listing the steps by which firms match their human resources needs with the supply available, we explore several dimensions of cultural diversity. Then we examine the concept of job analysis. Next, we focus on a firm's recruiting, selection, and orientation procedures as the means of acquiring employees. We also describe forms of employee compensation that motivate employees to remain with a firm and to work effectively. Then we discuss methods of employee training, management development, and performance appraisal. Finally, we consider legislation that affects HRM practices.

Describe the major components of human resources management.

Human Resources Management: An Overview

The human resource is not only unique and valuable but also an organization's most important resource. It seems logical that an organization would expend a great deal of effort to acquire and make full use of such a resource. This effort is known as *human resources management*. It also has been called *staffing* and *personnel management*.

Human resources management (HRM) consists of all the activities involved in acquiring, maintaining, and developing an organization's human resources. As the definition implies, HRM begins with acquisition—getting people to work for the organization. The acquisition process can be quite competitive for certain types of qualified employees. Next, steps must be taken to keep these valuable resources. (After all, they are the only business resources that can leave an organization.) Finally, the human resources should be developed to their full capacity.

HRM Activities

Each of the three phases of HRM—acquiring, maintaining, and developing human resources—consists of a number of related activities. Acquisition, for example, includes planning, as well as the various activities that lead to hiring new personnel. Altogether this phase of HRM includes five separate activities:

- *Human resources planning*—determining the firm's future human resources needs
- *Job analysis*—determining the exact nature of the positions
- *Recruiting*—attracting people to apply for positions
- *Selection*—choosing and hiring the most qualified applicants
- *Orientation*—acquainting new employees with the firm

Maintaining human resources consists primarily of encouraging employees to remain with the firm and to work effectively by using a variety of HRM programs, including the following:

- *Employee relations*—increasing employee job satisfaction through satisfaction surveys, employee communication programs, exit interviews, and fair treatment
- *Compensation*—rewarding employee effort through monetary payments
- *Benefits*—providing rewards to ensure employee well-being

The development phase of HRM is concerned with improving employees' skills and expanding their capabilities. The two important activities within this phase are:

- *Training and development*—teaching employees new skills, new jobs, and more effective ways of doing their present jobs
- *Performance appraisal*—assessing employees' current and potential performance levels

These activities are discussed in more detail shortly, when we have completed this overview of HRM.

Responsibility for HRM

In general, HRM is a shared responsibility of line managers and staff HRM specialists. In very small organizations, the owner handles all or most HRM activities. As a firm grows in size, a human resources manager is hired to take over staff responsibilities. In firms as large as Disney, HRM activities tend to be very highly specialized. There are separate groups to deal with compensation, benefits, training and development, and other staff activities.

Specific HRM activities are assigned to those who are in the best position to perform them. Human resources planning and job analysis usually are done by

human resources management (HRM) all the activities involved in acquiring, maintaining, and developing an organization's human resources

staff specialists, with input from line managers. Similarly, recruiting and selection are handled by staff experts, although line managers are involved in hiring decisions. Orientation programs are devised by staff specialists and carried out by both staff specialists and line managers. Compensation systems (including benefits) most often are developed and administered by the HRM staff. However, line managers recommend pay increases and promotions. Training and development activities are the joint responsibility of staff and line managers. Performance appraisal is the job of the line manager, although HRM personnel design the firm's appraisal system in many organizations.

Human Resources Planning

Human resources planning is the development of strategies to meet a firm's future human resources needs. The starting point is the organization's overall strategic plan. From this, human resources planners can forecast future demand for human resources. Next, the planners must determine whether the needed human resources will be available. Finally, they have to take steps to match supply with demand.

Forecasting Human Resources Demand

Planners should base forecasts of the demand for human resources on as much relevant information as available. The firm's overall strategic plan will provide information about future business ventures, new products, and projected expansions or contractions of specific product lines. Information on past staffing levels, evolving technologies, industry staffing practices, and projected economic trends also can be helpful.

HRM staff use this information to determine both the number of employees required and their qualifications. Planners use a wide range of methods to forecast specific personnel needs. For example, with one simple method, personnel requirements are projected to increase or decrease in the same proportion as sales revenue. Thus, if a 30 percent increase in sales volume is projected over the next two years, then up to a 30 percent increase in personnel requirements may be expected for the same period. (This method can be applied to specific positions as well as to the workforce in general. It is not, however, a very precise forecasting method.) At the other extreme are elaborate, computer-based personnel planning models used by some large firms such as ExxonMobil Corporation.

human resources planning the development of strategies to meet a firm's future human resources needs

replacement chart a list of key personnel and their possible replacements within a firm

Forecasting Human Resources Supply

The forecast of the supply of human resources must take into account both the present workforce and any changes that may occur within it. For example, suppose that planners project that in five years a firm that currently employs 100 engineers will need to employ a total of 200 engineers. Planners simply cannot assume that they will have to hire 100 engineers; during that period, some of the firm's present engineers are likely to be promoted, leave the firm, or move to other jobs within the firm. Thus, planners may project the supply of engineers in five years at 87, which means that the firm will have to hire a total of 113 new engineers. When forecasting supply, planners should analyze the organization's existing employees to determine who can be retrained to perform the required tasks.

Two useful techniques for forecasting human resources supply are the replacement chart and the skills inventory. A **replacement chart** is a list of key personnel and their

© Walter Hodges/Stone/Getty Images

Rewarding employees. Appropriate employee rewards help to attract and retain employees.

Are You Looking for a Green Collar Job?

Where are the green jobs of today and tomorrow? The Green Collar Association offers information about a wide variety of careers in sustainability, including in renewable energy, clean transportation, land management, and environmental engineering. It also posts job openings and links to resources for researching green jobs. Take a look: http://www.greencollar.org.

possible replacements within a firm. The chart is maintained to ensure that top-management positions can be filled fairly quickly in the event of an unexpected death, resignation, or retirement. Some firms also provide additional training for employees who might eventually replace top managers.

A **skills inventory** is a computerized data bank containing information on the skills and experience of all present employees. It is used to search for candidates to fill available positions. For a special project, a manager may be seeking a current employee with specific information technology skills, at least six years of experience, and fluency in French. The skills inventory can quickly identify employees who possess such qualifications. Skill-assessment tests can be administered inside an organization, or they can be provided by outside vendors. For example, SkillView Technologies, Inc., and Bookman Testing Services, Inc., are third-party information technology skill-assessment providers.

Matching Supply with Demand

Once they have forecasted the supply and demand for personnel, planners can devise a course of action for matching the two. When demand is predicted to be greater than supply, they must make plans to recruit new employees. The timing of these actions depends on the types of positions to be filled. Suppose that we expect to open another plant in five years that will need, along with other employees, a plant manager and 25 maintenance workers. We probably can wait quite a while before we begin to recruit maintenance personnel. However, because the job of a plant manager is so critical, we may start searching for the right person for that position immediately.

When supply is predicted to be greater than demand, the firm must take steps to reduce the size of its workforce. When the oversupply is expected to be temporary, some employees may be *laid off*—dismissed from the workforce until they are needed again.

Perhaps the most humane method for making personnel cutbacks is through attrition. *Attrition* is the normal reduction in the workforce that occurs when employees leave a firm. Over the last five years, Ford, for example, has cut its number of hourly workers by more than 50 percent. Tens of thousands of employees left the company through a combination of involuntary layoffs, buyouts, and normal attrition, which allowed the company to cut salary costs and avoid declaring bankruptcy during the recent recession.[2]

Early retirement is another option. Under early retirement, people who are within a few years of retirement are permitted to retire early with full benefits. Depending on the age makeup of the workforce, this may or may not reduce the staff enough.

As a last resort, unneeded employees are sometimes simply *fired*. However, because of its negative impact, this method generally is used only when absolutely necessary.

skills inventory a computerized data bank containing information on the skills and experience of all present employees

© 2010 Green Collar Association

Cultural Diversity in Human Resources

Today's workforce is made up of many types of people. Firms can no longer assume that every employee has similar beliefs or expectations. Whereas North American white males may believe in challenging authority, Asians tend to respect and defer to it. In Hispanic cultures, people often bring music, food, and family members to work, a custom that U.S. businesses traditionally have not allowed. A job applicant who will not make eye contact during an interview may be rejected for being unapproachable, when, according to his or her culture, he or she was just being polite.

Because a larger number of women, minorities, and immigrants have entered the U.S. workforce, the workplace is more diverse. It is estimated that women make up about 47 percent of the U.S. workforce; African Americans and Hispanics each make up about 11 and 14 percent of U.S. workers, respectively.[3]

Cultural (or workplace) diversity refers to the differences among people in a workforce owing to race, ethnicity, and gender. Increasing cultural diversity is forcing managers to learn to supervise and motivate people with a broader range of value systems. The high proportion of women in the workforce, combined with a new emphasis on participative parenting by men, has brought many family-related issues to the workplace. Today's more educated employees also want greater independence and flexibility. In return for their efforts, they want both compensation and a better quality of life.

Although cultural diversity presents a challenge, managers should view it as an opportunity rather than a limitation. When managed properly, cultural diversity can provide advantages for an organization. Table 9.1 shows several benefits that creative management of cultural diversity can offer. A firm that manages diversity properly can develop cost advantages over other firms. Moreover, organizations that manage diversity creatively are in a much better position to attract the best personnel. A culturally diverse organization may gain a marketing edge because it understands different cultural groups. Proper guidance and management of diversity in an organization also can improve the level of creativity. Culturally diverse people frequently are more flexible in the types of positions they will accept.

Because cultural diversity creates challenges along with advantages, it is important for an organization's employees to understand it. To accomplish this goal, numerous U.S. firms have trained their managers to respect and manage diversity.

cultural (workplace) diversity differences among people in a workforce owing to race, ethnicity, and gender

Table 9.1	Advantages of Cultural Diversity
Cost	As organizations become more diverse, the cost of doing a poor job of integrating workers will increase. Companies that handle this well thus can create cost advantages over those that do a poor job. In addition, companies also experience cost savings by hiring people with knowledge of various cultures as opposed to having to train Americans, for example, about how Germans do business.
Resource acquisition	Companies develop reputations as being favorable or unfavorable prospective employers for women and ethnic minorities. Those with the best reputations for managing diversity will win the competition for the best personnel.
Marketing edge	For multinational organizations, the insight and cultural sensitivity that members with roots in other countries bring to marketing efforts should improve these efforts in important ways. The same rationale applies to marketing subpopulations domestically.
Flexibility	Culturally diverse employees often are open to a wider array of positions within a company and are more likely to move up the corporate ladder more rapidly, given excellent performance.
Creativity	Diversity of perspectives and less emphasis on conformity to norms of the past should improve the level of creativity.
Problem solving	Differences within decision-making and problem-solving groups potentially produce better decisions through a wider range of perspectives and more thorough critical analysis of issues.
Bilingual skills	Cultural diversity in the workplace brings with it bilingual and bicultural skills, which are very advantageous to the ever-growing global marketplace. Employees with knowledge about how other cultures work not only can speak to them in their language but also can prevent their company from making embarrassing moves owing to a lack of cultural sophistication. Thus, companies may seek job applicants with a background in cultures in which the company does business.

Sources: Taylor H. Cox and Stacy Blake, "Managing Cultural Diversity: Implications for Organizational Competitiveness," *Academy of Management Executive* 5(3):46, 1991; Ricky Griffin and Gregory Moorhead, *Organizational Behavior* (Mason, OH: South-Western/Cengage Learning, 2010), 40; and Richard L. Daft, *Management* (Mason, OH: South-Western/Cengage Learning, 2010), 348–349.

The value of cultural diversity. Organizations that are dedicated to diversity gain significant benefits from their efforts.

Diversity training programs may include recruiting minorities, training minorities to be managers, training managers to view diversity positively, teaching English as a second language, and facilitating support groups for immigrants. Many companies are realizing the necessity of having diversity training span beyond just racial issues. For example, companies such as PricewaterhouseCoopers and PepsiCo require annual diversity training and use company-sanctioned global employee-resource groups.[4] Companies such as these are continuously expanding their business worldwide and therefore need to meld a cohesive workforce from a labor pool whose demographics are constantly becoming more diverse.

A diversity program will be successful only if it is systematic, is ongoing, and has a strong, sustained commitment from top leadership. Cultural diversity is here to stay. Its impact on organizations is widespread and will continue to grow within corporations. Management must learn to overcome the obstacles and capitalize on the advantages associated with culturally diverse human resources.

Job Analysis

There is no sense in hiring people unless we know what we are hiring them for. In other words, we need to know the nature of a job before we can find the right person to do it.

Job analysis is a systematic procedure for studying jobs to determine their various elements and requirements. Consider the position of a clerk, for example. In a large corporation, there may be 50 kinds of clerk positions. They all may be called "clerks," but each position may differ from the others in the activities performed, the level of proficiency required for each activity, and the particular set of qualifications that the position demands. These distinctions are the focus of job analysis. Some companies, such as HR.BLR.COM, help employers with preparing the material for job analysis and keeping them updated about state and federal HR employment laws. They provide employers with easy-to-use online service for the resources needed for HR success.[5]

The job analysis for a particular position typically consists of two parts—a job description and a job specification. A **job description** is a list of the elements that make up a particular job. It includes the duties to be performed, the working conditions, the responsibilities, and the tools and equipment that must be used on the job (see Figure 9.1).

A **job specification** is a list of the qualifications required to perform a particular job, such as certain skills, abilities, education, and experience. When attempting to hire a financial analyst, the Bank of America might use the following job specification: "Requires eight to ten years of financial experience, a broad-based financial background, strong customer focus, the ability to work confidently with the client's management team, strong analytical skills. Must have strong Excel and Word skills. Personal characteristics should include strong desire to succeed, impact performer (individually and as a member of a team), positive attitude, high energy level and ability to influence others."

The job analysis is not only the basis for recruiting and selecting new employees; it is also used in other areas of HRM, including evaluation and the determination of equitable compensation levels.

job analysis a systematic procedure for studying jobs to determine their various elements and requirements

job description a list of the elements that make up a particular job

job specification a list of the qualifications required to perform a particular job

Recruiting, Selection, and Orientation

In an organization with jobs waiting to be filled, HRM personnel need to (1) find candidates for the jobs and (2) match the right candidate with each job. Three activities are involved: recruiting, selection, and new employee orientation.

© Dan Lamont/Alamy

This job description explains the job of sales coordinator and lists the responsibilities of the position. The job specification is contained in the last paragraph.

SOUTH-WESTERN
JOB DESCRIPTION

TITLE:	Georgia Sales Coordinator	**DATE:**	3/25/11
DEPARTMENT:	College, Sales	**GRADE:**	12
REPORTS TO:	Regional Manager	**EXEMPT/NONEXEMPT:**	Exempt

BRIEF SUMMARY:
Supervise one other Georgia-based sales representative to gain supervisory experience. Captain the four members of the outside sales rep team that are assigned to territories consisting of colleges and universities in Georgia. Oversee, coordinate, advise, and make decisions regarding Georgia sales activities. Based upon broad contact with customers across the state and communication with administrators of schools, the person will make recommendations regarding issues specific to the needs of higher education in the state of Georgia such as distance learning, conversion to the semester system, potential statewide adoptions, and faculty training.

PRINCIPAL ACCOUNTABILITIES:
1. Supervises/manages/trains one other Atlanta-based sales rep.
2. Advises two other sales reps regarding the Georgia schools in their territories.
3. Increases overall sales in Georgia as well as his or her individual sales territory.
4. Assists regional manager in planning and coordinating regional meetings and Atlanta conferences.
5. Initiates a dialogue with campus administrators, particularly in the areas of the semester conversion, distance learning, and faculty development.

DIMENSIONS:
This position will have one direct report in addition to the leadership role played within the region. Revenue most directly impacted will be within the individually assigned territory, the supervised territory, and the overall sales for the state of Georgia.

KNOWLEDGE AND SKILLS:
Must have displayed a history of consistently outstanding sales in personal territory. Must demonstrate clear teamwork and leadership skills and be willing to extend beyond the individual territory goals. Should have a clear understanding of the company's systems and product offerings in order to train and lead other sales representatives. Must have the communication skills and presence to communicate articulately with higher education administrators and to serve as a bridge between the company and higher education in the state.

Recruiting

recruiting the process of attracting qualified job applicants

external recruiting the attempt to attract job applicants from outside an organization

Recruiting is the process of attracting qualified job applicants. Because it is a vital link in a costly process (the cost of hiring an employee can be several thousand dollars), recruiting needs to be a systematic process. One goal of recruiters is to attract the "right number" of applicants. The right number is enough to allow a good match between applicants and open positions but not so many that matching them requires too much time and effort. For example, if there are five open positions and five applicants, the firm essentially has no choice. It must hire those five applicants (qualified or not), or the positions will remain open. At the other extreme, if several hundred job seekers apply for the five positions, HRM personnel will have to spend weeks processing their applications.

Recruiters may seek applicants outside the firm, within the firm, or both. The source used depends on the nature of the position, the situation within the firm, and sometimes the firm's established or traditional recruitment policies.

External Recruiting **External recruiting** is the attempt to attract job applicants from outside an organization. External recruiting may include recruiting via newspaper advertising, employment agencies, and online employment organizations; recruiting on college campuses; soliciting recommendations from present

Recruiting. This ad from Manpower is used to recruit temporary employees by stressing the potential for career advancement through part-time or temporary work experience.

© AP Images/PRNewsFoto/Manpower Inc.

What Can a Career Coach Do for You?

Whether you are hunting for your first job, getting ready to change jobs, or testing the waters in a new industry, consider consulting a career coach. Like a sports coach, a career coach can offer good advice and provide guidance from the sidelines as you take the field and move ahead with key career decisions.

Working with a career coach can open the door to new career possibilities, help you focus your networking efforts, and provide feedback to polish your interviewing skills. Career coaches can also offer insights into what recruiters look for when they read résumés and recommend ways to demonstrate the value of your skills and education to a potential employer. To get the

© iStockphotos.com/Alexander Raths

most from coaching, have your résumé handy, prepare questions in advance, and take notes as your coach makes suggestions.

Although you should expect to pay an experienced, professional career coach, do not rule out the idea of asking a trusted mentor to coach you through an important career decision, as a favor. Depending on your goals, you may decide on a single coaching session or meet more than once to continue the discussion. No career coach will hand you a listing of job openings, but you should come away with a definite direction for your job search and more confidence in your abilities.

Sources: Nick Corcodilos, "When Someone You Respect Offers to Be Your Career Coach, What's the Best Response?" *Seattle Times NW Jobs,* February 28, 2010, http://blog.marketplace.nwsource.com/careercenter/when_someone_you_respect_offers_to_be_your_career_coach_whats_the_best_response.html?cmpid=2694; Karina Diaz Cano, "Is a Career Coach Really Worth the Investment?" *The Wall Street Journal,* May 28, 2009, http://blogs.wsj.com/laidoff/2009/05/28/is-a-career-coach-really-worth-the-investment/tab/article.

employees; and conducting "open houses." The biggest of the online job-search sites is Monster.com, which has almost all the *Fortune* 500 companies, as well as small- and medium-sized businesses, as clients. In addition, many people simply apply at a firm's employment office.

Clearly, it is best to match the recruiting means with the kind of applicant being sought. For example, private employment agencies most often handle professional people, whereas public employment agencies (operated by state or local governments) are more concerned with operations personnel. We might approach a private agency when looking for a vice president but contact a public agency to hire a machinist. Procter & Gamble hires graduates directly out of college. It picks the best and brightest—those not "tainted" by another company's culture. It promotes its own "inside" people. This policy makes sure that the company retains the best and brightest and trains new recruits. Procter & Gamble pays competitively and offers positions in many countries. Employee turnover is very low.[6]

The primary advantage of external recruiting is that it brings in people with new perspectives and varied business backgrounds. A disadvantage of external recruiting is that it is often expensive, especially if private employment agencies must be used. External recruiting also may provoke resentment among present employees.

Internal Recruiting **Internal recruiting** means considering present employees as applicants for available positions. Generally, current employees are considered for *promotion* to higher-level positions. However, employees may be considered for *transfer* from one position to another at the same level. Among leading companies, 85 percent of CEOs are promoted from within. In the companies that hire CEOs from outside, 40 percent of the CEOs are gone after 18 months.[7]

Promoting from within provides strong motivation for current employees and helps the firm to retain quality personnel. General Electric, ExxonMobil, and Eastman Kodak are companies dedicated to promoting from within. The practice of *job posting,* or informing current employees of upcoming openings, may be a

internal recruiting considering present employees as applicants for available positions

Going for SUCCESS

Salesforce.com Uses Social Networking to Recruit

Recruiting is a highly social activity at California-based Salesforce.com. The high-tech company, which rings up $1 billion in annual revenue from Web-based software for sales management and other corporate functions, has nearly 3,000 employees worldwide. However, product demand is so strong that the company must add hundreds of new jobs every year to keep up with the fast pace of business growth. To fill all these jobs, Salesforce.com attracts applicants by posting openings and promoting itself as an employer on a multitude of social media.

For example, Salesforce.com has a Twitter account (http://twitter.com/salesforcejobs) devoted to external recruiting. Its managers use this account to post brief messages about internship opportunities, on-campus recruitment visits, and other activities designed to attract qualified applicants. Knowing many job-seekers network on LinkedIn (http://www.linkedin.com), Salesforce.com also lists openings there, providing a detailed job description, company description, and the specific skills required for each position. Interested applicants can click the "apply now" button to complete an application and submit a résumé without leaving their keyboards.

Using blogs and other social media, Salesforce.com invites its workforce to suggest good candidates for open positions. Of the 1,000 new employees hired during the past two years, 40 percent came through employee referrals. The company knows that its success can continue only if its employees succeed. That is why the top human resources executive holds the title of "Senior Vice President of Employee Success."

Sources: Milton Moskowitz, Robert Levering, and Christopher Tkaczyk, "100 Best Companies to Work For: No. 43, Salesforce.com," *Fortune*, February 8, 2010, 82; Steve Hamm, "The King of the Cloud," *BusinessWeek*, November 30, 2009, 77; http://www.salesforce.com.

company policy or required by union contract. The primary disadvantage of internal recruiting is that promoting a current employee leaves another position to be filled. Not only does the firm still incur recruiting and selection costs, but it also must train two employees instead of one.

In many situations it may be impossible to recruit internally. For example, a new position may be such that no current employee is qualified, or the firm may be growing so rapidly that there is no time to reassign positions that promotion or transfer requires.

Selection

Selection is the process of gathering information about applicants for a position and then using that information to choose the most appropriate applicant. Note the use of the word *appropriate*. In selection, the idea is not to hire the person with the *most* qualifications but rather the applicant who is *most appropriate*. The selection of an applicant is made by line managers responsible for the position. However, HRM personnel usually help by developing a pool of applicants and by expediting the assessment of these applicants. Common means of obtaining information about applicants' qualifications are employment applications, interviews, references, and assessment centers.

Employment Applications An employment application is useful in collecting factual information on a candidate's education, work experience, and personal history (see Figure 9.2). The data obtained from applications usually are used for two purposes: to identify applicants who are worthy of further scrutiny and to familiarize interviewers with their backgrounds.

Many job candidates submit résumés, and some firms require them. A *résumé* is a one- or two-page summary of the candidate's background and qualifications. It may include a description of the type of job the applicant is seeking. A résumé may be sent to a firm to request consideration for available jobs, or it may be submitted along with an employment application.

To improve the usefulness of information, HRM specialists ask current employees about factors in their backgrounds most related to their current jobs. Then these

selection the process of gathering information about applicants for a position and then using that information to choose the most appropriate applicant

Figure 9.2   Typical Employment Application

Employers use applications to collect factual information on a candidate's education, work experience, and personal history.

Source: Courtesy of 3M.

factors are included on the applications and may be weighted more heavily when evaluating new applicants' qualifications.

Employment Tests Tests administered to job candidates usually focus on aptitudes, skills, abilities, or knowledge relevant to the job. Such tests (basic computer skills tests, for example) indicate how well the applicant will do the job. Occasionally, companies use general intelligence or personality tests, but these are seldom helpful in predicting specific job performance. However, *Fortune* 500 companies, as well as an increasing number of medium- and small-sized companies, are using predictive behavior personality tests as administration costs decrease.

At one time, a number of companies were criticized for using tests that were biased against certain minority groups—in particular, African Americans. The test results were, to a great extent, unrelated to job performance. Today, a firm must be able to prove that a test is not discriminatory by demonstrating

that it accurately measures one's ability to perform. Applicants who believe that they have been discriminated against through an invalid test may file a complaint with the Equal Employment Opportunity Commission (EEOC).

Interviews The interview is perhaps the most widely used selection technique. Job candidates are interviewed by at least one member of the HRM staff and by the person for whom they will be working. Candidates for higher-level jobs may meet with a department head or vice president over several interviews.

Interviews provide an opportunity for applicants and the firm to learn more about each other. Interviewers can pose problems to test the candidate's abilities, probe employment history, and learn something about the candidate's attitudes and motivation. The candidate has a chance to find out more about the job and potential co-workers.

Unfortunately, interviewing may be the stage at which discrimination begins. For example, suppose that a female applicant mentions that she is the mother of small children. Her interviewer may assume that she would not be available for job-related travel. In addition, interviewers may be unduly influenced by such factors as appearance, or they may ask different questions of different applicants so that it becomes impossible to compare candidates' qualifications. Table 9.2 contains interview questions that are difficult to answer.

Some of these problems can be solved through better interviewer training and use of structured interviews. In a *structured interview*, the interviewer asks only a prepared set of job-related questions. The firm also may consider using several different interviewers for each applicant, but this is likely to be costly.
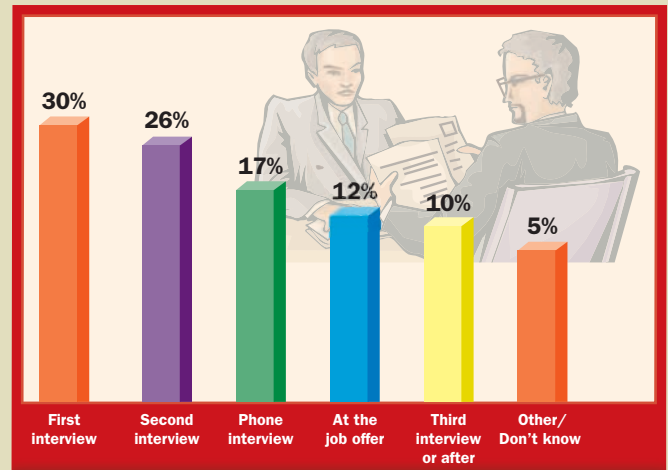
References A job candidate generally is asked to furnish the names of references—people who can verify background information and provide personal evaluations. Naturally, applicants tend to list only references who are likely to say good things. Thus, personal evaluations obtained from references may not be of much value. However, references are often contacted to verify such information as previous job responsibilities and the reason an applicant left a former job.

Assessment Centers An assessment center is used primarily to select current employees for promotion to higher-level positions. Typically, a group of employees is sent to the center for a few days. While there, they participate in activities designed to simulate the management environment and to predict managerial effectiveness. Trained observers make recommendations regarding promotion possibilities. Although this technique is gaining popularity, the expense involved limits its use.

SPOTLIGHT

When Should a Job Candidate Ask About Salary?

- 30% — First interview
- 26% — Second interview
- 17% — Phone interview
- 12% — At the job offer
- 10% — Third interview or after
- 5% — Other/Don't know

Source: Accountemps survey of 150 senior executives.
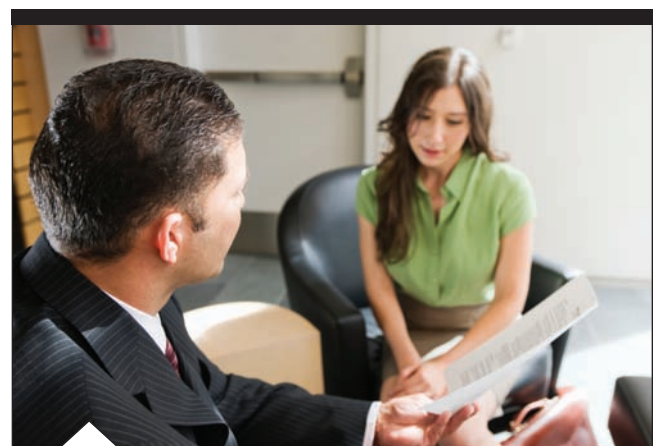
Job interview. Interviews are a normal part of the recruiting process. They can occur in a variety of locations through several different formats.

© iStockphoto.com/dra_schwartz

Table 9.2	Interview Questions that May Be Difficult to Answer
1. Tell me about yourself.	
2. What do you know about our organization?	
3. What can you do for us? Why should we hire you?	
4. What qualifications do you have that make you feel that you will be successful in your field?	
5. What have you learned from the jobs that you have held?	
6. If you could write your own ticket, what would be your ideal job?	
7. What are your special skills, and how did you acquire them?	
8. Have you had any special accomplishments in your lifetime that you are particularly proud of?	
9. Why did you leave your most recent job?	
10. How do you spend your spare time? What are your hobbies?	
11. What are your strengths and weaknesses?	
12. Discuss five major accomplishments.	
13. What kind of box would you like? Why?	
14. If you could spend a day with someone you have known or known of, who would it be?	
15. What personality characteristics rub you the wrong way?	
16. How do you show your anger? What type of things make you angry?	
17. With what type of person do you spend the majority of your time?	
18. What activities have you ever quit?	
19. Define cooperation.	

Sources: Adapted from Susan D. Greene and Melanie C. L. Martel, *The Ultimate Job Hunter's Guidebook,* 5th ed. Copyright © 2008 by Houghton Mifflin Company, 196–197. Used with permission.

Orientation

Once all information about job candidates has been collected and analyzed, the company extends a job offer. If it is accepted, the candidate becomes an employee.

Soon after a candidate joins a firm, he or she goes through the firm's orientation program. **Orientation** is the process of acquainting new employees with an organization. Orientation topics range from the location of the company cafeteria to career paths within the firm. The orientation itself may consist of a half-hour informal presentation by a human resources manager, or it may be an elaborate program involving dozens of people and lasting several days or weeks.

6

Discuss the primary elements of employee compensation and benefits.

Compensation and Benefits

An effective employee reward system must (1) enable employees to satisfy basic needs, (2) provide rewards comparable with those offered by other firms, (3) be distributed fairly within the organization, and (4) recognize that different people have different needs.

A firm's compensation system can be structured to meet the first three of these requirements. The fourth is more difficult because it must account for many variables. Most firms offer a number of benefits that, taken together, generally help to provide for employees' varying needs.

Compensation Decisions

Compensation is the payment employees receive in return for their labor. Its importance to employees is obvious. Because compensation may account for up to 80 percent of a firm's operating costs, it is equally important to the management. Therefore, the firm's **compensation system**, the policies and strategies that determine employee compensation, must be designed carefully to provide for employees' needs while keeping labor costs within reasonable limits. For most firms, designing an effective compensation system requires three separate management decisions—wage level, wage structure, and individual wages.

orientation the process of acquainting new employees with an organization

compensation the payment employees receive in return for their labor

compensation system the policies and strategies that determine employee compensation

Wage Level Management first must position the firm's general pay level relative to pay levels of comparable firms. Most firms choose a pay level near the industry average. However, a firm that is not in good financial shape may pay less than average, and large, prosperous organizations may pay more than average.

To determine the average pay for a job, the firm may use wage surveys. A **wage survey** is a collection of data on prevailing wage rates within an industry or a geographic area. Such surveys are compiled by industry associations, local governments, personnel associations, and (occasionally) individual firms.

Wage Structure Next, management must decide on relative pay levels for all the positions within the firm. Will managers be paid more than secretaries? Will secretaries be paid more than custodians? The result of this set of decisions is often called the firm's *wage structure*.

The wage structure almost always is developed on the basis of a job evaluation. **Job evaluation** is the process of determining the relative worth of the various jobs within a firm. Most observers probably would agree that a secretary should make more money than a custodian, but how much more? Job evaluation should provide the answer to this question.

A number of techniques may be used to evaluate jobs. The simplest is to rank all the jobs within the firm according to value. A more frequently used method is based on the job analysis. Points are allocated to each job for each of its elements and requirements. For example, "college degree required" might be worth 50 points, whereas the need for a high school education might count for only 25 points. The more points a job is allocated, the more important it is presumed to be (and the higher its level in the firm's wage structure).

Individual Wages Finally, the company must determine the specific payments individual employees will receive. Consider the case of two secretaries working side by side. Job evaluation has been used to determine the relative level of secretarial pay within the firm's wage structure. However, suppose that one secretary has 15 years of experience and can type 80 words per minute accurately and the other has two years of experience and can type only 55 words per minute; in most firms, these two people would not receive the same pay. Instead, a wage range would be established for the secretarial position. In this case, the range might be $8.50 to $12.50 per hour. The more experienced and proficient secretary then would be paid an amount near the top of the range (say, $12.25 per hour); the less experienced secretary would receive an amount that is lower but still within the range (say, $8.75 per hour).

Two wage decisions come into play here. First, the employee's initial rate must be established. It is based on experience, other qualifications, and expected performance. Later, the employee may be given pay increases based on seniority and performance.

Comparable Worth

One reason women in the workforce are paid less may be that a proportion of women occupy female-dominated jobs—nurses, secretaries, and medical records analysts, for example—that require education, skills, and training equal to higher-paid positions but are undervalued. **Comparable worth** is a concept that seeks equal compensation for jobs that require about the same level of education, training, and skill. Several states have enacted laws requiring equal pay for comparable work in government positions. Critics of comparable worth argue that the market has determined the worth of jobs and laws should not tamper with the market's pricing mechanism. The Equal Pay Act, discussed later in this chapter, does not address the issue of comparable worth. Critics also argue that inflating salaries artificially for female-dominated occupations encourages women to keep these jobs rather than seek out higher-paying jobs.

wage survey a collection of data on prevailing wage rates within an industry or a geographic area

job evaluation the process of determining the relative worth of the various jobs within a firm

comparable worth a concept that seeks equal compensation for jobs requiring about the same level of education, training, and skills

Types of Compensation

Compensation can be paid in a variety of forms. Most forms of compensation fall into the following categories: hourly wage, weekly or monthly salary, commissions, incentive payments, lump-sum salary increases, and profit sharing.

Hourly Wage An **hourly wage** is a specific amount of money paid for each hour of work. People who earn wages are paid their hourly wage for the first 40 hours worked in any week. They are then paid one-and-one-half times their hourly wage for time worked in excess of 40 hours (i.e., they are paid "time-and-a-half" for overtime). Workers in retailing and fast-food chains, on assembly lines, and in clerical positions usually are paid an hourly wage.

Weekly or Monthly Salary A **salary** is a specific amount of money paid for an employee's work during a set calendar period, regardless of the actual number of hours worked. Salaried employees receive no overtime pay, but they do not lose pay when they are absent from work. Most professional and managerial positions are salaried.

Commissions A **commission** is a payment that is a percentage of sales revenue. Sales representatives and sales managers often are paid entirely through commissions or through a combination of commissions and salary.

Incentive Payments An **incentive payment** is a payment in addition to wages, salary, or commissions. Incentive payments are really extra rewards for outstanding job performance. They may be distributed to all employees or only to certain employees. Some firms distribute incentive payments to all employees annually. The size of the payment depends on the firm's earnings and, at times, on the particular employee's length of service with the firm. Firms sometimes offer incentives to employees who exceed specific sales or production goals, a practice called *gain sharing*.

To avoid yearly across-the-board salary increases, some organizations reward outstanding workers individually through *merit pay*. This pay-for-performance approach allows management to control labor costs while encouraging employees to work more efficiently. An employee's merit pay depends on his or her achievements relative to those of others.

Lump-Sum Salary Increases In traditional reward systems, an employee who receives an annual pay increase is given part of the increase in each pay period. For example, suppose that an employee on a monthly salary gets a 10 percent annual pay hike. He or she actually receives 10 percent of the former monthly salary added to each month's paycheck for a year. Companies that offer a **lump-sum salary increase** give the employee the option of taking the entire pay raise in one lump sum. The employee then draws his or her "regular" pay for the rest of the year. The lump-sum payment typically is treated as an interest-free loan that must be repaid if the employee leaves the firm during the year.

Profit-Sharing **Profit-sharing** is the distribution of a percentage of a firm's profit among its employees. The idea is to motivate employees to work effectively by giving them a stake in the company's financial success. Some firms—including Sears, Roebuck—have linked their profit-sharing plans to employee retirement programs; that is, employees receive their profit-sharing distributions, with interest, when they retire.

Employee Benefits

An **employee benefit** is a reward in addition to regular compensation that is provided indirectly to employees. Employee benefits consist mainly of services (such as insurance) that are paid for partially or totally by employers and employee

hourly wage a specific amount of money paid for each hour of work

salary a specific amount of money paid for an employee's work during a set calendar period, regardless of the actual number of hours worked

commission a payment that is a percentage of sales revenue

incentive payment a payment in addition to wages, salary, or commissions

lump-sum salary increase an entire pay raise taken in one lump sum

profit-sharing the distribution of a percentage of a firm's profit among its employees

employee benefit a reward in addition to regular compensation that is provided indirectly to employees

expenses (such as college tuition) that are reimbursed by employers. Currently, the average cost of these benefits is 29.3 percent of an employee's total compensation, which includes wages plus benefits.[8] Thus, a person who received total compensation (including benefits) of $50,000 a year earned $33,350 in wages and received an additional $14,650 in benefits.

Types of Benefits Employee benefits take a variety of forms. *Pay for time not worked* covers such absences as vacation time, holidays, and sick leave. *Insurance packages* may include health, life, and dental insurance for employees and their families. Some firms pay the entire cost of the insurance package, and others share the cost with the employee. The costs of *pension and retirement programs* also may be borne entirely by the firm or shared with the employee.

Employee benefits. Companies vary among themselves on the types of employee benefits provided. For example, some provide child-care services.

Some benefits are required by law. For example, employers must maintain *workers' compensation insurance,* which pays medical bills for injuries that occur on the job and provides income for employees who are disabled by job-related injuries. Employers must also pay for *unemployment insurance* and contribute to each employee's federal *Social Security* account.

Other benefits provided by employers include tuition-reimbursement plans, credit unions, child-care services, company cafeterias, exercise rooms, and broad stock-option plans available to all employees. Some companies offer special benefits to U.S. military reservists who are called up for active duty.

Some companies offer unusual benefits to attract and retain employees. Paychex, a payroll-processing company, gives awards of up to $300 to its employees for participating in healthy activities, such as receiving flu shots, going to the dentist, attending exercise classes, running a race, and riding their bike to work. MITRE, a non-profit technology services provider, rewards its employees who want to further their education by giving them money to go toward getting a Master's degree or a PhD. Employees at SC Johnson have access to an on-site concierge service that will run errands for them, such as mailing packages, getting groceries, and changing their car's oil. Intel offers all its full-time employees in the United States and Canada an eight-week paid sabbatical every seven years. SAS, which is highly ranked in *Fortune* magazine's "Top 100 Companies to Work For," offers unlimited sick days, a medical center that provides free services, a free 66,000-square-foot fitness center and natatorium, a lending library, on-site saunas, discounted massages, classes on Wii bowling, and even a summer camp for children of employees. Google is known for its unusual perks and fun activities, which include foosball, pool, volleyball, video games, ping pong, and gymnasiums that offer yoga and dance classes.[9]

Flexible Benefit Plans Through a **flexible benefit plan**, an employee receives a predetermined amount of benefit dollars and may allocate those dollars to various categories of benefits in the mix that best fits his or her needs. Some flexible benefit plans offer a broad array of benefit options, including health care, dental care, life insurance, accidental death and dismemberment coverage for both the worker and dependents, long-term disability coverage, vacation benefits, retirement savings, and dependent-care benefits. Other firms offer limited options, primarily in health and life insurance and retirement plans.

Although the cost of administering flexible plans is high, a number of organizations, including Quaker Oats and Coca-Cola, have implemented this option for several reasons. Because employees' needs are so diverse, flexible plans help firms to offer benefit packages that more specifically meet their employees' needs. Flexible

flexible benefit plan compensation plan whereby an employee receives a predetermined amount of benefit dollars to spend on a package of benefits he or she has selected to meet individual needs

© Matka Wariatka/Shutterstock.com

plans can, in the long run, help a company to contain costs because a specified amount is allocated to cover the benefits of each employee. Furthermore, organizations that offer flexible plans with many choices may be perceived as being employee-friendly. Thus, they are in a better position to attract and retain qualified employees.

Training and Development

Training and development are extremely important at the Container Store. Because great customer service is so important, every first-year full-time salesperson receives about 185 hours of formal training as opposed to the industry standard, which is approximately seven hours. Training and development continue throughout a person's career. Each store has a full-time trainer called the *super sales trainer*. This trainer provides product training, sales training, and employee-development training. A number of top managers believe that the financial and human resources invested in training and development are well worth it.

Both training and development are aimed at improving employees' skills and abilities. However, the two are usually differentiated as either employee training or management development. **Employee training** is the process of teaching operations and technical employees how to do their present jobs more effectively and efficiently. **Management development** is the process of preparing managers and other professionals to assume increased responsibility in both present and future positions. Thus, training and development differ in who is being taught and the purpose of the teaching. However, both are necessary for personal and organizational growth. Companies that hope to stay competitive typically make huge commitments to employee training and development. Internet-based e-learning is growing. Driven by cost, travel, and time savings, online learning alone (and in conjunction with face-to-face situations) is a strong alternative strategy. Development of a training program usually has three components: analysis of needs, determination of training and development methods, and creation of an evaluation system to assess the program's effectiveness.

employee training the process of teaching operations and technical employees how to do their present jobs more effectively and efficiently

management development the process of preparing managers and other professionals to assume increased responsibility in both present and future positions

Analysis of Training Needs

When thinking about developing a training program, managers first must determine if training is needed and, if so, what types of training needs exist. At times, what at first appears to be a need for training is actually, on assessment, a need for motivation. Training needs can vary considerably. For example, some employees may need training to improve their technical skills, or they may need training about organizational procedures. Training also may focus on business ethics, product information, or customer service. Because training is expensive, it is critical that the correct training needs be identified.

Training and Development Methods

A number of methods are available for employee training and management development. Some of these methods may be more suitable for one or the other, but most can be applied to both training and management development.

- *On-the-job methods*. The trainee learns by doing the work under the supervision of an experienced employee.
- *Simulations*. The work situation is simulated in a separate area so that learning takes place away from the day-to-day pressures of work.
- *Classroom teaching and lectures*. You probably already know these methods quite well.

Training. Organizations train employees using a variety of methods and during a variety of time periods.

© Monkey Business Images

- *Conferences and seminars.* Experts and learners meet to discuss problems and exchange ideas.
- *Role-playing.* Participants act out the roles of others in the organization for better understanding of those roles (primarily a management development tool).

Evaluation of Training and Development

Training and development are very expensive. The training itself costs quite a bit, and employees are usually not working—or are working at a reduced load and pace—during training sessions. To ensure that training and development are cost-effective, the managers responsible should evaluate the company's efforts periodically.

The starting point for this evaluation is a set of verifiable objectives that are developed before the training is undertaken. Suppose that a training program is expected to improve the skills of machinists. The objective of the program might be stated as follows: "At the end of the training period, each machinist should be able to process 30 parts per hour with no more than one defective part per 90 parts completed." This objective clearly specifies what is expected and how training results may be measured or verified. Evaluation then consists of measuring machinists' output and the ratio of defective parts produced after the training.

The results of training evaluations should be made known to all those involved in the program—including trainees and upper management. For trainees, the results of evaluations can enhance motivation and learning. For upper management, the results may be the basis for making decisions about the training program itself.

Performance Appraisal

8

Discuss performance appraisal techniques and performance feedback.

Performance appraisal is the evaluation of employees' current and potential levels of performance to allow managers to make objective human resources decisions. The process has three main objectives. First, managers use performance appraisals to let workers know how well they are doing and how they can do better in the future. Second, a performance appraisal provides an effective basis for distributing rewards, such as pay raises and promotions. Third, performance appraisal helps the organization monitor its employee selection, training, and development activities. If large numbers of employees continually perform below expectations, the firm may need to revise its selection process or strengthen its training and development activities. Most performance appraisal processes include a written document. An example appears in Figure 9.3.

Common Evaluation Techniques

The various techniques and methods for appraising employee performance are either objective or judgmental in nature.

Objective Methods Objective appraisal methods use some measurable quantity as the basis for assessing performance. Units of output, dollar volume of sales, number of defective products, and number of insurance claims processed are all objective, measurable quantities. Thus, an employee who processes an average of 26 insurance claims per week is given a higher evaluation than one whose average is 19 claims per week.

Such objective measures may require some adjustment for the work environment. Suppose that the first of our insurance claims' processors works in New York City and the second works in rural Iowa. Both must visit each client because they are processing homeowners' insurance claims. The difference in their average weekly output may be entirely because of the long distances the Iowan must travel to visit clients. In this case, the two workers may very well be equally competent and motivated. Thus, a manager must take into account circumstances that may be hidden by a purely statistical measurement.

performance appraisal the evaluation of employees' current and potential levels of performance to allow managers to make objective human resources decisions

Figure 9.3   Performance Appraisal

Source: Courtesy of 3M.

Judgmental Methods Judgmental appraisal methods are used much more frequently than objective methods. They require that the manager judge or estimate the employee's performance level. However, judgmental methods are not capricious. These methods are based on employee ranking or rating scales. When ranking is used, the manager ranks subordinates from best to worst. This approach has a number of drawbacks, including the lack of any absolute standard. Use of rating scales is the most popular judgmental appraisal technique. A *rating scale* consists of a number of statements; each employee is rated on the degree to which the statement applies. For example, one statement might be, "This employee always does high-quality work." The supervisor would give the employee a rating, from 5 down to 1, corresponding to gradations ranging from "strongly agree" to "strongly disagree." The ratings on all the statements are added to obtain the employee's total evaluation.

Avoiding Appraisal Errors Managers must be cautious if they are to avoid making mistakes when appraising employees. It is common to overuse one portion of an evaluation instrument, thus overemphasizing some issues and underemphasizing others. A manager must guard against allowing an employee's poor performance on one activity to influence his or her judgment of that subordinate's work on other activities. Similarly, putting too much weight on recent performance distorts an employee's evaluation. For example, if the employee is being rated on performance over the last year, a manager should not permit last month's disappointing performance to overshadow the quality of the work done in the first 11 months of the year. Finally, a manager must guard against discrimination on the basis of race, age, gender, religion, national origin, or sexual orientation.

Performance Feedback

No matter which appraisal technique is used, the results should be discussed with the employee soon after the evaluation is completed. The manager should explain the basis for present rewards and should let the employee know what he or she can do to be recognized as a better performer in the future. The information provided to an employee in such discussions is called *performance feedback*, and the process is known as a *performance feedback interview*.

There are three major approaches to performance feedback interviews: tell-and-sell, tell-and-listen, and problem solving. In a *tell-and-sell* feedback interview, the superior tells the employee how good or bad the employee's performance has been and then attempts to persuade the employee to accept the evaluation. Because the employee has no input into the evaluation, the tell-and-sell interview can lead to defensiveness, resentment, and frustration on the part of the subordinate. The employee may not accept the results of the interview and may not be committed to achieving the goals that are set.

With the *tell-and-listen* approach, the supervisor tells the employee what has been right and wrong with the employee's performance and then gives the employee a chance to respond. The subordinate may simply be given an opportunity to react to the supervisor's statements or may be permitted to offer a full self-appraisal, challenging the supervisor's assessment.

In the *problem-solving* approach, employees evaluate their own performance and set their own goals for future performance. The supervisor is more a colleague than a judge and offers comments and advice in a noncritical manner. An active and open dialogue ensues in which goals for improvement are mutually established. The problem-solving interview is most likely to result in the employee's commitment to the established goals.

To avoid some of the problems associated with the tell-and-sell interview, supervisors sometimes use a mixed approach. The mixed interview uses the tell-and-sell approach to communicate administrative decisions and the problem-solving approach to discuss employee-development issues and future performance goals.[10]

An appraisal approach that has become popular is called a *360-degree evaluation*. A 360-degree evaluation collects anonymous reviews about an employee from his or her peers, subordinates, and supervisors and then compiles these reviews into a feedback report that is given to the employee. Companies that invest significant resources in employee-development efforts are especially likely to use 360-degree evaluations. An employee should not be given a feedback report without first having a one-on-one meeting with his or her supervisor. The most appropriate way to introduce a 360-degree evaluation system in
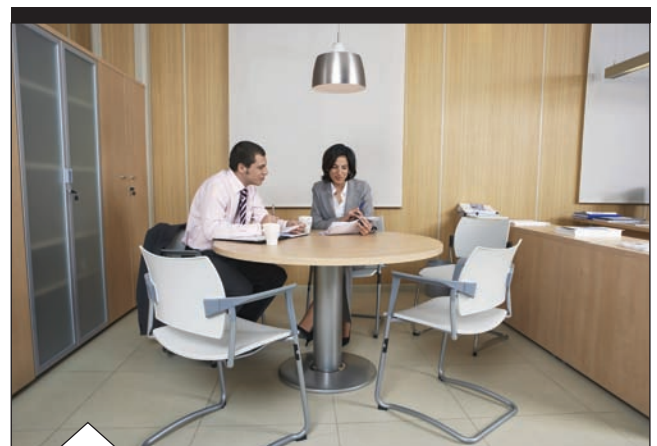
A 360-degree evaluation. As part of the review process at companies like Johnson & Johnson, IBM, and Xerox, managers first gather information about an employee from peers, subordinates, and supervisors, and then compile these reviews into a feedback report that is given to the employee.

© bikeriderlondon/Shutterstock.com

a company is to begin with upper-level management. Then managers should be trained on how to interpret feedback reports so that they can coach their employees on how to use the feedback to achieve higher-level job-related skills and behaviors.[11]

Finally, we should note that many managers find it difficult to discuss the negative aspects of an appraisal. Unfortunately, they may ignore performance feedback altogether or provide it in a very weak and ineffectual manner. In truth, though, most employees have strengths that can be emphasized to soften the discussion of their weaknesses. An employee may not even be aware of the weaknesses and their consequences. If such weaknesses are not pointed out through performance feedback, they cannot possibly be eliminated. Only through tactful, honest communication can the results of an appraisal be fully used.

The Legal Environment of HRM

Legislation regarding HRM practices has been passed mainly to protect the rights of employees, to promote job safety, and to eliminate discrimination in the workplace. The major federal laws affecting HRM are described in Table 9.3.

Table 9.3	Federal Legislation Affecting Human Resources Management
Law	**Purpose**
National Labor Relations Act (1935)	Established a collective-bargaining process in labor–management relations as well as the National Labor Relations Board (NLRB).
Fair Labor Standards Act (1938)	Established a minimum wage and an overtime pay rate for employees working more than 40 hours per week.
Labor–Management Relations Act (1947)	Provides a balance between union power and management power; also known as the Taft–Hartley Act.
Equal Pay Act (1963)	Specifies that men and women who do equal jobs must be paid the same wage.
Title VII of the Civil Rights Act (1964)	Prohibits discrimination in employment practices based on sex, race, color, religion, or national origin.
Age Discrimination in Employment Act (1967–1986)	Prohibits personnel practices that discriminate against people aged 40 years and older; the 1986 amendment eliminated a mandatory retirement age.
Occupational Safety and Health Act (1970)	Regulates the degree to which employees can be exposed to hazardous substances and specifies the safety equipment that the employer must provide.
Employment Retirement Income Security Act (1974)	Regulates company retirement programs and provides a federal insurance program for retirement plans that go bankrupt.
Worker Adjustment and Retraining Notification (WARN) Act (1988)	Requires employers to give employees 60 days notice regarding plant closure or layoff of 50 or more employees.
Americans with Disabilities Act (1990)	Prohibits discrimination against qualified individuals with disabilities in all employment practices, including job-application procedures, hiring, firing, advancement, compensation, training, and other terms, conditions, and privileges of employment.
Civil Rights Act (1991)	Facilitates employees' suing employers for sexual discrimination and collecting punitive damages.
Family and Medical Leave Act (1993)	Requires an organization with 50 or more employees to provide up to 12 weeks of leave without pay on the birth (or adoption) of an employee's child or if an employee or his or her spouse, child, or parent is seriously ill.
Affordable Care Act (2010)	Requires an organization with 50 or more employees to make health insurance available to employees or pay an assessment and gives employees the right to buy health insurance from another provider if an organization's health insurance is too expensive.

National Labor Relations Act and Labor–Management Relations Act

These laws are concerned with dealings between business firms and labor unions. This general area is, in concept, a part of HRM. However, because of its importance, it is often treated as a separate set of activities. We discuss both labor–management relations and these two acts in detail in Chapter 11.

Fair Labor Standards Act

This act, passed in 1938 and amended many times since, applies primarily to wages. It established minimum wages and overtime pay rates. Many managers and other professionals, however, are exempt from this law. Managers, for example, seldom get paid overtime when they work more than 40 hours a week.

Equal Pay Act

Passed in 1963, this law overlaps somewhat with Title VII of the Civil Rights Act (see next section). The Equal Pay Act specifies that men and women who are doing equal jobs must be paid the same wage. Equal jobs are jobs that demand equal effort, skill, and responsibility and are performed under the same conditions. Differences in pay are legal if they can be attributed to differences in seniority, qualifications, or performance. However, women cannot be paid less (or more) for the same work solely because they are women.

Civil Rights Acts

Title VII of the Civil Rights Act of 1964 applies directly to selection and promotion. It forbids organizations with 15 or more employees to discriminate in those areas on the basis of sex, race, color, religion, or national origin. The purpose of Title VII is to ensure that employers make personnel decisions on the basis of employee qualifications only. As a result of this act, discrimination in employment (especially against African Americans) has been reduced in this country.

The EEOC is charged with enforcing Title VII. A person who believes that he or she has been discriminated against can file a complaint with the EEOC. The commission then investigates the complaint and, if it finds that the person has, in fact, been the victim of discrimination, the commission can take legal action on his or her behalf.

The Civil Rights Act of 1991 facilitates an employee's suing and collecting punitive damages for sexual discrimination. Discriminatory promotion and termination decisions as well as on-the-job issues, such as sexual harassment, are covered by this act.

Age Discrimination in Employment Act

The general purpose of this act, which was passed in 1967 and amended in 1986, is the same as that of Title VII—to eliminate discrimination. However, as the name implies, the Age Discrimination in Employment Act is concerned only with discrimination based on age. It applies to companies with 20 or more employees. In particular, it outlaws personnel practices that discriminate against people aged 40 years or older. (No federal law forbids discrimination against people younger than 40 years, but several states have adopted age discrimination laws that apply to a variety of age groups.) Also outlawed are company policies that specify a mandatory retirement age. Employers must base employment decisions on ability and not on a number.

Occupational Safety and Health Act

Passed in 1970, this act is mainly concerned with issues of employee health and safety. For example, the act regulates the degree to which employees can be exposed to hazardous substances. It also specifies the safety equipment that the employer must provide.
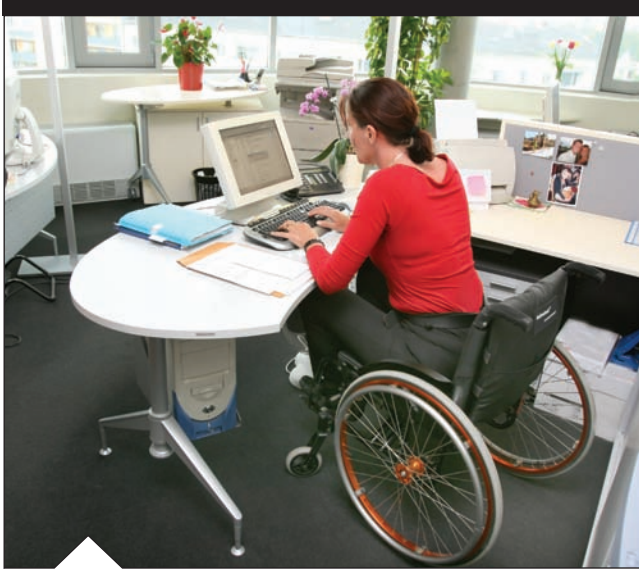
The Occupational Safety and Health Administration (OSHA) was created to enforce this act. Inspectors from OSHA investigate employee complaints regarding unsafe working conditions. They also make spot checks on companies operating in particularly hazardous industries, such as chemical and mining industries, to ensure compliance with the law. A firm found to be in violation of federal standards can be heavily fined or shut down. Nonetheless, many people feel that issuing OSHA violations is not enough to protect workers from harm.

Employee Retirement Income Security Act

This act was passed in 1974 to protect the retirement benefits of employees. It does not require that firms provide a retirement plan. However, it does specify that if a retirement plan is provided, it must be managed in such a way that the interests of employees are protected. It also provides federal insurance for retirement plans that go bankrupt.

Affirmative Action

Affirmative action is not one act but a series of executive orders issued by the President of the United States. These orders established the requirement for affirmative action in personnel practices. This stipulation applies to all employers with 50 or more employees holding federal contracts in excess of $50,000. It prescribes that such employers (1) actively encourage job applications from members of minority groups and (2) hire qualified employees from minority groups who are not fully represented in their organizations. Many firms that do not hold government contracts voluntarily take part in this affirmative action program.

Americans with Disabilities Act

The Americans with Disabilities Act (ADA) prohibits discrimination against qualified individuals with disabilities in all employment practices—including job-application procedures, hiring, firing, advancement, compensation, training, and other terms and conditions of employment. All private employers and government agencies with 15 or more employees are covered by the ADA. Defining who is a qualified individual with a disability is, of course, difficult. Depending on how *qualified individual with a disability* is interpreted, up to 43 million Americans can be included under this law. This law also mandates that all businesses that serve the public must make their facilities accessible to people with disabilities.

ADA not only protects individuals with obvious physical disabilities but also safeguards those with less visible conditions, such as heart disease, diabetes, epilepsy, cancer, AIDS, and mental illnesses. Because of this law, many organizations no longer require job applicants to pass physical examinations as a condition of employment.

Employers are required to provide disabled employees with reasonable accommodation. *Reasonable accommodation* is any modification or adjustment to a job or work environment that will enable a qualified employee with a disability to perform a central job function. Examples of reasonable accommodation include making existing facilities readily accessible to and usable by an individual confined to a wheelchair. Reasonable accommodation also might mean restructuring a job, modifying work schedules, acquiring or modifying equipment, providing qualified readers or interpreters, or changing training programs.

Americans with Disabilities Act. A major element in the ADA focuses on providing access to accommodate employees with disabilities.

© Gina Sanders/Shutterstock.com

Wegmans

Wegmans has become a regional supermarket success by using its employees as a competitive advantage. Other supermarkets may stock many of the same national brands, but they do not have the talented workforce that Wegmans has recruited and trained to work with the public and behind the scenes. The company sifts through stacks of résumés, asks employees for referrals, and conducts round after round of interviews until it finds the right candidates for each job.

Putting good people on the payroll is only the start. Family-owned Wegmans wants its workforce to share the company's "family" feeling and feel empowered to do what's right for the customer. Every week, human resources personnel fan out

to visit the stores and listen to employees' ideas and concerns. "Just as we engage our customers, we want to let our employees know that they're valued," explains the company's top human resources executive.

Questions

1. Although in business for nearly 100 years, Wegmans has never had to downsize or lay off workers. How would you use the concepts of human resources planning to explain this accomplishment?

2. If you were a recruiter for Wegmans, what questions would you ask in a job interview to determine whether a candidate has "a propensity to serve"?

Summary

1 Describe the major components of human resources management.

Human resources management (HRM) is the set of activities involved in acquiring, maintaining, and developing an organization's human resources. Responsibility for HRM is shared by specialized staff and line managers. HRM activities include human resources planning, job analysis, recruitment, selection, orientation, compensation, benefits, training and development, and performance appraisal.

2 Identify the steps in human resources planning.

Human resources planning consists of forecasting the human resources that a firm will need and those that it will have available and then planning a course of action to match supply with demand. Layoffs, attrition, early retirement, and (as a last resort) firing are ways to reduce the size of the workforce. Supply is increased through hiring.

3 Describe cultural diversity and understand some of the challenges and opportunities associated with it.

Cultural diversity refers to the differences among people in a workforce owing to race, ethnicity, and gender. With an increasing number of women, minorities, and immigrants entering the U.S. workforce, management is faced with both challenges and competitive advantages.

Some organizations are implementing diversity-related training programs and working to make the most of cultural diversity. With proper guidance and management, a culturally diverse organization can prove beneficial to all involved.

4 Explain the objectives and uses of job analysis.

Job analysis provides a job description and a job specification for each position within a firm. A job description is a list of the elements that make up a particular job. A job specification is a list of qualifications required to perform a particular job. Job analysis is used in evaluation and in the determination of compensation levels and serves as the basis for recruiting and selecting new employees.

5 Describe the processes of recruiting, employee selection, and orientation.

Recruiting is the process of attracting qualified job applicants. Candidates for open positions may be recruited from within or outside a firm. In the selection process, information about candidates is obtained from applications, résumés, tests, interviews, references, or assessment centers. This information then is used to select the most appropriate candidate for the job. Newly hired employees will then go through a formal or an informal orientation program to acquaint themselves with the firm.

CHAPTER REVIEW

6 Discuss the primary elements of employee compensation and benefits.

Compensation is the payment employees receive in return for their labor. In developing a system for paying employees, management must decide on the firm's general wage level (relative to other firms), the wage structure within the firm, and individual wages. Wage surveys and job analyses are useful in making these decisions. Employees may be paid hourly wages, salaries, or commissions. They also may receive incentive payments, lump-sum salary increases, and profit-sharing payments. Employee benefits, which are nonmonetary rewards to employees, add about 28 percent to the cost of compensation.

7 Explain the purposes and techniques of employee training and development.

Employee-training and management-development programs enhance the ability of employees to contribute to a firm. When developing a training program, the company should analyze training needs and then select training methods. Because training is expensive, an organization should periodically evaluate the effectiveness of its training programs.

8 Discuss performance appraisal techniques and performance feedback.

Performance appraisal, or evaluation, is used to provide employees with performance feedback, to serve as a basis for distributing rewards, and to monitor selection and training activities. Both objective and judgmental appraisal techniques are used. Their results are communicated to employees through three performance feedback approaches: tell-and-sell, tell-and-listen, and problem solving.

9 Outline the major legislation affecting human resources management.

A number of laws have been passed that affect HRM practices and that protect the rights and safety of employees. Some of these are the National Labor Relations Act of 1935, the Labor–Management Relations Act of 1947, the Fair Labor Standards Act of 1938, the Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Acts of 1967 and 1986, the Occupational Safety and Health Act of 1970, the Employment Retirement Income Security Act of 1974, the Worker Adjustment and Retraining Notification Act of 1988, the Americans with Disabilities Act of 1990, the Civil Rights Act of 1991, and the Family and Medical Leave Act of 1993.

Key Terms

You should now be able to define and give an example relevant to each of the following terms:

human resources
    management (HRM) (250)
human resources
    planning (251)
replacement chart (251)
skills inventory (252)
cultural (workplace)
    diversity (253)
job analysis (254)

job description (254)
job specification (254)
recruiting (255)
external recruiting (255)
internal recruiting (256)
selection (257)
orientation (260)
compensation (260)
compensation system (260)

wage survey (261)
job evaluation (261)
comparable worth (261)
hourly wage (262)
salary (262)
commission (262)
incentive payment (262)
lump-sum salary increase
    (262)

profit-sharing (262)
employee benefit (262)
flexible benefit plan (263)
employee training (264)
management
    development (264)
performance appraisal
    (265)

Review Questions

1. List the three main HRM activities and their objectives.
2. In general, on what basis is responsibility for HRM divided between staff and line managers?
3. How is a forecast of human resources demand related to a firm's organizational planning?
4. How do human resources managers go about matching a firm's supply of workers with its demand for workers?
5. What are the major challenges and benefits associated with a culturally diverse workforce?
6. How are job analysis, job description, and job specification related?
7. What are the advantages and disadvantages of external recruiting and of internal recruiting?
8. In your opinion, what are the two best techniques for gathering information about job candidates?
9. Why is orientation an important HRM activity?
10. Explain how the three wage-related decisions result in a compensation system.

11. How is a job analysis used in the process of job evaluation?
12. Suppose that you have just opened a new Ford sales showroom and repair shop. Which of your employees would be paid wages, which would receive salaries, and which would receive commissions?

13. What is the difference between the objective of employee training and the objective of management development?
14. Why is it so important to provide feedback after a performance appraisal?

Discussion Questions

1. How accurately can managers plan for future human resources needs?
2. How might an organization's recruiting and selection practices be affected by the general level of employment?
3. Are employee benefits really necessary? Why?

4. As a manager, what actions would you take if an operations employee with six years of experience on the job refused ongoing training and ignored performance feedback?
5. Why are there so many laws relating to HRM practices? Which are the most important laws, in your opinion?

Video Case 9.1 — Whirlpool's Award-Winning Diversity Program Is Facilitated Through Employee Network

In today's global marketplace, managers interact with people of different cultures, languages, beliefs, and values. Whirlpool Corporation has shown that a diverse workforce can be a powerful advantage.

Since its establishment in 1911, Whirlpool, headquartered in Michigan, has grown into a global corporation with manufacturing locations on every major continent and annual revenues in excess of $19 billion. Approximately 60 percent of Whirlpool's 70,000+ employees work outside North America. The development of this broad workforce is aided by the company's award-winning diversity program, which gathers workers into support groups based on personal affiliations. To enter the program, workers join a particular employee network of their choosing, such as the Hispanic network, the young professionals network, the Asian or African American networks, the women's network, the Native American network, or the Pride network, which includes gay, lesbian, bisexual, and transgender (GLBT) employees.

These networks give employees access to a world of new career resources and training opportunities. For instance, according to the company's Web site, "Our primary objective is to become the employer of choice for GLBT and affirming employees." Despite the program's obvious focus on employee

well-being, leaders at Whirlpool say the networks also offer a competitive advantage in global marketing. "Having diverse people making decisions and giving input to the factors that we consider on a daily basis is extremely important to the business," according to the company's vice president of consumer and appliance care, Kathy Nelson. "It's important because we need to make sure that the people who are making business decisions are reflective of who our consumers are."

This belief is fully in keeping with the company's Diversity Mission Statement, expressed by Chairman and CEO Jeff Fettig: "We best serve the unique needs of our customers through diverse, inclusive, and engaged employees who truly reflect our global customer base."[12]

Questions

1. What are the three main objectives of Whirlpool's diversity networks?
2. What challenges do managers face in establishing a diverse workplace, and how might they respond to these challenges?
3. Do you think formation of Whirlpool's employee networks is the best way to promote a positive culture of diversity? Explain.

Case 9.2 — Domino's Pizza Franchisee Finds Sharing Success Promotes Success

Turnover—the rate at which employees leave their jobs—is notoriously high in the fast-food industry. According to the National Restaurant Association, more than half of all managers in limited-service restaurants change jobs each year, and turnover among lower-level

employees is even higher. So it is rare to find a pizza franchise in which employees are so loyal that they name their children after the boss. But that is exactly the kind of thing that happens at Dave Melton's Domino's Pizza franchises.

Chapter 9: Attracting and Retaining the Best Employees   273

Melton has been a Domino's franchisee since 1989 and now operates six Domino's units in New York City and Connecticut. A newspaper reporter recently found Melton preparing his Domino's stores for Super Bowl Sunday. He had his entire staff of about 100 employees working in the stores, plus 12 former employees who were happy to come back and help on the chain's busiest day of the year. Melton knew business would be "crazy" for the two-and-a-half hours of the game, but he was confident, too. Most of his team had been with him long enough to have worked through the Super Bowl together several times already.

All of Melton's managers started as minimum-wage delivery workers who worked their way up and have now been with him for at least six years, some for twice as long. They earn as much as $80,000, partly by sharing in the profits of their stores, which each ring up about $1 million in annual sales. Regular employees are just as committed to their jobs as the store managers. On average, Melton's hourly employees remain on his payroll for eight years. Several of his employees have gone on to follow in Melton's footsteps by becoming Domino's franchisees and hiring employees of their own.

Why is turnover so low at Dave Melton's Domino's units? Workers say they are treated with dignity and respect. For instance, Melton and his wife encouraged one kitchen worker to take a city food safety course. "I was a little skeptical," she said. "I don't like tests. But I took it and I passed. I did well. I got a raise and I got a bonus for passing the test." And, following one of his basic employment policies, Melton promoted her to assistant manager. Another employee, an immigrant from Pakistan, started as a delivery worker and now manages one of Melton's stores. Someday he hopes to open his own. "My No. 1 career goal is to be in my own business and bring my family here," he said. And then there's the

employee from Burkina Faso, who has been with Melton for many years and named his son after him.

How does Melton account for his success at retaining people in such a fluid industry? Domino's provides its franchise operators with at least a week of management training and continued support, but Melton's results are special. He admits his first year as a franchise operator was filled with hiring mistakes, often the result of hasty decisions. Some employees were disruptive, argued with customers, had high absentee rates, and even stole from the firm. Melton quickly learned how to do better. "You are on your feet," he says of the jobs in his business. "It is long hours. It takes a certain kind of person to love it"—someone who can work fast and cheerfully.

Most of Melton's hires now are referrals from current employees, who come from many countries, and he devotes time to training them, setting goals with them, sharing information about how the stores are faring, and paying bonuses for outstanding work. "My role is being a resource, providing motivation, inspiration, and compensation," he says. "This is one of the places where so many people get their first experience in America. It is fun exposing them to the way capitalism and business in America works."[13] For more information about this company, go to http://www.dominosbiz.com.

Questions

1. What are some of the strategies Dave Melton uses to retain good employees?
2. What do you think are the advantages of Dave Melton's hiring strategies? Can you think of any disadvantages?
3. What effect do you think Dave Melton's compensation methods have on his firm's success?

Building Skills for Career Success

❶ JOURNALING FOR SUCCESS

Discovery statement: This chapter discussed human resources management from an organizational and business perspective.

Assignment

1. Assuming that you are currently in school and that you plan to begin a new job when you have completed your studies, at what point will you begin looking for a job? Explain why.
2. How will you find out about job openings?
3. What types of information will be important to you when considering whether to interview for a specific position?
4. What sources of information will you use to prepare for an interview with a specific organization?

❷ EXPLORING THE INTERNET

Although you may believe that your formal learning will end when you graduate and enter the working world, it will not. Companies both large and small spend billions of dollars annually in training employees and updating their knowledge and skills. Besides supporting employees who attend accredited continuing-education programs, companies also may provide more specialized in-house course work on new technologies, products, and markets for strategic planning. The Internet is an excellent search tool to find out about course work offered by private training organizations, as well as by traditional academic institutions. Learning online is a fast-growing alternative, especially for busy employees requiring updates to skills in the information technology field, where software knowledge must be refreshed continuously. Visit the text Web site for updates to this exercise.

Assignment
1. Visit the Web sites of several academic institutions and examine their course work offerings. Also examine the offerings of some of the following private consulting firms:

   Learning Tree International: http://www.learningtree.com
   Accenture: http://www.accenture.com
   KPMG: http://www.kpmg.com
   Ernst & Young: http://www.ey.com/global

2. What professional continuing-education training and services are provided by any one of the academic institutions whose site you have visited?
3. What sort of training is offered by one of the preceding consulting firms?
4. From the company's point of view, what is the total real cost of a day's worth of employee training? What is the money value of one day of study for a full-time college student? Can you explain why firms are willing to pay higher starting salaries for employees with higher levels of education?
5. The American Society for Training & Development (http://www.astd.org/) and the Society for Human Resource Management (http://www.shrm.org/) are two good sources of information about online training programs. Describe what you found out at these and other sites providing online learning solutions.

❸ DEVELOPING CRITICAL-THINKING SKILLS

Suppose that you are the manager of the six supervisors described in the following list. They have all just completed two years of service with you and are eligible for an annual raise. How will you determine who will receive a raise and how much each will receive?

- Joe Garcia has impressed you by his above-average performance on several difficult projects. Some of his subordinates, however, do not like the way he assigns jobs. You are aware that several family crises have left him short of cash.
- Sandy Vance meets her goals, but you feel that she could do better. She is single, likes to socialize, and at times arrives late for work. Several of her subordinates have low skill levels, but Sandy feels that she has explained their duties to them adequately. You believe that Sandy may care more about her friends than about coaching her subordinates. Her workers never complain and appear to be satisfied with their jobs.
- Paul Steiberg is not a good performer, and his work group does not feel that he is an effective leader. You also know that his group is the toughest one to manage. The work is hard and dirty. You realize that it would be very difficult to replace him, and you therefore do not want to lose him.
- Anna Chen runs a tight ship. Her subordinates like her and feel that she is an excellent leader. She listens to them and supports them. Recently, her group won the TOP (The Outstanding Performance) Award. Anna's husband is CEO of a consulting firm, and as far as you know, she is not in financial need.

- Jill Foster has completed every assignment successfully. You are impressed by this, particularly because she has a very difficult job. You recently learned that she spends several hours every week on her own taking classes to improve her skills. Jill seems to be motivated more by recognition than by money.
- Fred Hammer is a jolly person who gets along with everyone. His subordinates like him, but you do not think that he is getting the job done to your expectations. He has missed a critical delivery date twice, and this cost the firm over $5,000 each time. He recently divorced his wife and is having an extremely difficult time meeting his financial obligations.

Assignment
1. You have $25,000 available for raises. As you think about how you will allot the money, consider the following:
   a. What criteria will you use in making a fair distribution?
   b. Will you distribute the entire $25,000? If not, what will you do with the remainder?
2. Prepare a four-column table in the following manner:
   a. In column 1, write the name of the employee.
   b. In column 2, write the amount of the raise.
   c. In column 3, write the percentage of the $25,000 the employee will receive.
   d. In column 4, list the reasons for your decision.

❹ BUILDING TEAM SKILLS

The New Therapy Company is soliciting a contract to provide five nursing homes with physical, occupational, speech, and respiratory therapy. The therapists will float among the five nursing homes. The therapists have not yet been hired, but the nursing homes expect them to be fully trained and ready to go to work in three months. The previous therapy company lost its contract because of high staff turnover owing to "burnout" (a common problem in this type of work), high costs, and low-quality care. The nursing homes want a plan specifying how the New Therapy Company will meet staffing needs, keep costs low, and provide high-quality care.

Assignment
1. Working in a group, discuss how the New Therapy Company can meet the three-month deadline and still ensure that the care its therapists provide is of high quality. Also discuss the following:
   a. How many of each type of therapist will the company need?
   b. How will it prevent therapists from "burning out"?
   c. How can it retain experienced staff and still limit costs?
   d. Are promotions available for any of the staff? What is the career ladder?
   e. How will the company manage therapists at five different locations? How will it keep in touch with them (computer, voice mail, or monthly meetings)? Would it make more sense to have therapists work

permanently at each location rather than rotate among them?

f. How will the company justify the travel costs? What other expenses might it expect?

2. Prepare a plan for the New Therapy Company to present to the nursing homes.

❺ RESEARCHING DIFFERENT CAREERS

A résumé provides a summary of your skills, abilities, and achievements. It also may include a description of the type of job you want. A well-prepared résumé indicates that you know what your career objectives are, shows that you have given serious thought to your career, and tells a potential employer what you are qualified to do. The way a résumé is prepared can make a difference in whether you are considered for a job.

Assignment

1. Prepare a résumé for a job that you want using the information in Appendix A (see text Web site).

a. First, determine what your skills are and decide which skills are needed to do this particular job.

b. Decide which type of format—chronological or functional—would be most effective in presenting your skills and experience.

c. Keep the résumé to one page, if possible (definitely no more than two pages). (Note that portfolio items may be attached for certain types of jobs, such as artwork.)

2. Have several people review the résumé for accuracy.

3. Ask your instructor to comment on your résumé.