Encyclopedia editor **CARY L. COOPER**
Advisory editors **CHRIS ARGYRIS**
AND WILLIAM H. STARBUCK

VOLUME V

THE BLACKWELL ENCYCLOPEDIA OF MANAGEMENT

SECOND EDITION

HUMAN RESOURCE MANAGEMENT

Edited by

SUSAN CARTWRIGHT

First edition edited by Lawrence H. Peters, Charles R. Greer, and Stuart A. Youngblood

Blackwell
Publishing

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Contents

Preface

When the original volume of the *Blackwell Encyclopedia of Management: Human Resource Management* was published in 1996, it provided a credible and comprehensive compilation of the important topics and terms in human resource management (HRM). The original editors, Larry Peters, Bob Greer, and Stuart Youngblood, are to be congratulated on their enormous efforts in achieving such a well respected and authoritative publication and for securing the contributions of so many world class scholars in the field. Their work has provided a strong foundation for this new revised volume. As well as a print edition, this second edition will be available online, hosted by EBSCO Publishing alongside their Business Source Premier Database.

The revised volume incorporates an increased number of entries, with approximately 150 new or significantly revised contributions. These new entries have been chosen to reflect emergent topics and terms during the intervening years and include entries relating to workplace bullying, emotional intelligence, virtual organization, balanced scorecard, and generation X. A significant number of country entries have been revised in light of recent social, economic, and political developments and include an extensive new entry for China. In total there are now in excess of 600 entries involving more than 240 contributors. To reflect the continued international nature of the field, most of the new contributors to this volume have come from Europe.

Editing this volume has been an interesting and challenging task and could not have been achieved without the efforts and support of others. Firstly, I would like to thank my long time colleague, Cary Cooper, co editor of the Blackwell Encyclopedia of Management, for providing me with this challenge. The staff at Blackwell, Rosemary Nixon, Bridget Jennings, and Karen Wilson, are to be thanked for their expertise and support, as well as Brigitte Lee for seeing the book through its copy editing and proofing stages with such patience.

I am also extremely grateful to Susannah Robertson who worked on this project for many months as my editorial assistant. Her organizational skill and attention to detail were invaluable in managing the enormous amount of information this project entailed. My thanks also go to my secretary, Cath Hearne. Finally, I am very grateful to all the contributors for providing their expertise and responding so positively to my requests, and often short time scales.

Susan Cartwright

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A

absenteeism

Gary Johns

Absenteeism is the failure to report for scheduled work. It can be distinguished from lateness, which indicates a failure to show up for work on time, and from turnover, which indicates a permanent break in the employment relationship (*see* EMPLOYEE TURNOVER). Traditionally, managers have been interested in absenteeism because of its cost to organizations, while academics have been interested in absenteeism on the assumption that it indicates something about employees' social or psychological attachment to the organization.

THE MEASUREMENT OF ABSENTEEISM

Organizations often codify absence instances with attributions as to cause, which are of suspect accuracy. Consequently, researchers most often simply divide absenteeism into *time lost*, the number of days missed over some period, and *frequency*, the number of inceptions of absence over some period irrespective of the duration of each incident. To permit comparisons of employees with a different number of scheduled days or to characterize absenteeism at the group level, these figures can also be expressed as rates. Since absence is missing *scheduled* work, jury duty, vacation time, and maternity leave are not generally counted as absence.

Absence is a low base rate behavior, in that most employees exhibit relatively low absence levels while a few exhibit higher levels. Thus, a frequency distribution for absenteeism is truncated on the low end and positively skewed. Because it is a low base rate behavior, absence measures for individuals must be aggregated over a reasonably long period (3 to 12 months) to achieve adequate reliability of measurement.

Even then, the reliability of absence measures (indexed by interperiod stability or internal consistency) is variable. Some validity evidence suggests that frequency of absence is more likely than time lost to reflect a voluntary component (Chadwick Jones, Nicholson, and Brown, 1982; Hackett and Guion, 1985). Because of its nonnormal distribution, managers should be aware that a few extreme absentees can have a disproportionate effect on means calculated from absence distributions.

CORRELATES AND CAUSES OF ABSENTEEISM

A longstanding tradition concerns the correlation between demographic variables and absenteeism. This research reveals reliable associations between age and absence among men (younger workers exhibit more absence) and gender and absence (women are absent more than men). However, little theory has emerged to explain these associations. There is no dominant theory of absenteeism. Johns (1997) presents several "models" of absenteeism reflecting the fact that absence is the product of diverse causes and has been studied with a diversity of methodologies uncommon in the organizational sciences (Johns, 2003).

Concerning the *medical model*, health related behaviors such as smoking and problem drinking are associated with absence, as are migraine pain, back pain, and depression. Self reported health status is correlated with absence, and people attribute the majority of their own absence to minor medical problems. The ultimate accuracy of such attributions is questionable, since "sickness" has motivational correlates, medical diagnoses often reflect prevailing community standards, and people sometimes adopt sick roles that manifest themselves in absence.

The *withdrawal model* suggests that absentee ism is an attempt to remove oneself temporarily from aversive working conditions. The literature on the relationship between JOB SATISFAC TION and absenteeism reveals a modest associ ation, with dissatisfaction with the work itself being the facet most associated with absenteeism (Hackett and Guion, 1985). Feelings of inequity and weak organizational support are especially likely to prompt absence. The progression of withdrawal hypothesis, for which there is fairly convincing evidence, posits a movement from lateness to absence to turnover.

The *deviance model* derives from the negative consequences of absence for organizations. In one form, it suggests that absentees harbor nega tive dispositional traits that render them unreli able. People tend to make negative attributions about the causes of others' absenteeism, and absenteeism is a frequent cause of employee/ management conflict. People also have a ten dency to underreport their own absenteeism and to see their own behavior as exemplary com pared to that of their coworkers and occupational peers. Evidence for a likely connection between negative traits and absenteeism includes the temporal and cross situational stability of ab sence, its negative association with conscien tiousness and personality based measures of integrity, and its positive correlation with other negative work behaviors such as poor perform ance (Bycio, 1992).

The *economic model* of absence suggests that attendance behavior is influenced by economic and quasi economic constraints and opportun ities. Those who value highly their nonwork time are more likely to be absent, and looser contractual provisions regarding attendance result in more absence. Absenteeism is nega tively associated with wages and the unemploy ment rate and positively associated with unionized status. Some INDUSTRIAL RELA TIONS scholars have argued that absence is a form of unorganized conflict that substitutes for some of the functions of collective action.

The *cultural model* of absence begins with the observation that there is often more variance between aggregates of individuals (such as work groups, departments, organizations, occupa tions, industries, and nations) than within these aggregates. Mechanisms of social influence and control subsumed under the label *absence culture* have been advanced to account for these differ ences between groups (Chadwick Jones et al., 1982; Johns and Nicholson, 1982). Work unit absence has been shown to account for indi vidual absence over and above individual level predictors, and some rich case studies of absence cultures exist. The content of such cultures im plicates absence norms, cohesiveness, manage ment expectations, and shared views about the consequences of the behavior.

MANAGING ABSENTEEISM

The deviance model has dominated manage ment approaches to absence. As a result, punish ment and discipline systems are the most common methods of controlling absence. Used alone, they are not especially effective because of negative side effects and because few employees are actually punished. More effective are mixed consequence systems that punish extreme of fenders but reward good attenders with money or time off (Rhodes and Steers, 1990). Job enrich ment and flextime have both been associated with reduced absence, as have self management pro grams that teach employees to regulate their own attendance behavior (*see* SELF MANAGEMENT TRAINING). Badly needed are theories that translate the likely causes of absenteeism into credible interventions and organizations with the foresight to experiment with these interven tions. Obsession with extreme offenders has distracted managers from giving attention to the attendance behavior of all employees.

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action learning

Sandra Fielden

The principal tenet of action learning is a form of learning through experience, where understand ing and knowledge arise from the undertaking of a task. However, action learning does appear in numerous variants depending on the goal or purpose of the learning. Action learning programs typically incorporate the following features:

- participants meet in small, stable groups called "sets" which share a common purpose or goal;
- each set holds meetings over a fixed program cycle which may or may not be facilitated;
- participants tackle real problems in real time with no "right" answers;
- problems are relevant to participants' own realities;
- the process is based on reflection, question ing, conjecture, and refutation in a collabora tive and supportive environment.

Action learning has a flexible "elective" frame work designed to draw out, capture, and build on what is, rather than operate in a pure, de tached, analytical, and rational world of what should be (Smith and O'Neil, 2003). This ap proach, by promoting insightful inquiry, pro vides a unique environment in which individuals can explore different and innovative solutions to their problems. In this way, an individual can conceptualize, shape, and re shape his or her mental models in a "safe prac tice field," while retaining responsibility for the implementation of solutions.

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affirmative action

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Affirmative action is the practice of giving expli cit consideration to race, gender, national origin, or some other protected characteristic in making an employment decision. It is designed to coun ter the lingering effects of prior discrimination, whether intentional or not, by employers indi vidually and collectively, as well as to provide a workforce more representative of the gender and ethnic makeup of the qualified labor market for the positions within an organization.

Affirmative action is required by federal law for recipients of federal contracts, may be ordered by a court as part of the settlement or remedy in a lawsuit charging an employer with discrimination, or may be voluntary.

Required Affirmative Action

Executive orders 11246 and 11375 (*see* EXECU TIVE ORDERS) require federal contractors and subcontractors to practice affirmative action in hiring and in other employment decisions (such as promotions, job assignments). The OFFICE OF FEDERAL CONTRACT COMPLIANCE PRO GRAMS, part of the US Department of Labor, may conduct compliance reviews, either before or after the contract is awarded, may receive and investigate complaints from current employees or from applicants, and may commence adminis trative proceedings or judicial action. Remedies for violations of the executive orders include termination of the contract, debarment from future federal contracts, or injunctions.

Affirmative Action as a Remedy

Federal courts have ordered employers or trade unions to engage in race or gender conscious affirmative action as a remedy for prior inten tional discrimination. For example, in *Local 28 of the Sheet Metal Workers' International Assn* v. *EEOC*, 478 US 421 (1986), the Supreme Court approved explicit quotas for admission to union membership to remedy prior intentional race discrimination that was "persistent" and "egre gious." A similar outcome for gender discrim ination occurred in *EEOC* v. *AT & T*, 365 F. Supp. 1105 (E.D. Pa. 1973) (see Kirp, Yudof, and Franks, 1986: 161–6 for a critical analysis of this case and other court ordered affirmative action settlements related to gender).

Voluntary Affirmative Action

Voluntary affirmative action differs from court ordered affirmative action in that the employer need not admit to prior discriminatory employ ment practices. The employer must first develop an affirmative action plan that meets the criteria listed in *United Steelworkers of America* v. *Weber*, 443 US 193 (1979):

1   the plan cannot "unnecessarily trammel" the interests of majority employees by requiring their discharge;
2   the plan cannot create an absolute bar to the advancement of majority employees, but a delay in advancement, in order to give mi nority employees an earlier opportunity at advancement, is permissible; and
3   the plan must be temporary in that it must be designed to eliminate a "manifest racial im balance," but not operate to maintain that balance once it is attained. Preferences must cease when balance is attained.

The court approved a voluntary affirmative action plan in *Johnson* v. *Transportation Agency*, 480 US 616 (1987), in which the agency used gender as one criterion among several to select a woman for promotion to the position of road dispatcher. When, however, a layoff or other job loss is at stake, the outcome has been quite different. In *Wygant* v. *Jackson Board of Educa tion*, 476 US 267 (1986), the Supreme Court ruled that a layoff plan that sought to maintain the same proportion of minority teachers after the layoff as previously violated the US Consti tution's Equal Protection Clause. The court denied that affirmative action could be a remedy for "societal discrimination" if there was no evidence of past intentional discrimination by the School Board.

See also *affirmative action for non victims; dis crimination*

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affirmative action for non-victims

Barbara A. Lee

When an employer is found to have engaged in unlawful discrimination against a class of em ployees or applicants, the court may order the employer to engage in affirmative race or gender conscious employment practices as a remedy for the prior discrimination, including hiring or promotion quotas. If the actual victims of the prior discrimination cannot be found or are not interested in working for the employer, the court may require the employer to offer employment, promotions, salary increases, or whatever practice was attacked in the lawsuit to individuals in the same minority group as those against whom the discrimination was practiced, but who were not the actual victims of the em ployer's discrimination (see *United States* v. *Paradise*, 480 US 149, 1987).

See also *affirmative action; discrimination*

AFL-CIO

Stuart A. Youngblood

The American Federation of Labor and Con gress of Industrial Organizations (AFL CIO) is a federation of 78 labor unions representing

nearly 13.6 million working women and men. The merger of the AFL (a craft union) with the CIO (an industrial union) in 1955 also coincided with the peak of trade union membership in the US, membership that reached 35 percent of the nonagricultural workforce. Today, membership in private nonagricultural industries is nearly 10 percent. The federation does not engage in COLLECTIVE BARGAINING, but instead advises and supports the international unions by providing information and technical services to assist UNION ORGANIZING, collective bargaining, and legislative and political action by the unions of the AFL CIO. The federation is supported by a per capita tax from its member internationals.

The AFL CIO has elected officers, who currently are: John J. Sweeney, president; Linda Chavez Thompson, executive vice president; and Richard L. Trumpka, secretary treasurer. The AFL CIO supports an Executive Council made up of 33 vice presidents who also serve as presidents of their respective national unions. Sweeney, elected president at the biennial convention in October of 1995, has vowed to increase efforts at organizing to attract younger workers and to reach out especially to women and minorities. A US$35 million political education campaign has been proposed and will be funded in part by the approval of a one year assessment on national unions of 15 cents per member per month, as well as $10 million which has been earmarked for new organizing activity. President Sweeney announced a major reorganization of the federation, including the appointment as head of the Field Services Department of Marilyn Sneiderman, who previously served as education director at the Teamsters, and the creation of a new department, the Working Women's Department, to be headed by Karen Nussbaum, previously director of the Labor Department's Women's Bureau. The AFL CIO has created a homepage on the Internet and can be reached at: www.aflcio.org.

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Age Discrimination in Employment Act of 1967

Ramona L. Paetzold

The Age Discrimination in Employment Act of 1967 (ADEA) extends antidiscrimination protection to workers who are at least 40 years old. Originally, the Act included upper age limits as well, but in 1986 upper age limits were eliminated (with a few exceptions). The employment practices that are covered by the Act mimic those of Title VII of the CIVIL RIGHTS ACT OF 1964, but the entities that are covered are not as extensive. Only employers having 20 or more employees are covered under the ADEA.

The ADEA creates both protected and unprotected age categories – those 40 and over, and those under 40, respectively. Other federal antidiscrimination laws do not generally create unprotected categories within the class of protection (e.g., "race" protection extends to *all* races; "sex" protection extends to both men and women). This distinction introduces complexities into the meaning of age discrimination. Additionally, because age is measured continuously and changes over a person's lifetime, problems of proof in regard to age tend to be more complex in nature than other proof issues arising under protected class statuses. For example, differential treatment among members *within* the protected age category may be evidence of illegal discrimination; violations of the Act need not rest on comparisons of treatment *between* protected and unprotected categories.

In *Hazen Paper Co.* v. *Biggins* (1993), the US Supreme Court ruled that an employer's use of a factor that is correlated with age, but distinct from age, may not be illegal age discrimination. The court held that age itself must motivate the employer's decision and be a determining influence on the employment outcome in order for a finding of age discrimination to be obtained. This language makes unclear the future of the "mixed motive" model of disparate treatment under the ADEA. Also unclear is whether the ADEA accommodates DISPARATE IMPACT claims; to date the Supreme Court has not ruled on that issue and the Federal Courts of Appeal are split on the subject.

See also *discrimination*

agency shop

David A. Gray

The agency shop is a form of union security found in some labor agreements, whereby an employee is not required to join the union, but he or she must pay to the union an amount, known as an agency fee, which is usually equivalent to regular union dues. This fee is used to cover the costs of union representation for bargaining and grievance handling purposes. The Supreme Court ruled in *Beck* v. *Communication Workers* (1988) that the union can assess the fee, but if the costs of COLLECTIVE BARGAINING are less than regular union dues, the nonunion agency fee paying employee can obtain a refund for the difference. In most right to work states, which make union shop agreements illegal, the agency shop is also prohibited.

AIDS/AIDS-related complex

Jennifer M. George

Acquired Immune Deficiency Syndrome (AIDS) is a disease that impairs people's immune systems, leaving them unable to fight infections and cancers. AIDS is caused by the Human Immunodeficiency Virus (HIV). Individuals infected with HIV may show no AIDS symptoms, may not develop AIDS in the near future, can transmit the virus to others, are referred to as HIV positive, and are often able to effectively perform their jobs. HIV infected individuals who show signs that AIDS might develop, such as swollen lymph nodes, excessive fatigue, fever, weight loss, and diarrhea, have AIDS related complex (ARC) and may or may not be able to effectively perform their jobs. HIV infected individuals who have multiple infections, often requiring hospitalization, have full blown AIDS and often are unable to perform their jobs. HIV is most commonly transmitted through sexual contact and the sharing of infected needles by intravenous drug users. AIDS also can be transmitted through contact with contaminated blood products. AIDS does not spread through casual, nonsexual contact. While progress has been made in the treatment of HIV/AIDS, there currently is no cure or vaccine for the disease. In the US, employees who are HIV positive or have ARC or AIDS are protected by the AMERICANS WITH DISABILITIES ACT OF 1990.

See also *AIDS awareness training*

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AIDS awareness training

Jennifer M. George

Acquired Immune Deficiency Syndrome (AIDS) awareness training entails educating members of an organization about Human Immunodeficiency Virus (HIV) infection, how it is spread, and new developments in HIV/AIDS research and treatment. Training also focuses on insuring that HIV positive employees are treated appropriately by their supervisors, coworkers, and the organization as a whole, have their rights to privacy respected, and are able to remain productive as long as they can. Dispelling myths about HIV and AIDS, educating employees in prevention, and communicating an organization's policies are important elements. Training can include the use of videos, group discussions, seminars, workshops, forums, and presentations as well as written educational materials.

See also *AIDS/AIDS related complex*

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Albemarle Paper Company v. *Moody*, 422 US 405 (1975)

Leonard Bierman

To defend against a DISPARATE IMPACT charge, an employer must show that the hiring procedures it uses are clearly job related (*see* JOB RELATEDNESS). In *Albemarle* the com pany used test scores of verbal and nonverbal intelligence to evaluate applicants. To determine whether the tests were job related, the company hired an industrial psychologist who found a correlation between test scores and supervisor ratings of employee performance. The Supreme Court held, however, that this *validation study* did not meet EQUAL EMPLOYMENT OPPOR TUNITY COMMISSION guidelines and that the tests used were not sufficiently proven to be job related.

alternative dispute resolution

Charles R. Greer

The term alternative dispute resolution (ADR) refers to procedures that are used to resolve employee relations disputes as opposed to reli ance on litigation. ADR procedures include GRIEVANCE PROCEDURES (both union and nonunion), ARBITRATION, MEDIATION, fact finding, the use of ombudspersons, and com bined approaches. As compared to litigation, ADR procedures are generally thought to pro vide a number of advantages, including more timely resolution of issues, reduced expense, more flexible remedies tailored to the unique circumstances of the parties involved, and less adversarial interaction (Zack, 1992; Lewicki et al., 1994). ADR procedures vary in the extent to which neutral third parties have formal authority. Arbitration is at one end of the spec trum, with arbitrators having the authority to formulate remedies which the parties must follow. Mediation is at the other end of the spectrum, with mediators having no formal au thority and only their skills to work through the conflict to enable the parties to arrive at their own solution to the dispute. While there is no authority with mediation, the conventional wisdom of conflict resolution is that superior

outcomes are more likely because the parties themselves decide the solution and therefore are more committed.

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American Society for Training and Development

Scott I. Tannenbaum

Founded in 1944, the American Society for Training and Development (ASTD) is the world's premier professional association in the field of workplace learning and performance. ASTD provides information, research, and ana lysis on a wide range of topics; offers various conferences, expositions, seminars, and publica tions; and forms coalitions and partnerships through its research and policy work. ASTD membership includes more than 70,000 people working in 100 countries worldwide including managers, human resource specialists, design ers, technical trainers, instructors, evaluators, front line supervisors, consultants, researchers, and educators. Its members work in more than 15,000 multinational corporations, small and medium sized businesses, government agencies, colleges and universities.

For further information, contact the American Society for Training and Development (ASTD), 1640 King Street, Box 1443, Alexandria, Virginia 22313 2043, USA. Telephone 703 683 8100. Fax 703 683 8103. Website: www.astd.org.

Americans with Disabilities Act of 1990

Stuart A. Youngblood

The Americans with Disabilities Act of 1990 (ADA) is similar to the REHABILITATION ACT OF 1973 in providing job protection for handicapped individuals, but ADA is designed

to cover private sector employers with 15 or more employees. ADA went into full effect on July 26, 1994 after a gradual phase in to allow employers time to make building accommodations and to allow small employers (fewer than 25 employees) time to adjust to new legislative requirements. ADA contains five titles or sections that:

1   make it illegal to discriminate against qualified individuals with a disability in employment;
2   make it illegal for state or local governments to discriminate against the handicapped in the provision of public services;
3   make it illegal for public accommodations to discriminate against the handicapped in the provision of goods, benefits, services, facilities, privileges, advantages, or accommodations and require public accommodations to be made accessible;
4   require common carriers engaged in interstate communication to insure that telecommunications systems are available to individuals with hearing and/or speech impediments and to provide accommodation; and
5   include a catch all title that, among other things, makes it illegal to retaliate against individuals who exercise their rights under ADA.

A disabled or handicapped individual is any person who: (1) has a physical or mental impairment that limits one or more major life activities; (2) has a record of such an impairment; or (3) is regarded as having such an impairment.

The Act, in effect, covers any qualified person who with or without reasonable accommodation can perform the "essential functions" of the job. JOB ANALYSIS has become even more critical to employers for defining what the "essential functions" of the job are. Although employers are prohibited from making preemployment inquiries regarding a person's handicapped status, they are permitted to ask if the applicant can perform particular job functions. Although the ADA prohibits preemployment medical examinations, job offers may be conditioned on the results of a medical examination provided that all entering employees in the job category are subject to the same conditions. Preemployment drug screening is not considered a medical examination under ADA and is therefore permissible. Current users of illegal drugs are not considered disabled under ADA, but should such a person seek treatment or complete a rehabilitation program, then that person, whether an applicant or current employee, would meet the disabled definition and thus be protected by the ADA. Enforcement of the ADA is the responsibility of the EQUAL EMPLOYMENT OPPORTUNITY COMMISSION or designated state human rights agencies.

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annual hours

Fang Lee Cooke

Annual hours, also known as annualized hours, is a form of working time flexibility that became popular in the 1980s as a labor strategy. This strategy is often adopted by firms that are subject to seasonal or cyclical variations in market demand, such as the hotel and catering industry. The basic principle of annual hours is that instead of defining working time on the basis of the standard working week, working hours are distributed out over the whole year to match the fluctuation of work demand. The use of annual hours allows employers to vary the actual length of the working week within upper and lower limits and subject to an annual total of hours worked.

appraisal feedback

M. Susan Taylor

Appraisal feedback is the information an employee receives concerning the way his or her

performance has been evaluated by a rater or group of raters. Traditionally, the primary rater has been the employee's immediate supervisor, but increasingly, a broader group of individuals who have observed the employee's performance from different vantage points (e.g., customers, peers, direct report employees) are being called on to provide input to the appraisal (Antonioni, 1994). Prior research has found that appraisal feedback tends to be more readily accepted as fair by recipients and to lead to more positive affective reactions when it:

1 is preceded by a discussion of performance expectations at the beginning of the per formance period and by the provision of interim feedback;
2 allows the recipient to input his or her views about performance;
3 discusses the rater's rationale for the per formance evaluation; and
4 is given by a rater who strives to be unbiased and considerate of the employee's feelings (Folger, Konovsky, and Cropzano, 1992; Taylor et al., 1995).

Performance improvement in response to ap praisal feedback appears to be a function of whether goals for improvement are set and monitored, the rater is supportive of the em ployee's capacity for improvement, and attrac tive organizational rewards are made contingent on high performance (Meyer, Kay, and French, 1965; Cedarblom, 1982; Prince and Lawler, 1986).

See also *performance appraisal; 360 degree appraisals*

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arbitration

Anthony V. Sinicropi

Arbitration can be broadly defined as a dispute resolution process in which two parties volun tarily agree to accept an impartial arbitrator's final and binding decision on the merits of the parties' dispute. An arbitrator sits as a judge over the parties' dispute, his or her decision is legally binding on the parties, and an arbitration pro ceeding is less formal than a court trial.

In the area of labor relations, arbitration can be further defined to mean either grievance arbitration (*see* RIGHTS ARBITRATION) or INTEREST ARBITRATION. Disputes between employers and unions over the meaning or ap plication of the language in an existing COL LECTIVE BARGAINING agreement are called GRIEVANCES. Nearly all collective bargaining agreements include a GRIEVANCE PROCEDURE that culminates in final and binding arbitration. The grievance procedure generally identifies the type of dispute that constitutes a grievance, es tablishes an appeal process that the employee, grievant, or the union and the employer must follow, determines how an arbitrator will be selected, and defines the arbitrator's authority to resolve and remedy the parties' dispute. Man agement's agreement to be bound by the con tractual grievance or arbitration procedure is generally considered to be a trade off for the union's agreement not to STRIKE over griev ances during the term of the collective bargain ing agreement.

Disputes between employers and unions over the terms to be included in their collective bar gaining agreements are called interest disputes. In the private sector, unionized employees

usually have the legal right to strike once their collective bargaining agreement expires. The threat of a strike by the employees (or LOCKOUT by management) provides the parties with an economic incentive to reach an agreement on the terms to be included in their new collective bargaining agreement. In some private sector industries the right to strike over new contract terms is sometimes replaced by interest arbitration. Because most states ban economic strikes by police officers, firefighters, school teachers, and other public sector employees, these states often require that negotiation disputes over wage increases and contract language be decided by an impartial interest arbitrator. One form of interest arbitration that has captured the attention of public services where safety is involved is called FINAL OFFER ARBITRATION. In those cases each party will submit its final offer to the arbitrator and the criteria that the arbitrator must follow in selecting the parties' final offers are usually established by state law. As an aside, baseball salary arbitration follows this format.

Arbitration is favored by state and federal labor law as a less expensive and more expeditious alternative to litigation in the courts. Since arbitration is a product of voluntary collective bargaining, provides both management and unions with an effective means of industrial self government, and is favored by state and federal labor law, the role of the courts in reviewing an arbitrator's decision is extremely limited. Guided by legal principles announced by the US Supreme Court in a series of cases known as the "Steelworkers' Trilogy" (*United Steelworkers of America* v. *American Manufacturing Company*, 363 US 564, 4 L. Ed. 2d 1403, 80 S. Ct 1343, 1960; *United Steelworkers of America* v. *Warrior and Gulf Navigation Company*, 363 US 574, 4 L. Ed. 2d 1409, 80 S. Ct 1347, 1960; *United Steelworkers of America* v. *Enterprise Wheel and Car Company*, 363 US 593, 4 L. Ed. 2d 1424, 80 S. Ct 1358, 1960), federal and state courts will overturn an arbitrator's decision only in the event that it fails to draw its essence from the parties' collective bargaining agreement or violates state and/or federal law.

See also *alternative dispute resolution; mediation*

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assessment centers

Richard Klimoski

Assessment centers (also referred to as the assessment center method) represent a structured and comprehensive approach to the measurement of individual differences regarding knowledge, skills, abilities, and other dispositions (*see* KSAOS) that have been found to be relevant to the work environment. Traditionally, assessment centers were designed to assess the potential of people for managerial assignments in large organizations (Thornton and Byham, 1982). More recently, they are seen as useful whenever the need for extensive individual assessments can justify the effort and expense.

The noteworthy features of an assessment center include job related assessment dimensions, groups of ratees assessed by multiple raters, multiple and complementary methods for assessment, the separation of observations and evaluations, and flexibility of purpose.

In the assessment center literature, the word dimension is used to denote a set of job relevant tasks, BEHAVIORS, performance domains, or specific abilities needed to perform well on a job (Zedeck, 1986; Klimoski, 1993). Examples of assessment dimensions are "delegation," "interpersonal skills," and "organizing and planning." The number of actual dimensions used has varied from 10 to 25 (Zedeck, 1986) and would depend on such things as the purpose of the center, the nature of the job to which the center is linked, and the need for comprehensiveness.

Candidates are assessed in cohorts of from 10 to 15, and many of the assessments themselves are based on observations of individuals performing as a member of a six to eight person group. Further, teams of assessors, rather than one individual, are used to observe and produce written evaluations of candidates.

The staff of a center are usually trained human resource professionals, but occasionally psychologists and line managers are involved in assessments. The assessments themselves can be based on paper and pencil tests (including IN TELLIGENCE TESTS, PERSONALITY TESTS, and interest measures), work task SIMULA TIONS (e.g., the in basket test), individual inter views, and situational exercises with groups of candidates. Such exercises can be leaderless group discussions or ROLE PLAYING in job areas like budget planning, negotiations, or per sonnel decision making. In their review of the reports of 50 centers, Gaugler et al. (1987) found that the number of assessment devices used ranged from one to 11 (mean of seven), with observations of candidates taken over a one to three day period. To accomplish this, most centers had a 2:1 ratio of candidates to staff.

Procedurally, each candidate follows a sched ule designed to insure that all tests and exercises can be administered given the time and staff available. For example, while some individuals are completing a test or an interview, others would be participating in group exercises. In the group exercises staff are trained to observe and record candidate behaviors and make pre liminary evaluations. However, final assess ments are formulated in an "integration session." This occurs at the end of the assess ment phase and serves as the vehicle for discuss ing and integrating what has been learned and for generating reports.

The behavior and performance of each candi date is reviewed and summarized at the integra tion session. Depending on the purpose of the center, the staff will discuss and reach consensus on each candidate's performance on one or more of the following: the assessment tasks or exer cises, behavioral and/or performance dimen sions, and the assessment exercises as a whole (Harris, Becker, and Smith, 1993). In some in stances, the staff might also be asked to make a rating or recommendation (for hiring or PRO MOTION) or a prediction of the candidate's likely future success in the company (Zedeck, 1986).

As of the time of their review, Gaugler et al. (1987: 493) estimated that over 2,000 organiza tions were using assessment centers and doing so for a wide variety of purposes. These include PERSONNEL SELECTION, placement, the EARLY IDENTIFICATION OF MANAGEMENT TALENT, promotion, management develop ment, and TRAINING. For some of these pur poses, staff members not only prepare reports, but also provide personal (even face to face) feedback to the candidates themselves. Although assessment centers are most frequently used to get at management potential, they have also been used to assess college students, engineers, salespeople, military personnel, rehabilitation counselors, school administrators, and others (Gaugler et al., 1987).

There is now fairly convincing evidence that assessment center judgments or ratings are stat istically related to important job outcomes. The meta analysis of Gaugler et al. (1987) revealed a corrected correlation of 0.37 against a set of criteria. The highest correlations were obtained, however, when center data were used to predict advancement criteria; somewhat lower validities are usually found in attempts to predict future JOB PERFORMANCE.

Current writing and research on assessment centers has gone beyond questioning the poten tial usefulness of such centers. Instead the em phasis is now on why and how they work, when they should be used (relative to alternatives), and with whom (Klimoski and Brickner, 1987). Thus, scholars and practitioners seem less inter ested in concerns over PREDICTIVE VALIDITY and are trying to address issues of assessment center CONSTRUCT VALIDITY (e.g., Russell and Domm, 1995).

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at-risk pay

Gerald E. Ledford, Jr.

At risk pay is COMPENSATION that is not guar anteed, such as VARIABLE COMPENSATION. Schuster and Zingheim (1992) distinguish three types. "Add on pay" is in addition to normal base pay. "Potential base pay at risk" funds a variable pay plan by deferring part of the market based increases that otherwise would flow into base pay. Pure "at risk pay" reduces base pay, providing an employee an "ante" for variable pay opportunities. Lawler (1990) argues that at least 5 percent of cash compensation must be at risk to motivate employee performance through variable pay. Variables affecting the motivational effectiveness of at risk pay include percentage at risk, individual preferences, the employee's organizational level, and organiza tional culture.

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attitude surveys

Bruce M. Meglino

Organizations often appraise employees' reac tions to various aspects of their job at regular intervals using attitude surveys. When the object being assessed is some facet of the job (e.g., work, pay, supervision) or the job itself, the attitude is normally referred to as satisfaction (Locke, 1976).

Attitudes have traditionally been thought of as having three components: cognitions (what an individual believes), affect (how an individual feels), and behavioral intentions (how an indi vidual intends to act) (Tesser and Shaffer, 1990). Some researchers maintain that a person's values should also be considered (Locke, 1976). Any or all of these components may be assessed in an attitude survey using open ended or structured questions (Schmitt and Klimoski, 1991). Examples of structured questions assessing each component would be: "How much travel does your job require?" (cognition), "How much do you want to travel?" (value), "How satisfied are you with your job?" (affect), and "How likely are you to leave your job?" (behavioral inten tion).

The amount of detail and the number of atti tude components that one should include in an attitude survey depend upon the objectives of the survey (Schmitt and Klimoski, 1991). A single question assessing job affect can provide an overall index of employee JOB SATISFAC TION, but it will probably be insufficient to adequately capture the source of dissatisfaction or to provide guidance in enhancing employee attitudes. Expanding the survey to include a larger number of cognitions, relevant values, affect toward a greater number of objects, and more behavioral intentions will provide more diagnostic information for the purposes of as sessment and intervention.

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attitudinal structuring

Paul Jarley

Attitudinal structuring refers to efforts by nego tiators to shape their opponents' perceptions about the nature of the issues to be negotiated. Attitudinal structuring is one of four bargaining subprocesses identified by Walton and McKer sie (1965). (For the others, *see* DISTRIBUTIVE BARGAINING; INTEGRATIVE BARGAINING; INTRA ORGANIZATIONAL BARGAINING.)

THE NATURE OF ATTITUDINAL STRUCTURING

Attitudinal structuring is typically viewed as the result of a conscious, carefully planned effort by negotiators to influence their opponents' per ceptions about the nature of bargaining issues and the character of bargaining team members. However, perceptions of the entire negotiation process may also be influenced by the largely spontaneous actions and deeds of parties. Be cause labor–management negotiation occurs at regular intervals and agreements must be admin istered on a daily basis, the past actions of the parties both at and away from the bargaining table can influence how each party approaches the next bargaining round.

THE IMPORTANCE OF ATTITUDINAL STRUCTURING

Because bargaining issues have both distributive and integrative elements, perceptions play a large role in determining how the parties approach negotiations. By cultivating an atmosphere of friendliness, mutual respect, trust, and coopera tion, negotiators can encourage their opponents to view issues largely in integrative terms and participate in joint problem solving. In contrast, hostile language, shouting, threats, deception, and refusal to acknowledge a party's legitimate interests encourages the opponent to take a more distributive approach to negotiations. Such words and deeds can have long term effects, hampering subsequent efforts to switch from distributive to integrative bargaining.

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attraction selection attrition

Benjamin Schneider and D. Brent Smith

Responding to the predominant situationist trend in the organizational sciences to attribute the behavior in and of organizations to organiza tional attributes, Schneider (1987) proposed an alternative framework for understanding organ izational behavior, the attraction–selection– attrition (ASA) model. The ASA model places primary causation for behavior in and of organ izations on the collective characteristics (person ality, attitudes, and values) of the people in the organization. At the crux of the ASA model are the goals of the organization originally articu lated by the founder. The goals and the pro cesses, structures, and culture that emerge to facilitate goal achievement are said to be the outcomes of the choices the founder and his or her early colleagues make in pursuit of goal achievement. Over time, these goals, processes, structures, and culture are thought to determine the kinds of people who are attracted to, selected by, and stay in the organization.

Each component of the ASA model operates on the principle of fit (between person and organization). The attraction process refers to the idea that people's preferences for particular organizations are based upon an implicit esti mate of the congruence between their own per sonal characteristics and the attributes of potential work organizations. That is, people find organizations differentially attractive as a function of their tacit judgment of the congru ence between those organizations' goals (and structures, processes, and culture) and their own personality. For example, a doctor may choose to affiliate with hospital A versus hospital B based on her estimate of the fit or congruence between her own personality and the values she believes characterize the two hospitals.

The next component of the ASA cycle refers to the formal and informal PERSONNEL

SELECTION procedures organizations use to re
cruit and hire people, these being procedures
that increase the fit of people to the prevailing
organization culture. Lastly, the attrition pro
cess refers to the idea that people will leave an
organization they do not fit. The turnover litera
ture is quite clear about the fact that people who
do not fit an organization will tend to leave it
(*see* EMPLOYEE TURNOVER).

In summary, ASA proposes that three pro
cesses – attraction, selection, and attrition –
result in different organizations containing
people with different kinds of personalities and
that these different types of people are respon
sible for the goals, processes, structures, and
cultures that characterize their organization. It
should be clear that the natural outcome of the
ASA cycle is to restrict the range of people in an
organization or, alternatively, to yield homogen
eity. Schneider, Goldstein, and Smith (1996)
review the evidence for this proposition and
find general support for the contention that or
ganizations, over time, become increasingly
homogeneous with regard to the type of people
there.

Regarding organizational effectiveness, the
ASA model suggests that homogeneity implies
a trade off. While homogeneity may facilitate
internal integration through the reduction of
conflict and the encouragement of cooperation,
it may also inhibit an organization's ability to
sense and adapt to changes in its environment.
This happens when people of similar personality
and value systems see the world through similar
lenses, obscuring from their view issues that
might require their attention.

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audiovisual training techniques

Raymond A. Noe

Audiovisual training techniques use sight and/
or sound. They include video, films, laser discs,
overheads, compact discs, and any other tech

nique that provides visual or auditory stimula
tion to trainees.

See also *training*

Australia

Greg J. Bamber

With a population of 20 million, Australia is a
medium sized, developed market economy. It
has a strong primary sector (including mining,
agriculture, and forestry), but the tertiary (ser
vice) sector is much the largest employer, with a
growing education and tourism industry. Austra
lia's secondary (manufacturing) sector has de
clined in importance in terms of employment,
as tariff protection has been reduced significantly
since the 1970s. Nevertheless, it has developed
strengths in some industries; its output of elabor
ately transformed manufactured products (e.g.,
automotive, other metal products, and informa
tion technology) has increased since the 1980s.

Australia hosts many subsidiaries of inter
national businesses whose head offices are
mainly in Europe, North America, Korea, or
Japan. More than half of its private sector work
places with 500 or more employees are partly or
wholly foreign owned. Therefore, to a consider
able extent, Australia has adapted human re
source management (HRM) techniques from
overseas. Nonetheless, the Australian INDUS
TRIAL RELATIONS (IR) context is distinct
from that in most other countries. Hence, this
entry focuses on IR.

In many larger enterprises, a demarcation
used to exist between IR and personnel manage
ment. Few Australian enterprises still observe
such a demarcation. By the 1990s, they generally
treated IR as one aspect of the broader field of
HRM. Increasingly, line managers are expected
to take responsibility for HRM issues.

Compared with the UK and other "unitary"
countries, *political power* is more devolved in
Australia, which is a federation of states (as is
the US). Despite constitutional constraints on
the powers of federal governments, most *IR
arrangements* have been more centralized in Aus
tralia than in the UK or US. In the 1983–96
period, in particular, the Australian Council of
Trade Unions (ACTU) was much more influen

tial in the Australian polity and economy than its British equivalent, the Trades Union Congress (TUC). Unlike the TUC, then, the ACTU was dealing with a national government that was generally sympathetic to employees' and unions' interests. The national political spectrum is broadly similar to the UK; governments alter nate periodically between the Australian Labor Party (ALP) and a conservative coalition. Be tween 1983 and 1996 the federal government was led by the ALP, whose initial prime minis ter, Bob Hawke, had been the full time ACTU president until 1980. In 1996 the social demo cratic style Australian Labor Party was voted out of office at the federal level and replaced by the Liberal and National Conservative Party coalition. For the incoming prime minister, John Howard, IR reform was a priority.

Perhaps to a greater extent than in the UK and US, in most large enterprises executives gener ally see IR issues as important. This perception has been reinforced because IR reform has remained high on most public policy agendas. In contrast with earlier British traditions of vol untary COLLECTIVE BARGAINING, Australian employment relationships have long been regu lated by legally binding arbitrated IR *awards* (*see* ARBITRATION). An award determines terms and conditions of employment in an enterprise or industry; awards are arbitrated or certified by an IR commission (for brief explanations of such Australian terms and institutions, see Bamber, Lansbury, and Wailes, 2004: ch. 5). They may apply at a national, state, industry, enterprise, workplace, and/or occupational level. Many awards are, in effect, voluntary collective agree ments (or, in US terms, labor–management con tracts), but are subsequently endorsed either by the Australian Industrial Relations Commission (AIRC), a state arbitration commission, or the equivalent.

Despite such contrasts, compared with most other countries, Australian HRM shows more similarities to than differences from that of the UK. Australia inherited a British legacy of craft unions with laborist ideologies. However, following a series of mergers, by the mid 1990s most unions had been rationalized into about 20 broad industry groups.

There is much rhetoric among employers about improving management development (cf. Karpin, 1995); for example, in terms of inter nationalization and improving people manage ment skills. However, the realities of most enterprises' management development do not yet match up to the rhetoric. Much management is characterized by short termism and there is fragmentation among the employers' organiza tions. There are more traditions of adversarial ism than of social partnership.

In Australia (as in the UK), there are occa sional and much publicized examples of confron tational unionism and employerism, including major strikes and legal action, much media cov erage and threats of dismissals. Nevertheless, such examples are far from typical: 72 percent of Australian workplaces (with at least five em ployees) have never experienced any industrial action (Callus et al., 1991). Moreover, the number of working days lost in industrial dis putes declined dramatically after the early 1980s.

Some influential leaders of the Australian labor movement have focused particularly at a macro level of HR policy, though they generally would not use the term HR. There have been more signs of such explicit macro level HR strategies than in the US, but fewer than in Scandinavia and many other western European countries.

The close connection between the ACTU and the ALP allowed them to attempt to introduce a more consensual approach to national policy making by forging the 1983–96 ALP–ACTU *Accord*. Its advent marked a change of direction from the confrontational approaches of earlier governments. The Accord was inspired by examples from Scandinavia and Austria. It had some similarities with the post 1974 UK Social Contract between the Labour government and the TUC, but the Accord lasted much longer than the Social Contract and appeared to have been more successful.

During the Accord, to a greater extent than in the UK, US, and Japan, unions exerted consid erable influence at the national policy making level in Australia. This influence remained des pite a continuing decline in union density in Australia from 56 percent of employees in 1979 to around 35 percent in 1996, which paralleled the decline in unionization in most other indus trialized market economies (*see* TRENDS IN UNIONISM).

The Accord did not formally embrace em ployers, who were less united and appeared to

have had less explicit influence on the ALP government than the ACTU. However, the ALP government also listened to and took heed of employers' views, particularly those of the larger enterprises, most of which belong to the Business Council of Australia (BCA), and those of the engineering employers represented by the Australian Industry Group (AIG).

Following the change of federal government in 1996, the conservative coalition abandoned the Accord. This government has promoted a continuing decentralization of the industrial re lations system, with further moves toward enter prise level bargaining and more deregulation of Australia's markets, including its labor market. Nonetheless, it has introduced more constraints on unions and on strikes. Union rights to organ ize have been diminished and this government is aiming to reduce protection against unfair dis missal, but this aim has been frustrated by Aus tralia's Senate (its federal upper house), where the government does not enjoy a majority. The aim has also been further constrained because, in the early years of the twenty first century, the states' and territories' governments were con trolled by the ALP rather than by the coalition.

Strong unions and those in growth industries tend to pursue larger wage increases, whereas weaker unions will be less able to bargain for even basic wage increases for their members. In general, unions have a decreasing influence at the national level. They are weak in most private sector small and medium sized enterprises, es pecially those in the service sector. Despite unions' opposition, there is an increasing casual ization of the labor force, as employers are seek ing more labor market flexibility. There is a higher degree of casual (short term) employment in Australia than in most comparable countries.

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Australian Human Resources Institute

Greg J. Bamber

The Australian Human Resources Institute (AHRI) was formed in 1992. It is Australia's professional society for specialists in people management. Its forerunner, the Institute of Personnel Management Australia, was de veloped from the Personnel and Industrial Wel fare Officers' Association, which had been established in 1943 in the State of Victoria.

AHRI's mission is to promote and support the professional development of members and others involved in people management, and to uphold the standards of the profession.

AHRI's aims are:

1 To promote through human resource man agement the notion that people, individually and collectively, contribute directly to busi ness and organizational achievement, while at the same time encouraging and improving the effectiveness and wellbeing of people in the workplace.
2 To provide professional development and other support services to human resource professionals and others with an interest in human resource management.
3 To reinforce the role of human resource professionals as being key contributors in developing organizational strategy and cap ability.
4 To encourage the development and dissem ination of the evolving body of professional knowledge in human resource management.
5 To promote professional standards of com petence and conduct.
6 To be recognized as the leading authority and influence on human resource issues.

AHRI organizes conferences and courses and accredits various human resource education courses. Its membership currently includes about 10,500 human resource practitioners, aca demics, consultants, senior managers, line man agers in non human resource areas, students, unionists, and others. AHRI is affiliated with the Asia Pacific Federation of Personnel Man agement Associations and the World Federation of Personnel Management Associations. AHRI circulates an electronic newsletter, magazine, and refereed journal: *Asia Pacific Journal of Human Resources* (published by Sage). For more information consult the website: www. ahri.com.au.

AHRI has a governance structure which in cludes elected State Councils and a Council of State Presidents, supported by a National Office and Board. For most of its life AHRI was a professional member association, but, after ex periencing financial difficulties, in 2000 it became a company wholly owned by Deakin University. AHRI is less comprehensive and less influential than its UK analogue, the CHAR TERED INSTITUTE OF PERSONNEL AND DE VELOPMENT. Nonetheless, AHRI's leaders have ideas and aspirations to develop it further.

availability analysis

James A. Breaugh

An availability analysis, which is generally undertaken as part of an AFFIRMATIVE ACTION plan, involves determining the procur able labor supply of members of protected groups for a given job (Gutman, 1993). In order to estimate availability, an employer first needs to specify the requisite skills needed for doing the job. An employer next needs to specify the geographic area from which it can be expected to recruit (Breaugh, 1992). Typically, an employer will recruit hourly workers from a smaller geographic area than it will recruit man agers and professionals. Next, the employer at tempts to determine the size of the available workforce separately for each protected group. In some cases, the OFFICE OF FEDERAL CON TRACT COMPLIANCE PROGRAMS can supply an employer with needed availability figures. Frequently, however, the employer will have to do research to come up with such data. Among the sources that can be used for estimating avail ability are: the US Census Bureau, the Bureau of Labor Statistics, various professional groups, and educational associations.

Once an employer has determined both the total number of persons and the total number of persons from each protected group who are avail able for employment, availability percentages can be computed (e.g., the percentage of avail able mechanics who are women). By comparing this availability percentage (for a specific pro tected group) with the percentage of the com pany's current workforce in the same job (for the same protected group), an employer can deter mine if that protected group is underutilized.

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award of attorney's fees

Barbara A. Lee

Title VII of the CIVIL RIGHTS ACT OF 1964 permits a court to award a prevailing plaintiff attorney's fees, to be paid by the defendant employer. Although it is rare, courts have ordered plaintiffs to pay the attorneys for the defendants when the defendant prevails, but only in such cases where the judge believed the lawsuit to be frivolous and completely without merit.

B

background checking (generic)

Craig J. Russell

Background checking gathers information from people familiar with an applicant in previous situations (e.g., creditors, prior employers, neighbors). Information is typically obtained from archival records (court documents, credit checks, motor vehicle departments, health insurance records, etc.), written letters of recom mendation, and telephone or in person conver sations. References are typically provided by the applicant (*see* REFERENCE CHECKS). Back ground checking can be used to verify informa tion obtained from WEIGHTED APPLICATION BLANKS and BIOGRAPHICAL HISTORY IN VENTORIES, though typically it targets dimen sions of character or ethics not captured elsewhere. Information varies widely in reliabil ity, causing further decline in its moderate abil ity to predict criteria of interest (Muchinsky, 1979). Background checks are required for em ployment in occupations requiring certain types of insurance (e.g., "bonded" couriers).

Lack of standardized reference forms causes major problems in comparing applicants, though forms with scoring procedures have been developed (see, e.g., Aumodt, Bryan, and Whit comb, 1993). Further, all but the worst appli cants can find someone to say positive things about them, permitting weak differentiation of candidates' qualifications. Fear of litigation – both US federal discrimination law (*see* DISCRIMINATION) and civil laws – prevents many sources from sharing negative information (White and Kleiman, 1991). Most prior employ ers strictly limit information to simple verifica tions of employment dates. Little evidence exists regarding how well information gathered from background checks of historical evidence of per sonal integrity exhibits CRITERION RELATED VALIDITY with future performance outcomes.

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balanced scorecard

Hadyn Bennett

Originally developed by Kaplan (1994) and Kaplan and Norton (1992, 1993, 1996a) as an innovative performance measurement tech nique, the balanced scorecard "translates an organization's mission and strategy into a com prehensive set of performance measures and provides the framework for strategic measure ment and management" (Kaplan and Norton, 1996b). It provides a framework for defining and assessing the critical success factors neces sary for the achievement of organizational goals within four key business areas: financial, internal business processes, customer, and learning and growth. To these can be added additional areas as appropriate; for example, Kaplan and Norton (1996b) include EMPLOYEE EMPOWERMENT as an additional factor.

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bargaining unit

David A. Gray

A bargaining unit is a group of employees, union and nonunion, who are designated (by election outcome or by employer voluntary re cognition) as appropriate for union representa tion. If a union representation election is held, these employees are eligible voters. Following a union election victory, these employees become the unit for which a COLLECTIVE BARGAIN ING agreement is negotiated. Most bargaining units are relatively small (200 employees or fewer), but some are very large, including sev eral thousand workers employed at different locations of the same employer. One employer may also negotiate with several different unions, each representing a different group of employees in a different bargaining unit, at the same location.

Barnes v. Costle, 1977

Kelly A. Vaverek

The US Court of Appeals (DC Circuit) held that SEXUAL HARASSMENT violated Title VII (*Barnes* v. *Costle*, 561 F.2d 983, DC Circuit, 1977). Barnes's job was abolished when she resisted her supervisor's sexual advances. The Court of Appeals reasoned that the supervisor would not have made sexual advances "but for her womanhood." Thus, there was a prima facie case that Title VII had been violated (*see* CIVIL RIGHTS ACT OF 1964).

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base rate of success

Michael J. Burke

The base rate of success is the percentage of employees who are successful prior to the use of a new selection procedure. This index is often referred to as the success rate.

behavior

Jeanette N. Cleveland

A behavior is any observable act by an individual (e.g., talking, walking). Clusters of similarly related behaviors are often referred to as habits or traits (*see* TRAIT). Behavior represents the lowest observable level of this hierarchy; work behaviors might include either purposeful or reflexive acts. Purposeful behaviors are goal directed. They are usually directed toward achieving some PERFORMANCE OUTCOME. Job behavior is believed to be a function of ability, motivation, and the opportunity afforded in a specific organizational setting (Campbell et al., 1970). Abilities include intelligence, skills and aptitudes, interests, and temperament factors (*see* KSAOs). Motivational factors in clude individual incentives, as well as tempera ment and preference predispositions to exert effort in performing one's job. Opportunity vari ables refer to situational and organizational factors, including nature of work, organizational climate, and group influences (see Campbell et al., 1970; Peters and O'Connor, 1980).

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behavior modeling

Colette A. Frayne

Behavior modeling is one key aspect of social cognitive theory (Bandura, 1986) that has been investigated extensively in organizational settings. Through the process of observing others, an individual learns how behaviors are performed and the consequences they produce. As a result, observational learning enables individuals to reduce time consuming trial and error behaviors. A meta analysis of 70 studies on the effectiveness of management training showed that behavior modeling was effective in a variety of training situations (Burke and Day, 1986).

Behavior modeling training is a process in which a live or videotaped model demonstrates the behavior(s) required for performance. Individuals then imitate the model's behavior in simulated (e.g., ROLE PLAYING) or actual work situations. Typically, learning points are generated by the trainers and are used as a basis for providing feedback to the trainees regarding what was done effectively and what should be done differently.

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behavioral consistency principle

Richard Klimoski

In PERSONNEL SELECTION theory it has been argued that the best predictor of future behavior or performance is present or past behavior or performance of the same type (Wernimont and Campbell, 1968). This is because of the similar ity in demands on behaviors and capabilities that exists in both the assessment and the job con texts. This consistency principle is embedded in the behavioral sampling approach to measure ment and is the basis for the development and use of such assessment/selection tools as WORK SAMPLES, ASSESSMENT CENTERS, structured interviews (*see* EMPLOYMENT INTERVIEW), SIMULATIONS, REFERENCE CHECKS, and BIOGRAPHICAL HISTORY INVENTORIES.

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behavioral observation scales

H. John Bernardin

Behavioral observation scales (BOS) are sum mated rating scales, one of the oldest and most popular formats for the appraisal of performance (Kirchner and Dunnette, 1957; Latham and Wexley, 1977, 1994; *see* PERFORMANCE AP PRAISAL). This popularity may be at least par tially a result of the relatively simple process required for developing and using the scales.

The first step in the development of sum mated scales is to generate declarative statements that are related to work behavior and are either desirable or undesirable in nature. Latham, Fay, and Saari (1979) first gathered reports of CRIT ICAL INCIDENTS TECHNIQUE from persons familiar with the job of foreman and then wrote declarative statements based on those incidents. For example, all incidents that concerned a fore man rewarding an employee for doing a good job served as the basis for the declarative statement, "Praise and/or reward subordinates for specific things they do well." The same procedure was followed for all critical incidents. In this initial step of scale development, the idea is to err on the side of collecting too many items. Statistical an alysis of the responses through an item analysis procedure can reduce the set of statements to a manageable number for practical use. However, the set of declarative statements should represent the entire domain of JOB PERFORMANCE.

Next, a format for scoring rater responses is selected. Numerous options are available, the most common of which are words of frequency (e.g., a continuum from "always" to "never") and of intensity (e.g., a continuum from "strongly agree" to "strongly disagree"). Al though the response format is often arbitrarily selected, some studies indicate that there may be an optimal type and number of response categor ies for summated scales. Bass, Cascio, and O'Connor (1974), for example, derived statistic ally optimal 4 to 9 point scales with adverbs for frequency and amount, while Spector (1976) identified optimal categories of agreement, evaluation, and frequency. In terms of the opti mal number of scale points for summated scales, the research results are mixed (e.g., Komorita and Graham, 1965; Matell and Jacoby, 1971). Lissitz and Green (1975), however, found that reliability increases only up to 5 scale points, and levels off thereafter.

Once the declarative statements have been written and the response format and number of scale points selected, the next step is to organize the sequence of declarative statements on the rating format. Most summated scales are set up with a series of items, each followed by a format such as "strongly agree, agree, undecided, dis agree, and strongly disagree." It is, however, advisable to change the order for the response format so that the responses are not always in the same position. This procedure is designed to preclude a response set bias whereby the rater merely checks all responses on the far left (e.g., "strongly agree") or far right ("strongly dis agree") without even reading the items. If the sequence of the response format is varied, the rater may have to pay greater attention to what and how to rate (*see* RATING ERRORS).

There should be a number of declarative statements representing each dimension. It is advisable to randomize all items on the appraisal instrument across dimensions. With the comple tion of these procedures, the summated scale is ready for an initial run. It is important to con duct an item analysis on the summated re sponses, but the item analysis can be done on data that are administratively useful. Thus, after the summated scales have been adjusted to re flect the item analysis information, the resultant scores can be used for personnel decisions.

Research with BOS compared to other rating formats such as BEHAVIORALLY ANCHORED RATING SCALES shows little difference in psy chometric characteristics, but raters prefer BOS to most other formats. There is no evidence of less (or more) bias as a function of this format (Bernardin, Hennessey, and Peyrefitte, 1995).

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behaviorally anchored rating scales

H. John Bernardin

Behaviorally anchored rating scales (BARS) are graphic performance rating scales with specific behavioral descriptions defining various points along each scale (Smith and Kendall, 1963). Each scale represents a dimension, factor, or

work function considered important for work performance. Typically, both raters and ratees are involved in the development of the dimen sions and the generation of behavioral descrip tions.

The original BARS procedure was basically an iterative process whereby a sample from the rater population began development of the scales. Their work was then scrutinized by ad ditional samples of raters. In the original con ceptualization of the BARS method, raters were instructed to record the behaviors observed on each applicable job dimension throughout the appraisal period. They were then to decide to which dimension each behavior belonged, and to indicate, on the rating scale, the date of and details associated with each incident. Each entry was to be made on the rating scale at the effectiveness level that was considered most ap propriate for that incident. The scaling of the effectiveness level of the observation (i.e., the place on the page at which the observer recorded the incident) was to be guided by a comparison with the series of illustrative "behavioral anchors" and generic performance level de scriptors. The illustrative behaviors would have been identified from prior research as belonging to a particular job dimension and as representing a specific effectiveness level for that dimension.

It was not necessary that the notation of ob served behavior be made at the exact point on the graphic scale at which some illustrative behavior had been previously scaled. Rather, the observer was to *infer* the behavioral dimension involved and to decide what had been observed in relation to the specific behavioral and more generic examples. The rater, thus, would interpolate between the illustrative examples when recording a brief notation of the behavior that had been observed.

The behavioral anchoring illustrations were to be concrete and specific, and located at irregular intervals along the relevant scale according to effectiveness. The dimensions themselves would have been chosen only after considerable discussion of organizational goals and objectives. After a period of observation and incident recording, the rater could, if necessary, make a summary rating. This summary, plus the notes, could serve as a basis for discussion with the ratee and/or as a criterion measure.

Numerous variants of the BARS procedure have been introduced since the approach was first proposed. A complete discussion of the various appraisal formats that have been intro duced under the guise of BARS can be found in Bernardin and Smith (1981). Several compari sons of the BARS approach to other rating methods, such as BEHAVIORAL OBSERVATION SCALES, have found no reliable advantage to any rating method, including BARS.

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Belbin teams

Hadyn Bennett

Belbin (1983, 1991, 1993) argues that in a team situation particular individuals will adopt spe cific "team" roles, distinct from their task re sponsibilities; the blend of these roles, it is argued, has a crucial impact on the efficiency and effectiveness of the team. An individual's preferred team role is a function of personality type, and using Cattell's 16PF test (Cattell and Kline, 1977) Belbin identifies eight team roles essential for team success (1983), to which he later added a ninth (1993).

The nine roles are: the Chairman/Coordin ator (calm, self confident, controlled – presides over the efforts of the team); the Plant (individu alistic, imaginative, unorthodox – the source of original ideas); the Shaper (high levels of drive, dynamic – drives the practical application of the team's efforts); the Resource Investigator (extra verted, enthusiastic, communicative – develops external contacts and sources resources re quired); the Monitor Evaluator (sober, unemo tional, prudent – contributes measured and dispassionate analysis); the Teamworker (so cially oriented, cooperative, and perceptive – perceives emotional undercurrents within the

team and tries to promote harmony); the Company Worker/Implementor (conservative, dutiful, predictable – the practical organizer); the Finisher/Completer (conscientious and anxious – tries to insure tasks are completed accurately and on time); and the Specialist (single minded and dedicated – provides specialist knowledge and skills).

While there has been some criticism that Belbin's team role inventory has limited validity and reliability (Furnham, Steele, and Pendleton, 1993; Dulewicz, 1995), other authors have refuted these claims (Swailes and McIntyre Bhatty, 2002), with Lessem and Baruch (2000: 77) arguing that in the UK and western Europe generally, Belbin's approach to team building "has become perhaps the most often used amongst managers."

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benchmarking and competitor analysis

Dave Ulrich

Human resource (HR) benchmarking is the process of learning how other firms perform HR practices. Learning how other firms do their HR work helps firms to compare and improve their methods. Competitor analysis is the process of comparing one's HR practices with another firm as a way to outperform the competitor.

Why Do Benchmarking?

In the business world, benchmarking HR practice serves three purposes (Fitz enz, 1992; Glanz and Dailey, 1993):

1 It enables a company to calibrate how it is doing compared to well respected companies. This calibration enables HR professionals to gauge, compare, or audit their HR work. For example, if Motorola is respected as a leader and innovator in training activities and Motorola is investing 2.5 percent of payroll in training, this number can serve as a standard for training investments.

2 It enables a company to learn from others. Benchmarking forces an external perspective on HR practices and is done by visiting other companies. Since Florida Power and Light won the coveted Deming Award in 1989, over 1,000 companies have visited their operations to learn how to better engage in quality processes.

3 It enables a company to set priorities and allocate resources for an HR department. By comparing against others and learning from what others are doing, HR professionals may invest in some activities more than others. Lessons from benchmarking quality programs at Motorola have helped Philips Electronics to introduce and improve its quality initiatives.

In the academic world, benchmarking creates the institutionalization of knowledge within the HR function. Institutionalization theory suggests that as ideas shift from firm to firm, some ideas become more legitimate and therefore accepted as standard practice (Scott, 1987). HR benchmarking creates the body of knowledge on which HR practices are created.

What is Benchmarked?

Three types of HR benchmarks may be done:

1   broad organizational issues, such as PRODUCTIVITY, labor ratios, or other administrative costs;
2   HR practices (e.g., TRAINING, COMPENSATION, STAFFING, organization design);
3   competencies of HR professionals.

How to Benchmark

HR benchmarking generally follows four steps:

1   creating a framework of practices or issues to benchmark;
2   collecting data from targeted companies;
3   integrating and analyzing the data; and
4   acting on the information collected.

Data collected may be qualitative or quantitative, collected by HR professionals or line managers, focused within an industry or across an industry.

Benchmarking fails to deliver on its promises when data collected are not acted on, when firms try to copy what other firms are doing without adapting to firm specific conditions, when relationships between HR practices are not taken into account, when line managers are not involved in collecting or using the information collected, and when ideas learned from benchmarking are not integrated or implemented into a firm.

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benefit programs: evolution

Charles H. Fay

Benefit programs have grown for a number of reasons. Initially, wartime controls on wage increases made the addition of BENEFITS the only way to increase employee COMPENSATION. The US federal government has encouraged the growth of benefits by providing favorable tax treatment to income received in the form of benefits by employees and to benefits expenditures by employers. Group coverage for a benefit by an employer is cheaper than the benefit would cost the employee. Unions and non represented employees like receiving benefits since they are entitlements under organizational membership rather than earned through individual performance or increased PRODUCTIVITY. Many benefits are government mandated, and benefit levels have been increased by law. Finally, employers have found they can attract and retain employees by offering benefit packages that employees want.

This has resulted in a growth in benefits costs to employers far greater than the increase in wages. In 1960, benefits (then called "fringe" benefits) accounted for about 8 percent of total compensation costs for private sector US employers; in 1993 benefits accounted for about 29 percent of total compensation costs, and 27.4 percent in 2000 (Employee Benefit Research Institute, 1995: 15; Employee Benefit Research Institute, 1997, updated to 2002). This increase has led employers to take a number of actions to reduce or at least stabilize costs. Copayment techniques require employees to help pay for the benefit offered. Coinsurance approaches require employees to bear part of the risk. Cafeteria plans have been introduced to allow employees to select only those benefits which they want. Administrative techniques have been introduced which reduce costs, especially in healthcare, using MANAGED CARE approaches.

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benefits

Steven L. Thomas

Employee benefits are the indirect components of the total COMPENSATION package including all tangible returns for an employee's labor except for direct pay (Milkovich and Newman, 1993).

Benefit growth has been rapid over the latter half of the twentieth century (*see* BENEFIT PROGRAMS: EVOLUTION) as the result of changing federal regulations, tax codes, union influence, and even employer initiatives (McCaffery, 1992). Benefits, in the past referred to as "fringe benefits," are an important and expensive portion of the total compensation package, accounting for more than one third of the cost of employee compensation, with more than US$1,000 billion spent in benefits each year (Henderson, 1994).

There is no standard benefit classification scheme (McCaffery, 1992), but it is common to distinguish among several different benefit dimensions. Legally required or mandatory benefits include SOCIAL SECURITY BENEFITS, UNEMPLOYMENT COMPENSATION, and WORKERS' COMPENSATION BENEFITS. Most employers are required to offer these benefits to employees and the cost of each is borne totally (or at least partially) by the employer.

Discretionary benefits are not required of employers, although they may be regulated if offered, and may include: (1) PAID TIME OFF (vacations and sick leave); (2) healthcare expense plans (MANAGED CARE networks, HEALTH MAINTENANCE ORGANIZATIONS, preferred provider organizations); (3) deferred income and income continuation plans (PENSION PLANS, life insurance, and GROUP DISABILITY BENEFITS); and (4) income equivalents such as CHILDCARE BENEFIT, FINANCIAL ASSISTANCE PLANS, employee discounts, and club memberships (Henderson, 1994).

The designing of benefit programs requires employers to make several decisions that balance the company's objectives of offering an adequate, competitive, yet cost contained benefit package. Employers must decide which groups to provide with benefit coverage, how much choice to offer employees in the selection of benefits (*see* FLEXIBLE BENEFIT PLANS), and the extent to which employees should pay none (noncontributory), some (contributory), or all of the cost of a benefit option (Milkovich and Newman, 1993). Finally, communication of the benefits program (*see* BENEFITS COMMUNICATION) is important to enable employees to understand and value the benefits package.

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benefits administration

Charles H. Fay

Benefits administration consists of developing and integrating the components of the benefits package and then managing the various programs as a unified system. Key activities of benefits administration include enrolling employees, communicating with employees, handling changes in employee contributions and program status, and dealing with benefits vendors. Major trends in benefits administration include increased use of cafeteria or flexible benefit programs (*see* FLEXIBLE BENEFIT PLANS), cost control and/or reduction, and outsourcing of all aspects of benefits administration.

Flexible benefit programs have increased in use because they provide a means of insuring that employees do not receive benefits that they do not value, and because they provide a mechanism for introducing cost controls. Many employers have provided full benefits coverage to employees in terms of defined levels of service. As costs increase, any cost shifting to employees is viewed as a reduction in service. With flexible plans, a menu of benefits is offered to employees, and choice up to some level of employer cost is allowed. Additional benefits may be purchased, introducing the notion of employee contributions, or copayments. When benefits costs increase, it becomes much easier to shift part of

the increase to the employee. Outsourcing of all aspects of benefits administration is increasing. In many organizations, an employee can call a toll free number, and the outside vendor will provide any information about the employee's status, can make changes in plan selection, and provide bene fits counseling. Organizations adopting benefits administration outsourcing have been able to reduce internal benefits staff to a few benefits planners and vendor relations managers.

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benefits communication

Robert M. McCaffery

Compared with pay (direct COMPENSATION), the communication of BENEFITS (indirect com pensation) is a much greater challenge for em ployers. Although benefits typically comprise at least a third of total compensation costs, many benefit plans are not clearly apparent to em ployees. For example, vacations, holidays, and other forms of PAID TIME OFF are part of employees' paychecks and not always recognized as benefits even though they represent an ex pense to employers. Also some benefits (e.g., PENSION PLANS and FLEXIBLE BENEFIT PLANS) can be especially difficult for employees to understand.

To insure that employees receive essential information about pension and other benefit plans, the EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA) mandates certain written communication. These include requirements that participants receive the following documents, written in clear and ap propriate language:

1 a summary plan description (SPD) for all applicable plans with information about eli gibility and plan features;

2 a statement of ERISA rights with plan iden tification information and an explanation of inquiry and appeal processes; and

3 a summary annual report (SAR) containing relevant financial information for all applic able plans.

Beyond meeting mandatory requirements, most employers now realize that a proactive commun ications program is needed to build awareness, understanding, and appreciation among em ployees with respect to benefits.

An increasingly popular method of commun ication is the personalized annual benefit report, which combines computer produced individual information with standard text. Other tech niques now utilized by employers to achieve communications goals include: (1) paycheck inserts; (2) articles in company publications; (3) contests; (4) interactive computer programs; (5) video cassettes; (6) employee meetings and focus groups; or (7) letters to the home and internal memoranda.

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Big Five personality tests

Michael K. Mount

The views of many personality psychologists have converged regarding the structure and con cepts of personality. It is generally now agreed that there are *five* robust factors, known as the Big Five or the Five Factor Model (FFM) of personality, that can serve as a meaningful tax onomy for classifying personality attributes. This taxonomy has consistently emerged in lon gitudinal studies, across different sources of raters, with numerous specific personality in ventories and theoretical systems, and in differ ent age, sex, race, and language groups (Digman, 1990). Although the specific names applied to the five factors vary somewhat across researchers,

they are commonly labeled and defined in the following way: conscientiousness (dependable, achievement oriented, efficient), extraversion (sociable, ambitious, dominant), emotional sta bility (secure, steady, well adjusted), agreeable ness (cooperative, trusting, considerate), and openness to experience (imaginative, artistically sensitive, intellectual). Big Five personality in ventories measure these personality dimensions using paper and pencil, self report formats. Some use observers' ratings rather than self ratings. Commonly used Big Five personality inventories are the Hogan Personality Inventory (HPI), the NEO PI, and the Personal Charac teristics Inventory (PCI).

See also *personality tests*

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biographical history inventories

Craig J. Russell

Biographical history (biodata) inventories were developed around a century ago for PERSON NEL SELECTION (Owens, 1976). Biodata inven tories typically contain questions about prior events in the lives of job applicants. Scores from biodata inventories have been found to predict subsequent JOB PERFORMANCE as ac curately as paper and pencil mental ability tests and WORK SAMPLES (uncorrected criterion related validity of approximately 0.30 to 0.40; Hunter and Hunter, 1984).

Various conceptual models try to explain why past experiences should predict individuals' future work and career outcomes (Mumford, Stokes, and Owens, 1990; Mael, 1991), although none has particularly strong support. Mumford et al.'s ecology model has perhaps the best support, suggesting that biodata items tap past sequences of knowledge acquisition, skill devel opment, motivation, needs, desires, and choices. Individual differences in these sequences then influence development outcomes, including job performance.

ITEM CONTENT

Many "types" of biodata item content have been described, though most categorization systems are not accompanied by strong theoretical ra tionales and must be considered arbitrary (see Asher, 1972). Perhaps the simplest biodata item description is "any question aimed at life experi ences phrased in the past tense." Typical items might include: "How much life insurance did you sell last year?" and "How often did you break off steady dating relationships in high school" (Russell, 1994). The former might pre dict applicants' subsequent life insurance sales volume, while the latter predicts subsequent performance of freshmen at the US Naval Academy (Russell et al., 1990). However, the former has an intuitive correspondence with a criterion (*see* BEHAVIORAL CONSISTENCY PRINCIPLE), while the latter seems to have no overlap with 18 year olds' future performance as officers in the Navy. A strong theory of bio data should indicate how to sample prior examples of the criteria (e.g., life insurance sales) *and* prior events bearing no obvious rela tionship to the criteria. Strong theory is not currently available.

Multiple aspects of life events can be captured by biodata items. The development of item con tent can follow almost any procedure, though items developed in concert with some a priori rationale predict best (Williams, 1961; Russell, 1990). See Russell (1994) for a review of item development methods, to include incumbents' narrative answers to life history questions, bio graphies, interviews, focus groups, and "best" psychological judgment of investigator(s).

KEYING PROCEDURES

Biodata inventories are distinctive in their scoring. *Rationale keys* use experts' judgments of the "expected" relationship between item re sponses and the criterion. For example, one would expect high levels of past life insurance sales to predict future life insurance sales. Re sponse options to a question about past life in surance sales would be scored to give more

"points" to applicants who sold large amounts of insurance in the past. Biodata items with no obvious relationship to performance cannot enter rationale keys.

Empirical keys are used most often in selection venues, optimally allocating "biodata points" to response options to predict performance. Methods are complex, though the "vertical percent difference method" seems most powerful (Devlin, Abrahams, and Edwards, 1992; Brown, 1994). To exemplify this method, assume that the "dating item" above was part of an inventory given to 1,000 new undergraduate management majors as part of a study designed to predict career success (measured ten years later in terms of career performance measures such as income and number of promotions). The 1,000 participants are randomly assigned to groups of 750 (validation sample) and 250 (cross validation sample). Statistical associations between response alternatives on the biodata items and income are examined in the validation sample and verified in the cross validation sample (*see* CRITERION RELATED VALIDITY; PREDICTIVE VALIDITY). The 750 students are sorted into three equal sized groups ($n = 250$ each) on some performance measure (say, income). For each biodata item, response alternative frequencies are then compared for high versus low income groupings for each of the response options (e.g., response options of 1 to 5, corresponding to rating scale anchors ranging from 1 = "not very often" to 5 = "very often"). If high income students selected response alternative 3 much more frequently than low income students, the empirical key would award more biodata points to students selecting this response option. The greater the percentage of persons in the high income group choosing this option relative to those in the low income group, the more the biodata points that would be awarded. This procedure would be completed for each response alternative. If the high and low income groups endorsed a particular response alternative with similar frequency, it would *not* be scored, since it does not differentiate high versus low income groups. Thus, high and low income groups are compared for each response alternative for each item. Those which differentiate these groups receive biodata points that reflect that

degree of predictability. The sum of points assigned by the key yields its "biodata score."

The VALIDITY of the biodata scoring key is examined by using the empirical scoring key within the cross validation sample. Responses from the 250 students initially held back are scored and these scores are then correlated with the actual income earned by these persons ten years after graduation. Valid empirical keys should predict the income criterion in this sample. If found valid in the hold out sample, the key would be used in future samples to predict standing on the outcome of interest (in this example, income).

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bona fide occupational qualification

Barbara A. Lee

Employers may discriminate on the basis of religion, age, national origin, or sex if one of these characteristics is a bona fide occupational qualification (BFOQ) for the position. To qualify as a BFOQ, the characteristic must be "reasonably necessary to the normal operation of that particular business" (29 USC section 2000e 2(e)(1)), or serve as a proxy for a characteristic that is impossible or impracticable to ascertain in some other way. For example, age was considered to be a BFOQ for cardiac fitness in *Western Airlines* v. *Criswell* (472 US 400, 1985) because it was impracticable for the airline to make individualized determinations of cardiac fitness. Religion may be a BFOQ for a job in a religious organization (29 USC section 2000e 2(e)(2)), but race is never a permissible BFOQ.

See also *discrimination*

bona fide seniority system

Barbara A. Lee

A bona fide seniority system is one that recognizes job tenure and allocates employment rights on that basis, but which was not created with the intent to discriminate. For example, a seniority system that added a segregated seniority list of African American workers to the bottom of the white seniority list would not be a bona fide seniority system. However, a seniority system that resulted in recently hired minority workers having less seniority than long tenured white workers would, absent other evidence of discriminatory treatment of the minority workers, qualify as a bona fide seniority system.

See also *discrimination*

bonuses

David B. Balkin

Bonuses are cash payments for employees who achieve a goal or level of performance that is desired by management. Bonuses are a type of VARIABLE COMPENSATION that is given out on a one time only basis and is not built into the salary (Belcher and Atchison, 1989). Bonuses are very flexible and can be used to reward employees for achieving goals that represent individual, team, unit, or organization performance (Gomez Mejia and Balkin, 1992). For example, GAINSHARING plans will provide a bonus to all employees in a work unit if they are able to exceed expected unit performance standards within a specified period of time.

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broadbanding

David B. Balkin

Broadbanding is a pay innovation that collapses a pay structure with many pay grades (*see* PAY GRADE) into a structure with a few larger pay ranges called bands (Caudron, 1993). Each band covers a pay range that formerly represented several pay grades. Broadbanding gives managers greater flexibility to encourage employees to move in a horizontal direction in their careers by broadening their skills and competencies. Firms that have delayered their hierarchies and

reduced the number of job titles and PROMO TION opportunities for employees may benefit from the increased flexibility in the pay structure that can be provided by broadbanding (Abosch, 1995). Broadbanding places a decreased emphasis on remuneration based on job evaluation (*see* JOB EVALUATION METHODS) and use of control points such as a midpoint or a maximum of pay range. It places an increased emphasis on encouraging employees to develop new skills and paying for the skills according to their market value.

Broadbanding can be used to reinforce team work and collaboration since it reduces hierarchy and status differences between employees in the pay structure. Firms that use the pay and promotion systems to recognize status and hierarchical differences between employees may not have a culture that is supportive of a broadbanding pay policy (Hofrichter, 1993).

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bullying

Helge Hoel and Ståle Einarsen

Bullying in the workplace has been acknowledged as a major occupational stressor, with severe consequences for the individuals involved, and financial impact on organizations (Hoel, Zapf, and Cooper, 2002). Influenced by the debate on "bullying in schools," the phenomenon was first studied in Scandinavia (Einarsen, 2000). The terminology for this phenomenon has been varied, with different labels attributed to the problem in different parts of the world (Hoel, Rayner, and Cooper, 1999). Thus, whilst "mobbing" is the preferred term in Scandinavia and German speaking countries, the favored term in the UK, Ireland, and Australia is "bullying," whilst in the US and Canada the problem has been variously referred to as "emo

tional abuse," "employee abuse," and "mistreatment at work" (Einarsen et al., 2003).

Despite a number of definitions in use, the following incorporates the key features of the phenomenon:

> Bullying at work means harassing, offending, socially excluding someone or negatively affecting someone's work tasks. In order for the label bullying (or mobbing) to be applied to a particular activity, interaction or process it has to occur repeatedly and regularly (e.g. weekly) and over a period of time (e.g. about six months). Bullying is an escalating process in the course of which the person confronted ends up in an inferior position and becomes the target of systematic negative social acts. A conflict cannot be called bullying if the incident is an isolated event or if two parties of approximately equal "strength" are in conflict. (Einarsen et al., 2003)

The negative behaviors involved are used with the aim, or at least the effect, of persistently humiliating, intimidating, frightening, or punishing the victim. Many of these acts may be relatively common in interaction between employees in the workplace and may not be so serious in isolation. But when they are frequent and, over a longer period of time, persistently directed toward the same individual, they may be considered an extreme source of social stress, capable of causing severe harm and damage (Zapf, 1999).

The bullying process tends to evolve through a series of distinct phases or stages which may often be referred to as *aggressive behaviors*, *bullying*, *stigmatization*, and *severe trauma* (Einarsen, 1999). The initial phase, where indirect and subtle forms of aggression prevail, tends to be followed by a stage of more direct negative behaviors, often leaving the target humiliated, ridiculed, and increasingly isolated. As a result the targets become stigmatized and find it more and more difficult to defend themselves. The frequency and intensity of the exposure also have the function of changing the meaning of the behavior (Leymann, 1996). Thus, the target would tend to feel hounded or at the mercy of someone whose aim is to "get you." Unsurprisingly, exposure to such treatment has a significant impact on the target. The stigmatizing effects of these activities, and their escalating

frequency and intensity, make the victims constantly less able to cope with their daily tasks and cooperation with colleagues, thus making them continually more vulnerable and "a deserving target" (Einarsen, 2000).

A number of studies have explored the relationship between bullying and negative health outcomes. Typically, targets of bullying have been found to suffer from psychosomatic stress symptoms, anxiety, and depression (Björkqvist, Österman, and Hjelt Bäck, 1994; Leymann, 1996; Vartia, 2001). Many of the more severely affected bullying victims reported similar symptoms to those identified with post traumatic stress disorder (PTSD) (Einarsen et al., 2003). The erratic and obsessive behavior observed in many victims frequently cut them off from support, exacerbating their isolation and the victimization process. Recent studies have confirmed that bullying appears to manifest itself behaviorally by affecting levels of ABSENTEEISM and EMPLOYEE TURNOVER as well as PRODUCTIVITY (Rayner, 1999; Einarsen et al., 2003) along with other organizational consequences, which together may represent a considerable cost to the organization. The fact that third parties or witnesses also appear to be affected by bullying, possibly due to fear of becoming a target themselves, further exacerbates the impact of the problem (Rayner, 1999). Depending upon the definition and measurement used, the results of a number of prevalence studies across Europe, the US, and Australia suggest that 1–4 percent of employees may experience a severe degree of bullying, a figure rising to 10–20 percent or above when occasional exposure to bullying behavior is considered (see Einarsen et al., 2003, for a review).

A work situation characterized by role conflict and a lack of interesting and challenging work tasks, combined with a negative interpersonal climate in the work group, seems to be a high risk situation for bullying (Einarsen, 1999). Low satisfaction with the leadership is also typical of workplaces where bullying prevails. In fact, as many as 50–80 percent of the victims of bullying claim to be bullied by a superior, again linking bullying closely to leadership. Theoretically, five factors are claimed to be risk factors of bullying at work: (1) deficiencies in work design; (2) deficiencies in leadership behavior; (3) the victim's vulnerability; (4) a negative social climate in the unit; and (5) an organizational culture permissive or supportive of aggressive behavior (Leymann, 1993; Einarsen, 1999). However, the causes of bullying at work have also been related to concepts such as personality, interpersonal conflicts, aggression, and human resource management (HRM) practices (see Einarsen et al., 2003, for a review).

During the late 1990s, the concept of workplace bullying found a resonance within the European working population as well as in the academic community (Einarsen et al., 2003). As a psychosocial hazard the issue has obvious relevance to the stress discipline. Moreover, bullying research has benefited from progress in the more mature academic field of SEXUAL HARASSMENT, and, to some extent, from research into aggression and work related violence. In both cases the opportunity for cross fertilization between the fields is evident. Recent years have also seen a growing interest among human resource specialists, with many organizations adopting antibullying policies and exploring proactive approaches such as a risk assessment strategy (Einarsen et al., 2003). However, future research needs to establish the effectiveness of various interventions.

See also *workplace violence*

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burden of proof

Ramona L. Paetzold

The term "burden of proof" refers to the elements that must be proven at various stages of a trial, and to the party that must establish them. Thus, "burden of proof" signifies a formal scheme by which both sides to a lawsuit present their evidence. In employment DISCRIMINATION cases, the burden of proof depends on the model(s) of discrimination that the plaintiff has invoked, as well as the stage of consideration of evidence within the model(s).

In general, the law recognizes two different "proof" burdens – the burden of production and the burden of persuasion. The burden of production typically means a burden to articulate credible evidence that puts forth disputed facts and/or addresses the opposing party's evidence (*see* DISPARATE TREATMENT). The burden of persuasion means that the burden is to convince the factfinder of the validity of the claim, according to the prevailing legal standard (such as preponderance of the evidence). Although it is common to associate the burden of persuasion with the plaintiff (i.e., the person bringing the suit has the burden to convince the factfinder), defendants may also at times bear the burden of persuasion (*see* DISPARATE IMPACT).

business necessity

Barbara A. Lee

Business necessity must be demonstrated by an employer defendant to rebut a presumption that an employment practice that has a DISPARATE IMPACT on a protected class is discriminatory. Employers must show that the practice is necessary to the conduct of their business and that an alternative with a less discriminatory effect on the protected class is less effective. One method of proving business necessity is to show that the challenged practice is job related. Other methods include showing that the practice affords a strong benefit to the business, and that its cessation would impose a heavy burden on the employer (Schlei and Grossman, 1983: 1329).

See also *discrimination; job relatedness*

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business process reengineering

Willam H. Glick

Definitions of "reengineering" have proliferated since Hammer's popularization of the term (Hammer, 1990; Hammer and Champy, 1993). Hammer and Stanton's (1995) self proclaimed "official definition" of reengineering is "the fundamental rethinking and radical redesign of business processes to bring about dramatic improvement in performance." Most variations on this definition have focused on the methodology of reengineering, rather than the outcomes. Each change agent or researcher with a slightly different methodology has crafted a new definition of business process reengineering, or coined his or her own terms, such as business process improvement (Harrington, 1991), process innovation (Davenport, 1993), or business process redesign.

METHODOLOGY FOR CHANGE

Sorting through the plethora of definitions, there are several common elements. A more generic definition is that business process reengineering is a systematic methodology for fundamentally rethinking and changing an entire business system to realign the strategy, business

processes, jobs, organizational structures, man agement and measurement systems, information systems, and values and beliefs. It is a methodo logy for focusing the organization on the pro cess of delivering measurable value to the customer.

The most important defining characteristics of business process reengineering are:

1 *Change*: All variants of reengineering are focused on creating organizational change.
2 *Systematic methodology*: It involves a common set of techniques and steps for leading CHANGE MANAGEMENT.
3 *Processes and systems*: Rather than pointing fingers, creating scapegoats, and raising re sistance to change, reengineering involves changes in both processes *and* systems (the systems perspective involves processes, jobs, structures, measurement, reward systems, beliefs, values, information flows, strategic analysis, and so forth).
4 *Strategic focus on the customer*: It requires a vision of what is needed to deliver value to the customer.
5 *Realignment*: Changes are intended to im prove the fit of processes and systems with the overall strategy.
6 *Cognitive approach*: Proponents talk about "rethinking the organization" and "challen ging assumptions" to change behaviors through changes in beliefs and attitudes.
7 *Measurable results*: Reengineering is results oriented, with a clear focus on providing measurable benefits to the organization.

Although Hammer (1990; Hammer and Champy, 1993; Hammer and Stanton, 1995) argues that reengineering must be radical, high risk, and driven from the top of the organization, most reengineering efforts do not fit all of these requirements (Davenport and Stoddard, 1994). Business process reengineering has also been inappropriately "equated to downsizing [*see* DOWNSIZING], client/server computing, qual ity, activity based costing, and several other management nostrums" (Davenport and Stod dard, 1994). Further, although INFORMATION

TECHNOLOGY ENABLERS are often critical in the redesigned organization, reengineering does not necessarily involve changes in information systems (Davenport and Stoddard, 1994).

PROCESS OF REENGINEERING

Reengineering frequently includes the following steps: clarifying the firm's strategy, enlisting executive leadership, selecting processes for reengineering, creating frame breaking visions, mapping and assessing existing processes and systems, developing a case for action, designing the new processes and systems, developing an implementation plan, prototyping the new pro cess, implementation, and continuous process improvement (Davenport, 1993; Andrews and Stalick, 1994; Hammer and Stanton, 1995).

By challenging assumptions, developing a case for action that conveys a sense of urgency for change, and creating a vision of the future identity of the organization, reengineering can provide a cognitive approach to organizational change (Reger et al., 1994). At these steps in the reengineering process, it is sometimes possible to involve a broad spectrum of individuals to develop a collaborative approach to change.

REALIGNING PROCESSES AND SYSTEMS

Assessing existing and designing new processes and systems relies most heavily on broad human resource management (HRM) skills. The object ive of reengineering is to realign the strategy, business processes, jobs, organizational struc tures, management and measurement systems, information systems, and values and beliefs. As sessing the level of alignment among systems and processes is a complex problem, requiring knowledge of a variety of alternative organiza tional forms that might be adopted. New organ izational forms that are particularly popular in this context include learning organizations (*see* LEARNING ORGANIZATION), LEAN PRO DUCTION systems, and HORIZONTAL MAN AGEMENT.

Hammer (1990; Hammer and Champy, 1993) and other leading authors on reengineering (Harrington, 1991; Davenport, 1993; Andrews and Stalick, 1994) have also articulated a set of

internally consistent design principles for re aligning systems and processes. These principles include: organize around outcomes, assign own ership of processes and process performance, link performance objectives and evaluation to customer satisfaction, subsume information processing work in real work, build in feedback channels, combine several jobs into one, and empower workers. Many of these design prin ciples can be traced to sociotechnical systems (Pasmore, 1988) and Hackman and Oldham's (1980) model of work redesign.

See also *business processes*

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business processes

William H. Glick

A process is the transformation of inputs into outputs through some sequencing of activities. A business process carries the additional distinc tion of creating outputs that are valued by a customer external to the organization. Although a series of accounting procedures may produce financial records for a restaurant, accounting is a function, not a business process. The financial records are not valued by the customer; good food and good service are the valued outcomes. Note, however, that the accounting may be ne cessary for the long term survival of the organ ization. Further, accounting activities may be included as part of the overall business process of delivering good food and service. In the con text of BUSINESS PROCESS REENGINEERING, the accounting activities would not be con sidered in isolation, but might be reengineered in conjunction with the overall business process.

Alternative definitions of business process also appear (Keen and Knapp, 1996). For example, Harrington (1991) excludes produc tion processes, while Davenport (1993) excludes unstructured, unmeasured processes, and/or processes with nonspecific outputs. Keen and Knapp (1996) explicitly include coordination processes as key business processes that create competitive advantage.

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C

Canada

Roy J. Adams

Canada is composed of ten provinces and three territories, each of which has separate responsibility for employment and labor legislation. The federal government has responsibility for transprovincial industries such as transport, communications, and banking. Like the US, the Canadian labor market is demarcated into two segments. Employees are either represented by trade unions and covered by collective agreements or are dependent on a combination of legislation, individual bargaining, and unilateral employer policy.

The Collective Bargaining Sector

Trade unions. Craft, industrial, and general unions all operate in Canada. About 30 percent of Canadian unionists belong to international unions who have their headquarters in the US International unionism, which has been a major factor in Canada throughout the twentieth century, although it has been declining in significance during the past two decades. The major trade union federation today is the Canadian Labor Congress, to which unions representing about 67 percent of union members affiliate. The remaining trade union members belong primarily to unaffiliated national unions. The Confederation of National Trade Unions, which is based almost exclusively in Quebec, is the current day successor to an early Christian trade union federation. It is entirely independent.

The dominant ideology of Canadian unions is a mix of business unionism focused on COLLECTIVE BARGAINING and a broader concern for social development. The Canadian Labor Congress is closely aligned with the social democratic New Democratic Party.

Employers. Labor and human resources policy in Canada is largely controlled by individual enterprises. Although one finds employer associations in some industries (e.g., construction, shipping), they play a much smaller role in Canada than they do in many European countries. Perhaps the most important voice of Canadian business on national employment and labor issues is the Canadian Council of Chief Executives (CCCE), composed primarily of the chief executive officers of major corporations.

In the private sector about 20 percent of the labor force is covered by collective agreements, but collective agreement coverage has fallen substantially in recent decades, whereas the rate in the public sector is well over 70 percent and has been relatively stable.

Government. Although each jurisdiction is responsible for its own legislation, each has adopted the basic framework of the US National Labor Relations Act. Under this model employers are legally compelled to recognize and negotiate with certified unions periodically over a wide range of terms and conditions of employment with a view toward signing written collective agreements. Strikes are permitted over interests disputes but disputes over the interpretation of collective agreements generally must be submitted to binding ARBITRATION. Certification, which requires majority support of the relevant employees, generally takes place at the enterprise level and it is at that level that most bargaining takes place. Uncertified unions have generally been considered to have no right to be recognized, although recent court decisions have placed that norm in question.

THE INDIVIDUAL CONTRACT SECTOR

There is a wide range of employment legislation that has its primary effect on employees outside of collective bargaining, including minimum wages, maximum hours of work, paid vacations and holidays, pensions and long term disability, health and safety regulation, and workers' COM PENSATION as well as employment and pay equity. Within legal requirements the employer and the individual employee may negotiate any other legal condition of work. Like European practice, but unlike the US, employers must provide reasonable notice to employees dis missed without cause. The employee's recourse is the regular court system, where cases over the allegation of wrongful dismissal grew substan tially in recent decades as a result of restructur ing and DOWNSIZING.

Private sector employers in the individual contract sector generally oppose unionization and collective bargaining but within legal constraints that preclude DISCRIMINATION against union sympathizers.

BEYOND THE ENTERPRISE

The Canadian system is commonly character ized as adversarial and levels of industrial con flict are high by international standards. Unlike many European countries, Canada is without legally required works councils, although many jurisdictions do require occupational health and safety committees in both unionized and non unionized enterprises. At the national level there is a tripartite Canadian Labor and Business Center, which attempts to achieve consensus on a range of relatively noncontroversial issues, and similar agencies in some of the provinces. In international comparison, however, tripartism is underdeveloped in Canada.

career

Daniel C. Feldman

Career refers to the series of occupations and jobs which individuals hold over their work lives. The study of careers in organizations has focused on six issues in particular:

1 how individuals' aptitudes, interests, and skills change over the course of their working lives;
2 how individuals make decisions about which jobs to pursue and which organizational pos itions to accept (or leave);
3 how individuals adjust to new job situations;
4 how organizations plan for and manage these transition processes;
5 the impact of short run career decisions on longer term career options; and
6 the integration (or conflict) between career demands and personal life demands (Feld man, 1988).

While the term career generally applies to all occupations and jobs, over time the term has also developed some frequently used connotations. In some cases, the term career has been used to connote an occupation or profession requiring high levels of education and training. For example, it is not uncommon for law and medi cine to be labeled as careers, but plumbing and construction not to be so labeled. In other cases, the term career has been used to connote either long term commitment to or heavy psycho logical investment in an occupation or an organ ization. For instance, the term career diplomat refers to an individual who has made a long term commitment to public service, while the term career employee refers to an individual who has spent most of his or her life working for one company.

See also *career anchors; career choice; career models; career pathing; career patterns of scientists and engineers; career plateau; career stages; career success*

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career anchors

Edgar H. Schein

Career anchors are the self perceived sources of stability in the individual's internal CAREER.

When people enter a field or occupation they typically are anchored only in the externally defined criteria of progress: grades in school, encouragement from counselors, test scores on talents or interests, and feedback if they are in an apprenticeship or other kind of work situation. As the individual progresses through school and early occupational experiences, he or she begins to form a self image based on the matching of external feedback and internal feelings of accomplishment and satisfaction. In other words, individuals begin to define themselves in terms of a matching of what they feel they are good at and enjoy doing with external feedback that they are good at it and that their efforts are considered worthwhile by others. If mismatches occur, because either they find they do not have the talent for a certain kind of work or they discover that they do not like a certain kind of work, they seek a change in career until there is some matching of talents and motives with external rewards and feedback.

As we progress into our careers we also find that our values have to match those of our chosen occupation or organization. The emerging self image, what I am defining as the career anchor, then consists of three components:

1   my self perceived talents;
2   my motivation toward certain kinds of work; and
3   my values as they are articulated in my work.

The career anchor is a product of work experience and is therefore not likely to be very firm until we are at least five to ten years into our career. But once we have stabilized our self image we tend to want to hold on to that image even if our external work situation begins not to match it. The career anchor, then, can be defined as that element of ourselves that we would not give up if forced to make a choice. What we do in our occupations is not necessarily correlated with our anchors and most occupations have in them people with different career anchors.

Research has so far revealed at least eight kinds of career anchors.

1   *Technical or functional competence*: These people define themselves by competence in a certain craft and continue to look for ever more challenge in that area of competence. This kind of person wants to become the world's best salesperson, engineer, auto mechanic, surgeon, or whatever.

2   *Managerial competence*: These people define themselves by the ability to manage others and measure progress by climbing to ever higher positions of responsibility in organizations. This person wants to be able to attribute the success of an organization or project to his or her own managerial capabilities based on analytical skills, interpersonal and group skills, and the emotional capacity to deal with high levels of responsibility.

3   *Security or stability*: These people define themselves by having achieved a position of career success and stability that allows them to relax and to experience a feeling of having made it. This sort of person is less concerned with type of work and more concerned with a feeling of security.

4   *Autonomy or independence*: These people define themselves by their need to be free of organizational constraints and rules in terms of what they do in their career. Free lance consultants, teachers, some independent business people, field salespersons, and so forth would exemplify this anchor.

5   *Entrepreneurial creativity*: These people define themselves by their ability to create their own enterprise. They measure themselves by the size of the enterprise and its success.

6   *Service or dedication to a cause*: These people define themselves by their commitment to some deep value that the occupation permits them to express, e.g., teaching, environmentalism, human resource management, some aspects of medicine and the ministry.

7   *Pure challenge*: These people define themselves less by the type of work they do and more by the sheer joy of competing or winning out over impossible obstacles.

8   *Lifestyle*: These people define themselves by the ability to integrate the demands of work, family, and self oriented growth concerns. The career is not perceived as the dominant element, but only one element to be integrated into the whole of life.

Career anchors serve to stabilize and give meaning to the internal career and thus must be identified by the career occupant at those points when career or life choices have to be made, so that those choices maximize the oppor tunities to match the needs of the individual with the requirements of the organization or occupation.

See also *career choice*

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career choice

Stephen A. Stumpf

Career choice, defined as a decision about which CAREER to pursue, is one of many work–leisure decisions made by people throughout their lives. Related, but somewhat more focused, decisions are OCCUPATIONAL CHOICE and job choice. A career is "a sequence of work related positions occupied throughout a person's life" (London and Stumpf, 1982: 4). Career choice encom passes those CAREER STAGES and transitions over time that reflect personal needs, motives, and aspirations, as well as societal and organiza tional expectations and constraints.

In practice, career choice is not a singular decision. People make many choices within their broader, often unarticulated, decisions about their work life. Decisions to change pos itions within an organization, change jobs, change organizations, change work locations, or change occupations are all part of a broader choice regarding one's career. As such, each of these decisions is a career decision, or at least part of the collection of activities that is viewed as one's career choice.

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career models

Timothy A. Judge

Career models describe the process by which individuals can best manage their careers in or ganizations. Three of the most prominent career models are reviewed below. Because most of these models lack support, however, they must be viewed cautiously.

CAREER LIFE CYCLES

If inclusion in textbooks and practitioner pub lications is any indication, the most popular career model is the career life cycle. This model is reviewed elsewhere in this dictionary (*see* CAREER STAGES) and therefore only a brief evaluation is provided here. The life cycle ap proach proposes that individuals progress through four career stages (e.g., exploration for individuals under age 30, establishment for indi viduals aged 30–45, maintenance for individuals aged 45–60, and disengagement for those over age 60).

There are many problems with the life cycle model. Not all employees progress through these stages in the specified order (e.g., plateaued in dividuals often develop new careers). Also, workers begin second careers at any age, so age normed models are not particularly appro priate. Thus, while biological metaphors such as the life cycle model are popular, their utter lack of empirical support suggests they are somewhat simple minded.

CAREER CONCEPTS

Career concepts are the assumptions people hold about their careers. The career concepts model assumes that most individuals possess one of four career concepts (Driver, 1989). The *linear concept* emphasizes upward mobility, defining CAREER SUCCESS in terms of extrinsic out comes. The *expert concept* considers the initial career choice a lifelong commitment to a single area of expertise. The *spiral concept* consists of major changes into related career fields every 5–10 years. Finally, the *transitory concept* is char acterized by a great deal of change in jobs and career fields – in other words, a "consistent pattern of inconsistency."

One of the implications of the career concepts model is that individuals' concepts sometimes do not match the organization's career system. Dis satisfaction and withdrawal may result. Two means of remedying the mismatch are to attempt to develop individuals away from their dominant concept, or to change the career system. Neither of these changes is likely to be easy.

CAREER ANCHORS

As noted in a separate entry in this dictionary (*see* CAREER ANCHORS), a career anchor is an occu pational self concept that evolves from self knowledge acquired during early work experi ences. The discovery and evolution of one's career anchor is based on one's needs, values, and abilities. Schein's (1978) conceptualization of career anchors considers five anchors:

1 *Managerial competence* emphasizes the use of interpersonal and analytical competence.
2 *Technical/functional competence* emphasizes development of technical expertise (this anchor is quite similar to the expert career concept).
3 *Security* characterizes individuals who seek security and stability.
4 *Creativity* describes individuals who are in novative and entrepreneurial.
5 *Autonomy and independence* characterizes in dividuals who value personal control and freedom.

Research has suggested that individuals in dif ferent occupations possess very different career anchors. By identifying employee career prefer ences, the career anchors approach seeks to match individuals' career preferences to their occupational choices or to job assignments within organizations. As such, the career anchors model fits well with conceptualizations of person–organization fit (*see* PERSON–JOB FIT).

See also *career*

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career pathing

Elmer H. Burack

Career pathing (CP) is a basic planning tool linked to career planning and career develop ment. It is used by both individuals and organ izations, although for substantially different purposes. The essence of CP is a coherent series of steps to achieve a particular job or career objective. It combines developmental goals, ac tivities to achieve these goals, and timing. The format of CP varies widely; common forms range from listings of steps to sophisticated charts and diagrams generated by computers. Since its introduction in the 1970s and fast growth subsequently, the basic concepts and applications of CP have undergone remarkable transformation.

The rationalization of career planning and development methods, mostly in large or high tech organizations, led to the design of sophist icated CP tools (Burack and Mathys, 1996). A number of factors nurtured this growth and included: relatively stable economic and com petitive conditions; rapid advances in software packages and computer technology, including the personal computer; the need for more powerful succession and management develop ment tools; and rapid access to career planning information. The process of planning the organ ization's future STAFFING defines future

human resource needs, timing, positional cap abilities, and the availability of current personnel to meet these requirements. CP became the road map that translated general staffing planning into individualized time–activity paths. Where job structures were relatively stable, general CP documents and matrices were generated which defined standard "career ladders" and job rela tionships. Thus, within organizations, two quite different forms of CP emerged. One was driven primarily by internal organization needs and the other by individual enterprise members inter ested in internal opportunities.

CP for people outside organizations was driven by both short and long range individual needs (Burack and Mathys, 1996). This CP re flected work–family matters, focused on formal and informal learning, and emphasized indi vidual growth. It was driven by personal and job related needs, values, and goals. This CP model encouraged broad, flexible, and contin gent thinking.

Recent economic and competitive develop ments, however, greatly changed the focus of CP for the organization, its members, and indi viduals generally. The reinvention of organiza tions, driven by turbulent economic and global competitive conditions, transformed CP for in dividuals and organizations alike. Change drivers included: global competition; the replacement of job security by job or skill mobility; newly emerging technologies, job families (*see* JOB FAMILY), and work procedures; shifts to process flow from a hierarchical orientation; dual careers (*see* DUAL EARNER AND DUAL CAREER COUPLES); and workforce DIVERSITY.

New models of CP are emerging that are developmental for the person and organization. They combine a long term view with short term needs for flexibility and possible career changes for individuals. CP also includes spiritual and emotional dimensions (Otte and Kahnweiler, 1995). Job, positional, and employer changes, along with concurrent learning and reflective processes, are to nurture an inner voice or vision of future possibilities and valued directions and goals. New career planning approaches include analyzing past and future needed competencies, exploring and executing plans, and learning from these experiences to guide "next steps." CP provides the specific steps and experiences to achieve the plans. Short term survival dictates the development of contingency CP models, much flexibility, and frequent reviews for pos sible changes.

The new organizational CP models *consciously* link enterprise staffing needs and learning strat egies with people's career plans (Gutteridge, Leibowitz, and Shore, 1993; Stewart, 1995; Bur ack and Mathys, 1996) and are often enacted on a global stage. Short and long term strategic business needs drive individual development while CP structures incorporate self develop ment and optional paths based on individual progress and needs and shifting competitive cir cumstances. Ford's Leadership and Develop ment Program, Motorola's Globally Oriented Development Programs, and Nationwide Insur ance's Technical Excellence Program for Infor mation Service Employees provide examples of CP models.

See also *career; career choice*

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career patterns of scientists and engineers

Robert C. Dauffenbach

Rarely does an individual hold just one type of job in his or her CAREER. Instead, a variety of jobs typifies experience. These are jobs that differ in content, requirements, and TRAINING needed; that are geographically dispersed; that involve, potentially, changes in employer or in dustry; and that make varying use of one's spe cific educational endowments. With jobs that are high in formal educational requirements,

mobility in many forms would be expected to be lower. But evidence suggests that even among highly educated scientists and engineering trained personnel, mobility is substantial. For example, fewer than one half of the US popula tion who hold a bachelor's degree or higher in engineering are working in a science or engin eering occupation, including the computer sci ences. Only one fourth of the math and statistics degree holders and only one fifth of the holders of biology degrees work in any science or engin eering occupation (Committee on National Stat istics, National Research Council, 1989). Even among those educated in science and engineer ing who are working in a science and engineering occupation, mobility is considerable. One fourth of those working in an engineering occupation do not have a degree in engineering. Over one half who work in a math/computer occupation do not have a degree in mathematics or computer science. Some of these individuals have less than a bachelor's degree, but most of them are holders of degrees from other fields of science. The biological and physical science fields are more educationally pure, but even in these occupa tions many job incumbents have degrees in fields that do not have an exact match with their detailed science or engineering specialty (Dauf fenbach, 1989).

The above discussion relates to field mobility because it compares field of degree with occupa tional employment. It is apparent that this type of mobility, even among high education content jobs, is high. Switching occupations is also prevalent for scientists and engineers. Studies reveal that over a five year period, about 10 to 17 percent of such individuals are occupationally mobile. Many who are trained in science and engineering move into management occupa tions, including management of research and development facilities. This is a very positive career move, averaging a pay differential of 10 to 15 percent. The wide extent and broad char acter of mobility that typifies the careers of even specifically trained personnel provides flexibility in society's utilization of human resources. It also underscores the importance of the educa tional experience as a facilitator of mobility by producing both trained and retrainable people who are capable of responding to differential opportunities.

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career plateau

Nigel Nicholson

The phenomenon of career plateauing in organ izations presents an important and perplexing challenge to human resource management (HRM) and an array of conceptual and empirical problems to organizational behavior scholars. The first problem is definitional. How do we decide when an employee is plateaued? Three types of criteria can be found applied in the literature. First, many researchers have taken time in current position as a measurable and objective benchmark. Employees in post for more than five years would typically be counted as immobile or "plateaued" by this standard, though this or alternative cutoffs have the draw back of looking worryingly arbitrary, and, at the same time, liable to mischaracterize the experi ence and career positions of many groups, such as professionals. A second alternative is to use a subjective criterion – individuals' expectations of future advancement – defining as plateaued those who expect no or minimal further status increase. The problem with this approach is the questionable accuracy of people's reading of future opportunities and their own capabilities. A less common third alternative, of increasing interest, is the concept of implicit age–grade timetables. These may be assessed subjectively – whether employees believe themselves to be on track relative to peers, or ahead of or behind schedule. Individuals' positions relative to com pany norms may also be assessed objectively.

Plateauing by any of these definitions is an organizational problem to the degree that the people to whom it applies have desires or expecta tions which have not been or are not being

fulfilled. This is regarded as especially prob lematic for managerial ranks, whose career ex pectations are more deeply socialized and hierarchical than other workers', and whose motivation and commitment organizations are most concerned to maintain.

Research has shed light on several aspects of the phenomenon. First, CAREER SUCCESS is often foretold by rapid early upward movements in a person's history, and conversely, people who get off track early typically fail to recover mo mentum. Second, it is mistaken to assume that plateauing is necessarily associated with loss of motivation and effectiveness. The distinction needs to be drawn between mere immobility and frustrated feelings of being "stuck." Some people are contentedly plateaued, often called "solid citizens," as distinct from "high fliers" and "deadwood." Third, people's aspirations and interests change over the career cycle. Early career ambition may, as the person matures and the realities of limited horizons sink in, become deflected into other life spheres. Not all forms of this displacement need detract from the individual's organizational contribu tion, though in some cases "insurgent" and "alienated" orientations may develop if there is resentment and frustration at perceived unfair ness of career opportunities.

Finally, the phenomenon of plateauing is becoming more common as organizations restructure toward "delayered" or "flattened" structures. One recent survey estimated that 25 percent of the US workforce was plateaued. Plat eauing presents a challenge to HRM to the degree that employees maintain hierarchical views of career fulfillment – the view that "up is the only way." One solution is increased lateral mobility, sabbaticals, and alternative de velopmental paths. To date, organizations have been slow to seek these remedies, often being more aware of the short term costs than of the long term benefits to the organizational cul ture.

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career stages

Edgar H. Schein

The word CAREER has both an internal and an external meaning. From an external, societal point of view the concept of career refers to the sequence of formal roles that are associated with a given occupation. In academia, for example, the external career consists of being a graduate student, instructor, assistant professor, and as sociate professor, the granting of tenure, and then being made full professor. Most occupa tions have formal or informal status progressions of this sort. From an internal point of view, the concept of career refers to the sequence of life roles that an individual envisions as he or she progresses through one or more external careers. Thus, in the internal career of an academic there may be a progression from student to graduate student in a specific field of interest, to re searcher, teacher, scholar, and ultimately re vered and successful scholar, measured by peer acceptance, publications, references, and so forth. There will usually be some correspond ence between the formal occupationally desig nated sequence of roles and the internal experienced sequence, but not necessarily. In defining career *stages*, therefore, it is necessary to specify whether we mean in the internal or in the external career.

Externally defined career stages are usually well defined by formal occupational criteria and by organizations if the career is embedded in an organization. Thus a young engineer can pretty well see his or her external career in terms of the amount of schooling necessary, entry into an organization as a technical person or manage ment trainee, followed by that organization's specification of how it defines career develop ment. Most organizations have some career

paths that are based on historical data of what previous entrants have experienced and can tell the young engineer or manager to be what steps to expect (*see* CAREER PATHING).

When one analyzes a large number of occupations certain generic career stages seem to characterize most of them:

1 a period of pre career choosing of a field and educational preparation for entry into that field;
2 formal training in the chosen field or occupation;
3 entry into the occupation or organization;
4 a period of learning, apprenticeship, and socialization;
5 a period of full use of one's talent, leading to some form of granting of tenure through being given permanent membership, a professional license, or some other form of certification;
6 a period of productive employment;
7 a branching into administrative, managerial, and other forms of becoming a leader; and
8 gradual disengagement, part time work, and eventual retirement.

At any point in the external career the person may discover that his or her internal career and CAREER ANCHORS are out of line with what the external career offers in terms of challenge, opportunities, and rewards. At that point the person may switch to another career and start going through the stages over again, but usually in a more truncated form because the experience acquired in one career is often transferable to another career. The engineer employed in a technical organization may discover a talent and desire for entrepreneurial work or for management, and may decide to start a company or switch to an organization that provides more managerial opportunities. Some training in management may then be required and the person may have to start at the bottom of the new career ladder.

Career stages in the external career can be thought of as a series of movements along three different dimensions:

1 *moving up* in the hierarchical structure of the occupation or organization;

2 *moving laterally* across the various subfields of an occupation or functional groups of an organization; and
3 *moving in* toward the centers of influence and leadership in the occupation or organization.

Depending on what the person is looking for in his or her internal career, movement along each of these dimensions will have different meanings. For some, like managers, it is moving up that is important; for some, like the technical person, it is job challenge and lateral movement to new and challenging work that is most important; and for some, like the power or socially motivated person, it is moving toward the inner circle and positions of influence that is most important.

Each dimension has its own stages associated with it, but these are usually idiosyncratic in particular occupations or organizations. In summary, career stages in the externally defined career are the sequence of roles and statuses defined by a particular occupation or organization as the way to progress through the career. They may or may not correspond to the individual's own sense of his or her internal career stages.

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career success

Timothy A. Judge

Career success is defined as the outcomes or achievements accumulated as a result of work experiences. It is important to understand the multiple definitions of career success as well as what determines it.

DEFINITIONS OF CAREER SUCCESS

Career success is an evaluative concept, since how success is defined depends on who does the judging. Career success as judged by others generally is determined by objective criteria. This type of success has often been referred to as *extrinsic career success*, and can be indexed by pay and ascendancy (e.g., job level, promotions). Most research implicitly has equated career success with extrinsic success.

However, *intrinsic career success* – how individuals feel about their careers or their accomplishments (i.e., career satisfaction) – is also important. Korman (1980) found that many objectively successful managers felt dissatisfied with their jobs and lives. This finding has been replicated in many studies (e.g., Bray and Howard, 1988). Thus, intrinsic and extrinsic career success are not the same, and it is important to consider each when thinking of career success.

On the other hand, this does not mean that extrinsic and intrinsic career success are unrelated. Past research suggests that intrinsic and extrinsic success are positively but moderately correlated. Data from a sample of 1,294 high level managers (Judge et al., 1995) demonstrates this. Splitting the managers into four groups based on their career satisfaction and pay relative to the median reveals that managers with below average salaries are more likely to be less satisfied with their careers (see table 1). Similarly, managers with high salaries are more likely to have above average career satisfaction. But there are many highly paid managers who are dissatisfied with their careers and just as many (relatively) poorly paid managers who are satisfied. These results go to show that while extrinsic and intrinsic success are related, the relationship is far from perfect.

Table 1   Average pay in relation to career satisfaction

	Below average pay (below $100,000)	*Above average pay (above $100,000)*
Below average career satisfaction	352 managers (27%)	251 managers (19%)
Above average career satisfaction	259 managers (20%)	432 managers (34%)

INFLUENCES ON CAREER SUCCESS

Past research from the careers literature has identified both individual level and organizational influences on career success. Individual level influences consist of ability, motivation, and demographics. Ability variables, such as intelligence, have been found to predict extrinsic career success. Similarly, motivational variables, such as hours worked, ambition, and work centrality, have been found to positively predict extrinsic career success but, in the case of hours worked and ambition, negatively predict intrinsic success. Some variables that influence career success, such as education and family demands, are a mix of ability and motivation. Finally, demographic variables, such as race, gender, marital and socioeconomic status, predict career success although in many cases it is not clear why.

Many organizational characteristics have been found to affect career success. Some of the more prominent organizational determinants of career success identified by past research include socialization, mentoring (*see* MENTORING PROGRAMS), early career challenge, and career systems.

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case study/discussion method

J. Kevin Ford and Deidre Wasson

The case study/discussion training method is one in which trainees are given a written report of either an actual or a fictitious organization problem that they analyze individually or in small groups, devise a solution based on assumptions about resource, economic, and legal restraints, and develop an implementation plan (Camp, Blanchard, and Huszczo, 1986). After the final solutions have been made, the large group reconvenes to a discussion led by the trainer about their solutions, the decision making process, and the effects of their interventions. Most importantly, trainees must receive feedback on their solution development to insure successful transfer of training (Saal and Knight, 1988). Case studies offer a less costly alternative to SIMULATIONS with often equal learning benefits (Simmons, 1975).

See also *training; training evaluation*

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central tendency effects

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Central tendency effects refer to a type of distributional effect (*see* DISTRIBUTIONAL EFFECTS IN PERFORMANCE APPRAISAL). Here, we are concerned with ratings that exhibit little variance and cluster around the midpoint of the scale. As with other similar effects, this has been assumed to reflect RATING ERRORS or an unwillingness by the rater to provide ratings that discriminate among ratees. In addition, since the ratings cluster around the scale midpoint, ratings that display central tendency are not particularly useful, since everyone is essentially rated as "average." But, again, unless we know the "true" underlying distribution of performance in a work group, it is impossible to state whether central tendency reflects an error, a lack of rater motivation to make discriminations among ratees, or a true restriction of range on ratee performance. Although there has been some disagreement over the best way to assess central tendency effects (see Saal, Downey, and Lahey, 1980), they have received relatively little attention in the literature, and proposed solutions in the popular business press have even included using only scales with an even number of scale anchor points, so that there is no "midpoint."

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change management

Sandra Fielden

Change management is not a distinct discipline; it draws on a wide variety of social science and management theories. This integration of different but complementary concepts is an essential aspect of effective approaches to change management. The practice of change management is dependent on a number of factors, not least the particular school of thought involved (Burnes, 2000). The *individual perspective*, *group dynamics*, and *open systems* schools form the basis of modern change management models, with variations arising depending on the context in which change is taking place. Currently, the two main approaches to organizational change are *planned* (the conscious decision to move an organization from one state to another) and *emergent* (a pro

cess that unfolds through the interplay of mul tiple variables within an organization).

Organization development (OD) has been a key in the growth of planned change, with OD defined as "a systemwide application of behav ioral science knowledge to the planned develop ment and reinforcement of organizational strategies" (Cummings and Huse, 1989: 1). However, it is argued that most attempts to implement change in organizations are less suc cessful than intended because the principles and knowledge about the psychology of change are violated or ignored (Winum, Ryterband, and Stephenson, 1997). Those attempts that do find success tend to be small scale changes, oc curring in stable environments, with localized change and a technical or structured focus. It is asserted that in order to manage greater, organ ization wide changes a processual approach, which is less prescriptive and more analytical, is better able to achieve a broader understanding of the problems and practice of change manage ment in a complex environment. Change is viewed as a continuous process which is depend ent on the context of the change, organizations' structure, organizational culture, political pro cesses, and managerial behavior.

It is commonly acknowledged that organiza tional change has become the norm, being both persistent and pervasive. However, successful organizational change is difficult to achieve. Change management initiatives take many forms, e.g., BUSINESS PROCESS REENGIN EERING and TOTAL QUALITY MANAGE MENT, but typically they achieve much less than they promised (Burnes, 2003). Trompe naars and Wooliams (2003) argue that, because organizations seek to preserve the company, profitability, market share, and core competen cies, the reason for one change is often to prevent change in other respects. They view such com promises as undermining the change process and inhibiting the successful management of change, advocating that organizations must re concile change with continuity in order to pre serve an evolving identity. Burnes (2003) proposes that organizations need to recognize and exploit the links between management de velopment and the management of organiza tional change. Change management projects provide significant management development

opportunities, which organizations are failing to capitalize on and thereby missing genuine opportunities for organizational and managerial improvement.

In order for organizations to manage change successfully, they need to understand the change process, be conscious of their approach to change, proactively utilize the change process as a developmental tool, and most of all be prepared to change.

See also *organization development and change*

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Chartered Institute of Personnel and Development

Susan Cartwright

The Chartered Institute of Personnel and De velopment (CIPD) is the leading professional body for human resource and development pro fessionals and practitioners in the UK. It was formed in 1994 as a result of the merger between the Institute of Personnel Management (repre senting HRM specialists) and the Institute of Training and Development (representing training and development specialists). In July 2000 it gained chartered status. The CIPD, through its grades of membership, offers ac creditation to professionals and sets standards of qualification and attained experience that are widely accepted by employers as requirements for practice.

The origins of the CIPD can be traced back to the establishment in 1913 of the Welfare Workers Association (WWA), which in 1946 became the Institute of Personnel Development. The Institute of Training Development was formed in 1979 and has a history going back to the formation of the British Institute of Training Officers in 1964.

The primary objectives of the CIPD are to provide professional education and development of its members and to research and provide appropriate information to support practitioners in their professional roles. In 2001 the CIPD had 105,000 members, which included 25,000 affili ate members undertaking formal programs of professionally recognized studies. The CIPD publishes a practitioner journal, *People Manage ment*, as well as research reports and books. It also offers short training courses and consult ancy services and runs a number of conferences each year.

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checklist method of performance evaluation

Rick Jacobs

The checklist method is a behaviorally based approach to PERFORMANCE APPRAISAL that requires raters to observe ratees' behavior and record performance related judgments about these behaviors. In this approach to performance appraisal, a list of job relevant behaviors is de veloped. Raters are asked to record (a) whether or not each behavior has been performed by the ratee or (b) the degree to which each item de scribes the person being evaluated.

Several important characteristics of the check list can help us to appreciate this method. Deter mining the items to appear on the checklist is driven by a JOB ANALYSIS that identifies the key tasks of the job and/or critical incidents. The resulting checklist reflects the complexity of the job being evaluated. Next, the number of items that will appear on the checklist must be deter mined. Here the issue is balance, as the developer tries to maximize the comprehensiveness of the checklist without overburdening the rater with too many items to evaluate. Related to these first two issues is the presentation of items. Checklists can arrange items by groups of homogeneous tasks, or the items can be placed throughout the checklist in random order. Organizing the list by groups eases the burden of the rater, but may introduce spurious correlation among checklist items. Finally, the issue of scoring must be ad dressed. In many instances, a score is generated based on summing across all ratings. These sum mated scores can be the result of adding all items, creating a total score, and/or of summing par ticular items to create subscale scores.

Performance evaluation conducted using a checklist format has several distinct advantages. First, the rater only needs to make simple judg ments about whether or not a specific event or behavior has occurred or the degree to which an item describes an individual. Next, checklists, when generated from good job analytic data, are behaviorally based, with a high degree of JOB RELATEDNESS. Finally, because check lists generally deal with specific and observable events, a great deal of information for purposes of APPRAISAL FEEDBACK and PERFORMANCE COACHING is available for the rater to discuss with the ratee.

On the problematic side, checklist ratings re quire a substantial amount of work to develop. They tend to be customized to specific jobs and an organization wishing to develop a perform ance evaluation system for many jobs will find it necessary to conduct job analyses for each job title. While this is not a negative, it does mean the organization is not likely to simply adapt a single checklist for multiple jobs. Next, raters do not make direct evaluations of their subordin ates. Rather, they rate numerous items, and these ratings are then summed to create a total score. This can result in rating surprises when the summary measure is not what the rater expected. Finally, ratings tend to take longer with this method of evaluation, and as a result, raters can experience reduced interest in care fully evaluating each checklist item.

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childcare benefit

Ellen Ernst Kossek

Childcare, defined as assisting employees with caring for children, is a type of dependant care benefit and family supportive policy. Child care benefits can reduce employees' financial burden and level of WORK–FAMILY CON FLICT. Work–family conflict can negatively in fluence employee behaviors, including tardiness, intention to turnover (Youngblood and Cham bers Cook, 1984; *see* EMPLOYEE TURNOVER), performance, ABSENTEEISM, JOB SATISFAC TION, recruitment (Kossek and Nichol, 1992), and organizational commitment (Grover and Crocker, 1995).

Although large employers (over 100 em ployees) are more likely to offer at least several types of childcare benefits, under the US FAMILY AND MEDICAL LEAVE ACT OF 1993 (FMLA), all employers with 50 or more em ployees located within a 75–mile radius must provide an unpaid leave of absence of up to 3 months for the birth or adoption of a child, and/ or to take care of serious health problems for a child and other family members (including one self). Beside leaves, the most popular forms of assistance relate to:

1 time (flextime, JOB SHARING, part time work, and flexplace; *see* FLEXIBLE WORKING HOURS; FLEXIBLE WORK PLACE/TELECOMMUTING; PART TIME EMPLOYMENT);
2 information (resource and referral, work– family seminars);
3 financial (flexible benefits or spending ac counts, discounts, vouchers, adoption; *see* FLEXIBLE BENEFIT PLANS); and

4 direct services (on or near site care center, sick care, consortiums, and summer camps) (Galinsky, Friedman, and Hernandez, 1991).

As employers become more experienced with childcare, they usually develop policies to manage broader issues of work–family and work–life integration. Such policies include those related to elder care, organizational culture change (training supervisors to be aware of work–family issues, assessment of cultural barriers impeding policy use); work–family stress management (seminars and coordination with EMPLOYEE ASSISTANCE PROGRAMS (EAPS)), and corporate giving (both financial and through donation of employee time) to com munity and national work–family initiatives (Galinsky et al., 1991).

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China

Chung Ming Lau and Liqun Wei

China has a land area of 9.6 million km^2 and is the third largest country in the world. With a population of 1.295 billion people at the end of 2000, about 22 percent of the world's total, China is the world's most populous country. China's gross domestic product (GDP) was US$860 per capita in 2000, with a growth rate of around 7 percent per year.

People in cities and towns make up 30.4 per cent of the population, and those in rural areas

make up 69.6 percent. At the end of 2001, the total number of those in employment was 737.4 million, with 247.8 million people employed in urban cities. Of all those employed, 7.16 million people are in state owned enterprises (SOEs), 1.12 million in collective firms, 3.91 million in foreign invested firms, and 3.67 million in Hong Kong , Macao , and Taiwan invested firms. The remaining labor is in private owned firms.

Before the introduction of economic reform in late 1978, China followed a centrally planned economy and adopted the mode of public own ership in all kinds of operations. Since the reform, the Chinese central government has en couraged diversified ownership, but still insists on the primacy of public ownership. As a result, individual small businesses and private firms have grown rapidly. By the end of 2001, the number of individually and privately owned registered industrial and commercial enterprises amounted to 13.2 million, covering 43.7 percent of the total number of enterprises and represent ing 20 percent of total employment. The devel opment of foreign invested firms, including Chinese–foreign joint ventures, Chinese–for eign cooperative enterprises, and foreign direct investments, contributes much to Chinese em ployment. Although the number of foreign invested firms is only 1.9 percent of the total number of firms in China, they nevertheless represented 3.9 percent of total employment.

Human resource management (HRM) of Chi nese businesses has gone through several stages of reform. The changes closely reflect the polit ical and economic requirements of a transition from a planned economy to a "socialist market" economy. With the alleviation of tight control by government on firms' daily operation and devel opment, more autonomy is given to businesses for the responsibility of profits and losses through more independent operation and man agement. Hence, more effective utilization of human resources for improved performance and market competitiveness is on the reform agenda. As a result, performance based compen sation is increasingly popular (*see* PAY FOR PERFORMANCE), and the relatively fixed, rank based reward system has had to be changed.

Recent studies on the development of HRM in China show that there are trends toward a higher adoption of HR planning, PERFORM ANCE APPRAISAL, and training and develop ment programs (*see* TRAINING), and more discretion on COMPENSATION. Also, the role of HR practitioners has started to change from that of routine administrator to someone who is in charge of formal HRM functions. It is sug gested in a recent study that the role of HRM is critical in determining firm performance (Law, Tse, and Zhou, 2003).

However, as China is a vast country with different ownership forms and is in a transitional stage, there are great differences in the degree of adoption of HRM practices. The development of HRM systems in Chinese businesses is sig nificantly influenced by the unique sociocultural and political environment of China (Warner, 1993, 1999). Wong et al. (2001) examined the effect of culture on employee attitudes in China. They found that organizational commitment is important in Chinese firms which have strong effects on JOB SATISFACTION and turnover intention (*see* EMPLOYEE TURNOVER). They suggested that some Chinese values, for example, relationships (*guanxi*) and reciprocity (*pao*), still prevail in modernized Chinese firms. Tata, Fu, and Wu (2003) further found that culture affected the perception of justice in Chi nese organizations.

In addition, institutional forces also have in fluences on the development of HRM in China. These institutional forces are embodied in social, cultural, and organizational practices. Warner (1996) suggested that China's HRM system has evolved into a more "marketized" hybrid from one "with Chinese characteristics." Given the above, it is not surprising to find differences among businesses of different ownership and in different geographic locations. Even within the state sector, there are varied degrees of reform and hence great variations in HRM practices adopted. For example, the Haier Group, which has been transformed from a collective to a global brand, has a mix of both western and Chinese HRM practices (Yi and Ye, 2003). The issue of convergence and divergence in HRM in a transitional economy is therefore a needed area for further research (Tsui and Lau, 2002).

At any rate, when compared with the foreign firms, Chinese businesses are highly unionized

with workers' participation in the form of Workers' Congresses (an organized committee with worker representatives). Only recently has COLLECTIVE BARGAINING emerged in some sectors, owing to the economic and enterprise reforms. Labor contracts have also been introduced, and a free labor market has emerged in some sectors (Warner, 1995; Benson, 1996). Zhu and Dowling (1994) and Ding and Warner (1999) contrasted the slow pace of reform in SOEs with the rapid development of other business types, which are often called *Laoban* (private firms), *Laoxiang* (township enterprises), and *Laowa*i (foreign invested enterprises). It was found that SOEs were still behind joint ventures in almost all HRM practices. For example, the complex compensation system of SOEs is only partially performance based, and very often employees in SOEs are paid less than those in most joint ventures. HR personnel in most SOEs can be involved in decisions of HR recruitment, selection, and appraisal, but few have more decision making power in PROMOTION and demotion of employees. Furthermore, most Chinese firms do not have formal, long term HR planning. Training and development and career management are also quite limited in Chinese businesses.

Bjorkman and Lu (2001) found that the international joint ventures in China have a different set of HR practices. Their HRM practices more closely resemble those of foreign parent companies. In another study of joint ventures in China, Wong, Ngo, and Wong (2002) discovered that trust in organizations mediates the relationship between DISTRIBUTIVE JUSTICE, PROCEDURAL JUSTICE, job security, and affective commitment among the workers. However, Giacobbe Miller et al. (2003) confirmed that there are divergent values of procedural justice, regardless of SOEs or joint ventures.

In 1995 the Labor Law was promulgated, which combined features of the old command economy and a market economy. The law covers all forms of business organization, encompasses both blue collar and white collar occupations, and applies equally to domestic and foreign firms. This represents a significant achievement in labor protection. According to the Labor Law, a written contract is required for all employment relationships. Other major provisions include: normal working hours, mandatory rest periods, limitations on overtime and overtime pay, guaranteed minimum wage, and legal liabilities. Gender DISCRIMINATION issues are highlighted in the law as well.

HONG KONG SPECIAL ADMINISTRATIVE REGION

After the return of sovereignty to China in 1997, Hong Kong is now a special administrative region of China. Hong Kong still retains its free market economic system, under China's "one country, two systems" scheme. Its population as of the 2001 census was 6.7 million, with a per capita GDP of US$25,100 in 2002, the second highest in Asia.

HRM practices and systems in Hong Kong are greatly influenced by social, political, and economic factors. After China adopted an open economy policy in the late 1970s, more and more manufacturing establishments have moved to China to take advantage of its low land and labor costs. Because the infrastructure and communication facilities are among the best in the region, Hong Kong's economy is gradually shifting to a service oriented economy. The services sector contributed 86.5 percent to the GDP of Hong Kong in 2001. With a labor force of around 3.2 million in 2002, no more than 7 percent were engaged in the manufacturing sector, whereas the proportion of the labor force in personal services was 25 percent. The financial industry attracts 15 percent of the working population, and the wholesale, retailing, and other hospitality industries comprise 32 percent of the workforce.

This structural change has given rise to a number of issues. People previously in the manufacturing sector have to have retraining in order to move into the service industries. However, the move is not always possible. This structural change has led to an unbalanced labor market. Some service industries have huge numbers of vacancies, and some skilled workers are not able to find jobs. However, due to the Asian currency crisis in late 1997 and a slow recovery of the Hong Kong economy, Hong Kong has suffered from deflation. The unemployment rate was 4.9 percent in 2000, worsened to 5.1 percent in 2001, and deteriorated to 7.3 percent in 2002. The first quarter and

third quarter unemployment rate in 2003 were at 8.3 percent and 8.6 percent, respectively. Fur ther, the government launched a labor im portation scheme to ease the labor shortage in some sectors before unemployment skyrocketed. These people include craftspersons, technicians, experienced operatives, and construction workers for the new airport project. The scheme has now been revised to import highly skilled personnel only. Retraining programs for un skilled workers and training programs for school leavers and young people are also launched.

Labor relations in Hong Kong are generally peaceful, and only very few major disputes that resulted in strikes have occurred in the past decade. Labor legislation is also sound and em ployment regulations are well observed. New legislation about mandatory retirement schemes and discrimination at work are in place. How ever, due to the poor economy, more large scale layoffs have been experienced.

HRM practices vary in Hong Kong, mainly due to firm size and the owner's culture (Shaw et al., 1993). Performance appraisals and wel fare/fringe benefits packages are related to the owner's culture. Anglo American firms are more active in these programs than Chinese firms. Large size firms have more formalized RE CRUITING, selection, training, and incentive programs. The study of Lau and Ngo (2001) also found that local Chinese firms used less HR planning and organization development ac tivities than American and European firms.

Nyaw (1993) surveyed some services firms in Hong Kong and found that the average turnover rate was 21 percent in 1991. Around 40 percent of the responding firms claimed that turnover is a serious problem. Because Hong Kong is a small economy with high mobility, coupled with the brain drain problem associated with 1997, such a high turnover rate is understandable.

In general, issues facing HRM in Hong Kong are greatly influenced by macro social, eco nomic, and political factors. Popular western concepts of managing human resources are re ceiving increasing attention (such as employee participation, EMPLOYEE EMPOWERMENT, and organization culture). A basic challenge in HRM is to blend western practices with Chinese values and implement them in the context of a highly developed, international metropolitan city. The issue of convergence of HR practice was, however, not substantiated in a recent study (Lui, Lau, and Ngo, 2004). Hence, there is a need to explore the HR strategies of modernized firms in an international context, and not just those in transitional economies.

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Civil Rights Act of 1866

Christine Neylon O'Brien

In the aftermath of the American Civil War, the Civil Rights Act of 1866 was enacted pursuant to the congressional power to eradicate slavery provided by the THIRTEENTH CONSTITUTIONAL AMENDMENT. The statute was reenacted in 1870 following ratification of the FOURTEENTH CONSTITUTIONAL AMENDMENT. Lawsuits brought under the Civil Rights Act of 1866 are often referred to as section 1981 and section 1982 cases because of the codification of this statute at those section numbers within Title 42 of the United States Code. Section 1981 provides a remedy for all forms of racial DISCRIMINATION in private sector employment in addition to that afforded by Title VII of the CIVIL RIGHTS ACT OF 1964. Unlike a Title VII plaintiff, those pursuing a section 1981 claim need not exhaust the EQUAL EMPLOYMENT OPPORTUNITY COMMISSION administrative agency route. Also, the period for filing a section 1981 claim is longer than the time allowed for filing claims under Title VII. Only purposeful or intentional DISCRIMINATION is actionable under section 1981, whereas Title VII provides for discrimination claims based both upon DISPARATE IMPACT or DISPARATE TREATMENT (Twomey, 1994).

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Civil Rights Act of 1871

Christine Neylon O'Brien

This Reconstruction era law (Sedmak and Vidas, 1994) provides relief for individuals who have been deprived of constitutional or federal statutory rights by a state or local government official (Estreicher and Harper, 1990). Such law suits are often referred to as section 1983 cases because section 1 of the 1871 statute is codified as section 1983 of Title 42 of the United States Code. Passage of the statute followed ratification of the FOURTEENTH CONSTITUTIONAL AMENDMENT in 1868, and state action or involvement in the challenged practices is required (Schlei and Grossman, 1983). The bases for DISCRIMINATION that are actionable under section 1983 are broader than those prohibited under section 1981, the CIVIL RIGHTS ACT OF 1866.

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Civil Rights Act of 1964

David P. Twomey

Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunities Act of 1972 and the CIVIL RIGHTS ACT OF 1991, forbids employer and union DISCRIMINATION based on race, color, religion, sex, or national origin. Title VII specifically forbids any employer to fail to hire, to discharge, to classify employees, or to discriminate with respect to compensation, terms, conditions, or privileges of employment opportunity due to race, color, religion, sex, or national origin. Title VII also prohibits retaliation against persons who file charges or participate in EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC) investigations.

Title VII covers private employers, state and local governments, and educational institutions that have 15 or more employees. The federal government, private and public employment agencies, labor organizations, and joint labor–management committees for apprenticeship and training must also abide by the law.

THEORIES OF DISCRIMINATION

There are two primary legal theories under which a plaintiff may prove a case of unlawful discrimination: DISPARATE TREATMENT and DISPARATE IMPACT. A disparate treatment claim exists where an employer treats some individuals less favorably than others because of their race, color, religion, sex, or national origin. Proof of the employer's discriminatory motive is critical in a disparate treatment case.

A disparate impact claim exists where an employer's facially neutral employment practices, such as hiring or PROMOTION examinations, though neutrally applied and making no adverse reference to race, color, religion, sex, or national origin, have a significantly adverse disparate impact on a protected group, and the employment practice in question is not shown to be job related (*see* JOB RELATEDNESS) and consistent with BUSINESS NECESSITY by the employer. Under the disparate impact theory it is not a defense for an employer to demonstrate that the employer did not intend to discriminate. The EEOC itself in unusual situations may bring a "pattern or practice" case on behalf of a class of affected employees in disparate treatment cases.

FILING PROCEDURES

The EEOC is a five member commission appointed by the president to establish equal employment opportunity policy under the law it administers. The EEOC supervises the conciliation and enforcement efforts of the agency.

The time limitation for filing charges with the EEOC is 180 days after the occurrence of the discriminatory act. After the conclusion of the proceedings before the EEOC, an individual claiming a violation of Title VII has 90 days after receipt of a right to sue letter from the EEOC to file a civil lawsuit in a federal district court. If an aggrieved individual does not meet the time limit of Title VII, the individual may well lose the right to seek relief under the Act.

PROTECTED CLASSES

The legislative history of Title VII of the Civil Rights Act demonstrates that a primary purpose of the Act is to provide fair employment opportunities for black Americans. The protections of the Act are applied to blacks based on race or color. The word race, as used in the Act, is applied to all members of the four major racial groupings: white, black, native American, and Asian Pacific. Native Americans can file charges and receive the protection of the Act on the basis of national origin, race, or in some instances color. Individuals of Asian Pacific origin may file discrimination charges based on race, color, or in some instances national origin. Whites are also protected against discrimination because of race and color.

Title VII requires employers to accommodate their employees' or prospective employees' religious practices. Most cases involving allegations of religious discrimination revolve around the determination of whether an employer has made reasonable efforts to accommodate religious beliefs (see *Trans World Airlines* v. *Hardison*, 432 US 63, 1977).

Title VII permits religious societies to grant hiring preferences in favor of members of their religion. It also provides an exemption for educational institutions to hire employees of a particular religion if the institution is owned, controlled, or managed by a particular religious

society. The exemption is a broad one and is not restricted to the religious activities of the institution.

Employers that discriminate against female or male employees because of their sex are held to be in violation of Title VII. The EEOC and the courts have determined that the word sex, as used in Title VII, means a person's gender and not the person's SEXUAL ORIENTATION. State and local legislation, however, may provide specific protection against discrimination based on sexual orientation. An employer must be able to show that criteria used to make an employment decision that has a disparate impact on women, such as minimum height and weight requirements, are in fact job related. All candidates for a position requiring physical strength must be given an opportunity to demonstrate their capability to perform the work. Title VII was amended by the PREGNANCY DISCRIMINATION ACT OF 1978 (section 701 (k)). The amendment prevents employers from treating pregnancy, childbirth, or other related medical conditions in a manner different than the treatment of other disabilities. Thus, women disabled due to pregnancy, childbirth, or other related medical conditions must be provided with the same BENEFITS as other disabled workers. An employer who does not provide disability benefits or paid sick leave to other employees is not required to provide them for pregnant workers.

Quid pro quo tangible employment action SEXUAL HARASSMENT involves supervisors seeking sexual favors from their subordinates in return for job benefits such as continued employment, promotion, a raise, or a favorable performance evaluation. In such a case, where a supervisor's actions affect job benefits, the employer is liable to the employee for the loss of benefits plus punitive damages because of the supervisor's misconduct. A second form of sexual harassment is hostile working environment harassment. With this type of harassment, an employee's economic benefits have not been affected by the supervisor's misconduct, but the supervisor's sexually harassing conduct has nevertheless caused anxiety and "poisoned" the work environment. An injunction against such conduct can be obtained and attorneys' fees awarded. Where no tangible employment action

is taken, the employer may raise an affirmative defense to liability for damages by proving (1) it exercised reasonable care to prevent and promptly correct any sexually harassing behavior at its workplace and (2) the plaintiff employee unreasonably failed to take advantage of corrective opportunities provided by the employer (see *Burlington Industries, Inc.* v. *Ellerth*, 524 US 742, 1998).

Title VII protects members of all nationalities from discrimination. The judicial principles that have emerged from cases involving race, color, and gender employment discrimination are generally applicable to cases involving allegations of national origin discrimination. Thus, physical standards such as minimum height requirements, which tend to exclude persons of a particular national origin because of the physical stature of the group, have been unlawful when these standards cannot be justified by business necessity.

Adverse employment based on an individual's lack of English language skills violates Title VII when the language requirement bears no demonstrable relationship to the successful performance of the job to which it is applied.

TITLE VII EXCEPTIONS

Section 703 of Title VII exempts several key practices from the scope of Title VII enforcement. It is not an unlawful employment practice for an employer to hire employees on the basis of religion, sex, or national origin in those certain instances where religion, sex, or national origin is a BONA FIDE OCCUPATIONAL QUALIFICATION (BFOQ) reasonably necessary to the normal operation of a particular enterprise. Section 703 (h) of the Act authorizes the use of "any professionally developed ability test [that is not] designed, intended, or used to discriminate."

Employment testing and educational requirements must be "job related"; that is, the employers must prove that the tests and educational requirements bear a relationship to JOB PERFORMANCE.

Section 703 (h) provides that differences in employment terms based on a BONA FIDE SENIORITY SYSTEM are sanctioned as long as the differences do not stem from an intention to discriminate.

AFFIRMATIVE ACTION

Employers, under AFFIRMATIVE ACTION plans (AAPs), may undertake special RECRUITING and other efforts to hire and train minorities and women and help them advance within the company. Such plans have resulted in numerous lawsuits contending that Title VII, the Fourteenth Amendment, or COLLECTIVE BARGAINING contracts have been violated.

Following the US Supreme Court's *Adarand Constructors, Inc.* v. *Pena* decision, 515 US 200 (1995), the EEOC issued a statement of guidance on affirmative action plans as follows:

> Affirmative action is lawful only when it is designed to respond to a demonstrated and serious imbalance in the work force, is flexible, time-limited, applies only to qualified workers, and respects the rights of nonminorities and men.

When an employer's AAP is not shown to be justified, or "unnecessarily trammels" the interest of nonminority employees, it is often called REVERSE DISCRIMINATION. For example, a city's decision to rescore police promotional tests in order to achieve specific racial and gender percentages unnecessarily trammeled the interests of nonminority police officers (see *San Francisco Police Officers' Association* v. *San Francisco*, 812 F2d 1125, CA 9, 1987).

Civil Rights Act of 1991

David P. Twomey

Between 1989 and 1991 the US Supreme Court reoriented Title VII jurisprudence to favor employers. The Civil Rights Act of 1991 (CRA 1991) modified or reversed these decisions, augmented the types of damages available to plaintiffs, and provided for jury trials in cases of intentional DISCRIMINATION.

In a DISPARATE TREATMENT (intentional discrimination) case, the plaintiff must prove discriminatory intent. Section 105 of CRA 1991 set forth the burden of proof for DISPARATE IMPACT (facially neutral employment practices that have an adverse impact on a protected group) cases, codifying the concepts of BUSINESS NECESSITY and JOB RELATEDNESS enunciated in GRIGGS V. DUKE POWER, 401 US 424 (1971). A new shifting BURDEN OF PROOF scheme resulted:

1 the plaintiff must demonstrate through relevant statistical comparisons that a particular employment practice used in selecting or promoting employees causes a disparate impact;
2 the defending employer may then proceed to demonstrate that a particular employment practice does not cause the disparate impact; or
3 the defending employer must demonstrate (with the burden of persuasion, not just production of evidence) that the challenged practice is job related for the position in question and consistent with business necessity.

Victims of discrimination are entitled to be made whole, including backpay and BENEFITS, less their interim earnings. In addition to these remedies, under the Civil Rights Act of 1991, victims of intentional discrimination can now receive compensatory and punitive damages capped for sex and religious discrimination, depending on the size of the employer.

The Civil Rights Act of 1991 makes it an unlawful employment practice for an employer to adjust scores, use different cutoff scores (*see* CUTOFF SCORE), or otherwise alter the results of employment tests on the basis of race, color, religion, sex, or national origin. This provision addresses the so called "race norming" issues, whereby the results of hiring and PROMOTION tests are adjusted to assure that a minimum number of minorities are included in application pools.

classification

Michael A. McDaniel and David J. Snyder

Classification is concerned with maximizing institutional outcomes by placing individuals who are already hired into one of two or more treatments (i.e., jobs) on the basis of multiple criteria. In classification, one has many predictors in which one or more corresponds to at least

one treatment and the goal is to obtain an op timal match of persons to treatments based on individual differences on the criteria. Classifica tion can be contrasted with PLACEMENT, in which a single criterion scale is divided into two or more sections and individuals falling into different sections are assigned to different treatments.

classification job evaluation method

Matthew C. Bloom

The classification method of job evaluation in volves positioning job descriptions into a series of categories or classes. Milkovich and Newman (1993: 121) characterize these classes as "a series of carefully labeled shelves on a bookshelf." Each shelf or class is defined in such a way that critical job duties, responsibilities, and other work factors are described in enough detail to allow jobs to be slotted, yet retain enough gen erality to cover all jobs in the organization. These class descriptions serve as the standard against which job descriptions are compared and ultimately slotted into a specific job class. Benchmark jobs are often used to anchor a class and facilitate slotting by serving as a model of comparison for all jobs in that class. Classifica tion systems are very adaptable because the vagueness of class descriptions permits reevalua tion of jobs as situations dictate (e.g., introduc tion of new technology). However, this vagueness also may make justifying pay deci sions more difficult, since they are open to mul tiple interpretations.

The job evaluation system used by the US government is a classification method. This system is the Office of Personnel Management's General Schedule (GS). It is most likely the job evaluation method applied to the greatest variety of jobs. The GS schedule uses level of difficulty to slot jobs into classes (Hays and Reeves, 1984). The GS system is used to classify jobs as varied as US Agriculture Department conservationist, immigration border patrol officer, and Internal Revenue Service account auditor (Milkovich and Newman, 1993).

See also *job evaluation methods*

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coaching

Gary P. Latham and Lucie Morin

Coaching is an on site training method that can be used to increase the knowledge, skills, and abilities (*see* KSAOS) of trainees in entry level as well as in managerial positions. A coach or coaches (e.g., supervisor, trainer, peers) provides guidance by setting goals that are difficult, yet attainable (Locke and Latham, 1990), monitor ing JOB PERFORMANCE, and providing feed back regarding ways to improve the trainee's performance. The coaching process usually encompasses ORGANIZATIONAL SOCIALIZA TION regarding the informal "dos and don'ts" that can advance or hurt one's standing in the organization.

The benefits of coaching are that it:

1 gives employees feedback on how significant others view their work;
2 enables employees to learn ways to increase their performance;
3 improves communication and collaboration between newcomers and veteran employees; and
4 provides a framework for understanding of and commitment to the organization's goals (Wexley and Latham, 1991).

To maximize coaching effectiveness, coaches must learn ways to increase the newcomer's self efficacy, namely the conviction that "I will do well" on this task. To do this, coaches must learn how to:

1 sequence tasks in such a way that newcomers experience early successes;
2 model the desired organizational behavior; and
3 persuade the person that he or she has the ability to do well (Latham and Wexley, 1994).

Finally, the coaching intervention should teach employees skills in self management (*see* SELF MANAGEMENT TRAINING). That is, em ployees learn to set goals and monitor their own performance in relation to these goals so that they are effective in the workplace.

See also *training; training evaluation*

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cognitive process models of performance appraisal

Jack Feldman

Cognitive models of PERFORMANCE AP PRAISAL assume that human judgment is neces sary to the appraisal process; that JOB PERFORMANCE cannot be completely specified in terms of observable behaviors or countable products (*see* CRITERION PROBLEM). Judg ment is necessary to assess the degree to which people's activities have contributed to organiza tional/professional goals (see Feldman, 1986, 1994). Performance appraisal judgments result from any of several alternative cognitive pro cesses, carried out under particular circum stances by people of particular abilities, dispositions, and motives.

The Nature of Appraisal Models

Appraisal models must explain how judgments may be accurate, as well as how specific kinds of inaccuracy, invalidity, and unreliability occur, using the same set of process assumptions (Feld man, 1981, 1994). The problem is like that of developing a conceptual model of an automobile: one must simultaneously consider *all* of the systems and functions as related to its intended purpose and real world constraints. Models of

subcomponents (e.g., engines, suspensions) are necessary but insufficient. Existing appraisal models approach this ideal to varying degrees.

Model Components and their Functions

Performance appraisal models are based on the ories of six cognitive processes. These processes and their contribution to appraisal judgments must be understood in order to appreciate the unique contributions of each to an overall model.

Attention and search refer to processes which determine how information is obtained from the environment under different circumstances. At tention and search processes are governed by "cognitive structures" (e.g., value systems, im plicit theories) containing categories of indi viduals and of behaviors, represented variously by abstract images (prototypes) or ideals (goal relevant conceptions) based on experience. Cat egories differ in their "accessibility" at any given time. Accessibility may be either chronic, due to elaborated value systems and expert knowledge, or temporary, due to recent events, operative motives, moods, or the like. The features of the environment, including other people, that one attends to or searches for are governed by the representations of accessible categories. Atten tion may be drawn also to features of people or the environment that are vivid, novel, or other wise salient. Salience of some feature of the environment or the ratee in turn influences the accessibility of relevant categories.

Encoding refers to those processes that deter mine the meaning assigned to information obtained by attention and search. In fact, encod ing operates via the same system that directs attention. Thus, a person is categorized based on his or her resemblance to a category repre sentation; likewise, a person's behavior has meaning in terms of a TRAIT or other category it exemplifies (see, e.g., Srull and Wyer, 1989). Any object, behavior, or person fitting multiple categories will be encoded in terms of the most accessible category that is sufficiently relevant to the characteristics or behavior observed (i.e., for which the stimulus information is diagnostic).

Encoding takes place via either of two inter acting processes: "automatic" or "controlled." The automatic process is a default option; it functions to preserve limited cognitive capacity

and is experienced as perception. Based on con sistent stimulus–response associations, it uses little or no cognitive capacity, operates in parallel with conscious thought, does not require moni toring, is often nonvolitional, and takes effort and capacity to interrupt, once begun. Driving a familiar route or experiencing an optical illu sion are examples. Categorizing people in terms of race or gender, or behavior in terms of trait like categories (see Bargh, 1989), also exempli fies encoding processes.

Controlled processing, in contrast, must be intentionally initiated and monitored to comple tion. It requires capacity, and is experienced as active problem solving. Controlled processing may take the form of logical, systematic reasoning (e.g., attribution theory) or the use of any of several heuristic "shortcuts." The out come of processing is the formation of a more or less elaborated person impression, ranging from a simple categorization (e.g., "extravert") to a unique, detailed "person concept" (Srull and Wyer, 1989; Fiske and Neuberg, 1990).

Controlled processing occurs when motivated by external contingencies (e.g., accountability), personal values, or discrepancies between prior expectation and salient behavior (see discussion in Feldman, 1994), *and* when sufficient capacity exists. Further, the specific motive for process ing influences the degree and direction of thought. Thus, impressions and evaluations of coworkers, superiors, and subordinates may be formed in terms of *both* job relevant categories and extraneous information; impressions may be formed and modified spontaneously, in the course of interaction, or later in the appraisal process.

Memory storage and organization refers to pro cesses governing the information entering long term memory and the patterns of association among memories. Storage and organization are strongly influenced by encoding (Srull and Wyer, 1989). Person memories are organized first around a spontaneously formed overall evaluation, which is linked to trait judgments. *Which* trait judgments are formed, if any, depends on the accessibility of concepts at the time information is encountered. Memories of specific behaviors are associated with general evaluation *and* with relevant trait concepts active during encoding. Behaviors may be associated

with one another as well, especially if evaluative inconsistencies during encoding prompt exten sive thought. Taken together, these evaluations, trait judgments, and behavioral memories con stitute the person impression.

Memory retrieval refers to processes governing how information is brought from long and short term storage under various circumstances, and the form in which it is retrieved. Retrieval depends strongly on encoding and organization. The overall evaluation is most accessible, followed by trait like judgments. Specific mem ories are differentially accessible: behaviors linked only to evaluation, and not to trait cat egories, are generally less accessible than those linked to trait categories or to one another via controlled processing. Thus, two types of spe cific memories are most accessible: those *descrip tively consistent* with trait judgments, and those *evaluatively inconsistent* (because the latter re ceive more thought). At any given level of effort, more accessible judgments and behaviors will be retrieved before less accessible judgments and behaviors.

It should be noted that recognition memory measures (such as BEHAVIORAL OBSERVA TION SCALES) do not depend on retrieval alone. Rather, recognition responses may depend either on retrieval or on a judgment of familiarity. Thus, if there is uncertainty in rec ognition, a respondent is likely to report having seen a category consistent behavior that has not, in fact, occurred. Such "false alarms" are a con sequence of categorization, but may be reduced by increased effort at retrieval and other strat egies (see Lord, 1985; Feldman, 1994).

Judgment and inference processes determine how information is used to create summary ex pectations and evaluations about others and the reasoning (if any) by which this takes place. Of course, encoding may be considered a judgment process; thus, performance judgments might simply be retrieved from memory if such encod ings have taken place. Performance judgments may also be based on earlier judgments (encod ings), on memories of earlier behavior, or on immediately present information. *Which* occurs depends on two factors: diagnosticity of some earlier judgment for the judgment required at the moment; and the capacity available for memory retrieval and "online" judgment.

Motivation, both direction and intensity, influences both the sufficiency of prior judgments and capacity allocation. Thus, the content and format of a performance appraisal instrument may influence the nature of the judgment process; BEHAVIORALLY ANCHORED RATING SCALES, for instance, may be responded to based simply on one's overall evaluation, if relevant judgments do not already exist, or via more specific retrieved judgments, if these have already been formed. In neither case would behavioral memories be involved. If, however, the rater was motivated to recall behaviors prior to the rating task, these would be included in the judgment due to their increased accessibility and the implicit demand that they be included (see, e.g., Woehr and Feldman, 1993). Conversely, raters might be motivated to search for specific evidence to justify a previously made decision (Kunda, 1990), or to reintegrate specific memories in order to reach a new judgment (e.g., about work assignments or new responsibilities). Prior processing would strongly influence the nature and accessibility of memories, and thus, at any given level of motivation, the completeness of the information considered and the quality (reliability, validity, accuracy) of the judgment or decision.

Response generation occurs subsequent to judgment or inference, when subjective evaluations must be recorded. Strack (1994) discusses how question wording, order, and other contextual features may influence responding. For instance, requesting overall evaluations prior to specific judgments may change the basis for those judgments, as compared to the reverse order. Changing the range of a numerical response scale may change the conception of what is "average" or "expected." One of the major contributions of the behaviorally anchored rating scale is a shared definition of the response scale. Raters evaluating a highly variable sample of subordinates may use the response scale differently than those evaluating a narrower range (see Feldman, 1994), even if raters are relatively knowledgeable.

Another aspect of response generation is "motivated distortion," the deliberate use of ratings for some purpose other than valid evaluation (Longnecker, Sims, and Gioia, 1987). This common practice is not in the domain of cognitive appraisal models; it should be considered an aspect of organizational politics.

MAJOR APPRAISAL MODELS

DeNisi and Williams (1988) and Feldman (1994) review major appraisal models ranging from Wherry's (1952; presented in Landy and Farr, 1983) psychometric perspective to recent cognitive theories. They discuss two major approaches, differing in their emphasis on the processes above.

Categorization models.   Represented by Feldman (1981, 1994) and Ilgen and Feldman (1983), as well as others (e.g., Lord, 1985), these models focus on the ordinary interactions among supervisors, peers, and subordinates and their consequences for performance judgments. They emphasize automatic processes of categorization and inference when attention is focused on work and social goals rather than on the judgment process. In these models, accuracy and various sources of bias and invalidity depend on the accessibility of job relevant and irrelevant categories and other concepts, their use in forming person representations, and subsequent use of these representations in judgment. Categorization models have implications for such issues as the relationships among halo error (*see* HALO EFFECTS), racial, gender, and other biases, and judgment accuracy, as well as for the development of appraisal systems and appraisal training.

Active search models.   Represented by DeNisi, Cafferty, and Meglino (1984), these models focus on active information search when raters are motivated to form particular types of judgments. They depend on attribution theory, as a model of rational judgment, to depict the thought process guiding the formation of person concepts. They also consider information search and presentation as influences on subsequent memory organization and judgment accuracy (see DeNisi and Williams, 1988).

Categorization and active search models are not competing theories; rather, each focuses on one or more component processes to deal with specific, problematic issues. Each offers useful insights and contributions to practice.

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collective bargaining

John T. Delaney

Collective bargaining is a term used to describe the process that unions and employers follow to jointly establish the terms and conditions of employment for workers represented by unions. Although nonunion employees cannot engage in collective bargaining, some individuals who do not belong to unions are covered by collective bargaining agreements because their coworkers are unionized. To accomplish the process of bargaining, representatives of labor and management must meet and confer about mandatory bargaining issues, such as wages, hours, grievance procedures (*see* GRIEVANCE PROCEDURE), and other terms and conditions of employment. Bargaining legislation determines the issues over which unions and employers must bargain, and differences in the scope of bargaining exist across nations and the private and public sectors. For example, in the US, public sector bargaining laws have created different mandatory bargaining issues across states.

There is no legal requirement that collective bargaining end in an agreement. If the negotiating parties reach an agreement, a contract or collective bargaining agreement covering a specific period of time is signed and the terms and conditions of employment are set out in that agreement. If the parties fail to reach agreement, a bargaining impasse occurs and several things can happen. The workers may continue to work without an agreement.

The employer may impose its final bargaining offer as the new agreement (unions may strike in response to this; *see* STRIKE). The parties may jointly agree to submit the dispute to a neutral third party, though this occurs rarely. Finally, the workers may decide to engage in a work stoppage or the employer may lock the workers out (which prevents them from working during the impasse; *see* LOCKOUT). Although private

sector workers are permitted to conduct a strike, US public sector employees are generally forbid den by law from striking. Accordingly, public sector bargaining impasses are resolved by a variety of procedures (as determined by state law), including mandatory INTEREST ARBI TRATION, fact finding, MEDIATION, or con ciliation efforts by state officials or neutral third parties (for a review of public sector bar gaining, see Lewin et al., 1988).

The extent of collective bargaining varies con siderably across industries, occupations, and nations (see Curme, Hirsch, and Macpherson, 1990; Freeman and Rogers, 1993). In general, although employers have never completely ap proved of collective bargaining, it has been argued that firms have bargained more aggres sively in recent years to obtain union concessions or break the union (see Freeman and Rogers, 1993). This is partly responsible for the decline in union coverage in the US from about 35 percent of the private, nonagricultural workforce in 1955 to less than 10 percent in 2002. Research has indicated that workers who are covered by collective bargaining agreements typically earn higher wages (by about 15 percent) and have better employment conditions than similar workers who are not unionized. Research also indicates that firms bargaining with their workers are somewhat less profitable than com parable nonbargaining firms. There is substan tial debate in the academic literature regarding differences in the productivity rates of unionized and nonunion workers (for a review, see Free man and Medoff, 1984).

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color

Ramona L. Paetzold

Color is one of the protected categories under Title VII of the CIVIL RIGHTS ACT OF 1964. Few cases based on this category of protection have been litigated. However, the prototypical case has involved claims by a darker skinned person that he or she was denied a privilege of employment in favor of a lighter skinned person of the same race (or vice versa).

commission-based pay

Timothy J. Keaveny

A commission is INCENTIVE PAY based on a percentage of the selling price of a product or service. Sales jobs are commonly paid partially or totally on commission. There are various systems of commission based pay. A straight commission is a plan in which the salesperson receives a fixed percentage of the sales price of the product or service. A graduated commission plan is one in which the percentage changes for higher sales volume, e.g., 5 percent commission for less than $500,000, 6 percent for $500,000 up to $750,000, and so forth. A salary plus commis sion plan is one in which the salesperson has a base salary to which a commission based on sales is added.

Factors to be considered in the design of commission plans include the emphasis on cus tomer service, nature of the product, and sales potential of the sales territory. When there is high concern for customer service, or when the product is technical and time is required to understand it, or when the sales territory has low market potential, one should consider having a significant salary component in the compensation plan.

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compa-ratios

Thomas H. Stone

A compa ratio expresses the relationship of actual pay of an individual or a group of employees (average) to their rate range midpoint (*see* RATE RANGES). The formula is the actual individual or average pay rate(s) divided by the range midpoint. As a control index, it shows the correspondence of actual pay levels to intended pay levels. Therefore, a compa ratio of 1.0 for a JOB FAMILY means that actual average pay is equal to the rate range midpoint; under 1.0 means actual pay averages below the midpoint, while over 1.0 means the opposite. If many employees are long tenured and/or high performers, compa ratios may exceed 1.0 because the employees have "topped out" of the pay range. In job families with many new and/or poor performing employees, compa ratios less than 1.0 will occur. Thus, compa ratios are influenced by both employee flows within the organization and employee performance.

comparable worth

John A. Fossum

Comparable worth is the notion that pay should be based on the relative value of jobs within employing organizations without regard to gender based differences in labor supply behavior and/or job segregation. Comparable worth was developed to address situations in which jobs held predominantly by women requiring substantial education and responsibility (e.g., registered nurses) are often paid less within employing organizations than jobs held predominantly by men that do not (e.g., carpenters and painters).

The EQUAL PAY ACT OF 1963 requires men and women working in the *same* job or one with substantially similar requirements to be paid the same (unless there are bona fide differences in performance, experience, merit, and so forth). The Act lists factors to be compared in measuring similarity, including skill, effort, responsibility, and working conditions. Comparable worth argues that pay for *dissimilar* jobs should be equal if the relative requirements across the factors are similar (or comparable).

Comparability is determined by applying job evaluation to measure levels of skill, effort, responsibility, and working conditions (or other similar factors) across a set of jobs (*see* JOB EVALUATION METHODS). Each job's point total is the sum of the measures across these factors. Jobs with equal points are considered of comparable worth and would be expected to be paid equally. The evaluation would also be used to establish pay differences between jobs of different worth.

Comparable worth has been implemented in some US state and local public employment jurisdictions and across all employers in the Province of Ontario.

compensable factor

Jerry M. Newman

Compensable factors are job attributes that reflect the relative worth of jobs inside an organization and are chosen to reflect its values and strategic plan. A company concerned with costs might evaluate jobs for their accountability, defined in terms of fiscal responsibility. Jobs lower in accountability would receive lower ratings on this compensable factor. Jobs lower across all compensable factors would be of relatively less value than other jobs. A compensable factor must be work related, business related, and acceptable to the parties involved.

compensation

Steven L. Thomas

Compensation is the total package of tangible returns (financial rewards, services, and BENEFITS) provided by the organization to employees

in return for their labor. The compensation package includes two basic components: (1) direct pay, and (2) indirect pay or benefits (Milkovich and Newman, 1993). The compensation system includes the process by which the total compensation package is designed and administered.

Direct pay includes (1) base pay (the fixed portion of pay that includes wages or salary), (2) base pay add ons (such as overtime pay, cost of living adjustments, and shift premiums), and (3) pay for performance (BONUSES, MERIT PAY, and INCENTIVE PAY). Indirect pay consists of services or benefits provided to employees. Some benefits, such as SOCIAL SECURITY BENEFITS, are mandatory benefits and are legally required of all employers. Other benefits are offered at the discretion of employers and may include PAID TIME OFF (vacations), health insurance plans, deferred income and income continuation plans (PENSION PLANS), and income equivalents such as child care benefits (see CHILDCARE BENEFIT) and employee discounts (Henderson, 1994).

Contemporary compensation administration frequently embraces a strategic approach where the mix and level of direct pay and benefits are chosen to reinforce the organization's overall strategic objectives (Gomez Mejia and Balkin, 1992). Integration among four basic policy decisions is required in the design of a consistent compensation system (Milkovich and Newman, 1993). These decisions involve:

1 the comparison of jobs within an organization (see INTERNAL EQUITY/INTERNAL CONSISTENCY; JOB EVALUATION METHODS);

2 setting pay levels relative to competitors (see EXTERNAL EQUITY/EXTERNAL COMPETITIVENESS);

3 adjusting pay for individual employees (see PAY FOR PERFORMANCE; REWARD SYSTEMS; SKILL BASED PAY DESIGN); and

4 the administration of the compensation function (see BENEFITS ADMINISTRATION; BENEFITS COMMUNICATION; JOB EVALUATION ADMINISTRATIVE ISSUES).

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compensation strategy

Luis R. Gomez Mejia

Compensation strategy is the deliberate utilization of the pay system as an essential integrating mechanism through which the efforts of various subunits and individuals are directed toward the achievement of an organization's strategic objectives, subject to internal and external constraints. Consistent with this definition, each firm faces a repertoire of pay choices. The degree of success associated with each of these depends on two factors. The first is how well the alternative(s) selected enable the organization to cope better with contingencies affecting it at a given point in time. The second is the extent to which the pay choices made are synchronized with the firm's overall strategic direction.

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composite and multiple criteria

James T. Austin

Composite and multiple criteria are choices concerning a set of criterion measures. Should a single weighted composite or the diverse set be utilized? Given an increasingly large domain of JOB PERFORMANCE measures, this subject has been widely considered (Brogden and Taylor,

1950; Sparks, 1970; Srinivasan, Shocker, and Weinstein, 1973). One practical implication is weighting, because a composite requires com bination of the elements, whether statistically, monetarily, or judgmentally. Schmidt and Kaplan (1971) reviewed the controversy, identi fied test validation and validation research, and concluded that the choice depended upon the purposes of the investigator. Practical purposes require composites, whereas research purposes require multiple criteria. Nonetheless, counter examples to this rule are possible, as in develop mental counseling of subordinates, and thus there are good reasons to develop both systems simultaneously.

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compressed work schedules

Randall B. Dunham and Jon L. Pierce

A compressed work schedule contains the same number of hours in the work week as a traditional schedule, but the number of hours worked in a given day increases. Perhaps the best known of the compressed schedules is the four day, 40 hour work week, in which four consecutive 10 hour days are worked, followed by three days off. Variations on this model include:

1   the floating 4/40, in which four 10 hour days are worked followed by 4 days off, with a repeating cycle based on an 8 day week;
2   the 4.5/40, composed of four 9 hour days plus one 4 hour day, followed by 2.5 days off; and

3   the 5/45–4/36, which consists of 9 hour days and alternating 5 day and 4 day work weeks.

A variety of shift work compressed schedules also exist, the most common of which involve 9 hour and 12 hour shifts implemented with a variety of rotating schedules. Discussion of more alternatives can be found in Cunningham (1990) and Pierce et al. (1989).

The most significant advantage is perceived additional leisure time and reduced interference with personal activities (see Cunningham, 1990; Pierce and Dunham, 1992). Other potential ad vantages include fewer weekly commutes to work, fewer conflicts with personal needs during the work day, less impact of nonwork stress on work time, favorable employee attitudes (see Dunham, Pierce, and Castaneda, 1987; DeCar ufel and Schaan, 1990), and decreased employee ABSENTEEISM.

The most significant disadvantage arising from compressed work schedules involves fa tigue. Other potential disadvantages include the greater cost of absenteeism (a single day represents a larger percentage of the work week), and increased moonlighting and associ ated fatigue and stress.

It is likely that compressed schedules will continue to be used as a joint response to the needs of the organization and the personal needs of organizational members. A key to the success of compressed programs appears to be whether workers have a days per week leisure orientation or an hours per day orientation.

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computer-assisted instruction

Raymond A. Noe

Computer assisted instruction (CAI) refers to an instructional system in which the student inter acts directly with the computer which has stored informational and instructional materials related to the program. CAI permits individualized in struction: the student can choose content, level of difficulty, and practice opportunities. The trainee also receives direct feedback about his or her performance in the program. CAI permits the trainee to skip material or return to previ ously seen materials for remediation. Because training materials are self contained on the com puter, CAI gives the learner the flexibility to decide when he or she wants to be trained and how much content to cover in a session.

See also *training*

Computer Matching and Privacy Protection Act of 1988

Vida Scarpello

This Act's purpose is to regulate the use of computer matching by federal agencies and for use of federal records (subject to the provisions of the PRIVACY ACT OF 1974), for matching state and local government records. Matching refers to several different computer assisted techniques used in identifying similarities and differences between records. It is primarily used to locate an individual, verify eligibility for fed eral benefit programs, and recoup payment or delinquent debts under such programs. Not covered are matches performed for statistical research, tax, law enforcement, and certain other purposes. Basically, matching is intended as a tool against fraud.

This law was passed because disclosure re strictions of the 1974 Privacy Act have been interpreted by the Office of Management and Budget (OMB) and other federal agencies as permitting disclosures necessary to support computer matching. Thus, the privacy law offered little protection to individual subjects of computer matching. Accordingly, the Com puter Matching and Privacy Protection Act was passed to address due process, administrative controls, and cost effectiveness issues. Section 2(D)(p) of the Act prohibits adverse action against individuals by matching programs, until the relevant agency has independently verified the accuracy of the information. Section 4(u)(1) establishes a data integrity board within each agency and charges the board with complete administrative responsibility for implementation and monitoring of all written agreements for receipt or disclosure of agency records and for all matching programs the agency participates in during the year. Section 4(6) instructs the dir ector of the OMB to consolidate information contained from the data integrity boards and submit the consolidated report to Congress. The OMB director's report must include an analysis of the costs and benefits of matching programs for specified periods of time, and reasons for why a data integrity board may have granted a waiver from completion and sub mission of a cost benefit analysis. This last re quirement is based on the acknowledged benefit that matching is useful in identifying and limiting program losses. However, matching also raises concern about Fourth Amendment rights, privacy rights, and computer linkage. Consequently, matching should be restricted to the situations where there is a demonstrable benefit as well as clearly inadequate less intrusive alternatives.

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concurrent validity

Chester A. Schriesheim

Concurrent validity is one of two subdomains of CRITERION RELATED VALIDITY, the other being PREDICTIVE VALIDITY. Concurrent validation procedures assess the degree to which scores on an instrument (the predictor) are statistically associated with values obtained by a theoretically appropriate outcome measure (the criterion), when both are measured at approximately the same point in time (i.e., concurrently).

Evidence of concurrent validity is particularly appropriate when the purpose of applying an instrument is to diagnose or determine an existing status or situation (rather than to predict future outcomes). For example, correlating an instrument measuring attitudes toward customers with observations of employee–customer interactions collected over a short time period (close to the administration of the instrument) provides concurrent validity evidence on that instrument (and may allow it to substitute for observing employee–customer interactions in certain circumstances). Another appropriate use of concurrent validation is when a network of concurrent relationships is required as evidence for the construct validation process (see the description of this process under CONSTRUCT VALIDITY).

A less appropriate use of concurrent validation is as a short term substitute for predictive validation. For example, when a selection test is developed to predict the performance of job applicants one year after they have been hired, an early indication of the usefulness of the test may be sought. Thus, the test may be administered to current employees and their obtained scores correlated with concurrently obtained measures of JOB PERFORMANCE. Caution is needed in interpreting such results, however, due to such things as restriction in the range of criterion scores owing to earlier termination of poorly performing employees.

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conference method

J. Kevin Ford and Deidre Wasson

The conference method is a carefully planned meeting with specific goals and purposes and is primarily used for the learning of conceptual information (e.g., new policies or procedures), and for attitudinal change and development (Wexley and Latham, 1991). The trainer plays an integral role in the development and execution of the conference by stressing two way communication between trainee and trainer. Conferences are especially effective when the ratio of trainees to trainer is relatively small and the material to be taught requires elaboration or clarification (Muchinsky, 1990). More importantly, the trainer needs to maintain an interesting discussion that actively involves all trainees to facilitate learning.

See also *training*

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Connecticut v. *Teal*, 457 US 440 (1982)

Leonard Bierman

In *Teal*, black employees of the state claimed that the examination required for PROMOTION to supervisor and the set passing score of 65 resulted in DISPARATE IMPACT. These employees temporarily performed the supervisory jobs satisfactorily, applied for the jobs permanently, failed to meet the test cutoff, and were subsequently denied promotion into the supervisory positions. From the list of those who passed the exams, the state promoted a disproportionate number of minority group members by applying an AFFIRMATIVE ACTION program to insure significant minority representation. Indeed, the overall result of the process or the *bottom line* was more favorable to minorities than to whites. The court held, however, that the

pass–fail barrier exam still resulted in disparate impact and therefore was discriminatory to *spe cific* individuals regardless of the employer's nondiscriminatory *bottom line*.

Consolidated Omnibus Budget Reconciliation Act of 1985

Ramona L. Paetzold

The Consolidated Omnibus Budget Reconcili ation Act of 1985 (COBRA) amended Title I of the EMPLOYEE RETIREMENT INCOME SE CURITY ACT OF 1974 (ERISA) to require group health plan providers to allow employees and certain beneficiaries to extend their current health coverage in circumstances that would or dinarily result in loss of coverage. Group health plans include not only medical plans, but also vision care plans, dental plans, and prescription drug plans, even if self funded. Employers having fewer than 20 employees are exempt from COBRA's coverage.

The Act identifies "qualifying events" that would otherwise result in loss of coverage for the employee or the employee's spouse or de pendant child. These qualifying events include the death of the covered employee, a reduction in the employee's hours making him or her in eligible for continued coverage, the termination of the employee (except for gross misconduct), the divorce or legal separation of the covered employee and his or her spouse, the employee's eligibility for Medicare, and a child no longer being considered an eligible dependant under the plan. The period of transitional coverage is either 18 or 36 months, depending on the nature of the qualifying event. Proof of insurability cannot be required as a condition of the transi tional coverage.

COBRA coverage must be elected by the em ployee or qualified beneficiary; additionally, the employee or qualified beneficiary must be given notice of his or her COBRA rights at the start of plan coverage and when qualifying events occur. The cost of the COBRA continued coverage may be passed on to covered persons but may not exceed 102 percent of the applicable premium for active employees for the first 18 months and 150 percent thereafter.

construct validity

Linda S. Gottfredson

Many psychological assessments purport to measure particular hypothetical traits (*see* TRAIT) or constructs such as extraversion, intel ligence, self efficacy, anxiety, or morale. Con struct validity is a judgment about the extent to which an assessment actually measures the pro posed trait in the populations of interest, and thus what can be appropriately inferred from individuals' scores on it. Validity is never a blan ket judgment, but is established for specified uses of the assessment.

CONSTRUCT VALIDATION AS THEORY TESTING

A construct is a tentative theory about an unob servable, underlying trait that is invoked to ex plain patterns of responses on an assessment. Construct validity requires evidence that indi viduals with different scores on the assessment actually behave as predicted by the theory. No single procedure or piece of evidence suffices to establish construct validity. The more evidence collected concerning the nature, causes, correl ates, and effects of the attribute being measured, the clearer the inferences that may properly be drawn from scores for it.

Construct validation is a complex inferential process drawing on many sorts of evidence, i.e., a process of theory testing. Cronbach (1990: 183) distinguished between weak validation (an un directed, inductive process) and strong valid ation (a tough minded testing of specific hypotheses). Positive evidence supports both the measure and the theory. Negative evidence means that the measure, the theory, or both may be faulty. Different procedures in this inferential process are often identified as different forms of validity. Although construct validity is some times treated as only one among various forms of validity, it is increasingly viewed as a concept unifying all of them (Messick, 1989).

KINDS OF EVIDENCE

Content related evidence of validity (what used to be called CONTENT VALIDITY) refers to the care with which test items were chosen to repre sent the specific processes or content thought to instantiate the construct. For achievement tests,

this means appropriate breadth and depth in sampling from the intended achievement domain, say, physics. For ability tests, it means sampling the mental processes thought to com prise the ability, such as visualizing objects in three dimensional space for spatial ability. Con tent related evidence is obtained by examining how the test items were developed or by having examinees report their thought processes while tackling items on the test. Such evidence in creases the likelihood that an assessment will measure the intended construct, but it provides no proof it succeeds in doing so.

Criterion related evidence of validity (CRI TERION RELATED VALIDITY) refers to the degree to which scores on the assessment correl ate with other traits, behaviors, and outcomes (the criteria). We might ask, for example, how well students' IQ scores correlate with their cur rent academic performance (CONCURRENT VALIDITY) or later JOB PERFORMANCE (PRE DICTIVE VALIDITY).

Convergent and discriminant validity refer to the patterns of correlations predicted by the broader theory in which the construct is embed ded. Two assessments that supposedly measure the same construct (e.g., intelligence) should correlate highly with each other and also with behaviors the theory says will be affected by the trait (e.g., performance in school or job training). Measures of the construct should correlate only weakly, however, with measures of different constructs (e.g., anxiety or creativity) or with supposedly unaffected outcomes (e.g., athletic prowess).

Evidence of DIFFERENTIAL VALIDITY and SINGLE GROUP VALIDITY also affects the in terpretation of test scores. For instance, there was once much concern that job aptitude tests predict job performance for white job applicants better than (or only) for ethnic minorities, and thus should not be used to infer the job qualifi cations of the latter. This issue was settled by meta analyzing many small studies (Hunter, Schmidt, and Hunter, 1979).

Other research strategies are also useful in determining just what constructs different as sessments are capturing, whatever the original intent. For example, the structure, relatedness, and homogeneity of the traits being measured can be clarified through factor analysis, both exploratory and confirmatory. If the construct is a developmental one, then longitudinal or cross sectional studies should reveal predictable age differences. Scores should also differ, or not differ, for other subgroups or circumstances (e.g., gender, personality type, job tenure) in the manner predicted. Interventions to change traits can also test assumptions about them. For example, studies of adoption and compen satory education forced some rethinking about the malleability of intelligence and the consequent meaning of high versus low IQ scores.

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content validity

Robert M. Guion

The term "content validity" was initially intro duced in 1954 (American Psychological Associ ation, 1954) to mean the adequacy of test content as a sample of a larger content domain. Claims of adequacy were to be based on the "representa tiveness of the test content in relation to the universe of items adopted for reference" (American Psychological Association, 1954: 13). Such claims evaluated test development without recognizing the difference between test development and drawing inferences from test scores (i.e., the basic concept of validity).

Three conferences on content validity held at Bowling Green State University concluded that "there is no such thing" (Cranny, 1987). The 1985 *Standards* referred not to content validity

but to "content related evidence of validity," showing that test content is "appropriate relative to its intended purpose" (see American Educational Research Association et al., 1985: 90). A test intended to measure a factor analytically determined construct need not sample all kinds of test items defining the factor. There may be "appropriate" evidence of validity even with a single item type among the many that have in the past served to define the factor. Valid inferences from scores require content appropriate for such inferences, regardless of the nature of the measurement or of the attribute (construct) being measured, but it is not the case that an entire universe of item content must be sampled to support intended inferences.

See also *content validity ratio*

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content validity ratio

Robert M. Guion

CONTENT VALIDITY was introduced in an era when validity was mainly associated with validity coefficients in employment testing. Lawshe (1975) provided a quantitative index for assessing content validity, termed a content validity ratio (CVR), for individual test items. To compute it, job experts independently judge the item as measuring content that is essential, useful, or not necessary for JOB PERFORMANCE. With N judges, of whom n_e have judged the knowledge required for the item to be essential, $CVR = (n_e - N/2)/(N/2)$. Items with low or negative CVRs can be deleted; the mean CVR of items retained is the "content validity index" for the total test.

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contingency approach

Annette Cox

Contingency approach refers to a method of decision making often applied in devising appropriate human resource (HR) strategies and termed the "best fit" approach in contrast to "best practice" approaches. It is based on the premise that picking the most effective HR policies and practices depends on matching them appropriately to the organization's environment. The contingent factors influencing HR strategy might include type of business strategy pursued, organization size, type of technology, geographic location and labor market, management skills and preferences, industry sector and economic conditions. One formulation of contingency theory to prescribe HR practices for different organizations is the business strategy model based on Michael Porter's threefold categorization of business strategies as focused on the pursuit of low costs, product innovation, or quality. Another variant is the business life cycle model, which specifies different HR techniques according to organization age from start-up to decline.

Contingency models can be static and offer no help to dynamic organizations undergoing frequent change and neglect to recognize that organizations often need to satisfy multiple conflicting goals. They can be either too simplistic and fail to include every contingency or too complex for managers to apply in practice. Future contingency research should be refined to address these concerns.

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contingent employment

Stanley Nollen

Contingent employment, or atypical employ ment (the term more frequently used in Europe), is employment that depends on employers' changing and transitory needs for labor input (other terms are peripheral, precarious, or sup plemental employment). It is demand driven, "on call" employment, determined by the em ployers' decisions about when, where, and how much work is to be done. It is the opposite of regular core employment.

Employers use contingent labor to achieve flexibility in the size of their workforces as the demand for labor fluctuates, to buffer core em ployees from JOB LOSS during business down turns, to reduce labor costs through lower wage or BENEFITS payments (sometimes this goal is not achieved), and to ease management tasks to the extent that contingent workers are not em ployees of the organization where they work.

In practice, the distinction between contin gent and core employment is not always clear. Four characteristics help to identify who is a contingent worker (though no one trait by itself is a sufficient definition). Contingent workers have:

1 little job or employment security;
2 irregular work schedules;
3 lack of access to benefits; and
4 little attachment to the company at which they work (Polivka and Nardone, 1989).

JOB INSECURITY

Contingent workers have no explicit or implicit contract or commitment from the organization for which they work. They have no expectation of continuing employment. They may work for a day or a year or longer. Correspondingly, con tingent workers usually change from one com pany's workplace to another's frequently. Regular core employees have decreasing em ployment security, especially in North America, but there is a mutual expectation between em ployer and employee of continuing service.

IRREGULAR WORK TIME

Contingent workers often have irregular and unpredictable work schedules. Both the total number of hours they work in a year and the days, weeks, or months when they work are unstable and dependent on management deci sions rather than their preferences.

LACK OF ACCESS TO BENEFITS

Contingent workers usually do not get access to employer provided benefits that are not re quired by law, ranging from vacation leave to health insurance to retirement plans, even though regular employees in the same workplace receive these benefits. The benefits gap between contingent and regular employees is larger in the US, where fewer benefits are mandated than in most other countries. Contingent workers usu ally do not participate in the full range of other privileges and opportunities that are often avail able to regular employees, such as membership in company clubs or eligibility for continuing education.

LACK OF ATTACHMENT TO THE COMPANY

Contingent workers do not belong to the com pany as regular employees do, even if they are on the payroll. They are not expected to be as committed to the company's mission, although they may be as fully committed to the work they do as regular employees are, especially among contingent, highly skilled professional and tech nical people.

Contingent employment occurs as one of sev eral main STAFFING options. Contingent workers are supplied from staffing companies or agencies to companies where they work as needed or they are hired directly by the company into an in house temporary labor pool. Some part time employees (*see* PART TIME WORK SCHEDULE) are hired on an hourly basis to work a variable number of hours according to the amount of work to be done (other part timers are regular core employees). They are used by companies to perform specific projects or work for defined short term periods on a contract basis; they are self employed workers.

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continuous improvement

Vinod K. Jain

Continuous improvement refers, in general, to systematic organizational efforts aimed at creat ing and sustaining a culture of constant improve ment and change (Locke and Jain, 1995). A continuous improvement program (CIP), by definition, is a systematic and well thought out effort on the part of the organization to make ongoing improvements in one or more of its work systems. It is not at odds with meeting goals and specifications; it is just that improve ment efforts never cease (*see* LEARNING OR GANIZATION). Practiced in Japan for over 40 years, CIPs became popular in the West during the 1990s as a result of the globalization of com petition and programs such as ISO 9000 and the MALCOLM BALDRIGE NATIONAL QUALITY AWARD.

Researchers have equated continuous im provement with suggestion systems (Schroeder and Robinson, 1991), process improvement (Dewar, 1992), TOTAL QUALITY MANAGE MENT (Porter, 1993), and so on, depending upon their individual perspectives. Organiza tions adopt CIPs for a variety of reasons, such as survival, within the context of the global economy, because their competitors are already using CIP. CIPs are often operationalized in terms of such goals as improved customer satis faction, PRODUCTIVITY, and quality, and re duced cycle times and costs.

Continuous improvement entails new, on going learning. New ideas are essential if organ izational learning is to take place and these new ideas can trigger organizational improvement (Garvin, 1993). The implementation of a CIP requires the development of organizational pol icies, strategies, and structures needed for con tinuous learning (Senge, 1990). Most of all, it requires the building of a continuous improve ment culture within the organization through means such as TRAINING, goal setting, per formance measurement and feedback, open communication, EMPLOYEE EMPOWERMENT, experimentation, and benchmarking (Locke and Jain, 1995; *see* BENCHMARKING AND COM PETITOR ANALYSIS).

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contract administration

David Lewin

Contract administration is defined as the pro cesses by which terms and conditions of employ ment contained in COLLECTIVE BARGAINING agreements between unionized workers and management are enforced. While the vast bulk of such enforcement occurs on a day to day basis in the workplace through supervisory and management directives and actions, most popu lar and scholarly attention has focused on those instances in which employees claim that con tractual provisions governing terms and condi tions of employment have been misapplied or unfairly applied. Consequently, GRIEVANCES, grievance procedures (*see* GRIEVANCE PRO CEDURE), and RIGHTS ARBITRATION are widely considered to be at the heart of contract administration (Lewin, 1999; Lewin and Mitch ell, 1995).

GRIEVANCES AND GRIEVANCE PROCEDURES

Grievance procedures are found in virtually all collective bargaining agreements, contain mul tiple hierarchical steps for the processing of written grievances, and provide for binding third party ARBITRATION as the final settle ment step (Delaney, Lewin, and Ichniowski,

1989). Grievance filing rates, measured by the number of written grievances filed annually per every 100 unionized employees, average about 10 percent in the US, with wide variation by industry, firm, occupation, and work location. Most grievances are settled at the lower steps of the procedure, with about 2 to 3 percent being settled at the arbitration step (Lewin and Peter son, 1988; Peterson and Lewin, 2000). There is evidence that grievance filers fare more poorly than nonfilers in terms of post grievance settle ment JOB PERFORMANCE, promotions (*see* PROMOTION), work attendance, and EM PLOYEE TURNOVER (Lewin, 1992; Lewin and Peterson, 1999).

MODELING THE GRIEVANCE PROCESS

Economists have used exit–voice–loyalty theory to model the grievance process in unionized settings. From this perspective, grievance filing is an expression of employee voice, and this exercise of voice is hypothesized to be inversely related to employee exit behavior, or quitting. Concomitantly, loyalty is hypothesized to be positively related to grievance filing (the exercise of voice) and negatively related to exit (quits) (Hirschman, 1970; Freeman and Medoff, 1984). While some evidence has been adduced to sup port these hypotheses, more recent research finds negative relationships between employee loyalty and grievance filing, and positive rela tionships between grievance filing and intent to exit the unionized firm (Boroff and Lewin, 1997; Lewin, 2004b).

Behavioral scientists have used procedural justice–distributive justice theory to model the grievance procedure (Sheppard, Lewicki, and Minton, 1992; *see* DISTRIBUTIVE JUSTICE; PROCEDURAL JUSTICE). From this perspec tive, employee perceptions of the fairness, equity, or justness of contract administration processes are as important, perhaps more im portant, than employee perceptions of the fair ness, equity, or justness of the outcomes of contract administration processes in terms of employee decisions to file written grievances. Recent evidence tends to support this view, and also finds that the perceived fairness of the grievance procedure is inversely associated with employee grievance filing under the procedure (Lewin and Boroff, 1996).

CONTRACT ADMINISTRATION IN THE NONUNION SECTOR

Grievance procedures have grown markedly in the nonunion sector in recent years, and between one third and one half of nonunion companies in the US have a grievance or grievance like ALTERNATIVE DISPUTE RESOLUTION (ADR) procedure in place for one or more (major) employee groups (Delaney et al., 1989; Ichniowski, Delaney, and Lewin, 1989). Griev ance filing rates under these procedures are about one half lower than grievance filing rates in unionized settings, and only about 20 percent of these procedures culminate in binding third party arbitration (Lewin, 1987, 1992, 2004a; Delaney et al., 1989). However, recent court decisions strongly favoring deferral to arbitra tion under these procedures imply that they will become even more widely adopted. Such pro cedures are often criticized for their alleged one sidedness, including that the employer picks and pays for the arbitrator and determines the scope of issues subject to arbitration (Stone, 1999). Also notable in recent years has been the growth of individual explicit employment contracting, including for executives, in which terms and conditions of employment between the indi vidual employee and the employer are put in writing (Lewin, 1994). The extent to which these contracts contain grievance procedures or other dispute resolution mechanisms is un known, and this is obviously an important area for future research on contract administration.

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control issues in foreign holdings

J. Michael Geringer

As a result of disparate and changing competitive, market, and regulatory circumstances, many organizations have been pressured to adapt their resources and objectives. Such organizations have internationalized some or all of the activities comprising their value chains, often through full or partial ownership of foreign operations. Efforts to effectively manage foreign holdings may be complicated, however, by the increased strategic and operational complexity associated with coordinating and controlling activities across multiple national and competitive environments (Bartlett and Ghoshal, 1995).

Control is the process by which one entity uses mechanisms of a formal nature (e.g., ownership, organizational structure) or informal nature to influence the behavior and output of another entity (Geringer and Hebert, 1989). Control plays a critical role in determining an organization's capacity for achieving its strategic objectives, since it affects the organization's ability to monitor, coordinate, and integrate the activities of its various business operations in a manner consistent with critical organizational and environmental variables. To fully achieve their objectives, organizations must therefore design and implement appropriate and effective control systems within and among their foreign holdings.

Three complementary and interdependent dimensions comprise the foundation of an effective control system:

1   the *focus* of control (i.e., the scope of activities over which the organization seeks to exercise control);
2   the *extent* or degree of control sought over these focal activities; and
3   the *mechanisms* used to exercise control (Geringer and Hebert, 1989).

An organization must simultaneously consider all three of these dimensions in order to design and implement an effective control system; otherwise the organization's competitiveness and prospects for attainment of its objectives may be compromised.

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coordination of benefits

Robert M. McCaffery

Coordination of benefits refers to methods for determining primary and secondary responsibil ity for healthcare expenses when an employee and spouse are both covered by a group benefit plan. Insured plans are governed by state regu lations; self insured plans are not.

In determining which plan is primary, two fundamental rules broadly apply:

1   coverage as an employee is primary to cover age as a dependant;
2   for dependent children the plan of the parent whose birth anniversary occurs first in the year is primary.

In determining the amount payable by the sec ondary plan, several alternative methods may be used. Depending on the method, secondary plan responsibility can range from zero to the entire remaining balance.

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corrective discipline

Mark R. Sherman

The prevalence of the EMPLOYMENT AT WILL doctrine in the US has, until recently, resulted in only minimal emphasis on appropri ate approaches to discipline for employees who were not covered by labor agreements. At will employees could legally be discharged for any number of unfair reasons, so there was little practical or scholarly interest in the procedural and substantive fairness of their treatment. On the other hand, roughly half of all grievance arbitration (*see* RIGHTS ARBITRATION) in the US has traditionally involved determining whether management issued discipline for "just cause." As a consequence, the earliest authorita tive pronouncements on the meaning of correct ive discipline and PROGRESSIVE DISCIPLINE are found in the texts of ARBITRATION deci sions.

In his early decision in the *International Harvester* case (Elkouri and Elkouri, 1985), Ar bitrator Seward explained corrective discipline in the following manner: "corrective rather than retributive discipline . . . involves more than the mere matching of penalties with offen ses . . . its purpose is not to 'get even' with the employee but to influence his future conduct." From these humble beginnings in the realm of arbitral jurisprudence, corrective discipline has since become a fundamental principle of human resource management. This is largely because it is consistent with the concept of em ployees as human resources who can be de veloped and enhanced like any other resources. While the corrective approach to discipline recognizes that most types of misconduct at work do not disqualify an employee from con tinued employment, it acknowledges that certain extreme types of misconduct render em ployees unworthy of corrective efforts. Typic ally these types of gross misconduct include assault, theft, and other types of criminal activity taking place on the employer's time or premises.

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correspondence method

J. Kevin Ford and Deidre Wasson

A training technique that occurs primarily through the mail, correspondence is the exchange of learning materials and tests between a student and an instructor with little verbal communication (Salinger, 1973). Progress is monitored through assignments and exams returned to the instructor at the student's pace as course completion is dependent on the learner's speed in mastering the assigned material (Robinson, 1981). Several advantages are flexibility in time and location, reduced instructor and facility costs, and time and resource efficiency. However, long feedback lag times, low learning motivation, little or no interaction, limited subject matter, and high rates of incompleteness can occur.

See also *training; training evaluation*

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counseling

Fang Lee Cooke

Counseling has been defined as a nondirective process by which a counselor helps an individual to overcome problems or come to terms with feelings, see what options are open, and choose between them by tapping into their own inner resources. Counseling has often been associated with the issue of sickness or problem resolution. Appropriate use of counseling in the workplace can be a sign of corporate health, encouraging people to confront and solve problems. In addition, by integrating counseling skills with other managerial techniques and ensuring they are used properly, organizations can improve effectiveness by encouraging the identification of problems before they escalate, and can facilitate better communications and promote a more open and honest culture where people are supported to make decisions.

Workplace counseling often has tangible and measurable benefits such as a reduction in ABSENTEEISM or EMPLOYEE TURNOVER, an increase in performance levels, and the avoidance of litigation or costly disciplinary procedures. A most common model of counseling provision is through EMPLOYEE ASSISTANCE PROGRAMS (EAPs). There are a number of issues that need to be taken into consideration when setting up an organizational counseling scheme. These are: confidentiality of information, accountability of counselors, supervision from professional bodies, workplace counseling skill training, monitoring and evaluation of the scheme.

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countercyclical hiring

Charles R. Greer

Countercyclical hiring is a STAFFING strategy that is pursued to a limited extent by companies seeking to obtain bargains in key managerial and professional personnel by hiring during economic downturns. With conventional hiring, which occurs on a procyclical basis, companies hire during economic upturns. As such they attempt to hire employees at times when other companies are also competing for labor. Thus, there is higher demand for labor during economic upturns and it should be more difficult to obtain highly qualified key employees (Bright, 1976). As a result, companies that do not practice countercyclical hiring should find it more difficult to obtain the human resources needed to develop an advantage vis à vis their competitors.

The contrarian strategy of countercyclical hiring is based on the rationale that companies can invest in their stock of human resources by hiring key managerial and professional em

ployees before there is a realized need, based on the knowledge that the services of such highly qualified individuals will be needed in the future. Thus companies that pursue counter cyclical hiring strategies stockpile human re sources for the future (Greer, 1984; Greer and Stedham, 1989; Greer and Ireland, 1992).

To date there have been two empirical studies of countercyclical hiring. The first found that companies that practice countercyclical hiring do so because of the quality of employees that can be hired. Unsurprisingly, organizations that conduct human resource forecasting (to avoid personnel shortages) are more likely to hire on a countercyclical basis (Greer and Stedham, 1989). A more recent study found the financial performance of companies to be positively re lated to countercyclical hiring, along with human resource planning (to avoid personnel shortages), the importance of having a regular managerial age distribution, emphasis on em ployee development and career development, and the perceived quality of applicants (Greer and Ireland, 1992). Because there are obvious economic costs and potential risks of creating perceptions of unfairness when new employees are hired concurrently with layoffs of present employees, countercyclical hiring strategies are envisioned to be implemented only on a limited basis. Nonetheless, countercyclical hiring can be an important contributor to the development of competencies which allow com panies to differentiate themselves from their competitors.

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craft unions

James B. Dworkin

A craft union represents workers who possess a specialized skill or perform a particular function. Examples include bricklayers, masons, plaster ers, and electricians. Employees enter the craft as an apprentice and work their way up to the role of journeyman and through several years of ON THE JOB TRAINING. The union repre sents these employees in COLLECTIVE BAR GAINING and also determines which individuals will have the opportunity to enter the trade. By restricting entry into the skilled trades, craft unions are able to keep wages high. Craft unions also control the hiring process through the mechanism of the hiring hall.

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criterion contamination

Lorne Sulsky

Criterion contamination exists whenever non performance factors influence the JOB PER FORMANCE scores assigned to individuals (Borman, 1991). These nonperformance factors can take the form of a systematic bias such as LENIENCY EFFECTS, or can be random, such as measurement error (Muchinsky, 1995; *see* RELI ABILITY). Because contamination lowers CON STRUCT VALIDITY, criterion contamination and CRITERION RELEVANCE are inversely re lated, such that increasing contamination de creases relevance.

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criterion deficiency

Lorne Sulsky

Criterion deficiency implies that the measures used to assess JOB PERFORMANCE fail to assess one or more aspects of the criterion domain considered to be part of the conceptual criterion. For instance, deficiency would exist if a component of the job of secretary is word processing and there is no criterion measure which assesses competency in performing word processing tasks. Thus, increases in deficiency imply decreases in CRITERION RELEVANCE (Borman, 1991). Examining for deficiency requires that the CONTENT VALIDITY of the criteria be considered.

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criterion problem

James T. Austin and Peter Villanova

Patricia Cain Smith (1976) used the term criterion problem to characterize the dilemmas of measuring JOB PERFORMANCE for multiple purposes. This entry elaborates the problems of criteria using two facets: values and scientific understanding. The term also connotes the difficulty of understanding value based constructs. Because criteria represent preferences, they cannot be understood independent of values that "guide" their selection (Austin and Villanova, 1992). This covariation of fact and value leads commentators to emphasize that the problems of criteria are conceptual, not methodological or statistical. Many advise that efforts would be better invested toward careful conceptual analysis to represent a job success construct.

Values define the interests and broad goals of different groups. Stakeholder models, with multiple interacting groups having interests in the measurement of performance, help to frame the influence of values. Traditional constituencies are management, employees, unions, and researchers. Viewed in this manner, criteria may serve to augment or weaken the interests of different constituencies. For example, a seniority criterion for PROMOTION decisions may be more consistent with advancement and security interests of organizational members with substantial tenure. Alternatively, a results oriented criterion advantages productive members' interests.

Part of the "criterion problem" is choosing from the domain of work activities the samples that constitute formally recognized inputs for personnel decisions. Similarly, once identified for use, components must be combined to arrive at a score (*see* COMPOSITE AND MULTIPLE CRITERIA). Again, the weighting of elements reflects the value configurations of different constituencies.

Traditionally, management determines what behaviors reflect job success and how aspects are chosen and weighted to index success. However, the last two decades have witnessed an expansion of definitions of job performance and, consequently, what constitute the indicators of success (Borman, 1991; Borman and Motowidlo, 1993; Sackett, 2002; Motowidlo, 2003). The criterion problem is further compounded by the values of such external constituencies as customers and government agencies. Constituencies reflected in government regulations seem to be waning, while the influence of customers on criterion systems appears to be strengthening. This trend is strongest among service providing organizations that now include customers as feedback sources concerning organizational effectiveness. Therefore, incorporating customer based criteria measures is a challenge for criterion conceptualization. Representing and weighting the various dimensions that customers value remains largely uncharted (Villanova, 1992), but the increased opportunities to observe are worth the challenge. What's more, linking these customer preferences to actual work activities or service providers or product manufacturers will inevitably require judgments of

relevance from constituents internal to the or
ganization who have knowledge about how
different work activities translate into such dif
ferent product or service attributes as reliability,
cost effectiveness, and product availability.

A second fundamental facet of the criterion
problem involves scientific inquiry. The chal
lenge here concerns a search for scientific under
standing with an associated recognition of
values. The issue is developing relevant, reliable,
and practical measures of actual criteria to rep
resent success. One component of the scientific
facet is the relative neglect of criteria relative to
predictors; another is the application of statis
tical combination methods to arrive at overall
judgments of success. Historically, there has
been a persistent failure to attend to criteria as
measures. Validation of criteria is neglected and
the reliability of criteria tends to be lower than
that of predictors. Recent treatments of validity,
however, include several inferences concerning
the performance domain (Binning and Barrett,
1989). The inequality between predictors and
criteria is being remedied in current research,
motivated in part by calls for construct valid
ation (Thayer, 1992; James, 1973). On the other
hand, a researcher–practitioner gap is growing
(Anderson, Heriot, and Hodgkinson, 2001).

In summary, the problems of criteria are un
likely to go away. They will always confront
theory and practice because they are at the
heart of the field. Although some progress is
evident, the central problem of values will be
tractable only to the extent that investigators
are willing to address the values of multiple
constituencies, including individual and organ
izational. Messick's (1989) reformulation of val
idity explicitly invokes values in terms of
consequences. Recall that commentators have
consistently advised that statistical legerdemain
cannot finesse the criterion problem. Smith
(1976), for example, advised that "all of the
possible sources and measures of performance
variation . . . need to be given an opportunity to
be studied within the nomological network of
each ultimate criterion construct" (p. 768). Re
grettably, three decades later, few criterion in
vestigations or operational systems meet her
standard!

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criterion relevance

Lorne Sulsky

Criterion relevance is the extent to which measures that are used to assess JOB PERFORM ANCE overlap with the conceptual criterion (Muchinsky, 1995). The conceptual criterion is an abstract representation of the behaviors, skills, characteristics, and outcomes associated with a job. It has also been called the "ultimate criterion" (Dipboye, Smith, and Howell, 1994; *see* COMPOSITE AND MULTIPLE CRITERIA; CRITERION PROBLEM). For example, a sales person must perform a series of job tasks, possess certain skills and characteristics, and produce (i.e., outcome) sales. Relevance increases as more of these tasks, skills, and so forth are val idly assessed by the criteria. Thus, investigating criterion relevance is tantamount to examining the CONSTRUCT VALIDITY of criteria.

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criterion-related validity

Chester A. Schriesheim

Criterion related validity refers to empirical evi dence which supports a particular interpretation about an instrument's (test, questionnaire, etc.) score. Criterion related validity is one of three traditional lines of validity evidence, the other two being CONTENT VALIDITY and CON STRUCT VALIDITY (American Educational Re search Association et al., 1999).

Criterion related validity is a judgment that is based upon quantitative data, and it has two subdomains, termed CONCURRENT VALIDITY and PREDICTIVE VALIDITY. The salience of concurrent and predictive validity for assess ments of criterion related validity depends upon the particular instrument and interpreta tion involved (see the entries under concurrent and predictive validity for further details). Cri

terion related validation procedures assess the degree to which scores on an instrument (the predictor) are statistically associated with values obtained by a theoretically appropriate outcome measure (the criterion). Statistical procedures commonly employed in criterion related validity studies include simple and multiple correlation and regression, although other data analytic methods (such as canonical correlation) may be equally or more appropriate under some circum stances.

Judgments about an instrument's criterion related validity hinge upon the quality and appropriateness of the criteria employed, as well as upon the diversity and quality of the evidence which is marshaled. All else equal, the use of multiple criteria is generally preferred to the use of a single criterion, but the quality of the evidence is the single most important concern in assessments of an instrument's criterion related validity.

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critical incidents technique

James B. Shaw

The critical incidents technique (CIT) was de veloped by Flanagan (1954) for assembling lists of behaviors that are critical to effective JOB PERFORMANCE. The procedure consists of four steps.

1 A panel of subject matter experts (SMEs), e.g., supervisors, job incumbents, or other knowledgeable persons, provides written examples of effective or ineffective job be haviors. These are called critical incidents. These examples indicate what led up to the behavior, what the employee actually did, the consequences of the behavior, and whether the consequences were under the control of the employee.

2   All the examples are put on index cards and then sorted into categories of similar behav iors (e.g., all cards that describe examples of how one would handle an emergency situ ation are grouped together).
3   The categories of behaviors identified in step 2 are given a name descriptive of the behav iors that comprise them (e.g., handling emergency situations).
4   These categories are then rated according to how critical or important they are for effect ive job performance.

A refinement of the original CIT approach is to use two groups of SMEs. The second group is used to verify the work of the first group. Once the incidents have been developed and categor ized by the first group of SMEs, the second group is given the names and definitions of all categories and a separate listing of all incidents. The second group attempts to place each inci dent into one of the predefined categories. If a sufficient percentage of the second group of SMEs places an incident in its appropriate category, the incident is retained. If not, the incident is dropped. Another refinement has been to ask SMEs for examples of "routine" behaviors, in addition to examples of particularly effective and ineffective behaviors. This pro vides a broader overall view of job activities. The CIT is well suited for developing PER FORMANCE APPRAISAL systems and for deter mining the TRAINING needs of employees.

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cross-training

Daniel C. Feldman

Cross training refers to teaching employees the knowledge, skills, and abilities (*see* KSAOS) ne cessary to successfully perform the work duties of other members of their work group. As dis tinguished from TRAINING, cross training refers to the instruction of employees in know ledge, skills, and abilities outside those required

by the positions for which they were explicitly or initially hired (Schneider, 1976; Cascio, 1986).

From the organization's perspective, cross training is implemented to increase flexibility in staffing positions, to prevent workers' obsolescence or CAREER PLATEAU, and to make work teams more autonomous and self sufficient. From the individual's perspective, cross training is undertaken to acquire addi tional skills and abilities necessary for PROMO TION or pay raises, to enhance his or her contributions to current work groups, and to increase external marketability. Increasingly, cross training is being utilized to create and sus tain semi autonomous or self managing teams (Hackman and Oldham, 1980).

The introduction of cross training usually takes place in three stages:

1   analysis of the job demands required by other positions and employees' current levels of abilities;
2   implementation of the training itself through a variety of methods (e.g., lectures, demon strations, and vestibule training; *see* LEC TURE METHOD; VESTIBULE TRAINING METHOD); and
3   evaluation of the effectiveness of the training (as measured by employee reactions to the training and measures of employee learning and performance) (Wexley and Latham, 1981).

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cross-validation

James S. Phillips

Cross validation is the process of estimating the expected CRITERION RELATED VALIDITY of

a battery of selection tests in a sample other than the one in which the original validities were estimated. When regression analysis is used to estimate test validity, regression weights are cal culated to represent the optimal relationship be tween the selection tests and some measure of JOB PERFORMANCE. Due to measurement error, however, their accuracy will generally be less when they are applied to a new sample. This reduction in accuracy is called "shrinkage," and it is important to know how much shrinkage to expect before using the tests in actual selection decisions (Gatewood and Feild, 1994: 232).

Two major approaches to cross validation exist. One method splits the validation sample into two smaller subsamples. The first of these subsamples (called a derivation subsample) is used to calculate the validity coefficients. The second sample (called a holdout subsample) is then used to estimate shrinkage (Murphy, 1983).

An alternative strategy to cross validation is to use the entire available sample for estimating predictors' validities, and then estimate the likely shrinkage by using formula estimation techniques. Such formulae provide mathemat ical estimates of expected validities if a predic tion equation was cross validated in an infinite number of new samples (Schneider and Schmitt, 1986: 205). In comparison to sample splitting methods, these formula estimation techniques are generally well accepted as the preferred ap proach to cross validation, since regression weights are based on larger sample sizes, and thus overcome many measurement error prob lems associated with smaller samples.

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cultural literacy

Mark E. Mendenhall

Cultural literacy is the expert knowledge of both surface and core cultural values, norms, mores, traditions, and operating procedures of a culture. Empirical research in the field shows that expatriates serving in an EXPATRI ATE ASSIGNMENT must increase their cultural literacy in order to be successful in these assign ments.

Cultural literacy involves more than knowing, for example, when and how to bow in Japan when greeting a client. An expatriate who is culturally literate understands why that tradition exists, and understands the deeper core cultural values to which that tradition is linked. When expatriates do not possess high levels of cultural literacy they naturally operate from their per sonal views regarding what is and what is not appropriate behavior across various life situ ations in the foreign culture. One's personal views are obviously only workable as guides to behavior in one's culture of birth. Thus, apply ing personal views as guides to one's behavior while overseas invariably leads expatriates into troubling, embarrassing, and sometimes danger ous incidents in the foreign culture.

Cultural literacy enables an expatriate to understand the reasons behind the behavior he or she encounters overseas, and this understand ing enables the expatriate to avoid stereotyping, racial prejudice, and other forms of inappropri ate behavior while living and working in a for eign culture. Living and working in a foreign culture requires the expatriate to learn a new mental framework, one that can guide the ex patriate in choosing culturally correct behaviors in the foreign culture. The acquisition of cul tural literacy requires significant amounts of effort by the expatriate. Companies often try to assist in this task by offering cross cultural training programs and other types of training (*see* TRAINING).

See also *preparation for an international work assignment*

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custom and practice

Annette Cox

Custom and practice refers to norms of work place behavior developed over time without explicit discussion or agreement which deviate from organizations' official (written) rules or procedures. Examples include leaving work early the day before a statutory public holiday or using shortcuts in making a product or delivering a service. Problems usually occur when managers try either to reinforce the original rules or change them completely, which can create employee perceptions that they are adversely affected and lead to hostility and resistance. Depending on national employment law, custom and practice can sometimes form part of an employee's implied contract terms.

customer-oriented human resource management

Dave Ulrich

Most human resource (HR) practices are created to affect the behavior of employees within a firm. For example, hiring practices are created to improve the competence of employees. Customer oriented human resource management (HRM) goes a step beyond by shifting the focus from the firm to the value chain.

From Firm to Value chain

A value chain defines the supplier–firm–customer relationship. In a retail store, the value chain would be the producer, the retailer, and the buyer. For example, Whirlpool produces washing machines, Sears sells them, and cus tomers buy them. Every firm may be conceived as a series of value chain relationships. When HR practices focus on the value chain, they remove boundaries between the firm and its suppliers and customers (Ashkenas et al., 1995). The purpose of using HR practices across the value chain is to create a common mindset or culture between firms and customers. An indus try culture creates commitment across firms and increases shared interests (Ulrich, 1989).

Two maxims capture the shift toward cus tomer oriented HR. First, HR is shifting from the assumption that people are our most import ant asset to the assumption that people are our customers' most important asset. The shift focuses on how customers think about and use people. Second, HR is shifting from believing that we want to be the employer of choice to believing that we want to be the employer of choice of employees our customers would choose. Again, through the focus on customers, HR practices are used across the value chain.

Examples of Customer-Oriented HRM

Many companies involve customers in HR prac tices. When Southwest Airlines hires flight attendants, it includes customers in the inter viewing process. A customer panel screens and interviews potential candidates. At General Electric (GE), many training programs (*see* TRAINING) are focused on bridging boundaries between GE and customers and suppliers. Much of the GE training program is targeted to teams that work on projects requiring customer in volvement. Frito Lay has included customers in its job orientation, asking new employees to spend time in stores getting oriented to the job requirements. When Motorola reengineered its HR processes, it included customers and sup pliers on the reengineering teams. Coopers and Lybrand has created a program called Nexus in which account teams and customers are trained to identify and share common interests.

In each of these cases, HR practices were used to build organizations that focused on and served external customers. When employee focused HR practices shift to customer focused HR practices, both employees and customers win. Employees win by seeing how their work adds value to customers, by being able to quickly change their work to meet customer needs, and

by feeling more intimately tied to customer expectations. Customers win by having employees in supplier firms who become customer resources, by having suppliers who are dedicated to their needs, and by being able to reduce the cycle time to make changes in how work is done.

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customer service training

David E. Bowen

Firms that excel at delivering service quality (e.g., Disney, Federal Express, L. L. Bean) invest more time and money in TRAINING than their counterparts with lesser service reputations. The importance of training in achieving superior customer service is likely only to increase because of two trends:

1   customers' expectations of service continue to rise; and
2   demographics indicate that the numbers of new applicants who can provide high levels of service quality, particularly in the 18–25 years age bracket, will not meet expected demand.

Firms, therefore, will have to take the best available of these limited applicants and train them.

There are two approaches to customer service training (Schneider and Bowen, 1995). *Informal* training deals with learning about the organization and the culture more than about the job. Much of this learning takes place informally, primarily among coworkers. Therefore, it is important for firms to manage which coworkers spend time with new employees (*see* ON THE JOB TRAINING). *Formal* training has to do with learning important job skills and often happens in the classroom. Organization sponsored training increases employees' *motivation* to serve (because they know the organization takes

service seriously) and their *ability* to serve (because they learn service relevant skills).

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cutoff score

George M. Alliger and Gwen Coats

Cutoff (or "critical" or "passing") scores represent minimum acceptable standards on employment, licensing, certification, or academic tests. Scores below the cutoff indicate unacceptable performance, except in the case of multiple cutoffs, when each cutoff represents a distinct level of performance.

Cutoff scores are typically calculated from both empirical data and some form of judgment. The fact that subjectivity plays a role does not represent a legal problem as long as the method used is rational, systematic, and documented (Society for Industrial and Organizational Psychology, 1987). While adverse impact for different gender, ethnic, and age groups generated by cutoff scores is a concern (Cascio, Alexander, and Barrett, 1988), court rulings indicate that the standard to be met is equal treatment, not equal results. The setting of separate cutoffs by race, color, religion, sex, or national origin is prohibited by the CIVIL RIGHTS ACT OF 1991.

TYPES

After Berk (1986), the procedures used to develop cutoff scores can be classified into three major categories: judgmental, judgmental empirical, and empirical judgmental. There are many variants within each category. Unfortunately, different methods may yield different cutoff scores. Recent research, however, has demonstrated some convergence among methods (see Woehr, Arthur, and Fehrmann, 1991).

Judgmental.   Included here are the Angoff, the Nedelsky, and the Ebel methods and variants of these (see Cascio et al., 1988). In the Angoff method, subject matter experts (SMEs) are asked to rate each test item in terms of the

probability that a minimally competent (but nonetheless competent) individual could answer the item correctly. The mean for all judges is computed for each item, and the cutoff score is then simply the mean of all item means. The other SME methods are more complicated, for the judges are also asked to either rate item importance (Nedelsky method) or identify in correct item alternatives prior to providing prob ability ratings (Ebel method). These methods are popular and relatively easy, and can be com pleted prior to the collection of any test data. However, they are sensitive to method of imple mentation (e.g., whether test answers as well as questions are provided to SMEs; Hudson and Campion, 1994).

Judgmental empirical.   Here, expert judgments are augmented by empirical data. Very often, some kind of iterative rating is used (e.g., experts rate item probabilities, are shown actual item difficulties computed from pilot data, and are permitted to revise probability estimates). Under this heading we can also place norm ref erenced models, where cutoff scores are based on an examination of the test score distribution alone or including other information. One may simply establish a cutoff score deemed to be appropriate given the distribution (e.g., one standard devi ation above the mean). Thorndike's method of predictive yield also integrates projected person nel needs, proportion of offers accepted, and distribution of test scores to establish a cutoff score which will make available the required number of new hires. Or issues like adverse impact, selection ratio, and recruiting cost in formation can be combined to set a cutoff score which optimizes utility (Martin and Raju, 1992).

Empirical judgmental.   These methods include the contrasting groups method, where high and low performers are identified on some criterion (e.g., job ratings). Members in both groups take the test, and the score that best discriminates between the two groups becomes the cutoff score (unless either false positives or false nega tives are undesirable, in which case the cutoff score is set to achieve one of these ends). The borderline method also fits under this category. In this method, minimally competent job per formers are identified, and the mean or median score of these individuals on the test in question is the cutoff score. The judgmental element in these and similar methods lies in how the rele vant individuals or groups are initially identified.

SELECTION ABOVE THE CUTOFF: RANKING VERSUS BANDING

The selection of individuals above a cutoff score can occur in a variety of ways. It may be a simple pass–fail decision. Individuals may also be rank ordered by their score on the examination with selection taking place in some form of top down procedure. In band scoring, multiple cutoff scores are set and individuals within each band (bounded by the cutoff scores) can be selected at random. After all the candidates in the highest scoring band have been selected, the process then shifts to the next lowest band, so that all individuals in that band are eligible.

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D

Davis-Bacon Act of 1931

Charles H. Fay

Under this prevailing wage law, any employer with a federal government construction contract in excess of US$2,000 must pay wages to labor ers and mechanics found to be prevailing locally (as determined by the Department of Labor). The employer must in any case pay at least minimum wages under the FAIR LABOR STANDARDS ACT OF 1938.

The impact of the Davis Bacon Act (as is the case with the Services Contract Act and the WALSH HEALY ACT OF 1936) is that em ployers pay local union rates. Davis Bacon is estimated to add $4.245 billion to government construction costs over the FY2001–FY2005 (General Accounting Office, 2000: 278).

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decertification elections

Charles R. Greer

Just as employees may vote in union representa tion elections to determine whether they will be represented by a union, they can also vote in decertification elections to determine whether a union shall continue to be their bargaining agent.

As with REPRESENTATION ELECTIONS, the NATIONAL LABOR RELATIONS BOARD (NLRB) will order a decertification election if petitioned by at least 30 percent of employees eligible to participate in an election. In a manner similar to representation elections, the conduct of employers during the period prior to a decertifi cation election is carefully regulated. Employers cannot petition the NLRB for a decertification election, except under unusual circumstances, and they are prohibited from conducting cam paigns for the purpose of persuading employees to petition the NLRB for decertification elec tions (Cibon and Castagnera, 1993).

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defamation waivers

Kelly A. Vaverek

Defamation waivers are a form of WAIVER that prevent an individual from suing an employer who provides a defamatory employment recom mendation. A defamatory statement is one "suf ficient to lower the (individual) in the estimation of the community or to deter third parties from associating or dealing with (him)" (American Law Institute, 1965: section 559). While the truth of the statement is a complete defense to defamation, some employers have adopted a "no comment" policy or merely confirm dates and location of employment for REFERENCE CHECKS rather than risk a lawsuit. Others use defamation waivers to insulate themselves from liability.

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derailing

Thomas H. Stone

Derailing occurs when employees or managers are thrown off their expected CAREER PATHING by either their own behaviors or external events. Derailment may take the form of plateauing early (*see* CAREER PLATEAU), being demoted, or being terminated. Derailment does not refer to: persons who, having reached their career potential ("topping out"), "drop or opt out"; promotable employees with no place to go; or those who fail to win a PROMOTION every time one is available. Persons who are derailed have typically experienced at least moderate CAREER SUCCESS prior to derailment. McCall, Lombardo, and Morrison (1988: 168–9) have identified ten factors associated with derailing of successful executives:

1 insensitivity to others (abrasive or bullying style), the most frequent cause for derailment;
2 failing to meet organizational performance problems;
3 cold, aloof, and arrogant interpersonal style;
4 betrayal of trust;
5 overmanaging and failing to build a team;
6 too ambitious and playing politics;
7 failing to staff effectively, picking people who fail;
8 inability to think strategically;
9 failure to adapt to a boss with a different style; and
10 overdependence on a mentor or advocate.

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deskilling

Hadyn Bennett

Deskilling refers to the process whereby jobs are reduced to narrowly defined and repetitive processes in pursuit of efficiency and PRODUCTIVITY gains. However, such specialization based on the principles of scientific management fails to meet the psychological needs of employees (Capelli and Rogovsky, 1994), and militates against employee satisfaction, organizational and labor force flexibility, and employee development, while creating both employee and customer alienation (Drummond, 1992). The business environment facing most industries in recent years has created increasing pressures for organizational flexibility and creativity, conditions in which the use of deskilling in pursuit of efficiency gains can be seen as being increasingly questionable.

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developing globally competent executives/ managers

Helen L. De Cieri and Peter J. Dowling

The development of globally competent managers refers to organizational strategies and programs which equip managers with the flexibility on an organizational and sociocultural level to operate across national boundaries (*see* EXPATRIATE ASSIGNMENT).

Both formal and informal training and development programs to prepare expatriate managers for global competence may include: cross cultural training, language training, discussions with managers with international experience, provision of audiovisual materials, preliminary site visits, MENTORING PROGRAMS, and SUCCESSION PLANNING (Feldman and Thomas, 1992). Many multinational enterprises have increased the scope and scale of their training and

development programs, incorporating efforts to enhance communication skills and sharing of corporate values. These programs may be linked to the use of multicultural teams. The ability to work effectively in teams is often seen as vital for the development of organization wide, cross national effectiveness.

Several authors have proposed models of training and development for expatriate managers, focusing to some extent on cross cultural training (see Mendenhall, Punnett, and Ricks, 1995). A common recommendation is that the level of rigor and time spent in training should be contingent upon factors such as the task, environment, individual, length of stay, level of integration into local culture, and cultural distance between home and host cultures (*see* CULTURAL LITERACY). Cross cultural training has been suggested to have a positive relationship with the development of appropriate perceptions relative to members of another culture. Cross cultural training has also been positively correlated with cross cultural skills development, expatriate adjustment and performance (Black, Gregersen, and Mendenhall, 1992). In addition, when management development is integrated with business strategy and STAFFING approaches, it can become a tool for organizational development (Evans, 1992).

Transnational enterprises (those organizations able to achieve an effective balance of global integration and local responsiveness) rely to some degree on globally competent managers. Adler and Bartholomew (1992) discuss the management competencies required in transnational enterprises. These competencies include the need for managers to understand the business environment from a global, not parochial, perspective. This is facilitated by learning about foreign countries' cultures, norms, and approaches to business, often through undertaking training programs and by working in multicultural teams. Further, managers will be required to adapt to living in other cultures, using cross cultural skills on a daily basis. Overall, the variety, frequency, and nature of cross cultural interactions are quite complex. For globally competent managers to develop in a transnational organization, requirements of the human resource management (HRM) approach include the capacity to cover a worldwide scope, a multinational senior management team, and the ability to include representatives and ideas from many cultures in strategic planning and decision making processes.

Overall, a key objective for many multinational enterprises is to develop a global cadre of expatriate managers (Welch, 1994). While the "universal manager" myth may have lost some credibility, the "universal management team" seems to have gained in popularity. Empirical research into the development of globally competent managers, although in its infancy, is exhibiting significant growth.

See also *preparation for an international work assignment*

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Dictionary of Occupational Titles

Michael T. Brannick and Edward L. Levine

The Dictionary of Occupational Titles (DOT) is a comprehensive listing of brief job descriptions for thousands of jobs in the US economy, and is compiled by the US Department of Labor. The DOT contains not only narrative descriptions, but also a classification system based on the work performed and worker involvement with data, people, and things. Information derived from the DOT may be used for broad social purposes, such as job placement and vocational guidance (Droege, 1988). The DOT

is currently under revision. The revised DOT is expected to depart from earlier versions in at least two ways:

1 the newer version will be published as an electronic database that can be searched several ways through computers; and
2 the taxonomic descriptions applied to job and worker attributes will be much more comprehensive.

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differential validity

Larry James

A very narrow definition of differential validity is that the validity coefficient for one group differs significantly from the validity coefficient for another group. A broader, and a more robust, definition of differential validity takes into account differences in the respective prediction equations. In this case, differential validity refers to the possibility that different prediction equations can be generated for different subgroups of a population, as defined by factors such as race, sex, ethnic group, or religion. Slopes of the regression lines, intercepts, and standard errors of estimate are all considered under the umbrella of different prediction equations.

To determine if differential validity exists between groups, one must initially generate separate prediction equations for each group (e.g., separate regression equations for black versus white applicants). Evidence for differential validity exists in the narrow case if the slopes of the regression lines differ significantly between the groups. In the broader case, tests of significance are also conducted on intercepts and standard errors of estimate. When significant differences are found for any of these factors, it suggests that information from the predictor should not be interpreted without considering subgroup membership.

When evidence of differential validity exists, a score on the predictor is related to a different score on the criterion, depending on group membership. In this case, the same desired criterion score will require a different predictor CUTOFF SCORE when selection is from different subgroups. For example, if a selection test displays evidence of differential validity between males and females, different test score cutoff points would be needed to provide the same level of predicted criterion performance. A regression line derived from a combined sample of males and females using this test would systematically overpredict future performance for one group and underpredict performance for the other group (*see* TEST FAIRNESS).

Differential validity is often considered in examination for test bias. However, the bias or fairness of a test is often determined by more than a differential validity analysis. For example, different social and political circumstances may underlie a claim that a test is not fair even if there is no evidence of differential validity for the test.

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disclaimer

Kelly A. Vaverek

A disclaimer is the "disavowal, denial, or renunciation of an interest, right, or property imputed to a person or alleged to be his" (Black's Law Dictionary, 1990: 464). Employers often use a disclaimer in employee handbooks to avoid interpretation of the handbook as an employment contract; for example, "This handbook does not constitute an express or implied contract" (*see* EMPLOYEE HANDBOOK). Courts differ in their enforcement of the disclaimer. Some courts have ruled that the disclaimer absolves the employer from fulfilling the promises made in a handbook. Others conclude that a general disclaimer is not enough to negate the specific promises.

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crimination protect the current employees of an employer, that particular employment relationship is not necessary to a finding of illegal employment related discrimination. The prohibitions placed on employers have been found to flow to applicants, to former employees, and to other individuals (e.g., contract workers who are determined not to be employees) as well.

discrimination

Ramona L. Paetzold

As applied to employment situations, discrimination refers to behavior that has the purpose or effect of harming some individuals by virtue of their membership in a protected class. The term "discrimination" therefore legally encompasses a wide range of attitudes, conducts, and processes that produce differential results without appropriate justification. Prohibitions against employment discrimination can exist at all government levels; however, the major antidiscrimination legislation exists at the federal level and applies to both public and private employers. Examples include the CIVIL RIGHTS ACT OF 1964, the AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, and the AMERICANS WITH DISABILITIES ACT OF 1990. Federal legislation allows state and local governments to expand protections against employment discrimination, so that some regions of the country have defined additional protected classes (e.g., marital status, appearance, SEXUAL ORIENTATION).

In general, antidiscrimination law identifies the four models of discrimination: the DISPARATE TREATMENT model, the DISPARATE IMPACT model, the reasonable accommodation model, and the hostile environment model. These models are not so much theories of discrimination as they are models of organizing evidence to prove discrimination – they identify what courts will recognize as illegal discrimination. The models can be used to prove discrimination in virtually any aspect of the employment relationship, such as hiring, firing, PROMOTION, TRAINING, COMPENSATION and BENEFITS, or working conditions. Although all prohibitions against employment related dis

disparate impact

Ramona L. Paetzold

The disparate or adverse impact model of DISCRIMINATION describes situations in which an employer uses a criterion, mechanism, or practice that works to the disadvantage of members of a protected group and fails to further sufficiently important interests of the employer. The key inquiries or elements under the disparate impact model include: (a) is there a facially neutral criterion, mechanism, or practice that the employer uses, (b) that tends to disproportionately exclude members of a protected group from consideration for a particular job? If so, then (c) is an individual's ability to satisfy the criterion, mechanism, or practice closely related to that individual's ability to perform the job in question? Intent is not a required element of the disparate impact model.

The plaintiff bears the burden of proving elements (a) and (b) (*see* BURDEN OF PROOF). He or she must identify a specific neutral employment practice and demonstrate, typically through statistical evidence, that the practice has an adverse impact on his or her protected group. Once these elements are established, the defense will lose unless it can prove (burden of persuasion) the second element, that the employment practice is job related or meets BUSINESS NECESSITY guidelines.

Statistical evidence is almost essential to the showing of a group based impact. Traditionally, this evidence has taken the form of selection rates satisfying the four fifths rule, but more recently, statistically significant differences in selection rates may be required. An employer may not refute statistical evidence by showing that there is no impact on the bottom line (i.e.,

over the whole process, such as over all of selection).

See also *Civil Rights Act of 1964; disparate treatment; job relatedness*

disparate treatment

Ramona L. Paetzold

The disparate treatment model focuses on the intentions of employers in making employment related decisions. Thus, DISCRIMINATION is proven under this model by showing that employers acted with discriminatory intent. The requisite intent can be overt or subtle, but it is not required to reach a level of animosity or ill will. Intent, for disparate treatment purposes, means that the employer took the plaintiff's protected class membership into account when making the employment decision that is being challenged. Thus, the plaintiff's initial BURDEN OF PROOF is to demonstrate that his or her protected class is a plausible reason for the differential treatment that occurred. Plaintiffs usually do this through anecdotal or comparative evidence (individual model of disparate treatment), or through statistical analysis of the employer's conduct (systemic model of disparate treatment; *see* PATTERN OR PRACTICE CASES). The defendant will lose at this point unless it can refute (burden of production) the plaintiff's showing. In the individual model, the defendant need only articulate a legitimate, non discriminatory reason for the treatment. In the systemic model, the defendant often produces its own statistical evidence. The ultimate burden of persuasion remains with the plaintiff throughout the trial, so that it is the plaintiff who must ultimately convince the factfinder that illegal discrimination has occurred.

One additional variant of disparate treatment, the mixed motives model (*see* PRICE WATER HOUSE V. HOPKINS), arises when the issue of causation of the differential treatment is unclear. The central inquiry focuses on whether the employer's decision would have been different if it had not taken the plaintiff's group membership into account (*see* CIVIL RIGHTS ACT OF 1964).

distance learning

J. Kevin Ford and Deidre Wasson

To accommodate rapidly changing instructional needs, organizations are adopting distance learning as an affordable, low time expense, learner tailored, effective alternative to live instruction (Hannafin and Hannafin, 1995). Distance learning is characterized by a physical separation between learners themselves and facilitators, where communication between all parties can be made via television, telephone, computer, and/or radio. The majority of instruction is provided by prepackaged learning resources or course ware (Goodyear, 1995). The success of distance learning is due to high levels of interactions among peers and instructors. Peer support and instructor help is available to the learner either immediately, through the telephone, or with a slight delay, through fax or email systems.

See also *training*

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distributional effects in performance appraisal

Angelo S. DeNisi

Distributional effects in PERFORMANCE AP PRAISAL have traditionally referred to effects that influence the distribution of a set of ratings. Specifically, these effects, which include LENI ENCY EFFECTS and CENTRAL TENDENCY EF FECTS, were viewed as causing distributions of ratings to deviate from a "true" underlying normal distribution. Distributional effects were often seen as proxies for rating accuracy, and were the focus of various interventions over the years, including the development of alternative ratings scale formats and rater training programs, though there was not even total agreement on how these

effects should be assessed (see Saal, Downey, and Lahey, 1980).

It has become clear, however, that there is no basis for assuming that the true distribution of ratings in a group is normal, and so there is no basis for assuming that any deviations from a normal distribution reflect rating inaccuracy or even rating errors. This has led some scholars to suggest that we simply abandon any considera tion of these indices as criterion variables in performance appraisal research since they are not reasonable proxies for rating accuracy. Others, while agreeing that these indices are not good proxies for accuracy, and should not, therefore, be considered as errors, have instead proposed a different use of distributional effects as criterion measures in appraisal research con ducted in field settings.

Specifically, DeNisi and Peters (1991, 1992) have suggested that indices of these effects, as well as indices of HALO EFFECTS, all provide important information about the distribution of ratings, both within and between ratees. Al though they should not be considered errors or proxies of accuracy, DeNisi and Peters argue that they can provide important information in field settings where measures of rating accuracy are usually not available. As such, they have suggested renaming these indices "elevation in dices" (which would be similar to leniency effects), "within ratee discriminability indices" (which would be similar to halo effects), and "between ratee discriminability indices" (which would include information about central tendency as well as the overall distribution of ratings). These indices would then provide in formation about the extent to which raters could provide information about relative strengths and weaknesses for ratees (see Murphy, 1991, for a discussion of behavioral accuracy), as well as the extent to which raters could differentiate among ratees for allocating MERIT PAY and other rewards (see Kane et al., 1995).

Thus, distributional indices may provide in formation about the limitations to the usefulness of a set of ratings obtained in the field. Further more, these authors, and others (see Dickinson, 1993), have suggested that indices of rating dis tribution might be related to ratees' perceptions of the fairness of the appraisal system and the ability of the raters to defend their ratings and decisions. Such reactions may well be more im portant to organizations interested in using ap praisals to improve performance on the job than are measures of rating accuracy (Ilgen, 1993), and information about distributions of ratings (and halo) may be quite important as determin ants of these reactions. Although further re search is clearly needed before this proposed role can be considered seriously, this does repre sent a new direction for research on distribu tional effects in performance appraisal.

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distributive bargaining

Paul Jarley

Distributive bargaining refers to situations where the parties view their interests as irrecon cilable and see little opportunity for a settlement that will yield joint gain. Distributive bargaining is often contrasted with INTEGRATIVE BAR GAINING, but elements of both may be present in any negotiation.

The Character of Distributive Bargaining

Distributive bargaining emphasizes bargaining positions, is adversarial, and creates winners and losers. Central to distributive bargaining is the notion of a contract zone. The size of the contract zone is defined by the parties' resistance points. A resistance point is the least desirable position a party is willing to accept to achieve an agreement. Where the parties' resistance points overlap, settlement is possible since each party can make an offer that exceeds the other's minimum acceptable position. The greater the overlap in the parties' resistance points, the greater the range of potential settlements. Agreement is achieved through a series of offers and counter offers that lead to convergence in the parties' positions. The winner is the party that achieves a settlement that is closer to the opponent's resistance point than its own.

Distributive Bargaining Strategies

Negotiators attempt to discover their opponent's resistance point while concealing their own. Each negotiator applies a combination of persuasive and coercive tactics to induce movement in the opponent's position. Concessions must be made in a manner that gives the impression that the party's new position reflects its true resistance point. Common tactics include commitment, deception, information manipulation, and threats (see NEGOTIATION TACTICS).

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distributive justice

Robert Folger

Distributive justice refers to the *perceived fairness* of amounts received from resource allocation decisions (e.g., whether employees' salary increases are considered fair). Judgments of fairness vary depending on which norm of distributive justice is applied: equity, equality, need, or others.

Equity theory (Adams, 1965) applies readily to distributive justice in the workplace. Equity calls for correspondence between outcomes (e.g., wages) and the performance related inputs of employees (e.g., PRODUCTIVITY). With equivalent outcome–input ratios across workers, pay, for example, would be considered equitable. Equity, however, is ''in the eye of the beholder'' – perceptions determine the assumed sizes of outcomes and inputs, which outcomes and inputs seem relevant, and the choice of which outcome–input ratio to use for comparison (e.g., one coworker versus another, or a national industry wide average versus the average in all local businesses). The equality norm says that each person should be treated the same; therefore, each person would receive the same outcome. The need norm argues that each person is treated differently depending on need. Those with greater needs would receive greater outcomes.

Lack of distributive justice (e.g., perceived underpay) can provoke a number of responses, including poor work quantity or quality, ABSENTEEISM, EMPLOYEE TURNOVER, employee theft, and sabotage. In general, reactions to undesirable events, such as distributive injustice, produce numerous unpredictable coping responses.

People can rationalize being underpaid, for example, by exaggerating (cognitively distorting) perceived intrinsic benefits such as fun in performing a task (i.e., task enhancement effects). These ''bad pay, but enjoyable work!'' effects tend to result from PROCEDURAL JUSTICE, i.e., when outcomes come from fair decision making methods. When unfair outcomes come from *unfair* procedures, employees more often show resentment, retaliation, and lower quantity and/or quality of performance (see Folger, Rosenfield, and Hays, 1978).

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diversity

Susan E. Jackson

The term diversity is used to recognize the fact
that any organization's workforce includes
people from many different backgrounds. "Di
versity'' does not exist at the individual level;
differences among the people who comprise a
team, department, or organization create diver
sity (see Jackson, May, and Whitney, 1995, for
an extended discussion).

Types of Diversity

Gender diversity is increasingly apparent
throughout the world. Not only are more
women working, but gender based occupational
segregation is declining in many countries, so
within corporations men and women are more
likely to be found working side by side. Age
diversity is increasing too. Many industrialized
countries are experiencing declining rates of
population growth, which push employers to
hire both more youth and more older employees.
Furthermore, as organizations allow the higher
education of younger employees to substitute for
the job experiences that previous cohorts of em
ployees had to accrue in order to be promoted,
relatively young employees are found more often
in higher level jobs. Consequently, age diversity
is replacing the homogeneity associated with
traditional age based stratification.

Throughout much of the world, ethnic and
cultural diversity is increasingly important to
businesses. For example, as the 1980s drew to a
close, the US Department of Labor projected
that 22 percent of new entrants into the labor
force would be immigrants and that an ad
ditional 20 percent would be ethnic minorities

(Johnston and Packer, 1987). In many European
countries, ethnic and cultural diversity is in
creasing owing in part to the consolidation of
economic markets and related changes in immi
gration and employment policies. Finally, the
need to manage cultural diversity effectively be
comes apparent to corporations as they expand
their operations into foreign countries.

Managing Diversity

The phrase managing diversity is used as a broad
umbrella term to refer to management practices
intended to improve the effectiveness with
which organizations utilize the diverse range of
available human resources. Programs designed
to actively manage diversity recognize that di
versity can have many consequences, including
some that are positive and some that are nega
tive. For example, knowledge based diversity
can improve the quality and creativity of a
group's decision making processes. On the
other hand, demographic diversity appears to
increase the amount of EMPLOYEE TURNOVER
– presumably because it causes interpersonal
conflict and interferes with communications
(for reviews, see Cox, 1993; Triandis, Kurowski,
and Gelfand, 1994; Jackson and Ruderman,
1996). The challenge is to manage diversity in
ways that maximize the positive consequences
and minimize the negative consequences.

Because there are many types of diversity and
many possible consequences of diversity, no
single program or set of practices can be used
to manage diversity effectively. Reaping the
benefits of diversity often requires investing
substantial time and effort to create large scale
organizational change. The components of such
a change effort can affect many aspects of human
resource management, but the activities most
likely to be affected are training and develop
ment (*see* TRAINING), career planning, per
formance measurement, COMPENSATION, and
BENEFITS (for detailed descriptions of what US
organizations are doing, see Morrison, 1992;
Cox, 1993; Jackson, 1993; Cross et al., 1994).

Education and training may be offered in an
effort to increase cultural sensitivity, reduce
stereotyping, and develop interpersonal skills
for working in multicultural environments.
Among the many possible career planning activ
ities that may be changed, the introduction of

MENTORING PROGRAMS, which can help to insure that employees from all backgrounds have access to informal networks, may be one of the most beneficial. Sound performance measurement practices can improve an organiza tion's ability to fully utilize a diverse workforce by reducing bias, insuring that all employees receive feedback and coaching, regardless of their personal backgrounds. In addition, 360 DEGREE APPRAISALS can be used to identify whether employees are perceived as equally ef fective, regardless of whether they are similar or different to the raters. To communicate how serious they are about the importance of man aging diversity effectively, some organizations link pay raises and BONUSES to a manager's demonstrated effectiveness in this area. Regarding benefits, the area most affected is family centered benefits, which may be expanded in recognition of the diversity of family situations faced by employees. Finally, nontraditional work arrangements such as FLEXIBLE WORKPLACE/TELECOMMUTING are additional practices that organizations use in their effort to effectively manage diversity.

Ultimately, the best approach to managing diversity will depend on the specific types of diversity present in an organization and the types of outcomes of most concern to the organ ization. Therefore, those who wish to improve the ability of an organization to manage diversity effectively must be willing to develop a compre hensive understanding of the issue, design inter ventions that fit the situation, carefully monitor the many potential consequences, and learn throughout the process.

See also *strategic issues in diversity; workforce demographics*

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downsizing

Wayne F. Cascio

Downsizing refers to the planned elimination of positions or jobs. While there are as many pos itions as there are employees, jobs are groups of positions that are significant in their significant duties – such as nurses, computer programmers, or financial analysts. Downsizing may occur by the reduction of work (not just employees), as well as the elimination of functions, hierarchical levels, or units of an organization. It may also occur by the implementation of cost contain ment strategies that streamline activities such as transaction processing, information systems, or authorization procedures.

Downsizing does not include the discharge of individuals for cause, or individual departures via normal retirement or resignations. The word "normal" is important in this context. Voluntary severance and early retirement packages are commonly used to reduce the size of the work force, especially among firms with traditional "no layoff" policies. Even if targeted workers are considered "redundant," "excessed," or "transitioned," the result is the same – em ployees are shown the door – but it is called something else (Cascio, 1993, 2002a).

Downsizing is often a reactive response to organizational decline (Cameron, Sutton, and Whetten, 1988), although it may also be a

proactive measure taken by organizations that perceive future competitive threats. For example, many banks are downsizing proactively because they perceive threats to their competitive position in the marketplace as a result of further deregulation of their industry and resulting competition from a host of other providers of financial services, including insurance companies and brokerage firms.

Regardless of cause, however, downsizing is less an analytical concept than a descriptive term that lacks a body of theory associated with it. It has been examined in hundreds of articles from a number of perspectives in academic journals, books, and the popular press. Some of these perspectives are: organizational symptoms and consequences (e.g., DeWitt, 1998); strategic management of downsizing processes (e.g., Kozlowski et al., 1993); impact of downsizing on organizational survivors (e.g., Noer, 1994; Mishra and Spreitzer, 1998), as well as on those who leave (e.g., Cappelli, 1992); legal issues in downsizing; downsizing issues in countries other than the US (e.g., Vollmann and Brazas, 1993; Winestock, 2002); and the financial and economic consequences of downsizing (e.g., Cascio and Young, 2003).

Conditions that precipitate downsizing, or related types of organizational changes, may be internal (excessive overhead costs, labor displacing new technology) or external (economic recession, global competition, deregulation, industry consolidation). One or more of these conditions leads to a strategic decision to change the organization (e.g., by downsizing, delayering, restructuring, or reengineering). To implement the strategy, decision makers initiate a set of processes. Depending on the strategy in question, such processes may include one or a combination of the following: reducing the number of employees, flattening the hierarchy of the organization, selling off assets, or eliminating activities that do not add value. Such actions lead to a series of outcomes: organizational, psychological, and financial.

- Organizational outcomes include, for example, changing spans of control, outsourcing activities or functions, redesigning management jobs, empowering lower level employees (often forming self managed work teams; *see* EMPLOYEE EMPOWERMENT), and changing REWARD SYSTEMS.
- Psychological outcomes include alterations in the PSYCHOLOGICAL CONTRACT that binds workers to their employers (Lester et al., 2003) and changes in commitment, motivation, and career orientation.
- Finally, financial outcomes include changes in the financial performance of the organization. Financial performance includes variables such as changes in cost structure, changes in sales, profits, earnings, and returns on common stock.

THE LURE OF DOWNSIZING

To achieve the organizational and financial outcomes described above, many executives see downsizing as a compelling strategy. It is compelling because only two ways exist for companies to become more profitable: either increase revenues or cut costs. Further, most observers would agree that future costs are more predictable than future revenues. Human resources represent costs, so, logically, to become more profitable, costs are lowered by decreasing the number of employees.

CONSEQUENCES OF DOWNSIZING

Many myths surround the practice of downsizing, but facts show a different picture. Mounting evidence suggests that, when it is used as a "quick fix" to reduce the costs of doing business, the cutting of large numbers of employees over a relatively short period of time will produce little long term reduction. In fact, it may even *increase* costs. Here are some facts about downsizing practices (Cascio, 2002b):

1 profitability does not necessarily follow downsizing;
2 PRODUCTIVITY results after downsizing are mixed;
3 for most employers, downsizing employees does not lead to long term improvements in the quality of products or services;
4 downsizing continues long after economic recession is over;
5 financially sound companies, some with record profits, are downsizing;

6   the best predictor of whether a company will downsize in a given year is whether it has downsized in the previous year;

7   in knowledge or relationship based busi nesses, the most serious cost is the loss of employee contacts, business forgone, and lack of innovation;

8   for the majority of companies, downsizing has had adverse effects on workload, morale, and employee commitment;

9   for those who lose their jobs, downward mobility is the rule rather than the excep tion; and

10   stress related medical disorders are as likely for those laid off as they are for those who remain.

In light of these findings, a number of organiza tions are rethinking the basic philosophy of downsizing. Instead of asking, "What is the irre ducible core number of people we need to run our business?" (a downsizing philosophy), some are raising a different question, namely, "How can we change the way we do business, so that we can use the people we do have most effectively?" This is a philosophy of responsible restructuring in which companies rely on their workers to provide sustained competitive advantage.

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drug testing

Joseph G. Rosse

Drug testing refers to a variety of techniques used to determine if employees or job applicants are likely to use drugs. Drug tests may be used to decide who is hired, terminated, or referred to EMPLOYEE ASSISTANCE PROGRAMS.

TYPES OF DRUG-TESTING PROCEDURES

Drugs are metabolized into byproducts that can be detected for a period of days to weeks, depending on the drug and the extent of its use. These metabolites form the basis for the most common type of drug test, a biochemical assay of urine (or, much less frequently, of blood or hair). Thin layer chromatography and enzyme immunoassay or radioimmunoassay are inexpensive tests that can be used to quickly screen for metabolites from a number of drugs. However, because of their high error rates, these techniques should be confirmed by more

expensive gas chromatography or mass spec trometry tests (Frings, Battaglia, and White, 1989).

A less common approach involves screening employees on the basis of their likelihood of *future* drug use. Many integrity tests (*see* IN TEGRITY TESTING) include an assessment of substance use based on self reports of attitudes toward, and prior involvement with, drugs or drug users. PERSONALITY TESTS can be used to assess more general tendencies toward drug use and other counterproductive behavior.

A third approach uses either psychomotor or cognitive tasks – usually presented via computer – to directly assess performance impairment. By testing employees daily and comparing their re sponses to baseline levels of performance, this approach has the potential to detect impairment caused by a number of factors in addition to drug use, while also reducing complaints of invasion of privacy.

BASIS FOR TESTING

In addition to screening job applicants, drug testing programs may also target current em ployees. *Random* testing programs are designed to detect drug users who are not eliminated by pre employment drug testing. Firms can also test "*for cause*," such as following an accident or when there is some other reason to suspect drug use. Employees who have undergone drug rehabilitation may be required to undergo peri odic *fitness for duty* testing to insure they remain drug free. Finally, some organizations test em ployees prior to their performing safety sensi tive tasks.

The different reasons for testing may call for different types of drug tests. Pre employment screening can be based either on a history of drug use (the justification for biochemical methods) or a prediction of future drug or alco hol use (the justification for integrity type tests). Biochemical drug tests are generally the best option in testing based on suspicion of drug use because they offer evidence of actual drug use. Their major limitation is that the presence of metabolites only establishes that drugs were used at some time in the past; they cannot deter mine if they were used at work or home or if they affected JOB PERFORMANCE. Only analyses of actual levels of drugs or alcohol can determine if an employee is currently under the influence of drugs. Impairment testing may be a suitable alternative for screening incumbents' readiness to perform.

EFFECTIVENESS

As Crown and Rosse (1991) note, most research on the VALIDITY of drug testing has been con cerned with validity of measurement (e.g., whether urinalysis accurately detects drug use), rather than validity of prediction (e.g., whether drug test results predict relevant job outcomes). Urinalysis, with appropriate confirmatory testing, appears to have adequate validity of measurement, if proper procedures and a certi fied laboratory are used. Existing research evi dence suggests that urinalysis testing is modestly related to subsequent ABSENTEEISM, accidents, and EMPLOYEE TURNOVER, but not necessar ily to job performance (Normand, Salyards, and Mahoney, 1990). Reviews suggest that integrity tests are related to a variety of counterproductive behavior, as well as to job performance (Ones, Viswesvaran, and Schmidt, 1993). Too few data regarding impairment testing exist to allow gen eralizations about its validity.

The type of testing and the manner in which drug testing is conducted can substantially affect perceptions of PROCEDURAL JUSTICE, which can, in turn, affect employees' loyalty and motivation (Konovsky and Cropanzano, 1993). Testing programs are most likely to be seen as fair if they are not punitive, provide advance notice, or are based on credible suspicion of drug use. Employers need to weigh the benefits of drug testing against the potential costs of alienating applicants and employees who perceive such testing as unfair and invasive of privacy.

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dual-earner and dual-career couples

Ellen A. Fagenson Eland and Colleen O'Malley

Rapoport and Rapoport (1969) were the first to use the term dual career couple to describe couples where both partners were committed to their careers, supported one another's career pursuits, and shared family responsibilities. Today, dual career couples are more broadly defined as couples living together in a committed relationship, where both work outside of the home. Dual career couples are also called dual earner couples, two income couples, and dual wage earners.

According to Eby et al. (2002), the number of dual career spouses is on the rise. Sixty four percent of all married couples with children under 18 are working spouses, while the "traditional family" (unemployed wife, employed husband) comprises only 19.3 percent of all families (Eby et al., 2002). This rise in the number of nontraditional families has prompted many new human resource management (HRM) programs to be sponsored by organizations, e.g., flextime (*see* FLEXIBLE WORKING HOURS), JOB SHARING, TRAINING and COUNSELING, revisions of travel policies, antinepotism rules (*see* NEPOTISM POLICIES), and the redrafting of benefit packages (*see* BENEFITS) for employees (Eby et al., 2002).

There are many intellectual, financial, emotional, and psychological benefits associated with a dual career lifestyle (Gilbert, 1994; Elloy and Smith, 2003). When compared to traditional couples, women in dual career couples experience greater self esteem, better physical and mental health, and greater economic independence. Men in dual career families report increased emotional involvement with children, improved health, and lowered pressure to be financial providers.

While dual career couples report many advantages to their lifestyle, they also experience stress while balancing work and family roles. Dual career couples and earners experience greater work overload and WORK–FAMILY CONFLICT than single career couples (Elloy and Smith, 2003). General work–family conflict, defined as conflict arising from competition between job and home responsibilities, is related to strain and decreased marital job and family satisfaction (Elloy and Smith, 2003; Greenhaus, Bedian, and Mossholder, 1987; Parasuraman, Greenhaus, and Granrose, 1992). Kossek and Ozeki (1998) found that job and life dissatisfaction was highest when work interfered with family life rather than when family interfered with work life. Despite the financial benefits women's income brings to the family, men's satisfaction in their marriage decreased when their wives' income relative to their own increased (Brennan, Barnett, and Gareis, 2001). In contrast, women's marital satisfaction increased when their husband's contribution to childcare increased (Brennan et al., 2001).

The term dual career couple conjures up images of partners who have achieved true equality through supporting each other's career interests and equitably sharing home and family duties. Men's participation in the home has increased since 1970, primarily due to their increased involvement in childcare rather than in household work (Gilbert, 1994). However, studies consistently find that women in dual career couples still shoulder most of the home and family responsibilities, experience greater role overload, and have less leisure time than dual career men (see Duxbury and Higgins, 1994; Greenhaus and Parasuraman, 1999).

Both gender role and societal expectations contribute to differences between women and men in dual career couples. For example, Duxbury and Higgins (1991) examined the sources of stress in dual career couples when balancing work and family demands. They found that women who were highly dedicated to their jobs were more likely to experience stress at work than men who were similarly involved and committed to their jobs (*see* JOB STRESS). Duxbury and Higgins suggested that this occurs because employers see women, and women see themselves, as being primarily responsible for family and household tasks. Hence, these women may experience strain at work because they are behaving in nontraditional ways and are perceived as not attending to their family responsibilities.

Conversely, men who were highly committed and involved in their family roles were found to be more likely to experience stress at work than women who were similarly committed to their families. Duxbury and Higgins suggested that this occurs because men themselves and their employers see men's core role as that of breadwinner. Family involved men may experience stress from work because they are seen by their employers as uncommitted to their jobs.

Although the number of dual career couples in the US has increased dramatically since the 1960s, organization and government policies are lagging behind in their support of their unique needs. Many organizations still operate under the paradigm that employees are in traditional families with a working husband, homemaker wife, and children. Unfortunately, even when the organization's policies and programs are supportive of dual career couples, the organizational culture, norms, and values often reinforce long hours and job commitment as the way to succeed and sanction employees who strive for more balance in their lives (Kofodimos, 1993). Moreover, women are treated inequitably by their organizations as compared to men when it comes to family support. Eby et al. (2002) found that the spouses of male employees received greater assistance from their supervisors than did the spouses of female employees. This is unfortunate since social support, particularly from supervisors and spouses, reduces per-

ceived stress and directly improves wellbeing (Rudd and McKenry, 1986; Parasuraman et al., 1992; Gilbert, 1994).

The FAMILY AND MEDICAL LEAVE ACT OF 1993 has made it easier for couples to juggle home, career, and family responsibilities in times of critical need or illness; however, much debate exists between government decision makers over how far the government should go to support working couples. The dual career/dual earner family will continue to be a major political and social issue in the future.

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duty

Robert J. Harvey

A duty is a descriptor of work activity or responsibility that is composed of a number of related tasks. The fact that duties are written at a higher level of behavioral abstraction than tasks or elements makes them useful for personnel functions that require a more abstract view of a job (e.g., to identify the rating dimensions to be used in a PERFORMANCE APPRAISAL instrument, or to identify similarities between jobs that differ at the task level of analysis for VALIDITY GENERALIZATION purposes).

See also *job; task*

dynamic criteria

James T. Austin

Dynamic criteria, as an aspect of the CRITERION PROBLEM, refers at times to the stability of JOB PERFORMANCE measures and at times to shifting validity coefficients. Ghiselli's (1956) classic defined temporal, individual, and dimensional sources of variance. Theoretically and pragmatically, this issue is important. Debates have clarified issues (Barrett, Caldwell, and Alexander, 1985; Austin, Humphreys, and Hulin, 1989), innovative investigations have provided data (Hofmann, Jacobs, and Baratta, 1993; Deadrick, Bennett, and Russell, 1997), and quantitative reviews have substantiated the concept (Hulin, Henry, and Noon, 1990). Practically, recognition and use of shifting sources of variance in job performance, accurate estimation of validity and dollar utility, and the timing of PERFORMANCE APPRAISAL are some implications of dynamic criteria. Despite these efforts, a conceptual explanation of criterion dynamics was lacking. Steele Johnson, Osburn, and Pieper (2000), however, recently integrated multiple constructs, namely JOB, TASK, organization, learning, and ability, to predict job performance.

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dysfunctional performance appraisals

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A dysfunctional appraisal is the result of any intentional or unintentional rater, ratee, or or ganizational action that undermines the intended purpose of an organization's PER FORMANCE APPRAISAL process. Organiza tions typically develop, implement, and operate performance appraisal systems with the under lying assumption that the process provides the organization with a host of *potential benefits*. These benefits can include:

1   effective performance planning and goal set ting;
2   a systematic basis for evaluating and docu menting employee contributions to the organization;
3   increased emphasis on employee develop ment and performance improvement; and
4   a systematic basis for making critical human resource management (HRM) decisions, including those such as COMPENSATION, PROMOTION, discharge, and TRAINING (Cardy and Dobbins, 1994).

Appraisals become dysfunctional when the po tential benefits of the appraisal process fail to be realized.

CAUSES AND OUTCOMES OF DYSFUNCTIONAL APPRAISALS

Dysfunctional performance appraisals are caused by organizational, managerial, and/or employee factors that reduce or diminish the overall effectiveness of the process (Murphy and Cleveland, 1991). Organizational factors in clude poorly designed rating formats and pro cedures, lack of top management support, lack of effective rater training, insufficient resources to effectively reward performance, and a non supportive organizational culture (Mohrman, Resnick West, and Lawler, 1989).

Managers, in their role as raters, are fre quently viewed as the primary cause of dysfunc tional appraisals when they lack the ability and/ or motivation to conduct effective appraisals (Longenecker, Gioia, and Sims, 1987). When managers (raters) fail to establish unambiguous performance standards, fail to provide ongoing performance measurement and feedback, fail to take sufficient time to prepare and conduct the appraisal, and fail to interact with candor and honesty in their review of an employee's per formance, the process can easily become dys functional (Longenecker and Goff, 1992). Employees (ratees) can cause the appraisal pro cess to become dysfunctional when they possess unrealistic expectations, are defensive in re sponding to performance feedback, are cynical or contemptuous of the process, or take a passive role in reviewing and responding to their per formance review.

The outcomes of dysfunctional appraisals are numerous. When appraisals are dysfunc tional, organizations lose a valuable HRM tool, managers fail to utilize a potentially useful process for improving employee performance, and employee JOB SATISFACTION, motiva tion, commitment, and development typically suffer.

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early identification of management talent

Lyle F. Schoenfeldt

The early identification of management talent refers to the process whereby individuals are recognized early in their careers for their unique abilities to lead and direct others. They are then put in positions to use and further develop these capabilities. A manager is a person responsible for the control and direction of an organization. The key to identifying and developing individuals for managerial jobs is understanding the managerial role and what it takes to be effective in managerial positions.

What Managers Do

There has been a great deal of research to show that the managerial job is complex and varied (McCall, Morrison, and Hannan, 1978). Useful categorical and process models of what managers do have been developed.

The categorical conceptualizations of managerial behavior attempt to list the dimensions or areas of managerial activity. For example, the work of Mintzberg (1973) defined ten managerial roles organized into the following three categories:

1 interpersonal (figurehead, leader, liaison);
2 informational (monitor, disseminator, spokesperson); and
3 decisional (entrepreneur, disturbance handler, resource allocator, negotiator).

The process models seek to go beyond an explanation of what managers do by also specifying *how* these actions are accomplished. The two most comprehensive approaches are the six cluster (human resource, leadership, goal and action management, directing subordinates, focus on others, and specialized knowledge) model of Boyatzis (1982) and the four dimensional model (functions, roles, style, and targets) of Steger and his colleagues (Schoenfeldt and Steger, 1989).

The research on the managerial role is seen as the vehicle for understanding what managers do to achieve organizational goals. An understanding of the managerial role allows for the profiling of managerial job requirements, in terms of either clusters of competencies or the four dimensions of the managerial job.

Identifying Management Talent

The value of understanding what managers do is vital to the early identification of individuals for managerial positions or selecting novice managers for further challenge. An understanding of what managers do provides a road map for the selection and development of management talent.

There are numerous sources of information to assess individuals for managerial positions, and these vary considerably in terms of cost and utility. ASSESSMENT CENTERS, along with the SITUATIONAL TESTS (e.g., in basket test, leaderless group discussion, problem solving exercises) that characterize this procedure, are popular in identifying individuals for managerial jobs. Assessment centers tend to be expensive to establish and operate, and thus may not be as cost effective as other approaches.

Performance measurement can also be valuable in identifying individuals for managerial jobs. The goal would be to look at the performance of those aspects of the current job that are most indicative of performance in managerial functions and roles, along with style compatibility of the individual with the managerial job. Measurement of current performance tends to

be extremely cost effective, but present JOB PERFORMANCE may not sufficiently *overlap* with the managerial role to allow accurate infer ences about future managerial attainment.

SUMMARY

In summary, the challenge of the early identifi cation of management talent is an understanding of what managers do, and then the identification of individuals who have the competencies to be effective in this role. Using available process models, it is possible to assess individuals against the requirements for effectiveness in the man agerial job, and to do so on the basis of college accomplishments or early job performance.

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early retirement buyout

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Defined benefit PENSION PLANS typically have both age and service requirements for an em ployee to receive full pension benefits. Em ployees can retire early, but with reduced benefit levels. Employers seeking to reduce their headcount sometimes offer to "add" both years of age and years of service to records of employees aged 55 and over so they can retire with full benefits. One disadvantage to em ployees accepting a buyout is that defined bene fit pension plans usually calculate payouts on "final average" income (the average of the past five years' income); early retirement means pay outs are calculated against lower wages.

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early retirement policy

Carrie R. Leana

Retirement has traditionally been defined as withdrawal from the workforce altogether or at the end of a person's active life. Feldman (1994) provides a modified definition of retirement as the exit from an organizational position or career path of considerable duration, taken by indi viduals after middle age, and taken with the intention of reduced psychological commitment to work thereafter. The concept of early retire ment, however, is ambiguous and there is no precise reference point which is considered early. Generally, the usual age for retirement in most western countries is around age 65. Hence age 65 is generally considered as both a legal and a labor force or behavioral reference point (Kohli and Rein, 1991). Job changes in a person's twenties and career changes in a person's thirties are transitions, but these are not thought of as retirement (Feldman, 1994).

There are several factors influencing an indi vidual's decision to retire early. These include individual differences (especially demographic), opportunity structures in career paths, organiza tional variables, and macroeconomic and ex ternal environment variables (Feldman, 1994).

There are two reasons why employers and sometimes employees support early retirement. One is centered on PRODUCTIVITY. There is literature suggesting that the wages of some older workers exceed their marginal productiv ity. Second, due to reputational concerns, both employers and employees prefer early retire ment to dismissal (Casey, 1992).

In many western economies, early retirement has been utilized to facilitate the elimination of redundancies and organizational DOWNSIZING (Casey, 1992). In addition, early retirement can help a company restructure its workforce and provide new career opportunities to younger workers.

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elder care benefit

Ellen Ernst Kossek and Beverly DeMarr

Elder care, defined as assisting an employee with care for an elderly relative (e.g., spouse, parent, in laws, grandparents, siblings) is a type of de pendant care benefit. It involves helping an elder with (1) activities of daily living (ADL), includ ing eating, dressing, bathing, and toileting; and (2) instrumental activities of daily living (IADL), including housework, meals, transpor tation, and financial management. Being employed full time does not reduce the odds of helping with IADLs (Dwyer and Coward, 1991). At least one third of most companies' work forces currently provide elder care ranging from 6–10 hours weekly up to 4 hours daily (Kossek et al., 1993). Elder care can cause prob lems with ABSENTEEISM, tardiness, stress, interruptions, overtime, EMPLOYEE TURN OVER, health, quality, and accidents (Bureau of National Affairs, 1989).

Employers offer these forms of aid:

1 time (flextime, part time work, leaves);
2 information (resource and referral, sem inars);
3 financial (pre tax dollar accounts for ex penses, vouchers, discounts); and
4 direct services (care network, centers, sick care).

Elder care differs from childcare in its duration, complexity, life cycle, and psychological impact. Employees can assume the role of caregiver for several elders on multiple occasions throughout their lives. Care requirements can vary dramat ically, ranging from a short term illness to years for debilitating diseases. Care initially begins informally, such as "helping out" with house hold matters, and becomes more formal as the elder ages, is less able to perform ADLs, and becomes too much to handle alone (Kossek et al., 1993). Caring for an elder often has not been planned, and ultimately ends with the elder's death.

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emotional intelligence

Susan Cartwright

Emotional intelligence (EI) gained popularity and organizational interest following the pub lication of Daniel Goleman's bestselling book (1998), although the concept has a longer his tory. There is still debate amongst academics as to whether EI is a true form of intelligence, a set of competencies, or a cluster of personality traits (Davies, Stankov, and Roberts, 1998; *see* TRAIT). However, it is accepted that the essence of EI is the ability of individuals to be aware of, recognize, and effectively integrate emotions with thoughts and behavior, both in themselves and in others. There are several psychometric tests of emotional intelligence which can be used to measure INDIVIDUAL DIFFERENCES (e.g., Bar On, 1997) and are used in the context of selection and development. Unlike traditional intelligence quotient (IQ), EI can be developed through training and has been linked to im provements in leadership behavior (Barling, Slater, and Kelloway, 2000) and stress resilience (Slaski and Cartwright, 2003).

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employability

Arthur K. Yeung

Employability, as opposed to employment security, is a new form of PSYCHOLOGICAL CONTRACT between employers and employees. It implies three elements in the employment relationship:

1 the employee is responsible for developing the right skills to be employable inside and outside the company;
2 the employer is responsible for providing employees information, time, resources, and opportunities to assess and develop skills that are needed; and
3 the employment relationship can be dissolved if the employee's contribution or aspiration does not match the employer's needs.

Employability emerged in the late 1980s because of two contributing forces. First, many companies like IBM cannot afford their traditional commitment to employment security in the midst of DOWNSIZING and restructuring. Second, new business realities mandate companies to be flexible to capture changing business opportunities. For example, one of Intel's strategic capabilities is to shift its resources (especially people) swiftly from declining businesses to emerging businesses.

Employability requires a supportive infrastructure in four areas (Waterman, Waterman, and Collard, 1994):

1 a change in attitudes and values – shifting loyalty from company to individual career;
2 open sharing of information – future business direction and required competencies;
3 resource allocation to offer employees self assessment and continuous learning; and
4 clear and fair procedures to transfer and redeploy employees.

Researchers have different views on employability. While some believe that it may improve organizational PRODUCTIVITY and flexibility (Waterman et al., 1994), others are concerned about its impact on employee commitment and contribution to companies (Pfeffer, 1994).

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employee assistance programs

Stuart A. Youngblood

An employee assistance program (EAP) is an employer sponsored intervention designed to identify and assist employees with personal problems that interfere with their work performance. Personal problems may include substance abuse (alcohol and other drugs), AIDS/AIDS RELATED COMPLEX, psychiatric disorders, WORKPLACE VIOLENCE, marital and family problems, and financial and legal difficulties. EAPs serve the organization by:

1 assessing the nature of the employee's problem;
2 selecting appropriate community resources to assist the employee;

3 assisting the employee in acquiring such ser
  vices;
4 follow up of the employee at the workplace;
  and
5 training and consultation with supervisors
  and managers about related policies and pro
  cedures.

EAPs provide a means for both employee self
referral and supervisory referral. EAPs by defin
ition are concerned with performance manage
ment and must also protect employee privacy.
The growth and diffusion of EAPs is related to
technological innovation in the workplace that
places lower tolerance on substandard employee
performance, increasing availability of health
services for behavioral problems, and increasing
legal liability (*see* AMERICANS WITH DISABIL
ITIES ACT OF 1990) by employers for em
ployee behavioral problems.

In the public sector EAPs grew out of a con
cern for alcohol abuse and a federal mandate to
provide EAPs for all civilian employees. In the
private sector EAPs grew out of the welfare
tradition of early human resource management
(HRM) and the human relations movement of
the 1940s and 1950s. Estimates of EAP coverage
vary. Smits and Pace (1992) estimated that only
about 10 percent of the US workforce has access
to EAP benefits, while Blum and Roman (1985)
suggest higher estimates; between 25 and 33
percent of working adults are employed by or
ganizations providing this benefit. Larger em
ployers (more than 1,000 employees) are more
likely to provide an internal EAP while smaller
employers are more likely to contract with an
external provider of EAP services. In the US
four types of EAPs exist:

1 an internal program based within the organ
  ization staffed by an employee(s) of that or
  ganization;
2 an external program run by an agency that
  contracts with the client organization to pro
  vide services based on a contract fee which is
  a function of employees served and scope of
  services provided;
3 a labor union sponsored program designed
  primarily for mobile craft workers employed
  in the building trades; and

4 professional association sponsored programs
  designed for physicians, lawyers, dentists,
  pharmacists, nurses, psychologists, and
  social workers.

These programs are designed to maintain stand
ards of professional conduct and protect the
common interests of the professional association
and the larger profession. They are also unique
in that in addition to self referral and supervis
ory referral, these programs rely on clients/pa
tients as a source of identification of problem
professionals.

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Employee Benefit Research Institute

Robert M. McCaffery

The Employee Benefit Research Institute
(EBRI) is a private, nonprofit, nonpartisan,
public policy research organization in Washing
ton, DC. Established in 1978, EBRI's overall
goal is to promote the development of soundly
conceived private and public employee benefit
programs. To achieve this goal, EBRI staff
members interact and cooperate with the aca
demic community, the government, and em
ployee benefit professionals to develop relevant
and comprehensive research.

EBRI established a related unit, the Education
and Research Fund (ERF), in 1979. EBRI ERF
produces and distributes a wide range of educa
tional publications concerning health, welfare,
and retirement policies. These include the
periodicals *EBRI Issue Briefs* (monthly) and

Employee Benefit Notes (monthly), as well as the text *Fundamentals of Employee Benefit Programs*, and the *EBRI Databook on Employee Benefits*.

Descriptive information is available on re quest from: Employee Benefit Research Insti tute, 2121 K Street, NW, Suite 600, Washington, DC 20037 2121. Telephone 202 659 0670. Fax 202 775 6312. Website: www. ebri.org/.

employee code of conduct

Linda Klebe Treviño

A code of conduct is a formal document that communicates standards of behavior. Its pur pose is to encourage conduct that meets organ izational or professional standards. Ethics code usage has grown in work organizations in recent years largely in response to the US Sentencing Guidelines passed in 1991 (see www.ussc.gov). These guidelines provide an incentive (reduced fines and sentences for illegal behavior) to or ganizations that manage ethics and legal compli ance via codes of conduct, TRAINING, reporting mechanisms, and other specified means.

In a 2003 Ethics Resource Center study which included employees from organizations of all sizes, 73 percent of respondents reported that the companies they work for had ethics policy standards. When considering only firms with more than 500 employees, that number reached 88 percent, compared to 58 percent for smaller organizations. Written standards of conduct were most prevalent in government organiza tions (90 percent), followed by nonprofit organ izations (82 percent) and for profit organizations (67 percent). Employees working in organiza tions with formal ethics standards report that they engage in and observe less unethical con duct. However, unethical conduct is influenced even more by informal systems such as organiza tional follow through, ethical leadership by ex ecutives and supervisors, and perceived fair treatment of employees.

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employee empowerment

Charles C. Manz and Christopher P. Neck

The verb empower means to enable, to allow, or to permit. Building upon this simple definition, employee empowerment is synonymous with delegation, or sharing of power with subordin ates (Conger, 1989). For example, one specific definition of employee empowerment is to view it as a process whereby an individual's belief in his or her self efficacy is enhanced. More specif ically, Conger and Kanungo (1988: 479) state that empowerment "is a process of enhancing feelings of self efficacy among organizational members through the identification of condi tions that foster powerlessness and through their removal by both formal organizational practices and informal techniques of providing efficacy information." Several empowerment perspectives have been posited that vary in terms of the degree of employee self influence.

Self regulation is described in terms of an on going cybernetic control model. Self regulation from this view involves a process of reducing variations from established standards. Much as with a heat sensitive thermostat, the focus is on sensing and then reducing discrepancies from a relatively steady state (Carver and Scheier, 1981). Within an organization, existing organ izational standards or objectives are analogous to the current temperature setting, which is main tained by the organizational control system. In the short run, the process of reducing deviations from standards is largely automatic and self maintaining. That is, as long as current policies, procedures, and rules are followed, deviations (such as change in temperature) should be re

duced. Thus, self regulation represents a rela tively limited level of empowerment because it occurs almost automatically with little conscious thought to serve external demands.

Another empowerment perspective has been labeled *self management* (Manz and Sims, 1980; Hackman, 1986). Self management consists of a set of strategies for managing one's own behavior to reduce discrepancies from existing standards (*see* SELF MANAGEMENT TRAINING). While an individual's immediate behavior can be de scribed as self controlled, the purpose of the overall process tends to serve the requirements of externally set standards. Self management strategies address short run deviations from standards, but not the appropriateness or the desirability of the governing standards them selves. While self management does allow em ployees significant self influence regarding how to complete a task to meet a standard (as defined by the wider system or higher management), it does not provide self influence regarding what should be done and why. Consequently self management involves a moderate level of em ployee empowerment.

Finally, *self leadership* is described as a broader view of employee empowerment. It in cludes strategies for self management as well as for managing the natural motivational value of the task and the patterns in one's thinking (Manz, 1986; Neck and Manz, 1992; Manz and Neck, 2004). Self leadership jointly focuses on behavior and cognition. It also addresses both the reduction of discrepancies from standards and the appropriateness of those standards. It focuses on *what* should be done and *why*, in addition to *how* it should be done. As a result, the process of self leadership prescribes a more active and comprehensive role for members in a work system and represents a highly advanced form of employee empowerment.

In order to clarify these various levels of em powerment, consider the following. If the amount of empowerment possessed by organ ization members is viewed as falling on a continuum from external control to complete self control, self leadership falls significantly closer to the "complete" self influence or em powerment end than does self regulation and self management. Under conditions of self leadership, workers play a greater role in influencing higher level management decision making and strategic processes. Thus, em ployees are more involved in setting the thermo static standard as well as acting to achieve the standard once it is set. This implies active involvement in both short term processes of deviation reduction and longer term processes of deviation amplification.

Lastly, the term empowerment has recently been associated with the concept of SELF MAN AGING TEAMS (SMTs). SMTs are a form of work design that typically involve an increased amount of empowerment at the work group level (Manz and Sims, 1987). To a large degree, teams (most notably SMTs) have become a cen tral feature and symbol of empowerment efforts in the US and elsewhere. And leading teams of employees to be self leading represents an ad vanced form of contemporary employee em powerment (Manz and Sims, 2001).

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employee handbook

Stuart A. Youngblood

As a business grows in size, management often turns to the use of an employee handbook as a communication tool to inform employees on issues such as company history and products, human resource policies, employee COMPEN SATION and BENEFITS, TRAINING assistance, health services, safety, security, employee re sponsibilities, and work standards.

Handbooks are also useful to supervisors and administrators for insuring consistent imple mentation and enforcement of company policies. Proponents of employee handbooks argue that they set the parameters of the employment rela tionship, limit employer liability and responsi bility to the employee, and promote employee morale because expectations are communicated and employees know what to expect. Similarly, the disadvantage of a handbook is that it may create unrealistic expectations and liability for the employer, especially when supervisors in consistently apply company policies.

In the US, employers have confronted the legal issue of whether an employee handbook is a contract, thereby limiting employer rights to manage, especially with respect to employee dis missal. There is no legal requirement for em ployers to develop handbooks, but those that do usually put a DISCLAIMER in the introductory section to clarify for nonunion employees that EMPLOYMENT AT WILL applies to their em ployment relationship. Employers usually re quest that employees sign an acknowledgment and receipt form to preserve their option to dismiss at will.

With the advent of information technology, employee handbooks that previously were pub lished in pocket sized editions are now being electronically shared on computer networks, ac cessible to all employees and supervisory person nel. The use of indexing and hypertext to cross reference material has also made handbooks more user friendly for employees and super visors alike. The creation of a handbook is not a static process; thus employers must continu ously update and effectively communicate changes in policies to all employees.

employee involvement

Dianna L. Stone

Employee involvement refers to the process of engaging employees in their work and increasing their participation in decision making. In par ticular, employee involvement insures that em ployees who are closest to the work have the power to control work methods, and are able to use their knowledge and skills to improve work processes (Lawler, 1992). This approach also attempts to move information and power down ward in the organization, so that employees can work autonomously and regulate their own be havior (Cummings and Worley, 1993). As a con sequence, organizations that use this approach typically experience a flattening of the organiza tional hierarchy.

Although there is no one theoretical basis for employee involvement, it is derived from a number of key human relations assumptions (see, e.g., Argyris, 1957). Specifically, it is as sumed that when employees are given challen ging work, and allowed to participate in decision making, they will

1 become more motivated and willing to con trol their own behavior;
2 become more involved in their work;
3 increase their commitment to organizational goals; and
4 use their skills and abilities to make valuable contributions to organizational goals.

Employee involvement has been used as the foundation for a wide array of management pro grams, including QUALITY CIRCLES, JOB IN VOLVEMENT, QUALITY OF WORK LIFE

programs, EMPLOYEE EMPOWERMENT, and TOTAL QUALITY MANAGEMENT.

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employee leasing

Stanley Nollen

Leased employees are employees of a staffing company who, as a group, take over the operation of an entire function (such as office management) for a client company on a contractual basis. Usually the leased employees are former employees of the client company who are transferred to the payroll of the leasing company, which in turn handles their pay, BENEFITS, and other personnel administration. Employee leasing is a method for client companies to externalize part of their workforces and outsource some human resource management tasks in a co employment relationship with the leasing firm, which is a subcontractor of these services.

employee morale

Thomas W. Lee

Employee morale is a term with a long history and multiple meanings (Vroom, 1964), and is infrequently used by contemporary human resource scholars and managers. Employee morale most often refers to a broad collection of mental states that are held by groups of employees; thus, morale is typically regarded as a more macro, summary, and sociological concept. The collection of mental states can include any or all of the following: courage, discipline, confidence, enthusiasm, and willingness to endure hardship. In its earlier usage, employee morale referenced virtually all attitudes toward job features and one's coworkers (Likert and Willitis, 1940). In its later usage, employee morale focused on satisfaction with group goals, desire to maintain group membership, and willingness to strive toward attainment of the group's goals (Vitales, 1953), which resembles contemporary notions about organizational commitment. Still later, employee morale emphasized positive emotional states that referenced future or present circumstances, commonly involving a group of employees (Locke, 1976). These later meanings are quite similar to overall and anticipatory JOB SATISFACTION (Locke, 1976).

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Employee Polygraph Protection Act of 1988

Vida Scarpello

Various lie detector tests, including POLYGRAPH TESTING, have long been used to investigate thefts and other industrial espionage against the employer (see Ones, Viswesvaran, and Schmidt, 1993). They have also been used to screen applicants for sensitive positions. Nevertheless, critics of these tests have pointed to the high rates of people incorrectly identified as having lied (Tiner and O'Grady, 1988a, b). Due to documented claims of invalid results, more than half of the states had passed laws limiting the use of lie detectors and other forms of honesty testing in employment (Ledvinka and Scarpello, 1991).

Given mounting evidence for the invalidity of polygraph testing, as well as the 1977 Privacy Protection Commission's report (*see* PRIVACY ACT OF 1974), which focused attention on the relative lack of privacy protections in the work

environment, Congress passed the Employee Polygraph Protection Act.

With three exceptions, the Employee Poly graph Protection Act prohibits private sector employers from using polygraph tests in their employment practices. Government employers are exempted from the Act. Polygraph use is allowed:

1 in ongoing investigations;
2 in the hiring of security employees by secur ity service organizations; and
3 in the hiring of employees by drug com panies.

The Act also prohibits employers from retali ating against anyone who exercises any rights under the Act.

The Act gives enforcement authority to the Secretary of Labor, who issues rules and regula tions to carry out this Act. The secretary is also instructed to cooperate with regional, state, local, and other agencies and to furnish technical assistance to employers, labor organizations, and employment agencies, as well as investigate vio lations of the Act. Violators are subject to civil penalty of not more than $10,000, with the amount to be determined by the Secretary of Labor. The secretary also may bring legal action in federal or state court. Employers who violate this Act are liable for "such legal or equitable relief as may be appropriate" (Employee Poly graph Protection Act, 102 STAT. 648). This includes, but is not limited to, employment, promotion, reinstatement, and payment of lost wages and benefits.

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Employee Retirement Income Security Act of 1974

Ramona L. Paetzold

The Employment Retirement Income Security Act (ERISA) was enacted in 1974 as the first piece of US legislation governing employee pen sion and welfare benefit plans. Although not mandating pensions for employees, ERISA governs virtually all aspects of employer spon sored pensions (*see* PENSION PLANS). Because of ERISA's exemption for governmental plans, those pension plans operated by federal, state, or local governments are not covered under ERISA.

ERISA is organized under four titles, with Title I being the most important to the human resource function. In Title I, rules regarding participation and participant vesting, funding, fiduciary responsibility, administration, enforce ment, reporting, and disclosure are provided. Some of these rules apply only to pension plans, but rules regarding fiduciary responsibility, ad ministration, enforcement, reporting, and dis closure apply also to welfare benefit plans and many other plans. The remaining Titles (Titles II–IV) provide key language in the Internal Rev enue Code for plans seeking or maintaining qualified status (i.e., preferential tax treatment), establish the Pension Benefit Guaranty Corpor ation and plan termination insurance, and insti tute other miscellaneous provisions.

ERISA has been amended numerous times, but particularly by the Multiemployer Pension Amendments Act of 1980 (MPPAA), which brought multiemployer plans (in which unions play a significant role) into the plan termination provisions of ERISA. Another important amending Act was the Retirement Equity Act of 1984 (REAct), which attempted to respond to problematic issues for women. In particular, REAct lowered the minimum age for plan par ticipation, weakened the effects of breaks in service, particularly due to maternity or pa ternity leave, mandated spousal rights in pension

plans, and provided for enforcement of qualified domestic relations orders against pension distri butions. Other amendments have included the CONSOLIDATED OMNIBUS BUDGET RECON CILIATION ACT OF 1985 (COBRA), the TAX REFORM ACT OF 1986 (TRAC), and, most recently, the Retirement Protection Act of 1994.

ERISA's provisions often must be read to overlap with other areas of federal law, particu larly antidiscrimination law. In particular, age, sex, and disability antidiscrimination laws often provide claims that overlap with ERISA issues. In recent years, for example, early retirement incentives have produced litigation under the AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967. Similarly, differential levels of pension contributions (*City of Los Angeles De partment of Water and Power* v. *Manhart*, 1978) or levels of pension benefits (*Arizona Governing Committee* v. *Norris*, 1983) for men and women have successfully been challenged under Title VII of the CIVIL RIGHTS ACT OF 1964. In creasingly, an employer's right to amend health care plans has been challenged under both ERISA and the AMERICANS WITH DISABIL ITIES ACT OF 1990, particularly when ceilings for specific illnesses, such as AIDS, are involved.

One major difficulty under ERISA involves federal preemption of state law. Because Con gress included welfare benefit plans within the scope of ERISA, a plaintiff's sole claim for bene fit related problems with an employer may lie under ERISA, and not under state law. The scope of preemption is broad: state subrogation laws, prevailing wage laws, contract law, and wrongful discharge laws have all been found to be preempted when they relate to ERISA covered plans.

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employee stock ownership plans

Katherine J. Klein

Employee stock ownership plans (ESOPs) are benefit plans through which employees acquire company stock (*see* BENEFITS). An ESOP com pany annually donates stock, or cash to buy stock, to an ESOP trust. Shares in the trust are allocated to the accounts of individual employees on the basis of salary or a formula designed to proportionately reflect important differences in the workforce. Companies establish ESOPs to offer employees a new benefit, to buy the shares of an existing owner, to borrow money to acquire new capital, and, occasionally, to finance an em ployee buyout of a company or to offset wage concessions. Research suggests that the more money employees earn through an ESOP and the more participative the company's manage ment practices, the greater employee satisfaction with the ESOP and employee commitment to the organization (Klein, 1987). When combined with participative management practices, ESOPs may lead to improvements in organiza tional performance (General Accounting Office, 1987; Rosen, 1995).

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employee subcontracting

Stanley Nollen

Employee subcontracting in the human resource management (HRM) context is the outsourcing of business functions from separate suppliers, analogous to the purchase by a manufacturer of components from an outside supplier for final assembly. HRM services can be subcontracted to leased employees (*see* EMPLOYEE LEASING). Other support functions that are not critical to the organization's mission can be subcontracted to other firms to reduce the organization's regu lar employment levels and provide workforce flexibility. Some of the most common support

services that are outsourced include: redeployment, BENEFITS ADMINISTRATION, recruitment, payroll administration, installation and maintenance of human resource information systems, relocation services, EMPLOYEE ASSISTANCE PROGRAMS, WELLNESS programs, and management development programs.

employee turnover

Thomas W. Lee

Employee turnover labels the termination of an individual's formal membership in an organization. Among scholars and managers of human resource management (HRM), the most common meaning for turnover refers to the employee's initiation of leaving the organization; such voluntary turnover implies an employee's volitional quitting. A second meaning for turnover, though slightly less common, refers to the firm's initiation of the employee's leaving the organization. Such involuntary turnover implies the employee's nonvolitional termination. Other terms for involuntary turnover include firing, layoff, DOWNSIZING, and rightsizing (*see* EMPLOYMENT AT WILL; STRATEGIC OUTSOURCING; STRATEGIC STAFFING).

VOLUNTARY EMPLOYEE TURNOVER

Knowledge about voluntary turnover is paradigmatically based. That is, research has been theory driven, empirical results are cumulative, and available information continues to evolve systematically. Currently distinguishable traditional and alternative approaches to understanding voluntary turnover exist.

Traditional research.   Traditionally, voluntary turnover has been most often characterized as an intentionally rational psychological process (Simon, 1945). Employees are seen as estimating and comparing the relative desirability and ease of quitting (March and Simon, 1958). If judged desirable and easy, voluntary turnover occurs; if judged less desirable or harder to quit, voluntary turnover does not occur. Mobley (1977) provided substantial clarity to this mental process by specifying the sequential stages that link job dissatisfaction (interpreted as the perceived de

sirability of quitting), identification and evaluation of work alternatives (interpreted as the perceived ease of quitting), decision to quit (or stay), and the act of quitting. A substantial body of empirical research has accumulated and generally corroborates the Mobley model (Hom and Griffeth, 1995). In an exemplar of normal science (Kuhn, 1970), a growing body of empirical evidence has also sought to improve the specification of the content and ordering of Mobley's stages. In particular, Hom and Griffeth (1995) summarized and integrated the existing scholarly knowledge into a coherent model of voluntary turnover that follows the long tradition of intended rationality.

Unfolding processes.   Traditional turnover theory suggests that quitting results from a linear sequence of: (1) job dissatisfaction; (2) search for job alternatives before leaving; and (3) comparisons between job alternatives based on an intendedly rational analysis (e.g., maximization of subjected expected utilities). In a deliberate break from the tradition of intended rationality, Lee and Mitchell (1994) asserted that: (1) factors other than affect can initiate the turnover process; (2) employees may or may not compare the current job with alternatives; and (3) a compatibility judgment (Beach, 1990) is often applied instead of intended rationality. Two particular characteristics are seen as distinguishing their views of the leaving process from more traditional models. First, "a shock to the system" is defined as a jarring event that initiates the psychological processes involved in quitting a job. Second, the amount of mental deliberations that precede quitting varies from a quick "fit" decision that is unencumbered by multiple attributes to a highly rational, expected utilities comparison of alternatives. Integrating their assertions, Lee and Mitchell proposed that turnover can be depicted via four decision paths that are prototypical, dynamic, and nonlinear. Lee et al. (1996) reported empirical results that largely corroborate the Lee and Mitchell model.

Similarity.   In another shift from traditional research, scholars have documented an effect of group similarity on voluntary turnover. Derived from research on organizational demography, O'Reilly, Caldwell, and Barnett (1989) reported that heterogeneity in the tenure of group

members led to lower social integration within the group, which, in turn, was negatively related to voluntary turnover. Derived from research on environmental psychology and organizational demography, Jackson et al. (1991) found that group heterogeneity (based on age, tenure, educational level, curriculum, alma mater, military service, and career experiences) predicted voluntary turnover.

Consequences. Voluntary turnover is often assumed to be dysfunctional for the firm; yet it is also recognized that some voluntary turnover is likely to be functional for the company. Thus, managers have been advised to manage the leaving process instead of seeking only to minimize it. Researchers have distinguished between functional and dysfunctional quitting for the company (Dalton, Tudor, and Krackhardt, 1982) and between avoidable versus unavoidable leaving for the company (Abelson, 1987). Both aspects of voluntary turnover should be carefully considered by scholars and managers. For example, functional but avoidable quitting implies that the leaver is less valuable to the organization and that such quitting might be encouraged by a manager. Dysfunctional and avoidable quitting implies that the leaver is more valuable to the organization and that such quitting might be discouraged by a manager. Functional or dysfunctional but unavoidable quitting suggests that managers might focus on minimizing disruptions to stayers. Finally, Hom and Griffeth (1995) identified the following actions that might help managers to deal with voluntary turnover: (1) provide REALISTIC JOB PREVIEWS; (2) enrich jobs; (3) alter workspace characteristics; (4) target socialization practices and leader–member exchanges; and (5) include tenure as a criterion for PERSONNEL SELECTION.

INVOLUNTARY EMPLOYEE TURNOVER

In comparison to knowledge about voluntary turnover, knowledge about involuntary turnover is more pre paradigmatic. That is, research has been more exploratory in nature, empirical results are less cumulative, and available information is more tentative. Currently, no distinguishable or traditional approach to understanding involuntary turnover exists.

Processes and techniques. The available information on the processes and techniques of terminating employees relies heavily on extrapolations from general theories in the organizational sciences. Collarelli and Beehr (1993), for instance, identified five key processes for firings and layoffs, and they suggested specific techniques to enhance the "selection out." The first process involves communication, i.e., warnings and due process that precede firings and advanced notification and frequent information that precede layoffs (*see* GRIEVANCE PROCEDURE; NONUNION EMPLOYEE GRIEVANCE PROCEDURES). The second process concerns participation, which precedes both firings and layoffs. The third process is control, which suggests that severance pay and some financial options be offered to the terminated persons. The fourth process involves planning, to permit a degree of "orderliness" to precede firings and to permit sufficient time to plan prior to layoffs. The final process addresses organizational support, which might include OUTPLACEMENT assistance for former employees.

Coping with layoffs by former employees. The available information on coping with layoffs derives from preliminary conceptual structures and exploratory empirical research. Leana and Feldman (1992), for example, proposed a four part conceptual structure to understand layoffs. First, the larger context factors were identified as characteristics of the JOB LOSS, unemployment rates, and individuals' attachment to the job. Second, reactions to layoffs were seen as including cognitive appraisals, emotions, and physiological changes. Third, two coping strategies were characterized as problem focused (e.g., JOB SEARCH) or symptom focused (e.g., seeking social support). Fourth, the primary outcomes were reemployment and psychological adjustment. From two separate samples, Leana and Feldman reported empirical evidence that generally corroborated their model.

Coping with layoffs by the survivors. The available information on layoff survivors began with a preliminary conceptual structure that prompted a subsequent and programmatic body of empirical research. In turn, a stronger, albeit general, conceptual model was developed to guide future

empirical efforts. Brockner and his associates (summarized by Brockner, 1988) began with the preliminary ideas that layoffs prompted cer tain psychological states among employees who are not terminated (e.g., insecurity, inequity, anger, relief). In turn, these mental states should affect organizational meaningful outcomes (e.g., performance, motivation, satisfaction, commit ment). Moreover, these effects were likely to be moderated by numerous factors (e.g., nature of the work, individual differences, formal and in formal organizational structures, environment). Via seven empirical studies, these basic ideas were tested, and the results were accumulated to suggest a stronger conceptual model for understanding the effects of layoffs on survivors. The subsequent conceptual model consists of three parts. First, the effects of layoffs can occur before (e.g., anticipated notifications), during (e.g., official notifications), or after the actual act of termination. Second, the interven ing variables should be expanded beyond psy chological states to include group processes and organizational restructuring as well. Third, many of the predicted outcomes and moderating effects were empirically validated.

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employment-at-will

Leonard Bierman

Employment is deemed to be at will on the part of both the employer and the employee. An employee can quit his or her job at any time for any reason, while an employer can fire an em ployee at any time for any reason. Parties seeking a different type of arrangement are free to write contracts stating different terms.

The concept of at will employment came under heavy attack in academic circles in the 1970s (Summers, 1976). The concept was viewed as being inequitable from the point of view of employees who purportedly lack the bargaining power to obtain written employment contracts from employers, and as being out of step with the broader protections against unjust dismissal provided to workers in other industri alized countries. In the 1980s various state courts began creating judicial exceptions to the at will doctrine (*Toussaint* v. *Blue Cross and Blue Shield of Michigan*, 408 Mich. 579, 292 N.W. 2d 880, 1980). Various proposals for state legislation dealing with this issue have been advanced, but to date the only legislation enacted in the US has been the state of Montana's Wrongful Discharge

from Employment Act (Bierman and Young blood, 1992).

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employment interview

Robert L. Dipboye

The employment interview is defined as a dia logue initiated by one or more persons to gather and evaluate information on the qualifications of a job applicant (Dipboye, 1992). With the pos sible exception of REFERENCE CHECKS and application blanks, this is the most frequently used technique of PERSONNEL SELECTION. Even when other selection procedures are used, information often influences the final decision only after it has been filtered through inter viewer judgments.

STRUCTURED AND UNSTRUCTURED INTERVIEWS

An important basis for distinguishing among types of interviews is the degree to which they are structured. Most interviews tend to be un structured in that few constraints are placed on how they go about gathering information and evaluating applicants. At the other end of the continuum are the highly structured interviews in which interviewers are required to ask the same questions in the same way of all applicants, with no follow up questions or other deviations allowed (Campion, Pursell, and Brown, 1988). An example is the situational interview. The questions are usually focused on specific re quirements of the job and the answers of all applicants are quantitatively scored relative to a common set of predetermined standards. The "patterned interview" falls somewhere between these two extremes. One example is the Pat terned Behavior Description Interview (Janz, Hellervik, and Gilmore, 1986). Similar to the highly structured interview, the patterned inter view is focused on specific requirements of the job and the questioning and evaluation of appli cants is standardized. However, interviewers in a patterned interview are allowed more discretion in gathering information and can ask follow up questions.

THE VALIDITY AND RELIABILITY OF INTERVIEWS

Similar to other selection techniques, employ ment interviews are evaluated on their reliability and VALIDITY. Typically, reliability has been assessed by examining the extent to which inter viewers agree in evaluating the same applicants. Validity is usually assessed by examining the relationship of interviewer judgments at the time of application to the applicants' later per formance on the job.

Several meta analyses have provided insight into the features of interviews that can enhance their reliability and validity (Wiesner and Cron shaw, 1988; Marchese and Muchinsky, 1993; Huffcut and Arthur, 1994; McDaniel et al., 1994). The findings suggest that the questions and rating dimensions used in interviews should be based on formal JOB ANALYSIS and inter viewers should not have access to applicants' test scores prior to the interview. On the other hand, the findings do not provide strong support for using "board interviews." The most consistent finding across these meta analyses is that struc tured interviews are more valid than those that are unstructured. Indeed, the levels of validity that have been found for structured interviews approach the validities that have been found for mental abilities tests, which are considered to be among the best techniques for employee selec tion. Exactly how much structure is needed is still open for debate. There is some evidence that interviews with high levels of structure are no more valid than more moderately structured interviews (Huffcut and Arthur, 1994). An other issue that remains unresolved is whether the level of prediction achieved with a highly structured interview can exceed the level of pre diction achieved with well constructed objective procedures such as mental abilities tests, biographical application blanks, or WEIGHTED APPLICATION BLANKS. Some structured interviews may measure attributes that can be

more cheaply measured with paper and pencil measures at no loss of validity (Dipboye, 1989).

WHY STRUCTURED INTERVIEWS ARE MORE RELIABLE AND VALID

The research on interview processes suggests that the subjectivity of the typical interview can lead to a variety of interviewer errors. Structuring the interview may improve the validity and reliability of interviewer judgments because it helps to eliminate these errors. One likely source of advantage is that structured interviewing procedures are based on formal job analyses and are consequently more job related than unstructured procedures. A second potential advantage of the various structured formats is the manner in which they handle ancillary data. Interviewers usually have other sources of information on applicants, such as test scores, biographical data, reference checks, and school transcripts, and their final impressions also can be influenced, to some extent, by these data (Dipboye, 1989). Structured interviews either do not allow interviewers to preview such ancillary information, or provide for a more structured preview of this information than found in the typical unstructured interview. Finally, structured interviews incorporate a variety of procedures in the judgment phase of the process that have been shown in previous research to enhance the accuracy and reliability of judgment. Interviewers are encouraged to delay their evaluation of the applicant until after the session, thus separating information gathering from the final integration and evaluation of information. Also, well defined rating scales, such as the BEHAVIORALLY ANCHORED RATING SCALES, are often provided. This is in contrast to the use of graphic rating scales that are so often found in unstructured interviews.

In the formation of a final judgment of the applicant's qualifications, structured procedures statistically combine the information gathered on the applicant, usually through simple averaging or summation of ratings. In contrast, the global evaluations formed with unstructured procedures allow interviewers to combine their impressions of applicants using intuitive and idiosyncratic combinations.

The use of interviews is pervasive in the selection of employees. It should be noted, however, that they serve a variety of other functions in addition to selection. The most notable of these alternative functions is RECRUITING. The research suggests, however, that if the objective is selection, then the interview should be focused solely on the assessment of applicants' job qualifications. To fulfill other functions, such as recruitment, separate interview sessions should be arranged that are kept independent from assessment of the applicant. Moreover, the interview should be structured. Although some individual interviewers may be quite effective in assessing applicants even in the context of an unstructured interview, most interviewers fall far short of what is considered to be acceptable levels of validity and reliability when allowed to follow their intuitions.

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environmental scanning

Randall S. Schuler

Change and the constant need for adaptation, renewal, and updating is more prevalent than ever (Schuler, Jackson, and Storey, 2001). While retaining flexibility and a willingness to adapt are critical in successfully dealing with change, it is also important to be able to anticipate change. Anticipating change enables an organization to set in motion the processes to change the procedures and the practices necessary to address the changes. Correct anticipation enables an organization to bring the necessary procedures and practices online just at the time the changes are having their impact (Schrenk, 1989; Schuler, 1989; Storey, 2001).

To insure that correct practices and procedures are online for effective human resource management (HRM), human resource managers and planners are scanning the events occurring and expected to occur in demographics, international affairs, technology, and organization and economics. Changes in these areas have major implications for the practice of HRM.

Because meeting these changes is more important than ever, organizations need to insure that they have the capability to do so. A major way to attain this capability is through environmental scanning. Environmental scanning is a process of systematic surveillance and interpretation designed to identify events, elements, and conditions of the environment that have potential relevance for and impact on an organization (Coates, 1986; Jackson and Schuler, 2003).

THE CONTEXT OF ENVIRONMENTAL SCANNING

The main context of environmental scanning lies in the business environment, which is increasingly global and fast moving. Fundamental changes are occurring and creating new business challenges and opportunities. A business, or a human resource function, that lacks sensitivity to these changes is likely to suddenly discover that it faces serious difficulties (Schrenk, 1989; Storey, 2001).

A second context of environmental scanning is an organization's business planning process and the business strategies that emerge from this process. To succeed, an environmental scanning activity must be consistent with both the method and timing of the relevant business planning activity. In addition, business strategies determine which trends and implications are of concern to an organization. For example, a growing software company might be greatly troubled by an anticipated shortage of programmers, while a similar company that is phasing out of business would not care about such a development. In this way, environmental scanning is closely linked with STRATEGIC HUMAN RESOURCE PLANNING (Storey, 2001; Jackson and Schuler, 2003).

COMPONENTS OF ENVIRONMENTAL SCANNING

Environmental scanning comprises several components, including forecasting future conditions, selecting forecasting techniques, identifying and prioritizing major issues that impact HRM, developing plans that anticipate those issues, and then preparing the organization for successfully dealing with them. Companies regularly monitor the major aspects of the environment for their relevance to and implications for HRM (Jackson and Schuler, 1995). These aspects include work force demographics, international conditions, economic and organizational trends, and technological trends and developments. While there are many other aspects of the environment, these have major implications for HRM and organizations. Reference to the external environment includes characteristics of the organization itself. While this may not seem to be the external environment to the organization, it is a very important external environment to HRM (Coates, 1987; Jackson and Schuler, 1995, 2003). In description and discussion of these aspects of the external environment, the thrusts are to (1) reveal the current and future (predicted) conditions and characteristics of each component, and (2) suggest some implications of this information for HRM and organizations.

STEPS IN ENVIRONMENTAL SCANNING

1 The first step in an environmental scanning process is to decide which topic areas to

select for analysis. Topic areas are broad categories of trends, such as demographics or economics, that are largely defined by conventional technical disciplines. This step facilitates data gathering, analysis, and reporting (Schrenk, 1989; Jackson and Schuler, 2003).

2   The second step is to gather data. There are an enormous number and variety of possible data sources. The primary problem at this step is deciding what information to use and what to ignore or discard.

3   The third step is to define trends from the data that have been gathered. Trend definition abstracts and simplifies the data. It facilitates further analysis and communication, but the data invariably lose detail. Thus, it can conceal as well as reveal.

4   Once good data have been obtained and trends established, significant implications or likely consequences must be defined. This fourth step is where experience, creativity, and multiple views can all play a role. While some trends may have general implications and consequences, the real key is to specify the important implications for the organization involved. Implications for a particular organization will vary as a function of geographic location, business conditions, strategy, workforce characteristics, and a host of other factors.

5   Once significant implications have been defined, the fifth step is to prioritize them. It often is easy to create long lists of possible consequences, but unless such lists are pruned, they will bury the process in excessive detail. Eliminating relatively unimportant implications basically is a matter of judgment.

6   The sixth step in environmental scanning is to define issues. An issue may arise from a single implication or a combination of them. Here again, judgment is a key ingredient. The question at this point is, "How does one select the most important issues and develop issue statements?" This is a critical step, since it forms the foundation for much of what occurs in strategic HR planning (Jackson and Schuler, 1995).

Human resource environmental scanning has already demonstrated that environmental scans are both feasible and practical. A great deal of valuable information is available, along with effective ways of evaluating it to identify significant trends and human resource implications. Properly used, environmental scans can add significant value to STRATEGIC HUMAN RESOURCE PLANNING PROCESSES. The real challenge at this point is to make environmental scanning accepted and effective within the realities of a specific organization and its planning processes.

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Equal Employment Opportunity Commission

Leonard Bierman

The Equal Employment Opportunity Commission (EEOC) is the federal agency in charge of administering Title VII of the CIVIL RIGHTS ACT, the EQUAL PAY ACT, the PREGNANCY DISCRIMINATION ACT, the AGE DISCRIMIN

ATION IN EMPLOYMENT ACT, and the AMERICANS WITH DISABILITIES ACT. The major activity of the agency is to process charges of DISCRIMINATION related to these laws, with the resolution of said charges via conciliation and/or legal action. The agency, run by five presidentially appointed commissioners, pro cesses over 90,000 discrimination charges per year.

Equal Pay Act of 1963

Charles H. Fay

An amendment to the FAIR LABOR STAND ARDS ACT OF 1938, the Equal Pay Act requires employers to give women equal pay to men performing work of equal (not similar) skill, effort, responsibility, and working conditions. Pay may differ when based on seniority, merit, performance, or any other factor not based on sex. Pay may not be reduced to bring an estab lishment into compliance. The Equal Pay Act does not provide any assistance to proponents of COMPARABLE WORTH, since it applies only when the jobs are substantially equal.

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European Union

Susan Cartwright

The European Union (EU) was formally estab lished in November 1993 as an organization of European countries dedicated to increasing economic integration and strengthening cooper ation among its members. With its headquarters in Brussels, Belgium, the EU evolved from the formation of the European Community (EC) in 1967. At the time of its formation the EU had 12 member states, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, and the UK. In 1995, Austria, Finland, and Sweden joined the EU. More recently, membership has expanded by the admission of Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia, and Slovakia in 2004.

The EU has a number of objectives. Its main goal is to promote and expand cooperation among member states in economics and trade, social issues, foreign policy, security and de fense, and judicial matters. Another major goal has been to implement economic and monetary union (EMU), which established a single cur rency for EU members.

While the EU is primarily concerned with economic harmonization, it has also influenced social and labor relations. The Community Charter of the Fundamental Social Rights of Workers (the Social Charter) was signed by all member states with the exception of the UK in 1989. Although the Charter has no legal force, it sets out a range of basic common employment rights. These include the right of free movement of labor within the EU, the right to join a trade union, the regulation of working time, equal treatment and equal opportunities between men and women, the improvement of health and safety at work, and the provision of adequate social security protection and access for people with disabilities. In 1994, the European Works Council Directive was approved by the Council of Ministers. It seeks to insure that employees are informed of and consulted about the organ izations in which they work.

The EU has been very successful in develop ing a culture of collaboration. However, there is an underlying conflict between supranationalism and intergovernmentalism. Despite broad ac ceptance of the supranational principle, national governments have been reluctant to cede control over all policy areas to EU institutions, particu larly in the case of the UK.

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executive compensation

Brian K. Boyd

Because senior managers are responsible for cre ating and implementing the firm's strategy, most companies recognize the need to develop special pay packages for these individuals. Thus, execu tive compensation addresses the REWARD SYSTEMS used for chief executive officers (CEOs) and members of the top management team (e.g., vice presidents and other officers of the firm). Executive compensation is significant because of its visibility and symbolism, and its ramifications for pay systems at lower levels of the organization.

Executive salaries have shown limited correl ation with firm size or performance, have grown at a much faster rate than the salaries for pro duction workers or middle managers, and are substantially higher in the US than overseas. Since 1992, numerous groups have expressed concern with executive pay, including polit icians, the Securities and Exchange Commission (SEC), institutional investors, boards of direct ors, and individual shareholder groups (Boyd, 1994). Still, despite such criticism, a properly designed executive compensation system can help a firm to significantly boost its effective ness. Key elements to the understanding of ex ecutive compensation include its components and implications for design of reward systems.

COMPONENTS

The elements of an executive's pay package in clude base salary, BONUSES, long term COM PENSATION, and BENEFITS. Many chief executives also have GOLDEN PARACHUTES, which are severance agreements triggered by a change in firm ownership or control. Base salary is considered a fixed form of compensation, and accounts for one half to two thirds of total cash compensation (Gomez Mejia and Balkin, 1992; Boyd, 1995). Because this is a base, annual salary is generally of little motivational value and difficult to reduce in the face of poor CEO performance or weak economic conditions. Ex ecutive pay surveys (Conference Board, 1994; *Wall Street Journal*, 1995) indicate that base salary varies widely both across and within industries.

The sum of annual salary and bonus is called total cash compensation. Bonuses are short term awards, and are used by a vast majority of firms in compensating key executives (Conference Board, 1994). Experts recommend that both ob jective (e.g., stock price, return on investment, or market share) and subjective (e.g., the quality of CEO strategic decision making, as evaluated by the board of directors) criteria be developed for bonus awards. Because bonuses are a form of contingent compensation, they are a source of personal risk. The uncertainty associated with this risk can be a powerful motivational tool, and pay packages which emphasize bonus pay have been linked with higher levels of firm perform ance. However, excessive emphasis on bonus pay can be ineffective or encourage inappropriate behaviors. Use of either bonus pay or long term compensation can be considered forms of PAY FOR PERFORMANCE.

The third element of executive pay is long term compensation. One danger of bonus pay is that it may encourage executives to sacrifice long term strategic goals in exchange for short term profit gains. Long term compensation plans help to balance the emphasis on long and short term goals, and can also help to align the interests of senior managers with those of shareholders. Long term compensation plans are used by a minority of firms, but are gradually gaining in popularity (Conference Board, 1994). Awards for long term compensation are gener ally some combination of company stock (in the form of stock options) and cash. The present value of such compensation is complex to calcu late, and option losses do not translate to a real loss for executives. So there is still debate about the motivational value of these awards. Addi tionally, there are many issues associated with the effective administration of long term com pensation programs.

The last element of executive pay is benefits. While some firms offer identical benefits to all employees, most companies provide far more extensive benefits for senior executives. Aside from the ubiquitous company car, common executive perks include financial and tax plan ning, low interest loans, and membership in country clubs, health clubs, and other social organizations.

DESIGN IMPLICATIONS

The growing emphasis on STRATEGIC HUMAN RESOURCE MANAGEMENT has prompted many firms to reevaluate their executive pay practices. Increasingly, these firms recognize that the characteristics of an effective executive compensation system will differ substantially across industries, and may even differ for two firms competing in the same industry. Ideally, there will be a strong link between the firm's strategy, key goals, relevant context, and the composition of the executive pay package. To develop a truly strategic system, Hambrick and Snow (1989) recommended that firms begin with a thorough analysis of their situation, including their strategy, pay at competing firms, job mobility of key staff, and so forth. This information should then guide the following steps:

1 selecting the type and amount of incentives (e.g., base versus bonus pay, cash versus stock);
2 setting criteria for receiving incentives (e.g., subjective versus objective criteria, short term versus long term goals, difficulty of goals); and
3 administering incentives (e.g., degree of customization for different staff or divisions, levels of visibility and stability of pay packages).

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executive orders

Ramona L. Paetzold

A variety of executive orders have been issued in the past 60 years to help to eliminate employment DISCRIMINATION by the federal government and by private employers who have contracts with the federal government. In general, executive orders are orders issued by the president having the same force or effect as a statute or other law. A few of the pertinent executive orders are described below.

ORDER 10925

This executive order, issued by President Kennedy in 1961, required federal contractors to take AFFIRMATIVE ACTION to insure that applicants were employed, and employees treated, without regard to race, creed, color, or national origin. This was the first executive order to contain an affirmative action provision as part of its nondiscrimination prohibitions.

ORDER 10988

This executive order, issued in 1962, provided COLLECTIVE BARGAINING rights for federal employees.

ORDER 11141

This order, issued by President Johnson in 1964, prohibited federal contractors and their subcontractors from discriminating on the basis of age. This executive order was the first to extend nondiscrimination to federally assisted construction contracts. The overlap of the AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967 with this order has attenuated its effect.

ORDER 11246

This executive order, issued in 1965, provided the basis for the federal government contract compliance program. It required compulsory language to be included in nonexempt federal contracts and in secondary contracts resulting from them (e.g., subcontracts), indicating that contractors did not discriminate on the basis of

race, color, religion, or national origin. Additionally, the language provided notification that the contractors would take affirmative action to insure that employees would be hired and treated without regard to their race, color, religion, or national origin. Much of the language of this order was taken from earlier executive orders. The order authorized individual federal agencies to impose sanctions and penalties under the order, which strengthened the enforcement of the order relative to earlier orders.

ORDER 11375

This 1967 amendment to executive order 11246 added prohibitions against discrimination on the basis of sex.

ORDER 11478

This order, issued in 1969 by President Nixon to amend order 11246, stated a federal policy of prohibiting employment discrimination on the basis of race, color, religion, sex, national origin, handicap, or age in each of the executive departments and agencies (and in contractors holding at least $10,000 worth of federal contracts). It established "affirmative program(s) of equal employment opportunity" in all such departments and agencies. It also authorized the EQUAL EMPLOYMENT OPPORTUNITY COMMISSION to issue rules and regulations necessary to implementation of the order. Finally, the order mandated merit as the basis for federal personnel policies.

ORDER 12086

This executive order, issued by President Carter in 1978 as part of the Reorganization Plan, eliminated the enforcement powers of the independent federal agencies and concentrated the enforcement power for executive order 11246 in the Secretary of Labor. The OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS (OFCCP), under the secretary's direction, has issued an extensive set of regulations to implement the requirements of order 11246. In particular, all contracts and subcontracts exceeding $10,000 must contain an equal opportunity clause (see orders 11246 and 11478). Contractors and subcontractors (nonconstruction) employing 50 or more persons and having a federal contract worth at least $50,000 must

also develop a written affirmative action plan. Construction contractors and subcontractors holding federal contracts in excess of $10,000 must engage in affirmative action.

executive search

James A. Breaugh

Executive search refers to the process by which an organization goes about filling senior level management positions (Lord, 1989). In discussing executive search, writers have generally focused on the use of executive search firms that recruit and screen senior managers employed at other firms. However, this is too narrow a view. Executive positions are frequently filled with candidates from within the organization as well.

THE INTERNAL RECRUITMENT OF EXECUTIVES

Given the advantages of filling job openings internally (*see* RECRUITING SOURCES), organizations often try to fill executive positions from within, before going outside for candidates. Some organizations rely upon SUCCESSION PLANNING for this purpose. Other employers use managerial nominations of candidates when an executive position becomes vacant (Breaugh, 1992). This nomination process involves having executives nominate current employees whom they think have the potential to successfully fill the open position. An organization may then use a formal executive selection process to choose among the final slate of candidates.

THE USE OF EXECUTIVE SEARCH FIRMS

Organizations that decide to go outside to fill an executive position sometimes use such common external recruitment methods as job advertisements and employee referrals. However, they often will utilize an executive search firm, especially if they are recruiting a chief executive officer (Byrne, 1989). Unlike employment agencies, executive search firms do not find jobs for individuals who contact them. Rather, these so called "headhunters" work for an organization that has a particular executive position to fill.

Typically, an executive search will begin with the search firm getting as much information as it

can from its client about the type of individual it wishes to hire, the job opening, and the organization as a whole. The executive search firm can then begin to locate and screen potential executive candidates. In order to locate prospects, a search firm relies on networking (Byrne, 1989). That is, the search firm contacts executives (some of whom it may have previously placed) who may know of viable candidates. These executives may also be asked for the names of other executives who, in turn, may be able to make referrals. Larger executive search firms frequently have computerized databases from previous searches they have conducted which may also provide information on prospective candidates. Conducting an executive search is a time consuming process that involves confidentiality (both the client and the individuals being contacted may not want their involvement in the search widely known).

Although using an executive search firm minimizes the time an employer needs to spend on recruiting and screening candidates, it is an expensive method for filling a position. Therefore, before hiring a search firm, an organization should do some research on the firms it is considering. Among the questions it might seek answers to are: Does the executive search firm have a good reputation for filling jobs successfully? Does it have a reputation for maintaining confidentiality? Does the firm have sufficient time and resources to carry out the assignment?

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executive selection

Lyle F. Schoenfeldt

Executive selection refers to the process whereby individuals are identified for their unique ability to manage (*see* EARLY IDENTIFICATION OF MANAGEMENT TALENT).

These managers then progress to an upper level position to lead, control, and direct the organization or a major component thereof. The key to selecting executives is understanding the challenges facing the organization, and then identifying an individual with the capabilities to be effective in leading the organization to address these challenges.

EXECUTIVE SELECTION AS A STRATEGIC ISSUE

The understanding of challenges facing an organization is a strategic concern, one that has generated a considerable amount of research. Management strategists have been interested in topics such as models of executive tenure (Hambrick and Fukutomi, 1991), executive teams (Keck and Tushman, 1993), and internal versus external executive selection (Cannella and Lubatkin, 1993). The goal of this line of research is to define the job of the executive (or of the top executive team).

HUMAN RESOURCE ASPECTS OF EXECUTIVE SELECTION

As a human resource topic, executive selection is concerned with developing valid selection procedures to screen candidates on the basis of: (1) basic managerial competencies; (2) ideologies, norms, and habits; and (3) special competencies required (Comte and McCanna, 1988). At this senior level, performance measurement is likely to be valuable in providing needed information. The goal would be to scrutinize current and previous performance as indicative of an individual's style and the results of which he or she is capable, and the applicability of this record for the executive position. Mental ability tests and PERSONALITY TESTS are frequently used as part of executive search efforts, although the validity of such procedures varies.

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exit interviews

Robert A. Giacalone

Exit interviewing and surveying (EIS) are used to gather data from separating employees. Or ganizations use EIS for diagnostic and strategic reasons: identifying reasons for company turn over (*see* EMPLOYEE TURNOVER), training and development needs (*see* TRAINING), and stra tegic planning goals. Generally, EIS focuses on employee feelings about COMPENSATION and BENEFITS, working conditions, opportunities, workload, and work relationships, although it may focus on a specific problem area such as workplace security. Recent research has shown that the EIS process may be a useful tool in assessing organizational ethics (see Giacalone, Jurkiewicz, and Knouse, 2003). Still, EIS users should be wary of its administrative and methodological shortcomings (Giacalone, 1993; Giacalone et al., 1995).

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expatriate assignment

Mark E. Mendenhall

An expatriate assignment is a job transfer that takes the employee to a workplace that is outside the country in which he or she is a citizen. There are differences between an expatriate assignment and other job assignments of an international nature. Expatriate assignments are longer in duration than other types of international assign ments (e.g., business trips), and require the em ployee to move his or her entire household to the foreign location. Thus, in an expatriate assign ment, the employee's home base of business operations is in the foreign country.

Expatriate assignments offer unique chal lenges to expatriate employees. Virtually all ex patriates run into situations where the home office wants them to do one thing, while local situations dictate that another thing should be done instead. For example, in Japan, local con ditions dictate that market share growth should be the main criterion of a subsidiary's perform ance, while the home office may force the sub sidiary managers into focusing on quarterly profits as the main criterion of organizational performance.

The expatriate assignment requires expatriate managers to face a number of complex issues that their domestic counterparts either do not face, or face with less intensity. Examples of such issues are the integration of large international acquisitions, understanding the meaning of per formance and accountability in a globally inte grated system of product flows, building and managing a worldwide logistics capability, de veloping multiple country specific corporate strategies, managing products and services around the world with differing competitive dy namics in each market, forming and managing collaborative agreements (OEM contracts, li censing, joint ventures), balancing the need for global integration while simultaneously re sponding to local demands, and managing a MULTICULTURAL WORKFORCE within for eign environments.

Expatriates usually find an expatriate assign ment to be one of the biggest challenges of their entire career. Increasingly, firms are investing in cross cultural training programs to prepare ex patriates to operate successfully in their expatri ate assignment. Additionally, most companies offer a variety of support systems to employees as part of the expatriate assignment. One of the principal barriers to cross cultural adjustment is the lack of a way for expatriates – especially nonworking spouses of employees – to become

members of a social network. Many firms offer programs of one sort or another that are geared to helping expatriates to develop friendships with other expatriates and host nationals, and to provide support with the day to day realities of living in a foreign culture (housing, schooling, transportation, shopping, and so forth).

Expatriate assignments are much more costly than simply hiring local nationals to work in a foreign subsidiary; however, there are advan tages to using expatriates over local nationals. Expatriates know how the parent company op erates and can pass on this knowledge to local employees. By working overseas they learn how foreign markets operate, and how foreign con sumers and clients react to the products or ser vices the company offers. Also, they gain skills in cross cultural management and develop a global perspective. Expatriate assignments, then, can be a powerful strategic tool in developing global business skills within the senior ranks of a firm's management.

See also *cultural literacy; expatriate human re source issues; expatriate support system; prepar ation for an international work assignment*

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expatriate human resource issues

Hal B. Gregersen

Strategically designed international assignments can enhance the global competitiveness of firms by increasing coordination and control across units, transferring innovations across geograph ical boundaries, and developing future execu tives with global perspectives and local market responsiveness. To obtain these strategic results, firms are increasing the number of managers sent on international assignments as expatriates (Selmer, 1995). Concurrently, human resource scholars have begun to examine various stages of the international assignment cycle, including ex patriate selection, TRAINING, PERFORMANCE APPRAISAL, COMPENSATION, and REPATRI ATION (Tung, 1988; Adler, 1990; Brewster, 1991; Black, Gregersen, and Mendenhall, 1992; Selmer, 1995).

SELECTION

Research indicates that firms still select expatri ates based on technical criteria, and tend to ignore other important criteria such as cross cultural competence (Black et al., 1992). While scholars have identified several critical nontech nical criteria for expatriate success (commun ication, flexibility, and so forth), little empirical evidence exists to corroborate the PREDICTIVE VALIDITY of nontechnical criteria. In addition, firms continue to focus on selecting men instead of women as expatriates in spite of evidence suggesting that female expatriates are at least as competent as male expatriates (Adler, 1990).

TRAINING

Research indicates that well designed cross cul tural training can facilitate expatriate JOB PER FORMANCE and cultural adjustment after arriving in the host country (Black et al., 1992; Selmer, 1995). Firms can provide cost effective training at pre departure or post arrival inter vals for expatriates and their families, yet fewer than one third of US firms provide any such training (Tung, 1988).

CROSS-CULTURAL ADJUSTMENT

Adjusting to a new work and nonwork environ ment is one of the most difficult challenges expatriates and their families encounter. Re searchers have identified at least three facets of adjustment: work, interaction with host country nationals, and general adjustment to the host country. As firms work to facilitate expatriate and family adjustments, evidence indicates that expatriates perform more effectively at work (Black et al., 1992).

APPRAISAL

Assessing expatriate performance is particularly problematic, since multiple raters in multiple countries must use multiple criteria to evaluate performance accurately. Unfortunately, most firms rely on domestic performance appraisal systems without any modification for inter national contexts or criteria when evaluating ex patriates (Selmer, 1995). Clearly, additional research is needed in this area to assess the generalizability of prior performance appraisal studies to expatriate performance assessment.

COMPENSATION

Since a single international assignment can cost between one and two million dollars, most firms have developed extensive compensation systems to insure that qualified candidates take inter national assignments, expatriates are not penal ized financially during assignments, and overall costs are kept at a minimum. Thus many ex patriate compensation consultants provide rec ommendations on various pay and benefits alternatives. Unfortunately, researchers have paid little attention to expatriate compensation practices and future studies are necessary to evaluate the effectiveness of compensation pol icies.

REPATRIATION

Repatriation, or returning home from an inter national assignment, is generally more difficult than going overseas (Adler, 1990). These chal lenges arise primarily from expatriates and home office colleagues expecting each other to remain the same during an international assignment. Consequently, most expatriates experience sig nificant culture shock during repatriation. Moreover, upon repatriating, most expatriates fail to receive firm provided orientation or training or have a formal job assignment. When an assignment is obtained, it is usually a career demotion. While there is a growing literature on expatriation and repatriation adjustment, it is important for future research to assess the ad justment process and the entire international assignment cycle with more systematic longi tudinal data from expatriates in a variety of countries.

See also *cultural literacy; expatriate assignment; expatriate support system; international compensa tion; preparation for an international work assign ment*

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expatriate support system

R. Ivan Blanco

The expatriate support system (ESS) is a set of programs developed by a company to develop and promote multicultural skills among em ployees who must travel abroad on long term assignments. The system's effectiveness is meas ured by its ability to ease an employee's transi tion from the US (or any other country) to a different country's cultural environment. The system may not eliminate all the pains created by this cultural transition, but it should reduce them to a minimum. The most effective ESS is that which allows employees to become open minded, to learn how to adapt to a new environ ment, and even to enjoy the cultural transition as a valuable learning experience. The support system should also address the needs of the employee's spouse and children traveling with him or her.

An ESS includes all or any combination of the following: educational programs to develop em ployees' multicultural skills; a mentorship or buddy program in the foreign country to help employees during the first weeks abroad; short travel programs to the country of destination prior to the actual assignment to help the em ployee get acquainted with the country; in formation supplied to employees about schools,

churches, recreational activities, native meals, transportation systems, driver's license, health care, and many other aspects of the new country. It must include programs to ease employees' reentry to the US (or home country), to help them cope with the fact that they are now differ ent and that being different is fine. This com ponent should also involve other employees who must interact with a returning colleague. As employees accept the new cultural diversity paradigm and learn how to cope with it, the ESS should be deactivated.

See also *cultural literacy; expatriate assignment; preparation for an international work assignment; repatriation*

expectancy charts

Neal Schmitt

Expectancy charts are a graphical display of the relationship between predictor scores (e.g., abil ity measures) and JOB PERFORMANCE for a set of employees for whom both performance and predictor measures are available. Both individual and organizational expectancy charts can be con structed. In the construction of an *individual* expectancy chart, the employee group is divided into from five to ten equally sized groups, based on their predictor scores. Within each predictor score range, the proportion of people considered to be high performers is calculated. This per centage is then displayed in a bar graph. When there is a linear and positive relationship be tween the predictor and performance, the graph should indicate an increasingly larger per centage of high performing individuals as the predictor score range gets higher.

Organizational expectancy charts display the proportion of successful people hired when one uses a different CUTOFF SCORE on a selection procedure. In this case, the proportion of suc cessful employees is calculated when the selec tion procedure is not used. Then, the proportion of successful employees is calculated at succes sively higher cutoff scores. These percentages are then displayed in a bar graph which indicates the performance implications associated with different predictor cutoff scores.

In the construction of expectancy charts, one must be able to define job success in dichotom ous terms. It must also be remembered that these charts are based on a particular, finite sample, and that the construction of a similar chart based on data from a different sample may not look the same. Lawshe and Balma (1966) give detailed instructions on the construction of expectancy charts and also provide theoretical expectancy chart values which correct for the sampling problem described above.

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external equity/external competitiveness

George F. Dreher

External equity is one of two organizing con cepts (along with INTERNAL EQUITY/IN TERNAL CONSISTENCY) used to define the structure and form of a traditional job based pay system. External competitiveness refers to the pay rates of an organization's jobs in relation to its competitors' pay rates. Thus, unlike the concept of internal equity, external equity is concerned with relative pay rates among (not within) organizations (Milkovich and Newman, 1993: 190). The conventional view is that the lower bound of a job specific pay rate is set by the labor market (this is the point below which it is not possible to attract newcomers to the or ganization) and the upper bound reflects prod uct market competition. Management sets pay rates within these limits based upon such things as the concern for internal equity, the need to control labor costs, and the organization's ability to pay.

A highly competitive pay rate (a rate that exceeds or leads the market) would be set in an attempt to increase such things as the number and quality of applicants and the likelihood that qualified individuals will accept job offers, and

to control voluntary turnover (Williams and Dreher, 1992; *see* EMPLOYEE TURNOVER). Firms that lag the market rate would, in principle, find it difficult to attract and retain talent but might maintain a labor cost advantage over the competition.

The principle means of establishing external equity is to conduct WAGE AND SALARY SURVEYS to estimate the pay ranges set at com peting firms. While the goal is to estimate the market wage for a particular job, the process of collecting relevant data requires considerable judgment, leading some to conclude that the market wage is an illusive concept (Rynes and Milkovich, 1986).

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extraterritorial application of employment law

Terry L. Leap

The application of equal employment opportun ity (EEO) laws such as Title VII of the CIVIL RIGHTS ACT OF 1964, the AGE DISCRIMIN ATION IN EMPLOYMENT ACT OF 1967 (ADEA), and the AMERICANS WITH DISABIL ITIES ACT OF 1990 (ADA) in multinational enterprises (MNEs) has generated a degree of uncertainty. Foreign employers doing business in the US must generally abide by US EEO law (*Sumitomo Shoji America* v. *Avigliano*, 28 FEP Cases 1753, 1982; *MacNamara* v. *Korean Air lines*, 48 FEP Cases 980, 1988). The US Su preme Court ruled in *Boureslan* v. *Aramco*, 55 FEP Cases 449 (1991) that Title VII did not apply to American citizens working abroad for American employers. This ruling was over turned by the CIVIL RIGHTS ACT OF 1991. Section 701 of Title VII now provides language similar to that contained in the ADEA and the ADA. Thus, US citizens working in foreign countries for US companies are protected from various types of employment DISCRIMIN ATION based on race, sex, religion, national origin, color, age, and disability status. There is an exemption if compliance with Title VII or the ADA would cause the employer to violate the law of a foreign country where the employee is working. Section 702 of Title VII also states that the law "shall not apply to an employer with respect to aliens outside of any State" (Bureau of National Affairs, 1991).

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F

face validity

James S. Phillips

Face validity concerns "the extent to which an instrument 'looks like' it measures what it is intended to measure" (Nunnally, 1978: 111). Face validity must be distinguished from CON TENT VALIDITY. Face validity is merely an observation about a test's appearance *after* it has been developed; content oriented validity is related to the test's construction. Face validity is not considered evidence of the actual validity of a test. It can, however, add a useful dimension to a selection test. Selection tests that "look" valid have a tendency to be viewed more seriously by job applicants and other outside observers (Guion, 1965: 124).

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factor-comparison job evaluation method

Matthew C. Bloom

Under the factor comparison method, jobs are evaluated using two standards: a set of compen sable factors and the wages for a group of bench mark jobs (Milkovich and Newman, 1996; *see* COMPENSABLE FACTOR). These two stand ards are combined to form a job comparison scale which is then used to arrange nonbench mark jobs into the final job hierarchy. The set of benchmark jobs must cover the entire range of each compensable factor. First, each benchmark job is ranked on all the compensable factors, resulting in a matrix which arrays rankings for each benchmark job on each compensable factor. Second, these rankings are translated into dollar amounts by determining how much of the total wage for a benchmark job is associated with each compensable factor. The sum of these dollar values must add up to the total wage for that job. Third, for each compensable factor, two sets of rank orders are created: one arranging the factor's rankings for all benchmark jobs from high to low and another similarly arranging the dollar values. These two rank orders are adjusted until the hierarchy of benchmark jobs is the same for both. (Large discrepancies in rankings usu ally indicate a benchmark job that should not be used for job evaluation purposes.) This sequen tial process creates the job comparison scale where the level of each compensable factor has a dollar value assigned to it plus an array of benchmark jobs to serve as anchors. Nonbench mark jobs can then be slotted into each compen sable factor using the benchmark jobs as a standard of comparison. The total wage for each job is simply the sum of its dollar valued rankings on each compensable factor.

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Fair Labor Standards Act of 1938

Charles H. Fay

The Fair Labor Standards Act (FLSA) contains five major provisions: minimum wage, overtime pay, equal pay (EQUAL PAY ACT OF 1963),

record keeping requirements, and child labor laws. FLSA also is the source of the terms "exempt" and "nonexempt." It is the FLSA from which employees are (or are not) exempt. Typically, but not always, professional, technical, or administrative employees meet the exempt criteria of FSLA. Minimum wage provisions set a floor on wages. Overtime provisions mandate time and one half pay for all hours worked in excess of 40 hours per week. Record keeping provisions mandate that employers must collect, store, and report to the Wage and Hour Division of the Department of Labor significant data on all nonexempt employees.

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Family and Medical Leave Act of 1993

Ramona L. Paetzold

The Family and Medical Leave Act of 1993 is the first federal law mandating that employers provide leaves of absence for childbirth or the care of seriously ill children or other family members. It requires that employers allow eligible workers to take up to 12 weeks of unpaid leave in any 12 month period for qualifying circumstances; only workers who have been employed by the employer for at least 12 months and have at least 1,250 hours of service during that period are eligible for leave under the Act. Employers having fewer than 50 employees are exempt from the Act's coverage.

Qualifying circumstances that trigger the mandated leave include birth or adoption of a child, required care for a child, spouse, or parent having a serious health condition, or the employee's own serious health condition. A "serious health condition" is defined to be a physical or mental condition serious enough to involve inpatient care or continuing treatment by a healthcare provider. Employers are allowed to require medical certification of the need for a leave for the employee's own illness or for the care of the employee's dependant.

Employers may require employees to use accrued paid vacation leave, sick leave, or other leave for any part of the 12 week leave provided by the Act. During the leave the employer must continue to provide healthcare benefits at the same level as if the employee were not on leave. Additionally, the employee must be returned to the same or equivalent position upon returning from leave, without any loss of employment benefits that had accrued prior to the start of the leave.

FASB 106

Ramona L. Paetzold

The Financial Accounting Standards Board (FASB) issued Standard Number 106 in 1990; this standard changed the way that companies account for retiree health benefits. The standard became effective in 1992.

FASB 106 recognizes retiree health benefits as a form of deferred COMPENSATION, which justifies requiring companies to account for them as they are "earned." Instead of being able to use a "pay as you go" approach to expensing retiree BENEFITS, employers are required under FASB 106 to account for these benefits on an accrual basis. They must accrue liabilities for future, potential healthcare expenditures on their financial statements. Additionally, the present value of future retiree health expenditures must be amortized.

As a result of FASB 106, retiree healthcare benefits have been substantially cut through ERISA governed plan amendments (*see* EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974). The standard has had the effect of making retiree healthcare plans appear similar in character to PENSION PLANS, thereby raising (unresolved) issues of vesting and funding for such plans.

Federal Mediation and Conciliation Service

John C. Shearer

The Federal Mediation and Conciliation Service (FMCS) was established by the LABOR MAN AGEMENT RELATIONS ACT OF 1947 as an independent agency. It took over all mediation and conciliation functions of the federal govern ment, replacing the former US Conciliation Ser vice, which was in the Department of Labor. The FMCS is headed by a director appointed by the president with Senate approval.

The FMCS is required by statute to offer its services to help to settle labor disputes affecting interstate commerce through the offices of its commissioners located throughout the country. It may act either upon request by one of the parties or on its own initiative.

A party desiring to terminate or modify an existing COLLECTIVE BARGAINING agreement must notify the FMCS of the dispute. When the FMCS has intervened in a dispute, both the union and the employer must participate fully in any meetings called by the service. If MEDI ATION or conciliation does not result in a settle ment, the service must urge the parties to voluntarily seek other means of settlement, in cluding ARBITRATION. Either party may reject the FMCS suggestion without violating any ob ligation imposed by the Act. The FMCS also provides arbitration and fact finding services to parties requesting them. It makes available panels of qualified potential arbitrators or fact finders for the parties' selection. It publishes annual data on the locations (by states) and nature of the services it has provided. The FMCS also provides and participates in educa tional programs for the parties and for arbitra tors.

Federal Unemployment Tax Act of 1935

Charles H. Fay

This unemployment insurance program, or FUTA, is a mixed federal–state program. Part of the SOCIAL SECURITY ACT OF 1935, FUTA requires employers to pay a 6.2 percent federal tax on the first $7,000 of each covered employee's salary; but they receive a tax credit of up to 5.6 percent, offsetting state unemployment taxes paid. FUTA taxes pay for administration of unemployment insurance and Job Service programs in the states. In times of high un employment, FUTA taxes also go to pay half the cost of extended unemployment programs. States provide unemployment funds in their state, and determine individual employer state tax rates based on an experience factor, which is a function of the taxes paid in and the benefits claims attributable to an employer.

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final offer arbitration

Peter Feuille

Final offer arbitration (FOA) is a type of INTEREST ARBITRATION used to resolve con tract negotiation disputes. In contrast to conven tional interest arbitration, where an arbitrator has wide discretion to fashion an award, FOA places severe limits on the arbitrator's decision authority. The arbitrator is required to select the final arbitration offer submitted by the employer or by the union; a compromise outcome is pro hibited. In FOA by package, the arbitrator selects one party's entire package of offers on all the disputed issues. In FOA by issue, the arbitrator selects one party's final offer separ ately on each disputed issue. The underlying rationale for FOA is that its all or nothing nature will give each party a strong incentive to submit reasonable offers.

financial assistance plans

Charles H. Fay

Employers offer a number of benefit plans to employees that provide assistance in

extraordinary circumstances. Typical programs include dependant care (whether child or elder), family leave programs, legal service plans, re location assistance, property and liability insur ance plans, and educational assistance plans. In most programs, employees pay for at least part of the benefit; the employer acts as a broker and administers the program. Most of these pro grams are thought to benefit the employer by preventing a covered employee from being preoccupied with family issues. Educational as sistance programs serve employee development purposes.

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Firefighters Local 1784 v. *Stotts*, US Supreme Court (1984)

Leonard Bierman

Sometimes actions taken as part of a BONA FIDE SENIORITY SYSTEM take precedence over voluntary quota systems. In *Firefighters*, the city of Memphis, Tennessee, instituted pol icies to increase the number of minority fire fighters. During a period of layoffs, however, the city implemented a *last hired*, *first fired* policy that resulted in *adverse impact* for recently hired black firefighters. The Supreme Court held that the seniority based layoff policy was acceptable. Further, the court ruled that the black firefighters could only claim protection from the policy if they had individually and directly been the object of hiring DISCRIM INATION.

flexible benefit plans

Robert M. McCaffery

Employee benefit programs that offer some degree of choice to employees in selecting types and levels of coverage first appeared in the mid 1970s. Initially employers were motivated to sat isfy diverse needs of increasingly heterogeneous workforces. Plan adoptions accelerated in the 1980s as employers realized that the plans were more cost efficient than traditional BENEFITS. Effectively, employer subsidies can be limited to the costs of basic coverage. Employees can sup plement this core by contributing more or, alter natively, choose lower levels and receive cash or credits to apply to other benefits.

Any plan that allows employees to make bene fit choices is a "flexible" plan, but only plans that also allow choices between certain benefits and taxable COMPENSATION (e.g., cash) with out causing the otherwise nontaxable benefits to become taxable are "cafeteria" plans. Section 125 of the Internal Revenue Code (IRC) speci fies benefits that can and cannot be included in cafeteria plans and rules for insuring a tax favored status.

Currently, most flexible benefit plans are cafeteria plans. At a minimum these plans in clude: (1) a premium conversion option which allows employees to pay premiums for health benefits on a pre tax basis; and (2) pre tax em ployee contributions to flexible spending ac counts (FSAs). Money can be withdrawn throughout the year to pay for healthcare and/ or dependant care expenses. Beyond these pro visions, many flexible/cafeteria plans include options for employees to choose different levels of coverage for health, disability, and life insur ance benefits. Some plans also allow employees to "buy" and "sell" vacation time.

Most large and many medium and small sized employers now have some type of flexible program. Continued growth is anticipated.

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flexible working hours

Jon L. Pierce and Randall B. Dunham

Flexible working hours represent a work sched uling arrangement that provides employees with some degree of autonomy (discretion) in the selection of the hours that they will work. While there are a myriad of working hour ar rangements and terms that have been coined to define them, the three basic flexible working hour variations are:

1 staggered start systems that allow indi viduals, groups, or organizations to decide when to start their fixed working hour day;
2 flextime systems that divide the working day into core hours, during which everyone must work, and flex hours, during which time employees can choose either to work or not to work; and
3 variable hour systems that permit employees to contract for a specified amount of time to be worked (e.g., on a daily or weekly basis) without a constraint on when those hours are worked.

Although the theory of flexible working hours has not been well developed, several models predict work scheduling effects. The QUALITY OF WORK LIFE model suggests that work scheduling flexibility provides employees with opportunities to meet personal demands, thereby contributing to need fulfillment in both the work and nonwork domains (Ronan, 1981). Interrole conflict is reduced, favorably impacting upon motivation, job attitudes, and behavior (Christensen and Staines, 1990; Kahn weiler and Kahnweiler, 1992). The theory of work adjustment argues that flexible hours have the potential to utilize employees' circadian rhythms more efficiently, permitting a greater alignment between employees' abilities and the requirements of their jobs (Pierce and New strom, 1980). Flexible scheduling may encour age employees to increase commitment as an

exchange for this benefit (Cohen and Gadon, 1978).

Much of the flextime research is largely anec dotal and impressionistic. While there are some studies that report increases and decreases in performance, the most dominant observation suggests that performance is not detrimentally affected. Flextime can, however, provide for greater flexibility in the use of organizational resources, thereby having a positive effect on PRODUCTIVITY when workers must share those resources.

Most, although not all, employees prefer flex ible hours rather than more conventional working hour arrangements. Flexible hours are commonly associated with increased work and leisure time satisfaction, as well as attitudes toward the schedule and its effect on one's family and social life. The reported impact of flexible work schedules on general satisfaction and organizational commitment has been quite consistent and positive in nature. It has also been observed that flexible schedules lessen interfer ence with one's personal life. There is some evidence that flexible work hours aid in recruit ing and retaining employees, as well as reducing short term leaves and sick leave usage. Organ izations that offer a daily choice on schedule flexibility tend to have reduced tardiness and ABSENTEEISM.

It might be speculated that many of the atti tudinal and motivational effects of flexible working hours may stem from "experienced flexibility" potentially afforded by these working hour arrangements. Reports suggest that there will be increased demands placed upon organizations to provide flexibility and personal work environment control in the indi vidual–organization relationship; some of this flexibility and discretion can be achieved through flexible working hours.

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flexible workplace/telecommuting

Randall B. Dunham and Jon L. Pierce

Flexplace involves working at home or other locations away from and without computer links to the traditional office. Telecommuting involves work conducted while away from the traditional office but electronically linked to it. Although many of the advantages and disadvantages discussed in this entry apply to both activities, the trend is to bring the distant worker to the workplace electronically.

As technology advances, working at home becomes more feasible, more affordable, and more commonplace. Today's telecommuters embrace telephones, computers, faxes, email, and online groupware, and are beginning to use desktop video conferencing. With 7.6 million people telecommuting in the US in 1994 and the number growing at 15 percent per year (Hequet, 1994), visible examples are easy to find. Oldsmobile has created five telecommuting virtual zone offices (Laabs, 1995). The US General Services Administration has set up four telework centers near Washington, DC (Maynard, 1994). Bell Atlantic is offering at least partial telecommuting options to 16,000 management employees (Smith, 1994), while 12 per cent of AT & T's workforce has telecommuting options (Sears, 1995).

The effective implementation of telecommuting requires technical as well as organizational support. The technical end appears to be developing more quickly. Ameritech and Bell Atlantic, for example, are both providing commercially available telework services. Whether the managers of telecommuting (employers) will do their part of the work remains to be seen. Most employees report that they like the idea of telecommuting but are skeptical about their bosses providing adequate support (Betts, 1995).

Telecommuting is being used to attract and retain skilled employees. It can significantly reduce real estate costs. With fewer cars on the road, air quality can be improved and traffic congestion alleviated. It also has been argued that telecommuting can increase PRODUCTIVITY and heighten EMPLOYEE MORALE.

The cost of the infrastructure to support telecommuting can be quite high. Employees may lose some of the social aspects that make their jobs enjoyable at the workplace. Organizations are less skilled at managing telecommuters than they are workers in their facilities, and may be ineffective at employee selection, TRAINING,

and communication. There is concern among some managers that workers will not work all of the hours for which they are paid, although it might be beneficial to shift the focus to work accomplished rather than number of hours worked. In addition, existing supervisory and management models must be modified to deal with distant workers.

It is clear that telecommuting exists today and is rapidly expanding. It presents technical, social, and managerial challenges but promises payoffs for organizations and their members. Effectively utilized, telecommuting will likely give tomorrow's organizations a competitive edge.

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forced distribution method of performance evaluation

Rick Jacobs

The forced distribution method of performance evaluation derives its name from the fact that those responsible for providing evaluations, the raters, are "forced" to distribute ratings for the individuals being evaluated into a "prespecified" performance distribution. Typically, the performance distribution is chosen to reflect the normal curve, so that a relatively small percentage of ratees are required to be placed in the extremes (best and worst performers) and larger percentages of ratees are placed in the categories toward the middle of the performance distribution.

For example, an evaluator rating 25 individuals might be instructed to place three individuals in the category labeled "outstanding" and three individuals in the category labeled "poor." The evaluator might further be asked to place five individuals in the category described as "above average" and five more individuals in the category described as "below average." Finally, the evaluator would place nine individuals in the category labeled "average." In this way the evaluator has forced the distribution of ratee performance into a predetermined set of ratings.

In this simple example several issues emerge. First, the criterion on which the performance judgment is made must be defined. It is possible to ask raters to make their judgments based on the "overall performance" or on each of a series of performance dimensions (e.g., long range planning, employee development, business development, or communications). Next, the designer of the system must decide the number of performance categories to be used and the definitions for each of these categories. In the example above, five categories were specified with simple labels defining distinct levels of effectiveness. In most applications of forced distribution ratings, the number of categories will range from 5 to 11. Definitions of categories can be as brief as a simple word or more elaborate descriptions of performance. Finally, the specification of the number of ratees to be placed in each category must be given as an instruction to the raters. Here the most frequently used

strategy is to have the final distribution of ratees reflect an approximation to the normal curve. While this strategy tends to be the "norm," other less statistically oriented distributions can be and are used.

Forced distributions have several advantages for the conducting of performance appraisals. Among these advantages are:

1 the ratings require relatively simple com parative judgments by the rater;
2 the prespecified distribution rules out leni ency errors and central tendency errors (*see* CENTRAL TENDENCY EFFECTS; LENI ENCY EFFECTS); and
3 raters know directly the outcome of the ratings.

Forced distribution ratings also have disadvan tages. These include:

1 there is no real evaluation of *absolute* per formance levels;
2 there is no ability to compare ratings across groups;
3 when multiple criteria are used, raters must separately sort all ratees for each criterion; and
4 this method does not provide specific infor mation for the purpose of APPRAISAL FEED BACK and PERFORMANCE COACHING.

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401(k) plans

Charles H. Fay

Named for the section of the Revenue Act of 1978 authorizing them, these cash or deferred arrangement (CODA) plans allow employees to agree to a reduction in salary in exchange for the employer's equal contribution to a tax qualified trust. Employees thus can accumulate capital for retirement purposes and defer income tax on both contributed and plan income until retire ment. Employers are allowed to match some portion of employee contributions; the most common match is 50 percent. As with all defined contribution PENSION PLANS, there are non discrimination regulations to assure that plans do not discriminate in favor of highly paid employees.

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Fourteenth Constitutional Amendment

Ramona L. Paetzold

Ratified in 1868, the Fourteenth Amendment, through the Equal Protection Clause, limits the ability of state and local governments to treat persons differentially based on arbitrary classifi cations. Although any government classification of persons may be challenged, certain classifica tions (e.g., those based on race, sex, alienage) receive greater scrutiny by courts and require greater governmental justification to survive. In general, three possible levels of judicial scrutiny exist: (1) strict scrutiny (e.g., race based classifi cations); (2) intermediate scrutiny (e.g., most sex based classifications); and (3) rational basis or weak scrutiny (e.g., most other classifica tions). The Fourteenth Amendment also pro vides for due process and prohibits states from abridging the privileges and immunities of US citizens.

France

Jacques R. Rojot

The basic characteristic of French labor law and INDUSTRIAL RELATIONS is the predominant part played by statutory law. Beyond this, three legal doctrines are important. First, in opposition to the US, where the collective agreement plays the essential role, the foremost concept is that of the individual contract of employment between employer and employee. It may be in writing and have an actual specific content but need not be so. It is always legally assumed to exist as soon as an employment relationship is materialized in fact, and it has a compulsory implicit legal content: statutory labor law, administrative regulations, customs, applicable collective agreements for their duration, and judicial precedents as they apply to the relationship.

The parties may always add to that implicit content as long as it improves the lot of the employee or it is allowed explicitly by statutes in other cases. Collective agreements play an important, if secondary, role. They are passed between the main union representatives, who have an exclusive right to conclude them, and employers' associations or employers alone at all levels, from national inter industry to simple undertaking. Therefore, most events occurring within the employment relationship, such as dismissals, resignations, and so forth, have to be analyzed in terms of the interpretation of the individual contract of employment.

Second, the right to manage the business rests mostly on the employer only. On the one hand, there is no system of codetermination, in the German fashion (*see* GERMANY). Works councils have only advisory and consultative power. On the other hand, the courts, which in the past had systematically denied themselves the power to weigh the opportunity or validity of the employer's managerial decisions, have changed their attitudes in several matters, notably collective dismissals. Consequently, managerial decisions, which were unchallenged as long as they remained within the framework of legality, are increasingly submitted to court control as to their opportunity in economic as well as legal terms. Nevertheless, the courts' inroads in that domain, although a new factor, remain moderate in practice.

Third, the right to STRIKE is protected by the constitution. A clear consequence is that there is no peace obligation for the duration of the collective agreement. Generally, a strike can legally be called at any time for any reason by any number of people. The notion of WILDCAT STRIKES is also irrelevant because there is no union monopoly to call a strike whatsoever. However, the right to strike can be abused and in that case deemed unlawful.

Within that general framework, four characteristics should be added, which are of importance in the management of human resources. Individual and collective dismissal, even though requiring the observance of relatively complex statutory regulations, is always possible, except for shop stewards. Legal requirements regarding fair treatment and nondiscrimination do exist, but are minimal as compared to the US. To the contrary, employee representation through works councils, employee delegates, and union representatives, as well as rights on the shop floor, are much stronger. Finally, labor courts and government appointed labor inspectors monitor the system. In that regard, the nonobservance of labor law requirements is a penal as well as a civil offense.

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functional job analysis

Ronald A. Ash

Functional job analysis (FJA) is a type of JOB ANALYSIS that focuses on tasks (*see* TASK) and ratings of those tasks on a number of different scales. Tasks describe what a worker does and what gets done on a job. In FJA, a task is defined as "an action or action sequence grouped through time designed to contribute a specified end result to the accomplishment of an objective

and for which functional levels and orientation can be reliably assigned'' (Fine and Wiley, 1971). In FJA, task statements are written in a standardized format. A task statement consists of an explicit expression of a worker action and an immediate result expected from that action. The action verb is modified by the means (tools, method, equipment) used, by the immediate object of the action, and by some indication of the prescription/discretion in the worker instruction. An example task statement for the job of social worker is: ''Suggests/explains to client reasons for making a good appearance and particular areas where he or she can make improvements to conform to local standards in order that client makes applications for jobs appropriately dressed and groomed.''

Each task is analyzed according to seven scales. Three are worker function scales (data, people, and things); one is the worker instruction scale; and three are general educational development scales (reasoning, mathematics, and language). See Fine and Wiley (1971) and Fine (1988) for the specific content of the scales and procedures for their use. According to Fine (1988), FJA is concerned with the whole person on the job, both with the person as a functioning instrument to meet specific job requirements, and with the person as an adaptive system relating to a work environment. For this reason, FJA obtains information relevant to functional skills, specific job content, and adaptive skills necessary for satisfactory JOB PERFORMANCE. FJA has been applied widely in both the public and private sectors, and has been used to generate job analysis data for occupational classification, PERSONNEL SELECTION procedures, PERFORMANCE STANDARDS, training curricula, job design, and job evaluation.

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G

gainsharing

Theresa M. Welbourne

Gainsharing is a term used to describe a set of group based incentive programs that provide employees in a designated work group (usually a business unit, smaller organization, or depart ment) with a share of the financial gains realized due to increases in PRODUCTIVITY, improve ments in processes, or reductions in costs. The philosophy supporting these plans is that em ployees will improve productivity if provided with (1) an incentive that shares the gains with employees, and (2) a mechanism for voicing their suggestions. Most gainsharing plans consist of two components to assure these goals are met. The first is a bonus plan, and the second is a form of employee participation.

Although historically one of three plans was used (i.e., SCANLON PLAN, RUCKER PLAN, or IMPROSHARE), today's programs include cus tomized bonus formulas and participation systems. However, all gainsharing plans share the goal of including *only* criteria that employees can change (cost of production, sales value of production, customer service, quality, and so forth). An additional factor differentiating gain sharing from other forms of organization based rewards (such as PROFIT SHARING) is that the bonus is paid out more frequently, usually quar terly, although some pay weekly.

The second component of gainsharing is an EMPLOYEE INVOLVEMENT program. Not all gainsharing programs implement the involve ment system, but, when used, they are designed to provide employees with a mechanism for communicating ways to improve the production process. More sophisticated involvement plans consist of layers of suggestion committees that are staffed by peers who are empowered with budget authority to approve suggestions.

gender effects in recruiting

Fiona A. E. McQuarrie

RECRUITING is crucial for an organization be cause it ultimately affects the composition of the workforce. Special consideration must be given to the effects of gender in recruiting because of the potential legal and organizational impacts.

Gender must be considered in all steps of the recruitment process. Planning for recruitment must take into account the current, future, and desired gender characteristics of the organiza tion's workforce, and must be designed to sup port the desired or mandated gender balance within the organization. The current gender bal ance within the organization must also be con sidered in the choice of internal or external recruiting (*see* RECRUITING SOURCES). If a gender imbalance already exists within an organ ization, internal recruiting may act to perpetuate, rather than solve, such a situation. The organiza tion's internal structure, particularly in the area of career movement, must be considered. For example, in some organizations, formalized structures such as job ladders not only create but also help to maintain gender segregation (Perry, Davis Blake, and Kulik, 1994).

Whether posted internally or externally, re cruiting messages must be framed so that one gender is not favored (inadvertently or other wise). For example, general terms such as "man ager" may evoke gender based schema in a recruiter's mind. A description of actual job duties may avoid this problem (Kulik, 1989). It

is a generally accepted practice (and legally man dated in many cases) for advertisements to indi cate whether the company has an equal opportunity policy.

The choice of the target group for recruiting is also important in the identification of potential gender effects. If the target group is mostly populated by one gender (e.g., women in nurs ing), the recruiter must balance that reality against the demands of the organization, as well as any legal or internal mandates, for gender balance in the workplace. However, the gender identification of the job (a "male" or "female" occupation) and the gender of current job occu pants must be noted as a potential source of DISCRIMINATION in the recruiting process. The continuation of existing gender patterns of hiring may result in continued sex segregation in the workplace (Heilman, 1983).

Gender effects can be particularly influential in the selection process. Recruiters generally have limited time and information on which to base their selection decisions and, thus, stereo types tend to have a strong effect. Gender based stereotypes (e.g., about one gender's particular talents or aptitudes for a job) may, thus, result in a biased hiring decision (Powell, 1987). Beliefs about appropriate appearance, age, or level of attractiveness for the ideal candidate may also receive more attention in selection than actual job relevant credentials.

Appropriate TRAINING for those screening or interviewing candidates is one method of alerting those involved in the recruitment pro cess to possible biases.

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gender issues in international assignments

Georgia T. Chao

Gender issues in international assignments generally focus on the selection and performance of women who work in foreign environments. Globally, most organizations recognize an in ternational assignment as a critical prerequisite for career advancement to executive ranks. However, the vast majority of managers and expatriates in multinational companies are male (Harris, 2002). Three common reasons are often cited by organizations in their reluc tance to assign women to international assign ments:

1 women are less interested in international assignments than men;
2 foreigners, especially those in male domin ated cultures, are less likely to accept women professionals; and
3 for safety reasons, organizations prefer to send men to remote locations, developing countries, or isolated work assignments.

Current research has concluded that these reasons are largely without merit (Caligiuri and Tung, 1999; Harris, 2002).

Advantages and disadvantages have been identified for women in international assign ments (Mathur Helm, 2002). Advantages in clude: higher visibility in the organization due to the rareness of a female expatriate and the general assumption that a female expatriate must be highly qualified since she passed the selection hurdle. Disadvantages include: barriers in selection; limited opportunities for a woman when the home office seeks to protect her by restricting her travel and exposure to outsiders; and dual career concerns that are more likely to be problematic for married women (*see* DUAL EARNER AND DUAL CAREER COUPLES). More research is needed to determine the extent to which international assignments can be managed to maximize the success for women expatriates.

See also *expatriate assignment; expatriate human resource issues*

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Generation X

Hadyn Bennett

A term used to describe the post baby boom generation born between 1964 and 1981. Each generation carries its own perspectives on the world of work and employment, shaped by its experiences of the environment, and responds to differing management practices. Among the characteristics attributed to members of Gen eration X are self reliance, independence, and an expectation of immediate gratification (Cau dron, 1997), a desire to continue growing and learning (Tulgan, 1995), and high value for factors such as flexible work patterns (*see* FLEXIBLE WORKING HOURS; FLEXIBLE WORKPLACE/TELECOMMUTING), shorter commuting distances, and interesting work cul tures (Bova and Kroth, 2001).

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genetic screening

Judy D. Olian

Genetic screening for employment purposes is the practice of predicting work relevant behav iors or dispositions based on genetic marker information. Although this STAFFING practice is still virtually nonexistent among US corpor ations (see Office of Technology Assessment, 1990), rapidly accelerating advances in genetic research are leading to (1) the identification of "genetic markers" for a vast range of diseases and dispositions, and (2) the development of cost effective and accurate genetic screening tests for genetic counseling purposes as well as for potential employment applications. The types of work related behaviors that are poten tially predictable from genetic information in clude interpersonal orientation (based on a marker for extraversion–introversion), cognitive processing (based on a marker for field depend ence–independence), and aggression. Suscepti bility to disease is also predictable from genetic information. Examples include disposition toward cancer and heart disease, or vulnerability to exposure from chemicals (e.g., oxidizing agents) used in production processes that could increase the probability of pulmonary disease (see Olian, 1984; Rothstein, 1989). This type of predictor information has obvious implications for employer healthcare costs.

Genetic screening has potential utility for staffing purposes to the extent that traditional scientific standards of validity are attained for such tests. For certain diseases or susceptibil ities, the low base rate in the population and the complex pattern of interactions among genetic markers in predicting actual disease impose upper limits on the validity of the tests in tradi tional populations of applicants. More critically, however, the practice of genetic screening intro duces profound ethical and public policy chal lenges (Olian, 1984; Greenfield, Karren, and Zacharias, 1989). These stem primarily from the immutable nature of genetic markers as the basis for employment and allocation decisions, and the fact that many genetic markers are dis tributed unequally across racial, ethnic, and gender groups. For these and other reasons, various commentators have cautioned against premature adoption of these practices (see Draper, 1991; Strudler, 1994).

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Germany

Eduard Gaugler, Steffen Lichtenberger, and Cornelia Martin

During the past decades, human resource management (HRM) in Germany has undergone a considerable functional change. Up to the 1950s, corporate personnel management chiefly dealt with administrative tasks such as wage and salary payments and the administration of personnel records (administrative phase). Due to an acute lack of manpower, this period was followed by a phase in which the work factor was acknowledged to an increased extent. As a result, the status of HRM in the company was enhanced (acknowledgment phase). This was manifested, for example, by the establishment of the first academic chair for HRM in the German language area at the University of Mannheim in 1961. As a consequence of the incipient change of values and technologies, HRM has experienced a constantly rising acceptance since 1970 (integration phase).

Today HRM has to be classified as a top management task. In large companies, the human resource manager is often a member of the executive board. In addition, by law large corporations must have an executive of labor relations (*Arbeitsdirektor*). This executive is entrusted with human resource and social tasks.

A great number of German companies consider their staff more and more as the decisive factors of success. This attitude is accompanied by greater professionalization of human resource managers. Furthermore, it leads to an increased specialization of HRM into a wide variety of subtasks and to an increased strategic orientation (*see* STRATEGIC HUMAN RESOURCE MANAGEMENT).

ECONOMIC SYSTEM

The existing market organization in unified Germany is a social market economy. Taking into account the given legal and political restrictions, the individual companies have to develop their own strategies in order to engage in free competition with others. In this regard, HRM serves as an instrument to reinforce the company's competitiveness as well as its viability.

Due to its limited domestic market (82.5 million inhabitants), the German economy has to rely to a large extent on the export of goods and services, which also explains the general concentration on goods and capital exports. (Germany's major trading partners are the countries of the European Union with a share of 51.5 percent, the US with 7.7 percent, and the countries of Central and Eastern Europe with 13.5 percent. In 2002, total proceeds from exports amounted to 522.1 billion euros.) Germany only has a few primary raw materials (hard coal, brown coal), a fact which compels its economy to focus on the development and implementation of state of the art technologies. In addition, investments in the vocational training and further education of the existing human resources are high on an international level.

The situation in the labor market of the unified Germany is as follows: in 2001, 36.8 million out of 82.5 million Germans were gainfully employed, 22.0 percent in producing industries, 28.3 percent in service industries; a total of 3.6 million were self employed; 56.1 percent of all employees were male and 41.2 percent female. The number of part time employees currently amounts to 6.8 million. In 2002, the average salary per month of an employee was 2,730 euros; the average hourly wage in the industrial sector was 15.17 euros. Due to its high labor costs, which are above average, in particular ancillary wage costs (which in 2002 amounted to approximately 76.8 percent of labor costs, made up of components of statutory, negotiated, and employers' social security contributions),

and the smallest number of annual working hours in the world (*see* ANNUAL HOURS), the German economy has to achieve high PROD UCTIVITY. Key factors in this regard are staff know how and the implemented level of tech nology. For this reason, Germany's output is mainly composed of products and services that are a combination of these two key factors. In dustrial sectors that require a relatively low skill level have increasingly been relocated to coun tries with lower wages, a strategy designed to secure international competitiveness. This ten dency, however, together with the economic structural difficulties that resulted from the re unification of Germany in 1990, caused a rise in unemployment to 10.8 percent in 2002.

German HRM has reacted to this situation with a more individual organization of working time, the introduction of PAY FOR PERFORM ANCE systems, and more flexible regulations in the field of employee BENEFITS and services.

LABOR LAW

HRM in Germany is subject to a variety of restrictions tracing back to legal and collective agreement provisions. Labor law consists of a large number of individual provisions that regu late work in dependent employment, i.e., the relation between employer and employee. The historical intention of labor law was to protect the dependent employee. Labor law can be divided into individual labor law, which regu lates the form of individual contracts as the basis of the employment relationship, and collective labor law, which includes labor association law (unions, employers' associations), the collective agreements law, as well as the codetermination right at plant level and enterprise level which is particularly relevant for HRM.

The number of unionized employees in Ger many is relatively low, at 33.8 percent. However, collective agreements made between employers and unions of a branch industry are often bind ing for the employees of this branch. Industrial codetermination, which is regulated in the In dustrial Constitution Law of 2/2001 (*Betriebs verfassungsgesetz* 2/2001), has a significant effect on HRM. Its main interest is to give employees a right of participation in corporate decisions. In such cases of participation, employees are usu ally represented by the works council (*Betriebs rat*) elected by them. The works council has different rights of participation. A large number of decisions on human resource matters, such as the start and end of the daily working hours, specific matters of wage structures, and so forth, can only be taken together by the em ployer and the works council.

AUTHORITIES AND SPHERES OF ACTION FOR INDUSTRIAL HRM

In Germany, all large and medium sized com panies have human resource departments. The human resource department performs its tasks in cooperation with the individual corporate ex ecutives who are responsible for direct leading of human resources. The works council, in its function as employees' representation, is another body that participates in the performance of certain tasks. Based on the objectives of corpor ate human resource policy, which is an integral part of corporate policy, HRM centers on HUMAN RESOURCE PLANNING. This includes complex planning of measures and activities that are aimed at anticipating and satisfying the demand for human resources required to effect future performance. Subsequent areas of plan ning are staff RECRUITING and human resource marketing, human resource development and further TRAINING, and discharge. These areas of planning serve for optimal satisfaction of planned human resource needs with regard to the forecasted number of employees and to quality, quantity, time, and area requirements. Further tasks are human resource maintenance and the development of corporative incentives. These include the corporate strategic COMPEN SATION system, corporate benefits, and the management style. In addition, human re source development and vocational training, including the specific features of the German training system (dual system), are original tasks of HRM.

PRESENT TRENDS OF HRM

Within a short period of time many German companies have adopted management plans for solving urgent problems regarding time, cost, and quality issues. Such management plans include lean management, TOTAL QUALITY MANAGEMENT, and BUSINESS PROCESS REENGINEERING, and they have led to

reorganization activities in many companies. Common traits of these concepts are an exten sive decentralization of corporate functions and the elimination of unproductive functional areas. These trends lead to changes in the nature of tasks and duties as well as the organization of human resource departments, and have the following consequences:

1 An increased demand for professionalization of human resource managers as a prerequis ite for effective human resource work. This implies that human resource managers have comprehensive knowledge of all HRM in struments and the preconditions for their application, as well as knowledge of labor restrictions.
2 The separation of HRM functions; for example, by externalizing parts of the human resource development area. HRM know how is increasingly procured from human resource consulting organizations (e.g., in the field of staff recruitment or human resource marketing).
3 Rising pressure for the justification of HRM activities due to an increased cost orienta tion. This often leads to a changing self image of human resource departments. Human resource work will increasingly be considered as a service to other functional areas of the company. As a result, human resource work will be oriented to a greater extent to the interests and expectations of "internal customers" (executive board, em ployees' representation, executives, and staff members).
4 A tendency toward increased activities in human resource controlling to enhance cor porate human resource work as an equal corporate function, even in an economic sense.
5 A long term tendency to decentralize human resource work. The demand for closer con tact to "internal customers" can only be met by a decentralization of human resource work. It also improves satisfaction of specific demands and the solution of specific prob lems. However, central "authorities" remain responsible for important HRM issues, such

as principles of leadership, PERFORMANCE APPRAISAL, and remuneration.
6 Original leadership tasks will be redelegated from the human resource department to im mediate superiors. There is a tendency toward redelegating certain leadership tasks to immediate superiors, such as the selection of new staff, discussions with individual em ployees, and dismissals.
7 The use of up to date automation systems and human resource information systems. The use of such systems reduces the amount of routine work in the field of HRM.

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glass ceiling

Fiona A. E. McQuarrie

The term "glass ceiling" describes the phenom enon of women rising to certain hierarchical levels in corporations and then being unable to

advance any higher, despite their qualifications and abilities to do so (Morrison et al., 1992). While gender is not explicitly stated as a reason for these individuals' inability to advance, gender related issues and perceptions prevent their ongoing progress; hence, gender acts as an invisible, or "glass," barrier.

Recent research suggests that the glass ceiling phenomenon occurs, in part, due to differential developmental job experiences that male and female managers receive at the same organiza tional levels. Male managers are more likely to be assigned critical tasks with visibility and broad responsibility than are female managers (Ohlott, Ruderman, and McCauley, 1994). As a result, women managers may not receive the practical experiences considered necessary for promotion. Likewise, the same skills have been found to be better rewarded for men than for women, and training and development has been shown to have a stronger effect on male man agers' career advancement than on female man agers' advancement (Tharenou, Latimer, and Conroy, 1994).

Among the strategies suggested for "cracking" the glass ceiling are for women man agers to be consistently outstanding in their work, to act as advocates for each other within the organization, and to recognize the excep tional pressures caused by work and family demands and demand that the organization adapt to these pressures (see WORK–FAMILY CONFLICT). Legislation such as the CIVIL RIGHTS ACT OF 1991 has also been promoted as having a positive effect in removing barriers to advancement.

See also *affirmative action*

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global human resource strategies

Mary Ann Von Glinow

International human resource (HR) managers have a key role to play in effective STRATEGIC MANAGEMENT. However, they can only be ef fective in this role if they have acute understand ing of the development cycles that a firm goes through as it moves from being domestic to more global in its operations, thinking, and manage ment of resources. In this context, a working definition of global human resource strategies seems proper. The HR literature, however, does not define global HR strategies; in general it is a generic term which appears in many stra tegic texts as well as the literature. To be sure, most firms employ one of four basic strategies to enter and compete in the international environ ment: an international strategy, a multidomestic strategy, a global strategy, and a transnational strategy. In the multidomestic strategy, com panies pursue a path that allows them maximum local responsiveness. In the global strategy, firms will focus on increasing profitability by reaping the cost reductions that come from experience curve effects and location economies. In other words, they pursue a low cost strategy in a few favorable global locations.

The human resource management (HRM) literature often utilizes Ghadar and Adler's (1990) or Dowling and Schuler's (1990) four phase evolution to explain similar concepts from a more focused HR approach: the ethno centric approach, the polycentric approach, the geocentric approach, and the regiocentric ap proach. These terms seem more suitable in de scribing properties of global HR strategies. The ethnocentric approach suggests that if there are foreign subsidiaries, they have little autonomy; strategic decisions are made at headquarters. The polycentric approach is where the multi national enterprise (MNE) treats each subsidiary as a distinct national entity with some decision making autonomy. Subsidiaries are usually managed by local nationals, who are seldom

promoted. The geocentric approach is when the organization ignores nationality in favor of abil ity. This approach to STAFFING without regard to nationality must be accompanied by a world wide integrated business strategy to be success ful. The regiocentric approach reflects the geographical strategy and structure of the MNE. Like the geocentric approach, it utilizes a wider pool of managers, but in a limited way. Regional managers may not be promoted to headquarters, but enjoy a degree of regional autonomy in decision making. Dowling and Schuler (1990) use the geocentric approach to describe international HRM practices for firms with a *global strategy*:

> The global firm manages its global workforce in a centralized or at least coordinated way. Corporate policy on human resource management is rela tively specific and influential. There are numer ous guidelines, policies, principles, and guiding corporate values; desired personnel practices are often prescribed. Specific examples are worldwide policies on open-door grievance procedures, single status, and stance toward unions, a uniform procedure of performance evaluation or global compensation policies; monitoring of human re source management through opinion surveys that compare the performance of business units and divisions, and a code of corporate values that guide the indoctrination of new recruits. (Dowl ing and Schuler, 1990: 37)

The key assumption underlying this approach is that the MNE has sufficient numbers of good people constantly available for transfer any where, anytime. In short, global HR strategies are those strategies that embody a sense of cen tralized control, but local autonomy, and in par ticular the HR strategies, are highly sensitive to management development, socialization, and cultural diversity.

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golden parachutes

Nancy A. Bereman

Golden parachutes (more technically "change in control" arrangements) are payments made to employees that are contingent on a change of ownership or control of an organization. The US Internal Revenue Code (section 280G) de fines a golden parachute provision as any pay ment contingent on a change of ownership or control. The US Tax Reform Act of 1984 placed constraints on the size of golden parachutes. If such payments are greater than three times the executive's annual salary and BONUSES, the corporation is not permitted to deduct the excess payment (excess of payment over annual salary) as a wage expense. In addition, the executive must pay an excise tax on the excess payment.

Golden parachutes have a number of different purposes. One purpose is to serve as a defense against a hostile takeover. Golden parachutes are made available to top management, which makes the acquisition more expensive. Golden para chutes can also be considered as a type of sever ance package which may make it easier for companies to attract talent. These severance agreements should include a clause making the contract void if the executive leaves because of incompetence or resignation. One argument made in favor of golden parachutes is that they lessen the likelihood of target firm resistance to takeover bids, as they help to make managers more objective when considering tender offer proposals (Jensen, 1988). At least one study (Buchholtz, 1994) found that this was not the case and that, in fact, takeover resistance in creased with the number of parachutes in the target company.

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good faith bargaining

Charles R. Greer

The NATIONAL LABOR RELATIONS ACT OF 1935 included the requirement that employers must bargain in good faith with unions. The LABOR MANAGEMENT RELATIONS ACT OF 1947 (Taft Hartley Act) added the require ment that unions must also bargain in good faith. These Acts, the interpretations of the NATIONAL LABOR RELATIONS BOARD (NLRB), and various court decisions require and prohibit an extensive number of behaviors in defining good faith bargaining (Taylor and Witney, 1992).

More specifically, good faith bargaining re quires the parties to begin negotiations in a rea sonable time frame, send authoritative agents to the negotiations, and be willing to put any agree ment reached in writing. In addition, the parties must be willing to negotiate over issues the law and the NLRB consider mandatory, such as wages, hours, working conditions, and BENE FITS. Furthermore, when rejecting a proposal, a party must respond with a counterproposal, although it is not required to make any conces sions. Other prohibited behaviors include con tinually shifting positions on an issue and bypassing the union to engage in direct bargain ing with the union's members. Finally, a catch all requirement examines the totality of the parties' conduct for consistency with good faith bargaining (Commerce Clearing House, 1987; Taylor and Witney, 1992).

In reality, some employers have not adhered to the spirit of good faith bargaining and have been able to avoid executing a contract with unions that have won REPRESENTATION ELECTIONS. Although employers must bargain with unions that have won elections, they are not legally required to come to an agreement with unions. As a result, some very determined em ployers have resisted to the point that their unions have gone out on STRIKE and then the employers have replaced striking workers (Free man and Medoff, 1984).

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graphic rating scale method of performance evaluation

Robert L. Cardy

A graphic rating scale, defined as any rating scale consisting of points on a continuum, is a generic label given to a broad category of rating formats (Cascio, 1991). Raters are presented with a de scription of a dimension on which the ratees are to be evaluated, and a continuum with anchor points that demarcate levels of effectiveness along that continuum. The rater is asked to judge the level of effectiveness for each ratee, using that rating continuum. The number of points on the rating scale can vary from three upward. Research has indicated that five to nine scale points result in the highest quality of ratings (Finn, 1972).

Graphic rating scales are probably the most common rating format. One reason for this popularity is that the graphic rating scale category can be adapted to a wide variety of specific formats. Other reasons for their popu larity include: (1) they are fairly easy to con struct; (2) they have a fairly high level of user acceptability; and (3) they have FACE VALIDITY (Cardy and Dobbins, 1994).

Graphic rating scales can be differentiated based on the type and amount of information presented in the anchors. The most common format uses ambiguous adjectives (e.g., "mar ginal," "average," or "outstanding") as anchors. A more sophisticated format would use specific *behavioral descriptions* for each anchor point. Where research is used to help to define the level of effectiveness represented by these spe cific behavioral statements, the format would be

considered as BEHAVIORALLY ANCHORED RATING SCALES or BEHAVIORAL OBSERVATION SCALES.

Graphic rating scales can also be classified based on whether the judgments asked for are of an absolute or relative nature. Graphic scales of an absolute type ask raters to indicate a ratee's specific level on a dimension. In contrast, relative rating scales ask raters to judge a ratee's level on a dimension *relative* to the level exhibited by other ratees. For example, a relative graphic scale might have scale anchors such as "one of the worst," "about on an average with his or her peers," and "one of the best." With an absolute graphic rating scale, everyone could be rated at a high level. With the relative scale format, some ratees must be rated average and low. While absolute judgments theoretically do not include comparisons with other ratees, research has demonstrated that relative comparisons do influence the absolute judgment (Laming, 1985). Research has also identified a number of specific rating errors and methods for minimizing these effects (*see* RATER TRAINING).

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graphology

Hannah R. Rothstein

Graphology, or handwriting analysis, is an increasingly used, yet scientifically unsupported, technique for selecting and promoting workers and for retaining managers after mergers or acquisitions. The use of graphology as a personnel STAFFING tool is based on the presumptions that (1) the writer's personality will reveal itself in his or her handwriting, and (2) personality traits are predictive of success on the job (*see* INTEGRITY TESTING; PERSONALITY TESTS; TRAIT).

Scientific research on graphology shows that reliable differences in handwriting are associated with such phenomena as adolescence and psychosis, but not with temporary situational stressors. Furthermore, personality profiles developed by some graphologists on the basis of handwriting samples can be matched to the person whose handwriting was analyzed by friends and relatives of that person. Thus, there is some evidence to link personal characteristics with graphological markers (Nevo, 1987). On the other hand, there is very little to link these analyses with predictions of employee success at work.

Graphological findings are not reliable. In other words, analyses of the same handwriting sample by different graphologists can produce inconsistent or contradictory results (McCarthy, 1988: 19). Furthermore, research suggests that accurate graphological analyses are dependent on the *content* they extract from the handwriting samples, rather than on the writing itself (Ben Shakhar et al., 1986). Any job related information that a graphological analysis uncovers can be obtained more directly and less expensively from other devices, such as personality tests, BIOGRAPHICAL HISTORY INVENTORIES, and structured interviews (*see* EMPLOYMENT INTERVIEW). These devices will also gather additional job related information that is not attainable from handwriting analysis.

Although graphology is very popular in Europe and Israel, and increasingly popular in the US, there is little basis for recommending its use. Finally, US users should be aware that analysis of handwriting without the writer's knowledge (a common practice) may be an illegal invasion of privacy under US employment law.

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greenfield sites

Annette Cox

Greenfield sites are attempts by employers to create entirely new workplaces, unencumbered by the traditions and history that can prevent long established organizations from implementing changes and new ideas. They typically involve opening of a new building often in a rural location, purchase of new technology, and recruitment of new employees with no previous sector experience. Managers seek to implement innovative human resource management practices such as multiskilled teamworking, strict recruitment and selection criteria, and variable pay systems. Research has identified problems in applying this ideal since most greenfield sites appear to "brown off" quickly, suffering similar problems to traditional workplaces.

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grievance determinants

Michael E. Gordon

Conjecture abounds about what causes individuals to file GRIEVANCES. The volume of research is modest and many published findings have methodological problems that limit their internal and external validity.

ENVIRONMENTAL DETERMINANTS

Several facets of the work environment are related to the grievance rate in an organization, defined as the number of grievances filed per 100 workers over a given time period, usually one year. Low grievance rates are encountered in relatively stable organizations that are largely free of technological change and that rely on Scanlon type GAINSHARING (Arthur and Jelf, 1999; *see* SCANLON PLAN). Grievance rates are higher in organizations where there have been reductions in the number of bargaining unit employees (Wagar, 2001) and where strikes are banned (Hebdon and Stern, 1998). Further, the greater the conflict apparent during the union organizing process, the higher is the grievance rate following certification of the union.

GRIEVANT CHARACTERISTICS

Demographic characteristics (e.g., gender or seniority) and attitudes of individual workers are not important determinants of grievance filing behavior (Gordon and Miller, 1984). Further, research results are inconclusive with regard to whether the tendency to file a grievance is related to the level of a worker's JOB PERFORMANCE.

MANAGEMENT BEHAVIOR

Supervisors who are considerate toward subordinates tend to have lower grievance rates. Union members are more likely to file a grievance when they perceive greater threat to contractual rights inherent in a supervisor's actions and when management's actions are judged to be motivated by personal animus toward the worker (Gordon and Bowlby, 1989).

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grievance procedure

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A grievance procedure is a sequence of steps, negotiated by the union and company, written in their COLLECTIVE BARGAINING agreement for the purpose of resolving GRIEVANCES during the life of the agreement without a STRIKE or LOCKOUT. A grievance procedure is included in 99 percent of the collective bar gaining agreements in the US and typically in cludes three to five steps. As an example, step 1 consists of the aggrieved employee contacting his or her shop steward (or departmental repre sentative) about the alleged violation of a provi sion of the collective bargaining agreement. A meeting is then held with the first line supervisor within a defined period of time, such as within ten days after the occurrence of the event that caused the grievance, e.g., a denial of PROMO TION. Most grievances are resolved at this step and a resolution at this step helps to build a better relationship between the shop steward and the first line supervisor. If the grievance is not resolved, the first line supervisor then pro vides a written answer in a defined period, e.g., five working days.

The grievant and/or the union has the option of appealing the grievance to step 2 within a certain number of days. If appealed, the griev ance is usually reduced to writing and presented to management. A step 2 meeting is held and this meeting includes higher level officials of the union and the company. The union will prob ably add members of the grievance committee, which includes officers of the local union and interested shop stewards; the company will add a representative, such as a labor relations specialist who has plant wide responsibility for handling employee grievances. A resolution of the griev ance at this level will have plant wide application and may have an effect on the resolution of grievances in other departments. However, the parties may negotiate a settlement and agree that the settlement of the grievance at this step will not set a precedent in future grievances; for example, returning a discharged employee to work on a last chance agreement but without backpay. In fact, these types of settlements may

be reached at any step in the processing of the grievance.

If the grievance is not resolved at step 2, management will provide a written answer in a specified number of days. The union then has a certain number of days in which to appeal the grievance to step 3, which will include a union representative who represents the local union in grievance administration, negotiations, and ARBITRATION. The company will add the corporate labor relations manager to represent the company position on the grievance. Any resolution of the grievance at this step will have company wide implications and may affect the resolution of grievances at other company facilities and plants. If the grievance is not resolved at step 3, the management will provide a written answer within a specified period of time.

The union then must determine whether to appeal the grievance to the final step in the grievance procedure, which is arbitration. This action usually must be taken within 30 days after the receipt of the company's step 3 answer. This time period allows the local union members to discuss the grievance at a local meeting and determine whether to advance the grievance to arbitration.

The characteristics of a grievance procedure include: (1) three to five steps; (2) time limits for taking each action; (3) additional higher level officials at each step in the procedure; and (4) arbitration as the last step to bring finality to the grievance.

Grievance procedures are also provided in nonunion settings. These grievance procedures are included in the EMPLOYEE HANDBOOK or policy manual. Although there has been an in crease in employer promulgated arbitration, most grievance procedures in the nonunion sector do not provide for arbitration as the last step for resolving the grievance.

See also *nonunion employee grievance proced ures*

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grievances

Michael E. Gordon

Grievances are formal allegations by a party to a COLLECTIVE BARGAINING agreement that relate to the proper interpretation and/or appli cation of the agreement. Some agreements, however, permit the parties to file grievances about issues pertaining to matters not specified in the contract such as company rules and past practice. Contract administration is the pro cess used to resolve grievances. Grievances may be filed by individual employees or by the union on its own behalf when management practices affect a number of workers or union representa tives.

SUBJECT MATTER OF GRIEVANCES

Management typically seeks to restrict griev ances to alleged violations of specific contract provisions, whereas unions prefer to define grievances more broadly as "any complaint arising out of the workplace, regardless of whether the specific issue in dispute is included in the contract" (Repas, 1984: 41). Most griev ances pertain to company disciplinary actions (e.g., demotions, suspensions, or discharges). Grievances often are filed about work rules (e.g., crew sizes and excessive tardiness or AB SENTEEISM), work assignments (e.g., which job classification is entitled to perform certain work), personnel assignments (e.g., shift or over time assignments, layoffs, or transfers), supervi sion (e.g., supervisors doing bargaining unit work), administration of wage or seniority BENEFITS, and general working conditions. In creasing reliance on modular organizations (linking companies on the basis of core compe tencies) has caused subcontracting and outsour cing to become frequent grievance issues.

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Griggs v. *Duke Power*, 401 US 424 (1971)

Leonard Bierman

This case involves a charge of *adverse impact* (*see* DISPARATE TREATMENT) against an em ployer. The Supreme Court held that Title VII of the CIVIL RIGHTS ACT OF 1964 prohibits not only overt DISCRIMINATION, but also em ployment practices that appear neutral but have a discriminatory effect on a protected class (e.g., blacks), even if unintentional. In *Griggs*, defend ant Duke Power required all manual labor appli cants to have a high school degree, even though this requirement was unrelated to the duties of the job. Although this policy applied to all appli cants, more of blacks were excluded from con sideration because the local labor pool contained fewer black high school graduates, therefore cre ating an adverse impact.

group disability benefits

Robert M. McCaffery

Employers use several approaches to supple ment mandatory programs (e.g., social security and workers' COMPENSATION) in replacing employee income during periods of absence due to disability. One common practice is to provide sick pay or salary continuation for a limited period of time. Employee service (seni ority) usually determines the maximum duration of payments within a calendar year.

Group benefit plans, frequently requiring employee contributions, are also utilized by em ployers to help protect disabled employees' income. These include: (1) short term (e.g., up to 26 weeks) disability plans and (2) long term (e.g., after 26 weeks) disability plans.

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group life insurance/survivor benefits

Robert M. McCaffery

Employers sponsor a variety of insurance plans designed to provide income replacement for survivors and named beneficiaries of deceased employees. Typically, employers pay the full cost for: (1) basic group term life insurance; (2) basic accidental death and dismemberment insurance; and (3) business travel accident insurance.

Usually employees can obtain supplemental coverage at group rates, but they are responsible for all or most of the costs. Some forms of supplemental coverage include: (1) supplemental group term life insurance; (2) supplemental accidental death and dismemberment insurance; (3) group universal life plans (GULP); (4) survivor income benefit insurance (SIBI); or (5) dependent life insurance. Survivor benefits are also payable from most PENSION PLANS.

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H

halo effects

Angelo S. DeNisi

Halo effects were the first threat to performance appraisals (*see* PERFORMANCE APPRAISAL) identified in the literature (e.g., Thorndike, 1920), and have received a great deal of attention ever since (the most comprehensive review is probably by Cooper, 1981). Although, conceptually, halo effects are believed to result in high intercorrelations among ratings on separate performance dimensions, there has been considerable disagreement over the proper operational definition of halo (e.g., intercorrelations among ratings, standard deviation of ratings across dimensions), as well as the cause for halo effects (e.g., conceptual similarity among performance dimensions, the effects of global evaluations), and even whether halo reflects true relationships among dimensions or some type of rating error (*see* RATING ERRORS).

Much of the interest in halo effects, though, has been based on the assumption that halo effects do reflect a type of rating error, and so can serve as a proxy for rating (in)accuracy (*see* RATING ACCURACY). But, unless we know the "true" underlying covariance among performance dimensions, we cannot be sure that halo reflects the presence of error. Furthermore, the relationship between halo and rating accuracy is debatable, and may be positive rather than negative, although this probably depends upon the definition of accuracy used. Finally, as the relevance of accuracy as a criterion in performance appraisal research is challenged (Ilgen, 1993), the entire issue may become moot. Instead, halo may be important as an index of within ratee discriminability, which may be related to ratee reactions to ratings. Further research is needed, however, to determine the utility of such a role (*see* DISTRIBUTIONAL EFFECTS IN PERFORMANCE APPRAISAL).

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handicapped/disabled

Ramona L. Paetzold

Handicapped/disabled is a category of protection under the REHABILITATION ACT OF 1973 and the AMERICANS WITH DISABILITIES ACT OF 1990 (ADA). In general, a handicap or disability is defined as:

1 a physical or mental impairment that substantially limits one or more major life activities of an individual;
2 a record of any such impairment; or
3 being regarded as having such an impairment.

The ADA specifically excludes certain categories from being considered disabilities; these include, for example, homosexuality, current illegal drug use, pedophilia, compulsive gambling, and kleptomania. The disability category does include individuals who have participated in, or are currently participating in, drug rehabilitation programs, as long as they are not currently using illegal drugs.

Hay method and other hybrid job evaluation methods

Matthew C. Bloom

Any job evaluation method (*see* JOB EVALU ATION METHODS) which combines features of the CLASSIFICATION JOB EVALU ATION METHOD, FACTOR COMPARISON JOB EVALUATION METHOD, RANKING JOB EVALUATION METHOD, or POINT JOB EVALUATION METHOD is considered a hybrid. A common hybrid system incorporates the clas sification and benchmark job features of the clas sification method with the point scores of a point factor plan. Here, jobs are slotted into important compensatory factors by comparing them to anchoring benchmark jobs. Points are then assigned to the job based upon that slotting. These points may then be summed and compared to survey data to determine the job's wage.

One of the most widely used hybrids is the Hay Associates plan. The Hay plan comprises three compensable factors (*see* COMPENSABLE FACTOR): know how, problem solving, and ac countability (Milkovich and Newman, 1993). Each compensable factor is arranged in a two dimensional grid defining degrees on each factor. For example, the Hay factor of know how is described by eight levels of *technical know how* crossed with 12 levels of *managerial know how*, resulting in 96 possible combinations, each with a different score assigned to it. The evaluator selects the appropriate level on each compensable factor for a particular job and adds up the factor scores. The wage for a job is de rived by comparing its factor scores to a grid of wages for a set of benchmark jobs. The propri etary job evaluation plans of most human re source consulting firms are hybrids.

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hazardous materials in the workplace

Donna E. Ledgerwood

An increasing number of production processes and products expose workers to hazardous sub stances. In addition to designing a safe and healthful workplace, it is management's respon sibility to provide adequate personal protective equipment. Proactive and informed managers prevent losses before they occur. As substanti ated in a 1991 survey, the appropriate use of personal protective equipment could have pre vented as many as 37.6 percent of the occupa tional injuries and illnesses experienced by respondents to the survey (LaBar, 1991).

See also *reproductive health hazards; safety in the workplace*

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hazards in the workplace

Donna E. Ledgerwood

When one thinks of health and the loss of health and onset of illness (such as with a breakdown of a person's immune system as in AIDS/AIDS RELATED COMPLEX cases or other blood borne pathogens; *see* SAFETY: BLOOD BORNE PATHOGENS), one thinks of declining physical and mental abilities over a long period of time. But if a person is unaware of a slippery step on a stairway, he or she could fall and break an arm or leg. The slippery step is, thus, the hazardous condition or imminent danger which can cause an immediate loss unless a person manages the situation by: (1) becoming aware of the wet con dition; (2) rerouting employee traffic until the condition can be fixed; (3) cleaning up the spill and/or source of the water; and (4) providing follow up activity to ensure that no repeat activ ity occurs.

In most professional safety circles today, the word "accident," an unintentional act potentially resulting in loss, has been replaced by the term "incident," an undesired event or "near miss" that, under slightly different circumstances, could have resulted in personal harm, property damage, or other undesired loss of resources.

A hazard, then, is that dangerous condition, potential or inherent, which can bring about an

interruption of or interference with the expected orderly progress of an activity. A hazardous condition is the physical condition or circumstance which is causally related to incident occurrence. The hazardous condition is related directly to both the incident type and the agent (the principal object or substance) involved in the incident.

Most occupational illnesses and epidemics are studied after the fact, when physicians try to assimilate and synthesize all of the factors that led to and hosted the disease or effect (such as a decrease in pulmonary functioning). Use of these data is evident in the control and prevention of future replications of these diseases or effects.

Hazelwood School District v. *United States*, 433 US 299 (1977)

Leonard Bierman

In *Hazelwood*, the Supreme Court considered whether the given school district engaged in a *pattern* or *practice* of employment DISCRIMINATION. In particular, the court found that where a job requires special training, the comparison should be with those in the labor force who possess the relevant qualifications, rather than with the entire community. The Supreme Court then remanded the case back to the trial court for an evaluation of the school district's hiring practices in relationship to the RELEVANT LABOR MARKET.

health in the workplace

Donna E. Ledgerwood

The differences between safety and health can be explained in terms of temporal and awareness factors. While safety deals with the ability to identify the causes of a recognizable potential loss and to prevent the loss from occurring by taking action *now*, activities related to occupational or work related health deal with the ability to identify the factors that cause disease or result in a loss of health over time. For example, the problems related to epidemiology assume the ability to: (1) identify the catalysts or causal factors; (2) measure and understand the interactions/associations between all variables; (3) establish an association, correlation, or cause–effect relationship between critical factors; (4) control and neutralize the harmful factors; and (5) conduct follow up efforts to ensure the validity of the assumptions and methodology.

health maintenance organizations

Charles H. Fay

The health maintenance organization (HMO) is the most common form of MANAGED CARE. While there are several types of HMOs, they are all characterized by the provision of comprehensive healthcare to members, limited choice of members for specific medical providers, an emphasis on preventive medicine, and a financial structure that encourages the HMO to keep costs down. The HMO Act of 1973 actively promoted the development of HMOs, requiring employers with more than 25 employees to offer membership to employees as an alternative to regular healthcare coverage. Since costs are typically lower, employers are also active promoters of HMOs.

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health promotion

James R. Terborg

Health promotion programs at the worksite, sometimes called WELLNESS programs, generally involve:

1 the periodic or continuing delivery of educational and/or behavior change materials and activities that are designed to maintain or improve employee fitness, health, and well being; and
2 changes in organizational practices and policies conducive to health promotion (Fielding, 1991).

Most worksite health promotion programs focus on educational and skill building activities. Interventions targeting organizational practices and policies are less common. Worksite health promotion programs vary along several dimensions, including facilities, budget, employee eligibility, and target outcomes. It is difficult to evaluate and compare programs. Legislatively mandated programs in safety and health and programs dealing with existing medical problems generally are independent of health promotion programs in the US. However, these activities often are integrated with health promotion in western Europe and Australia. Typical programs start with assessments of employee lifestyle and health risk, followed with COUNSELING and opportunities to participate in activities designed to reduce risk (e.g., an exercise program for overweight and sedentary employees). Participation is voluntary at little or no cost to the employee.

Health promotion programs have become quite popular in the US. A 1992 survey of over 1,500 private worksites found that 81 percent offered health promotion activities (US Department of Health and Human Services, 1993). The most popular activities included occupational injury prevention, exercise, and SMOKING CESSATION. Notable increases were observed in nutrition, weight control, blood pressure, and cholesterol programs. A similar survey in Australia showed that the most popular activities were back care, accident prevention, and smoking cessation. However, only 27 percent of worksites offered such programs (National Occupational Health and Safety Commission, 1993). The occurrence of worksite health promotion programs should increase worldwide because such programs have been identified as central for meeting national health goals.

The most common reasons for adopting health promotion programs at work include personal interest by senior management, employee requests, moves to new facilities, concern for EMPLOYEE MORALE, reduction in accidents and injuries, and, in the US, reduction in costs of employee healthcare (Terborg and Glasgow, 1996).

Rigorous experimental data evaluating work site health promotion are almost nonexistent (Terborg and Glasgow, 1996), although numerous anecdotal and nonexperimental reports suggest favorable results (Pelletier, 1993). Programs targeting hypertension and smoking cessation produce the best results. Exercise, nutrition, weight loss, and cholesterol programs produce the poorest results. Activities that look promising include health risk appraisals, EMPLOYEE ASSISTANCE PROGRAMS, healthy back programs, and changes in company policies. Cost effectiveness and cost benefit analyses show positive results, but these data must be interpreted with caution. To date, no experimental study has adequately demonstrated the causal link between changes in employee health and changes in economic outcomes (Terborg and Glasgow, 1996). Although some companies report highly positive results (Pelletier, 1993), there is considerable variability in success rates across different companies (Terborg and Glasgow, 1996). Much advice has been given, but little is known about how to consistently implement successful worksite health promotion programs.

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healthcare expense

Charles H. Fay

In 1965, private business expenditures on healthcare for employees (including contributions to private health insurance premiums, contributions to Medicare hospital insurance trust funds, worker's compensation and temporary disability insurance, and industrial in plant health services) amounted to $5.9 billion; in 1995 these costs had increased to $249.4 billion (McDonnell and Fronstin, 1999: 27).

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hiring persons with disabilities

Adrienne Colella

The hiring of persons with disabilities has become an issue of concern to US organizations primarily due to the REHABILITATION ACT OF 1973 and the AMERICANS WITH DISABILITIES ACT OF 1990, both of which prohibit employment DISCRIMINATION against qualified persons with disabilities. Efforts to increase the hiring of persons with disabilities have also been fueled by the public's belief that people with disabilities are an underutilized labor pool (Louis Harris and Associates, 1991), employer surveys reporting that employees with disabilities are a sound investment (e.g., Greenwood and Johnson, 1987), various advocacy groups for people with disabilities, and federal tax credit programs which offer incentives for hiring people with disabilities and reduce the cost of accommodation.

Based on disproportionately low employment rates for persons with disabilities, particularly in higher level positions, it is often assumed that job applicants with disabilities face discrimination in the hiring process (Braddock and Bachelder, 1994). Thus, there has been a great deal of research examining potential sources of bias in hiring decisions. One line of research has focused on PERSONNEL SELECTION decisions (based on interviews or resumes) regarding applicants with disabilities. This research, mostly conducted in laboratory settings, has led to mixed results, often reporting negative bias against job applicants with disabilities, but occasionally showing bias in favor of applicants with disabilities (see Stone, Stone, and Dipboye, 1992).

Several factors have been shown to influence bias in hiring decisions toward job applicants with disabilities (see Stone and Colella, 1996, for a review of factors influencing the treatment of employees with disabilities). These factors include interviewer characteristics (e.g., empathy), type of disability, perception of personal blame for the disability, perceived unpredictability of behavior, perceived peril associated with the disability, stereotypes of disability job fit, job characteristics (e.g., amount of public contact), and organization size. Reasons for negative bias include negative stereotypes, low performance expectations, concern over co worker acceptance, and ignorance about the nature of disabilities.

Another issue in the hiring of persons with disabilities is the construction of valid selection procedures and instruments which are not unduly influenced by various disabilities (e.g., Nester, 1984). Testing applicants with disabilities may require that a different testing procedure or medium be used, or that accommodations be made in current procedures. For example, readers may be necessary to give paper and pencil exams to visually impaired applicants and time limits may need to be extended in order to accommodate persons with a variety of disabilities. Such changes in standardized testing procedures will also require further validity work to assure that the test remains fair and valid after modifications.

Another area of concern to employers is the recruitment of persons with disabilities. There are many public and private organizations which assist in the vocational rehabilitation and job placement of persons with disabilities,

as well as organizations and programs which assist businesses in recruiting persons with dis abilities. One such program is Projects with Industry (PWI), a federally established pro gram which promotes collaborative efforts be tween rehabilitation specialists and business and industry.

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horizontal management

Susan Albers Mohrman

Horizontal management, or lateral management, is using lateral approaches to perform manage ment functions such as planning, resource al location, coordination and review of activities, decision making, and issue resolution. It is necessary when the number and complexity of issues to be resolved and activities to be coordin ated exceed the capacity of traditional hierarch ical mechanisms to be timely and well informed. Lateral mechanisms include use of informal liaison roles, cross functional work teams, integrating teams, and/or formal man agement positions that supplement organiza tional hierarchy. Some forms entail significant EMPLOYEE EMPOWERMENT. Lateral manage ment is an essential element of process manage ment and network forms of organization.

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host-country human resource management

Helen L. De Cieri and Peter J. Dowling

Host country human resource management (HRM) encompasses all HRM functions, pol icies, and practices related to the host country operations of a multinational enterprise (MNE). This will include STAFFING, TRAINING and development, PERFORMANCE MANAGE MENT, COMPENSATION, and labor relations. Host country HRM issues apply to employees of all nationalities who are working in host coun try operations: parent country national (PCN) expatriates and third country national (TCN) expatriates, as well as host country nationals (HCNs).

STAFFING POLICIES AND PRACTICES

Host country staffing policies and practices may vary according to cultural norms and local re quirements, organizational characteristics, and task requirements. Difficulties in recruitment and selection of HCNs may include: poor know ledge of the local labor market, local education systems, and qualifications; language and cul tural differences; and inappropriate attempts to transfer parent country staffing practices to dif ferent countries and cultures. There are advan tages and disadvantages in selecting PCNs, HCNs, and TCNs. These relate to varying levels of control and coordination desired or possible, host government requirements, language and cultural barriers, equal opportunity require ments, and impact on career paths of other em ployee groups (Dowling, Schuler, and Welch, 1994).

CROSS-CULTURAL TRAINING AND DEVELOPMENT

Cross cultural training and management devel opment programs are intended to facilitate inter

actions between PCNs, HCNs, and TCNs, and are positively associated with expatriate adjust ment and performance (*see* DEVELOPING GLOBALLY COMPETENT EXECUTIVES/MAN AGERS) (Black, Gregersen, and Mendenhall, 1992).

PERFORMANCE MANAGEMENT

Host country PERFORMANCE APPRAISAL re quires reconciliation of parent and host country raters' perceptions of performance. Flexibility in appraisal criteria may be advisable to allow for volatility in the international environment. Host country compensation management ob jectives include: fairness and equity; ability to attract, motivate, and retain desired personnel; facilitation of cost effective transfer of expatri ates; and consistency with organizational strat egy (Dowling et al., 1994).

DECLINING UTILIZATION OF EXPATRIATES

Increasing involvement of HCNs in MNE man agerial levels parallels a global trend toward lesser utilization of expatriate managers. Per ceived benefits to MNEs of expatriate reduction may include: lowering costs associated with managing expatriates and operating in uncertain environments; meeting host country employ ment requirements; and contributing to host country managerial and technical development. Where expatriates are employed, the MNE's goal in REPATRIATION is to return and retain an employee who will contribute knowledge, experience, and networks gained overseas.

STRATEGIC AND ENVIRONMENTAL INFLUENCES

Several factors may be expected to influence host country HRM. Strategic MNE compon ents that influence host country HRM are the often conflicting needs of global integration, re ferring to the responsibility for corporate wide integration of strategies, and local differenti ation, referring to flexible responsiveness to host country market demands (Bartlett and Ghoshal, 1992). General influences related to an MNE's parent and host countries will affect host country HRM. These include legislation, education levels, societal and workforce demo graphic characteristics and values, economic conditions, and behavior of organizational stake

holders, such as the host country government and trade unions. Factors internal to an MNE that influence host country HRM include or ganizational strategy, structure, culture, and MNE headquarters' staffing orientation. Over all, goals and concerns for host country HRM may include: public legitimacy and market via bility in the host country; development of a committed, flexible workforce (*see* WORK FORCE FLEXIBILITY); and transfer of know ledge and learning (Schuler, Dowling, and De Cieri, 1993; *see* TRANSFER OF LEARNING).

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human capital theory

Hadyn Bennett

Human capital theory is the application of neo classical economic capital theory (Fisher, 1906) to human resources, whereby human "capital" is considered analogous to conventional capital with respect to its economic and productive characteristics. Thus, the individual worker's marginal product (assumed equal to wages) can be viewed as a function of time input, individual capacities, and investment in human capital items (such as education, information, and TRAINING) with the potential to increase the individual's PRODUCTIVITY (and therefore earnings). Human capital theory thus argues that individuals will continue to invest in human capital to the point at which additional investments (costs) no longer lead to a net in crease in subsequent earnings.

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human factors engineering

William C. Howell

Systematic consideration of the human user or operator in the design of systems, tools, consumer products, and environments is a concept known as human factors engineering (HFE). It is also known as human factors, human engineering, ergonomics, and human centered design. The underlying philosophy is that a machine and its human operator constitute a human–machine system, the effectiveness of which depends on the integration of human and nonhuman components.

ORIGIN AND RATIONALE

Design professionals, such as engineers and computer scientists, have traditionally sought to develop physical systems that operate reliably and effectively. Nevertheless, there are always some failures, and most (estimates run as high as 60–90 percent) are attributed to "human error" (Wickens, 1992). During World War II, psychologists were recruited to help combat human error in the operation of aircraft, radar, and other advanced systems of that era, error that was occurring despite rigorous selection and training of personnel. In many cases it was discovered that *design* features, such as instruments that were easily misread or controls that were easily confused, were implicated (Christensen, 1958). Consequent design changes based on well established principles of human performance (e.g., attention, perception, memory, motor ability) produced marked improvements.

Thus was born the idea that systematic consideration of *human* limitations, capabilities, and tendencies in design could pay big dividends. Following the war, the idea persisted and spread. Disciplines other than psychology and engineering became involved, and civilian applications were found in settings as diverse as transportation, manufacturing, and communications (Chapanis, 1959). By 1958, interest had grown

sufficiently to prompt the establishment of several organizations committed to the advancement of the HFE concept, notably the Human Factors Society (now the Human Factors and Ergonomics Society), the Society of Engineering Psychologists (a division of the American Psychological Association), and the international Ergonomics Society.

It was recognized early on that HFE would demand more than merely *applying* what is known about human performance to the design and improvement of systems. Often the required knowledge was lacking, making research necessary. Hence the field evolved as a combined science–practice enterprise. Professional journals (e.g., *Human Factors*, *Ergonomics*) were founded that included scientific as well as applied content.

Debate within the HFE community over exactly what mix of science and practice is appropriate, and whether the field is best regarded as an independent discipline or a philosophy that draws a number of disciplines together, has always been lively (Howell, 1994). Some do not consider HFE a psychological specialty despite the disproportionate representation of psychology in its demographics and content (Van Cott and Huey, 1992).

HFE TODAY

Growth in the size, diversity, and visibility of HFE has continued. There are now over 10,000 professionals who identify with the field. They are being produced by some 59 graduate programs in the US alone (Van Cott and Huey, 1992), and served by literally dozens of professional institutions (Salvendy, 1987). The knowledge base has exploded, with the most recent general handbook (which is quite dated) running to nearly 2,000 pages and barely scratching the surface of the 72 topic areas covered (Salvendy, 1987).

The growing impact of the HFE concept on society is now evident in litigation over the safety of consumer products and working conditions, in government and industry regulations, in product advertising, and in ordinary discourse. "User friendly" has become a household term. Despite such encouraging signs, however, the discipline still functions in relative obscurity, and human factors considerations are all too

often subordinated to those of cost, aesthetics, and machine performance in the design process (Howell, 1991).

A related difficulty is the popular misconception that advanced technology (notably automation), rather than human oriented design, offers the final solution to the "human error problem." The fallacy in this logic is that automation never completely eliminates the human from the system. It merely redefines roles – in general, limiting human participation to broad supervision and decision responsibilities. Unfortunately, demands on the human increase rather than decline in this role, and the consequence of error can be enormous. Widely publicized mishaps such as the USS *Vincennes* incident, in which a civilian airliner was mistakenly shot down by a US cruiser despite the latter's highly sophisticated information system, serve to underscore this point (Wickens, 1992).

Topics of greatest interest to HFE researchers and practitioners have generally been driven by technological developments (Howell, 1993). This accounts for the current emphasis on issues posed by computer based systems. The human–computer interaction (HCI) area, for example, is concerned with how to design the "interface" – displays, processing software, controls – to maximize human learning and performance. Similarly, the aforementioned supervisory role of the human in increasingly complex and powerful systems has prompted research on the "mental workload" demands of such systems, human capacities for coping with them, and designs for reducing them.

Another driver of HFE activity is social trends. For instance, changing population demography is currently stimulating considerable interest in design for special user groups (such as the elderly and disabled), an increasingly diverse workforce (*see* DIVERSITY), and an altered concept of the workplace (*see* FLEXIBLE WORKPLACE/TELECOMMUTING).

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human relations approach

Fang Lee Cooke

The human relations approach to management was originated in the 1930s as a reaction against the mechanistic view of organizations and the pessimistic view of human nature suggested by the classical approach. The human relations approach argues that people are emotional rather than economic rational beings; organizations are cooperative social systems rather than mechanical ones; and organizations are composed of informal structures, rules, and norms as well as formal practices and procedures.

The human relations approach represents a distinct break from the classical approach. However, both share two important similarities. First, they see organizations as closed and unchanged entities. Second and relatedly, they believe that there is "one best way" of managing the organization, regardless of the type, nature, or size of the organization, and that their way is "the best way."

Important theoretical advancements in the human relations approach include the famous Hawthorne experiments conducted by Elton Mayo, Chester Barnard's cooperative system, Abraham Maslow's hierarchy of needs, Douglas McGregor's Theory X–Theory Y, and Warren Bennis's "the death of bureaucracy." Despite these intellectual advancements, the human relations school remained operationally weak until the 1950s and 1960s when the advent of the job

design movement offered operational guidelines to organizations. Job design proponents argue that jobs can and should be designed to fit human needs. The human relations approach was criticized for a number of reasons and was later taken over by the CONTINGENCY AP PROACH in the 1960s.

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human resource audits

Mark A. Huselid

A human resource audit is a series of systematic, formal procedures designed to evaluate the effi ciency and effectiveness of the firm's human resource management (HRM) system, compare its performance to relevant internal and external benchmarks, evaluate the appropriateness of this system for implementing the firm's strategic and operational objectives, and thereafter provide a framework for improving the way in which the firm manages people. The goal of this process is the development of an HRM system that is internally consistent, mutually reinforcing, and appropriately linked with the firm's competitive strategy and business needs (*see* HUMAN RE SOURCE STRATEGY).

Specific areas of analysis include job and or ganizational design, recruitment and selection, PERFORMANCE MANAGEMENT, COMPENSA TION and BENEFITS, employee development and training (*see* TRAINING), HUMAN RE SOURCE PLANNING, labor relations, diversity management (*see* DIVERSITY; STRATEGIC ISSUES IN DIVERSITY), and compliance with legal and governmental guidelines (Biles and Schuler, 1986). Where possible, organizations measure both the costs and benefits associated with "people" management, and express these figures in a dollar denominated metric. Specif ically, the impact of the firm's HRM system on outcomes such as sales or profitability per em ployee, EMPLOYEE TURNOVER, attitudes such as JOB SATISFACTION, JOB INVOLVEMENT, and organizational commitment, number of GRIEVANCES and accidents, and individual em ployees' performance are generally assessed during this process (see Cascio, 1993).

Conceptually, a human resource audit can be thought of as two distinct but related processes: an assessment of the degree to which the firm is "doing the right things" as well as "doing things right." Ensuring that the firm is "doing the right things" requires an understanding of the firm's operating environment and competitive strat egy, and an assessment of the degree to which its HRM system is both operationally appropri ate and consistent with its needs. Because this process requires the expert judgment of profes sionals, it is crucial that the human resource managers involved have an in depth under standing of how the business operates as well as its competitive environment.

An assessment of the degree to which the firm is "doing things right" requires an evaluation of the efficacy and efficiency of each of the primary HRM functions. To facilitate this process, firms frequently identify internal and external "benchmark" or comparison firms to help iden tify areas in need of improvement, and to pro vide inspiration for ways in which they might improve (*see* BENCHMARKING AND COM PETITOR ANALYSIS). Within this context, audit or benchmark data are often used as input into a BUSINESS PROCESS REENGINEERING effort (Florkowski and Schuler, 1994). Sources of benchmarking data for the HUMAN RE SOURCE FUNCTION include the SOCIETY FOR HUMAN RESOURCE MANAGEMENT, the Bureau of National Affairs, and management consulting firms. In addition, many firms collect their own benchmarking data from peer organ izations. An important element of this process, however, is gaining an understanding of the *context* within which the relevant comparison data are taken, as well as the specific results achieved by the comparison firms. Finally, as a repository of information concerning a wide var iety of employment related data, the firm's HUMAN RESOURCE INFORMATION SYSTEMS frequently play a significant role in the human resource audit process.

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human resource-based competitive advantage

Scott A. Snell and Shad S. Morris

Combining resource based theories with human resource management (HRM) perspectives (Wright, Dunford, and Snell, 2001), human resource based competitive advantage is broadly defined as the utilization of employee capabilities to create value for customers in a way that rival firms cannot. Resource based theories emerged to show the importance of internal characteristics of the firm as an alternative to looking only at external forces in the industry (Wernerfelt, 1984). Barney (1991) made the case that a firm's resources lead to sustained competitive advantage when they are: (1) valuable, (2) rare, (3) inimitable, and (4) nonsubstitutable. More recently, Hoopes, Madsen, and Walker (2003) showed that considerable research has focused on these four resource characteristics and how they can be maintained and developed over time. Below, we show how these characteristics have been applied to understand human resource based competitive advantage.

The Value of Human Resources

Human resources can add value by either improving efficiency or enhancing a firm's ability to satisfy customer needs (i.e., effectiveness). Research shows that programs designed to create a highly skilled workforce can result in higher PRODUCTIVITY, and these improvements provide value to firms over and above the costs incurred (Hunter and Hunter, 1984). For example, EMPLOYEE EMPOWERMENT programs tend to make performance more sensitive to variations in human skills, knowledge, and attitudes and to insure that mental effort rather than physical effort is instrumental for creating value and success (Walton and Susman, 1987).

The Rareness of Human Resources

Human resource based competitive advantage is also based on the assumption that labor supplies are *heterogeneous* across firms (Wright, McMahan, and McWilliams, 1994; Lepak and Snell, 1999). Many human attributes, such as cognitive ability, are normally distributed in the population, and because of this capability levels even one standard deviation above the mean (i.e., 84th percentile) are, by definition, rare. If companies can attract and retain the best and the brightest employees, and establish programs that maximize their value added contribution, then they can build a competitive advantage through people.

In addition to the heterogeneity of labor, the question of rareness also depends on the *asset specificity* and *mobility* of the workforce (Becker, 1964). Employee skills that are firm specific and cannot be transferred to other companies constitute a potential source of sustainable competitive advantage (Lado and Wilson, 1994).

The Inimitability of Human Resources

Human capital can be either acquired on the open market or developed internally. If employee capabilities can be duplicated or imitated by another firm, they cannot be a source of sustainable competitive advantage. Resources are difficult to imitate under two conditions: (1) when the link between a firm's resources and its competitive advantage is *causally ambiguous* (Reed and DeFillippi, 1990), and (2) when internal and external relationships are multifaceted and *socially complex* (Barney, 1991). These two conditions imply that while individual skills and capabilities can be important sources of competitive advantage, it may be the complementarity among them that is most distinctive and sustainable (Snell, Youndt, and Wright, 1996).

THE SUBSTITUTABILITY OF HUMAN RESOURCES

In the context of human resource based com petitive advantage, if a competitor can substitute another resource (e.g., technology) and achieve the same benefit vis à vis customers, then human resources would not provide a sustain able source of competitive advantage. The key issue here is *functional equivalence* (i.e., alterna tive resources that serve the same function are substitutes). In the past, organizations have his torically substituted capital for labor where pos sible, and replaced decision making with rules and procedures. In these ways, human resources have been readily substituted in traditional or ganizations, particularly in the context of routine aspects of physical work. However, as employees make the shift from touch labor to knowledge work, their value hinges more on cognitive pro cesses such as problem diagnosis, troubleshoot ing, and decision making (Snell and Dean, 1992). These aspects of human capital are not easily substitutable.

In summary, human resource based competi tive advantage refers to leveraging employee skills to outperform rival firms. Particularly in knowledge based industries, competitive advan tage increasingly resides in the people embodied know how (Prahalad, 1983), and human re sources rather than physical or financial re sources are what distinguish market leaders.

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Human Resource Certification Institute (HRCI)

Rebecca A. Thacker

The Human Resource Certification Institute (HRCI) was founded by the SOCIETY FOR HUMAN RESOURCE MANAGEMENT in 1976 for the purpose of certifying individuals who have mastered the body of knowledge common to the field of human resource management (HRM). HRCI recognizes professionals who have, through HRM experience and the passing of a comprehensive written examination, dem onstrated their competence in human resource management. Certification is at one of two levels: Professional in Human Resources Man agement (PHR) and Senior Professional in Human Resources (SPHR). In addition, HRCI promotes the establishment of standards for the HRM profession. As of 1995, 16,000 individuals

were certified by HRCI and, of these, 9,000 are members of the Society for Human Resource Management.

human resource department

Mark A. Huselid

The human resource department is generally a formal unit or group of individuals within a firm who develop and implement policies, programs, and procedures for the acquisition and develop ment of the firm's human capital, consistent with the needs of the firm's primary stake holders. These stakeholders include share holders, employees at all levels throughout the firm, governmental agencies, unions, job appli cants, and suppliers (Tsui and Milkovich, 1987). Employees within the HUMAN RESOURCE FUNCTION also provide support and consulting services to line managers who are directly re sponsible for the administration of the firm's human resources (Schuler, 1995).

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human resource department effectiveness

Mark A. Huselid

A human resource department can be considered *effective* to the degree it meets the needs of its primary stakeholders or constituencies. These groups include shareholders, customers, em ployees at all levels throughout the firm, govern mental agencies, unions, job applicants, and suppliers (Tsui and Milkovich, 1987).

As markets have become increasingly com petitive, firms have sought out innovative ways to achieve sustainable competitive advantage, and to satisfy these constituencies. An important element of a firm's response to these demands is the development of a "high performance work system." Such systems require extensive em ployee TRAINING, COMPENSATION contin gent on individual, work group, and overall firm performance, job related and competency based selection, and employee participation and involvement (Huselid, 1995). The adoption of such a *system* of interrelated practices helps to produce a workforce with the competencies and flexibility necessary to compete in rapidly changing product markets (*see* WORKFORCE FLEXIBILITY). When successfully imple mented, such systems are difficult to imitate and have a potential *strategic* impact through the creation of sustainable competitive advan tage. In addition, the outcomes of such a process can generate mutual gains reflected in greater returns for shareholders as well as higher pay, greater job security, and enhanced development opportunities for employees. In essence, the de velopment of a high performance work organ ization presents a "win win" scenario for shareholders, employees, and society (Kochan and Osterman, 1994).

Conceptually, properly deployed human re source management (HRM) systems can influ ence firm performance by affecting employees in three broad ways (Bailey, 1993). First, HRM practices influence employee *skills* through the acquisition and development of the firm's human capital. Recruiting procedures that pro vide a large pool of qualified applicants, paired with reliable and valid PERSONNEL SELEC TION programs, will have a substantial influence over the skills possessed by new employees. Thereafter, formal and informal training experi ences, such as basic skills training, on the job experience (*see* ON THE JOB TRAINING), coaching, MENTORING PROGRAMS, and man agement development, can further enhance the development of employees.

Second, the effectiveness of even highly skilled employees will be limited if they are not inspired to perform, and HRM practices can affect employee *motivation* by encouraging em ployees to work both harder and smarter. Examples include the use of performance ap praisals that assess individual and work group performance, the tight linkage of such appraisals with incentive compensation systems, and the use of promotion systems that focus on em ployee merit (*see* INCENTIVE PAY; PERFORM ANCE APPRAISAL; PROMOTION).

Finally, the contribution of even a highly skilled and motivated workforce will be limited if work is so structured or "programmed" that employees do not have the opportunity to use their skills and abilities to design new and improved ways of performing their roles. Thus, HRM practices can also influence firm performance through *work and organizational designs* that encourage employees to participate and allow them to improve *how* their jobs are to be performed. Cross functional teams, JOB ROTATION, and QUALITY CIRCLES are examples of organizational structures that encourage this type of participation.

The impact of high performance work systems on firm performance has been the focus of an expanding body of research. Delaney (1996) found the widespread use of "progressive" HRM practices to have a strong and negative effect on organizational turnover (i.e., it reduced EMPLOYEE TURNOVER). Ichniowski, Shaw, and Prennushi (1994) found the impact of "cooperative and innovative" HRM practices to have a positive impact on organizational productivity. Arthur (1994) found that firms emphasizing employee commitment had lower turnover and scrap rates, and higher PRODUCTIVITY, than did firms emphasizing efficiency and lower labor costs. Huselid (1995) found that a one standard deviation improvement in firm deployment of high performance work practices was associated with 7.05 (relative) percent lower turnover, and on a per employee basis, $27,044 higher sales, $18,641 higher market value, and $3,814 higher profits. Finally, MacDuffie (1995) found that "bundles" of internally consistent HRM practices were associated with higher productivity and quality.

In summary, the developing evidence suggests that human resource departments are effective to the degree that they meet the needs of their constituencies, and that the development of internally consistent *systems* of high performance work practices has the potential to meet the needs of these constituencies through their statistically significant and economically meaningful impact on the performance of the firm.

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Human Resource Division, Academy of Management

M. Susan Taylor

The Human Resource Division is the third largest of 21 professional divisions in the US Academy of Management, with approximately 2,600 members in 2004. Its domain is the study of content relating to administering the HUMAN RESOURCE FUNCTION and to external influences upon the administration of work. The division is governed by an executive committee consisting of the past and current chairs, chair elect, and 12 other members elected by the membership. Human Resource Division services include quarterly newsletters, an electronic bulletin board, Human Resource Net (HRNET) (*see* INTERNET), an international research

directory, doctoral and junior faculty consortia, preconference developmental activities, a full conference program, and social hours and receptions (Heneman, 1994).

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human resource function

Mark A. Huselid

The role of the human resource function is to attract and select qualified job applicants, to develop PERFORMANCE MANAGEMENT and COMPENSATION systems that align employee behaviors with organizational goals, and to assist in the development and retention of a diverse workforce to meet current and future organizational requirements (*see* HUMAN RESOURCE STRATEGY; HUMAN RESOURCE DEPARTMENT EFFECTIVENESS). Employees within the human resource function also provide support and consulting services to line managers, who are directly responsible for the administration of the firm's human resources (Schuler, 1995). Specific areas of responsibility include job and organizational design, recruitment and selection, performance management, compensation and BENEFITS, employee development and training (*see* TRAINING), HUMAN RESOURCE PLANNING, labor relations, diversity management (*see* DIVERSITY; STRATEGIC ISSUES IN DIVERSITY), and compliance with legal and governmental guidelines.

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human resource information systems

John W. Boudreau

Human resource information systems (HRIS) are systematic procedures for collecting, storing, maintaining, retrieving, and validating data needed by an organization about its human resources, personnel activities, and organization unit characteristics (Milkovich and Boudreau, 1993). HRIS need not be complex or even computerized. They can be as informal as the payroll records and time cards of a small boutique or restaurant, or as extensive and formal as the computerized human resource data banks of major manufacturers, banks, and governments.

HRIS can support HUMAN RESOURCE PLANNING with information for labor supply and demand forecasts; STAFFING with information on equal employment opportunity, job postings (*see* JOB POSTING), separations, and applicant qualifications; and training and development with information on training program costs and trainee work performance (*see* TRAINING). HRIS can also support COMPENSATION with information on pay increases, payroll processing, salary forecasts, and pay budgets; and labor–employee relations with information on contract negotiations and employee assistance needs. The purpose is to provide information that is required by human resource stakeholders or supports human resource decisions. HRIS enhance human resource management in several ways, including:

1 reducing the *costs* of gathering, summarizing, and distributing information;
2 BUSINESS PROCESS REENGINEERING, by encouraging decision makers to carefully consider how to design their human resource information processing to be most efficient and effective; and
3 decision support, by providing data that help the recipient to improve decisions about programs or personal choices (Boudreau, 1992).

HRIS must accomplish three significant processes: (1) *input*, which involves adding data to the system; (2) *maintenance*, which involves updating, integrating, and organizing the data; and (3) *output*, which involves manipulating the data to appear in the appropriate format, and then delivering the data to the appropriate destination or person. A growing number of organizations now use computerized systems to implement their HRIS. Such systems may rely on large

centralized databases, but more frequently are evolving to exploit large networks of smaller computers, each containing a portion of the human resources data of the organization (Bro derick and Boudreau, 1991). Future systems will very likely provide connections to worldwide networks such as the INTERNET, allowing ex ternal information to be imported and combined with the internal information from the organiza tion. Construction of such computerized in formation requires careful planning, and the cooperation of multiple constituents (Walker, 1993).

As computers become increasingly common in offices, homes, and factories, access to HRIS is rapidly increasing. In the past, only a handful of technicians had the skills to obtain HRIS contents. Today, many managers can acquire such information from their desktops or even by phone, and employees are increasingly able to use computers to change their personal data entries, get information about company policies, and even obtain computerized expert system assistance for decisions such as choosing among FLEXIBLE BENEFIT PLANS or relocation. As access proliferates, the question of PRIVACY IN ORGANIZATIONS will be increasingly import ant to human resource managers, especially those who support international human resource management (Boudreau, Broderick, and Pucik, 1994).

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human resource inventories

Donald W. Jarrell

Inventories, also called stocks, are accumulated stores of employee characteristics within an or ganization that have value to the organization. Inventories have value to the extent that the characteristics contribute, directly or indirectly, to the achievement of organization objectives.

Characteristics with value to an organization may be either attributes of individual employees or attributes of groups of employees. Individual attributes that may have value are: abilities, age, attitudes, behaviors and traits, beliefs, capital ized value, character or integrity, citizenship, commitment, competencies, condition and health, energy level, knowledge and understand ing, longevity or tenure, performance, personal ity, productivity, protected group classification, satisfaction, skills, service orientation, values, and work ethic. All these attributes may be summed to determine their extent within groups of employees.

In some instances synergistic or critical mass effects tend to occur when many persons in a group have an attribute. The most common syn ergistic effect is the acting out by employees of a characteristic. Enactment occurs when em ployees in the group become aware that other persons in the group share the characteristic and when display of the characteristic meets a social need of employees (Weick, 1979).

Individual employee attributes most likely to have synergistic effects within groups are (with their corresponding group attribute in paren theses): behaviors and traits (culture), commit ment (loyalty), JOB SATISFACTION (morale), and character or integrity (social character).

ARE CHARACTERISTICS ACTUALLY INVENTORIED?

To inventory usually means that the amount of the item in the stock is counted or measured at a given time. In practice, organizations typically inventory human resources only when the char acteristic may easily be counted or measured and/or a count or measure is necessary or highly important. For example, many organizations routinely inventory the age and longevity of their employees because EMPLOYEE TURN

OVER can have significant financial implica
tions. Organizations doing federal contract
work inventory the protected group status of
employees since they may be required by a presi
dential executive order (*see* EXECUTIVE
ORDERS) to submit this information to the
OFFICE OF FEDERAL CONTRACT COMPLI
ANCE PROGRAMS. More often, human re
source inventories are monitored without actual
physical count or measure.

Inventories have long played a central role in
the forecasting of workforce availability, as part
of the employment planning process. Current
changes sweeping the workplace appear to be
heightening the need for attention to monitoring
human resource inventories. For example,
WORKFORCE FLEXIBILITY, widely sought by
organizations to allow just in time delivery of
product and quick response to changing cus
tomer needs (*see* JUST IN TIME PRODUCTION
SYSTEMS), is enhanced by building organiza
tions with flat structures staffed by empowered
employees working in teams (*see* SELF MAN
AGING TEAMS). These teams require multi
skilled employees, who can perform most of the
discrete jobs needed to produce the product or
service, and who have problem solving and
interpersonal skills.

STRATEGIC HUMAN RESOURCE MANAGE
MENT may identify, often using generic compe
tency models, competencies of special
importance to strategic objectives. These com
petencies, because of their critical importance
for organization success, often are measured
using ASSESSMENT CENTERS and deficiencies
are addressed through corporate universities or
academies.

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human resource management in the US

John E. Delery

During the first quarter of the twentieth cen
tury, the HUMAN RESOURCE FUNCTION in
US organizations emerged as the personnel de
partment. Early functions of this department
included attempts to keep labor unions from
forming and focusing on production efficiency
through time and motion studies. In the 1910s
and 1920s these departments began to engage in
employment testing, focusing on individual dif
ferences that predicted JOB PERFORMANCE.
Soon after this, with the passage of federal legis
lation governing labor unions, the focus was
again on keeping unions out of the workplace
and employees were viewed as adversaries.

From World War II to the late 1960s the
human relations movement flourished. This
movement was characterized by a belief that
more satisfied employees were more productive
employees, and it emphasized more supportive
supervision and a greater consideration for em
ployees' needs. With the passage of federal civil
rights legislation in the 1960s, the personnel
department gained importance as the legal
watchdog for the organization. The emphasis
shifted to organizational compliance with the
law, which heightened the importance of many
human resource management (HRM) practices,
including JOB ANALYSIS.

Over the past three decades, this functional
area has changed as the pressures from increas
ing national and international competition have
forced organizations to cut costs and increase
PRODUCTIVITY. During this time HRM has
emerged as a strategic function for the success
of the organization and the practitioners are now
viewed as business partners with the chief ex
ecutives of the firm. Many US organizations
today view their human resource departments
as value added service providers and their em
ployees as a source of sustained competitive

advantage. This has given rise to the term STRA TEGIC HUMAN RESOURCE MANAGEMENT, which emphasizes the need for organizations to manage employees in a manner consistent with strategic business objectives.

LEGAL ENVIRONMENT

The field of HRM is highly regulated in the US. There are federal laws dealing with labor rela tions, employment DISCRIMINATION/civil rights, health and safety, compensation, and work and family issues, just to name a few. The NATIONAL LABOR RELATIONS ACT OF 1935 gave employees the right to engage in COL LECTIVE BARGAINING through representation by a labor union. This Act also specified the process through which employees gain represen tation, outlined specific practices of manage ment that were labeled unfair labor practices, and set up the NATIONAL LABOR RELATIONS BOARD (NLRB) to oversee compliance. Later Acts amended this legislation to include unfair union practices and to specify that union leaders be elected by the membership.

Employment discrimination on the basis of race, color, gender, religion, or national origin is prohibited in the US. In addition, there are federal laws that prohibit discrimination against individuals over the age of 40, persons with disabilities, and Vietnam era veterans (*see* AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967; AMERICANS WITH DISABILITIES ACT OF 1990; VIETNAM ERA VETERANS RE ADJUSTMENT ACT OF 1972). Many commu nities have enacted even tougher protection at the state and local levels. Some US cities pro hibit discrimination based on sexual preference. These laws generally protect individuals from being discriminated at any time in the employ ment relationship. This includes the hiring process, promotions, terminations, and com pensation. The major piece of civil rights legislation was the CIVIL RIGHTS ACT OF 1964. This Act, in addition to prohibiting em ployment discrimination, established the EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (EEOC) to enforce the provisions of the law. The EEOC is today the primary agency with these duties. The president of the US has also ordered that all federal contractors engage in AFFIRMATIVE ACTION programs to insure that women and minorities are provided equal opportunity. The OFFICE OF FEDERAL CON TRACT COMPLIANCE PROGRAMS oversees this executive order (*see* EXECUTIVE ORDERS).

In 1970 the OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970, intended to provide US workers a safe and healthy workplace, went into effect. This Act established a national agency, the OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA), charged with the duty of enforcing the provisions of the law. In addition to providing workers with a safe workplace, employers are required to provide workers' compensation benefits. This insurance is a no fault insurance designed to provide com pensation to workers who have been injured on the job.

Other laws have established a minimum wage, child labor regulations, and the requirement that employers document that their employees have the legal right to work in the US. Recent legisla tion has also required that employers provide employees with up to 12 weeks of unpaid leave if they have a family or medical emergency (*see* FAMILY AND MEDICAL LEAVE ACT OF 1993).

FUNCTIONAL AREAS IN HRM

Staffing practices vary greatly across organiza tions and industries in the US. In general, the most common method of external recruitment used by US organizations has traditionally been the newspaper advertisement. Recruiting prac tices vary, however, depending on the labor market and the level of skill required for the job. Many US organizations have had a long history of hiring from within their organizations. For internal recruitment, job postings and supervisor referrals appear to be the most common (*see* RECRUITING; STAFFING).

Selection has received a great deal of atten tion, due in large part to discrimination laws. The most common selection technique is the EMPLOYMENT INTERVIEW. However, many organizations use various forms of cognitive abil ity testing and PERSONALITY TESTS. Recently, the use of honesty and integrity testing has become commonplace (*see* INTEGRITY TESTING). One of the largest trends in staffing over the past few years has been for organiza tions to outsource this function. There is now a

growing industry comprised of organizations who do nothing but recruit and screen applicants for other organizations.

Hourly pay for blue collar jobs and salaries for white collar jobs still characterize most US organizations. Many organizations, however, have begun to try more innovative PAY FOR PERFORMANCE and skill based compensation practices (*see* SKILL BASED PAY DESIGN). These vary from rather simple MERIT PAY systems, where employees' raises are determined by their annual evaluation, to GAINSHARING systems, where employees receive BONUSES based on cost cutting, to more complicated stock options plans (*see* EMPLOYEE STOCK OWNERSHIP PLANS). In all, a trend toward pay for performance or putting a greater proportion of pay at risk rather than pay for hours worked has emerged.

In the US a growing gap between the wages of top management and employees at the bottom of the organization has appeared. In addition, women have traditionally earned less than men, and this continues to be the case today (*see* WOMEN´S CAREER ISSUES).

Many employers provide a wide range of BENEFITS to employees, the most common of which are healthcare, retirement pay, vacation, and sick leave. Some of the more progressive organizations have begun to provide CHILDCARE BENEFIT, FLEXIBLE WORKING HOURS, and cafeteria or FLEXIBLE BENEFIT PLANS, where employees may choose the benefits they wish to have.

Nonmonetary rewards have also been gaining in popularity. For example, organizations may reward employees with anything from a gold star paperweight or a wrist watch to a better parking space.

Training has become increasingly important to US organizations as they find it more and more difficult to find qualified applicants and as the technological environment continues to change rapidly. Organizations provide this training in a variety of ways, from unstructured ON THE JOB TRAINING to formal classroom and computer assisted instruction. Recent emphasis has been placed on training individuals to perform a variety of jobs. This practice of CROSS TRAINING enables organizations to achieve greater flexibility in staffing.

In general, however, organizations have not traditionally measured the success of their training programs. Training effort in organizations has been measured not so much by which training method they use, or how effective it is, as by how much money they spend on it.

US organizations use a wide variety of practices to appraise the performance of their employees (*see* PERFORMANCE APPRAISAL). These mainly vary across different jobs and different levels in the organization. For instance, many employees are subject to a formal appraisal from their supervisor only once a year, while others are in jobs where performance can be more easily and objectively measured. Besides objective performance measures, such as sales dollars or production output, some organizations have experimented with PERFORMANCE MANAGEMENT programs such as MANAGEMENT BY OBJECTIVES, where the employee and supervisor sit down and outline specific objectives for the coming period and then sit down again at the end of the period to evaluate achievement of those objectives.

Although much of the emphasis in HRM has been on the traditional functional areas of staffing, training, appraising, and compensation, there are countless other practices that are also aimed at managing human resources. For instance, some US organizations provide employees with greater job security through formal policies. Many organizations are also involved in employee participation programs and have attempted to provide greater degrees of EMPLOYEE EMPOWERMENT. Team based production systems, where teams control much of their work processes, have become widespread.

RECENT TRENDS

The recent trends in HRM in US organizations have included the STRATEGIC OUTSOURCING of much of the traditional human resource function. Staffing and temporary help agencies have grown rapidly. Other functions outsourced include much of compensation and benefits. Organizations that handle the payroll function for other organizations have become quite common, and as benefits packages have become more costly, organizations have turned much of the management of these programs over to organizations specializing in this area.

While some of the traditional human resource functions are being outsourced, the management of human resources has gained greater prominence in the organization. Organizations have placed a greater emphasis on insuring that they are managing their human resources in a manner that will achieve a competitive advantage. This means including human resource professionals in the STRATEGIC HUMAN RESOURCE PLANNING PROCESSES for the organization. The emphasis is shifting from technical competence in functional human resource areas to a more generalist, strategic perspective that focuses on how human resource practices help to support one another and how HRM systems help to support the organization's overall business strategy.

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human resource planning

James W. Walker

Organizational effectiveness depends on having the right people in the right jobs at the right times to meet rapidly changing organizational requirements (Bechet and Walker, 1993). Human resource planning is a process that uses available information to define skill and capability requirements needed to meet future business needs. Human resource planning originated as manpower planning (Walker, 1969), focusing on the process of balancing talent supply and demand in an organization.

Human resource planning is an approach for dealing with policies, plans, analyses, systems, and methods to establish and implement programs that bring about an effective workforce in the future. It is an approach that seeks to reconcile, to the extent possible, the individual's needs and desires for the future with those of the organization (Burack and Mathys, 1980).

Over the years, the process has been defined and applied more broadly. STRATEGIC HUMAN RESOURCE PLANNING addresses everything an organization does to manage people effectively in support of organizational objectives (Walker, 1992). Almost any finite definition, description, or outlined process may be refuted by examples of how some organizations approach it differently. Planning enables managers to define future scenarios, gaps between the present situation and a selected scenario, and action plans that will bridge these gaps.

Human resource planning lacks the precise definition of other traditional human resource functions such as TRAINING, BENEFITS, or RECRUITING (*see* HUMAN RESOURCE FUNCTION). Human resource planning is variously perceived as:

1 a system of forecasting and information management;
2 a process of influencing management to embrace human resources as a dimension of strategic business planning;
3 an integrating theme for human resource management; and
4 a formalizing and strengthening of long standing informal practices for managing people (Holbrook, 1994).

A practical definition requires consideration of the applications relevant to a specific organization (Dyer, 1986).

See also *strategic human resource planning*

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Human Resource Planning Society

Oliver London

"The Human Resource Planning Society (HRPS) is committed to improving organizational performance by creating a global network of individuals who function as business partners in the application of strategic human resource management practices" (mission statement of HRPS). One focus of the society is identifying state of the art STRATEGIC HUMAN RESOURCE MANAGEMENT issues, utilizing input from human resource experts. Additionally, HRPS conducts a yearly conference for all members, a corporate sponsor's conference, and several professional development workshops, and sponsors human resource related research. The approximately 2,500 members are typically people who hold more senior and key strategic human resource positions. Most members have responsibilities in organization effectiveness, continuity, and/or organizational development.

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human resource programming

Stella M. Nkomo

Human resource programming is a process for developing action plans to close the gap between the supply of human resources and the demand for human resources over a particular planning period. It is part of HUMAN RESOURCE PLANNING and occurs after an organization's human resource needs have been forecasted. Action programs may be needed to increase the supply of employees when demand is greater than supply of employees. Conversely, programs may be required to decrease the number of employees if the forecasts show supply exceeding demand. These gaps may reflect not only quantities of employees but also their quality, skill mix, and diversity. Additionally, some parts of a firm may be in balance while other areas may experience shortages or surpluses. Effective human resource programming involves generating alternative courses of action, evaluating each, and selecting the best course of action to close the gap. Research and practice suggest that organizations have a number of alternative ways to manage surpluses and shortages of human resources.

Human resource surpluses can be addressed through a number of strategies. Because layoffs have such a negative impact on employees, practitioners and researchers alike suggest the use of first level strategies such as reduction in overtime or work hours and hiring freezes so that attrition may naturally diminish the workforce (Greenhalgh, Lawrence, and Sutton, 1988). Other defenses against layoffs include RETRAINING, REDEPLOYMENT, JOB SHARING, unpaid vacation, and reduction in pay. More companies have been making use of voluntary early retirement programs to manage surpluses. Such programs offer additional years' credit and bonuses to encourage employees not currently eligible for retirement to retire at an earlier age (*see* EARLY RETIREMENT POLICY). A major concern with such programs has been the potential loss of talent. One study of a major employer, however, found no loss in quality of management talent as a result of early retirements (Howard, 1988). Another concern is that employees may feel coerced into retiring through negative changes in their performance evaluations and pressure from supervisors to take the incentive. The Older Workers Benefit Protection Act of 1991, an amendment to the AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, lays out guidelines for structuring early retirement programs to minimize risk of adverse impact charges from older employees (Stein, 1991; *see* DISPARATE IMPACT).

Once first level strategies have been ex hausted and surpluses still remain, layoffs and DOWNSIZING may be inevitable. In recent years, because of competitive and economic pressures, organizations have turned to down sizing as a strategy to reconcile gaps between demand and supply of human resources. Down sizing is not without its problems. Cascio (1993) reported that few companies are well prepared for downsizing and that, six months to a year after a downsizing, key firm performance indi cators often do not improve. Reasons for this include workload strains on remaining em ployees, survivors' guilt among those not laid off, and replacement costs for loss of knowledge and skills. Researchers suggest that companies must be careful to plan for downsizing and lay offs. Downsizing should not be undertaken as a short term, quick fix solution but should be contemplated in relation to a firm's intended competitive strategies. Attention must be paid not just to headcount reduction but also to fun damental changes in the design of work and the structure of the organization (Cascio, 1993). There are a number of practices that can soften the impact of layoffs on employees. These range from early advance notice to outplacement ser vices. Companies having 100 or more employees are required by the WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT OF 1988 (WARN) to provide 60 days' advance notice of plant closings to employees, unions, and state and local officials when 50 or more employees will lose jobs.

Human resource shortages present another kind of challenge. Shortages can be addressed through RECRUITING both internally and ex ternally. Internal recruiting offers the advantage of greater knowledge of job candidates, lower recruitment costs, and less need for orientation. On the downside, reliance on internal recruiting may result in stagnation due to in breeding. Part of the challenge with external recruiting to fill shortages is identifying those sources that will yield the desired number and quality of em ployees at the most efficient cost. Instead of recruiting permanent employees, many organ izations are increasingly turning to contingent workers to fill employee shortages. Contingent

workers include temporaries, part timers, con sultants, subcontractors, and leased employees (Belous, 1989). These approaches offer an or ganization greater strategic flexibility in match ing STAFFING needs with work demands (*see* CONTINGENT EMPLOYMENT; EMPLOYEE LEASING; EMPLOYEE SUBCONTRACTING).

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human resource strategy

James A. Craft

The term human resource strategy (HRS) cur rently lacks definitional precision, but it gener ally refers to a construct denoting the coherent set of decisions or factors that shape and guide the management of human resources (acquisi tion, allocation, utilization, development, reward) in an organizational context. It is dir ectly related to the business strategy and focuses on the formulation and alignment of human resource activities to achieve organizational competitive objectives.

HRS is a relatively new concept in the field of human resource management (HRM). It has emerged as the HUMAN RESOURCE FUNCTION has assumed a more strategic perspective and organizations have come to view employees as essential resources to be managed effectively to achieve strategic business goals. At least three basic concepts of HRS have been articulated: the decisional concept, the human resource issue/

action concept, and the human resources prior ities concept.

THE DECISIONAL CONCEPT

Drawing upon the business strategy literature, Dyer (1984) formulated a longitudinal or retro spective decisional concept of HRS. He defines the organizational HRS as "the pattern that emerges from a stream of important decisions about the management of human resources" (p. 159). This concept requires a review of im portant HRM related organizational decisions over a period of time to determine consistencies and observable patterns. In effect, the emergent pattern of coherent and consistent decisions revealed upon retroactive investigation indicates the strategy that guides human resource (HR) activity.

In a later work, Dyer and Holder (1988) offered a more proactive decisional concept of HRS. In this case, the HRS is viewed as the collection of major HR goals and means to be used in pursuit of organizational strategic plans. When an acceptable business strategy is formu lated, key HR goals are defined to support this strategy and the necessary means (i.e., program ming and policies) are designed and imple mented to meet the goals. For example, if an organization chooses a competitive strategy of low cost producer, major HR goals to support this strategy could be higher performance and lower headcounts. These, in turn, could lead to programs including reduction in force and more increased investment in employee TRAINING. This combined set of HR goals and means would be the organizational HRS.

THE HR ISSUE/ACTION CONCEPT

This approach is based on an issue oriented focus to develop an organizational HRS. Schuler and Walker (1990) and Walker (1992) argue that in a dynamic, fast changing environment, man agers must deal effectively with a series of emerging business issues that can have a signifi cant impact on competitive success. Business issues will involve HR issues that are critical to successful strategy implementation.

These HR issues can be considered gaps that represent opportunities for people to contribute more effectively to the achievement of business strategies. Line managers have to respond to these HR issues in their decision processes. As is necessary, they will define directional actions to address the people related business issues. These managerial actions and plans will focus, mobilize, and direct the HR activities toward the business issues most important to the firm; and they will form the essence of the organizational HR strategies.

THE HR PRIORITIES CONCEPT

This concept of HRS posits that each organiza tion has an identifiable set of dominant HR priorities that are used to align its HR activities, policies, and programs with its strategic business goals (Craft, 1988, 1995). This cluster of key HR priorities, which constitutes the HRS, defines the organization's orientation and attitude toward its employees and it guides the develop ment of HR plans that deal with the personnel aspects of basic business issues. For example, in an organization competing on the basis of innovation, core HR priorities might include employee risk taking, initiative, teamwork and high competence.

The priorities will be basic factors guiding and configuring the HR system (acquiring, de veloping, rewarding) in response to business needs. Each organization's cluster of priorities (HRS) will differ based on the mix of its com petitive strategy, internal organizational factors (e.g., culture, technology), and external environ mental factors (e.g., labor market, competitor practice).

While the HRS tends to be stable in the short term, over time it is a dynamic concept since the priorities will evolve and be crafted to meet changing business situations.

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Immigration Reform and Control Act of 1986

Vida Scarpello

The US Constitution gives Congress the power to establish a uniform code for naturalization. Accordingly, Congress legislates who can come into the country and who cannot. The Immigration Reform and Control Act (IRCA) replaces the Immigration and Nationality Act of 1952 (INA) (see Legislative History, 1980).

The INA had two goals: (1) to define the terms and conditions of alien admission into the US; and (2) to establish procedures for the subsequent treatment of lawfully admitted aliens. Related to the first goal is INA's prohibition against concealing, harboring, or shielding from detection any alien not lawfully entitled to enter or reside in the US. The law, however, specifically excluded employers from the "harboring" prohibition and, thus, made it legal to hire illegal immigrants.

Various economic problems in the US, along with high unemployment and an increasing illegal immigrant population, motivated Congress to pass the 1986 Immigration Reform and Control Act. The IRCA removed employer exclusion from INA's "harboring" prohibition. This Act, like previous immigration laws, has two major purposes: (1) to control illegal immigration; and (2) to protect US citizens and legal resident immigrants against adverse economic consequences of job competition with illegal immigrants (Ledvinka and Scarpello, 1991). Although the first purpose was motivated by INA's "harboring" provision, the second purpose was motivated by concern for protecting Hispanic and other minority US citizens and legal immigrants from employment DISCRIMINATION. Because illegal immigrants may potentially compete with Hispanic US citizens and other minority groups for employment, IRCA gives citizens preferential status.

The IRCA requires employers to verify the identity, citizenship status, and employment eligibility of all job applicants. It also specifies the employment verification procedures required of both employers and job applicants. All applicants for employment must provide proof of identity and employment eligibility, and all employers must examine that proof to confirm the new hire's identity and right to work in the United States. The one exception to these rules involves hiring applicants referred by a state employment agency. In those cases, the state agency is responsible for verifying the identity, employment eligibility, and citizenship status of the new hires and for keeping certification and attestation records for a period of three years from the initial date of referral (Ledvinka and Scarpello, 1991).

The IRCA includes an antidiscrimination in employment prohibition and also defines a special category of foreign labor for seasonal agricultural employment. The antidiscrimination prohibition (section 1324B(a)(1)) makes it unlawful to discriminate against any individual (other than an unauthorized alien) with respect to recruiting, hiring, and terminating any individual because of national origin or citizenship status. It permits the employer, however, to discriminate in favor of US citizens and those who have filed a declaration of intention to become US citizens (Ledvinka and Scarpello, 1991). For eign seasonal agricultural workers are considered "eligible individuals" under the IRCA. An eligible individual is neither an illegal alien nor an immigrant. This category of worker is treated as a legal immigrant for the period of employment.

The IRCA allows employers to hire foreigners as seasonal agricultural workers provided the

employer (or employer association) petitions the Secretary of Labor for a labor certification to import immigrants as temporary agricultural workers. Once granted, the labor certification can stay in effect for up to three years. To protect employment rights of seasonal foreign workers, the IRCA requires employers to provide wages, benefits, and working conditions (including housing) as specified by the Secretary of Labor. The Act also authorizes the attorney general to adjust the status of the temporary agricultural worker to that of a permanent legal immigrant after the worker has worked 90 days of seasonal work during each of three years of seasonal employment. Given that one hour of work in a given day is counted as one day's work, this provision treats any seasonal agricul tural worker as a permanent US resident.

The IRCA applies to all employers with four or more employees. Under the Act, the entity responsible for personnel practices is defined as the employer. This means that in a corporation with decentralized personnel practices, each division with independent personnel activities is considered a separate employer. The IRCA also treats most immigrant workers as employees rather than as INDEPENDENT CONTRACTORS. The significance of this provision is that employers cannot avoid compliance with a myriad of employment laws by arbitrarily calling their immigrant workers "independent contractors" (Ledvinka and Scarpello, 1991).

The IRCA's enforcement and administration is divided among six federal entities as well as state agencies. The Immigration and Naturaliza tion Service is responsible for border patrol, inspection of employment verification records, and other enforcement activities for deterring illegal entry of aliens in the US. The US Depart ment of Labor is responsible for inspection of employment verification records. The Secretary of Labor extends or withholds labor certifica tions of foreign seasonal agricultural workers. The NATIONAL LABOR RELATIONS BOARD (NLRB) is responsible for union certification elections and resolution of unfair labor practice charges. The US attorney general is responsible for: (1) legalizing the status of immigrant workers; (2) developing procedures for investi gating illegal hiring complaints; (3) selecting ad ministrative law judges to rule on IRCA

violations; and (4) prosecuting cases in US courts. Other government agencies may also be involved, when the hiring of illegal aliens vio lates other employment laws.

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impact of mergers and acquisitions

Martin M. Greller

MERGER AND ACQUISITION: DEFINITION AND PURPOSE

Mergers and acquisitions rapidly reconfigure assets to better implement strategy by combin ing independent enterprises. This is effected through the purchase of one organization (classic acquisition), exchange of stock, or simple pooling of assets (classic merger). Typically, 80 percent of such combinations are described as failures (Hawkins, 1988), attributable to poorly blended organizations, culture differences, or turnover of key people (Scott, 1981; Schweiger and Weber, 1989).

ROLE OF HUMAN AND ORGANIZATION RESOURCES

Mergers and acquisitions are complex changes, incorporating rapid growth and modification of organizational culture. For the combination to be successful, employees must accept new ob jectives and functions within a new structure. Employees may be required to engage in new behaviors or continue previous behavior but in a new organization context. Thus, the merger or acquisition plan should include steps to foster employee behaviors necessary to the combina tion's success.

Mergers and acquisitions also cause disrup tions in individual and organizational perform ance as a byproduct of the changes. Tasks and rules appropriate in the combined organization must be learned or reaffirmed and employees are

forced to deal with ambiguity and job stress, which compel attention to a greater extent than the tasks they are expected to perform. In the face of such transition, there may also be an unfreezing of attitudes allowing for rapid change. If this opportunity is squandered as employees cling to old conventions rather than establish new psychological contracts, an im portant opportunity to guide the success of the combination is lost.

HUMAN RESOURCE MANAGEMENT ACTIONS

The most common role for the HUMAN RE SOURCE FUNCTION is fostering communica tion after the combination is announced. This includes newsletters, telephone hotlines, formal presentations (particularly those explaining BENEFITS and personnel policies), and meet ings among counterparts from the different or ganizations. These programs emphasize one way communication.

More sophisticated efforts foster employee involvement by soliciting and responding to questions or by establishing project teams. This may involve surveying employees and providing feedback. Teams can decide how things will be done after the combination occurs. Such groups are common at the executive level (e.g., Baxter Healthcare, described in Ulrich et al., 1989), but may also involve supervisory and professional employees (e.g., Ernst and Young, described in Greller, Kesselman, and Ostling, 1994). The participative approach increases acceptance, dis seminates information, creates opportunities to influence decisions, and builds relationships across organization boundaries.

Human resource issues can be part of the decision to proceed with a particular combina tion. This may involve developing an acquisition screening procedure that includes questions dealing with operational aspects of personnel management practices (PERFORMANCE AP PRAISAL, COMPENSATION, and so forth), and cultural fit (e.g., Novell, described in Anfuso, 1994). Alternatively, firms may identify a few key indicators, such as sales per employee (Hawkins, 1988), which act as surrogates for more extensive information on culture and BUSINESS PROCESSES.

Currently, human resource managers gener ally become involved after the decision to com

bine has been made and even after key policies have been set. Under these circumstances, com munication is the major tool available for con structive action. Proactive employee relations can identify concerns and morale problems so that management may address them.

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Improshare

Theresa M. Welbourne

The Improshare plan is a form of GAINSHAR ING that focuses on sharing physical PROD UCTIVITY gains with employees. Standard hours are calculated for the production of each unit, and Improshare pays a bonus when the time needed in the production process is re duced. Gains realized by working either faster or more efficiently are then split between the employer and employees, and the employee por tion is shared among all workers. Improshare does not require any form of employee parti cipation, although participation is compatible with the process.

incentive pay

Nancy A. Bereman

Incentive pay refers to basing payment to employees directly on some objective measure of production or PRODUCTIVITY. Incentive pay differs from PAY FOR PERFORMANCE in that it is based more directly on job output and does not normally become a part of the individual's base pay. There are two basic types of incentive pay systems: individual and group. Probably the oldest form of individual incentive pay is a piece rate system or PIECEWORK, in which employees are paid a given rate for each unit produced. A variant, a STANDARD HOUR PLAN, provides BONUSES based on performing work in a shorter time than a standard time period. Piece rate systems rely heavily on setting output standards which establish the base pay an employee earns. Performance above standard results in increased pay to the employee. Piece rate systems are popular in labor intensive industries with a high degree of cost competition. Problems include: difficulty in setting the initial standards, providing allowances for problems beyond the control of the employee, and maintaining employee acceptance of the system.

Group incentive plans work on the same basic principles. However, the measure of production or productivity is at the group or the organization level. Group incentive plans are designed to foster performance in situations where team work is vital, there is relatively high task interdependence, and it is difficult to measure individual performance. Examples of organization wide incentive plans include SCANLON PLAN, RUCKER PLAN, and IMPROSHARE plan. These incentive plans are also called cost reduction, PROFIT SHARING, or GAINSHARING plans.

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indemnity plans

Charles H. Fay

Indemnity plans are used to provide healthcare benefits to employees. Employers typically provide medical, surgical, and major medical insurance to employees under indemnity plans. The employer may buy coverage from an insurance company or provide self coverage. Cost controls may be imposed by the use of coinsurance (the employer pays only 80 percent of claims, the employee pays 20 percent) and deductibles (the employee pays the first $100 of any claim). The employee has the most freedom of choice of providers and treatment under indemnity plans. Managed indemnity plans introduce some features of MANAGED CARE to further control costs.

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independent contractors

Stanley Nollen

Independent contractors are self employed people who work at a client company for a specific period of time or to accomplish a specific project. They are used by organizations to achieve WORKFORCE FLEXIBILITY by adding labor input during peak demand periods, or they are used to obtain technical or professional specialty skills whose need is deemed temporary. Contracts are typically for three or six months and renewable. Independent contractors

are used more in some European countries, where their maximum length of service is re gulated, than in the US, where STAFFING companies sometimes provide alternatives to temporary employment. Independent con tractors sometimes are retirees or people who were forced out of their previous employment because of DOWNSIZING and brought back on a contractor basis in CONTINGENT EMPLOY MENT, which sometimes gives rise to legal and tax issues about their employment status and rights.

individual differences

J. Kevin Ford and Deidre Wasson

People differ from one another in the know ledge, skills, abilities, and other characteristics (*see* KSAOS) that they bring to the training situ ation (*see* TRAINING). These individual charac teristics of the trainee affect the capability and motivation of trainees to acquire and transfer trained knowledge and skills to the job. Given that individual learning rates often differ under conditions where people are exposed to the same training program (Fleishman and Mumford, 1989), the characteristics that people bring to the training environments are an essential ingre dient of instructional system design. Prior to training, it is critical that individuals have the prerequisite background experiences necessary and a desire to learn. During training, the training program offered may be tailored to in dividual differences in capabilities and motiva tion. For example, Cronbach and Snow (1977) have described attempts to provide each trainee with the appropriate model of instruction as the examination of aptitude–treatment interactions. As an example of an aptitude–treatment inter action, high ability students have been found to benefit more from low structure, high complex ity training programs, while the opposite tends to be true for lower ability students (Snow, 1986).

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individual retirement accounts

Charles H. Fay

While most employees are covered by private PENSION PLANS, not all are. These employees must build up capital for post retirement income replacement with after tax income, which places them at a disadvantage. Under the EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, individuals not participating in an em ployer sponsored pension plan may contribute up to $2,000 to an individual retirement account (IRA), deducting contributions from taxable income. Proportional deductions are allowed on contributions to plans by pension plan partici pants who meet certain maximum income requirements. In addition, nondeductible con tributions can be made to a Roth IRA; earnings accrue on a tax free basis.

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industrial relations

Jack Fiorito

Industrial relations refers to workplace and societal interactions between workers and em ployers, and resulting employment related out comes. In the US especially, the term often is used in a narrower sense to refer only to employ ment relationships where COLLECTIVE BAR GAINING is used to establish terms and conditions of employment. In its broadest

meaning, industrial relations is "all aspects of people at work" (Kochan, 1980: 1).

INDUSTRIAL RELATIONS AS AN AREA OF STUDY

The term "industrial" connotes heavy industry to many, but most industrial relations scholars use the term broadly, as in distinguishing indus trialized societies from agrarian societies. Thus industrial relations refers to relations between employers and workers in all economic sectors.

Industrial relations remains a common term for describing the field among scholars. The major US professional association is the Indus trial Relations Research Association (IRRA), and in Britain, the British Universities Industrial Relations Association. There has been contro versy concerning whether the field has become too closely associated with the narrower concep tion of industrial relations, i.e., union–manage ment relations, and there have been calls for name changes with the intent of better conveying the broad sense of the field. Many firms and academic programs have tended to downplay or even eliminate reference to "indus trial relations" (e.g., in department names), and the IRRA Executive Board has recommended a new name to its members, the Labor and Em ployment Relations Association.

To fully appreciate multifaceted industrial relations issues, one must draw from varied per spectives, including economics, psychology, sociology, political science, and law. Thus in dustrial relations is often called an interdisciplin ary subject. Industrial relations is studied within business schools and in specialized institutes or schools at many colleges and universities.

THEORIES AND ASSUMPTIONS

Kochan (1980) suggested that an important factor distinguishing industrial relations from its contributing disciplines and related areas (e.g., human resources) is a distinctive set of values and assumptions. These include the following propositions:

1   Labor is more than a commodity.
2   An inherent conflict of interests exists be tween employers and employees in economic matters (e.g., wages versus profits), but also in terms of friction in supervisor–subordin ate relations.
3   Large areas of common interests and import ant interdependencies between employers and employees remain despite their conflict ing interests.
4   An inherent inequality of bargaining power exists in most individual employer–em ployee relationships.
5   There is pluralism, the notion that there are multiple competing interest groups in soci ety, each with valid interests.

The dominant paradigm or conceptual frame work for the study of industrial relations is the industrial relations systems model advanced by Dunlop (1958). The concept of a system is ap plied in the sense that industrial relations con sists of the "processes by which human beings and organizations interact at the workplace and, more broadly, in society as a whole to establish the terms and conditions of employment" (Mills, 1994: 5). Kochan (1980) observed that like any complex social system, industrial rela tions systems are best understood by analyzing various components and how they interact with one another to produce certain outcomes.

The major components of the industrial rela tions system are:

1   the actors (workers and their organizations, management, and government);
2   contextual or environmental factors (labor and product markets, technology, and com munity or "the locus and distribution of power in the larger society"; Dunlop, 1958);
3   processes for determining the terms and con ditions of employment (collective bargain ing, legislation, judicial processes, and unilateral management decisions, among others);
4   ideology, or a minimal set of compatible or shared beliefs, such as the actors' mutual acceptance of the legitimacy of other actors and their roles, which enhances system sta bility; and
5   outcomes, including wages and BENEFITS, rules about work relations (e.g., standards for disciplinary action), JOB SATISFACTION, employment security, productive efficiency,

industrial peace and conflict, and industrial democracy.

The basic purposes of the industrial relations systems concept are to provide a conceptual framework for organizing knowledge about in dustrial relations and for understanding how various components of industrial relations systems combine to produce particular outcomes (and hence why outcomes vary). It is noteworthy that the systems concept does not presume su periority of a particular process for determining employment outcomes.

The precise specification of system compon ents may vary with the level of analysis and from one system to another. Although it has endured, the industrial relations systems concept has been criticized and challenged (e.g., Kochan, Katz, and McKersie, 1986). Although not denying change, several scholars have argued that even though major transformations in industrial rela tions may be occurring, they are not inconsistent with traditional understandings of industrial re lations or the systems concept (e.g., Lewin, 1987).

See also *strategic industrial relations*

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industrial unions

James B. Dworkin

An industrial union represents all workers in a particular industry regardless of their skill levels. Examples of industrial unions include the United Auto Workers, the United Steel Workers, and the Aluminum Workers of Amer ica. These unions bargain collectively over wages, hours, and other terms and conditions of employment. Unlike CRAFT UNIONS, which seek to restrict employment, industrial unions seek to expand membership and employ ment in the industries within which they oper ate. Thus, job security becomes a very prominent feature of a typical COLLECTIVE BARGAINING agreement. Industrial unions seek both fair wages and job security for their membership.

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information technology enablers

William H. Glick

Davenport (1993; Davenport and Short, 1990) identified a variety of factors that can provide the means for (enable) process innovation and BUSINESS PROCESS REENGINEERING. En ablers of process change include information technology, organizational forms, and human resources. Information technology is the most visible of these factors, for two reasons. First,

the pace of change in information technology is much faster than in organizational or human resource changes. Second, introducing informa tion technology without changing BUSINESS PROCESSES does not appear to lead to the expected financial benefits (Davenport, 1993). Thus, the phrase "information technology en ablers" has linked information technology with business process reengineering and has changed the role of many information systems groups within organizations.

Specific examples of information technology enablers include: expert systems that allow indi viduals to perform much more complex tasks with less outside assistance and less TRAINING; performance monitoring systems that provide information to enable rapid responses to defects in a continuous improvement cycle; electronic data interchange systems that give supplier or ganizations information that allows the adoption of JUST IN TIME PRODUCTION SYSTEMS; and product configurators that allow a salesper son to accurately design and price a complex, customized product in the customer's office.

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integrative bargaining

Paul Jarley

Integrative bargaining refers to situations where the parties' goals are not in direct conflict and each party perceives opportunities for mutual gain. Integrative bargaining is often contrasted with DISTRIBUTIVE BARGAINING, but elem ents of both may be present in any negotiation.

THE CHARACTER OF INTEGRATIVE BARGAINING

Integrative bargaining focuses on the parties' interests, is cooperative, and stresses the creation of win–win situations. Negotiation is character ized by a joint problem solving approach whereby problems are identified, solutions pro posed, and specific proposals implemented. Ne gotiators strive to understand the interests and goals each brings to the negotiation and to fash ion proposals that meet as many of these object ives as possible. A central notion in integrative bargaining is Pareto optimality. Proposals should be generated and altered until no party can be made better off without the other party being made worse off. Satisfaction of this principle ensures that the parties have realized the full potential for mutual gain inherent in the negotiation.

INTEGRATIVE BARGAINING STRATEGIES

Integrative bargaining strategies support and fa cilitate a joint problem solving approach. Nego tiators stress their similarities and common interests, downplaying differences. Each party encourages the other to clearly and fully com municate his or her interests and hopes to secure the other's cooperation and trust by fashioning proposals that explicitly recognize and meet the other's needs. Creative suggestions are encour aged and the parties evaluate proposals against both objective standards and notions of equity. Common integrative bargaining strategies in clude brainstorming, bridging, cost cutting, and logrolling (*see* NEGOTIATION TACTICS).

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integrity testing

Paul R. Sackett

Integrity (or honesty) tests are paper and pencil instruments administered primarily to job appli cants for the purpose of predicting counterpro ductive work behavior. Recent estimates suggest that several million such tests are administered in the US annually, primarily to applicants for entry level jobs with access to money or mer

chandise (e.g., retailing, financial services). Early integrity tests were billed as paper and pencil surrogates for POLYGRAPH TESTING. Current research, however, downplays or elim inates the link to the polygraph. It focuses not only on the prediction of employee theft, but also on a wide variety of counterproductive be haviors, to include violation of work rules, fraudulent workers' compensation claims, and ABSENTEEISM.

Two basic types of tests can be identified. Overt tests measure attitudes toward theft and other forms of counterproductivity. They com monly ask for a self report of applicant involve ment in various illegal and/or counterproductive behaviors. Personality oriented tests are consid erably broader in focus and are not explicitly aimed at theft. They may include items dealing with dependability, conscientiousness, social conformity, thrill seeking, trouble with author ity, and hostility (*see* BIG FIVE PERSONALITY TESTS; PERSONALITY TESTS).

A large body of validity evidence shows integ rity tests to be positively related to both a range of counterproductive behaviors and supervisor ratings of overall performance. However, most of the research has been done by test publishers, leading skeptics to question whether only suc cesses are being publicized.

There is currently no federal regulation on the use of integrity testing. Women, racial minority groups, and older workers do not systematically perform more poorly on these tests. As a result, there have been no successful challenges to in tegrity tests under federal antidiscrimination laws. However, two states (Massachusetts and Rhode Island) restrict the use of integrity tests.

Critics express concerns about invasion of privacy and the risks of misclassifying honest applicants. Defenders point to the business jus tification for inquiry into issues of conscien tiousness and counterproductivity. They also note that the standard of comparison for any selection system is not perfect accuracy but the degree of predictive accuracy achieved by avail able alternatives.

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intelligence tests

Linda S. Gottfredson

An intelligence test is a series of standardized tasks for assessing general cognitive ability. The tasks may be diverse, including, for example, words, numbers, designs, pictures, and blocks. Tests that include more than one item type often arrange them in subtests such as vocabulary, information, block design, comprehension, arithmetic, and picture completion. Factor ana lyses show that, whatever their differences in manifest content, all IQ tests, mental test batter ies, and parts thereof measure primarily a single common factor, called the general mental ability factor (*g*, for short; Carroll, 1993).

Intelligence tests therefore measure a highly general capability, which is reflected in higher order thinking skills such as efficient learning, reasoning, problem solving, and abstract think ing. This is in contrast to aptitude and achieve ment tests. Aptitude tests target narrower abilities, such as verbal, mechanical, or spatial aptitude. Achievement tests assess knowledge of specific school curricula, such as reading, sci ence, or history. Intelligence tests tend to require less specific, more generally available knowledge, sometimes only elementary concepts such as in/ out or large/small. The distinctions among the three types of test are not always clear. Some aptitude and achievement tests function like in telligence tests when test takers have been equally exposed to the subject matter being tested.

ORIGINS AND USE

Alfred Binet and his colleague Théophile Simon constructed the first modern intelligence test, in

1905, in response to the French government's desire to develop diagnostic and instructional procedures for mentally retarded children. American psychologists developed the first group intelligence tests (called the Army Alpha and Army Beta tests) during World War I, in response to the Army's need to screen millions of recruits. The Army Alpha required examinees to read; the Army Beta did not.

Interest in mental testing grew rapidly after World War I, and both the federal government and military services in the US developed test batteries for large scale screening of indi viduals for jobs. Many schools, colleges, and private employers likewise adopted some of the many new tests on the market for selecting and placing students and employees. Some of the group administered tests (such as the SAT) are hours long, whereas others (such as the 12 minute, 50 item Wonderlic Personnel Test) are very short. The most widely used individually administered intelligence tests today are, for school age children, the Wechsler Intelligence Scale for Children IV (WISC IV) and, for adults, the Wechsler Adult Intelligence Scale III (WAIS III). These IQ batteries are adminis tered orally and most of their subtests are untimed.

The major uses of intelligence tests include clinical diagnosis of individuals' behavior or achievement problems, vocational and educa tional guidance, PERSONNEL SELECTION, and placement into different education and training programs. Good professional practice requires that test scores be supplemented with other information when high stakes decisions are being made about individuals (e.g., assigning a child to a special education class).

Individual tests are administered by highly trained professionals who exercise judgment in gaining rapport, administering prompts, and scoring the quality of responses. Group tests can be administered by less trained individuals because they allow no discretion in administra tion and scoring. The construction and use of intelligence tests are governed by profes sional standards, principally the STANDARDS FOR EDUCATIONAL AND PSYCHOLOGICAL TESTING (American Educational Research Association et al., 1999).

TRENDS

The construction of intelligence tests is increas ingly guided by explicit theories of intelligence and new evidence on the structure of mental abilities (i.e., the relations between the general factor, g, and the narrower group factors, such as verbal and spatial ability). Multivariate con firmatory factor analysis is often used to evaluate a new test's CONSTRUCT VALIDITY and whether its results are equally construct valid in different race, age, and gender groups (Keith, 1997). Theories on the biological basis of intelligence may someday lead to very differ ent sorts of intelligence tests. For example, the last two decades have produced much research testing the notion that differences in intelligence originate primarily in differences in the speed and efficiency of brain processes (Deary, 2000). A wide variety of structural and physiological features of the brain (such as brain volume, rate of glucose metabolism, latency and shape of brain waves), as well as speed of perceiving ex ceedingly simple perceptual stimuli (inspection and reaction time tasks), have been shown to correlate moderately with IQ when considered individually and sometimes strongly when meas ures are aggregated.

LEGAL AND SOCIAL ISSUES

Test use has risen and fallen during the last century, depending on social and legal currents of the time (Wigdor and Garner, 1982). Public concern has focused on test fairness, because mental tests are often used in ways that affect people's lives. Selection and placement are two such uses. Although often warranted by the tests' predictive value, such uses make tests the focus of longstanding sociopolitical debates over equal opportunity.

Pervasive and sometimes large racial or ethnic disparities in test scores continue to fuel claims that intelligence tests are culturally biased. Ex tensive research (e.g., Jensen, 1980; Wigdor and Garner, 1982) has shown that they are not biased against native born, English speaking Amer icans, including blacks. Their use, however, often creates DISPARATE IMPACT, which has provoked much litigation. GRIGGS V. DUKE POWER, 401 US 424 (1971), *Larry P.* v. *Riles*,

495 F Supp. 926 (ND Cal., 1979), and similar court decisions have greatly affected the regula tion and use of tests in employment and educa tional settings. Media reports of the foregoing issues have tended to misreport expert opinion on intelligence testing (Snyderman and Roth man, 1988).

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interest arbitration

Peter Feuille

Interest arbitration is a procedure used to resolve negotiation disputes over new contract terms (or disputes over interests, rather than disputes over rights under an existing contract, as occurs in grievance arbitration; *see* RIGHTS ARBITRA TION). Interest arbitration procedures vary according to (1) the basis for the proceedings (voluntary versus compulsory), (2) the number of arbitrators involved (one individual versus a multiple person panel), (3) the rules governing how the arbitration decision will be made (con ventional versus FINAL OFFER ARBITRA TION), and (4) the formality of the proceedings, and so on.

Most interest arbitration occurs in negotiating disputes involving public employers and unions of their employees, as a result of state or federal COLLECTIVE BARGAINING legislation that re quires that arbitration be used in this manner (it usually is compulsory rather than voluntary). As this implies, arbitration requirements are accom panied by prohibitions on the use of strikes and lockouts (*see* LOCKOUT; STRIKE). These legis lative mandates are sought by public employee unions and resisted by public employers, based on their mutual belief that compulsory arbitration enables unions to negotiate new contract terms from a stronger position than would be the case without such laws, and research evidence sup ports these beliefs. Research also indicates that the existence of a compulsory arbitration require ment sometimes may reduce union and employer incentives to bargain their own contracts.

Because most private sector employers and unions strenuously object to relinquishing their decision authority to arbitrators (which includes their right to strike or lock out), there is little use of voluntary or compulsory interest arbitration in the private sector.

interim management

Hadyn Bennett

The Institute of Interim Management (Taher Zadeh, 2003) defines an interim manager as "a professionally qualified and independent busi ness executive, who deliberately chooses to work as a supplier of specific skills and knowledge, on a fixed term and fee basis, for a specific period and scope of work." Interim managers differ from management consultants in that they hold operating (or line) authority for the duration of the fixed term or project (*see* MANAGEMENT CONSULTANCY). Among the advantages of using interim managers are flexibility and the availability of experienced senior management staff who can bring fresh, external, and unbiased

perspectives to organizational issues on a com
mercial rather than an employment contract
basis. Examples of business areas suitable for
interim management include mergers and acqui
sitions, corporate rescue, CHANGE MANAGE
MENT, HUMAN RESOURCE STRATEGY, and
operational support and project management
(Taher Zadeh, 2003).

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internal equity/internal consistency

George F. Dreher

Internal equity is one of two organizing concepts
(along with EXTERNAL EQUITY/EXTERNAL
COMPETITIVENESS) used to define the struc
ture and form of a traditional job based pay
system (*see* JOB BASED PAY). Internal equity
is the degree to which an organization's jobs or
positions are ordered hierarchically such that
there is congruence with the organization's stra
tegic and business objectives (Milkovich and
Newman, 1993: 35). Thus, the relative pay dif
ferences between jobs (within a single organiza
tion) will reflect each job's unique value to the
employing organization when the system is in
ternally equitable (Mahoney, 1979). At a more
macro level, the structures of pay hierarchies also
are likely to reflect societal norms and values.

A high degree of internal equity should pro
mote a sense of equity and fairness among organ
ization members and thus encourage cooperation
and organizational citizenship behaviors. Intern
ally equitable systems also are likely to facilitate a
willingness to undertake TRAINING and seek
higher level positions within the hierarchy.

The principal means of establishing internal
equity is through the use of JOB EVALUATION
METHODS. Here, the job's essential attributes
are rated with respect to their perceived value to
the organization. Thus, it is possible for there to
be a discrepancy between a job's value as defined
by the so called market wage and how it is pos
itioned within the organization's internal struc
ture. This possible tension between internal and

external equity represents a central and difficult
area for resolution for wage and salary adminis
trators.

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internal labor markets

Paul Osterman

Many of the rules which determine economic
outcomes and social welfare originate within
the firm and are, in a nontrivial sense, chosen
by the firm. Because many workers spend long
stretches of their careers within the shelter of
enterprises, understanding these rules is very
important. These rules have come to be charac
terized as the internal labor market (ILM).

The central idea of ILMs was set forth by
Kerr (1954) in his description of "institutional
labor markets." Kerr argued that these labor
markets created noncompeting groups, and that
one of the central boundaries was between the
firm and the external labor market. Kerr identi
fied "ports of entry" as the link between the
inside and outside and described the implica
tions for labor mobility of the boundaries and
rules. Dunlop (1966) coined the term "internal
labor market" and provided a description of one
of its central rules, that concerning job ladders.
In the 1970s, Doeringer and Piore (1971) pro
vided a full description of the rules of blue collar
ILMs as well as the trade offs among rules (e.g.,
between hiring criteria and training procedures).
Doeringer and Piore also began the process of
linking analysis of ILMs back to mainstream
labor economics through their discussion of
how specific human capital helps to cement em
ployee attachment to firms.

Internal labor markets attract scholars of di
vergent bents. For mainstream economists the
challenge is to explain these rules in a framework
that preserves the core ideas of maximization
and efficiency. Institutional economists do not

deny the impact of standard economic consider ations, but they emphasize the interplay of eco nomic, political, and social forces. This orientation has been reinforced by recent inter est in international comparisons. There is also a vibrant sociology literature. Since stable work groups lead to the formation of norms, customs, and interpersonal comparisons, ILMs provide sociologists with an opportunity to illustrate and explore the importance of these phenomena. In addition, variation across enterprises in extent and content of rules suggests that sociological models which focus on the diffusion and adap tion of institutional practices independent of their efficiency properties (e.g., the search for legitimacy via mimicry) can be fruitfully applied to ILMs.

The nature of research on ILMs has also expanded. The initial investigations were largely field based, and the ideas rested upon interviews with firms and unions. Our confidence in these observations has, however, been strengthened by studies based upon representative samples of firms as well as more thorough examinations of particular practices, such as firm based wage set ting, long term tenure, or part time work. In the course of this research the original concept, while generally affirmed, has been modified in import ant ways. For example, there is heightened sen sitivity to the fact that a firm is not a unitary employment system, but rather consists of a set of ILM subsystems which may operate on quite different principles (Osterman, 1984).

A central ILM idea is that categories of rules fit together in a logical system, and it does not make sense to isolate one rule and ignore the others. For example, narrow job classifications, wages attached to jobs, few restrictions on the ability of the firm to lay off workers, and strict seniority are a mutually reinforcing set of prac tices. On the other hand, broad classifications, wages attached to individuals rather than jobs, ease of deployment, and high levels of job secur ity constitute another logical cluster. Anyone familiar with the literature will recognize the first cluster as the "traditional" US model, while the second is a model associated (at least until recently) with leading edge US firms and with the Japanese.

An important development is the transforma tion of ILMs in America. From the mid 1940s to the mid 1970s, the traditional model – which is essentially what Doeringer and Piore de scribed – dominated both in the union sector and in largely imitative nonunion firms. Toward the end of this era, a competing model emerged, one which placed much greater emphasis upon direct communication with workers and upon innovations such as team production and QUAL ITY CIRCLES. This structure was motivated in part by its superior performance, and in part by its ability to keep unions at bay. It emerged in a progressive segment of the US nonunion sector (e.g., IBM), but it also gained momentum from the spread of Japanese transplants, such as the Honda factory in Ohio, which organized work along the Japanese model. The more traditional sector, union and nonunion, was torn between adoption of the new (often called "transformed" or "salaried") model and defense of old struc tures. The playing out and resolving of this tension is the current ILM "story" of greatest interest and importance.

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international compensation

Yvonne Stedham

International compensation refers to all forms of financial returns and tangible BENEFITS that employees of an international organization re ceive from their employer in exchange for pro viding their labor and commitment.

In an international organization, there are three types of employees. Parent country na tionals (PCNs) or expatriates are employees who are nationals of the country in which the organization is headquartered and are working

for the organization in a foreign country. Host country nationals (HCNs) are employees who are nationals of the foreign country in which the organization is operating and are working and living in that country. Third country nationals (TCNs) are employees who are not nationals of the country in which the organization is headquartered or nationals of the country in which the organization is operating, but are nationals of a third country.

THEORETICAL CONSIDERATIONS

International compensation must meet requirements for both INTERNAL EQUITY/INTERNAL CONSISTENCY and EXTERNAL EQUITY/EXTERNAL COMPETITIVENESS (Wallace and Fay, 1988). Designing an equitable international compensation system is especially difficult because perceptions of fairness and equity are strongly influenced by an individual's cultural background (Hofstede, 1980). A variety of external forces unique to each country have an impact on the salary structure in a particular country. External equity depends on the labor market of the country in which a unit of an international organization is located. The importance and acceptance of PAY FOR PERFORMANCE varies across countries, depending on the culture and the values prevailing in a country.

PRACTICAL CHALLENGES AND SOLUTIONS

Differences in taxation across countries make it difficult to develop an equitable international compensation system. Two major approaches are used to handle taxation.

1 *Tax equalization*: companies withhold an amount equal to the home country tax obligation of the PCN, and they pay all taxes in the host country.
2 *Tax protection*: the PCN pays up to the amount of taxes that would have to be paid on compensation in the home country and may keep any windfall gained from lower taxes in the host country.

Legally required employee benefits differ across countries. Most PCNs of US organizations remain under their home country's benefit plan.

Further challenges result from currency fluctuations, differences in inflation rates, and the fact that, in addition to salary and benefits, PCNs receive other payments, such as housing allowances, educational payments, and home leave, as inducement payments or hardship premiums.

There are three approaches to international compensation. The home based policy links the base salary for PCNs and TCNs to the salary structure of the home country. A host based policy links the base salary to the salary structure in the host country, but allowances linked to home country salary structures are provided. The region based policy compensates PCNs and TCNs who are working in their home regions at somewhat lower levels than those who are working in regions far from home (Dowling, Schuler, and Welch, 1993). The most widely used approach is the home based approach because it emphasizes keeping the expatriate whole – preventing the expatriate from suffering material loss due to a transfer. Reynolds (1986) recommends a balance sheet approach designed to equalize the purchasing power of employees at comparable position levels living overseas and in the home country, and to offset qualitative differences between assignment locations.

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International Foundation of Employee Benefit Programs

Robert M. McCaffery

The International Foundation of Employee Benefit Programs (IFEBP) is a private not for profit organization dedicated to providing re

search, education, publications, and information resources for individuals and groups involved in the study and practice of employee BENEFITS. It is located in Brookfield, Wisconsin. Among its extensive information resources for members, IFEBP maintains EBIS, Employee Benefits Infosource, a computerized database service.

In 1976, in conjunction with the Wharton School at the University of Pennsylvania, IFEBP launched the Certified Employee Benefits Specialist (CEBS) program. By com pleting a specified group of courses, offered throughout the country at colleges and univer sities, participants earn the equivalent of a col lege major in benefits management and certification status.

Descriptive information available on request from: International Foundation of Employee Benefit Plans, PO Box 69, Brookfield, WI 53008 0069. Telephone 414 786 6700. Internet: www.ifebp.org.

International Public Management Association for Human Resources

Jannifer David

The International Public Management Associ ation for Human Resources (IPMA HR) sup ports the work of over 5,000 human resource professionals in the public sector throughout the world. The organization specializes in pro viding information and resources relating to the unique aspects of the public employment rela tionship. IPMA HR annually hosts inter national conferences to share information about trends in public employment. Members may also receive IPMA HR publications (*IPMA HR News*, *HR Bulletin*, *Public Personnel Man agement*) that provide information about trends, legislative updates, and research studies about public sector HRM. IPMA HR also provides professional certifications (IPMA CP and IPMA CS) and training opportunities for public sector human resource professionals.

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Internet

John W. Boudreau

The Internet is a general reference to the world wide network of electronic information sources that can be accessed using personal computers connected by telecommunications technology. Through this network, individuals may send mail, read reference material, share documents electronically, and send computer software dir ectly from one computer to another.

Within a single organization, such connec tions can include electronic messages (email), centralized repositories of general information (e.g., EMPLOYEE HANDBOOK, announce ments, job postings, and so forth), and the cap ability to "teleconference" using software that allows individuals at various locations to see and hear each other simultaneously. "Virtual" docu ments can be shared and modified by individuals on a team, despite geographic or temporal dis persion.

However, the term "Internet" is generally associated with inter organizational connec tions. Until the 1980s, the "Internet" was used primarily by research scientists in government and universities. It was originally designed as a communication network for scientists and as a precaution against the loss of other communica tion networks during a national emergency. In the late 1980s, with the widespread proliferation of personal computers and the development of commercial network providers such as America Online (AOL), Compuserve, and Prodigy, vir tually anyone with a personal computer con nected by modem to a telephone line could obtain mail and join discussion groups on virtu ally any topic.

As computers, software, and technology links have grown in sophistication, the possibilities for remote communication have grown exponen tially. Today, the Internet allows individuals seamless access to repositories of information at virtually every major university or company in the world, as well as the opportunity to send electronic messages to virtually anyone, includ ing the president of the US. A variant of elec tronic mail is the electronic "discussion list," or "interactive bulletin board," which offers a single location to where many individuals may

"post" questions, comments, or ideas, which are then automatically distributed to everyone on the list through email. The responses are also distributed so that everyone can "listen" and participate in discussions. The largest and oldest of such lists, HRNET, was established through Cornell University under the auspices of the Academy of Management's Human Resource Division, and has over 2,600 members world wide (*see* HUMAN RESOURCE DIVISION, ACADEMY OF MANAGEMENT). A single message posted to such lists commonly elicits 10 to 100 replies within 24 hours, often from all corners of the world, and can bring together human resource practitioners with researchers and content experts.

In the 1990s, increased speed and technical sophistication spawned the emergence of the worldwide web (WWW). The web uses many of the same communications pathways of the Internet, but it employs technology that makes connecting to remote sites, and sending and receiving text, graphical images, sounds, and video, virtually effortless by simply clicking a mouse. The WWW may become the backbone of a new concept in electronic connectivity, such that individuals will depend less on the particular information in their own computers and rely more on seamless access to remote sources of expertise and information. Virtually any individual or organization may establish a "site" on the WWW, which means that millions of information sources exist. Email, list servers, and access to research libraries are also available through the WWW.

For human resource professionals, the Internet offers extraordinary possibilities, with the promise to fundamentally change many human resource activities. Already, most major companies have websites, where potential customers and employees can learn about products and job openings, and can even submit electronic applications. Similar job posting systems exist within many organizations. Commercial sites now exist to provide online recruitment, training, and expert advice to virtually any individual who requests it. Major research centers, such as Cornell's Center for Advanced Human Resource Studies and School of Industrial and Labor Relations, have sites that allow human resource professionals to obtain the latest information

from governments, academic institutions, and professional associations. Professional organizations, such as the SOCIETY FOR HUMAN RESOURCE MANAGEMENT and the SOCIETY FOR INDUSTRIAL AND ORGANIZATIONAL PSYCHOLOGY, also provide such access. In the future, such access will make it less necessary to physically visit individuals or institutions with expertise, and much easier to obtain such expertise instantly and electronically.

However, the proliferation of such sites makes it ever more difficult to determine the quality and relevance of the information. The Internet has been compared to the "world's largest library," but the information is not as well organized and catalogued as users might prefer. Rather, the Internet more closely resembles an infinitely large magazine and book store, where flashy graphics and compelling marketing are often enticing, but where the quality of the information must be carefully judged.

interviewer errors

Robert L. Dipboye

In conducting employment interviews, interviewers can commit a variety of errors that can threaten the VALIDITY, reliability, and fairness of their judgments. An error is defined as a deviation of the interviewer's judgments from what is true about the applicant. One source of error derives from the effects of the interviewer's behavior on the applicant. For instance, an applicant who is actually highly qualified might appear unqualified as the result of an interviewer's style of questioning. In some cases interviewers' opinions of an applicant may be self fulfilling (Dougherty, Turban, and Callender, 1994). In other words, interviewers' opinions of an applicant's qualifications may "leak into" the conduct of the session and bias the behavior of the applicant in the direction of confirming the interviewer's opinions.

In addition to errors associated with the conduct of the interview process itself, other errors can occur as a consequence of the ways that interviewers process information about the applicant. Interviewers can show "similar to me" effects, in which they give more favorable evalu

ations to applicants who are perceived as similar to the interviewer on background characteristics, education, attitudes, and other factors (Graves and Powell, 1995). The consistency with which race, disability, gender, and age of the applicant influence interviewer judgments is open to argument, but professional interviewers have been shown to err in the direction of undervaluing the qualifications of minorities, women, and older applicants (Stone, Stone, and Dipboye, 1992). A consistent finding is that physically unattractive candidates receive lower interviewer evaluations than attractive candidates (Stone et al., 1992). For instance, Rynes and Gerhart (1990) found that attractiveness was a more important correlate of recruiter evaluations of firm specific fit than were objective characteristics of the applicants such as grade point average, sex, business experience, academic major, and extracurricular activities. Another type of error is the attributional error. In explaining why applicants behave the way they do in an interview session, interviewers tend to underestimate how their own conduct influences the applicant, and to overestimate the importance of the applicant's traits. Finally, the same RATING ERRORS that have been observed in PERFORMANCE APPRAISAL also can occur in the interview.

The errors committed by interviewers seem likely to threaten the validity and reliability of their judgments. The use of structured employment interviews, such as the SITUATIONAL INTERVIEW, seems likely to minimize the effects of these errors by making the process more consistent across applicants and by focusing the interviewer on the specific requirements of the job.

See also *employment interview*

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intra-organizational bargaining

Paul Jarley

Intra organizational bargaining refers to the process by which each party to a negotiation determines its own bargaining goals and strategies. Intra organizational bargaining may involve elements of both DISTRIBUTIVE BARGAINING and INTEGRATIVE BARGAINING.

SOURCES OF INTRA-ORGANIZATIONAL CONFLICT

Each party to a negotiation is comprised of various constituencies, each with different interests to satisfy and opinions about optimal bargaining strategies. Different interests often derive from differences in constituents' jobs, terms and conditions of employment, or nonwork related (e.g., family) roles. Each constituency wants its negotiator to give its special interests and concerns priority over the parochial interests of others during inter organizational negotiations. Conflict may also stem from different perceptions about the relative efficacy of bargaining strategies and expectations about what is achievable during inter organizational negotiations. Such disputes may arise among principals, but often occur because of information asymmetries and perceptual differences between principals not directly involved in the negotiations and their agents at the bargaining table.

IMPORTANCE OF INTRA-ORGANIZATIONAL BARGAINING

Unresolved intra organizational conflict often produces insufficient formal authority at the bargaining table to execute an agreement. Negotiators will be uncertain about what commitments they can make during negotiations and must guard against opposition attempts to gain

concessions directly from the factions most predisposed toward their bargaining proposals. Unresolved intraorganizational conflict greatly increases the likelihood of an impasse since the other party often has little choice but to halt negotiations and put pressure on the various opposition factions to resolve their internal disputes before returning to the bargaining table.

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ISO 9000

William E. Youngdahl

ISO 9000 is an internationally developed and recognized series of quality standards that focus on a company's *management practices*. Businesses certified by third party agencies join a registry of ISO certified companies. This stamp of approval provides comparative advantages to certified companies. Additionally, European Union (EU) companies can minimize certain legal liabilities by applying ISO 9000 standards and choosing ISO certified suppliers (Chase and Aquilano, 1995).

The ISO 9000 series consists of five separate standards. The ISO 9000 standard provides basic definitions and concepts and summarizes how to select and use the other standards in the series. Essentially, ISO 9000 directs a firm to document what it does and do what it has documented. ISO 9004 lists the essential elements that make up a quality system and contains guidelines for operation. The remaining standards constitute a hierarchical set of quality requirements covering various aspects of the business. ISO 9003, the least stringent, deals only with final testing and inspection. ISO 9002 covers production and installation requirements. ISO 9001, the most comprehensive standard, covers all elements of ISO 9002 and 9003, while also addressing design, development, and service capabilities.

Organizations often ponder the relative merits and timing of ISO 9000 certification and MALCOLM BALDRIGE NATIONAL QUALITY AWARD (MBNQA) application. The MBNQA emphasizes customer satisfaction and business results (Rabbitt and Bergh, 1993). Generally, ISO 9000 is a good starting point to help organizations prepare for MBNQA application. MBNQA assumes that internal processes, the focus of ISO 9000, are in control.

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Italy

Raoul C. D. Nacamulli

The main characteristics of the human resource policies in Italy are the substantial weight of regional economic differences among North, Central, and South, and the still prominent role played by unions in the overall Italian INDUSTRIAL RELATIONS system.

LABOR MANAGEMENT POLICIES IN THE ITALIAN REGIONS

Fragmentation is a fundamental characteristic of human resource practices in Italy. In fact, labor relations, management style, and personnel policies are different in the so called First, Second, and Third Italies.

The "First Italy" is the northern part of the country and the center of industrial activities. This area contains most of the main large modern corporations with advanced human resource management (HRM) policies. The situation in the south of Italy (the "Second Italy") is

different, with traditional industries, a large agri cultural sector, and a significant number of state owned enterprises. The models of personnel management in the Second Italy tend to be more bureaucratic and hierarchical. The "Third Italy" is situated in the northeast and center of the nation. In this area small and medium sized entrepreneurial companies and interrelated networks of local firms (local dis tricts) are predominant.

What makes the Third Italy distinctive in respect of human resource policies is the low degree of formalization of labor practices and the distinctive social commitment of the em ployees. This combination leads to a peculiar organizational model halfway between craft and mass production: the so called flexible special ization model (Piore and Sabel, 1984).

THE ITALIAN INDUSTRIAL RELATIONS SYSTEM

The salient features of the Italian industrial rela tions system are the pattern of a "weak political union" and a marked ritualistic approach in the handling of labor conflicts. The "weak political model" is between the political and the associat ive modes of trade unions.

The high degree of ritualistic conflict is mainly related to the extreme organizational complexity of the major unions: CGIL (left wing), CISL (Catholic), and UIL (Socialist). Patterns of industrial relations in Italy may be summarized as follows. From 1945 to the begin ning of the 1960s, employers and management mostly considered unions, which were very weak, as an external disturbance. In this period, management actually led negotiations with the only purpose of minimizing the cost of labor.

From 1962 to 1969, the system became a more pluralistic one as trade unions enjoyed higher recognition and began to play a more important role in COLLECTIVE BARGAINING, particu larly at the local level, but the model continued to be that of DISTRIBUTIVE BARGAINING. From 1969 to the early 1970s, the unions began to take the initiative at the bargaining table while the companies retained mainly a reactive pos ture. State and local authorities played a crucial role in these processes, supporting the interest of the unions. The 1980s were characterized by a new reversal in the distribution of roles and the initiative switched back to management. Cur rently, industrial relations appear to be more complex and segmented than they used to be, as TOTAL QUALITY MANAGEMENT, participa tive management, and GAINSHARING policies have been developed within companies. The role of unions seems to be increasing in the public and service sectors while it becomes less signifi cant in industry. Moreover, authorities are now mainly concerned with the DOWNSIZING of the welfare state.

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J

Japan

Koji Taira

Studies of Japanese business must begin with a basic question: "Who owns the firm?" (Abeg glen and Stalk, 1985). The answer to this ques tion in the US would be simple: shareholders. This implies the most important principle of firm governance: management is the agent of the shareholders. The basic problems of the firm arise from the principal–agent relationship with asymmetric information. In this type of firm, workers are resources that management buys, pays, and uses up for the maximization of profits.

The Japanese business law has just caught up with the American concept of the firm. The Commercial Code provides the basic legal framework for all types of private business in Japan. The latest amendments to the Code went into effect in April 2003, introducing, among others, "an American style board with a chief executive officer (CEO) and more outside directors to help perform the oversight func tion" (JETRO, 2002). At present, a majority of Japanese firms have no plans to shift to this new system of corporate governance, but several high profile firms, such as Sony, Hitachi, Toshiba, Mitsubishi Electric, and several others with a significant presence of foreign share holders have adopted or are likely in the near future to adopt the American style boards of directors (Japan Institute of Labor, 2003).

In Japan, the answer to the question "who owns the firm?" has never been as straightfor ward as in the US (Matsumoto, 1991; Aoki and Dore, 1994). Although the stakes of the indi vidual shareholders have recently been gaining increasing attention and respect from manage ment, shareholding has traditionally functioned as a means of strengthening inter firm alliances. That is, a good proportion of the shares of the firm are held by friendly firms in the enterprise group of which the firm is a member. The firm itself also owns shares of other firms of the group. The member bank of the group is the main bank for the member firms.

Workers employed by the firm are much more than a factor of production. A good proportion of them, "regular employees," are considered "members of the firm" (*shain*) and participate in its management through "bottom up" man agement, the employee union and consultative machinery (Koike, 1988). The firm, having slimmed down to its core activities, surrounds itself by a *keiretsu* of subsidiaries, affiliates, sub contractors, and distributors that supply it with parts, components, or services through forward and backward linkages. Managing the firm, then, means a coordination of diverse, some times conflicting, interests of various stake holders while pursuing the firm's goals such as solvency, growth, and market share.

"Human resource," a popular concept in academic discourse, downgrades people to an equal status with other nonhuman resources. It is an especially misleading metaphor when ap plied to employee members of the Japanese firm. Closer to the truth is that every employee is a manager in his or her own right, as much committed to the goals of the firm as those conventionally classified as "managers." Al though the formal hierarchy of positions and functions within the Japanese firm is not much different from that of any firm in a market economy, practically all the positions and func tions above the entry level all the way through top management are filled by internal promo tions, owing to the well developed INTERNAL LABOR MARKET.

The production concept of the Japanese firm is LEAN PRODUCTION, which emphasizes high product quality, *kaizen* (continuous improvements) in process and outcome, and "just in time" delivery in work relationships (*see* JUST IN TIME PRODUCTION SYSTEMS). This mode of production, unlike "mass production," devolves a maximum of judgment, initiative, and responsibilities to employees on the shop floor, eroding social distance and functional differences between managers and managed (Womack, Jones, and Roos, 1990). In the Japanese firm, those employees who would elsewhere be labeled "blue collar" are "white collarized" (Koike, 1988).

The tenure of the regular employees (employee members of the firm) is indefinite, though subject to mandatory retirement at a stipulated age. The "standard regular" employees are hired at graduation from high school or college and remain in employment "for life," i.e., until mandatory retirement. These employee members of the firm are immune to layoffs or discharges except under extreme circumstances, although they are free to quit of their own volition any time.

The Japanese firm, like its counterpart anywhere, is subject to output fluctuations due to changes in the conditions of the market, technology, and general business environment. A conventional capitalist firm adjusts workforce up or down as its output fluctuates. Barred from discharging its regular employees at will, the firm uses contingent workers as an adjustment factor (*see* CONTINGENCY EMPLOYMENT). These workers can be flexibly hired or fired according to changes in the firm's volume of business (Taira and Levine, 1985). The regular/contingent duality of employment is a major strategy of the Japanese firm. Contingent workers come in under a variety of contractual arrangements. Most common are temporary, seasonal, casual, or part time workers hired for specified lengths or hours of service. The firm may also contract with other firms for sending in their employees for specified tasks in it. These firms, "subcontractors," belong to the *keiretsu*. Worker dispatching firms have grown up in occupations related to data processing, office work, building maintenance, and security under a law passed in 1985.

For ordinary business cycles, the rules of employment adjustment built into the Japanese employment system are adequate for the security of tenure of the regular employees. When a recession is exceptionally long or deep, the terminations of contingency workers alone may not be enough. When this happens, as it did in the mid 1970s after the 1973 oil shock or in the post bubble 1990s, additional adjustment measures are undertaken, such as a hiring freeze, reduction of working hours, transfers and reassignments, or moderation or suspension of salary increases. In the worst cases, after the exhaustion of all conceivable alternatives, some regular employees may be asked to take voluntary early retirement. Their terminations are costly, involving premiums and other incentives added to the contractual severance pay.

The recruitment and hiring of regular employees is a serious business (Taira and Levine, 1992). The firm begins planning for new hiring 12 months ahead of the actual induction of new employees. The procedure is also regulated by law and the Ministry of Health, Labor, and Welfare. During the spring of a given year, as soon as the new school year begins in April, the firm formulates its hiring plans targeted at college and high school seniors expected to graduate in the following year. In the summer, upon approval of the plans by the Employment Stabilization Office, the firm sends employee search notices to high schools and colleges.

To forestall undue influences on impressionable youth, the law prohibits recruiters from individually meeting high school students. They are only allowed to hold information meetings with groups of students. College students, supposed to be more mature and self assured, are allowed individual JOB SEARCH activities. In the fall, the firm receives job applications, and holds written and oral examinations. Informal offers of employment (*naitei*) are then made to selected employees to be. During the remaining few months before April, the firm makes every effort to hold on to the *naitei* candidates. Depending on economic conditions, inter firm competition may become so keen that each student receives several *naitei* offers and acquires considerable bargaining strength.

In April, new employees are inducted into the firm's employ at a solemn ceremony. Freshman

employees are then put through a year of basic education and training combining classroom in structions and on the job practices. After this, each employee is formally assigned to a work unit to begin actual value adding work. At this stage, a mentor is assigned to each new em ployee. From here on, the employee engages in lifelong competition for promotions in the firm's internal labor market as skills, knowledge, com petence, and performance grow with more ON THE JOB TRAINING and experience.

Employee motivation for perpetual learning and effort is strengthened by a steeply rising salary schedule in association with the length of service and age known as the "seniority based wage system." In principle, every freshman em ployee has the equal opportunity for rising to the top of the personnel hierarchy. Actual career paths depend upon efforts, merits, and luck that vary among individuals.

The Japanese firm exhibits two contradictory tendencies, one toward a "virtual corporation" and another toward diversification. They are interrelated, however. Like a virtual corpora tion, the Japanese firm concentrates on core competencies and procures parts, components, and services from other firms in the enterprise group and *keiretsu*. At the same time, the Japan ese firm is innovative in generating growth through product differentiation and diversifica tion as well as organizational restructuring and BUSINESS PROCESS REENGINEERING. The firm, overgrown, then spins off activities that have reached a critical mass for viable independ ence and adds them to the group and *keiretsu*. By this process of cell division, the core firm remains slim, fit, and dynamic.

In summary, in addition to the long familiar "three treasures" of the Japanese employment system (lifetime employment, seniority based wages, and enterprise union), recent research calls attention to the nature and strategy of the Japanese firm including characteristics such as enterprise groups, *keiretsu*, lean production, quality, *kaizen*, reengineering, virtual corpora tion, contingency workers, and many more. The basic point is that firms in a capitalist market economy must survive, make profits, and grow. Toward these goals, the Japanese firm has generated a complex of strategy, struc ture, organization, and process that appears distinct and fascinating when compared with firm types of other capitalist market economies. Through many stages of abstraction, generaliza tion, and theorizing, the practices of the Japan ese firm have been modeled as the "Japanese employment system." Since the last economic bubble burst in 1990, the macro economy of Japan has undergone considerable restructuring under a prolonged stagnation and frequent re cessions. Since the Japanese employment system was a product of a growing economy, it has been losing fit with reality at the margins since 1990. An alternative model has not emerged yet, how ever.

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job

Robert J. Harvey

A job is a collection of one or more positions that are similar enough in terms of their tasks and duties to allow them to be grouped together and treated interchangeably. Although some cross position heterogeneity is typically present, as a

practical matter the positions that are grouped together to form a job should be sufficiently similar in terms of their tasks and duties to allow them to be described adequately through the use of a single JOB ANALYSIS and job title.

See also *duty; task*

job analysis

Michael T. Brannick and Edward L. Levine

Job analysis is the systematic process of uncovering and describing the components of a job. The process may be all encompassing or narrower, depending upon the needs of the job analyst. The analyst may explore the goals of the work, the work procedures and processes (duties, tasks, and so forth; Harvey, 1992), the kinds of personal attributes required of people to complete the work (*see* KSAOS), and the work context, broadly defined to include the physical environment as well as the business environment. For example, for the job of police officer, the goals of the work might include enforcing laws, promoting the safety of the public, and maintaining community relations. The work procedures and processes might include such activities as giving traffic citations, resolving domestic disputes, and testifying in court. The personal characteristics might include the ability to remember laws, physical strength, and skill in operating a patrol car. The work context might include such items as working outdoors. The police officer reports to a police sergeant within a particular civic and geographic context (consider, for example, how the job might differ from Miami, Florida, to Ann Arbor, Michigan).

Job analysis can be considered to be a managerial activity because it helps solve so many human resource problems (McCormick, 1979; Gael et al., 1988). However, it may also serve society at large. Among the vast uses of job analysis are producing a written description of the nature of the job (a JOB DESCRIPTION), providing information used to set salaries (JOB EVALUATION METHODS), and planning for the future of people at work in the company (HUMAN RESOURCE PLANNING). Job analysis also forms the basis for training programs

(training and development; *see* TRAINING), hiring and promoting workers (STAFFING), defending the JOB RELATEDNESS of employment practices, and defining the job in such a way that JOB PERFORMANCE can be evaluated (performance measurement). Societal purposes include vocational guidance for students.

Job analysis employs a variety of approaches to uncover and describe components of a job. Such approaches can be captured in four categories: (1) the kinds of job data collected; (2) the methods of gathering data; (3) the sources of job information; and (4) the methods of data analysis (Levine, 1983). The kinds of data collected include such items as responsibilities, products and services, machines, tools, work aids, and equipment, and work and worker activities. The sources of information include the job analyst (the person doing the job analysis), the job holder, the job holder's supervisor, training specialists, and technical experts such as chemists or college professors (*see* JOB ANALYSIS INFORMATION SOURCES). The data analytic approach can include units of work (TASK, DUTY, or job dimensions), worker TRAIT requirements, such as mental and physical capabilities, and quantitative scales applied to the work. For an example of a quantitative approach, job holders could be given a survey that asks them to rate each task in their job in terms of its difficulty to learn. The way we carry out a job analysis will depend on what we are trying to accomplish (Levine, Thomas, and Sistrunk, 1988). We might proceed differently, for example, if we are interested in staffing than if we are interested in job evaluation. In staffing, we would concentrate on what personal characteristics (e.g., skill in word processing) job applicants need in order to be successful on the job. In evaluating jobs to set salaries, we would concentrate on the aspects of jobs that differentiate them in terms of pay, such as degree of fiscal responsibility.

See also *strategic job analysis*

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job analysis information sources

Michael T. Brannick and Edward L. Levine

The process of discovery of the nature of a job requires that the job analyst pursue one or more sources of job information, such as interviewing a job holder or observing the job holder perform the work.

METHODS EMPHASIZING THE ANALYST

Observation. Probably the most common method is for the job analyst to watch the job holder actually doing the job (practical tips are given by Martinko, 1988). It is important to capture a representative sample of the entire job. It would not do, for example, to observe a surgeon only in his or her office counseling patients away from the operating room.

Doing the work. Although for practical reasons this method is seldom used, a great deal of insight about the difficulties of learning a job and the skills and abilities required to perform it can be learned by actually doing the work.

METHODS EMPHASIZING BOTH INCUMBENT AND ANALYST

Individual interviews. In this method, the analyst asks questions of job holders and their supervisors. The questions need to be carefully structured prior to the interview for best results, but probing and following up on responses to questions allows this method some flexibility.

Group interviews. A knowledgeable group of workers and supervisors may be gathered to discuss a job. An advantage of such a procedure is that consensus can emerge about the nature of a job. Also, group members can say things that trigger responses from other group members resulting in a very complete picture of the job.

METHODS EMPHASIZING THE INCUMBENT

Diary. This method requires job holders to write down periodically the activities they have been doing at a particular time (see Freda and Senkewicz, 1988). Several different methods can be used for sampling times. For example, the job holder may have to write every half hour, each time he or she changes tasks, or whenever a beeper set by a job analyst goes off (*see* PERFORMANCE DIARIES).

Questionnaire. The questionnaire can be considered a structured interview that is self administered. Often the items on a questionnaire are tasks or activities, and the incumbent is asked to evaluate each task on one or more scales. The US Air Force was instrumental in developing this approach. A good description of the Air Force technique is given in Christal and Weissmuller (1988). The POSITION ANALYSIS QUESTIONNAIRE is another good example of this job analysis method.

OTHER SOURCES

Several other sources of information can be used in conducting a job analysis. These sources tend to be used as supplements to those already listed. They include equipment based sources, in which the job analyst uses equipment such as a videotape recorder or audiotape recorder to gather information. The analyst may also review records, such as those found in company PERFORMANCE APPRAISAL files or accident reports. Often the job analyst will begin by reviewing literature about the job, such as books, research reports, or other materials produced inside the organization or outside of it. Training materials are especially useful in this regard. Finally, the analyst may resort to studying equipment design; i.e., examining blueprints or schematic drawings when the job is heavily dependent upon equipment or machinery and especially for new jobs when they do not yet have any incumbents.

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job-based pay

Thomas H. Stone

Job based pay refers to pay structures based on any form of JOB EVALUATION METHODS, focusing on job contents and/or job specifications. Job based pay systems may be contrasted with knowledge based or skill based pay systems that use knowledge, skills, abilities, and other characterstics (*see* KSAOS) of each incumbent to determine pay (*see* SKILL BASED PAY DESIGN). Thus, job evaluation methods of classification, factor comparison, Hay method, and point and ranking would all yield a job based pay system whereby an incumbent's base pay is determined by the job he or she occupies rather than by KSAOs. Most employers use job based pay, but knowledge and skill based systems are growing.

See also *classification job evaluation method; factor comparison job evaluation method; Hay method and other hybrid job evaluation methods; point job evaluation method; ranking job evaluation method*

job burnout

Thomas A. Wright and James Campbell Quick

Job burnout is defined as the chronic and negative affective pattern of responses to stressful conditions at work (*see* JOB STRESS). It is related to reduced PRODUCTIVITY and increased ABSENTEEISM and EMPLOYEE TURNOVER. Understanding the causes of job burnout is important to early recognition, prevention of adverse consequences, and early recovery actions.

CAUSES

Freudenberger (1980), who coined the term "burnout," implied that it is caused by the continuous pursuit of success. Cordes and Dougherty (1993: 640) said job burnout results from a high level of chronic work demands, entailing very important obligations and responsibilities. Maslach (1982) suggested that job burnout is caused by constant exposure to emotionally charged interpersonal situations on the job. Hence, high achievement, responsibility, and/or emotionally demanding jobs may cause burnout.

CONCEPTUALIZATION

Maslach's (1982) three component conceptualization is the most widely accepted. The first component, emotional exhaustion, describes an individual's affect, feelings of depleted emotional resources, and lack of energy. Individuals feel unable to give psychologically. A common symptom is dreading to go to work.

The second component, depersonalization, is characterized by negative, cynical attitudes and feelings about one's clients, who are seen to deserve their lot in life. Prominent symptoms include the use of derogatory, abstract language about one's clients, extensive use of jargon, and withdrawal from direct client contact.

The third component, diminished personal accomplishment, refers to the tendency for negative self evaluation, resulting in increased dissatisfaction with one's job accomplishments and a heightened perception of minimal work related progress.

TREATMENT

Job burnout is a potentially reversible condition. EMPLOYEE ASSISTANCE PROGRAMS and STRESS MANAGEMENT PROGRAMS can be helpful in identifying causes of job burnout and in establishing treatment interventions.

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job description

Michael T. Brannick and Edward L. Levine

The job description is a written summary of the nature of a job (see Ghorpade, 1988). The most common elements in a job description include:

1   a job identification that includes the job title;
2   a job overview that states the mission of the job and the products and services produced by the worker;
3   the primary tasks involved in the job;
4   a list of equipment, machines, and tools used;
5   raw materials, goods, data, or other materials used in the job;
6   the processes used to transform materials into products and services;
7   guidelines and controls that limit the discretion of the worker, such as supervision;
8   required knowledge, skills, abilities, and other characteristics (*see* KSAOS);
9   a description of the work context, such as working conditions; and
10   a statement of the qualifications required, such as a license or level of education.

Supervisors use job descriptions as a basis for assigning work and clarifying performance expectations. Job holders can use job descriptions to help understand their own jobs and jobs further up the job ladder that they may hold one day. Job descriptions are also a primary tool in PERFORMANCE APPRAISAL, in which supervisors evaluate the JOB PERFORMANCE of incumbents, and in JOB EVALUATION METHODS, with which the salaries of jobs within an organization are determined. Job descriptions may also play a role in RECRUITING and STAFFING functions, where they inform all parties of the nature of the work to be performed, thus helping to insure a good match between people and jobs.

The centrality of the job description to human resource practices is currently being questioned by some organizations because of rapid changes in jobs. Such changes are in response to the dynamic nature of today's business environment. In addition, many organizations have placed increased reliance on teams that require flexible assignment of duties (*see* SELF MANAGING TEAMS).

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job element method of job analysis

Ronald A. Ash

The job element method of JOB ANALYSIS focuses on the human attributes necessary for superior performance on the job. This approach can be contrasted with other job analysis procedures in that it bypasses the TASK information or descriptions of the work itself, and goes directly to job elements. Elements cover the entire range of job behaviors, intellectual behaviors, motor behaviors, and work habits, and may be called knowledge, skills, abilities, and other personal characteristics (KSAOS; Primoff and Eyde, 1988). The same element may cut across different tasks and different jobs. The significant elements in a job are identified, described, and evaluated by experienced and expert workers in an occupation and their supervisors, typically referred to as subject matter experts (SMEs).

The job element method was originally developed by Ernest Primoff of the US Civil Service Commission (now called the Office of Personnel Management), and since its development has been used in a variety of settings for developing job information used in RECRUITING, PERSONNEL SELECTION, PROMOTION, PERFORMANCE APPRAISAL, and TRAINING.

Specific procedures and rating scales used in the job element method of job analysis are described in Primoff (1975) and Primoff and Eyde (1988).

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job evaluation administrative issues

Timothy J. Keaveny

Job evaluation administration addresses imple mentation and utilization of a job evaluation plan. A primary issue is to decide who will participate in job evaluation. The typical choices are COMPENSATION specialists, managers, supervisors, and job incumbents. An effective job evaluation system requires managerial as well as employee acceptance of job evaluation results. In order to help to insure acceptance, participation by managers, supervisors, and em ployees is essential. Such participation can be through representation on task forces charged with designing a job evaluation system, as well as serving on committees that use the system to evaluate jobs.

Other administrative issues include training in the use of the system (*see* TRAINING), ap proval of completed job evaluations, commun ication of results to employees, and appeals procedures. Managers, supervisors, and job in cumbents must be trained in the use of the job evaluation system. When the committee com pletes the evaluation of jobs, the results typic ally are reviewed by higher levels of management to insure that directions and guidelines were followed. The approved job evaluation results must be communicated to managers, supervisors, and job incumbents. Different methods can be used to explain the results to employees, such as brochures, video tapes, or meetings.

It is possible that some jobs will be incorrectly evaluated and it is quite likely that at least some will question the VALIDITY of some evalu ations. As a consequence, it is essential to have procedures for appeal and review of job evalu ation results.

After the initial round of evaluating jobs, communicating the results and addressing appeals, the system must provide for updating job descriptions (*see* JOB DESCRIPTION), ana lysis of newly created jobs, and evaluation of revised as well as new jobs.

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job evaluation methods

Matthew C. Bloom

Job evaluation is a systematic process designed to aid in establishing pay differentials across jobs within a single employer (Milkovich and Newman, 1996: 127). It is an alternative to person based (e.g., competency based pay) and market pricing approaches (*see* PERSON BASED PAY). Job evaluation is a judgmental process based on a systematic appraisal of job descrip tions (*see* JOB DESCRIPTION). The culmination of this appraisal process is a hierarchy of jobs denoting their relative complexity and value to the organization. When matched with data about market pay rates, job evaluation provides the critical link between the organization's internal job structure and the external market and estab lishes the organization's pay structure (Schwab, 1980; Milkovich and Newman, 1996). Job evalu ation is a crucial process for establishing a pay structure that is internally equitable, externally competitive, and consistent with the goals of the organization (*see* EXTERNAL EQUITY/ EXTERNAL COMPETITIVENESS; INTERNAL EQUITY/INTERNAL CONSISTENCY).

Two essential components are usually assessed in job evaluation: job content and job value. Job content refers to the type of work performed, the knowledge, skills, abilities, and other personal characteristics (*see* KSAOS) required to perform that work, working conditions, degree of responsibility assumed, and so on. Job value refers to the relative contribution a job makes to organizational goals, its value in external markets, or its worth relative to some other agreed upon standard. Job evaluation methods differ in terms of how they appraise job value and content, and how they position jobs based upon these values and content assessments. The most popular job evaluation method is the POINT JOB EVALUATION METHOD.

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job family

Robert J. Harvey

A job family is a grouping of different jobs whose tasks and/or duties are deemed sufficiently similar to one another to allow them to be treated as interchangeable (e.g., to share a common employee selection battery). Because subsets of each job's tasks or duties (*see* DUTY; TASK) may be used when assessing similarity, it is quite possible for jobs that are grouped into different job families for one personnel purpose (e.g., employee selection using highly specific skill based tests) to be grouped into the same job family for a different purpose (e.g., selection using a general cognitive ability test). Typically, job families are formed by clustering jobs within a single organization; in contrast, the term "occupation" is used to describe groupings of jobs that occur across industry and organizational boundaries. However, some authors use the term job family more generally to denote virtually any collection of similar jobs, regardless of the industry or organization in which they are found.

job involvement

Eugene F. Stone Romero

Job involvement is an attitude toward the work role and its context. Conceptual definitions of job involvement have been of two basic types (see, e.g., Lodahl and Kejner, 1965; Rabinowitz and Hall, 1977). One regards it as reflecting the degree to which a person's sense of esteem is affected by JOB PERFORMANCE. The other views it as the centrality of work and the job context to the individual's self image. Unfortunately, however, there are many other views on the nature of the job involvement construct and there is currently no consensus on the most appropriate measure of this construct (Rabinowitz and Hall, 1977). Moreover, as is true of the conceptual definitions of many constructs, popular definitions of job involvement tend to confuse it with its antecedents (e.g., work values) and consequences (e.g., performance based esteem changes; Stone Romero, 1994).

Researchers and theorists have equated job involvement, directly or indirectly, with such constructs as work centrality, EMPLOYEE MORALE, intrinsic motivation, JOB SATISFACTION, and the Protestant work ethic (Rabinowitz and Hall, 1977). However, Paullay, Alliger, and Stone Romero (1994) argued that job involvement differs from both the Protestant work ethic and work centrality. The Protestant work ethic is a value orientation that has several components, including the normative belief that individuals should be involved in their work (Weber, 1930; Wollack et al., 1971). Work centrality reflects the degree to which individuals view work (independent of a specific job) as being an important activity in life (Dubin, 1965). Job involvement reflects the degree to which individuals feel attracted or attached to the tasks that make up their jobs (i.e., job involvement role) and the setting in which such tasks are carried out (i.e., job involvement setting). Research by Paullay et al. showed that job involvement role, job involvement setting, work

centrality, and Protestant work ethic are distinct, although related, constructs.

Fishbein and Ajzen's (1975) attitude model can aid in the conceptualization of the job involvement construct. The model specifies that:

1 attitudes toward an attitude object are a function of individuals' values and beliefs;
2 attitudes, in conjunction with subjective norms, are precursors of behavioral inten tions; and
3 these intentions determine actual behavior.

Applying this framework to the attitude of job involvement suggests that:

1 socialization consistent with such value orientations as the Protestant work ethic leads individuals to value the performance of job related tasks and to view work as cen tral to their lives;
2 this value orientation predisposes them to become involved with their jobs and their work settings;
3 when such work related values are combined with beliefs about the nature specific jobs and their settings, individuals manifest job involvement (i.e., an attitude of attraction to the job and its context); and
4 this attitude leads individuals to develop be havioral intentions that are reflective of it and, thereafter, to behave in attitude con sistent ways (e.g., perform at above average levels).

This view of job involvement clarifies relation ships between job involvement and its ante cedents and consequences, helps to explain the results of prior research on relationships be tween job involvement and other variables (see Rabinowitz and Hall, 1977, for a review), and provides a basis for predicting how such inter ventions as employee involvement and job re design programs will affect job involvement and its consequences.

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job loss

Carrie R. Leana

Job loss is used interchangeably with layoffs and generally refers to loss of employment due to plant closings, work slowdowns, corporate DOWNSIZING, or organizational restructuring (Leana and Feldman, 1992).

Evidence exists that job loss has a negative impact on the unemployed, on his or her family, and on friends and coworkers. People who have lost their jobs have been found to be more anx ious, depressed, unhappy, and dissatisfied with life in general. Job loss also has strong effects on psychosomatic illnesses such as sleeping dis orders, eating disorders, overuse of sedatives, dermatitis, headaches, and listlessness. Spouses of the unemployed often suffer psychological problems similar to those of the job loser. There is also evidence that job loss may contrib ute to the rate of marital separation and divorce. The results of several laboratory and field stud ies on coworkers of laid off employees suggest that these so called survivors often lower their PRODUCTIVITY, develop poorer job attitudes, and voluntarily leave their employers in the wake of coworkers' layoffs (Brockner, 1988; Leana and Feldman, 1994).

Individuals cope with job loss in a variety of ways. These coping strategies have been categor ized as problem focused coping (i.e., JOB SEARCH, RETRAINING) or symptom focused coping (i.e., seeking social support). Some level of both is necessary for successful adjustment and reemployment (Leana and Feldman, 1994).

Four corporate interventions have been most frequently used to soften the effects of layoffs. These include: advance notification, severance pay and extended benefits, retraining programs, and outplacement programs (Leana and Feld man, 1992).

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job performance

Peter Villanova, James T. Austin, and Walter C. Borman

Job performance is defined as that aspect of the work behavior domain that is of relevance to job and organizational success (Austin et al., 1991). As such, it represents a sample of the universe of behaviors an individual performs in the course of work that is relevant to judging success. Job performance is a key construct in human re source management, because criteria for PRO MOTION, as well as for selection validation purposes, are frequently drawn from the job performance domain.

REPRESENTING AND UNDERSTANDING JOB PERFORMANCE

Job performance is a complex construct that is multidimensional, multiply determined, and po tentially dynamic. Understanding job perform ance requires one to recognize that patterns of behavior in organizations can be prescribed through formal, bureaucratic means, such as job descriptions (*see* JOB DESCRIPTION), and through informal and more subjective means, such as role sending, role making, and role ne gotiation. Traditional definitions of job perform ance have concentrated on the former, more technical, objective and quasi static job based domain. More recent conceptualizations of job performance have been expanded to include less formally established activities, such as citizen ship behavior and a willingness to assume re sponsibility and leadership beyond those detailed in a formal job description. No doubt this more inclusive conceptualization of job per formance reflects the complexity of today's work organizations.

Job performance is multidimensional. There is abundant evidence that job performance, even for low complexity jobs, is multidimensional (Campbell, McHenry, and Wise, 1990; Borman, 1991), and reflects both task and contextual aspects of the job (Borman and Motowidlo, 1993). Task proficiency is what has been tradi tionally studied as job performance and consists of the technical core (i.e., creating goods and services). Contextual performance reflects be haviors that enhance or detract from the envir onment surrounding the technical core.

Moreover, just as task performance is almost perfectly identified with established task elem ents of a job, contextual performance consists exclusively of emergent task elements that may be actively constructed or passively accepted by a worker. Because contextual performance more closely resembles "role performance," these ac tivities and contributions may vary from worker to worker, even among those nominally assigned the same job classification. The implications are that performance dimensions may not only vary from one setting to another, as Bailey (1983) has argued, but also within a setting, where multiple roles are enacted by individuals performing the same "job."

Job performance is multiply determined. Just as no single dimension can successfully represent the complexity of performance, no single predictor sufficiently accounts for performance variability, or, more appropriately, for the patterns of be havior that define job success. Moreover, if one accepts that both tasks and contextual aspects of

performance are important, the implications for selection include expansion of the predictor domain and acknowledgment that single pre dictor–single criterion combinations are inevit ably deficient, both conceptually and practically. In particular, motivational and personality con structs would appear as logical candidates for providing incremental understanding of con textual performance, just as knowledge, skill, and ability constructs (*see* KSAOS) would seem to support task performance. Borman, White, and Dorsey (1995) have shown that contextual aspects of performance, such as "dependabil ity," can account for as much, or more, of the variance in supervisor ratings of performance as do knowledge, ability, and proficiency.

Job performance is dynamic.   The dynamic nature of performance on most jobs makes its represen tation by any measure at any one point in time somewhat deficient, contaminated, and less rel evant than if measured at another time. Dynamic criteria reflect these shifts in the underlying structure of job success, and are reflected in changes in rank ordering of employees over time (Ghiselli, 1956). For example, the demands of the job, work aids, and worker proficiency may change over time as new technology or work methods are introduced, while performance standards are not calibrated to reflect these changes. The practical implications include timing of appraisals, appraisal accuracy, and the potential for inaccurate estimates of selection validity and utility. Models that reflect the inter action between persons and work systems seem well equipped to explain this dynamic variance.

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job posting

Robert D. Gatewood

Job posting is an internal RECRUITING source that transmits information about open positions to current employees of the organization. Com monly used methods are bulletin boards, organ ization newsletters, flyers, and computer systems. Job posting has both advantages and disadvantages. Filling a position with a current employee creates other job openings which, in turn, are filled by other employees. This series of moves can result in both career development opportunities and increased motivation to attain them. Job posting often results in an applicant pool for which the organization has detailed information regarding applicants' abilities and work performance, thereby providing relatively complete information for selection decisions. However, since job posting restricts the entrance of new employees into the organization, its use can also restrict the availability of new, innova tive ideas about work activities. Also, depending on the demographic composition of the organ ization's workforce, it could hinder the develop ment of a MULTICULTURAL WORKFORCE that is representative of the RELEVANT LABOR MARKET.

Breaugh (1992) has described guidelines for implementing a job posting system. Specific suggestions include:

1   publicize openings in ways that employees will see them;

2 list postings for a reasonably long time period;
3 include a detailed JOB DESCRIPTION and JOB SPECIFICATION;
4 include a description of the steps required for applying for the job and how the organ ization will process applications; and
5 inform applicants about the results of their applications in a timely manner.

Empirical research concerning job posting is very limited. However, related to some of these recommendations, Barber and Roehling (1993) found that the amount of information presented and specifics about location and COMPENSA TION were influential in decisions of whether or not to apply.

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job-relatedness

Barbara A. Lee

One method of proving that an employer practice is a BUSINESS NECESSITY is for the employer defendant to show that it is job related. For example, a job related selection device is one that either measures the knowledge, skills, abil ities, and other characteristics (*see* KSAOS) needed for the job or is a valid predictor of an individual's ability to perform the job. The EQUAL EMPLOYMENT OPPORTUNITY COM MISSION 1978 Uniform Guidelines on Em ployee Selection Procedures require that validation studies be used to establish that the employer practice is job related (29 CFR, section 1607.2(B)), but most courts have not required that selection devices other than tests be empiric ally validated (Schlei and Grossman, 1983: 1329).

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job rotation

Gary P. Latham and Lucie Morin

This onsite training technique involves giving managerial and nonmanagerial trainees a series of lateral job assignments in various parts of the organization for a specific period of time varying in length from 3 to 12 months (Wexley and Latham, 1991). A primary objective is to im prove trainees' decision making and problem solving skills by enabling them to gain an overall perspective of the organization, and to increase their understanding of the interrelations among its various units. Job rotation also helps trainees to crystalize their career plans and to increase their JOB SATISFACTION, motivation and or ganizational commitment (Campion, Cheraskin, and Stevens, 1994). Managers have reported that the most significant learning experiences that have contributed to their development are, in fact, on the job experiences (Latham and Seijts, 1995).

Although this training technique is receiving increasing recognition as a form of management development, it can prove to be costly because of the trainee's learning curve, the increase in workload, and a decrease in PRODUCTIVITY for the trainee and for peers. Thus, to maximize the effectiveness of job rotation, trainees should be assigned full functional responsibility with ample opportunity to use new skills and to make decisions (Wexley and Latham, 1991). This responsibility should be complemented by supportive coaching from one's supervisor or peers in each of the job assignments. Job rotation should be tailored to the needs and capabilities of all trainees as well as their career aspirations (Wexley and Latham, 1991).

See also *training; training evaluation*

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job satisfaction

Eugene F. Stone Romero

Job satisfaction is an affective (i.e., emotional) response to a job or its facets that is based upon individuals' beliefs about differences between (1) the outcomes they perceive to be getting from a job and (2) the outcomes that they expect to get from it (see, e.g., Lofquist and Dawis, 1969; Cranny, Smith, and Stone, 1992). Although perceived outcomes are typically influenced by the *objective* levels of various variables (e.g., work load, pay), relationships between objective and perceived outcome levels are often far from perfect. Moreover, because values, interests, and needs differ considerably across individuals, there are corresponding differences in the outcomes that individuals want or expect from jobs.

Overall Satisfaction versus Satisfaction with Job Facets

Job satisfaction may be viewed in terms of individuals' (1) overall affective reactions to a job or (2) reactions to the specific facets of a job. Among the many facets that have been considered in previous job satisfaction research are the work itself, pay/COMPENSATION, achievement, PROMOTION/advancement, supervision–human relations, supervision–technical, coworkers, ability utilization, activity level, authority, company policies and practices, creativity, independence, moral values, recognition, responsibility, job security, social service, social status, task variety, career progress, personal growth, and working conditions (e.g., Lofquist and Dawis, 1969; Smith, Kendall, and Hulin, 1969). Unfortunately, there is little consistency in the satisfaction facets considered by various job satisfaction theorists and researchers (see Cook et al., 1981: 37–74).

Research on Putative Causes and Effects of Satisfaction

The construct of job satisfaction has been of considerable interest to individuals in such fields as human resource management, industrial and organizational psychology, industrial sociology, occupational/vocational psychology, and organizational behavior. Not surprisingly, therefore, a tremendous number of empirical studies have had job satisfaction as their focus. As of about 1975, more than 3,300 studies had been conducted on job satisfaction (Locke, 1976). That number has probably more than doubled by now.

Research on job satisfaction has considered measures of both overall job satisfaction and facet satisfactions (Cook et al., 1981). Results of this research show considerable evidence of relationships between measures of job and/or facet satisfactions and (1) a host of hypothesized antecedents or causes (e.g., job design, pay, advancement/promotion, working conditions, career progress, coworkers, and supervision) and (2) a number of assumed consequences (e.g., ABSENTEEISM, EMPLOYEE TURNOVER, GRIEVANCES, physiological strain, psychological strain, general wellbeing, life satisfaction, job involvement, EMPLOYEE MORALE, and organizational commitment) (Locke, 1976; Cook et al., 1981; Cranny et al., 1992). The literature also shows that a number of INDIVIDUAL DIFFERENCES (e.g., work values) moderate relationships between job satisfaction and both its assumed causes and effects. Unfortunately, most of the research on job satisfaction has used nonexperimental designs. As a consequence, it is generally not possible to advance firm conclusions about the causes and effects of job satisfaction or the role that individual differences play in moderating relationships between job satisfaction and other variables.

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job search

Robert D. Bretz, Jr.

Job search is the process of gathering information about potential job opportunities. It is the individual corollary of RECRUITING and together they form the basis for successful person–job matching (*see* PERSON–JOB FIT). Job search frequently has been embedded within the construct of employee withdrawal under the assumption that it results from the same factors that lead to EMPLOYEE TURNOVER. However, the temporal relationship between intention to search and the intention to quit is ambiguous, suggesting that job search serves many purposes in addition to facilitating turnover. Some employed people search without any intention to leave a current position. For example, job search can be used to establish networks of influential contacts, to leverage improved employment conditions with the current employer, or to convince oneself that the current employment arrangements are attractive relative to alternatives (Bretz, Boudreau, and Judge, 1994).

Job search among the employed is thought to be motivated by a combination of "push" and "pull" factors. The push process reflects the degree to which current life or work situations cause enough dissatisfaction to justify the costs of finding and evaluating alternatives. The pull process reflects the market's reaction to one's human capital, or the degree to which an individual's accomplishments make one a target for external recruitment activity.

Critical aspects of the job search process include: (1) the amount of information sought; (2) the nature of the information sought; and (3) the source of the information (Schwab, Rynes, and Aldag, 1987). The amount of information sought encompasses both extensive and intensive search behaviors. Extensive search involves identifying potential job opportunities. Intensive search involves collecting detailed information about each alternative, and has been shown to relate to many positive outcomes, including shorter unemployment durations and higher probabilities of finding an acceptable job (Rynes, 1991).

The type of information sought changes over the course of the search. At first, people engage in extensive search to generate alternatives, followed at later stages by intensive search to learn more about the alternatives. However, the job choice literature is inconclusive regarding the evaluation process. One model suggests that job offers are evaluated simultaneously against one another, while competing models suggest that job seekers consider alternatives sequentially as they become known (Schwab et al., 1987). Under most circumstances it is reasonable to believe that job search is sequential, and that jobs are evaluated against preestablished standards on a few important criteria, such as (1) the nature of the work required, (2) the rewards the job offers, and (3) the degree of person–organization "fit" based on job requirements, values, personality, or needs (Bretz and Judge, 1994).

Job applicants typically assign greater credibility to informal than to formal sources of job information. Specifically, friends, relatives, and organizational representatives other than the recruiter are presumed more likely to give REALISTIC JOB PREVIEWS and are thus perceived as more credible. These sources generally yield better post hire results as well. The effects of recruitment on applicant decisions have been debated, but research indicates that recruiting does significantly affect job search and choice behaviors (Rynes, Bretz, and Gerhart, 1991).

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job sharing

Stanley Nollen

Job sharing is a version of PART TIME EM PLOYMENT whereby two part time (usually half time) employees share one regular full time job (*see* PART TIME WORK SCHEDULE). The two job sharers agree on the division of responsibilities and coverage of the job, such as by each working half days or each working two and one half days per week. Regular full time pay and BENEFITS are prorated to each job sharer according to time worked. Job sharing usually occurs in organizations on a case by case basis and occurs among a wide range of occupations from production workers to profes sionals.

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job-skills training

Timothy T. Baldwin

Job skills training initiatives are designed to identify and target improvement in the basic skills individuals need to be successful in the workplace. Job skills training is of increasing interest to employers because new business real ities (e.g., global competition, rapid techno logical change) have created demand for a higher level of skills for all workers. The domain of basic skills includes the traditional "three Rs" (reading, writing, and arithmetic) as well as problem solving, teamwork, and capacity to learn (Carnevale, Gainer, and Meltzer, 1990a). The most effective job skills training has employed a job specific methodology which links learning to JOB PERFORMANCE and en courages retention by requiring repeated use of trained skills (Carnevale, Gainer, and Meltzer, 1990b).

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job specification

Michael T. Brannick and Edward L. Levine

A job specification is a written description of the human characteristics necessary for the success ful performance of a job. The typical sequence of events is to complete a JOB ANALYSIS to under stand the nature of the work, to prepare a JOB DESCRIPTION, and then to prepare a more detailed job specification, which is used in RE CRUITING and STAFFING. A summary of the job specification may be included in the job description.

The job specification communicates applicant characteristics that employers are looking for to job applicants as well as to recruiters and others in human resources responsible for staffing. In the psychological literature, the job specification usually refers to a list of knowledge, skills, abil ities, and other personal characteristics (*see* KSAOS) required by the job, such as verbal com prehension, memorization, or integrity. A job specification is the result of one of several methods of job analysis specifically designed to yield estimates of KSAOs such as the JOB ELEMENT METHOD OF JOB ANALYSIS (Prim off and Eyde, 1988), the POSITION ANALYSIS QUESTIONNAIRE (McCormick and Jeanneret, 1988), the threshold traits analysis system (Lopez, 1988), and the ability requirement scales (Fleishman and Mumford, 1988). In the man agement literature the job specification tends to be more broadly defined to include such

attributes as educational requirements or other minimum qualifications (Wernimont, 1988). In practice, the job specification is sometimes far less than ideal, and often nothing more than a vague paragraph of personality traits written by a manager and given to a college recruiter. Ghorpade (1988) considered "job specification" to be something of a misnomer because it refers to human abilities as opposed to job attributes. He preferred the term "worker specification."

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job stress

James Campbell Quick, Debra L. Nelson, and Marilyn Macik Frey

Job stress is defined as the psychophysiological arousal resulting from demands associated with a job. Although more often having negative connotations, job stress is a neutral concept that can also result in positive outcomes. The response to stress is dependent upon individual, interpersonal, and contextual factors associated with the perception and response to the job demands. The goal of individuals and organizations is to increase the functional, healthy consequences, or eustress, and decrease the dysfunctional, unhealthy consequences, or distress (or strain). Eustress may lead to enhanced JOB PERFORMANCE up to an optimal level of stress; conversely, distress may place an employee at risk of physical and psychological illness and occurs when the job stress is too intense, frequent, or chronic (Selye, 1976), or when prevention and coping are suboptimal. Understanding job stress is important to maximize the positive outcomes, minimize the detrimental effects on the person and organization, and provide systematic prevention management programs.

SOURCES OF JOB STRESS

Job stress is triggered by a wide variety of job demands. These include task specific demands, role demands, interpersonal demands, and physical demands (Quick et al., 1997). These demands are not inherently or necessarily harmful, and the degree of stress they elicit in a person depends in part on the individual's cognitive appraisal of that demand. Lack of control over and uncertainty about aspects of the psychosocial and physical work environments are a major source of job distress. The complex contemporary organization with growing diversity, WORK–FAMILY CONFLICT, globalization, and increasing technology add to the loss of control and predictability (Cooper, 1996). Extreme working environments, such as those of military fighter pilots or oilfield service personnel in arctic climates, create unique physical and/or peak demands. Whether the job stress level is healthy or unhealthy is determined in part by the prevalence of job strain within a given work population as well as the INDIVIDUAL DIFFERENCES in their response to stress.

COSTS OF JOB STRAIN

Job strain may be costly to organizations and may take one of three individual forms: psychological, medical, or behavioral. Common forms

of psychological distress are depression, JOB BURNOUT, anger, and sleep disturbances. Common forms of medical distress are back aches and headaches, ulcer disease, and cardio vascular problems. Common forms of behavioral distress are substance abuse, violence, and acci dent proneness. High strain jobs, characterized by high job demands and low employee control, have significantly higher incidence rates of dis tress, such as myocardial infarction (Karasek et al., 1988).

Organizational costs may accrue from em ployees' psychological, medical, and behavioral distress. The direct organizational costs of job strain take the form of EMPLOYEE TURNOVER, ABSENTEEISM, performance problems on the job, and workers' compensation. In addition, there are indirect organizational costs of job strain which may be reflected in low EMPLOYEE MORALE, low JOB SATISFACTION, faulty de cision making, and distrust in working relation ships.

INDIVIDUAL DIFFERENCE IN THE STRESS– STRAIN RELATIONSHIP

The stress response is universal; the intensity, frequency, and consequences of the stress re sponse are not. Individual differences influence the degree to which job stress may become job strain or eustress. Gender, personality, EMOTIONAL INTELLIGENCE, cognitive com plexity, and interpersonal communication com petency play a role in the response to stress (Macik Frey, Quick, and Quick, 2004). Al though many of these individual difference vari ables are inherent traits, there is evidence that focused training in stress management and pre vention may improve the stress response out comes for those people who are predisposed to experience strain in particular situations.

STRESS MANAGEMENT PROGRAMS may help prevent job stress from becoming one or another form of job strain (job distress) and may potentially assist with positive focus of energy (eustress). EMPLOYEE ASSISTANCE PRO GRAMS can help employees who experience identifiable job strain, distress, and/or job burn out. HEALTH PROMOTION programs may also help employees to manage job stress.

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Johnson v. *Transportation Agency, Santa Clara County* (1987)

Leonard Bierman

In *Johnson* the court considered whether a vol untary AFFIRMATIVE ACTION plan, developed by the county transportation agency, was justi fied by the existence of a *manifest imbalance* that reflected underrepresentation of women in *tra ditionally segregated job categories* rather than purported past *discriminatory* practices. The Su preme Court ruled by six to three that the Santa Clara Transportation Agency was justified in giving a road dispatcher's job to Diane Joyce, who scored two points *less* than a man on a test, but was found to be otherwise qualified by a panel of supervisors. The county's plan passed a three pronged test set by the justices: it was flexible, temporary, and designed to gradually correct a manifest imbalance in the overwhelm ingly white, male workforce. The plan did *not* require the discharge of white workers and their replacement by minority hires, nor did it absolutely bar the advancement of nonminority employees.

just-in-time production systems

James P. Womack

A just in time production system (JIT) is a term for the production management system pioneered by Taiichi Ohno and his colleagues at the Toyota Motor Company in the years immediately after World War II. Ohno believed that inventory was the root of most problems in physical production and set out to devise a universally applicable system in which the creation of significant amounts of inventory was impossible. In logic, the best way to do this was the introduction of a "pull" system in which no part or finished unit was made until the ultimate customer or the next stage in the production process specifically requested it. Ohno's mechanism for signaling the previous production stage to make more parts was the *kanban*, an order card returned from the next stage when more parts were needed.

Ohno's system could only work if previous stages were able to quickly switch production to the type of part just requested. Therefore, rapid tool changes were essential. (Methods for rapidly changing tools are often termed "single minute exchange of dies," after the usage of Shigeo Shingo, Ohno's colleague who perfected quick tool changes.)

Ohno's system also required high quality and a high degree of machine availability because, by design, there were no reserve inventories of parts on hand. *Jidoka* (or self monitoring machines), *poka yoke* (or mistake proofing of processes), and total productive maintenance (a set of techniques to assure that all tools are available for work all the time) were accompanying techniques for JIT production, perfected in Japan in the 1950s.

See also *lean production*

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K

key job/benchmark job

Jerry M. Newman

The terms "key job" and "benchmark job" are generally used interchangeably. A benchmark job is a job that matches, in terms of content, a similar job in the external labor market. If the content of a company's job is identical to that of the external market match, the average wage paid for the external job can be taken as the going market rate. Benchmark jobs have several characteristics:

1 they are stable in content across time;
2 they are stable in content across companies;
3 this content is well known across individuals in organizations;
4 their current pay rates are generally acceptable; and
5 the pay differentials among them are reasonably stable.

This stability allows such jobs to be included in salary surveys. COMPENSATION experts, seeking to find what others pay for these jobs, ask for wage data from a number of labor market competitors (or contract with consulting firms). This information across numerous benchmark jobs gives a picture of the external market rate.

knowledge teams

Susan Albers Mohrman

Knowledge teams are groups of employees who perform interdependent knowledge work and who are collectively responsible for a product or service. Knowledge teams are often composed of members with a number of different highly advanced discipline bases. Each carries values, algorithms, information, and skills that may be only partially overlapping (Dougherty, 1992), making communication and collaboration difficult. The team integrates the work of these specialists.

Variants of knowledge teams include:

1 work teams, such as new product development or systems integration teams, that deliver service or produce a product;
2 integrating teams that coordinate across parts of the organization;
3 management teams that integrate parts of the organization by providing strategic and operational direction, allocating resources, and insuring that the organization is appropriately designed, and by insuring that there is an effective PERFORMANCE MANAGEMENT system in place; and
4 process improvement teams that examine and make changes to the work processes of the organization (Mohrman, Cohen, and Mohrman, 1995).

Knowledge teams may be SELF MANAGING TEAMS, but there are some design challenges that limit team independence. If deep discipline knowledge bases are required, CROSS TRAINING is limited and the organization must find ways to keep discipline knowledge current. Knowledge teams are often highly interdependent with other organizational teams and units, requiring integrating mechanisms across teams.

Knowledge teams are examples of HORIZONTAL MANAGEMENT. Team members do the coordination, assignment, and management of tasks among disciplines that have traditionally been done hierarchically. Increased use of

knowledge teams reflects pressures for faster time to market and better customer responsive ness, as well as for effectively dealing with the complexity of organizational trade offs and de cisions in the global economy (Galbraith, 1994).

See also *knowledge work*

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knowledge work

Susan Albers Mohrman

Knowledge work refers to work that adds value by applying knowledge bases and processing of information in order to solve problems. Routine knowledge work is the management of struc tured problems using existing knowledge bases. Accuracy of the information and of the applica tion of knowledge are primary determinants of success. Nonroutine knowledge work requires the application of incomplete knowledge to the management of unstructured problems – prob lems where there is incomplete cause–effect understanding that introduces uncertainty into the work (Mohrman, Mohrman, and Cohen, 1995). This work demands increased judgment, interpretation, creativity, and discretion. Suc cessful nonroutine knowledge work often re quires the generation of information and the creation of new knowledge. Learning is an integ ral part of such work.

A key challenge in organizing for knowledge work is how to increase the accessibility to know ledge that is needed by its members. Information technology can support knowledge work by pro viding data, establishing connections between knowledge workers, and building knowledge based routines into applications that facilitate work. Complex knowledge work, such as new product development or systems integration, requires the integrated application of multiple knowledge bases. It may be accomplished by use of knowledge work teams.

Knowledge work is often performed in an office (Pava, 1983) or in a technical setting, such as a scientific laboratory. As knowledge becomes encoded in software tools that can exe cute routine tasks, people increasingly perform the judgmental and nonroutine aspects of work. Most work settings, including modern produc tion facilities, house knowledge work, and more work is becoming knowledge work.

See also *knowledge teams*

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KSAOs

Paul E. Spector

KSAOs refer to the knowledge, skill, ability, and other personal characteristics required for good JOB PERFORMANCE on a specific job. Know ledge is what a person knows that is relevant to the job (e.g., knowledge of legal procedures for a police officer). Skill is what a person is able to do on the job. This includes both mental tasks (e.g., skill in doing algebra) and physical tasks (e.g., skill in driving an automobile). Abil ity is the capacity to learn a skill (e.g., cognitive ability is the capacity to learn mental skills). Abilities include mental abilities, physical abil ities, and psychomotor abilities. Other personal characteristics, not covered by the first three, include attitudes, beliefs, personality character istics, temperaments, and values. All four classes of human characteristics can be assessed with psychological tests, as well as with other assess ment devices. KSAOs are commonly assessed for purposes of PERSONNEL SELECTION.

Some JOB ANALYSIS methods provide spe cifications of the KSAOs necessary for a particu

lar job. KSAO requirements can also be tied to individual job tasks (*see* TASK), which is helpful in designing jobs. The ability to associate KSAOs with individual tasks is important for compliance with the AMERICANS WITH DIS ABILITIES ACT OF 1990. KSAO requirements that are associated with noncritical tasks can be relaxed to make reasonable accommodation for a disabled employee.

L

labor contract

Charles R. Greer

Labor contracts, also referred to as labor agree ments, specify in writing the wages and condi tions negotiated between unions representing employees in a BARGAINING UNIT and em ployers. In addition to specification of wage rates for different job classifications and over time procedures, labor contracts typically specify BENEFITS, vacations, holidays, discip linary procedures, grievance procedures (*see* GRIEVANCE PROCEDURE), ARBITRATION procedures, layoff procedures, management prerogatives or rights, dues, check off arrange ments, PROMOTION procedures, the determina tion of seniority, the duration of the agreement, and other benefits or important rules. Labor contracts are typically negotiated for two or three year time periods. In general, labor agree ments for CRAFT UNIONS are usually much shorter than those negotiated for INDUSTRIAL UNIONS since elaborate job classifications and wage structures are not applicable to such unions and because craft unions, instead of em ployers, administer the benefit programs for their members.

Labor Management Relations Act of 1947

Charles E. Krider

The Labor Management Relations Act, or the Taft Hartley Act, amended the NATIONAL LABOR RELATIONS ACT OF 1935 (the Wagner Act), which encouraged unions and COLLECTIVE BARGAINING. With governmen tal assistance, unions were able to organize most major industries. The attention of Congress now focused on correcting perceived abuses of unions. The passage of the Taft Hartley Act in 1947 followed the post World War II pent up frustrations of unions, which were prevented from striking during the war. The largest number of work days lost due to strikes in US history was recorded in 1946. Congress's re sponse was to further regulate labor–manage ment relations to: (1) achieve more balance between the interests of labor and management; and (2) limit the power of unions in order to protect employees and the public. The Taft Hartley Act was strongly opposed by organized labor and was passed by Congress over President Truman's veto.

BALANCE OF INTERESTS

The Wagner Act of 1935 had contained unfair labor practices for employers but not for unions. The Taft Hartley Act added section 8(b) union unfair labor practices, which mirrored those for employers and added several to regulate picketing and boycotts. Just as employers could not coerce or restrain employees in the exercise of their section 7 rights, it now became an unfair labor practice for a union to "restrain or coerce employees in the exercise of their rights guaran teed in section 7." Similarly, unions could not cause an employer to discriminate against an employee to encourage membership in a union and unions that were recognized as the bargain ing agent could not refuse to bargain collectively with an employer.

PROTECT EMPLOYEES

Under the Wagner Act a union is certified to represent employees who may not be supporters or members of the union. This creates an obvi

ous concern for the rights of a minority that may need protection from the union. In Taft Hart ley, Congress separated union membership from the right to be employed. A union may not seek to have an employee discharged as long as the employee is willing to tender periodic dues. A union may still deny an employee membership in the union but the employee cannot be termin ated for that reason.

Section 14(b) of the Act also permitted states to pass more restrictive laws regulating union security, namely, RIGHT TO WORK stat utes. These statutes, now in 26 states, prohibit unions from negotiating union shop agreements that require employees to join the union as a condition of employment. Section 14(b) has been strongly opposed by unions but all efforts to lobby for congressional repeal have failed.

The Taft Hartley Act also added an employee right to section 7 to refrain from such activities as organizing a union and striking. Employees are also protected from union picketing that seeks to force employees to accept a union as their bargaining agent.

PROTECT THE PUBLIC AND NEUTRALS

A major concern of Taft Hartley was to protect the public from strikes that endangered the na tional economy (*see* STRIKE). If the president determines that an actual or threatened strike which affects an entire industry or substantial part thereof will affect the national health or safety, then he may appoint a board of inquiry to investigate the dispute. He may ultimately seek a temporary injunction from a federal court and, if an injunction is granted, the parties must seek to resolve their dispute through ME DIATION. If that fails the president may seek legislation from Congress to end the strike. In only a few instances has the Congress imposed binding ARBITRATION to end a strike.

Finally, the Act added a prohibition against SECONDARY BOYCOTTS. The intent was to limit the area of economic conflict to the union and employer who had a dispute. Other neutral or secondary employers were not to be subjected to economic pressure by the union. The courts have not interpreted the Act to prohibit all sec ondary pressures.

Labor Management Reporting and Disclosures Act of 1959

Charles E. Krider

The Labor Management Reporting and Disclos ures Act or Landrum Griffin Act of 1959 was passed in response to congressional investiga tions in 1957–9 into union corruption and abuse of power. Leaders of some unions were discovered to be abusing their positions so that members did not have effective control over their unions. Congress's strategy was to make unions more democratic and to protect indi vidual rights, so that members would be able to correct the problems that had been identified. This was a further intervention by government into labor–management relations through the regulation of the internal affairs of unions.

The objective of the Landrum Griffin Act was to promote union democracy. The critics of the Act responded that unions are inherently adversarial organizations that must be able to effectively do battle with employers. The effort to make unions more democratic would inevit ably make unions weaker. If that analysis is cor rect, society has chosen to pursue democratic unions even at the possible cost of weakening unions for COLLECTIVE BARGAINING. The Act was opposed by organized labor.

BILL OF RIGHTS

The Act provides that union members have the following rights.

1 Equal rights – to nominate candidates, to vote in elections, to attend and participate in membership meetings, all subject to reas onable rules.
2 Freedom of speech and assembly – to meet and assemble with other members, to express any views or opinions at meetings or upon candidates.
3 Dues – dues of a local can be increased only by a majority of secret ballot votes by members at a meeting or by referen dum.
4 Right to sue – unions may not limit the right of members to sue the union or officers.
5 Safeguards against improper discipline – no union may discipline members except for

nonpayment of dues unless the member has been provided with due process.

ELECTIONS

Local unions must have a secret ballot election for officers every three years and national unions must have such elections every five years. All candidates have access to mailing lists and equal opportunities to distribute information.

REPORTS OF OFFICERS AND UNIONS

Every union officer must file an annual financial report with the Secretary of Labor in order to allow identification of any improper financial arrangements, particularly with employers the union has dealings with. Employers must also report all financial dealings with unions and their officers. Unions must provide reports on their receipts, expenditures, assets, and liabilities to the Secretary of Labor and to members.

These provisions are intended to provide union members with enough information about their unions and officers to identify misuses of funds and then to protect the individual rights of members so that members can vote out any corrupt officials in democratic elections.

labor mobility

Hadyn Bennett

Theories of competitive labor market equilibrium argue that workers are allocated to firms so as to maximize the value of labor's product. Thus, within a competitive labor market individuals will search constantly for jobs in which they can be more productive and thus earn higher wages, while companies will also engage in search activities to attain more productive employees. Labor mobility is the term used to describe the movement of workers from one position within the labor market to another. Since the labor market is never perfect (e.g., individuals may not be aware of the extent or value of their skills and may have incomplete information about opportunities in other companies; meanwhile, companies may be unaware of the true PRODUCTIVITY of employees) nor static, perfect equilibrium will not be established and an element of labor mobility will always remain a feature of the market.

lean production

James P. Womack

Lean production is a term introduced in the late 1980s by the participants in the International Motor Vehicle Program at MIT. It describes a set of techniques for product development, supply chain management, customer relations, and production operations pioneered by Japanese companies, led by Toyota, in the years immediately after World War II.

Lean production may be thought of as the general case for producing goods and services in a condition of *continuous flow*. This is a situation in which product designs, orders, and physical products proceed, respectively, from concept to production launch, from sale to delivery, and from raw materials to the hands of the customer, with no interruptions, backflows, or waste. By contrast, Henry Ford and his associates in the years just prior to World War I had pioneered continuous flow in the special condition of a completely standardized product made at very high volume and with no significant change in the product's specification for years. Ford termed this special case "mass production."

In the late 1940s, Taiichi Ohno (1912–91) at Toyota concluded that the special conditions permitting mass production could never be attained in Japan because of the small, fragmented Japanese market. He set out to achieve continuous flow (with its accompanying benefits of low cost and immediate response to customer desires) in the production of low volume products, made in a wide variety of specifications and with short product lives. As mass markets across the world began to fragment into many niches in the 1970s and product lives began to fall, it became apparent that lean production was the general application of flow production, appropriate for the vast majority of manufacturing activities across the globe.

To achieve lean production, Ohno and his colleagues pioneered many innovations in physical production: (1) quick tool changes (perfected by Shigeo Shingo); (2) automatic machine stopping (*jidoka*) and mistake proofing (*poka yoke*) so that one worker could tend many machines without producing a bad part; (3) level scheduling (*heijunka*) to avoid production of large batches of the same item; (4) just in time

or "pull" systems for scheduling production (*see* JUST IN TIME PRODUCTION SYSTEMS); and (5) miniaturizing of machinery, so that fabrication of entire products could be conducted almost instantly in "single piece flow."

As Ohno worked on physical production, many Japanese firms including Toyota pioneered single piece flow in product development by deploying dedicated, multidisciplinary teams under strong team leaders (called *shusa* at Toyota). These teams were instructed to work steadily on a design until it was ready for production, with no interruptions or backflows for rework.

Similar innovations in order taking and dealing with the customer made it possible to better understand customer desires and to deliver products built to customer specifications within only a few days. Shotaro Kamiya, who developed Toyota's "aggressive selling" system, was the pioneer.

The final element in lean production is a new way of relating to supplier firms by including them directly in product development and production operations. Toyota began to pioneer this approach in 1949 when it started spinning off its in house suppliers as separate companies that, nonetheless, still "shared a destiny" with Toyota.

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learning organization

Vinod K. Jain

Learning, most fundamentally, is the process of acquiring knowledge or skill. The underlying process is "thinking," which includes observing facts and integrating them into valid conclusions. Acquisition of skill involves repeated application of knowledge, so that it becomes partly automatized or routinized. The desired organizational outcome of learning is often continuous improvement or better performance (Locke and Jain, 1995).

All learning is individual learning, and organizations learn through their individual members (Argyris and Schon, 1978; Senge, 1990; Simon, 1991). Learning at the organization level occurs through shared insights, knowledge, and mental models, and builds on the past knowledge and experiences of organization members (Stata, 1989). A "learning organization" is an organization "where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together" (Senge, 1991: 1). According to Garvin (1993: 80), "a learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights." Nonaka (1991) goes so far as to characterize a learning (or a knowledge creating) organization as one where inventing new knowledge is not a specialized activity, "it's a way of behaving, indeed, a way of being, in which everyone is a knowledge worker."

The primary tasks of a learning organization are, thus, to create and apply new knowledge. According to Senge (1990), a learning organization represents a significant evolution of organizational culture – a culture that encourages and rewards the application of new learning. In addition to a continuous improvement culture, a learning organization must also have structures that foster cross disciplinary teamwork, collaboration, and learning (Kiernan, 1993).

There are several views on how one may go about building a learning organization, ranging from somewhat conceptual approaches (e.g., Senge, 1990) to the more practical approaches (e.g., Garvin, 1993). Senge (1990) suggests the use of five "component technologies" for building learning organizations: systems thinking, personal mastery, mental models, shared vision, and team learning. Nonaka (1991) suggests using metaphors and organizational redundancy to

focus thinking, encourage dialogue, and make tacit ideas explicit. And, according to Garvin (1993), a learning organization must be skilled at systematic problem solving, experimentation, learning from its own experiences and from past history, learning from the experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organization.

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learning reinforcement   feedback

J. Kevin Ford and Deidre Wasson

Feedback is a condition of learning where information is supplied or obtained by the learner regarding progress toward skill mastery and/or the errors being committed in the skill performance (Goldstein and Ford, 2002). Without feedback, learning cannot occur. Feedback can increase motivation by increasing a trainee's perception of task competence (Hays and Blaiwes, 1986). To be effective, feedback should be regular and frequent, specific and informative, and measure both successes and failures immediately after or during performance. To facilitate skill retention and transfer, feedback should be grad

ually withdrawn as the learning process progresses (Lintern, 1991).

See also *learning reinforcement – practice*

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learning reinforcement   practice

J. Kevin Ford and Deidre Wasson

Practice is a condition of learning that focuses on the amount of repetition allowed in the performance of skills (Goldstein and Ford, 2002). Successful practice involves varying examples and increasing difficulty as practice time progresses (Gagne and Dick, 1983). A task may be performed as a single unit or broken down into components that are practiced separately (Goldstein and Ford, 2002). With increasing complexity and lower interrelatedness among task components, a component learning strategy to practice is often more effective. Practice can only be an effective condition of learning if the content and the sequencing of training material are appropriate (Campbell and Campbell, 1988).

See also *learning reinforcement – feedback*

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lecture method

J. Kevin Ford and Deidre Wasson

Lectures are characterized by one way communication of basic information from trainers to trainee groups of any size in short periods of time (Camp, Blanchard, and Huszczo, 1986). By far the most popular training method, lectures can be effective when they introduce a new topic, provide an introduction to learning a task, are given by highly skilled lecturers, and cover simple topics. The lecture format, though, lends itself to frequent criticism, giving little opportunity to deliver or receive feedback, low transfer of training back to the workplace, and individual ability differences that cannot be accounted for in instruction (Wexley and Latham, 1991).

See also *training*

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leniency effects

Angelo S. DeNisi

Leniency effects have been traditionally considered a type of rating error (*see* RATING ERRORS), where ratings are skewed so that the mean rating given is substantially higher than the midpoint of the rating scale. There would appear, however, to be little basis for assuming that the mean of a set of ratings *should* be at the midpoint of the scale, especially since various HR practices, such as PERSONNEL SELECTION

and TRAINING, are designed to insure that the employees are "better than average." Nonetheless, there has been disagreement over the proper operational definition of leniency (e.g., elevated mean for ratings, skewed ratings distribution; see Saal, Downey, and Lahey, 1980, for a review), as well as the cause of leniency (e.g., desire to be liked, avoiding the need to provide negative feedback).

Although leniency effects have been assumed to be a type of rating error (and so could potentially serve as a proxy measure for RATING ACCURACY), some views of leniency have moved beyond simple assumptions that higher ratings can be equated with leniency effects (*see* DISTRIBUTIONAL EFFECTS IN PERFORMANCE APPRAISAL). Instead, more recent views assert that raters tend to elevate ratings when they lack clear standards upon which to base their evaluations (e.g., Hauenstein, 1992). Furthermore, although leniency effects may not represent rating errors, they may indicate other problems for an organization, since elevated ratings are believed to undermine INCENTIVE PAY systems, as well as pose legal problems for organizations when they try to terminate employees for poor performance (e.g., Kane et al., 1996).

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lockout

David A. Gray

A lockout is the employer's counterpart of the union's STRIKE, where the employer closes the workplace during a labor dispute. However, the employer may attempt to continue operations

with managers and other nonunion employees. The lockout, while common in the 1920s and 1930s, is rarely used today. Its purpose is to apply economic pressure on union employees through lost wages in order to convince the union to accept the employer's COLLECTIVE BARGAINING terms (wages, hours, and working conditions). Nearly all labor agreements contain a "no lockout" as well as a "no strike" clause, which specifies that the employer will not lock out employees during the term of the contract.

Lorance v. *AT&T*, 490 US 900 (1989)

Leonard Bierman

A new 1979 COLLECTIVE BARGAINING agreement eliminated the transferability of plant wide seniority to employees moving into tester positions. In 1982, female employees who were promoted to tester positions in 1978 and 1980 received demotions that they would not have sustained under the old seniority system. They filed charges with the EQUAL EMPLOYMENT OPPORTUNITY COMMISSION alleging that adoption of the new seniority system resulted in DISCRIMINATION. The court held that the charges had not been filed within the permitted time period after the alleged unlawful employment practice occurred and were therefore invalid. The CIVIL RIGHTS ACT OF 1991 overturned this holding, now permitting suits when individuals are injured by the application of seniority systems and lengthening the time period permitted after an alleged discriminatory practice for the filing of a Title VII claim.

M

McDonnell Douglas v. *Green*, 411 US 722 (1973)

Leonard Bierman

DISPARATE TREATMENT discrimination oc
curs when an employer intentionally treats an
employee differently based on a prohibited
factor under Title VII (race, color, religion, sex,
or national origin). In *McDonnell Douglas*, the
Supreme Court held that once an employee
establishes a prima facie case, there is a pre
sumption that the employer has unlawfully dis
criminated against the employee. The defendant
then has the BURDEN OF PROOF to rebut the
plaintiff's case by showing that the adverse
employment action was taken for legitimate,
nondiscriminatory reasons. The plaintiff can
then dispute the defendant's rebuttal.

McNamara-O'Hara Service Contract Act of 1965

Charles H. Fay

Under this prevailing wage law, any employer
with a federal government service contract in
excess of $2,500 must pay wages and BENEFITS
found to be prevailing locally (as determined by
the Department of Labor), or the level found in a
previous existing contract. The employer must
in any case pay at least minimum wages under
the FAIR LABOR STANDARDS ACT OF 1938.
The impact of the Service Contract Act (as is the
case with the DAVIS BACON ACT OF 1931 and
the WALSH HEALY ACT OF 1936) is that em
ployers pay local union rates and provide bene
fits similar to those negotiated by local unions.

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5th edn. Berkeley, CA: Nolo Press.

make-whole/compensatory remedies

Barbara A. Lee

Make whole remedies are intended to restore
the plaintiff employee to the position and the
benefits that the employee would have been en
titled to absent the discriminatory treatment.
They include reinstatement or hiring, backpay,
retroactive pension payments, vacation time or
pay, retroactive seniority, promotions that
would have been received, reimbursement for
medical costs incurred that would have been
covered by the employer's benefit plan, and re
covery of other costs incurred by the plaintiff
employee as a result of the discrimination.

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Malcolm Baldrige National Quality Award

Richard S. Blackburn

To improve the quality of American goods
and services, the US Congress established the
Malcolm Baldrige National Quality Award
(MBNQA) in 1987. Named for a former
Secretary of Commerce, the award originally
recognized US manufacturing and service

organizations for "business excellence and qual
ity achievement." Three other award categories
have been added in the past few years so that
small businesses, healthcare, and educational or
ganizations can now seek recognition for their
approaches to quality management.

The 2003 award criteria framework for large
scale manufacturing and service organizations
combines seven categories (each contributing
points to a total of 1,000): (1) leadership (120
points); (2) strategic planning (85 points); (3) cus
tomer and market focus (85 points); (4) meas
urement, analysis, and knowledge management
(90 points); (5) human resource focus (85
points); (6) process management (85 points);
and (7) business results (450 points). This last
category requires applicants to provide informa
tion on their results with regards to customer
focus, products and services, financial and
markets, human resources, organizational effect
iveness, and governance and social responsibil
ity. Similar templates with different categories
and weightings also exist for educational and
healthcare applicants.

The MBNQA competition involves a multi
stage process including the determination of eli
gibility, review and evaluation of applications,
site visits to finalists' facilities, and the judge's
review and final recommendations. Although
the competition is sponsored by the US govern
ment, there are fees associated with various steps
in the process. Applicants must pay a nonre
fundable $150 fee to determine their eligibility.
If eligible, applicants pay fees on a sliding scale
depending on their classification. Small not for
profit educational organizations pay $500, while
large manufacturing and service organizations
pay $5,000. Additional fees may be required, if
organizations move further into the process.
Annual MBNQA winners are expected to share
information on their quality strategies with other
US organizations at "quest for excellence con
ferences."

Some organizations pursue the MBNQA to
get an assessment of their standing relative to
this benchmark of quality performance. Other
organizations do not actually enter the competi
tion, but use the published criteria as the basis
for an internal audit of their current quality
status. Most of the entrants view the competition
not as an attempt to actually "win" something,

but as an effort to change their corporate culture.
They view the MBNQA not as an end in itself,
but as a first step on a journey to ever improving
quality (Blackburn and Rosen, 1993).

The MBNQA is one of a number of quality
awards offered around the world, including the
Deming prize awarded by the Union of Japanese
Scientists and Engineers and the European
Quality Award presented by the European
Foundation for Quality Management.

Copies of the MBNQA award criteria, ap
plication forms, and a variety of other related
materials are available from Baldrige National
Quality Program, National Institute of Stand
ards and Technology, 100 Bureau Drive, Stop
1020, Gaithersburg, Maryland 20899 1020.
Telephone 301 975 2036. Fax 301 948 3716.
Email: nqp@nist.gov. Website: www.quality.
nist.gov/.

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31, 361 90.

managed care

Charles H. Fay

Managed care refers to a variety of approaches
employers take to control the increase in the cost
of healthcare benefits. Initially the emphasis was
on such specific management techniques as peer
review and requiring second opinions prior to
surgery. The emphasis now is on a general ap
proach to designing, financing, and delivering
healthcare benefits to employees. The CIVIL
RIGHTS ACT OF 1991, HEALTH MAINTEN
ANCE ORGANIZATIONS (HMOs), preferred
provider organizations (PPOs), and point of ser
vice plans are all managed care approaches fea
turing restricted access to healthcare providers
and utilization of management programs.

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management by objectives

Donald J. Campbell

At the individual level, management by object ives (MBO) is an interactive process whereby a manager and an employee (1) jointly identify and agree upon the subordinate's work goals, (2) de fine each of their responsibilities for achieving the agreed upon goals, and (3) then use goal accomplishment as a guide for examining and evaluating the subordinate's performance (Odi orne, 1965). At the organizational level, MBO is a process for managing and guiding the firm in a consistent and logical way. At this level, MBO requires senior management to develop clear, long range organizational objectives. Mid level management then uses these objectives to form appropriate shorter range objectives. In turn, these become the basis for the traditional man ager–employee MBO discussion and individual goal setting. Conducted properly, this cascading process insures that objectives at different levels of the organization and within different groups mesh together, and result in the attainment of the firm's overall goals. Regardless of individual or organizational level, the defining characteris tics of MBO are the creation of specific, measur able goals in important areas, and the use of these goals to monitor and guide progress.

Theoretical Underpinnings of MBO

Although Drucker (1954) and a number of other practitioners championed MBO in the 1950s, the research of Locke (1968) and his colleagues on goal setting provides the theoretical founda tion for understanding the workings of MBO. Goal setting research explains why objectives should be specific and challenging, why parti cipation in setting objectives may be important, and why periodic feedback on goal attainment is essential.

Effectiveness of MBO

In spite of being a widely implemented mo tivation and PERFORMANCE APPRAISAL tech nique, the evidence supporting MBO effectiveness is mixed. While MBO has great potential for improving performance, practical difficulties abound, and firms have often found successful implementation difficult. Top man agement must first create an organizational culture supportive of an objectives oriented ap proach. Without this, MBO effects are likely to be short term, with benefits dissipating within a year or two.

Common criticisms of MBO are that such systems generate too much paperwork, and that they over emphasize quantitative goals at the expense of more qualitative objectives. How ever, these criticisms do not point up any theor etical weakness in the technique, and may simply underscore the need for thoughtful, careful im plementation.

MBO may also create a conflict of interest for the employee. Since financial and other rewards are typically tied to successful goal achievement, it is in the subordinate's interest to set easily achievable goals. Yet goal setting research con sistently demonstrates that performance is highest with challenging goals. Thus, the goal setting aspect of MBO may take the form of a struggle, with the employee attempting to set easy targets (to insure achievement), while the supervisor strives to set more challenging goals (to increase performance and insure unit suc cess). This possibility highlights the critical roles mutual trust and supportiveness play in any effective MBO implementation. Without these qualities, the firm will not reap the full benefits of MBO's substantial potential.

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management consultancy

Sandra Fielden

The Institute of Management Consultants (2002) defines management consultancy as "the provision to management of objective advice and assistance relating to the strategy, structure, management and operations of an organization in pursuit of its long term purpose and object ives." It involves a wide range of activities based on different philosophical and theoretical ap proaches, with varying consulting types, con sulting roles, and client goals. At one end of the continuum consultancy is very prescriptive, where the client presents a problem and the consultant provides expert advice and guidance to assist the client in overcoming that problem, e.g., employment law. At the other end of the continuum, the consultant facilitates the client in determining and defining the problem and assists the client in exploring ways in which to achieve a solution. Effective management con sultants, through client discussions, need to re cognize which approach would be most appropriate in their business and problem solv ing roles. They need to have a clear understand ing of the business needs of their clients and be able to meet the changing demands of the sector in which they work, demonstrating a high level of competency and engagement.

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management development

Richard W. Beatty

In the private sector, especially in the US, con cepts of management development continue to change rapidly. At every level of the firm, ideas about what managers do or should do, from supervisors to executives, are evolving. Most of these changes are driven by the significant com petitive challenges many firms are facing – often related to reaching maturity in a product or firm life cycle and not changing either reactively or proactively to the marketplace.

Firms are vanishing at a much faster rate than ever before, so much so that the average firm life span is now less than the life span of the people who comprise their workforce. This has led to a rethinking of the relationship between firms and their workforce and the nature of career devel opment. Workers are now often developing not within the firm but across firms. From the per spective of today's worker, in climbing the cor porate ladder it may be more useful to move out in order to move up – i.e., to leave the firm to gain additional skills and return. Large firms can create such developmental experiences through rotational assignments (*see* JOB ROTATION), but workers in smaller firms (the fount of greatest growth in the economy and employ ment) may be on a self guided journey in man aging their development (i.e., across firms before joining their "dream" firm).

A major driver in this trend is a reconception of the traditional notion of a firm's strategic capabilities (e.g., logistics, distribution, marketing, research and development, mergers and acquisitions). Many firms are now adding leadership, or perhaps more accurately, strategic leadership, to their strategic capabilities. The rapidly changing, intensely competitive environ ment has generated the need to develop strategic leaders. Such strategic leaders typically possess two competencies heretofore omitted in tra ditional competency models of leadership: stra tegic thinking and change leadership. Acquiring robust competencies in these areas is becoming critical for firms.

It has become evident that the competency models proffered by many consulting firms and normed on existing firm leaders have seriously underestimated the leadership requirements for a firm to win its future. The past is not prologue. Today's leaders are not necessarily what is needed to enable a firm to win tomorrow. Making the competencies of strategic change leadership and strategic thinking critical elem ents of leadership development efforts is essen tial. Efforts to develop these elements require not only intellectual comprehension, but prac tice in demonstrating them and feedback on the

extent to which leaders have acquired these com
petencies.

For executive team members feedback on the
ability to think strategically and build executive
teams to create and implement strategic change
initiatives can come from several sources. Most
important are individual feedback from bosses
and from the 180 degree (i.e., subordinate feed
back) component of a 360 degree survey on lead
ership efficacy. "If you want to find out who the
leaders are, ask the led" – a truism often paid lip
service, but which is nevertheless true. A 360
degree survey that includes friends and bowling
buddies is not nearly as useful in identifying
leadership talent as feedback that comes directly
from the led (*see* 360 DEGREE APPRAISALS).

Another leadership competency of growing
importance is knowing and understanding a
workforce. Firms don't change unless people
change. Leaders must continue to change them
selves and change their workforces to ultimately
improve their firm's success. This is the only
way firms will succeed – by finding ways to
continually change and evolve such that they
are impacting their environments and creating
turbulence for present or potential competitors.
This means that firms must change *before they
have to*. This is a particularly difficult challenge
for leaders. Because they have achieved a leader
ship role in the first place by demonstrating
specific skills and behaviors to meet today's re
quirements, momentum tends to keep them on
the same track. Thus, leaders must buck this
momentum and fight the fantasy that they and
their firms can remain unchanged (and still suc
cessful) in a rapidly changing environment. In
the long run, being able to create change before it
is absolutely necessary is a competitive advan
tage.

In the inventory of leadership competencies,
it is increasingly important for leaders to be able
to determine which work is valuable and which is
not. In the assessment of all direct reports, each
executive must ask: Who is the work's customer?
What is the strategic value of each piece of work?
How well is that work being done? How well
does it need to be done? Clearly, work that is
strategic and done well is to be recognized and
rewarded. Work that is strategic but not done
well must be fixed. And it goes without saying
that work that is not strategic, regardless of how

well it is done, needs to be removed. Such an
analysis is a significant challenge for mature
firms and is often difficult to address, but it is
an essential competency for tomorrow's leaders.

Finally, the provision of honest and candid
feedback is a *major* challenge for leaders. Many
lawsuits have occurred because leaders have not
created an atmosphere where candor and hon
esty can flourish. In providing feedback on per
formance, many managers prefer to tell
employees what they wish to hear, rather than
what needs to be done to enhance their perform
ance. By the same token, subordinates are reluc
tant to be messengers of bad news. Candor and
honesty is a two way street. But many leaders
(and employees) would rather be liked than
right. Lacking candor and honesty, several
major American firms have gone up in flames
in a matter of months.

Whatever the rhetoric about management de
velopment and competencies, the bottom line is
that executives must know to execute strategy by
asking six simple questions about their firm:

1 How grow?
2 What strategic capabilities and culture?
3 What obstacles? How overcome?
4 How accelerate?
5 What business metrics?
6 How reward?

The questions may be simple – the answers are
not. The challenge for management develop
ment is to find ways to grow executives who
have the competencies to provide these answers.

See also *early identification of management
talent*

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management games

Gary P. Latham and Lucie Morin

A management game is a simulated business training environment ranging from the simple to the complex, computerized to noncomputerized, interactive to noninteractive, and single participant to multiple participants. Examples of such games include the leaderless group discussion, in basket techniques, complex decision making, and large scale behavioral SIMULATIONS (Latham and Seijts, 1995).

Management games, which have been developed for low, middle, and upper management, facilitate skill development by allowing for active practice where outcomes of one's actions occur much faster than in the actual business world. They are a safe place where participants can explore alternative policies, learn about extreme situations, develop a shared understanding of business dynamics, and evaluate future consequences of actions and experience without causing risk for themselves or their firm (Senge, 1990). Moreover, since trainees are drawn into the learning process by being required to actively participate, management games can also be used to increase self beliefs about one's managerial capabilities (*see* SELF EFFICACY).

A drawback of management games is that they can foster a misleading impression of precision and certainty by presenting an organization in an overly structured and simplified way (Latham and Seijts, 1995). Although there are often no right answers to organizational problems, and no ideal way to manage in the real world, management games can inadvertently suggest otherwise (Linstead, 1990).

To maximize learning, management games should be combined with structured training delivery methods, such as lectures, discussions, and reading assignments that provide an important conceptual framework generally lacking from such participative learning methods (Latham and Seijts, 1995).

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management localization

Manuel G. Serapio, Jr.

Management localization is a term which takes on different meanings depending on the specific international human resource management (HRM) context under consideration. In extreme circumstances, the term may indicate complete nationalization of the enterprise or that ownership is transferred to foreign country nationals. In less extreme contexts, the term means that the enterprise's managerial practices and approaches have been adapted to those appropriate for the foreign country or local conditions (Negandhi and Welge, 1984).

The term is also used to describe greater flows over time of host country nationals into subsidiaries' key managerial positions and the delegation to them of greater decision making authority (Serapio, 1995). Scholars have argued that, in the absence of host country managers

having authority to make decisions, real manage
ment localization does not occur just because
host country nationals have been placed in key
managerial positions.

Research on international HRM literature has
typically defined management localization more
narrowly to describe the flow of host country
nationals into management positions, the pro
motion of host country nationals, and the cor
responding replacement of home country
nationals over time (Negandhi and Welge,
1984; Serapio, 1995). Other variations in the
use of the term occur in its operationalization
for research purposes. One such study, involving
the subsidiaries of Japanese companies in the
US, has operationalized the term as the percent
age of total managers accounted for by host
country (US) nationals, and has traced these
percentages over a five year time series, begin
ning with the start of operations in the host
country (Serapio, 1995). Another example of
the term's operationalization is provided by a
study of subsidiaries of companies having their
corporate headquarters in the US, Germany,
and Japan. In this study, comparisons are made
of the percentages of managers accounted for by
host country nationals at top , middle , and
lower level positions (Negandhi and Welge,
1984).

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management prerogatives

John C. Shearer

Management prerogatives are those rights of a
management to direct its workforce which have
not been restricted by COLLECTIVE BARGAIN
ING. Many labor agreements specify a "manage
ment rights" or "residual rights" clause that all
those rights which have not been specifically
restricted or modified by a specific provision of
the labor agreement remain exclusively with
management.

managerial performance assessment

James T. Austin

Problems associated with conceptualizing and
measuring JOB PERFORMANCE in general
extend to the area of managerial performance.
In addition, there are some unique characteris
tics of managerial jobs that distinguish them
from other jobs. These include less structured
activities, greater autonomy, and considerable
resource dependence. These differences often
require the adoption of alternative methods to
measuring performance.

DESCRIBING THE JOB OF MANAGER

Classic theories of management (e.g., Fayol,
1949) emphasized the functions that manage
ment activities were to support. Fayol's five
classic management functions included plan
ning, organizing, commanding, coordinating,
and controlling. Campbell et al. (1970) reviewed
managerial performance using a person–pro
cess–product framework. Mintzberg's (1971)
observations of chief executive officers concen
trated instead on the activities of managers en
gaged in work. He found that managers'
activities consisted of many brief episodes, in
volved interaction with many different people
both inside and outside the organization, and
resulted in gathering more information than
they transmitted to others. More recently,
Carroll and Gillen (1987) integrated diverse per
spectives on managerial work using a goal driven
"work agenda" model. Agendas determine ac
tivities (e.g., interpersonal interactions), and
they are supported by managers' skills, compe
tencies, and knowledge base, to produce per
formance. The manager's job requires constant
monitoring of progress toward goals, frequent
revision of agenda items, and commitment to
activities that sustain the agenda or may contrib
ute information about previously unrecognized
threats and opportunities.

A significant obstacle to describing manager
ial performance is the relatively unstructured

and highly autonomous nature of management jobs. Unlike many jobs that lend themselves to direct observation, interview, or standardized task inventories for the purpose of JOB ANALYSIS, the description of managerial jobs often requires less traditional methods, including diary keeping and the use of inventories designed specifically for these jobs (e.g., the professional and managerial position question naire).

PERFORMANCE APPRAISAL FOR MANAGEMENT JOBS

Two most frequently used approaches to meas uring management performance are MANAGE MENT BY OBJECTIVES (MBO) and work planning and review (WP&R). Approximately 40 percent of the Fortune 500 companies use some form of MBO. MBO is a management philosophy that combines elements of Theory Y management with the strict accountability provisions championed by Drucker (1954). MBO attempts to increase compatibility be tween individual and system goals through increased subordinate participation in the goal setting process, an emphasis on results and accomplishments, and periodic review to assess progress or modify objectives. In practice, MBO approaches vary widely from one organization to another in terms of level of subordinate partici pation, frequency of review, and use of objective criteria.

Many MBO programs closely resemble the WP&R method in that they include a goal setting component in addition to separate sub jective judgments of performance relative to those goals. WP&R methods are frequently used in instances where objective measures of unit performance are unavailable or suspected to be contaminated and/or deficient.

Research generally supports the effectiveness of MBO programs. Rodgers and Hunter (1991) found that 68 of 70 studies that evaluated MBO programs reported PRODUCTIVITY gains. In addition, it appears that more effective MBO programs are characterized by high levels of top management commitment and participation. In these instances, the average productivity gain was about 57 percent, whereas when commit ment was low the programs exhibited marginal productivity gains (6 percent).

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managerial value differences

David A. Ralston

Managerial value differences in the cross cultural context require that we take into consid eration the interaction of the personal values of managers – as influenced by their cultural heri tage – and the work environment demands – as influenced by the political and economic ideo logy of the country. Specifically, cultural influ ences are those that differentiate one society or one societal cluster from another (e.g., eastern, western). History, religion, and proximity tend to be important factors in differentiating the cultural values of societies (Ronen and Shenkar, 1985). Conversely, ideological influences (e.g., capitalism, socialism) tend to emanate from the economic and political systems within which an individual must function (Ricks, Toyne, and Martinez, 1990). Therefore, cultural influences tend to reflect regional differences, while ideo logical influences tend to be more cosmopolitan in that these influences tend to be shared across societies with common business ideologies.

Thus, both culture and ideology shape man agerial values. The more unique one culture is from another and/or the more unique one ideo logy is from another, the more likely it is that the

managers from these various culture–ideology mixes will differ in their values and the resultant work behaviors that they exhibit to perform their managerial duties (Ralston et al., 1993). The importance of recognizing the causes of these differences and understanding how to deal with them lies in the need to function efficiently and effectively in the global environment, even when this environment is markedly different from the typical domestic situation with which the manager is familiar.

Managerial value differences manifest themselves in organizations in a wide variety of ways and behaviors. These differences frequently can be observed in managers' degree of delegation, respect for authority, individual versus group orientation, means of communications, ethical standards, and style of motivation and leadership.

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managing the human resource planning process

Donald W. Jarrell

Human resource planning may be done in response to the organization business planning process or as an integral part of the business planning process. Whichever the approach, certain initial steps need to be followed (Jarrell, 1993: 146–53):

1 Set objectives for the planning process. Although specific objectives will vary depending on the needs of particular organizations, the main objective must be to bring about focused management of the human resources of the organization.

2 Identify key participants. Planning should begin with participants who played key roles in the management of human resources in the past. Participants may change as the planning process evolves, but at a minimum should include the chief executive officer, the chief human resource officer, and selected line managers. Human resource specialists, as well as other members of the organization, may be added as the need for specific planning knowledge and skills becomes apparent.

3 Establish that part of the organization philosophy or mission statement that concerns human resources.

4 Collect information about that part of the organizational environment of importance to human resource management (*see* ENVIRONMENTAL SCANNING). Sectors of the environment of special importance to human resource planning are cultural, demographic, economic, political, social, and technological.

5 Compare the human resource competencies of the organization with those of competitors. This comparison will help to determine strategies appropriate for the organization.

6 Formulate a human resource strategy. A strategy may be as simple as the decision to excel in one of the classic human resource management functions, such as STAFFING or development. Or a strategy may be a bundle of interrelated human resource activities that cut across traditional functional lines (MacDuffie, 1995).

7 Implement the chosen strategies. Implementation requires a long term collaborative effort by human resource professionals and line managers. Steps must be taken to insure that control systems applied to this strategy implementation are appropriate for the longer term (Hain, 1983).

8 Evaluate the planning process in terms of its expected outcomes, both direct and indirect (Hax, 1985).

9 Manage issues that arise under the strategic plan. Issues should be used as feedback for

improving the planning process and keeping it current. Issues management normally is more efficient if done for the HUMAN RE SOURCE FUNCTION as part of an organiza tion wide effort.

The planning process outlined above can be used where a formal approach is needed as a guide and where little or no preexisting in formation and planning methodology have been accumulated. As the planning process evolves, planners should tailor the planning process to their unique needs.

See also *human resource planning; strategic human resource planning; strategic human resource plan ning processes*

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mandatory bargaining issues

Terry L. Leap

Labor and management are required to bargain in good faith over mandatory bargaining sub jects. If, for example, union negotiators want to discuss the mandatory topic of healthcare insur ance, management must negotiate with them on this topic until either an agreement or impasse is reached. Mandatory subjects are those related directly to wages, hours, and other conditions of employment. Subjects falling into the broad mandatory category include wages, salaries, IN CENTIVE PAY, shift differentials, subcontract ing of BARGAINING UNIT work, random DRUG TESTING, vacations, retirement benefits, rest and lunch periods, job duties, work assignments, and seniority provisions, to name a few. The distinction between mandatory, permissive, and illegal bargaining issues was made by the US Supreme Court in *NLRB* v. *Borg Warner*, 356 US 342 (1958).

maquiladora

Mark C. Butler

In colonial Mexico, a *maquila*, from which the term *maquiladora* is derived, was the fee that a miller collected for processing grain. Today's *maquiladoras* are still processing facilities. They process and assemble myriad products, includ ing consumer and industrial electronic goods, automotive components, wood, leather and clothing, toys, and medical supplies. Some *maquilas* also process paperwork – the labor intensive sorting of grocery discount coupons, for example. *Maquiladoras* are frequently re ferred to as *maquilas*, and the terms are used interchangeably. The *maquiladora* program is also known as the "twin plant," "production sharing," or "in bond" program. The terms "twin plant" and "production sharing" stem from the notion that paired plants would be established in physical proximity, one on either side of the US–Mexico border. The labor inten sive production processes would occur in Mexico, with the remaining processes in the US (production sharing). The term "in bond" stems from a provision that materials for manu facture are imported into Mexico under a bond that guarantees the finished product will be exported. Although they were originally confined to locations along the border, the passage of the North American Free Trade Agreement (NAFTA) has seen a proliferation of *maquiladora* type organizations throughout Mexico.

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Markov analysis

Marcus Hart Sandver

Markov analysis is named for the Russian mathematician Andrei Andreevich Markov, who died in 1922. A Markov chain or a Markov process is defined as a sequence of events in which the probability of each event depends upon the outcome of previous events.

USE IN ORGANIZATIONS

At the organizational level, Markov analysis may be applied to describe and forecast the process of human resource flows or movements within, into, and out of the organization. Since there are a finite number of human resource movements which may occur in an organization (PROMOTION, demotion, transfer, exit, new hire), Markov analysis may be used for investigating the rates of such movements over time or between two time periods (t and $t + k$).

The Markov analysis process begins by translating the existing organizational structure into a series of mutually exclusive and exhaustive states which individuals may occupy. These states correspond to job titles and are created on the basis of organizational function (marketing, accounting, operations, and so forth) and hierarchical level within function (Walker, 1980). In addition, an exit state is created to reflect movement out of the organization. States are arranged in a matrix, with the rows representing the states at time t and the columns representing the states at time $t + k$.

For the individuals in each state at t, the number and proportion occupying each state at $t + k$ is computed. For each row, the numbers of individuals in the cells represent the distribution of people by job title who stayed in the same position during the year, who moved to another position, or who exited the organization. For each row the number of individuals in each cell at $t + k$ is divided by the row total at time t. The resultant proportions are defined as *transitional*

probabilities, the probability of remaining in the initial state, of moving to another state or cell within the matrix, or exiting the organization (Heneman and Sandver, 1977).

The cell proportions form a *transitional probability matrix*. The diagonal elements of the matrix represent the proportion of individuals who did not change states from t to $t + k$. The off diagonal elements of the matrix represent the proportion of persons who moved from one state to another or who exited the organization from t to $t + k$. For each row of the matrix, the sum of the probabilities must equal 1 because the number of moves in the system is finite and the states are mutually exclusive and exhaustive. The matrix may be multiplied by itself to represent the movement of people in the organization over successive time periods.

MARKOV ANALYSIS AS A FORECASTING TOOL

Markov analysis may prove useful to human resource planners to help forecast shortages of employees in certain critical job titles over time (Mahoney and Milkovich, 1971). Some applications of Markov analysis employ the technique as a tool in STRATEGIC HUMAN RESOURCE MANAGEMENT (Bechet and Maki, 1987).

LIMITATIONS OF MARKOV ANALYSIS

Some authors have pointed out the limitations of Markov analysis and warn human resource managers to view personnel flows as stochastic or probabilistic rather than as deterministic and forecastable events (Vroom and MacCrimmon, 1968). Methodological problems such as sample size, choice of the time interval between t and $t + k$, multiple employee moves during a time period, and accuracy of personnel data may limit the usefulness of Markov analysis for HUMAN RESOURCE PLANNING purposes (Heneman and Sandver, 1977).

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Martin v. *Wilks*, 490 US 755 (1989)

Leonard Bierman

In this case the Supreme Court held that white employees who were disadvantaged by an AF FIRMATIVE ACTION consent decree estab lished in litigation in which they did not intervene, but of which they had notice, could challenge under Title VII decisions made pur suant to that decree. Section 703(n) of the CIVIL RIGHTS ACT OF 1991, however, modified the court's decision and provided that a consent judgment that resolves federal claims of employ ment discrimination cannot be challenged.

mediation

Deborah M. Kolb

While mediation has traditionally been an ad junct to labor negotiations and international con flict, its use is increasingly being extended to resolve differences in families and communities, at work, and across levels of government. As a mode of dispute processing, mediation involves an outsider, a so called third party, who assists the principal parties in the resolution of their differences. Mediation is generally a voluntary process where the mediator lacks formal deci sion making authority. Because of its voluntary nature, the ability of parties to actively partici pate in the resolution of their own differences, and the relative speed of the process, mediation is often seen as a better, more satisfying and harmonious, more efficient, less costly way for society to deal with its conflicts.

Although mediation has long been part of labor negotiations, only recently has it spread to other disputing arenas in organizations. Me diation is being used to settle legal claims be tween firms, and is now a step in many grievance and complaint procedures (*see* GRIEVANCE PROCEDURE), including the role of ombuds man. In addition, informal mediation is coming to be recognized as a necessary part of teamwork and organizational change, and as a function of management generally.

Mediators assist parties by giving them a forum to air their differences, vent their feelings and frustrations, explore options for settlement, and appreciate the consequences of no agree ment (Moore, 1986). What mediators actually do in a dispute, whether they push for settlement or try to alter how parties relate to and com municate with one another, is a function of their diagnosis of the conflict, their relationships with the parties, and their background and training, among other factors (Kressel and Pruitt, 1989; Bush and Folger, 1994; Kolb et al., 1994).

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mental abilities

Paul E. Spector

Mental ability refers to the capability or capacity to develop and learn mental skills, such as math ematics and verbal comprehension. Overall cog nitive ability is termed intelligence, but there are many specific cognitive abilities that are only moderately related to one another. As a result, some mental abilities are separately measured. For example, mathematical ability and verbal ability are often separated in INTELLIGENCE TESTS. Mental abilities are used frequently in PERSONNEL SELECTION because mental abil ity tests have been found to be valid predictors of JOB PERFORMANCE on a wide range of jobs

(e.g., Schmitt et al., 1984; Smith and George, 1992).

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mentoring programs

Kathy E. Kram

Mentoring programs are initiatives designed to encourage relationships that support learning and development of targeted employee populations (e.g., new hires, high potentials, individuals from diverse backgrounds). They are generally established to create *accountability for development* and *accessibility to developmental relationships* (*see* STRATEGIC ISSUES IN DIVERSITY). Mentoring programs vary in specific objectives, degree of structure, number of participants, associated training and education, and monitoring and evaluation methods.

Sometimes formally assigned relationships remain superficial or become destructive, participants have unrealistic expectations for the program and fail to seek other opportunities for development, and/or those who do not participate feel unfairly excluded. These unintended negative consequences are minimized when program objectives and design are aligned with an organization's culture and human resource strategy, participation is voluntary, and adequate education and training are provided.

There are a number of alternatives to mentoring programs that can foster developmental relationships for a wide range of employees. These include:

1 job assignments that require individuals who have complementary development needs to collaborate;
2 PERFORMANCE APPRAISAL and COMPENSATION strategy practices that recognize and reward mentoring and coaching behaviors;
3 SUCCESSION PLANNING processes that explicitly monitor the mentoring and coaching needs of candidates for leadership positions;
4 work teams that have mentoring as one of their primary purposes; and
5 various homogeneous and heterogeneous groups whose purposes are to promote personal learning through dialogue.

Given trends of globalization, flatter and team oriented organizations, increasing workforce diversity, and rapid technological change, multiple strategies to promote mentoring are essential. The maximum value of mentoring programs is achieved when they are implemented (and aligned) with related human resource practices.

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merit pay

Robert L. Heneman

Merit pay refers to pay increases based on PERFORMANCE APPRAISAL (Heneman, 1992). The higher the rating of an employee's performance, the larger the pay increase granted to the employee. The size of the pay increase allocated is dependent upon the employee's position in the rate ranges as assessed by the compa ratio (*see* COMPA RATIOS). The larger the compa ratio for an employee, the smaller the size of the increase granted in order to keep the employee's salary within the rate range. Under a traditional merit pay plan, pay increases are made a permanent addition to the employee's salaries. Under a lump sum merit pay plan, pay increases are one time BONUSES not made as permanent

additions to employees' salaries. Merit pay plans are used in over 80 percent of US organizations, primarily for exempt employees (Peck, 1984). Merit pay is one form of PAY FOR PERFORMANCE.

Merit pay has been shown to be related to positive attitudes toward work, including pay satisfaction (*see* JOB SATISFACTION). The evidence regarding the relationship of merit pay to subsequent PRODUCTIVITY is mixed, with some studies showing an improvement in productivity and others a decrease (Heneman, 1992). Merit pay is often criticized as being associated with an entitlement culture (*see* REWARD SYSTEMS).

In order for merit pay plans to be effective, two conditions must be met (National Research Council, 1991). First, performance appraisal ratings must have CRITERION RELEVANCE, be free from RATING ERRORS, and be accurate. Second, pay increases must be large enough to differentiate poor from excellent performers.

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Meritor Savings Bank v. *Vinson*, 1986

Kelly A. Vaverek

Meritor Savings Bank v. *Vinson* (477 US 57, 1986) is the first Supreme Court decision involving a SEXUAL HARASSMENT case. In its holding, the Supreme Court acknowledged that *hostile environment* is a form of sexual harassment forbidden by Title VII. Although there was no evidence that Ms. Vinson's career had suffered because of the harassment, the court said "the language of Title VII is not limited to 'economic' or 'tangible' discrimination." It also said that the critical issue was not whether the relationship between supervisor and teller was voluntary. Rather, it was whether the supervisor's sexual advances were unwelcome. If they are unwelcome, and they rise to the level of abusive, then they are illegal.

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Mexico

Mary B. Teagarden and Mark C. Butler

Mexican labor laws regulate individual labor relations, collective labor relations, labor litigation, and federal and state conciliation and arbitration boards made up of labor, management, and government representatives. These boards are empowered to make final enforceable judgments.

The Mexican commitment to workers' rights is rooted in its 1917 Constitution. Article 123 established the jurisdiction of the Mexican Congress and the state legislatures to issue labor laws responsive to local regional needs in accordance with the Constitution's guiding principles, which include improving the living and working conditions of Mexican workers and honoring workers' inherent liberty and dignity.

The Mexican Constitution guarantees basic rights, such as workplace health and safety, minimum wage, maximum hours of work, freedom of association, and the right of workers to strike. It also guarantees employment security, PROFIT SHARING, annual leave, worker training, and many other benefits and protections. These rights and benefits are implemented by *Ley Federal de Trabajo*, the Federal Labor Law, which was originally drafted in 1931, canceled and reissued in 1971, and amended numerous times since. The Federal Labor Law recognizes the two types of workers, union and confidential, to which the law applies. Confidential workers are those who handle functions of administration, supervision, control, vigilance, or inspection.

SPECIFIC PROVISIONS OF THE FEDERAL LABOR LAW

Fringe benefits.   Vacation bonus amounts to 25 percent of the worker's salary for the vacation period and a Christmas bonus equal to 15 days paid before December 20 each year.

Health and safety.   The formation of health and safety committees consisting of management and employee representatives is required to insure that the employer meets minimum requirements for health and safety. These committees work in conjunction with labor authorities to analyze and investigate causes of work related accidents and illnesses, develop safety practices and proced ures, communicate these procedures to the workforce, and oversee compliance. Both the Social Security (IMSS) and the Labor Minis tries are empowered to issue safety regulations and to inspect sites to evaluate compliance with minimum work standards, to develop special standards in accordance with the type of indus try or activity, and to impose sanctions for non compliance.

Housing.   Employers contribute the equivalent of 5 percent of their annual payroll to a special fund for worker housing (INFONAVIT).

Maternity benefits.   Workers are entitled to six weeks off before and six weeks after the expected delivery of a baby. Employers must retain the mother as an employee at this time, without pay, but they must pay her social security contribu tion. Her salary is paid by the IMSS during her maternity leave. Nursing mothers are allowed two hours off at midday to feed their baby.

Minimum wage.   Minimum wages are estab lished by occupation categories and the min imum wage also varies by region. Border regions and the Federal District (Mexico City) have higher wage rates.

Medical benefits.   Under the country's social se curity laws, all workers are registered to receive medical care and social services, paid for by the employer.

Non waiver of rights.   The minimum rights of workers, as well as those later acquired, cannot be waived by workers.

Overtime.   Overtime up to nine extra hours per week is paid at 100 percent of the worker's salary. Overtime in excess of this and work on holidays is paid at 200 percent of the regular wage. Work on Sundays or the weekly rest day is paid at 225 percent over the regular wage.

Pension.   In February 1992, the Mexican gov ernment established a mandatory occupational pension program, *Sistema de Ahorro para el Retirel*, that requires employers to establish a defined contribution plan for retirees. Under the program, employers must contribute 2 per cent of covered pay of each employee into indi vidual, interest bearing accounts.

Profit sharing.   Employers must provide profit sharing packages equal to 10 percent of the com pany's adjusted pre tax profits. These must be distributed each year.

Strikes.   A strike is considered "existent" if it is called by a majority and is for legal purposes. Legal purposes include: (1) to obtain equilib rium between factors of production, harmoniz ing the rights of labor with the rights of capital; (2) to obtain from the employer or employers the signing of a COLLECTIVE BARGAINING agree ment and to demand its revision upon expira tion; (3) to obtain from the employers the signing of a law contract and to demand its revision upon expiration; (4) to demand compli ance with the collective bargaining agreement or the law contract in the enterprises or establish ments in which it has been violated; (5) to demand compliance with the legal provisions of profit sharing; (6) to support a strike, which meets the objectives identified above; and (7) to demand a revision of the contractual salaries. A strike is considered "nonexistent" if: (1) it does not meet the objectives listed above; (2) it is not supported by the majority of the workers; and (3) the legal process was not followed.

Termination/severance.   Employers have a 30 day period during which a worker can be released without obligation; after this the employee is considered permanent. If a perman ent worker is fired or laid off, the company must

provide severance pay equaling three months' wages, plus 12 additional days for each year of employment. This is increased to 21 days for each year of employment if the employee ter minates the work relationship for causes attrib utable to the employer, or if the employer refuses to reinstate the employee after being required to do so by the labor board. A 30 day severance notification is required.

Training. Employers are required to provide their employees with minimum training. Training should allow workers to improve skills, prepare for higher positions that may become available, improve worker PRODUCTIVITY and general welfare, and minimize work accidents. Training committees with representatives from both management and labor are required. Details of the training program must be filed with the Labor Ministry Board for approval.

Vacations. Employees have a right to six days of paid vacation after completing a year of service and this increases by two days per year until a total of 12 days is reached. Vacations cannot be forfeited or compensated with pay and must be used within six months of the employment anni versary date.

Work week. The work week is 48 hours, with one day a week for compulsory rest, although a 40 hour week is becoming more common prac tice. The work day shift is eight hours; a night shift is seven hours. Employees are generally paid for 56 hours of work each week.

MEXICAN LABOR UNIONS

Article 123 of Mexico's Constitution defines labor unions as "associations formed for the study, betterment, and defense of the interests of workers and their employers." Two major categories of unions are distinguished in Article 123. Section A identifies industrial workers, agricultural day laborers, domestic employees, artisans, and, in general, all workers covered by private labor contracts. Section B identifies all public sector workers employed by the national government, the various Mexican states, and all municipalities.

Five official classifications of labor unions exist in Mexico: (1) *gremiales*, or workers in the same profession; (2) *de empresa*, or workers from a single company; (3) *industriales*, or workers from two or more companies in the same industry; (4) *nacionales de industria*, or those in one or more states; and (5) *oficios varios*, those including fewer than 20 workers of the same profession, in the same municipal location. These unions have also been characterized as "official unions," "independent unions," and "white unions."

The alliance between the Mexican govern ment and organized labor is unique in Latin America and is credited with contributing to the stability of the Mexican state by serving as a mediating structure which promotes the gen eral welfare of the working class through inter vention at the political level. The first official labor union, CTM, was established in 1918 as a result of the Mexican Revolution. Official labor unions have historically been affiliated with Mexico's former ruling party, the Institutional Revolutionary Party (PRI). This included sup port in elections, voluntary wage suppression, and a very low incidence of strikes. In return, PRI suppressed independent unions from chal lenging the power of official unions, guaranteed union officials a fixed quota of candidates for federal and state government positions, per suaded local labor boards to favor unions in decisions, and provided social services to union members through the IMSS and other social agencies. In 2000, however, the PRI was defeated by Vicente Fox's National Action Party (PAN) and the new government has adopted policies more supportive of global in tegration of Mexico's economy.

NAFTA-ERA DYNAMICS AND GLOBAL INTEGRATION CHALLENGES

The North American Commission on Labor Cooperation (NACLC) was established under the North American Free Trade Agreement (NAFTA) to mediate labor related disputes. Any North American group or individual may file a complaint. The complaint first goes to one of three national administration offices; each NAFTA country has one in its capital city. Then, if necessary, the complaint goes to the NACLC's ministerial council, which is com prised of the three countries' trade ministers and is usually the first step in the dispute pro cess. The NACLC's international secretariat

helps coordinate work with the council. Under NAFTA, labor complaints are filed with the US National Administrative Office (NAO) of the Labor Department's Bureau of International Labor Affairs, an office established to monitor labor policies in the US, Mexico, and Canada. The labor secretaries of the three nations can, by a two thirds vote, impose fines or trade sanctions on a country that fails to enforce its laws for cases involving minimum wages, child labor, or health and safety.

Human resource management (HRM) in Mexico in the NAFTA era reflects profound political, economic, and social change – a dynamism more dramatic than any the republic has ever experienced. This dynamism includes a shift from an economic orientation of protectionism, a developmental model of import substitution, substantial government ownership of business, and few competitors, to a competitive economic orientation, development based on open markets, private ownership of business, and many global competitors. During this dynamic transition there has been very high inflation and a peso devaluation. Both of these events have adversely affected wages, salaries, the value of benefits packages, and ultimately the purchasing power of workers.

Prior to NAFTA the sources of competitiveness for firms in Mexico were low cost and reasonable productivity. The traditional HRM challenges faced by firms in Mexico were high EMPLOYEE TURNOVER, ABSENTEEISM, and variable quality. The primary objective for most firms in this pre NAFTA era was maintaining the status quo. However, in the NAFTA era the sources of competitiveness have become globalized and include low cost, high quality, speed, flexibility, and innovation. The primary objective for most firms has become survival. Firms face a host of strategic challenges in the NAFTA era, including: an abundant workforce comprised often of young, inexperienced, and unskilled workers; strong labor laws that have traditionally favored the worker; cross cultural challenges, given the diversity encountered in the Mexican workforce; and an expectation of meeting global standards. These strategic challenges are compounded by shortages of skilled technical and managerial employees. In this dynamic global competitive arena, the HRM

designs firms use are helping them meet competitiveness challenges. Mexican employers and foreign investors have used three HRM designs: (1) a control design, (2) a paternalistic design, and (3) a developmental design. Firms using these designs have encountered varying degrees of success. The first two yield short term benefits and are the ones most often used by Mexican employers. The developmental design, on the other hand, yields longer term strategic benefits but is often overlooked in the quest for short term benefits and survival in the face of global competition.

The control design focuses on control of worker behavior (often through punishment) to achieve economies and accomplish corporate goals. Little attention is paid to motivating or developing the worker. From the employer's perspective, the agreement is a day's pay for a day's work – these workers are not seen as assets. Employers using this design provide extensive, specific training, usually on every aspect of one particular job. This limits the firm's flexibility in the long term.

The paternalistic design uses a different approach to control and motivation. This style "takes care" of workers. Rewards and promotion are based on workers "being in favor" with supervisors or management. This design uses absolute top down authority and workers are often afraid to ask any questions. These firms use limited training (at best) that focuses on narrow, task specific requirements. Training often takes the form of a worker being assigned to observe another "for a couple of hours" before beginning a new task. Firms using this design invest moderate to low levels in plant and equipment and in training and development. In return, they encounter variable costs and variable quality.

Neither of these designs is as effective as the developmental design for meeting NAFTA era competition. The developmental design, currently used most often by foreign investors, integrates control, motivation, and developmental needs of workers. It is based on a sophisticated reward system (see REWARD SYSTEMS) that provides an extensive array of culturally appropriate benefits, such as transportation, subsidized food and beverages, social activities, and education (many Mexican workers highly value

education as a reward). These rewards are closely matched to local worker needs.

This design provides training and develop ment programs designed to reduce overall costs and improve quality and is targeted at the devel opmental and general needs of workers. In ad dition to training during working hours, these employers offer onsite, work related, and gen eral education for workers, usually two hours each day after work, often subsidized by the government. Courses include basics such as high school equivalency education and special ized courses such as supervision and leadership, computer skills, and English.

Employers who implement this design com monly have high levels of investment in plant and equipment, including state of the art robot ics. This capital investment requires higher skill levels, which the emphasis on training and development provides. This design results in low cost, high quality, manufacturing flexibil ity and speed, and high levels of cultural capabil ity. Some of these employers, most notably foreign investors, have the highest quality of *any* of their global operations. This reflects their skillful blending of sophisticated manufac turing and service delivery processes and world class, culturally consistent HRM practices. While foreign investors have championed the developmental HRM design in Mexico, the lessons learned are being incorporated into HRM practices by Mexican employers in meet ing the global competition introduced in the NAFTA era.

See also *maquiladora*

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mixed-standard scales

H. John Bernardin

Mixed standard performance rating scales con sist of sets of conceptually compatible statements

(usually three) that describe high, medium, and low levels of performance within a job dimen sion. Statements are randomized on the rating form, and the dimension that each statement represents is not obvious. The rater then indi cates whether a ratee's performance is "better than," "as good as," or "worse than" the beha vior described in the statement.

Introduced by Blantz (1965), mixed standard scales were designed to inhibit error in ratings, particularly the tendency to be lenient (*see* LE NIENCY EFFECTS; RATING ERRORS). In the first test of the method, Blantz and Ghiselli (1972) found that ratings from mixed standard scales resulted in less leniency than those from "ordinary rating scales" and that "assessments obtained from different raters are quite compar able" (p. 189). Unfortunately, because Blantz and Ghiselli did not actually obtain ratings from any other format, relative comparisons could not be made on any psychometric charac teristics. There have since been several compari sons of ratings from mixed standard scales with ratings from other formats, such as BEHAVIOR ALLY ANCHORED RATING SCALES and BE HAVIORAL OBSERVATION SCALES, and no strong evidence was found suggesting that this format is superior to others.

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multicultural workforce

R. Roosevelt Thomas, Jr. and Catherine A. Ouellette

A multicultural workforce contains participants with varying backgrounds reflecting the assump tions, or cultures (Schein, 1985), of the organiza tions through which they were socialized. Socializing entities include family, community, religious, and educational institutions. To the extent that individuals experienced socialization by organizations with different driving assump tions, they can be considered to be of different cultures. While the common practice has been to link culture with race, ethnicity, and gender, these factors are not necessarily the principal determinants of cultural differences.

See also *diversity; strategic issues in diversity*

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multinational bargaining

Richard L. Rowan

Multinational bargaining is a concept developed in the 1970s, when the growth and spread of firms operating in more than one nation appeared vulnerable to activity orchestrated by unions known as international trade secretariats. Some of these union bodies with worldwide memberships, such as the International Chem ical and Energy Workers, the International Union of Food and Allied Workers, and the International Metalworkers' Federation, all based in Geneva, claimed that a new concept encompassing union and management delegates bargaining across national borders would be the wave of the future. The European Trade Union Confederation, based in Brussels, and its indus try groups were also seen as active participants in this process. A number of serious obstacles have prevented the development of multinational COLLECTIVE BARGAINING:

1 *Different legislation*: No two countries have the same labor laws or practices. Bargaining rights, union structures, and bargaining structures are different and difficult to re concile from one country to another.

2 *Employer opposition*: Employers almost uni versally oppose multinational bargaining

since they see nothing to be gained from the process. Most business leaders see multi national bargaining as a potential complicat ing factor that would add a third level of risk to work stoppages.

3   *Union opposition*: Some unions fear that multinational bargaining will result in a transfer of power from national union offi cials to those who lead multinational organ izations.

4   *Lack of employee interest*: Employee interest in multinational union action is close to being nonexistent. Workers in one country are not likely to support their fellow em ployees in another country.

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multiple cutoff selection procedures

Neal Schmitt

When a job applicant is removed from considera tion if the score on at least one selection device falls below some prespecified value, the employing organization is using a multiple cut off selection procedure (*see* CUTOFF SCORE). The assumptions underlying this procedure are: (1) if the applicant scores below the cutoff values on any predictor, his or her performance on the job will be unsatisfactory; and (2) indi vidual differences in performance by those scoring above the cutoffs are unimportant. The procedure is simple to employ and easy to ex plain, but very difficult to devise or change. A change in the cutoff value for even one score in such a system necessitates changes in the values for all cutoff scores.

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multiple-hurdle selection procedures

Neal Schmitt

In a multiple hurdle selection procedure, deci sions to reject a job applicant or to collect more information on applicants' capabilities are made at each of several, sequential hurdles. Hurdles are usually ordered in such a way that the least expensive, and/or least difficult to collect, in formation is used in the initial hurdles, while a more intensive examination of a smaller number of applicants is conducted at subsequent hurdles. While cost effective for both the organ ization and the applicant, the procedures used in the final hurdles may not display a great deal of validity (*see* CRITERION RELATED VALID ITY), because important job related individual differences may have been reduced by the deci sions made at previous selection hurdles.

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N

narrative method of performance evaluation

Rick Jacobs

The narrative method of performance evaluation is perhaps the simplest and oldest method of assessing employees. Raters are asked to provide a description, usually in writing, of the employee's performance. Often, the evaluator is given the instruction to describe an individual's strengths, weaknesses, and potential for advancement/new assignments, and to provide a plan for further development of job relevant skills. While such a system of performance evaluation is simple, straightforward, and nothing more than a formalization of daily supervisory observations, it does represent a method of performance evaluation with both serious advantages and disadvantages.

Advantages of this method include: (1) ratings are descriptive and offer more complete information about performance; (2) the very process of gathering the necessary information for the evaluation can result in more interaction between rater and ratee; and (3) details for APPRAISAL FEEDBACK and PERFORMANCE COACHING with the ratee are part of the rating process. Disadvantages include: (1) ratings may be as much a reflection of the rater's willingness to spend time on the evaluation process and/or level of verbal skills as they are related to performance level of the ratee; (2) no numeric outcome is inherent with this qualitative method; (3) there is no standardization across raters; (4) there is no guarantee that important aspects of the job will be evaluated; and (5) there is limited or no ability to compare employees within or across groups.

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National Academy of Arbitrators

I. B. Helburn

The National Academy of Arbitrators consists of experienced labor–management arbitrators with proven general acceptability within the union–management community. Neither a selecting nor an appointing agency, the Academy holds an annual meeting, an annual educational conference, and regional meetings designed to improve the understanding of ARBITRATION and its role in the resolution of union–management and other workplace disputes. The proceedings of the annual meeting are published yearly. The Academy enforces the "Code of Professional Responsibility for Arbitrators of Labor–Management Disputes," to which members are expected to adhere.

National Institute for Occupational Safety and Health

Donna E. Ledgerwood

The OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 mandated the existence of the National Institute for Occupational Safety and Health (NIOSH), which is part of the Department of Health and Human Services (HHS), to initiate studies related to safety and health, to make recommendations to the OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA), and to help train managers in critical areas related to occupational safety and health. NIOSH and OSHA were to coordinate with other health related HHS governmental agencies, such as the Public Health Service, the National Institutes for Health, the Environmental Protection Agency (EPA), and the Social Security Administration. Labor and industry

representatives have also played an active part in recommendations concerning public health pol icies.

A sister agency to OSHA, the EPA was given the task of monitoring health and safety related hazards (chemical spills, air pollutants, and so forth) which are generated by the manufacturing processes of an organization or the transporta tion of its products. These activities involve functions external to the walls of the organiza tion. Managers and nonmanagerial employees not only have the obligation to have knowledge of OSHA and EPA laws, they are also increas ingly responsible for knowing and complying with these laws.

National Labor Relations Act of 1935

Charles E. Krider

The National Labor Relations Act (NLRA), or the Wagner Act, was passed by Congress in 1935. It provides legal protection for employees in the private sector who wish to organize unions and participate in COLLECTIVE BARGAINING. Employees who perceive that their individual bargaining power is inadequate to set acceptable terms of employment may join with other em ployees to enhance their bargaining power. A major objective of the Act is to promote labor peace by encouraging collective bargaining to resolve disputes between employees and em ployers.

The heart of the Act is the rights in section 7 that are recognized for employees: (1) to form and join unions; (2) to bargain collectively through a union; and (3) to strike and engage in other concerted activities. These rights are made effective by: (1) the NATIONAL LABOR RELA TIONS BOARD; (2) REPRESENTATION ELEC TIONS; and (3) unfair labor practices.

NATIONAL LABOR RELATIONS BOARD

The National Labor Relations Board (NLRB) is the agency that is responsible for enforcing the NLRA. Its five members are appointed by the president. The regional offices of the NLRB are responsible for: (1) conducting representation elections to determine if employees wish to have a union; and (2) investigating charges of unfair labor practices. If warranted, the regional office will prosecute the unfair labor practice charge before an administrative law judge, whose decision can be appealed to the NLRB and then to the federal courts. The board is the judicial branch of the NLRB and the general counsel is the prosecutorial branch. The general counsel of the NLRB is appointed separately by the president and is responsible for supervising the regional offices.

REPRESENTATION ELECTIONS

Employees who seek to have union representa tion may petition the regional office of the NLRB for a representation election. If 50 per cent plus 1 of *those voting* support the union, then it is certified by the NLRB as the em ployees' bargaining agent. Such a union will be the exclusive bargaining representative for all employees in the unit, including those who did not vote or who voted against the union. The employer then must bargain in good faith with the union and seek to reach an agreement.

The NLRB's election process means that unions gain the right to represent employees through a political process rather than on the basis of their economic power to strike and force an employer to grant recognition. Unions win approximately 50 percent of the elections.

UNFAIR LABOR PRACTICES

Section 8 of the NLRA sets forth illegal acts for employers (called unfair labor practices) that protect the section 7 rights of employees. These are practices: (1) to interfere, restrain, or coerce employees in the exercise of section 7 rights; (2) to dominate or interfere with the formation or administration of any labor organization; (3) to encourage or discourage membership in any labor organization by DISCRIMINATION in regard to employment or any term or condition of employment; and (4) to refuse to bargain collectively with a union that represents a majority of the employees. Similar unfair labor practices for unions were added by the LABOR MANAGEMENT RELATIONS ACT OF 1947.

The NLRB is limited in most cases to a make whole remedy (*see* MAKE WHOLE/COMPEN

SATORY REMEDIES). For example, employees who have been discharged because of union activity can be ordered reinstated with backpay; there is an offset for any other earning of the employee during the time he or she was discharged. The NLRB may not impose fines, punitive damages, or jail sentences. Also, if an employer does not bargain in good faith, the NLRB can issue an order for the employer to bargain in good faith.

The outcome of negotiations is not directly regulated by the NLRB but is determined by the relative bargaining power of the employees. Unions can strike in support of their demands and employers can lock out employees and hire permanent replacements if there is a strike (*see* LOCKOUT; STRIKE).

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National Labor Relations Board

David A. Gray

The National Labor Relations Board (NLRB) is a federal agency created under the NATIONAL LABOR RELATIONS ACT OF 1935. The NLRB is headquartered in Washington, DC, with approximately 40 regional and field offices scattered across the US. Its five member board is appointed by the president and confirmed by the US Senate. The board has two functions: (1) preventing, investigating, and remedying unfair labor practices committed by employers and unions; and (2) conducting secret ballot elections of designated bargaining units (*see* BARGAINING UNIT) to determine whether employees desire union representation. Unfair labor practice charges are initially handled by the regional offices, with appeals to the five member board. REPRESENTATION ELECTIONS are usually held on the premises of the employer.

national origin

Ramona L. Paetzold

National origin is one of the protected categories under Title VII of the CIVIL RIGHTS ACT OF 1964. This category of protection is interpreted synonymously with ancestry; it protects individuals based on the country of origin of the individuals themselves or of their forebears. It also protects individuals from discrimination based on their *perceived* ancestries. The term "national origin" is not synonymous with citizenship; although it is illegal to discriminate on the basis of national origin, it is not illegal to discriminate (under Title VII) on the basis of alienage *per se*. Aliens are protected under Title VII only to the extent that they are discriminated against on the basis of race, color, religion, sex, or national origin.

negligent hiring

Barbara A. Lee

Negligent hiring claims are made when an employee injures another individual (whether or not the victim is a coworker) and the victim can prove not only that the employee was unfit for the position, but also that the employer knew that the employee was unfit, or, had the employer investigated the employee's background prior to hiring that individual, the employer would have known that the employee was unfit. The victim must show that the injury was a direct result of the employment relationship, such as an assault committed by an employee who comes into a customer's home to repair an appliance.

negligent retention

Barbara A. Lee

Negligent retention claims may be filed against an employer when one of its employees injures or otherwise harms another individual, and the victim asserts that the employer knew that the employee was either dangerous or unfit for

the job. Employers who know that an employee has been violent, has engaged in sexual, racial, or other unlawful forms of harassment, or has been dishonest may be liable under this legal theory if the employee repeats the behavior and someone, whether another employee, a client or customer, or a member of the general public, is harmed.

negligent supervision

Barbara A. Lee

Similar to claims of NEGLIGENT HIRING and NEGLIGENT RETENTION, claims of negligent supervision may be made when an employee injures another person and the victim asserts that the employer knew or should have known that the individual could engage in this behavior, and thus should have supervised the individual more closely. In order for an employer to be found liable, the victim must show that the injury was foreseeable and that the employer's failure to supervise the employee more effectively was the proximate cause of the injury.

negotiation biases

Peter H. Kim

Negotiation biases are systematic deviations from rationality that occur during negotiations. All biases are based on the heuristics (mental rules) people use to simplify their decision processes. While these heuristics can promote more efficient decision making when they are used appropriately, they can systematically limit performance when their use is inappropriate. Negotiation researchers have identified four individual level mental rules that can bias performance in negotiations and three biases that are unique to the complexities of negotiation interaction (see Neale and Bazerman, 1991).

INDIVIDUAL-LEVEL BIASES RELEVANT TO NEGOTIATION

Framing describes the tendency to be risk averse when confronting potential gains and risk seeking when confronting potential losses (Kahne

man and Tversky, 1979). Depending on a negotiator's reference, that individual may perceive an offer as a potential gain and accept it (the risk averse decision), or perceive the offer as a potential loss and hold out for future, potential concessions (risk seeking).

Anchoring and adjustment describes the tendency to estimate values for unknown objects or events by starting from an initial anchor value and adjusting from there to reach a final answer. This bias affects negotiations because even arbitrarily chosen reference points will significantly influence how individuals estimate value, and those estimates will be insufficiently adjusted away from such arbitrary reference points (Slovic and Lichtenstein, 1971).

Availability describes how vivid information exerts a much greater impact on final decisions than equally informative, but pallid, information. The control of information (both the amount and mode of presentation) in negotiation can, therefore, provide the potential for manipulating negotiated outcomes (Neale, 1984).

Overconfidence describes the tendency of decision makers to demonstrate unwarranted levels of confidence in their judgment abilities. This bias leads negotiators to consistently overestimate the probability that their side's final offer will be accepted (Neale and Bazerman, 1983). This overconfidence may inhibit settlements even when there is room for a mutually beneficial agreement.

BIASES UNIQUE TO NEGOTIATION INTERACTION

The *mythical fixed pie of negotiations* describes the tendency of negotiators to approach negotiations with the perception that their interests necessarily and directly conflict. This bias often inhibits the discovery of mutually beneficial solutions. For some issues, negotiator interests may be entirely consistent; for others, negotiators may jointly gain if they each trade off less valued issues for issues they value more.

The *nonrational escalation of conflict* describes the tendency of negotiators to become trapped by their initial course of action. In negotiations, disputants commonly make extreme initial demands, and if negotiators become committed to these initial public statements, they may

nonrationally adopt and fortify a nonconcession ary stance and risk nonagreement.

Ignoring the cognitions of others describes the tendency of negotiators to not consider the cog nitions of their opponents. To improve perform ance, negotiators must adopt strategies for routinely examining the thoughts and percep tions of their opponents. Further, since indi viduals may have such a strong bias against considering the cognitions of others, negotiators need to incorporate the fact that their opponent may not be fully considering the cognitions of the focal negotiator either.

See also *negotiation tactics*

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negotiation tactics

Jeffrey T. Polzer

Negotiation tactics are the methods used by bar gainers to reach their negotiation goals. Most negotiation scholars distinguish between tactics intended to attain a high distributive outcome (i.e., claim value) and those intended to attain a high integrative outcome (i.e., create value) (Walton and McKersie, 1965; Raiffa, 1982; Lewicki et al., 1994; *see* DISTRIBUTIVE BAR GAINING; INTEGRATIVE BARGAINING). This distinction is useful for understanding negoti ation tactics, provided it does not obscure the idea that, in practice, attempting to claim and create value simultaneously is a fundamental tension faced by negotiators (Lax and Sebenius, 1986). As such, tactics of both types may be used in combination, or one tactic may even be used to accomplish both goals.

Because each negotiation party typically has incomplete information about the opponent's true preferences, tactics are used to convey and gather information. Tactics intended to claim value may convey information to the opponent about one's own bargaining situation (e.g., un willingness to concede) or one's commitment to undertake a course of action (e.g., threats to reach an impasse). Tactics intended to create value may, for example, convey information to the opponent about one's true preferences on the issues being negotiated. Other tactics, such as those intended to gather information about the opponent's preferences, may be used to either claim or create value. This latter example dem onstrates that while certain tactics are often used to send or gather particular types of information, it is often the use of the information and the accuracy with which it is transmitted that link the tactic to a particular outcome.

Many specific tactics are described in the negotiation literature. Some examples include making an extreme first offer, threatening to walk away if concessions are not granted, or using silence to elicit information from the op ponent. Most tactics involve risk. Distributive tactics may increase the chance that the oppon ent will become more competitive. Some in tegrative tactics, such as revealing one's true preferences, create the opportunity for an op ponent to take advantage of this information. Because of these risks, choosing an appropriate tactic or set of tactics can be difficult. Adding further complexity, the timing with which tactics are employed can moderate their effect iveness. Ethical considerations also frequently arise when a negotiator considers using tactics that convey incomplete, misleading, or even false information.

Contextual factors typically have a strong in fluence on the probability that various tactics will succeed. One of the most important factors in choosing tactics is the opponent. For example, while some opponents are likely to reciprocate contentious tactics, others may give in to them.

Of course, being able to predict the reactions of the other party to a particular tactic can greatly simplify the decision regarding which tactics to use. Frequently, however, tactics are most ef fective when applied forcefully, and this very force decreases the predictability of the oppon ent's reaction. Choosing appropriate tactics remains, in Raiffa's (1982) words, an art as well as a science.

See also *negotiation biases; strategic negotiations*

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nepotism policies

Cynthia D. Fisher

Nepotism is showing favoritism toward rela tives, spouses, or children of current employees when hiring new employees. The term also in cludes giving preference to a relative who is already employed when making any subsequent personnel decision, such as PROMOTION, work assignment, or pay adjustments. While some organizations feel that employing relatives results in a loyal and congenial workforce, most worry about the potential for actual or perceived unfairness, favoritism, or conflicts of interest when relatives work closely together.

To prevent potential problems, many organ izations have adopted antinepotism policies. The broadest form of antinepotism policy prohibits the employment of a relative of an employee anywhere in the organization, even at another site. Less broad policies prohibit the employ ment of related people at the same site, or in the same department. The narrowest type of antinepotism policy is a no supervision rule, which states that an employee may not have decision making authority (regarding job assign ment, PERFORMANCE APPRAISAL, hiring, or COMPENSATION) over a relative.

Antinepotism policies were invented to pre vent abuses and served this role reasonably well until the explosion of dual career couples (*see* DUAL EARNER AND DUAL CAREER COUPLES). Suddenly rules that were intended to prevent the hiring of unqualified relatives were prohibiting the hiring of very qualified individuals who just happened to be married to current employees. An even more difficult situ ation arose when coworkers met at work, fell in love, and married. Presumably both were hired on their own merits, but an antinepotism policy may decree that one must transfer to another department or leave the organization altogether.

Antinepotism policies have been challenged in US courts on the basis that they violate the First Amendment right to marry, have DISPARATE IMPACT on women, or violate state laws pro hibiting marital status discrimination. While cases taking the latter approach have been rela tively more successful, the courts have generally upheld no supervision rules. Employers who wish to have an antinepotism policy are advised to adopt a narrow policy (no supervision versus no relatives employed), have a compelling busi ness rationale for the policy, and enforce the policy even handedly.

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new employee orientation

Cynthia D. Fisher

New employee orientation is among the most common type of training offered by organiza tions (*see* TRAINING). A carefully planned orientation program creates a favorable first im pression of the organization among new hires, builds organizational commitment, provides new employees with the information they need to get started in a new job, helps to reduce the stress of coping with an unfamiliar environment, speeds socialization, and may improve retention.

A new employee orientation program should have two components, administered by different individuals. First, there should be one or more formal presentations by human resource profes sionals aimed largely at administrative and or ganization wide issues. Some of these issues must be dealt with on the first day at work; others can wait for several weeks until there is a small group of newcomers who can be oriented as a class. The formal sessions might include the following: (1) rules and procedures (pay and BENEFITS, work hours, EMPLOYEE HAND BOOK); (2) safety procedures, fire evacuation procedures; (3) administrative formalities (pay roll forms, insurance enrolment forms); (4) tour of the facility; and (5) information about the organization's history, mission, goals, and values (perhaps including a talk by a senior manager or a videotaped message from the chief executive officer).

The second component of new employee orientation is conducted on the job by the im mediate supervisor (*see* ON THE JOB TRAINING). A checklist provided to the imme diate supervisor assures that all relevant informa tion is covered over the course of the first few weeks on the job. Topics to be included in the orientation by the superior include: (1) informa tion about the job, duties, procedures, manuals, performance expectations, workstation, equip ment, location of needed resources, authority to make decisions, and so forth; (2) introduction to coworkers, including possible assignment of a "buddy" to answer questions; (3) information about the department, goals, rules, schedules, work flow, and relationships to other depart ments and clients; and (4) discussion of career goals, training needs, PERFORMANCE AP PRAISAL and PROMOTION practices, and so on.

See also *organizational socialization*

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non-compete agreements

Barbara A. Lee

If an employer employs an individual or indi viduals with specialized training or knowledge, or whose skills are highly valuable to that em ployer and its competitors, the employer may require the employee to sign a non compete agreement. These agreements restrict the em ployee from working for competing organiza tions, typically for a limited period of time and within a limited geographic area. Non compete agreements that completely bar an employee from any employment in his or her occupation are usually not enforced by the courts because they are viewed as unreasonable.

nonunion employee grievance procedures

Douglas M. McCabe

Nonunion employee grievance procedures, de fined as the procedural requirements with re spect to the processing of employees' complaints in nonunion companies, are a form of employee voice, ALTERNATIVE DISPUTE RESOLUTION procedures, and industrial justice

systems (McCabe and Lewin, 1992). To be valid within a nonunion organizational context, non union complaint procedures must provide for both PROCEDURAL JUSTICE and DISTRIBU TIVE JUSTICE (McCabe, 1988a, b). Three types of nonunion complaint procedures in ascending order of complexity and formality are : (1) open door policies; (2) peer review systems and in ternal corporate tribunals; and (3) nonunion grievance arbitration systems (McCabe, 1988a, b; McCabe and Peterson, 1994). A description of each of these three types of procedures follows.

OPEN-DOOR POLICIES

An open door policy is one in which manage ment is motivated by a desire for employees to feel comfortable – and without fear of retribution – in going over the heads of their immediate supervisors in search for just and equitable answers to personal and organizational problems. But, inasmuch as management deems it imprac tical for all its doors to be open at all hours and under all circumstances to employees, a more or less formally structured system is prescribed for an employee's appeals upward through manage ment to the highest level authorized in the firm's EMPLOYEE HANDBOOK. In short, manage ment's doors are open to employees but only under very limited conditions, which differ from company to company (McCabe, 1990).

PEER REVIEW SYSTEMS AND INTERNAL CORPORATE TRIBUNALS

An increasingly large number of firms and or ganizations – sometimes totally disenchanted with seemingly underutilized open door com plaint and grievance procedures – are establish ing internal tribunals and peer review panels to resolve conflicts over promotions, disciplinary actions, and discharges. Some consist of three peers of the aggrieved employee and two man agement representatives, and their decisions are final and binding on both employer and em ployee (McCabe, 1988a, b). While numerous variations exist among companies in the compos ition of their internal tribunals, the favored type is a tribunal whose members include both man agement personnel and nonsupervisory em ployees. On one issue agreement exists among the companies that provide internal tribunals for the resolution of employees' grievances: the

desire of their top management that the members of the tribunals perform their work with the impartiality and objectivity which are the foundation for justice in the jury system (McCabe, 1988a, b).

NONUNION GRIEVANCE ARBITRATION SYSTEMS

ARBITRATION of employees' grievances in the nonunion arena or setting is similar in structure and procedure to arbitration in the unionized company. An arbitrator is a neutral third party who renders a final and binding decision be tween the employer and the employee (the two contending parties), who cannot mutually arrive at a satisfactory resolution of their conflict (in this case, the employee's complaint).

An important feature of nonunion grievance arbitration is that the scope of the arbitrator's authority is limited to that stipulated by the contending parties. Furthermore, the selection of an arbitrator is by mutual agreement of the parties.

Why would a company permit its employees to invoke arbitration? The inducement is that its availability should assure employees that their company is fair minded because employee griev ances are settled on neutral ground. However, this nonunion grievance procedure is rare in practice because most firms do not wish to grant a right of third party arbitration of complaints and grievances to nonunionized employees (McCabe, 1989; McCabe and Rabil, 2002a, b).

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nonunion firms

P. B. Beaumont

Nonunion firms do not recognize trade unions for COLLECTIVE BARGAINING purposes. This may be the case in single establishment firms or in multi establishment firms; in the latter case all of the individual employment establishments or plants of the firm may be nonunion or only a (minority) proportion of them. If the firm is a multinational one it may operate on a nonunion basis in its country of origin, but recognize unions for collective bargaining purposes in other countries (or vice versa). This is the case with a number of well known US firms. For example, IBM recognizes unions in Germany; McDonald's recognizes unions in Germany, Spain, China, and Mexico.

Historically, INDUSTRIAL RELATIONS re searchers have paid relatively little attention to nonunion firms, concentrating instead on the processes and outcomes of collective bargaining in unionized organizations. This position has begun to change in recent years as a result of the decline in union membership and collective bargaining in a number of advanced industrial ized economies, and the rise of more individual employee oriented human resource manage ment (HRM) practices. The small, but growing, body of research on nonunion firms had its origins in work carried out in the US and Brit ain, but has more recently spread to other coun tries, most notably Australia, Canada, and Ireland.

A COMPARATIVE PERSPECTIVE

As an initial perspective on nonunion firms it is useful to distinguish between (1) centralized European and (2) decentralized North American industrial relations systems, with nonunion firms being much more a feature of North American industrial relations systems. Britain fits, somewhat awkwardly, in the latter because of its decentralized operations.

In the European systems the extensive cover age and influence of multi employer, centralized (national, industry, or regional levels) collective bargaining arrangements account for the limited presence of nonunion firms. In such systems the decision of individual firms to join an employer's association, as the bargaining agent or represent ative at, for example, the industry level, is the all important decision that effectively accords recognition to unions for collective bargaining purposes. Why are so many firms willing to make this decision in the European context? Partially because of frequent system wide in centives to do so. For instance, in countries like Germany and Finland, national level legislation extends collectively bargained terms and condi tions to all employers; hence the incentive to be a party to the initial bargaining. Furthermore, many firms appear to view the "costs" of collect ive bargaining to be much lower in centralized systems. For example, the size of the union relative wage effect is much smaller in such systems (Freeman, 1994), and a relatively high degree of MANAGEMENT PREROGATIVES can be maintained at the plant level. If works coun cils are mandated at the plant level they are more likely to act as cooperative, joint problem solv ing bodies (Freeman and Rogers, 1993), because the centralized bargaining arrangements handle the more contentious issues.

THE PRIORITY ATTACHED TO UNION AVOIDANCE

Some nonunion firms apparently do not attach, at least in answers to survey questionnaires, a particularly high priority to union avoidance. Such organizations are likely to be relatively small sized, single establishment firms that can rely on their low visibility (and appeal) to unions, particularly given the severe organizing con straints facing unions in many systems in more recent times.

In contrast, research in the US has indicated that in a sizable (and growing) proportion of nonunion firms, managements attach a high

priority to union avoidance, particularly where they face severe product market pressures and low levels of workforce unionization (Kochan and Katz, 1986: 195–8; Cooke, 1990: 72–3). In Britain, one establishment level survey indicated that approximately one third of nonunion establishments attached a relatively high priority to union avoidance (Beaumont and Harris, 1994). These were establishments that had similar organizational and workforce characteristics to traditionally unionized establishments; hence their concern about being a target for union organizing efforts. That is, they were relatively large sized, manufacturing sector establishments that employed a high proportion of male skilled workers. In other words, they were very different to the *average* nonunion establishment in Britain, which is a relatively small sized, service sector establishment that is not part of a large, multi establishment organization.

One of the most important individual findings to emerge from British establishment level research is the strong, positive relationship between new or younger establishments and nonunion status. This relationship, which has become much closer from the 1980s compared to previous years, seems to reflect a combination of increased management opposition to unions and the limitations of contemporary union organizing efforts. A similar relationship has been reported for both the US and Japan (Freeman, 1989: 116).

The Means of Avoiding Unions

Given the priority which some nonunion firms attach to union avoidance, it is important to explore the mechanisms or means used to attain this end. Statutory union recognition provisions are much more a feature of decentralized (North American) industrial relations systems than of centralized (European) ones. Accordingly, a great deal of research in the US has concentrated on the forms and outcomes of employer opposition to union organizing efforts in the context of union REPRESENTATION ELECTIONS. The central conclusion of this research is that employer opposition can take a variety of forms (both legal and illegal), and is the major determinant of union losses in representation election, or, given an election victory, a failure to negotiate a first contract (Freeman and Medoff,

1985: 221–45). In Canada the statutory recognition provisions appear to have yielded more favorable outcomes to the unions because of the use of membership card checks, the imposition of time limits on elections, and the use of ARBITRATION for first contract disputes.

In Britain in the 1980s and 1990s, where statutory recognition provisions were not in operation (they were reintroduced from 1999), considerable research focused on organizations where management reverses its previous (voluntary) decision to recognize unions in individual bargaining units (*see* BARGAINING UNIT) or individual plants. Such reversals of recognition cases have attracted considerable media publicity, although they are relatively few in number and occur predominantly in situations where existing union membership levels are already low and falling. In both Britain and the US, increased research attention is being given to large, multi establishment firms which operate their establishments on both union and non union bases. In the US, research has indicated that this practice is particularly associated with firms where existing workforce unionization levels are relatively low and where greenfield site plants are opened with the extensive use of HRM practices (Kochan, McKersie, and Chalykoff, 1986; *see* GREENFIELD SITES). In Britain this particular manifestation of employer opposition has grown through time, and is especially associated with the opening of new plants by firms pursuing a relatively diverse business strategy and growing through the process of mergers and amalgamations.

The Role of HRM

The initial emergence of HRM was largely associated with certain well known nonunion firms in the US, a relationship which obviously helps to account for some of the early union concerns about such practices. Within the nonunion sector one would expect such practices to be associated with the better standard "union substitutionists" (Kochan and Katz, 1986: 191–5), which seek to limit their employees' demand for union representation by providing a relatively high level of JOB SATISFACTION via a favorable set of employment terms and conditions; job dissatisfaction and positive perceptions of union instrumentality remain the best predictors

of "union interest among nonunion employees." This approach contrasts with the lower standard "union suppressionists," who provide relatively poor terms and conditions of employment, and instead rely on their small size (and low visibil ity) and recruitment and dismissal practices to avoid union organization.

Some US research certainly indicates that HRM practices have been influential in helping some nonunion organizations to maintain this status (Foulkes, 1980; Fiorito, Lowman, and Nelson, 1987). But both US and British survey evidence (Sisson, 1993; Kochan and Osterman, 1994) suggests that many HRM practices are currently more a feature of the union than the nonunion sector. One partial explanation of this finding is that the union substitutionists only constitute a minority of the nonunion sector as a whole. This suggests that more research atten tion be given to trying to account for variation in the use of such practices within the nonunion sector, rather than solely concentrating on inter sectoral comparisons.

In summary, nonunion firms are of growing importance in decentralized systems of indus trial relations, a relationship which has produced a growing body of research. This research is primarily concerned with the characteristics of such organizations, the priority attached by management to union avoidance, and the methods used to achieve this end. The nature and impact of employee voice mechanisms in nonunion organizations has become a particu lar center of research interest in most recent years.

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norms

Linda S. Gottfredson

A score on a standardized test is interpreted by comparing it to some external standard. When scores are compared to those of some reference population, they are called norm referenced; when compared to some absolute performance standard, they are criterion referenced. Norms are the distributions of scores (means, standard deviations, etc.) for a test's various reference groups. Normed test scores are most commonly reported as percentile ranks or standard scores, such as z, T, or IQ scores. Age and grade equivalents are some times reported, especially for achievement tests in elementary school, but they have more tech nical disadvantages and are prone to misinter pretation. Latent TRAIT or "scaled" scores provide a new form of developmental norms that solve some but not all the interpretive prob lems of age and grade equivalents.

Norm groups (also called reference groups, normative samples, or standardization samples) may be national or local, and represent different age, grade, or social groups. Broad or narrow, however, they must be representative of the populations in question, clearly defined and de scribed, and appropriate for their intended pur poses. Intelligence testing compares scores of children of the same age (*see* INTELLIGENCE TESTS). Academic achievement tests typically compare the scores of children in the same grade and often from the same school or geo graphic area. An employer might compare the aptitude scores of job applicants to those of individuals hired at particular plants in the last five years. PERSONALITY TESTS and VOCA TIONAL INTEREST INVENTORIES often pro vide separate norms for males and females for COUNSELING purposes. The US CIVIL RIGHTS ACT OF 1991 outlawed the use of scores normed separately by race, color, religion, sex, or national origin for purposes of selection or referral in employment.

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Norris-LaGuardia Anti-Injunction Act of 1932

Charles E. Krider

The Norris LaGuardia Act was passed by Con gress to limit the ability of courts to intervene in labor disputes by issuing injunctions. The Act did not create any new rights for unions.

At the time Congress had passed no statutes, except for the RAILWAY LABOR ACT OF 1926, that either encouraged or discouraged unions. The courts, however, were able to intervene in labor disputes without statutory guidance by issuing injunctions to regulate tactics or object

ives that were not viewed favorably. For example, a STRIKE for a union shop might have been subject to an injunction even if no statute made such an objective illegal. PICKETING and SECONDARY BOYCOTTS could be stopped by an injunction. Injunctions were almost always used by courts against unions, which gave rise to the charge that unions were subject to government by injunction.

The Norris LaGuardia Act sought to limit injunctions by defining the term labor dispute more broadly than the Supreme Court had pre viously done. The key provision of the Norris LaGuardia Act is that "No court of the United States shall have jurisdiction to issue any re straining order or temporary or permanent in junction in any case involving or growing out of any labor dispute." The term labor dispute was defined to include cases that involve persons (not just employees) "who are engaged in the same industry, trade, craft, or occupation; or have direct or indirect interests therein; or who are employees of the same employer; or who are members of the same or an affiliated organiza tion of employers or employees." This made clear that the courts were *not* to narrowly con strue the definition of a labor dispute, and, thereby, avoid the injunction prohibition of this Act. The Act did not affect the legality of union activities but only said federal courts could not issue injunctions.

The Act permits the issuance of an injunction in a few instances, particularly when there are unlawful acts or if there are substantial and ir reparable injuries to property. This includes violent acts. Other exceptions are for a National Emergency Strike under the LABOR MANAGE MENT RELATIONS ACT OF 1947 and for strikes in violation of a no strike promise.

The meaning of the Norris LaGuardia Act is that the federal government for the first time in US history was neutral in disputes between unions and management. Each was able to use its economic power to achieve its labor relations objectives without the opposition or support of the federal courts. The time from 1932 to 1935 was a brief period of *laissez faire* for unions and management. Governmental neutrality ended in 1935 with the passage of the NATIONAL LABOR RELATIONS ACT OF 1935, which encouraged unions and COLLECTIVE BARGAINING. The

Norris LaGuardia Anti Injunction Act also made "yellow dog" contracts illegal. These were promises made by employees that they were not union members and would not join a union during the duration of their employment.

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O

occupational choice

Jeffrey H. Greenhaus

Occupational choice refers to the process by which individuals select an occupation or career field to pursue CAREER CHOICE. Comprehensive reviews of the theoretical approaches to occupational choice may be found in Brown and Brooks (1990) and Osipow (1990). An examination of the research on occupational choice and related phenomena is published annually in the October issue of the *Journal of Vocational Behavior*.

THEORETICAL APPROACHES TO THE STUDY OF OCCUPATIONAL CHOICE

Several different, although not mutually exclusive, theoretical perspectives on the occupational choice process have emerged over the years. One of the most popular has been the *matching approach*, which asserts that individuals tend to choose occupations that match their unique set of needs, motives, values, and talents. Holland's (1985) typology of personality and occupational environment and the work adjustment theory of Dawis and Lofquist (1984) are prominent examples of this approach.

The *developmental* approach views occupational choice as a process that unfolds and evolves over time. The most influential developmental perspective has been provided by Super (1990), who proposed that people progress through different stages of career development that permit them to form a self concept and express that self concept in an occupational decision.

Other researchers focus on the psychological *decision making process* that guides a person in the selection of a specific occupation. This per spective has examined how people combine and weigh information about different occupations to arrive at an occupational choice, and has studied the reasons why people may become undecided about what occupational path to pursue. One decision making approach, social learning theory, emphasizes the role of SELF EFFICACY expectations – personal beliefs about competence in a particular area – in occupational choice (Hackett and Betz, 1981). It is believed that people tend to enter occupations for which they hold strong self efficacy expectations.

ADDITIONAL ISSUES IN THE STUDY OF OCCUPATIONAL CHOICE

In addition to the ongoing development and refinement of theories on how people select occupations, it is expected that research will continue to address a number of significant and timely issues. One burgeoning area of study is the role of gender in occupational choice. It is increasingly questioned whether the theories on men's occupational choice are applicable to women or whether unique theories of women's occupational choices need to be developed (Fouad, 1994). A similar question has been raised about the occupational choices of American minorities (Smith, 1983). It is possible that the unique barriers and obstacles experienced by minority group members render traditional theories of occupational choice less relevant for this group. Finally, research on the occupational choices of adult employees is likely to expand in the years ahead. Corporate DOWNSIZING and restructuring will require adults of all ages to reevaluate their career goals and redirect their careers into different occupational areas. Considerable research will be required to help this growing segment of the population.

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occupational injury/illness measurement

Donna E. Ledgerwood

In the past, measurement of occupational injuries was calculated strictly in terms of frequency rates and severity rates. The American National Standards Institute (ANSI) provides employers with voluntary guidelines for measuring and reporting these same factors, which today are called incidence rates. Incidence rates are also known as "safety ratios," and are defined as an injury/illness rate based upon 200,000 employee hours, which is approximately the hours worked by 100 employees during a 50 week period at 40 hours per week (Editorial, 1993a, b). (For more information on incidence rates or safety ratios, contact the National Safety Council.)

New guidelines for hiring competent persons with relevant knowledge, skills, abilities, and other factors (*see* KSAOS) are being explicitly

stated by standards of the ANSI. Related to the ANSI standards are the International Standards Organization's 9000 and 14,000 standards (*see* ISO 9000).

The world is becoming increasingly aware that health and safety standards are not theories which should be confined to the bookshelves of a safety officer or in the human resource department of a firm. These standards are the realities of all managers and should be a part of each employee's JOB DESCRIPTION and PERFORMANCE APPRAISAL.

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Occupational Safety and Health Act of 1970

Vida Scarpello

The purpose of the Occupational Safety and Health Act of 1970 (OSHA) is to provide safe or healthful employment. The passage of OSHA was motivated by: (1) ineffectiveness of state workers' compensation laws as a means of solving safety and health problems; (2) inadequate safety and health regulation at the federal level; and (3) increased industrial injuries (Ledvinka and Scarpello, 1991).

OSHA covers nearly every private sector place of employment. The Act is reasonably brief and straightforward. Voluminous and technically complex, however, are the written regulations issued pursuant to OSHA.

Part 1 of section 5(a) specifies that each employer must provide each employee a place of employment that is free from recognized hazards which either are causing or are likely to cause serious physical harm or death. This mandate is usually referred to as the "general duty" clause because not only does it impose the obligation to comply with specific safety and health standards, promulgated under the Act, but it also imposes the general duty of eliminating safety and health hazards that are not covered by any standard (Ledvinka and Scarpello, 1991).

Part 2 of section 5(a) presents a different kind of burden on employers, that of comprehending and complying with an exceptionally long and detailed set of mandatory safety and health standards. Those standards, promulgated by the Secretary of Labor (section 6) are defined in section 3(8) of the Act as standards which are reasonably necessary or appropriate to providing safe or healthful employment. The employer is also obligated to allow the government to inspect the workplace at reasonable times (section 8(a)(1)); to investigate, and to question privately, employers, owners, operators, agents, or employees (section 8(a)(2)); to make available records regarding activities related to the Act (section 8(c)(1)); and to refrain from retaliating against employees who exercise their right to request inspections when they believe that there is a violation of a safety or health standard that threatens physical harm, or when they believe an imminent danger exists.

During congressional hearings on OSHA, management and unions agreed that health hazards were the major problems warranting government regulation (Ashford, 1976; Bingham, 1978; Mendeloff, 1979). Consequently, section 6(b)(7) mandates that any standard must prescribe use of labels or other warnings to insure that employees know of all hazards to which they are exposed and the consequences of those exposures. The hazard communication standard requires employers to inform and train all employees who may be exposed to hazardous chemicals, either during foreseeable emergencies or during their work routines, and to inform them when a new hazard is introduced into the workplace (Editorial, 1988). Additionally, the hazards communication standard states that employees must be provided with a master list of hazardous chemicals and told where those chemicals are located in the workplace. The employer must also keep material safety data sheets (MSDs) on all hazardous chemicals present in the workplace. Besides employer obligations, section 5(b) imposes a broad set of obligations on employees. Nevertheless, the Act does not contain penalties for violation of employee obligations. For all practical purposes, the OSHA law regulates employer compliance but not employee compliance.

OSHA is enforced and administered by a complicated regulatory apparatus with responsibilities divided among five agencies. These agencies are as follows.

1   The OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, a branch of the US Department of Labor, is responsible for (a) establishing safety standards, (b) allowing variances from those standards, (c) conducting inspections of workplaces, (d) issuing citations for OSHA violations, (e) safety consultation, and (f) research of selected injuries.
2   The Occupational Safety and Health Review Commission (OSHRC) issues citations and thus operates as a trial court, similar to the way US district courts operate in violations of Title VII of the CIVIL RIGHTS ACT OF 1964 (Ledvinka and Scarpello, 1991).
3   US Court of Appeals, which serves as the appeal for OSHRC rulings.
4   NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH (NIOSH), which has two principal functions: (a) training, with emphasis primarily on training OSHA inspectors and other personnel associated with OSHA enforcement; and (b) research into job safety and health, focused primarily toward creating new safety and health standards.
5   States, which have approved occupational safety and health plans. OSHA allows individual states to take over the responsibilities for occupational safety and health, provided the state's standards are at least as rigorous as those under the federal OSHA law.

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Occupational Safety and Health Administration

Donna E. Ledgerwood

As mandated in the OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970, the Occupational Safety and Health Administration (OSHA) was established as a part of the Department of Labor. OSHA was given the responsibility for seven major activities:

1 to encourage employers and employees to reduce workplace hazards and to implement new or improve existing safety and health programs;
2 to provide for research in occupational safety and health to develop innovative ways of dealing with occupational safety and health problems;
3 to establish separate, but dependent, responsibilities and rights for employers and employees for the achievement of better safety and health conditions;
4 to maintain a reporting and record keeping system to monitor job related injuries and illness;
5 to establish training programs to increase the number and competence of occupational safety and health personnel;
6 to develop mandatory job safety and health standards and enforce them effectively; and
7 to provide for the development, analysis, evaluation, and approval of state occupational safety and health programs.

Basically, OSHA was established to set forth and to monitor safety and health programs related to workplace conditions within the physical parameters of the organization itself. The major areas of concern were to be studied and reported by the NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH (NIOSH), along with recommendations to assist OSHA in enforcing these industry standards.

Standards which are industry specific are called vertical standards, while general standards applying to all industries are called horizontal standards. The Code of Federal Regulations (CFR) is the vehicle which prints all vertical and horizontal federal standards. Guidelines for managing workplace safety are described in OSHA's pamphlet, *All About OSHA*, published by the US Department of Labor.

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Office of Federal Contract Compliance Programs

Leonard Bierman

The Office of Federal Contract Compliance Programs (OFCCP) of the US Department of Labor enforces various presidential EXECUTIVE ORDERS relating to employment DISCRIMINATION and AFFIRMATIVE ACTION with respect to federal contractors. The principal executive order administered by the OFCCP is executive order 11246 promulgated by President Lyndon Johnson in 1965. The agency's most severe sanction is "debarment," or prohibiting a company from receiving federal government contracts. The role of the agency has come into question given recent US Supreme Court decisions limiting affirmative action programs in the context of federal government contracting.

on-the-job training

Timothy T. Baldwin

On the job training (OJT) involves assigning trainees to jobs and encouraging them to observe and learn from experienced job incumbents or supervisors. OJT is the most widely used training strategy and is favored for its low cost and the opportunity it provides for immediate feedback. It also facilitates positive transfer of training by allowing trainees to learn with the actual materials, personnel, and machinery that comprise the job. Unfortunately, OJT is often used haphazardly and its success is contingent on the capacity and willingness of job incumbents to take time from regular work duties to provide effective instruction and guidance.

See also *training*

organization development and change

Richard W. Woodman

Organization development and change, also known as organization development (OD), is a field of applied behavioral science focused on understanding and managing organizational change. OD is both a field of social and manager ial action and a field of scientific inquiry (Cum mings and Worley, 2001). The action side of the field is of greatest interest for human resource managers and professionals, although successful change programs rely on valid, scientifically ac quired knowledge of individual, group, and or ganizational behavior. OD is not a single CHANGE MANAGEMENT technique, but rather a collection of techniques that have a certain philosophy and body of knowledge in common.

DEFINITIONS AND CHARACTERISTICS

Some formal definitions of organizational change and development help to frame the boundaries and identify the focus of the field. According to Cummings and Worley, OD "is a systemwide application of behavioral science knowledge to the planned development, im provement, and reinforcement of the strategies, structures, and processes that lead to organiza tion effectiveness" (2001: 1). French and Bell focus on organizational participants: "Basically, organization development is a process for teach ing people how to solve problems, take advan tage of opportunities, and learn how to do that better and better over time" (1999: xiii). Wood man suggests that organization development and change "means creating adaptive organizations capable of repeatedly transforming and reinvent ing themselves as needed to remain effective" (1993: 73).

Organization development is typically charac terized by: (1) developing individual commit ment to needed change; (2) changing whole systems and processes, in contrast to piecemeal change approaches; (3) relying on action re search and other collaborative change philoso phies and techniques; and (4) emphasizing both organizational effectiveness and human fulfill ment through the work experience. In addition, another key characteristic of OD is particularly instructive for the training function in organiza tions (*see* TRAINING). OD typically places equal emphasis on solving immediate organizational or work team problems and on the long term de velopment of an effective, adaptive organization. Thus, the most effective training, from the OD perspective, is that which not only helps em ployees solve current problems but also prepares them to solve future problems facing the organ ization.

ORGANIZATION DEVELOPMENT AND HUMAN RESOURCE MANAGEMENT

Church, Waclawski, and Berr (2002) surveyed internal and external human resource manage ment (HRM) and OD professionals with regard to what types of OD related services are cur rently most in demand. Their respondents reported that executive coaching and develop ment, team building and team effectiveness (*see* TEAM BUILDING TRAINING), facilitating strategic organizational change, systemic integ ration of change initiatives, and diversity and multiculturalism programs were receiving the most attention.

In addition, surveys of the Fortune 500 indus trials and the Fortune 500 service firms indicate that the practice of organization development, as well as the location of OD staff in these large corporations, is most commonly found within the HRM function (McMahan and Woodman, 1992). Further, among the change management issues identified by these surveys as crucial to organizational success is the problem of linking human resource activities to organizational strat egy. The human resource training function can make major contributions to organizational ef fectiveness by linking with and supporting the firm's internal OD activities as well as the overall strategy and goals of the organization (Woodman and Pasmore, 2002). In general, the field of organization development and change provides a promising arena for human resource managers to contribute to organizational effect iveness.

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organizational culture and selection

Benjamin Schneider and D. Brent Smith

The predominant model for PERSONNEL SELECTION is one based on a fit or match of people's knowledge, skills, abilities, and other characteristics (*see* KSAOS) to the demands of a job. While this approach has proven effective for the prediction of JOB PERFORMANCE, there are other kinds of performance, referred to as "contextual performance" (Motowidlo and Van Scotter, 1994), that are necessary for an organization to survive and prosper. Behaviors consistent with contextual performance include cooperating with others, protecting the organization from harm, offering suggestions for improvement, and so forth. While an organization can promote such a culture by erecting policies, practices, procedures, and REWARD SYSTEMS consistent with the display of contextual behaviors, it can also be facilitated through the selection of people most likely to display these behaviors.

Most consider the maintenance and perpetuation of organizational culture a byproduct of the process of socialization and acculturation (*see* ORGANIZATIONAL SOCIALIZATION) whereby the basic values and beliefs of an organization are transmitted to and subsequently internalized by newcomers. The culture to which newcomers are exposed is, in turn, maintained by the policies, practices, procedures, and reward systems that have emerged over time in the organization. Both the traditional personnel selection model that focuses on task performance and the socialization and acculturation models of newcomer entry have ignored the potential for hiring people who will display contextual performance in their everyday behavior. Thus, as Schein (1992: 243) suggests, "One of the most subtle yet most potent ways through which cultural assumptions get embedded and perpetuated is the process of selecting new members." Schneider (1987) places similar emphasis on the importance of selection for the preservation of organizational culture, as do Bowen, Ledford, and Nathan (1991).

There is mounting evidence to indicate that organizations might be able to select newcomers who are more likely to display the kinds of contextual performance organizations require. O'Reilly, Chatman, and Caldwell (1991), for example, have shown that when people's values fit the values of the organizational culture they are more committed to the organization – and more committed people display higher levels of contextual performance. Motowidlo and Van Scotter (1994) have shown that personality attributes (such as dependability, cooperativeness, and internal control) predict contextual performance more strongly than they predict task performance. While there is as yet sparse literature on the relationship between culture and selection, these few studies suggest that particular personalities are more likely to display contextual performance and, further, that people whose values fit the culture of the organization are also more likely to display these behaviors.

Although there are certainly positive consequences associated with increased contextual performance, one caveat is worth noting. To the extent that contextual performance is promulgated, "healthy dissent" may be suppressed because it runs counter to the prevailing values embedded in the organization's culture. Reminiscent of the predictions of Schneider's ATTRACTION–SELECTION–ATTRITION model, Borman and Motowidlo (1992: 94) caution that when contextual criteria are valued in the extreme, it could lead to "a severely homogeneous, inbred organization and inhibit its ability to be

flexible and to change when market or other external factors require a sharp departure from the status quo.''

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organizational socialization

Cynthia D. Fisher

Organizational socialization is the process of learning the ropes in an organization, or moving from naive newcomer to fully informed insider. As newcomers become socialized, they learn about the organization and its history, values, jargon, culture, and procedures. They also learn about their work group, the specific people they work with on a daily basis, their own role in the organization, the skills needed to do their job, and both formal procedures and informal norms. Socialization functions as a control system in that newcomers learn to internalize and obey organizational values and practices.

Socialization takes place over weeks or months. It occurs through both formal methods, such as NEW EMPLOYEE ORIENTATION, TRAINING, coaching, and MENTORING PROGRAMS, and by informal methods, such as advice from coworkers, observation, experience, and trial and error.

Some authors have distinguished three stages in the socialization process. The first stage is anticipatory socialization, and includes the learning and adaptations newcomers make prior to actually joining the organization. The selection process can be one source of information about the organization, and correct anticipatory socialization should be facilitated by REALISTIC JOB PREVIEWS. The second stage is sometimes called ''encounter.'' In this stage, the newcomer may suffer from reality shock and unconfirmed expectations if anticipatory socialization was found to be inaccurate. This is often a traumatic period of rapid learning, during which the newcomer is regarded as a rookie by others in the organization. The third stage has been called mutual acceptance, adaptation, or metamorphosis. In this stage, the newcomer makes a place for himself or herself and becomes accepted as a full insider. The newcomer may change his or her values or work styles to fit the organization, but also may negotiate some accommodation by the organization for his or her own preferences.

Effective socialization results in greater JOB SATISFACTION, organizational commitment, and self confidence at work, and reduces stress and the likelihood of EMPLOYEE TURNOVER.

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outplacement

Mark L. Lengnick Hall

Outplacement is the process by which an individual whose employment has been terminated

makes the transition from one employer to an other work situation with the assistance of reem ployment professionals and appropriate support services, provided by the former employer (Lee, 1991). In its most basic form, the purpose of outplacement is to help a terminated employee find a new job or career. While assistance is offered, the responsibility for finding a new job or changing careers remains with the employee. In addition to job and career counseling, out placement services typically include some form of emotional support and assistance in coping with the stress of JOB LOSS.

About 90 percent of all major companies now use outplacement, as do a great many smaller organizations (Lee, 1991). Men are the predom inant recipients of outplacement services. Women who receive outplacement services tend to be younger than men by about five years, and they are more often single (Lee, 1991). Worldwide, women represent a very small percentage of outplacement recipients, largely due to their underrepresentation in the managerial and professional workforce.

Outplacement is a relatively recent organiza tional activity. The earliest efforts to provide outplacement occurred after World War II in the US, when the armed forces greatly reduced their numbers. However, outplacement did not become a common practice in business organiza tions until the 1980s.

Researchers have theorized that terminated employees react to job loss and unemployment through a series of stages (Latack and Dozier, 1986). Stages of job loss include: (1) denial (re fusal to believe in the reality of the situation); (2) grief and depression (questioning per sonal competence, feelings of guilt); (3) anger (blaming others and the organization for creating the situation); and (4) acceptance (willingness to let the past go, taking from it the experience needed to build one's future). Stages of un employment include: (1) relaxation and relief (a release of the tension built up as the individual anticipated the layoff and a chance to catch up without the daily pressure of a job); (2) concerted effort (an optimistic JOB SEARCH campaign); (3) vacillation and doubt (questioning EM PLOYABILITY and anger at continued un employment); and (4) resignation (withdrawal and reduced and infrequent job seeking).

Outplacement activities are designed to ease the difficulties associated with job loss and un employment. Key components of outplacement programs include: (1) departure assistance; (2) personal support; (3) career assessment and counsel; (4) personal assessment and counsel; (5) career planning; (6) job search; (7) marketing counsel; and (8) administrative services (Lee, 1991). Outplacement services can be provided in house or contracted out to a consulting ser vice. The primary advantage of providing in house outplacement services is lower costs. Con sulting services typically charge organizational clients a fee of 15 percent of the individual employee's total annual COMPENSATION, and there may be additional administrative charges. The duration of services provided can range from two weeks to 18 months or more. Consult ing services offer some advantages that cannot be achieved through in house outplacement. For example, consulting services provide professional advice on proper pre termination planning, consulting services can provide ter minated employees more candid feedback about reasons for their termination, the human resource staff is relieved from much of the time consuming details, and the consulting service provides space away from the organization for the terminated employee to use during outplace ment activities.

Programs for senior executives, middle man agers and professionals, and first level super visors usually differ in form and content. Senior employees receive longer, more individu alized outplacement benefits than more junior employees. According to the Corporate Leader ship Council (CLC) brief (2002), which focused on the pharmaceutical industry, companies offer counseling sessions and office space either off site or on a different floor for senior employees. Counseling sessions can include assessment workshops to understand if exiting employees want to change their field, and/or interpersonal reflection to help employees deal with job loss. Another CLC study (2001) looked at outplace ment trends in the energy (utilities), consumer products, and heavy manufacturing industries. They also found that the outplacement benefit depended on the employee's corporate grade and salary level. Senior officers could receive up to $30,000 in customized services, and nonexempt

employees receive approximately $3,000 in basic services such as workshops in interviewing skills and resume writing. In some companies, officers may receive different outplacement help contingent on stipulations in their employment contracts or employees can negotiate their outplacement deal.

Both the organization and the individual may benefit from effective outplacement services (Lee, 1991). According to Drake Beam Morin, a leading provider of strategic human resource solutions, the top five benefits of outplacement to the organization are that it:

1   improves the organization's internal and external image (78 percent);
2   helps reduce litigation (72 percent);
3   reduces stress on managers responsible for implementing organizational changes (68 percent);
4   provides a good return on investment (64 percent);
5   improves the morale of retained employees (59 percent).

The individual benefits by: (1) receiving professional support to adjust to the job loss; (2) receiving assistance in career planning, self assessment, and job search strategies; and (3) having access to resources, such as databases, reference libraries, personal computers, and so forth.

Organizations should have outplacement policies before the need arises. Several issues addressed ahead of time can facilitate effective and efficient delivery when needed. Outplacement policies should clarify: (1) who is eligible to receive it; (2) what services are provided; (3) the duration of services provided; and (4) how services will be provided.

Research suggests that outplacement activities can be effective. One study (Stybel, 1981) compared two groups of 60 persons, in which one group received outplacement while the other did not receive any assistance. At the end of three months, 90 percent of the employees who received outplacement had obtained jobs, while only 55 percent of the other group had obtained jobs. The average salary was 36 percent higher for the employees who receive outplacement. In a US Department of Labor study (Wegman, 1979), 1,000 persons were assigned to one of five job search assistance programs or to a control group receiving no assistance. The job search assistance groups were almost twice as likely to be successful as the control group.

In summary, outplacement is a human resource program designed to ease the transition of a terminated employee to another job or career. It can benefit both the organization and the terminated employee. Specific outplacement programs differ, depending upon the managerial level of the employee (executive, middle, and so forth) and occupational type (e.g., professional versus nonprofessional). While some organizations may choose to provide outplacement services in house and thereby reduce their costs, others prefer to hire outside consulting services, which offer additional benefits at a greater cost. Even though little research has been done on this human resource practice, evidence suggests that outplacement activities can improve the probabilities of terminated employees' reemployment.

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paid time off

Robert M. McCaffery

When the US shifted from an agrarian to an industrial society in the nineteenth century the tradition of long hours of work (from dawn to dusk) continued. Vacations and holidays, with or without pay, were rarely granted to workers. Later, management became aware that work without rest could adversely affect PRODUCT IVITY. This led to a shortening of the work week and a variety of provisions for paid time off.

Today employees at all levels and in all indus tries receive a set of paid time off allowances. Typically these payments cost employers 10 to 12 percent of payroll and include:

1 Vacations – from one to five weeks per year depending on length of service.
2 Holidays – from eight to 14 days per year (employees in retailing tend to receive the fewest number of days, public sector em ployees the most).
3 Sick days (*see* GROUP DISABILITY BENE FITS) – a maximum of five to 130 days per year, depending on length of service and level.
4 Jury duty – the difference between regular pay and court payments for up to two or three weeks.
5 Short term military service – the difference between regular pay and military pay.
6 Funeral leave – three days per incident for the immediate family, one day for other rela tives.
7 Severance pay – minimally one or two weeks of extended pay or a lump sum payment (greater allowances for long service and man agement employees); severance pay may supplement unemployment compensation.

A recent innovation is the concept of "total time off" (TTO), which combines many of the above categories into a single annual allowance. Also some industries (e.g., automobiles and steel) have reduced paid time off in an effort to improve productivity and become more com petitive with foreign (especially Japanese) manu facturers.

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part-time employment

Jill Rubery

Part time employment implies an average working week shorter than the standard – or full time – week in the same job. Part time work is associated with the service sector and with female employment, but its incidence varies (O'Reilly and Fagan, 1998; Rubery, Smith, and Fagan, 1999) according to country specific pat terns of industrial organization, labor market regulation, and gender relations (Pfau Effinger, 1998). Part time work adds to the flexibility of employment arrangements, allowing for vari ations in working and operating time at lower costs than full time work. Its advantages to em ployers include the opportunity to adjust labor hours to meet variable demand during the day or week, to extend operating hours, to cover un social hours, and to increase work intensity

through minimizing paid rest periods. Other advantages include opportunities to minimize employment during periods of slack demand, to reduce variable and overhead costs through paying lower basic pay rates, and to exclude part timers from BONUSES, unsocial hours premia, fringe benefits, or social protection contributions.

Under European law, application of inferior terms and conditions for part timers may be regarded as indirect DISCRIMINATION against women. Part time work can be used to meet employee needs, to facilitate women staying in or reentering employment, to provide employment opportunities for students, or a transition into retirement. Even so, the question remains as to whether part time work is a bridge, facilitating access to employment, or a trap (Buchtemann and Quack, 1989), confining workers, particularly women, to low paid jobs with limited career prospects.

See also *part time work schedule*

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part-time work schedule

Stanley Nollen

A part time work schedule consists of two different STAFFING and scheduling options. First, it is regular, voluntary employment with fewer hours of work per day, week, month, or year than normal full time employment. Regular part time employees have stable work schedules, prorated pay and BENEFITS, and as much expectation of continuing employment as full time employees. Second, PART TIME EMPLOYMENT is CONTINGENT EMPLOYMENT consisting of casual or hourly paid work without job security, regular work hours, or benefits; it may be chosen by employees who have other primary interests, or it may be involuntary because no other employment is available.

pattern bargaining

Daniel G. Gallagher

Pattern bargaining is an approach to COLLECTIVE BARGAINING where the objective is to spread the terms of employment achieved in one union–management relationship to other bargaining relationships within an industry (automotive, rubber, airlines, and so forth). In pattern bargaining a union negotiates a favorable or "model" agreement with a single employer (or one firm). The union subsequently seeks to reach similar wage and contract terms with other firms in the industry with which the union has a bargaining relationship. Pattern bargaining may also reflect NEGOTIATION TACTICS within one company. The union (or the employer) in a decentralized bargaining arrangement seeks to apply an early contractual settlement to other sites within the same company.

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pattern or practice cases

Ramona L. Paetzold

Technically, "pattern or practice" cases are brought by the US government under section 707 of Title VII of the CIVIL RIGHTS ACT OF 1964. In these cases the EQUAL EMPLOYMENT OPPORTUNITY COMMISSION (in its

role as plaintiff) must prove that DISCRIMINA TION against a protected group results from the employer's usual practices or standard operating procedures (i.e., that there is a "pattern or prac tice" of discrimination on the part of the em ployer).

Private plaintiffs may bring a close analogue of "pattern or practice" suits by filing class action discrimination suits. In class action suits, the plaintiff class must establish a pattern of dis crimination based on its protected group mem bership. If successful, the burden of persuasion shifts to the employer to try to show that indi vidual class members were not discriminated against. The employer will not be liable to those individuals whom it can establish were not recipients of discriminatory treatment.

Pattern or practice cases should not be con fused with systemic DISPARATE TREATMENT cases. Pattern or practice cases refer to situations in which discrimination is alleged against an entire protected group; systemic disparate treat ment refers to a model of proof in which statis tical evidence is used to establish disparate treatment discrimination. Thus, if pattern or practice cases rely primarily on anecdotal treat ment of individual class members, they are not systemic disparate treatment cases, but can be viewed as multiple individual disparate treat ment cases joined together. Pattern or practice cases coincide with systemic disparate treatment cases when the pattern or practice is primarily established through the use of statistical analysis of the employer's conduct.

pay for knowledge, skills, and competencies

Gerald E. Ledford, Jr.

Plans that pay employees for their knowledge, skills, and competencies are called pay for know ledge, pay for learning, skill based pay, and many other names. Here we use the shorthand "skill based pay" and "SBP" to refer to these plans.

SBP plans pay employees for their repertoire of knowledge, skills, and competencies, not the job they are performing at one point in time. Pay increases are associated with increases in know ledge, skills, or competencies that the organiza

tion values, not job changes or increased seniority. Typically, employees must pass some type of formal certification of increased skill before obtaining pay increases. This contrasts with JOB BASED PAY systems, where pay typ ically changes immediately when the job changes. Advancement opportunities for em ployees tend to be greater under SBP than under job based pay.

Different types of learning may be rewarded through SBP. Skill depth reflects increasing knowledge about one topic. The skilled trades apprenticeship systems and the technical ladder for professionals are examples of depth oriented SBP systems. Skill breadth refers to increasing knowledge that is relevant to but different from the employee's job or position. For example, employees may be rewarded for learning all the jobs in a work team or manufacturing plant. This is the form most commonly associated with the term "skill based pay." SBP plans may also reward the development of self management skills.

Skill based pay is the most widely used form of person based pay. In 1993, 60 percent of Fortune 1,000 firms used SBP with at least some employees, up from 40 percent in 1987 (Lawler, Mohrman, and Ledford, 1995). Firms using SBP typically cover less than 20 percent of the workforce. SBP plans are now found in every type of manufacturing and service delivery tech nology and in almost every kind of organiza tional setting (Jenkins et al., 1992).

Research on skill based pay is limited. Avail able research includes survey studies, including one survey of 97 SBP plans (Jenkins et al., 1992), and some case studies (e.g., Ledford, 1991). The results suggest that employees tend to respond favorably to skill based pay. Most organizations using SBP report few problems and a wide vari ety of organizational benefits, such as increased PRODUCTIVITY and quality. These benefits appear to result from employee flexibility and the facilitation of employee self management. A consistent finding is that SBP appears more often and is more successful in settings with a high level of EMPLOYEE INVOLVEMENT.

An area of great practitioner interest is the application of the concept to knowledge workers, such as managers and professionals (*see* KNOW LEDGE WORK). The SBP concept often is

relabeled "competency based pay" in these set tings. There is virtually no research on this type of pay system. Boyatzis's (1982) study of man agerial competencies is the foundation for much consulting practice in this area. The differences in the nature of professional work have led to the evolution of new forms of SBP (Ledford, 1995). For example, employees in some firms negotiate learning contracts as part of the PERFORMANCE APPRAISAL system. Others reward employees with BONUSES rather than base pay increases where the underlying knowledge base quickly becomes obsolete.

See also *skill based pay design*

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pay for performance

Ian Kessler

Pay for performance, defined as the explicit link of financial reward to individual performance, covers a variety of different pay systems. These systems do, however, share a common structure. Any performance based pay scheme is founded upon three features: (1) setting performance cri teria for the individual employee; (2) assessing whether those criteria have been met; and (3) linking the assessment to financial reward. The various types of systems can be distin guished using these three features. Performance criteria may be related to what the individual brings to the job in terms of behavioral traits or competences (*see* MERIT PAY) or more tangible outputs, targets, or goals (*see* BONUSES).

The assessment of those criteria may take different forms in terms of who carried it out (line manager, personnel specialist, peers), when it is carried out (once a year or more frequently), and how it is conducted (formally or informally). The linking of the assessment to reward may be through a consolidated or nonconsolidated pay ment and a general cost of living increase may or may not be incorporated. There has been much rhetoric surrounding the value and viability of pay for performance. Policy makers in Britain, for example, have been strongly supportive of the principle. Other commentators, including some of the major management gurus, such as Deming, Peters, and Moss Kanter, have been more critical, highlighting its negative impact upon teamwork and cooperation.

Beyond the rhetoric, the evidence suggests that in the US pay for performance is extensive, while in Britain it is spreading. A survey by the American Association in the late 1980s found that practically all firms relied on annual PER FORMANCE APPRAISAL by supervisors as an input into pay decisions. In Britain, the Work place Employment Relations survey found that 37 percent of manual workers and 44 percent of nonmanual staff were covered by some form of payment by results (Millward, Bryson and Forth, 2000).

It is nevertheless apparent that paying for individual performance is to some degree cultur ally bound. The Anglo American emphasis on rewarding individual performance is not matched in certain eastern countries. Trompe naars (1993) has stressed the limited attraction of such a pay system in Japan, where seniority and group based pay have predominated (*see* JAPAN).

The managerial reasons for introducing per formance related pay have varied. It has been used as an ad hoc and opportunistic response to immediate pressures (Smith, 1992). Thus, in Britain many organizations have implemented such schemes as a way of RECRUITING and retaining scarce staff groups. Alternatively, some have sought to control their paybill more effectively through targeted pay increases. Other organizations have used pay for performance

more strategically to develop a performance cul ture, to encourage communication between managers and their staff, to facilitate the devel opment of certain management skills, and to foster greater employee commitment (Kessler, 2001).

A number of operational difficulties with such schemes have been highlighted. Major problems have been noted in setting performance criteria for employees involved, for example, in routine or caring work. Subjectivity has been a major concern in relation to assessment. Moreover, the limited amounts of money devoted to paying for performance have often been too small to motiv ate.

The effectiveness of pay for performance has been challenged by studies which suggest that pay for performance has very little positive impact on motivation (Thompson, 1993). At the same time it is clear that many of the object ives underlying the use of performance pay are less easily measured. The use of performance pay to pursue the longer term goal of changing organization culture suggests that such schemes may well have considerable life left in them yet.

See also *pay for performance plans*

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pay for performance plans

Robert L. Heneman

PAY FOR PERFORMANCE is defined as the rewarding of employee contributions to organ izations with pay (Milkovich and Newman, 1993). Pay for performance is the policy which guides performance based pay, REWARD SYSTEMS, INCENTIVE PAY, MERIT PAY, and some pay innovations. The policy of pay for performance draws upon reinforcement theory. Pay for performance plans are increas ingly being used by organizations as a source of competitive advantage.

Pay for performance plans vary by type of measure and level of measurement. Types of measures for contribution include skill blocks, PERFORMANCE APPRAISAL, sales, costs, time, profits, output, and PRODUCTIVITY. Levels at which the contribution can be measured include the individual, group or team, and organiza tional. Several pay for performance plans are commonly used. Merit pay provides pay for performance appraisal at the individual level. PIECEWORK provides pay for service and goods output at the individual level. SKILL BASED PAY DESIGN methods reward indi viduals for the mastery of skill blocks. Standard hour (*see* STANDARD HOUR PLAN) and TIME BASED PAY provide rewards for the time indi viduals spend at work. COMMISSION BASED PAY provides pay for individual sales. Team based pay (*see* TEAM BASED INCENTIVES) pays for team level outputs. GAINSHARING plans, including the RUCKER PLAN and SCAN LON PLAN, pay for group level outcomes such as labor costs and productivity. PROFIT SHARING pays on the basis of the profitability of the entire organization. BONUSES can be awarded at individual, team, group, or organiza tional levels.

Pay for performance plans have been subject to considerable study over the years (Schuster and Zingheim, 1992). The research indicates that while pay for performance is a preferred method of granting pay increases in the US, managers are more in favor of pay for per formance plans than are employees. Pay for per formance plans have been shown to be related to improved attitudes, behaviors, and financial out comes (Lawler, 1971; McAdams and Hawk, 1994). Some research suggests that pay for per formance plans may lower employees' satisfac tion with the job itself (Deci, 1972; *see* JOB SATISFACTION).

In order for pay for performance plans to be effective, several conditions must be met. First,

the pay for performance plan must be consistent with STRATEGIC HUMAN RESOURCE PLANNING and the corporate culture. Second, there must be EMPLOYEE EMPOWERMENT. Third, performance measures must be criterion relevant (*see* CRITERION RELEVANCE), accurate, and free from RATING ERRORS.

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pay grade

Jerry M. Newman

Pay grades are classes into which jobs of similar value to the firm are grouped. Because job evaluation is a somewhat subjective process (*see* JOB EVALUATION METHODS), small differences in the value of jobs may be attributable to subjective error. To lessen the impact of this error on job holders, jobs of similar value (as determined by job evaluation) are grouped together. Jobs in the same pay grade have the same minimum worth, the same maximum worth, and movement between these two figures depends on individual performance and other measures of individual worth.

pay satisfaction

Robert L. Heneman

Pay satisfaction is defined as the amount of positive or negative feelings that individuals have toward their pay (Miceli and Lane, 1991). It can be measured using the pay satisfaction questionnaire (PSQ), which is broken down into several pay dimensions toward which individuals have feelings (Heneman and Schwab, 1985). These dimensions are pay level, pay raise, BENEFITS, and structure or administration. Satisfaction with pay level is the perceived satisfaction with direct wages or salaries, whereas satisfaction with pay raises refers to perceived satisfaction with changes in pay level. Satisfaction with structure or administration is defined as perceived satisfaction with the internal pay grades (*see* PAY GRADE) and with the methods used to distribute pay. Satisfaction with benefits concerns perceived satisfaction with indirect payments to the employees.

Pay satisfaction is important as research has shown it to be related to ABSENTEEISM, EMPLOYEE TURNOVER, and union vote (Heneman, 1985). Possible causes of pay satisfaction include perceived and actual job characteristics (e.g., autonomy), person characteristics (e.g., seniority), and pay plan characteristics (e.g., JOB EVALUATION METHODS, PAY SECRECY, MERIT PAY, pay innovations, REWARD SYSTEMS). Each dimension of pay satisfaction may have different causes. Hence, for example, the amount of dental insurance offered by an employer is likely to impact benefits satisfaction, but not impact satisfaction with structure or administration.

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pay secrecy

Steve H. Barr

An important element of a COMPENSATION plan is the decision of whether to allow organiza

tional members to know the wage or salary levels of others in their group or organization. *Private* pay plans, also known as closed plans, generally ask employees to not discuss their compensation levels with their peers. Proponents of this ap proach note that the contract (formal or implied) between employee and employer is a private matter. *Public* pay plans, referred to as open plans, allow members information about the compensation levels of others. Proponents of this approach note that individuals compare their wage/salary levels to others regularly to insure that they are being treated equitably. Thus, allowing some information may decrease common misperceptions about how others are compensated.

peer ratings

Walter C. Borman

To obtain peer evaluations of JOB PERFORM ANCE in organizations, typically coworkers of the organization member to be evaluated are asked to rate him or her on overall performance or on multiple dimensions of performance (job knowledge, planning and organizing, etc.). Reasons for generating peer ratings include pro viding feedback on performance, obtaining cri terion scores for selection or other kinds of research, making predictions of future perform ance, providing information to aid in PROMO TION decisions and salary allocation, or some other administrative action.

An advantage of peer assessment (relative to SUPERVISORY RATINGS) is that often peers work more closely with the organization member being evaluated than does his or her supervisor. Thus, peers should have better knowledge of his or her performance. A disadvantage is that peers will often have less experience than supervisors of making performance evaluations; therefore, they may tend to provide ratings with more error or bias (*see* RATING BIAS; RATING ERRORS).

The quality of peer ratings has usually been evaluated according to inter rater reliability (i.e., how closely two or more peers agree in their independent evaluations of the same organiza tion members), agreement with other rating sources (e.g., supervisor or SELF RATINGS),

leniency (i.e., whether the ratings are overly high; *see* LENIENCY EFFECTS), or, when ap propriate, accuracy regarding the prediction of subsequent performance (*see* RATING ACCUR ACY). We now summarize the results in each of these areas.

Kane and Lawler (1978) reviewed 14 studies using peer ratings and found a mean inter rater reliability of 0.45. This is not very high, but it suggests at least a moderate level of agreement between peer raters evaluating the same persons. Regarding agreement across different rating sources, Harris and Schaubroeck (1988) con ducted a meta analysis of inter rater agreement across supervisor, peer, and self ratings. Results for peer ratings were: mean peer–supervisor reliability = 0.62; mean peer–self reliability = 0.35. The peer–supervisor agreement results are encouraging for the reliability of both rating sources.

Regarding leniency, research has shown that self ratings are most lenient and supervisor ratings are least lenient (Borman, 1991). Peer ratings fall between these two sources. Finally, research, primarily in the military, has demon strated that peer assessments of leadership can successfully predict subsequent performance as a leader (e.g., Hollander, 1965).

A prevailing opinion about peer ratings is that they are a valuable source of performance in formation. Peers are likely to provide perform ance data somewhat different to what the more commonly gathered supervisor ratings provide. Accordingly, experts recommend obtaining performance ratings from multiple sources (e.g., supervisors and peers); *see* 360 DEGREE APPRAISALS.

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pension plans

Charles H. Fay

The goal of a pension plan is to provide replacement of a percentage (usually between 50 and 80 percent) of an employee's income after retirement (SOCIAL SECURITY BENEFITS and personal savings should supplement this so the standard of living does not change appreciably, given the lower costs retirees have). There are two categories of pension plans in use today. The first form is the defined benefit pension, in which the employer promises a level of benefit to the employee, typically in the form of replacement income. The second form is a defined contribution plan, in which the employer provides a specific annual contribution to an employee's retirement account; no promise is made as to the retirement income such an account will provide.

Defined benefit programs offer advantages to the employee, because the retirement benefit is known (typically as a percentage of average career earnings or of final average earnings) and all risk is assumed by the employer. Plans may be integrated with social security, so that higher income employees and lower income employees receive a similar percentage of income replacement. The pension fund is managed by the employer or employer's designated administrator, and is a unitary fund for all plan participants. The employer pays insurance premiums to the Pension Benefit Guaranty Corporation, which insures payments to plan participants.

Defined contribution programs focus on the amount contributed on an annual basis by the employer. Each employee has an individual account (or accounts), and assumes the risk for managing the account. Defined contribution programs are more likely to allow or mandate employee contributions. Typical defined contribution programs include 401(K) PLANS, PROFIT SHARING, and SAVINGS OR THRIFT PLANS.

A recent innovation is a cash balance plan, i.e., a defined benefit plan that looks like a defined contribution plan, and changes the schedule of contributions by the employer so that they are spread more evenly throughout the employee's worklife, rather than backloaded, as in a typical defined benefits plan. They are designed to be more portable for younger employees, but are considered by many to discriminate against older employees.

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performance appraisal

Robert L. Cardy and Gregory H. Dobbins

Performance appraisal is the process of identifying, observing, measuring, and developing human performance in organizations (Carroll and Schneir, 1982). This description is a widely accepted definition of appraisal (Cardy and Dobbins, 1994). Each of the components of this definition refers to an important portion of the appraisal process. The *identification* component refers to the process of determining what areas are to be focused on. Identification typically involves JOB ANALYSIS as a means of identifying performance dimensions and developing rating scales. In terms of the rater, identification means that the evaluator must somehow determine what to examine concerning the ratees. What is identified, of course, should be performance related criteria and not performance irrelevant characteristics.

The *observation* component indicates that all appraisal criteria must be sufficiently observed so that fair and accurate judgments can be made. Infrequent observation or observation of non performance characteristics will lead to poor ratings.

The *measurement* component refers to the central feature of appraisal. The rater must somehow translate the observations into a value judgment representing the level of the ratee's

performance. As pointed out by Banks and Roberson (1985), raters are, in essence, human testing devices. As such, they need to be similarly calibrated (i.e., use similar standards to evaluate ratees' performance). The comparability of measurement standards across raters is an important but under researched area.

The *development* component suggests that performance appraisal should be more than simply the assessment of past performance. To be complete, appraisal should also focus on improving future performance. This requires that raters be effective performance coaches (*see* PERFORMANCE COACHING) and that ratees accept APPRAISAL FEEDBACK. Problems with any of the other components may make the development phase an impossibility.

This definition is a description of what appraisal should be. Unfortunately, characteristics of the typical appraisal system often fall far short of this ideal (*see* DYSFUNCTIONAL PERFORMANCE APPRAISALS).

Performance appraisal is a central human resource management (HRM) function, since it is an input or component of so many other HRM activities (e.g., Landy, Farr, and Jacobs, 1982). Subjective performance ratings are the common criteria against which performance is evaluated. The ratings may also be used to assess the effectiveness of a training program (*see* TRAINING) or the validity of a selection mechanism.

Performance ratings also drive a variety of personnel actions. For example, promotions are often largely determined by performance ratings (*see* PROMOTION). Training, salary increases, layoffs, and terminations may also be directly tied to performance appraisal.

While appraisal is important in its own right, its involvement in so many other HRM activities makes it a critical HUMAN RESOURCE FUNCTION.

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performance coaching

Lisa M. Collings and Oliver London

Performance coaching is the process of giving verbal performance feedback and development suggestions at regular intervals to direct reports, colleagues, or external clients. It is often done as part of a PERFORMANCE MANAGEMENT program. However, rather than expecting employees to ''just know'' how they are performing or to wait for an annual review, coaching involves giving feedback when needed, along with providing development tips and ideas. This process can be as formal as creating a development plan or menu, and then following up on a regular basis to see if the involved employees are having success or if they need more guidance. It is a shift from the traditional paradigm of control/order/prescription to a partnership that rests on acknowledging and empowering people (Evered and Selman, 1989).

Performance coaching requires specific skills from both the coach and the employee receiving the coaching. The four main skills required of the performance coach are observational, analytical, interviewing, and feedback skills (Orth, Wilkinson, and Benfari, 1987). The coach needs to know when to give feedback and when not to give feedback; how to approach the employee and phrase the feedback so that resistance to the feedback is low; how to validate and recognize strengths while highlighting areas for improvement; and how to make developmental suggestions without directing the employee to accomplish yet another list of tasks. The employee needs to know how to ask for feedback, rather than assuming that her or his performance must be acceptable in the absence of feedback; how to hear the feedback, tips, and suggestions nondefensively; how to hear the feedback as advice, not as directives; and how to take responsibility for updating the coach on developmental progress.

Successful coaching is a complex interaction between management behaviors, time, and manager–employee relationships (Graham, Wedman, and Garvin Kester, 1993). Knowing when and how to provide feedback is part of establishing a trusting relationship. Trust is a crucial component of performance coaching; without it, feedback, regardless of its value, will not be accepted. In the same vein, if an employee is not trustworthy, a coach may choose not to provide feedback to that employee. Trusting the coach means the employee knows the coach is providing honest feedback to the employee. Trusting the employee means the coach knows the employee is willing to accept the honest feedback of the coach (*see* MENTORING PROGRAMS).

In order to help employees improve their performance, coaches need to use their observational skills in providing employees with examples of their behavior that can be understood and acted upon. Subjective personality statements (e.g., you are lazy) do not provide information which can be acted upon and improved. Behavioral observations (e.g., you were 15 minutes late for work on Monday and 20 minutes late on Friday) do provide the data necessary for an employee to understand the feedback. It should be descriptive, nonevaluative, factual, specific, and observable. Once employees receive specific behavioral performance information, they can know what behaviors are impacting their JOB PERFORMANCE.

The coach also needs to frame the performance feedback within the larger context of career development. According to Popper and Lipshitz (1992), coaching consists of two components: (1) improving performance at the skill level; and (2) establishing relations that allow coaches to enhance trainees' psychological development. This can be achieved by soliciting input from the employee on her or his future career aspirations (e.g., where would you like to be in five years?). Again, this is predicated on a trusting relationship, because the employee may reveal goals that would require her or him to leave the organization in order to achieve them. After the aspiration has been established, each time feedback is given, the coach needs to relate it to the career goal. It is more likely that the employee will accept and act on the suggestions if there is both an organizational and a personal gain.

Underlying all of the above is a foundation of active listening skills. After delivering the feedback, the coach must allow for a response from the employee. This requires an open, nonjudgmental attitude and a respect for the employee's thoughts and feelings. Throughout the response, the coach can demonstrate active listening by paraphrasing, commenting, asking questions, clarifying, restating, and using reflective statements.

Once the coach has established an environment of trust, provided behavioral observations, and linked them to the employee's career goals, a development plan can be established. This includes concrete, actionable steps to address the feedback. It is comprised of various activities, such as training courses, readings, and on the job assignments. The coach would then periodically check in with the employee to discuss how the accomplishment of the plan is progressing and to offer support if the employee is finding any of the developmental activities to be a challenge.

In order to reinforce the feedback given throughout the coaching process, it is important to provide regular recognition and rewards for the employee's professional development (*see* REINFORCEMENT). This can occur in a multitude of ways. Some examples include praising the employee when improvement is observed, sharing positive feedback from a third party that relates to the development areas the employee has identified, or offering a quarterly incentive solely based on behavioral improvements. Without the development plan and reinforcement through reward and recognition, performance coaching simply becomes performance feedback.

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performance diaries

Kevin J. Williams

Performance diaries are typically used for PER FORMANCE APPRAISAL purposes. Raters use diaries to record critical work behaviors of ratees whom they observe during the appraisal period (Bernardin and Walter, 1977). Diaries also may be used in other ways, such as when role incum bents are asked to record their own behaviors as part of a JOB ANALYSIS, criterion validation, or self management study. In performance ap praisal, the purpose of a performance diary is to document the occurrence of target behaviors and the conditions under which they occur, thereby facilitating evaluations of performance and related personnel decisions.

EVENT-CONTINGENT SAMPLING

Performance diaries can be thought of as a be havior sampling technique. Raters are encour aged to keep diaries in order to increase the sample of observations upon which evaluations are made. Several behavior sampling techniques exist (see Wheeler and Reis, 1991), but the most common technique for performance diaries is event contingent sampling. In event contingent sampling, individuals record specific events (e.g., task behaviors) each time they are observed and note important characteristics of the event. This type of sampling represents a CRITICAL INCIDENTS TECHNIQUE approach to perform ance measurement.

THE PROMISE OF PERFORMANCE DIARIES

RATING ACCURACY has been a longstanding concern among human resource management (HRM) practitioners and researchers. Research on raters' cognitive processes suggests that memory decay and biased observation result in a low correspondence between actual behaviors and ratings. For example, raters use different cues, such as knowledge about the ratee or job, as well as the purpose of the appraisal, to form impressions of ratees, which then influence the amount and types of information to which raters attend (Ilgen, Barnes Farrell, and McKellin, 1993). Performance diaries have been offered as a way to reduce memory and observation biases (Lee, 1985).

There are several ways in which perform ance diaries may increase rating accuracy. First, diaries reduce memory demands placed on raters. They provide raters with a "hard copy" of their observations at the time ratings are made, thereby reducing subjectivity and bias in recall (DeNisi, Robbins, and Cafferty, 1989).

Second, diary keeping reinforces the import ance and relevance of certain behaviors at the time of observation. By making behaviors more salient, diaries may reduce the influence of global impressions on observation. Combining diaries with BEHAVIORALLY ANCHORED RATING SCALES may be an especially effective technique for focusing rater attention on critical behaviors (Bernardin and Walter, 1977; Ber nardin and Beatty, 1984).

A third benefit, proposed by cognitive researchers, is that diaries structure the way information is organized in memory. The organ ization of performance information in memory has been related to recall and rating accuracy (Williams, Cafferty, and DeNisi, 1990), and or ganizing performance diaries by person categor ies, as opposed to task categories or no specific categories, may hold the most promise for im proving accuracy (DeNisi et al., 1989; DeNisi and Peters, 1992).

A fourth benefit of diaries is that they improve estimates of the frequency, distribution, and in tensity of ratee behavior. Such information is often under utilized in traditional performance appraisals.

CONCERNS SURROUNDING THE USE OF DIARIES

A common problem with performance diaries is response decay: rates of responding by raters tend to decrease over time, due to fatigue or motivation loss. A second concern is participant cooperation. The benefits of performance diaries

will only be realized to the extent that raters are willing to use them properly. Also, diary keeping is not immune to the observational biases mentioned earlier. Impressions of ratees and contextual cues will influence how behavior is interpreted and recorded, in addition to how it is observed.

SUMMARY

If managed properly, performance diaries may be a useful tool in the performance appraisal process. Current research suggests that diary keeping should emphasize specific behaviors re lated to task success, and should be organized by persons. Rater training and incentives should be used to insure that a sufficient number of inci dents are sampled, that a distribution of per formance is attained, and that environmental conditions affecting performance are identified (Bernardin and Beatty, 1984).

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performance management

Robert L. Cardy and Gregory H. Dobbins

Performance management should be the pri mary goal of any PERFORMANCE APPRAISAL system. While measurement is important, what is critical is what is done with the evaluations. A complete appraisal process includes informal day to day interactions between managers and workers as well as formal face to face interviews, all aimed at improving ratees' levels of effective ness.

Appraisal interviews, part of the formal per formance management system, are typically done annually to provide feedback to ratees. The appraisal interview often involves discus sion of both performance and salary. However, some companies have shifted to a system, re ferred to as split reviews, in which performance and salary discussions occur in separate inter views. However, research has found that discus sion of salary in an appraisal review session has a positive impact on how employees perceive the usefulness of the review (Prince and Lawler, 1986). Discussion of salary may have a positive impact by increasing the meaningfulness of the interview session for both the rater and the ratee.

Formal appraisal interviews are typically con ducted once a year and, thus, may not have a lasting impact on performance (Bernardin and Beatty, 1984). Informal day to day performance feedback is probably more useful for that pur pose.

Effective performance management requires: (1) identifying and controlling system influences on performance; (2) developing an action plan and empowering workers to reach solutions; and (3) directing communication at performance, rather than at the performer (Gomez Mejia, Balkin, and Cardy, 1995).

Identification of system factors involves care ful study of the work situation by the rater and ratee. System factors are any influences on per formance that are external to the worker. A joint and systematic consideration of possible external influences on performance can help to create a partnership between the rater and ratee and be an important basis for the improvement of per formance. Once the system factors are identi fied, the rater and ratee can work together to

try to eliminate or reduce their influences on performance.

Developing an action plan and taking an empowered approach means that the rater should help the ratee to identify ways to effect ively deal with the work situation. Empowering the worker to deal with the work situation requires that the rater be a coach rather than a director or controller (*see* PERFORMANCE COACHING). Making suggestions, providing immediate feedback, helping to eliminate un necessary constraints, and other coaching activ ities can create a supportive work environment and lead to meaningful and long lasting per formance improvement.

Communication between a rater and ratee is critical to effective performance management. How a rater communicates with a ratee about performance can determine whether perform ance improves or declines. Communication should address the characteristics of the per formance and not characteristics of the per former. In addition, communication that might cause the ratee to be defensive should be avoided.

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performance outcome

Jeanette N. Cleveland

The term "performance outcome" is used to refer to a variety of measures used to assess effectiveness at the individual, work group, and organization level. Example outcomes would in clude profit, customer satisfaction, market share, sales, sales revenues, costs, quality, and defects. PRODUCTIVITY is a ratio of performance out comes to the inputs (e.g., capital, labor) needed to produce these outcomes, and thus assesses the efficiency with which performance outcomes are produced.

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performance standards

Adrienne Colella

Performance standards are criteria against which individuals' behaviors and outcomes are judged in order to evaluate their performance. There are three features which define perform ance standards (Bobko and Colella, 1994). First, standards have an *evaluative* component. That is, they serve as criteria for judging effective ness. Second, standards are *externally established*. Finally, performance standards are usually con sidered to be *established entities*, which usually remain stable over time and across individuals. Locke and Latham (1990: 7) define performance standards as "a rule to measure or evaluate things." They distinguish between standards and goals, by defining the latter as the "aim or end of an action." Bobko and Colella (1994) further distinguish between goals and standards by pointing out that standards are usually consistent across individuals, whereas goals are usually assigned on an individual basis.

Performance standards are essentially ubiqui tous in organizations. Common examples in clude sales quotas, standards for making partners in a law firm, and manufacturing piece rate systems. Standards are used in a var iety of personnel decisions, including, but not limited to, PERFORMANCE APPRAISAL, TRAINING, PROMOTION, and PAY FOR PER FORMANCE. Despite the frequent presence of performance standards in organizational life, little research has directly focused on issues such as how organizations currently set stand ards, how they should set standards, and the consequences of various standard setting pro cedures (Murphy and Cleveland, 1991). Much more research has been conducted on selection

standards than on performance standards. The education literature, in particular, has focused a great deal on standard setting in education (see Pulakos et al., 1989, for a review).

Despite this lack of research, several practical guides to setting performance standards exist. For example, Carlyle and Ellison (1984) suggest that standards should be concrete and specific, practical to measure, meaningful, realistic and based on a sound rationale, and consistent across similar jobs.

Bobko and Colella (1994) suggested that standards that exist for evaluative purposes can also influence the motivation and JOB SATISFACTION of those to whom the standards are applied. These authors reviewed a variety of literatures related to standard setting (e.g., goal setting and feedback literatures) and proposed characteristics of standards that are likely to influence employee job motivation and satisfaction. These characteristics include who sets the standards, whether outcomes and rewards are tied to meeting these standards, the difficulty of the standards, whether some standards conflict with other standards, the specificity of the standards, whether the standards are focused on behaviors versus outcomes, the valence of the standards, how standards are framed, whether employees participated in standard setting, single versus multiple standards, and whether the standard is static or can be expected to change.

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person-based pay

Timothy J. Keaveny

Typically, COMPENSATION systems base pay on the value of work associated with a job (*see* JOB BASED PAY). An alternative approach is to base an employee's pay on characteristics associated with capacity to do work; that is, skills, abilities, and competence. The focus can be on the breadth or range of work or jobs one can perform or the focus can be on the depth of knowledge in a particular type of work (*see* SKILL BASED PAY DESIGN).

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person job fit

Peter Villanova and Paul M. Muchinsky

Person–job fit is a state of congruence between job demands and resources on the one hand, and individual abilities and proclivities on the other. Although the preponderance of work on person–job fit has focused on PERSONNEL SELECTION, training and development activities (*see* TRAINING) may also enhance correspondence between employee and job features.

DEVELOPMENT OF THE PERSON–JOB FIT CONCEPT

Historically, most attempts at person–job fit have focused on applicant knowledge, skills, and abilities, with some collateral attention to other applicant characteristics, such as attitudes and motivation (*see* KSAOS). The primary vehicle used to assess these personal orientations continues to be the EMPLOYMENT INTERVIEW. However, recent conceptual and technological developments have expanded interest in the "fit" concept.

According to Edwards (1991), one conceptual perspective on person–job fit maintains that fit represents the extent of congruence between a person's desires and the job's ability to satisfy those desires (see also Dawis and Lofquist's

(1993) discussion of the theory of work adjust ment). This aspect of fit is more relevant to issues of employee JOB SATISFACTION and traces its heritage to work adjustment theory, goal setting, need theories, and vocational interest. A second perspective is more consistent with the tradi tional view of fit that concentrates on the congru ence between job demands and employee capabilities. A major integrative review of person–job fit has been presented by Kristof (1996).

Methodologically, advances have largely taken the form of adopting different profile matching measurement technologies from re lated fields and applying them to the selection context, as exemplified in the work of Caldwell and O'Reilly (1990; the profile comparison pro cess) and Villanova et al. (1994; job compatibil ity) (see PROFILE MATCHING SELECTION PROCEDURES). Not all approaches to person– job fit are equally preferable in all situations, and the issue of how best to represent person–job fit remains a major obstacle to understanding.

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personal development plans

Hadyn Bennett

Personal development plans (PDPs), which became popular in the 1990s (Tamkin, 1996), seek to move career ownership from the organ ization to the individual, resulting in a process of self managed learning in which the individual adopts responsibility for personal development. PDPs are reflective of a changing business en vironment (Tamkin, 1996) in which the concept of a job for life has become a historic one and in which it has therefore become increasingly im portant for individuals to have PDPs. Within this context, organizations no longer stand to benefit to the same extent from heavy invest ment in training and development (see TRAINING), and, coupled with increased pres sure for greater cost efficiency, are no longer so willing to incur high expenditure on staff devel opment. Furthermore, increasing environmental uncertainty has developed a need for flexible, autonomous, and responsible employees; taking personal responsibility for career management is seen as one way of developing such staff.

The development of PDPs requires genuine collaboration between the organization and the individual, whereby the manager's (and the or ganization's) expectations are considered along side the individual's ''whole life'' aspirations and how these might best be achieved. The process thus facilitates self actualization on the part of the individual through responsibility and auton omy, while the organization benefits from utiliz ing the creative energy released within employees.

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personality tests

Michael K. Mount

Personality tests can be classified into two types: personality inventories and projective tests. Each is designed to assess the unique organiza tion of characteristics that define an individual's pattern of interactions with the environment. An individual's personality is believed to be of crit ical importance in JOB PERFORMANCE, and, therefore, personality tests are frequently used as part of the selection process. For example,

sales or customer service jobs require individuals to interact with others, whereas jobs such as air traffic controller and police officer require individuals to cope with highly stressful situations. Personality tests are used to identify individuals' relative standing on the traits believed to be relevant for effective job performance on these jobs (*see* TRAIT).

PERSONALITY INVENTORIES

Personality inventories are paper and pencil instruments that attempt to measure any of the literally hundreds of specific aspects, or traits, that can be used to distinguish among persons. Example traits would include ambition, sociability, achievement, adjustment striving, and dependability. Typically, personality inventories are comprised of a set of questions that a person responds to using a self report format. Respondents answer questions by indicating whether an item is true or false or whether they agree or disagree. This structured format allows tests to be objectively or computer scored. Commonly used personality inventories of this type include the California Psychological Inventory (CPI), the Edwards Personal Preference Schedule (EPPS), and the Guilford–Zimmerman Temperate Survey (G–ZTS).

There has been some debate in the research literature about the usefulness of personality measures in forecasting future job performance. In the mid 1960s the dominant belief was that personality inventories were of limited value in employment settings. Studies conducted more recently have demonstrated that there are meaningful relationships between personality constructs and a variety of criterion types for different occupations (Barrick and Mount, 1991; Tett, Jackson, and Rothstein, 1991; Mount and Barrick, 1996). Under certain circumstances the CRITERION RELATED VALIDITY of personality measures can approach the magnitude of validities typically found for other selection devices, such as BIOGRAPHICAL HISTORY INVENTORIES, structured interviews (*see* EMPLOYMENT INTERVIEW), and ASSESSMENT CENTERS.

Because personality inventories are self report measures, they have been criticized as being susceptible to response distortion. That is, individuals may consciously or unconsciously alter their responses in order to make themselves "look good." The available research indicates that individuals frequently do distort their scores on these inventories when applying for jobs, but such distortion does not seem to affect the validity of personality measures. It has also been found that when personality measures are completed by observers who are familiar with the person, they yield higher validities than if those measures were based on self ratings (Mount and Barrick, 1996).

PROJECTIVE TESTS

Projective tests differ in several important ways from personality inventories. They consist of one or more relatively ambiguous stimuli, such as vague pictures or inkblots. Typically, the person is asked to make up a story about each stimulus. Another form of projective test may ask a person to complete a sentence such as "My father . . . " or "My favorite . . . . " The pictures, inkblots, and sentence stems are purposefully chosen to elicit a wide variety of responses. These techniques are referred to as "projective tests" because they require the individual to *project* his or her organization and interpretation on to ambiguous stimuli that have no inherent organization or meaning. Responses are believed to be an extension of the individual's personality. Commonly used projective tests include the Rorschach Inkblot Technique, the Thematic Apperception Test (TAT), and the Miner Sentence Completion Scale (MSCS).

One difficulty with the use of projective tests is that there is no a priori scoring system, or, if there is, considerable disagreement exists about which system is best. (The TAT and MSCS are notable exceptions.) This underscores the need for rigorous training in the use of projective tests, particularly with respect to the application of standardized guidelines for the constructs purportedly being measured. Although projective tests are not generally held in high regard by most selection researchers, there is some evidence that they yield significant validity coefficients when reliable scoring procedures are used (Cornelius, 1983).

See also *Big Five personality tests*

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personnel selection

David J. Snyder and Michael A. McDaniel

Personnel selection is concerned with accepting or rejecting individuals on the basis of INDIVIDUAL DIFFERENCES in knowledge, skills, or abilities (*see* KSAOS). The primary goal is to capitalize on individual differences that are deemed most important for success on the job. Personnel selection involves the prediction of JOB PERFORMANCE based on one or more individual difference variables. Those who possess greater amounts of a characteristic which is considered important for job success are selected before those who possess lesser amounts of the characteristic.

pest analysis

Fang Lee Cooke

Pest (political/legal, economic, social, technological) analysis is a broad framework that is used to analyze the business environment of an organization with the aim of formulating or revising its strategy. Political/legal factors include government stability, monopolies legislation, foreign trade regulations, and employment law. Key economic influences refer to stages in the business cycle, unemployment, inflation, and interest rate. Social factors include demographic and population change, income distribution, education and training, attitudes to work and leisure. Technological factors include innovation and development, government spending on and promotion of research and development, speed of technology transfer, and rates of obsolescence.

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physical abilities

Paul E. Spector

Physical ability refers to the capability or capacity to develop or learn a physical skill, such as climbing a ladder or hammering nails. Many individual physical abilities exist that involve both motor (e.g., running speed) and perceptual (e.g., visual acuity) functions. Abilities that combine both physical and psychological factors (e.g., information processing or perception) are termed PSYCHOMOTOR ABILITIES. An example would be eye–hand coordination. Many job tasks require a combination of specific physical abilities involving both motor and psychological components. In PERSONNEL SELECTION, however, a physical equivalent to INTELLIGENCE TESTS does not exist. Where PHYSICAL ABILITY TESTING is used, it tends to focus on specific abilities rather than overall physical capability.

physical ability testing

Richard D. Arvey

Physical ability testing has to do with methods and procedures used by organizations to assess the capacity of applicants and employees to perform physically demanding work. Such assessment may be useful in the selection, TRAINING, and job placement of employees, and for the

reduction of potential workload injuries. The first step in physical ability testing is to assess the physical demands of work through careful job analyses (*see* JOB ANALYSIS). Here, work is examined to identify important skeletal and movement requirements (e.g., distances involved, spatial requirements), workload requirements (e.g., weight, repetition), physiological requirements (e.g., oxygen uptake, heart rate), and task or duty level demands (e.g., running short distances, climbing walls). Researchers often characterize the underlying abilities associated with these various job demands as constructs. Hogan (1992), for example, showed that the structure of several physically demanding jobs (e.g., coalmining maintenance, chemical operating jobs) could be characterized and described as involving the following seven physical ability constructs: muscular tension, muscular power, muscular endurance, cardiovascular endurance, flexibility, balance, and coordination.

Once the physical features of a job or jobs are known, a variety of assessment methods and measures are available, or can be developed, to determine INDIVIDUAL DIFFERENCES on the corresponding performance of the tasks involved, or on the physical ability constructs underlying the performance of those tasks. Simple basic measurement systems (e.g., height, weight, arm length) may be used to infer the degree to which individuals can perform major job functions (e.g., lifting packages overhead). A number of medically based physiological measures exist to assess such variables as oxygen uptake capacity, blood pressure, and susceptibility to environmental toxins, and to help in inferring the degree to which individuals can perform job features which call into play such physiological requirements. In addition, a number of tests exist that directly tap different physical ability constructs (Hogan, 1991). For example, test events such as push ups, leg lifts, ergometer measurements, and sit ups may be used to assess muscular endurance. Another method used to assess physical abilities is WORK SAMPLES or SIMULATIONS of the job's tasks and duties themselves, such as having applicants run up stairs, carry fire hoses, or run through obstacle courses in order to assess their physical abilities.

Organizations using these methods to assess physical abilities sometimes find themselves in legal difficulties because of the adverse impact of such tests on females and the physically handicapped (*see* DISPARATE IMPACT). If such protected groups are greatly disadvantaged on such tests, the organization must show evidence of JOB RELATEDNESS or VALIDITY (Arvey and Paley, 1988). This evidence may be produced using several methodologies: (1) CONTENT VALIDITY, where the organization demonstrates that the tasks, duties, and/or underlying physical requirements of the job are reproduced with good fidelity in the tests or test events; (2) CRITERION RELATED VALIDITY, where scores on the tests or test events are significantly related to some external measure of job performance; or (3) CONSTRUCT VALIDITY, where evidence is marshaled to confirm that data fit a specified model of relationships between the posited physical ability constructs, test events, job performance measures, and other variables embedded in the model (Arvey et al., 1992). Meta analysis methods might also represent another means of providing validity evidence for the use of physical ability tests in selection processes.

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picketing

Hoyt N. Wheeler

Picketing, in its usual (primary) form, is the stationing of persons outside the premises of an employer with which a union has a labor dispute

(Cihon and Castagnera, 1993). This is done for the purpose of giving notice of the existence of the dispute, and is usually intended to persuade persons not to deal with the employer. It has at times been described as inherently coercive (*Cory Corporation*, 84 NLRB 972, 1949) and at times as free speech (*Thornhill* v. *Alabama*, 310 US 88, 1940). Currently US law permits peace ful picketing unless it is mass picketing, is pur sued for purposes of gaining union recognition, or is part of SECONDARY BOYCOTTS.

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piecework

Robert L. Heneman

Piecework refers to pay granted to employees for products or services produced at or beyond a specified standard. There are several variations of piecework. With the basic version of straight piecework, the employee is paid a wage rate to produce at a standard level of production per hour. For production above the standard, there are incentives for each unit produced. With piecework, pay is allocated on the basis of prod ucts or services provided by the individual, rather than the team or entire organization; hence, piecework is used when identifiable prod ucts or services are developed by individual em ployees. Piecework is one example of PAY FOR PERFORMANCE. The available research indic ates that piecework has a large impact on the quantity of output. A potential problem with piecework is that quality may suffer because pay BONUSES are based on quantity rather than quality.

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placement

David J. Snyder and Michael A. McDaniel

Placement is concerned with maximizing insti tutional outcomes by placing individuals who are already hired into one of two or more treatments (i.e., jobs) on the basis of a single criterion score. In placement, one tries to capitalize on INDIVIDUAL DIFFERENCES on a certain job relevant characteristic by dividing a single criterion scale into two or more sections. Indi viduals falling in different sections on the scale are then assigned to different treatments. Placement can be contrasted with CLASSIFICA TION, in which one tries to optimally match persons to treatments on the basis of multiple criteria.

point job evaluation method

David B. Balkin

The point job evaluation method has the following characteristics:

1 it uses compensable factors (*see* COMPEN SABLE FACTOR);
2 each factor is subdivided into degrees which are numerically scaled; and
3 each factor is given a weight that reflects its relative importance (Milkovich and New man, 1993: 131).

A job receives a point total in this method that represents the sum of points for each degree of compensable factor associated with the job. This provides a quantitative measure of the relative worth of each job, which facilitates the develop ment of a pay structure and pay grades (*see* PAY GRADE).

The advantage of the point job evaluation method is that the quantitative rating scales

provide for relatively stable and consistent results (Belcher and Atchison, 1989: 196). The disadvantages of the point job evaluation method are that it is costly and takes time to develop and implement unless a ready made plan is purchased.

See also *job evaluation methods*

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political action committees and labor unions

Marick F. Masters

Labor unions have used political action committees (PACs) to influence elections and lawmakers. PACs raise money that may be contributed to political candidates. Research has indicated that PAC contributions may have considerable impact on the electoral and legislative processes (Kau and Rubin, 1981; Masters and Zardkoohi, 1987).

THE ROLE OF LABOR PACs

Labor unions formed PACs in the New Deal era to raise money to channel to candidates for elective office (Delaney and Masters, 1991). Since the LABOR MANAGEMENT RELATIONS ACT OF 1947 (Taft Hartley Act) and, more recently, the Federal Election Campaign Act of 1971, unions have been prohibited from using regular sources of income (e.g., dues) for contributions to congressional and presidential candidates (Epstein, 1976). Federal election law, however, allows unions to raise money from their members on a strictly voluntary basis for PACs, which, in turn, may contribute up to $5,000 to each federal candidate per election.

PACs are one of the most important means unions have to influence politics, although in kind assistance (e.g., get out the vote drives) is also quite significant (Masters and Delaney, 1987). Since the 1970s, union PAC receipts and contributions have grown considerably, off setting the decline in union membership (Masters, Atkin, and Delaney, 1989–90). Union PAC receipts (adjusted for inflation) rose from nearly $35 million in 1980 to nearly $50 million in 1992, despite unions losing several million members during this period. Research has shown that union PAC activity is correlated with a union's membership composition and industry location (Delaney, Fiorito, and Masters, 1988).

PAC INFLUENCE

The impact of PACs has been widely debated and researched (Masters and Delaney, 1987). While no singular conclusion has been reached, several studies indicate that union PAC contributions may have offset the decline in union membership in maintaining union political influence (Moore et al., 1995).

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political influences in career planning

Kevin W. Mossholder and Jixia Yang

Traditional career planning is based on rational self assessments of fit between individual char acteristics and organizational needs, framed within human capital theories of career attain ment (*see* HUMAN CAPITAL THEORY). A pol itical perspective on careers recognizes that organizations involve an interplay of competing interests and finite resources. In such environ ments, career planning may be defined more in terms of self interest and power than the effi ciency with which individual characteristics meet organizational needs.

Both organizational and individual variables can act as political influences on careers. The primary organizational influence is power. Cohort and interest groups with power shape career relevant processes such as hiring, internal mobility, and succession so as to maintain their power (Pfeffer, 1989). Factors such as congru ence with power groups' demographic com position and cultural values are important to CAREER SUCCESS, as is position in both formal and informal organizational networks. Network ing, such as developing a close personal relation ship with a mentor, is related to upward mobility (Brass, 1995). Because social capital engendered by the fabric of social relations offers several benefits (Adler and Kwon, 2002), people with political skills may profit from the personal in vestments and social connections they make. To the degree that such actions inspire trust and confidence in others, this can allow them to effectively leverage social capital to maximize career success (Ferris et al., 2000).

Individual focused variables involve political tactics that are used to enhance career opportun ities. Of several classifications of political beha vior, Kipnis's taxonomy has generated the most organizational research (Ferris and Judge, 1991). Self promotion and impression management may be accomplished by several tactics, includ ing assertiveness, ingratiation, rationality, sanc tions, exchange, upward appeal, blocking, and coalitions. Judge and Bretz (1994) noted that tactics encouraging the appearance of job com petence (e.g., taking credit for others' accom plishments) seem to be ineffective in promoting career success, whereas tactics that elicit positive affect from superiors and important decision makers (e.g., ingratiation) appear to be effective. Tharenou (2001) found that masculinity and managerial inspiration were predictive of ad vancement. Seibert, Kraimer, and Crant (2001) discovered that having a proactive personality could strongly influence career success, and identified key characteristics of a proactive per sonality: speaking up, being innovative, exhibit ing career initiative, and displaying political knowledge of the organization.

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polygraph testing

Paul R. Sackett

Polygraph testing is a specialized procedure used for the purpose of identifying persons who fail to answer questions honestly. The polygraph, com monly referred to as a "lie detector," is used for this purpose. It monitors physiological re sponses, including cardiovascular, respiratory, and electrodermal patterns, as an examinee answers a set of questions.

Research makes it clear that there is, in fact, no direct physiological response that indicates deception on the part of the examinee. A sharp jump in one or more physiological indicators in response to a direct question about the theft of money, for example, still leaves unanswered the "reason" for that physiological response. Many plausible reasons might exist (e.g., the individual has stolen and fears being detected, the individual has not stolen but fears being wrongly accused, the individual suddenly remembers that he or she forgot to feed the parking meter), making a conclusive inference of dishonesty unwarranted. As a result, examination techniques have been developed in an attempt to differentiate between various possible causes for a physiological response to a particular question.

The accuracy of polygraph examinations remains a matter of considerable dispute. Levels of accuracy above 90 percent have been reported in some technically sound studies investigating a single specific event (e.g., "who took the money from the safe?"). However, the vast majority of polygraph investigations in the employment context have not been investigations into a specific criminal act, but, rather, are broad, multi faceted pre employment inquiries. Even if accuracy were as high as 90 percent in the inquiry into a single event, error rates would compound in a pre employment inquiry where the range of issues might include theft, drug use, and work habits, among others. The American Polygraph Association concludes that there is a high accuracy rate with trained examiners and proper examination procedures. In contrast, the American Psychological Association concluded that the scientific evidence in support of polygraph use is unsatisfactory.

Use of the polygraph by private employers was heavily restricted by the EMPLOYEE POLYGRAPH PROTECTION ACT OF 1988, which prohibited requiring or requesting that applicants or employees submit to a polygraph examination. Exemptions are provided for highly regulated examinations of employees who are suspects in an ongoing investigation, and for examination of applicants by a very limited set of employers (e.g., manufacturers of controlled substances). Most states also regulate or restrict polygraph exams, with some state regulations also covering government employees.

Federal regulation covers mechanical devices used to diagnose an individual's honesty. Thus, devices such as voice stress analyzers are covered. However, federal regulation does not cover oral or written inquiries into honesty, such as written honesty tests or INTEGRITY TESTING.

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Portal to Portal Act of 1947

Charles H. Fay

The Portal to Portal Act amends portions of the DAVIS BACON ACT OF 1931, FAIR LABOR STANDARDS ACT OF 1938, and WALSH HEALY ACT OF 1936 to specify that employers need not pay employees for time spent in activities preliminary to their starting work or for time spent in activities after work ends, including travel to and from the actual place of performance. Contract provisions or custom may require such payments. The Act also allows courts to reduce or deny damages against employers who act in "good faith," and have a reasonable belief that their actions do not violate provisions of the laws noted above.

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Position Analysis Questionnaire

James B. Shaw

The Position Analysis Questionnaire (PAQ), de veloped by Ernest J. McCormick and his associ ates (McCormick, Jeanneret, and Mecham, 1972; McCormick, 1979), is a worker oriented JOB ANALYSIS instrument that assesses the human behaviors, mental processes, and per sonal job demands required of an employee while doing the job. As opposed to job oriented methods such as the TASK INVENTORY AP PROACH TO JOB ANALYSIS, the PAQ focuses on *how* the job gets done, not *what* gets done.

STRUCTURE OF THE PAQ

The 194 items (referred to as job elements) of the PAQ are grouped into six divisions.

1 "Information input" includes items con cerning the methods for obtaining and the sources of information that an employee uses in doing the job.
2 "Mental processes" assesses the reasoning, decision making, planning, and informa tion processing activities required to do the job.
3 "Work output" examines what physical ac tivities, machines, tools, and other equip ment are involved in performing job activities.
4 "Relationships with other persons" focuses on the interpersonal interactions required by the job.
5 "Job context" assesses the physical environ ment in which the work is done.
6 "Other job characteristics" is a category that includes a variety of other work related issues, such as job structure, work pace, and schedule.

THE ANALYSIS PROCEDURE

The PAQ requires a fairly high level of literacy to fully understand, and, as a result, may be inappropriate for job incumbents to "self administer" on some jobs. Typically, the PAQ is completed by a job analyst, or trained super visor, who interviews a job incumbent and helps the incumbent rate each of the PAQ items using one of several rating scales: (1) extent of use; (2) importance to the job; (3) amount of time; (4) possibility of occurrence; (5) applicability; and (6) a variety of special code scales that have been constructed for specific items and vary in their exact format. Several employees with the same job title are usually interviewed, with their individual PAQ ratings averaged to get a more reliable picture of the job.

OUTPUT FROM A PAQ ANALYSIS

The items of the PAQ have been factor analyzed and grouped into 32 divisional and 13 overall job dimensions. Divisional job dimensions were formed by factor analyzing the items within each of the six PAQ divisions separately. Overall job dimensions were formed by factor analyzing 187 PAQ items together (with seven of the items excluded since they dealt only with wage rates). Each job dimension represents a group of worker oriented activities that tend to co occur on the job.

Data from a PAQ analysis are typically scored using a centralized PAQ computer scoring ser vice. Output from an analysis includes scores on each of the 32 divisional and 13 overall job di mensions. The job dimension scores represent the actual levels of these activities that occur on the job being analyzed. In addition to job dimen sion scores, Marquardt and McCormick (1972) developed procedures linking the PAQ job di mension scores to 76 human attributes. These human attribute scores indicate the levels at which various physical, cognitive, and situ ational abilities are involved in JOB PERFORM ANCE.

A final type of data resulting from a PAQ analysis focuses on job evaluation (*see* JOB EVALUATION METHODS). Job dimension scores are used to predict appropriate monthly wage rates based on the relative similarities or differences in their behavioral content (see McCormick, Jeanneret, and Mecham, 1977).

USES AND EVALUATION OF THE PAQ

The PAQ has been used extensively for PER SONNEL SELECTION, job classification, and job evaluation. However, its use in PERFORMANCE APPRAISAL and TRAINING systems is limited. The worker oriented PAQ items make analyzing a wide variety of jobs easier, but they also make it difficult to translate PAQ scores directly into specific performance standards or training

content. A comparison of the PAQ with several other job analysis methods can be found in Levine et al. (1983).

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positive discipline

Mark R. Sherman

The definitional core of positive discipline is the rejection of traditional PROGRESSIVE DISCIPLINE as dysfunctionally punitive. Nonpunitive or positive discipline, by contrast, is an approach to disciplining employees that focuses on instilling self discipline by reasoning with them, rather than externally imposing discipline by punishing them. Positive discipline's rejection of punitive, progressive discipline leads many of its proponents to claim that it represents discipline without punishment (Redeker, 1989).

Outwardly, positive discipline resembles the operational characteristic of progressive discipline in that successive managerial responses to misconduct are increasingly severe. However, more emphasis is placed on COUNSELING employees instead of simply warning them. Furthermore, no suspensions are involved in positive discipline systems. The step prior to termination is a *paid* day off work, variously referred to by names such as "decision making leave" or "decision day." The purpose of paid time off is to provide the disciplined employee with a last opportunity to reflect on his or her ability to conform to the organization's behavioral expectations. Therefore, at least until the point of termination, management imposes no penalties on employees in an effort to encourage them to conform to organizational standards.

Positive discipline systems have come under fire from some managers who question the provision of paid time off for marginal employees. Moreover, some arbitrators have expressed skepticism over whether employees are genuinely "put on notice" when they are not penalized for prior instances of misconduct (Sherman and Lucia, 1992). Nevertheless, the high profile success that numerous employers have experienced with nonpunitive discipline systems (Bryant, 1984) has led to continuing interest in such programs.

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predictive validity

Chester A. Schriesheim

Predictive validity is one of two subdomains of CRITERION RELATED VALIDITY, the other being CONCURRENT VALIDITY. Predictive validation procedures assess the degree to which scores on an instrument (the predictor) are statistically associated with values obtained

by a theoretically appropriate outcome measure (the criterion), when both are measured at *different* points in time.

As in concurrent validity, the statistical pro cedures commonly used in predictive validation most typically involve simple and multiple cor relation and regression (although other data analytics are sometimes employed).

Evidence of predictive validity is particularly appropriate when the purpose of applying an instrument is for prognosis or to predict a future status or situation. For example, correlating a selection test which is administered to applicants for employment with their JOB PERFORMANCE one year after being hired provides predictive validity evidence on that test. Another appropri ate use of predictive validation is when a network of longitudinal relationships is required as evid ence for the construct validation process (see the description of this process under CONSTRUCT VALIDITY).

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Pregnancy Discrimination Act of 1978

Ramona L. Paetzold

The Pregnancy Discrimination Act of 1978 (PDA) amended Title VII of the CIVIL RIGHTS ACT OF 1964 to make clear that DISCRIMINA TION due to sex includes discrimination on the basis of pregnancy, childbirth, and other related medical conditions (such as abortion). In an earlier case, *General Electric* v. *Gilbert* (1976), the US Supreme Court had ruled that employers could deny disability benefits to all employees, even though such a policy would have a DIS PARATE IMPACT on women. Congress effect ively reversed the *Gilbert* decision in passing the PDA.

The PDA therefore requires that pregnant workers be compared to others who are similar in their ability or inability to perform on the job; persons cannot be differentially singled out for adverse treatment due to their pregnancy or related conditions. The US Supreme Court has adopted this view of the PDA in cases such as *Newport News Shipbuilding and Dry Dock Co.* v. *EEOC* (1983), in which the employer was found to have violated the PDA because, although it offered pregnancy benefits to female employees, it did not extend pregnancy benefits to the spouses of male employees. Thus, employee families were treated differently solely on the basis of pregnancy.

In *California Federal Savings and Loan* v. *Guerra* (1987), the US Supreme Court held that a state may offer reinstatement to pregnant workers even though reinstatement was not given to other workers returning from disability leave, because the effect was to provide equal opportunity to all workers to have families with out losing their jobs. This interpretation of the PDA suggests that pregnancy be realized as dis tinct from disability, so that women, like men, do not have to experience a conflict between having a job or career and having children.

preparation for an international work assignment

Stewart Black

The preparation of expatriates and their families prior to embarking on a foreign work assignment is at least as important as selecting the right candidate in the first place (*see* EXPATRIATE ASSIGNMENT). Research indicates that high ex patriate failure rates are due to failure to adjust by the expatriate and/or family (Shaffer, Har rison, and Gilley, 1999). Despite results that indicate that preparation and training (*see* TRAINING) facilitate cross cultural adjustment (Eschbach, Parker, and Stoeberl, 2001), Amer ican firms tend to provide less preparation in the form of training than European and Pacific Rim companies (Tung, 1982; Ronen, 1986; Black et al., 1999).

The fundamental difference between domes tic and international work assignments lies in the contrasting cultural features that are likely to prevail in the foreign assignment. Training beyond that generally required for domestic transfers should be concentrated on the cultural

dissimilarities that characterize foreign work as signments, and such training has been shown to add value to the preparation of expatriates for foreign work assignments (Black and Gregersen, 1991; Deshpande and Viswesvaran, 1992; Gia calone and Beard, 1994). In particular, a review of the research literature on cross cultural training effectiveness by Black and Mendenhall (1990) found substantial supporting evidence that cross cultural training positively influences cross cultural skill development, adjustment, and performance.

To achieve these positive outcomes, cross cultural training resources would be well spent on language acquisition, cultural awareness, or cross cultural skills (e.g., conflict resolution, evaluation), always with an eye to the level of rigor appropriate for the cultural context in which the expatriate will be working (Black and Gregersen, 2000). Given that expatriates iden tify family adjustment problems as a primary reason for failure to complete foreign work as signments (Tung, 1987; Harris, 1989), it is cru cial that the family be considered and included when training and preparation needs for an international work assignment are addressed (Black and Stephens, 1989).

A number of useful approaches to cross cul tural training have been developed, with varying degrees of rigor and depth. Mendenhall and Oddou (1986) have proposed a classification framework that clusters cross cultural training methods with respect to the amount of inter action the expatriate will have with host country nationals, and the degree of cultural novelty of the foreign assignment location. They have argued that longer and more culturally novel foreign assignments should be preceded by more extensive, rigorous, and intensive training and preparation. "Immersion approaches" (e.g., ASSESSMENT CENTERS, field experiences, SIMULATIONS, extensive language training) are appropriate for assignments that are pro tracted or very different from the expatriate's cultural background. "Affective approaches" are useful where moderately rigorous training is necessary (e.g., ROLE PLAYING, cases, mod erate language training, critical incidents; *see* CRITICAL INCIDENTS TECHNIQUE). Where less rigor is required, training approaches that rely primarily on information dissemination

(e.g., cultural briefings, films, reading material, basic language skills) are appropriate. Black and Mendenhall (1989) have extended previous re search on cross cultural training, and have offered a cross cultural training model grounded in the principles of social learning. Their model integrates culture novelty, job novelty, and training rigor, and generates specific recommen dations regarding training rigor, duration, and methods. It should be noted that no single training method is best for all situations; differ ent combinations of methods will yield superior results, depending on the cultural context of the assignment (Gudykunst, Hammer, and Wise man, 1977; Harrison, 1992).

Cross cultural mastery, although a crucial goal of training, should not be considered the only important facet of preparation for an international work assignment. Other issues that should often be considered include implications for DUAL EARNER AND DUAL CAREER COUPLES, potential dependant care problems, compensation/tax equalization (*see* INTERNATIONAL COMPENSATION), bene fits/healthcare, and networking/professional development. Additionally, REPATRIATION issues are coming to the fore as an important and necessary aspect of international prepara tion. Repatriation issues that often require atten tion include home country reintegration and readjustment, career management, and organiza tional utilization of the skills and understandings gained by the expatriate (Black, Gregersen, and Mendenhall, 1992). Finally, preparation for for eign work assignments should not be limited to home country nationals; preparation and training of host country and third country na tionals may also be a necessary part of expatriate success.

See also *cultural literacy; expatriate human re source issues; expatriate support system; gender issues in international assignments*

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Price Waterhouse v. *Hopkins*

Kelly A. Vaverek

In *Price Waterhouse* v. *Hopkins* (490 US 228, 1989), the Supreme Court decided the substantive and evidentiary burdens that Title VII imposes upon the litigants in a *mixed motives* discrimination case. Price Waterhouse decided to table Ms. Hopkins's application for partnership based on permissible factors (personality) and impermissible factors (gender). The Supreme Court held that the law requires the plaintiff to show that the impermissible reason was a substantial, significant, or motivating factor in the employment related decision. The plaintiff need not show that the impermissible factor was the only, principal, or true reason. The burden then shifts to the defendant employer to show, by a preponderance of the evidence, that its permissible reason, standing alone, would have induced it to make the same decision. The CIVIL RIGHTS ACT OF 1991 removes this defense.

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Principles for the Use of Personnel Selection Procedures

Robert M. Guion

This booklet, produced by the SOCIETY FOR INDUSTRIAL AND ORGANIZATIONAL PSYCHOLOGY (SIOP, 1987), presents professionally accepted principles for conducting selection research and using valid selection procedures. It also includes information intended to help those who authorize or implement validation efforts. It is an official policy

statement of SIOP, although not necessarily of the American Psychological Association (of which SIOP is Division 14).

The phrase "personnel selection procedures" encompasses a wide variety of assessment pro cedures and their uses. The procedures include a variety of psychological tests and inventories, and non test assessments such as interviews, biodata, ASSESSMENT CENTERS, educational or experience or physical requirements, ratings of future potential, or any other information (usually quantifiable) that can be used in making personnel decisions. In addition to hiring deci sions, personnel decisions include any decisions that affect a person's employment status. The booklet is intended to help researchers and man agers develop a solid foundation of logic, theory, and data for such decisions.

Topics covered include VALIDITY, valid ation and validation strategies, JOB ANALYSIS, VALIDITY GENERALIZATION, and the opera tional use of validation research. Included are a glossary and a list of references. Throughout, the *Principles* are intended to be consistent with the STANDARDS FOR EDUCATIONAL AND PSYCHOLOGICAL TESTING (American Educa tional Research Association et al., 1999), al though the standards focus on psychometrics and the *Principles* focus on personnel decisions and the foundations for them.

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Privacy Act of 1974

Vida Scarpello

Privacy has been a concern in the US since the colonial days. Privacy protections were written into the Bill of Rights of the US Constitution and later into the FOURTEENTH CONSTITU TIONAL AMENDMENT. Concern over privacy, in the 1970s, due in part to incidents such as the Watergate break in which led to the downfall of the Nixon presidency, culminated in the passage of the Privacy Act of 1974 (Duff and Johnson, 1983; Ledvinka and Scarpello, 1991). The underlying philosophy of the Privacy Act of 1974 is that any disclosure of private in formation without the consent of the individual is an invasion of privacy (Duff and Johnson, 1983).

The Privacy Act's purpose is to protect the privacy of citizens employed by the US govern ment by requiring all agencies, departments, and employees of the executive branch to observe defined constitutional rules in the collection, computerization, management, use, and disclos ure of personal information about individuals. Because the Constitution governs government, privacy protections apply also to public sector employees (Ledvinka and Scarpello, 1991). The Act also gives federal government employees the right to: (1) determine what information is being kept on them by their government employers; (2) review information kept on them by their government employers; (3) correct erroneous information in their personnel records; and (4) prevent the use of their personnel informa tion for any purpose other than that for which it was collected (Rice, 1978). Subject to certain exceptions, the Act prohibits the government from releasing any record maintained on an in dividual or employee, without the consent of that individual or employee.

Section 3(b) of the Act specifies the excep tions to the Act's disclosure requirements. These are when the information is given: to agency officers or employees in the ordinary course of performing their duties (3(b)(1)); to the Bureau of Census, which is bound by other confidentiality laws, for the purpose of carrying out a census or survey (3(b)(4)); for sole use as a statistical research or group based reporting record, where individuals cannot be identified (3(b)(5)); to the National Archives of the US (3(b)(6)); to law enforcement agencies (3(b)(8)); to save the life or protect the safety of that individual in a unique emergency situation (3(b)(8)); to either House of Congress or congressional committees (3(b)(9)); to the comp troller general or his or her authorized represen tatives in the course of performing duties of

the General Accounting Office (3(b)(10)); or pursuant to the order of a court of competent jurisdiction (3(b)(11)).

The Act does not assign administrative authority to any agency to insure compliance. Rather, it authorizes any aggrieved person to enforce the Act by seeking a Federal District Court adjudication. Furthermore, section 3(g) specifies that the aggrieved person can collect compensation for actual damages, punitive damages, and, in the case of successful action, attorney's fees as determined by the court.

Section 5 of the Act also established a Privacy Protection Study Commission for the purpose of establishing standards and procedures for the protection of personal information and to recommend to the president and Congress how the privacy protection principle should be protected in the future, while meeting the legitimate needs for information by government and society. In 1977, the commission issued a report focusing attention on the relative lack of privacy protections in the work environment. The commission also made recommendations for further privacy legislation. Those recommendations led to the passage of the EMPLOYEE POLYGRAPH PROTECTION ACT OF 1988 and the COMPUTER MATCHING AND PRIVACY PROTECTION ACT OF 1988.

See also *privacy in organizations*

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privacy in organizations

Eugene F. Stone Romero and Dianna L. Stone

Organizational privacy is a state or condition in which an individual (i.e., job applicant, current employee, or former employee) can (1) control the release and possible subsequent dissemination of personal information, (2) regulate both the amount and nature of social interaction in the workplace, (3) exclude or isolate himself or herself from unwanted (auditory, visual, etc.) stimuli in the workplace, and, thus, (4) behave free from the control of others (Stone and Stone, 1990). Organizational privacy is of considerable importance because organizations collect, store, and use large amounts of information about individuals for such purposes as PERSONNEL SELECTION, PERFORMANCE APPRAISAL, TRAINING, needs assessment, HUMAN RESOURCE PLANNING, and attitude assessment (*see* ATTITUDE SURVEYS) (Privacy Protection Study Commission, 1977; Stone and Stone, 1990). Organizations also structure the physical and social environments of work (e.g., through office and plant layout, structuring of work roles) in ways that facilitate the attainment of organizational goals. Unfortunately, the same actions may be viewed as intrusive by individuals because they have the potential to violate expectations of organizational privacy or legal rights to privacy (e.g., PRIVACY ACT OF 1974). In response to such violations, individuals may form negative attitudes toward the organization, engage in counterproductive behaviors at work, file GRIEVANCES against the organization, institute litigation against the organization, and engage in other acts aimed at insuring organizational privacy (Privacy Protection Study Commission, 1977; Harris and Westin, 1979; Stone and Stone, 1990). In view of this, organizations must be sensitive to organizational privacy issues.

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procedural justice

Robert Folger

Procedural justice involves the fairness of means (methods for determining results), much as DISTRIBUTIVE JUSTICE involves the fairness of ends (outcomes, the results themselves). Thibaut and Walker (1975) suggested that people want "process control" over dispute resolution or allocation methods, akin to participation or a "voice" in decision making. People want a say in decisions affecting them. Expressing opinions and arguments about one's interests can substitute (somewhat) for not choosing outcomes directly. People value this fairness substitute both as a means of trying to influence a decision maker (instrumental value) and for the inherent satisfaction of speaking out (expressive value).

Other procedural fairness criteria exist (Leventhal, Karuza, and Fry, 1980). One, representativeness, overlaps with voice, process control, and participation: a fair procedure reflects the concerns of each affected group (e.g., GRIEVANCE PROCEDURE with union steward representing labor's interests). Additional criteria include consistency (same procedure each time, for everyone), accuracy (e.g., objective data collection), correctability (e.g., appeal systems), bias suppression (no favoritism), and ethicality (norms of socially appropriate conduct). With respect to ethicality as fair interpersonal treatment, some writers distinguish between the procedural justice of making decisions and the "interactional justice" of implementing them (e.g., prior notice, timeliness). The latter refers especially to fairness perceived because of adequate, sincere explanations and interpersonally sensitive conduct (e.g., politeness, consideration). The perceived fairness of both a procedure itself and its implementation increases decision acceptance along with the degree to which outcomes are also considered fair.

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productivity

Jeanette N. Cleveland

Productivity is an efficiency concept. It is generally defined in terms of a *ratio* of output variables, including performance outcomes (*see* PERFORMANCE OUTCOME), to input variables (Cascio, 1987). Output variables include the value of goods and services produced by the organization. Input variables include the costs of capital, labor, equipment, and materials (Murphy, 1990). Conceptual distinctions can be made between total factor productivity and partial factor productivity. Total factor refers to the efficiency of transforming all input into outputs (total process); partial factor relates to the output attributable to a single input (Mahoney, 1988).

Productivity definitions and measures are somewhat arbitrary. Definitions and measures depend on the purpose for which they are developed (e.g., to compare individuals, work groups, or organizations; see Mahoney, 1988). However, different productivity improvement programs may address different input and output variables, depending upon the definition of productivity used. Such interventions might be designed to encourage employees to increase

the amount of products made (outputs) or to minimize costs or errors (input) (Murphy, 1990). Behavioral science can contribute to productivity improvement on the input side (i.e., labor) through valid selection procedures, effective training programs, relevant perform ance feedback with goal setting programs, and meaningful worker involvement programs (Campbell, Campbell, et al., 1988).

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professional ethics

Linda Klebe Treviño

Society grants professionals certain powers based in part upon their willingness to conduct themselves in a manner consistent with society's values. The term "professional ethics" refers to the standards of conduct expected of a member of a profession. Human resource professionals face a variety of legal and ethical issues in their work (e.g., conflicts of interest, employee fair ness issues such as privacy, confidentiality, and so forth). They are also guided by a number of professional organizations, some of which have written codes of conduct that human resource professionals are expected to observe (*see* SOCI ETY FOR HUMAN RESOURCE MANAGE MENT).

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profile–matching selection procedures

Neal Schmitt

When decisions about the selection or rejection of job applicants are made on the basis of their pattern of relative strengths and weaknesses on several different ability dimensions, a profile matching selection procedure is being employed. In developing this strategy, attention must be paid to the development of a *target profile* against which applicants' profiles are judged. This target profile may be based on a JOB ANALYSIS specifying what levels of various abilities are required for satisfactory performance of a job. Target profiles can also be based on the average measured abilities of currently successful job incumbents. In both cases, a hiring decision would then be made on the basis of whether or not an applicant's profile of scores *matched* the target profile.

The development of indices of profile fit is complicated by the fact that profiles of scores can differ in terms of both *level* and *shape*. For example, a person may have the same relative strengths and weaknesses as the target profile, but be uniformly lower in measured ability on all dimensions in the profile. Or an applicant may be higher than the target profile averages on some dimensions and lower on others, but on average across all dimensions, the applicant and target scores may be very similar. The measure ment of profile similarity is discussed in detail by Nunnally and Bernstein (1994: 601–10).

When one is using a profile matching selec tion strategy, it is very important that each abil ity measure display a high degree of reliability and low intercorrelations with other ability measures. If this is not the case, then it will be impossible to discriminate among the ability di mensions and the profiles of different applicants.

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profit sharing

David B. Balkin

Profit sharing is a type of variable COMPEN SATION policy that provides employees with income that is based on the profitability of the entire organization or selected subunits (Flor kowski, 1987: 622). Profit sharing can instill in employees a sense of partnership with other employees and managers across organizational units, because each employee is entitled to re ceive a share in the success of the organization, as measured by profits. Profit sharing gives the firm's managers some flexibility to reduce its labor costs when resources are scarce and profits are low by reducing employee earnings, as an alternative to using layoffs (Gomez Mejia and Balkin, 1992). Employees may gain additional job security from this practice.

The three basic types of profit sharing plans are (1) cash, (2) deferred, and (3) combination cash–deferred plans (Kruse, 1993). Cash profit sharing plans provide a cash bonus payment to employees on a quarterly or annual basis. De ferred profit sharing plans put the employee's share of the profits into a tax deferred profit sharing trust, which is a retirement benefit. The income is not taxed until the employee retires. The combination cash–deferred plan combines cash and deferred contributions in one plan.

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profit-sharing variations

Charles H. Fay

Two forms of PROFIT SHARING occur. In one form, annual payouts are made to employees as short term incentive compensation. In the other form, profit sharing is a device employers use to fund a defined contribution retirement plan. Kruse (1993) notes that profit sharing, when used as incentive compensation, is associated with a significant increase in yearly growth in sales per employee and yearly growth in value added per employee; such results do not occur with deferred profit sharing. Tax deferral by employees occurs only with deferred profit sharing. Profit sharing as short term incentive is not covered by the EMPLOYEE RETIRE MENT INCOME SECURITY ACT OF 1974 (ERISA). Deferred profit sharing is subject to ERISA compliance.

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programmed instruction

Raymond A. Noe

Programmed instruction (PI) is a self directed training method that includes: (1) clearly de fined objectives; (2) trainee selected pacing; (3) logical sequencing of training material into discrete steps or frames; (4) active responses by the trainees before moving to the next frame; and (5) immediate provision of knowledge of results to trainees. PI has been used in COMPUTER ASSISTED INSTRUCTION and programmed textbooks.

See also *training*

progressive discipline

Mark R. Sherman

Until the growth in popularity of POSITIVE DISCIPLINE, the relationship between pro

gressive discipline and CORRECTIVE DISCIP LINE has been viewed as inextricable. In the early 1950s, Arbitrator Shister illustrated this close definitional relationship in the *Bell Aircraft* case. He reinstated a worker because management failed to use "proper corrective disciplinary procedures." He went on to identify those procedures as progressive discipline and defined the term as follows: "What progressive discipline does mean is that progressively more severe penalties may be imposed on each given employee each time any offense is repeated. Progressive discipline also means that after a specified number of offenses, regardless of whether the offenses are identical or not, the company may have the right to discharge the given employee" (Redeker, 1989).

The normal stages of progressive discipline include oral warning, written warning, suspension, and ultimately termination. The presumption is that each successive phase will "place the employee on notice" that the type of misconduct exhibited will be met with increasingly severe consequences. Labor contracts and employee handbooks that incorporate progressive discipline provisions generally specify a series of disciplinary steps, a limitation period preventing the consideration of old discipline, and a DISCLAIMER for types of gross misconduct that may be met with summary discharge (*see* EMPLOYEE HANDBOOK; LABOR CONTRACT). Where management inappropriately ignores the principles of progressive discipline in a COLLECTIVE BARGAINING context, arbitrators have shown no reluctance to overturn discipline. Even outside the context of grievance ARBITRATION, courts in some states have been willing to give legal force to progressive discipline policies embodied in employee handbooks.

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promotion

David J. Snyder and Michael A. McDaniel

Promotion involves the advancement of an individual from a particular position to one higher in rank within the organizational hierarchy. An individual who receives a promotion usually has an increase in responsibility. In addition, a promotion is almost always associated with an increase in salary and organizational BENEFITS.

psychological contract

Denise M. Rousseau

A psychological contract is an individual's system of belief, shaped by the organization, regarding the terms of an exchange agreement between himself or herself and the organization. It encompasses the actions employees believe are expected of them (e.g., performance demands) and what response they expect in return from the employer (e.g., rewards, BENEFITS, employment duration). The ideal contract in employment would detail the expectations of both the employee and the organization. Typical contracts, however, are incomplete due to bounded rationality, which limits individual information seeking, and to a changing organizational environment that makes it impossible to specify all conditions upfront. The popularity of the concept grew in the 1980s as a consequence of worker displacement from mergers, acquisitions, and restructurings.

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psychological test

Kevin R. Murphy

A psychological test is a sample of behavior, obtained under standardized conditions, that employs specific scoring rules to obtain quantitative information from those behaviors about

the attribute(s) the test is designed to measure (Murphy and Davidshofer, 1994). Written, standardized tests of knowledge, skills, or abilities (*see* KSAOS) are the most familiar test type, but the domain of psychological tests includes a number of other methods of measurement. In general, psychological tests include: (1) tests of performance, in which a person performs some specific task and is evaluated in terms of the accuracy, speed, correctness, and so forth, of responses; (2) behavioral observations, i.e., observations of an individual's behavior in a specific context, such as an interview or a school setting; and (3) self reports, measures that ask a person to report or describe feelings, attitudes, beliefs, perceptions, and so forth.

All three types of tests are used in work settings. Tests designed to measure mental abilities and psychomotor abilities (i.e., performance tests) are widely used in PERSONNEL SELECTION. Examples of such tests include the Armed Services Vocational Aptitude Battery and the Wonderlic Personnel Test (see Murphy and Davidshofer, 1994). PERSONALITY TESTS (self reports; e.g., the NEO Personality Inventory) might also be used for this purpose, although their use in making employment decisions is not as widespread as is the use of ability tests. VOCATIONAL INTEREST INVENTORIES provide the foundation for most types of career counseling, and can have a substantial impact on individuals' decisions about which jobs or careers to pursue. WORK SAMPLES and SITUATIONAL TESTS (i.e., behavioral observation tests) are used in both selection and management development (Thornton and Cleveland, 1990).

There is an important distinction between tests that are designed for individual or for group administration. A number of tests (e.g., the Wechsler Adult Intelligence Scale) are designed to be administered on an individual basis, by a trained examiner. Group tests, on the other hand, can be administered individually or in groups, are often machine scored, and do not require the use of highly trained test administrators. Group tests are much more common than individually administered tests in work settings. Many group tests are now administered via computer, and the use of computerized adaptive testing (in which the choice of test items to administer is determined on the basis of iterative estimates of the subject's standing on the attribute being measured) in work settings is growing rapidly.

Standards for the development, validation, and interpretation of psychological tests are described in the STANDARDS FOR EDUCATIONAL AND PSYCHOLOGICAL TESTING (American Educational Research Association et al., 1999); this document is periodically updated and revised. Detailed reviews of specific tests are published regularly, notably in the *Mental Measurements Yearbook* and *Test Critiques* series. Other reference works (e.g., Sweetland and Keyser, 1991) provide a comprehensive listing of tests that are commercially available; these works contain several hundred entries describing tests that are used, or that might reasonably be used, in work settings.

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psychomotor abilities

Paul E. Spector

Psychomotor ability is the capability or capacity to develop or learn a skill that involves both physical and psychological functions. PHYSICAL ABILITIES involve motor activities of the body or limbs, such as running or throwing. Psychological functions include information processing and perception. Examples of psychomotor abilities include eye–hand coordination

and balancing. Combinations of physical and psychological functions are important in the performance of many job tasks, including the operation of machinery and the use of hand tools.

public sector bargaining

Peter Feuille

This term refers to the structure and practice of COLLECTIVE BARGAINING between government employers and unions of their employees. As in the private sector, collective bargaining in government consists of (1) the contract negotiation process between union and management representatives over wages, hours, and other employment terms; and (2) the contract administration process whereby union and management representatives handle disagreements over how the contract's terms should be applied to workplace situations on a day to day basis (*see* GRIEVANCE PROCEDURE; GRIEVANCES).

Collective bargaining emerged on a large scale in the public sector during the 1965–75 period, accompanied by great controversy. Supporters argued that public employees need unions and bargaining to advance their workplace interests as much as private employees do. In contrast, opponents argued that it is inappropriate for public employees to deal with their employers through a power based interaction process, and that public employee strikes are especially inappropriate. While these arguments raged, most states and the US government enacted legislation which protects unionization and bargaining rights for their employees, and government employees by the millions joined unions and engaged in bargaining. Most public sector laws limit the scope of negotiations and prohibit work stoppages, and some mandate INTEREST ARBITRATION. Government is now the most highly unionized sector in the American economy, with 45 percent (in 1994) of public employees represented by unions. Research evidence indicates that unionized public employees usually are paid more than their nonunion counterparts.

punitive damages

Barbara A. Lee

Punitive damages may be awarded to the plaintiff against a private sector employer (but not against a public employer) when a finding of intentional DISCRIMINATION is made and the plaintiff has demonstrated that the employer "engaged in a discriminatory practice or discriminatory practices with malice or with reckless indifference to the federally protected rights of an aggrieved individual" (42 USC, section 1981A(b)(1)). Punitive damages are intended to punish the defendant for the unlawful conduct, and need bear no relationship to the plaintiff's actual loss. Title VII caps the total of compensatory and punitive damages; the amount of the cap depends upon the size of the employer. For companies with 500 or more employees, damages are capped at $300,000; the size of the cap declines as the size of the company declines.

Q

quality circles

Susan Albers Mohrman

Quality circles are small groups of employees who get together regularly to identify and solve problems and to generate improvements in the way their work area functions. They deal with issues of quality, PRODUCTIVITY, and cost, and generate solutions that are within their area of control. Some quality circles are within a function, and some are cross functional. Members are generally chosen from volunteers and are trained in problem solving, group pro cess, and decision making skills. They utilize systematic data based processes and statistical tools to address organizational issues. A facilita tor is often present to train the team and guide it through its initial problem solving efforts. Gen erally quality circles have the power only to make recommendations; higher level management teams must approve their recommendations before they can be implemented.

Quality circle advocates tout the desirability of having people close to the work provide mean ingful input to decisions. Suggested benefits include better decision making and greater in trinsic motivation, because people have a chance to participate and influence their work setting. Attitudinal benefits of quality circles, however, have been found to accrue primarily to quality circle participants (e.g., Rafaeli, 1985), not to the entire workforce. This argues that it is the ex perience of participating, rather than the changes that are made in the workplace, that results in positive attitudes. Participants gener ally do not get paid for their suggestions, despite many accounts of companies experiencing large financial savings as a result of implementing them. Individual suggestion award programs may be expanded to include quality circle awards. Companies using GAINSHARING pro grams sometimes introduce quality circles so that employees can generate performance im provements that may result in their receiving a bonus.

Quality circles are parallel structures that focus on change and improvement. They com plement the primary organizational structure that focuses on stable execution. Often quality circles are an initial approach to the involvement of employees. They are easy to set up because they do not require a rethinking of the traditional hierarchy. However, they have difficulty attaining organizational legitimacy, since they vie with the regular organization for time, re sources, and attention from management (Law ler and Mohrman, 1985). Many suggestions do not get implemented and/or institutionalized. For these reasons, quality circle programs often have a short life cycle. It begins with a period of initial problem solving, often with some highly visible successes, and proceeds through an active period. When the negative dynamics emerge, payoff declines, leading frequently to the demise of the program.

Quality circles were first successfully employed in Japan, where they remain an im portant mode for improving work processes. US adoption during the 1980s was accompanied by significant quality circle activity in many com panies, much of which has now declined or ceased. National differences have been attrib uted to higher levels of education and commit ment among Japanese workers as well as to a greater group orientation (Ishikawa, 1968; Cole, 1979). In the US, some quality circle pro grams have evolved into TOTAL QUALITY MANAGEMENT programs, also patterned after Japanese quality improvement methodologies. This multifaceted and strategically driven

approach to improving work processes generally includes employee participation groups as a key element.

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quality of work life

Lawrence H. Peters

Quality of work life (QWL) is a term that is used to describe system wide efforts to improve the work environment and satisfy the human needs of its employees. It has been referred to in terms of actual changes in the work setting (e.g., changes in work design aimed at involving employees more in decision making) as well as in terms of employees' perceptions of those changes and their impact. QWL is an umbrella term that encompasses many different, specific changes. Walton (1974) divided QWL changes into eight specific categories: (1) adequate and fair compensation; (2) a safe and healthy work environment; (3) jobs that develop human cap abilities; (4) a chance for personal growth and security; (5) a social environment that provides personal identity, freedom from prejudice, a sense of community, and upward mobility; (6) employee rights to privacy, dissent, and due process; (7) a work role that minimizes infringe ment on personal leisure and family needs; and (8) socially responsible organizational actions. Changes in one, or several, of these categories would be expected to impact employees' percep tions of the extent to which their needs are being met. As Cascio (1995) notes, not all persons will respond positively to QWL changes designed to increase participation or enrich work. To the extent that QWL changes have their intended effect, however, EMPLOYEE MORALE and com mitment should increase, as would the extent to which employees actually feel more empowered to contribute, and actually do contribute, to their organization's success. This involves more than just "cosmetic or piecemeal changes." It re quires creating an organization that consistently makes its workforce a key stakeholder, that invests in their competencies and wellbeing, and that encourages and taps their potential for contribution.

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R

race

Ramona L. Paetzold

Race is one of the protected categories under federal antidiscrimination law (for example, Title VII of the CIVIL RIGHTS ACT OF 1964, section 1981 of the CIVIL RIGHTS ACT OF 1871). Although the definition of race is not specifically provided in the statutes, it is typically broadly interpreted to include persons of all racial or ethnic groups. For example, discrimination against whites as well as against other racial or ethnic groups is proscribed. Examples of nonwhite groups that have received protection under the race category include Hispanics, Jews, and Asian Americans, as well as African Americans.

Railway Labor Act of 1926

Charles E. Krider

The Railway Labor Act of 1926 (amended in 1937) governs labor–management relations in the railroad and airline industries. A separate law for railroads was passed first because they were clearly involved in interstate commerce and Congress could regulate labor relations in the industry under the commerce clause. In addition, it was thought necessary to reduce railroad strikes because of the impact the industry had on the economy at that time.

The Act has two major objectives: to protect the right of employees to organize unions and to provide alternatives to strikes for resolving disputes. The Act is enforced by the National Mediation Board, whose three members are appointed by the president.

RIGHT TO ORGANIZE

Congress recognized for the first time that a group of employees "shall have the right to organize and bargain collectively through representatives of their own choosing." Employers are prohibited from denying in any way the right of employees to join, organize, or assist a union. If there is a dispute over union representation then the National Mediation Board is authorized to determine the issue, and may conduct a secret ballot election to determine the employees' representative.

DISPUTE RESOLUTION

The Act seeks to reduce the occurrence of strikes by providing for alternative mechanisms to resolve disputes. First, either party may refer a dispute over GRIEVANCES or the application of an agreement to the National Railroad Adjustment Board. Its awards are final and binding on the parties and are enforceable in federal court.

Second, disputes over changes in wages or terms of employment may be submitted to the National Mediation Board. The Mediation Board seeks to resolve the dispute through MEDIATION and may seek to have the parties agree to ARBITRATION. If either party does not agree to arbitration then the Mediation Board must notify the president, who can appoint an emergency board to investigate the dispute and make a report with a recommendation on how the dispute should be settled. Neither side can make a unilateral change during these procedures, except by agreement, and the union may not strike.

These procedures obviously delay strikes and make COLLECTIVE BARGAINING more difficult. Each side has an incentive to hold

something back during negotiations in order to have something to give during mediation or later. The availability of mediation, arbitration, and presidential boards almost guarantees that they will be used.

ranking job evaluation method

David B. Balkin

The ranking method of job evaluation rank orders the relative worth of jobs based on com parison of each job as documented in the JOB DESCRIPTION. One way to achieve this ranking is with paired comparisons for all the jobs until they can be ranked from most to least valuable (Milkovich and Newman, 1993). The ranking method of job evaluation is the quickest, easiest, and least costly method to use. It is mainly used in smaller firms with a modest number of differ ent jobs, since evaluators need to be familiar with all the jobs in order to make reliable comparisons between jobs for purposes of evaluation (Belcher and Atchison, 1989).

See also *job evaluation methods*

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ranking method of performance evaluation

Robert L. Cardy

The ranking method of performance evaluation requires a rater to order all ratees from highest to lowest. While it is possible to rank order ratees on each of several performance dimensions, simply ordering ratees on an overall performance dimension seems most common.

An important advantage of the ranking method is that it forces raters to differentiate among ratees (Cardy and Dobbins, 1994). The ranking method, therefore, controls RATING ERRORS such as leniency (*see* LENIENCY EFFECTS) and severity, and forces distinctions among workers.

Disadvantages of the ranking method include:

1 The task can become time consuming and difficult when there are a large number of ratees.
2 The ordinal nature of ranking data does not allow for a determination of the relative dis tances among ratees. That is, while rankings can tell you that one person is judged to be better than another, they cannot indicate "how much" better that person might be.
3 Rankings cannot be compared across differ ent groups of raters. For example, one group may be better performers than another group, but the separate rankings cannot re flect this performance difference. A top ranked performer in one group may have a performance level of only an average ranked worker in another group.
4 Finally, it should also be recognized that ranking does not provide information as to *why* the worker received his or her ranking. Thus, the ranking method is not effective for feedback and development purposes, par ticularly when ranking is done only for over all JOB PERFORMANCE.

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rate ranges

Thomas H. Stone

A rate or pay range is the minimum to maximum level of pay assigned to a PAY GRADE/JOB FAMILY or class in a pay structure. The mid point of a range usually corresponds to the em ployer's wage or pay policy line. Employees paid at this level are judged to be performing at a satisfactory level. Range minimum reflects the lowest value placed on jobs in the range while the maximum indicates the most the job(s) are worth to that employer. Setting rate ranges involves

issues of both INTERNAL EQUITY/INTERNAL CONSISTENCY and EXTERNAL EQUITY/EXTERNAL COMPETITIVENESS. Conceptually, rate ranges are related to SD_y in staffing (see SD_y; SELECTION UTILITY MODELS).

rater training

Elaine D. Pulakos

Rater training is used in a variety of different situations in which raters are required to provide subjective judgments of another person's performance effectiveness. For example, rater training is used to teach supervisors how to provide appropriate performance appraisals of their subordinates (see PERFORMANCE APPRAISAL). It is also used to train interviewers and assessors in how to properly evaluate candidates in employment interviews (see EMPLOYMENT INTERVIEW) and ASSESSMENT CENTERS, respectively. Rater training is important because subjective judgments of performance tend to introduce distortion into the measurement process. Well developed rater training programs have been shown to increase the quality and effectiveness of subjective ratings.

CHARACTERISTICS OF EFFECTIVE RATER TRAINING PROGRAMS

In general, effective rater training applies the basic principles of learning. Successful rater training programs have been characterized by four key learning components:

1 *Lecture*. Trainees receive oral instruction on the training objectives (see LECTURE METHOD).
2 *Practice*. Trainees are given an opportunity to practice making ratings. This is often accomplished by having trainees practice observing and rating videotaped performances.
3 *Group discussion*. Trainees are provided with an opportunity to discuss and provide rationales for their practice ratings.
4 *Feedback*. Trainees are given immediate feedback on their practice ratings. The content of the feedback is specific and reflects the training objectives.

RATER TRAINING APPROACHES

Although different rater training techniques have been advocated, these programs can generally be classified into two major categories: rater error training and rater accuracy training (see RATING ACCURACY; RATING ERRORS).

Rater error training. Performance evaluations are often affected by various rating errors, or faults in human judgment that occur when one individual evaluates another. These rating errors (e.g., HALO EFFECTS, LENIENCY EFFECTS, and CENTRAL TENDENCY EFFECTS) can lessen the reliability, validity, accuracy, and usefulness of ratings. Accordingly, early rater training programs focused on teaching raters how to avoid making common rating errors by providing definitions and examples of the errors and how they can be avoided in a rating situation (see Latham, Wexley, and Pursell, 1975, for an example of an error training program). Although rater error training approaches have been shown to successfully reduce common rating errors, they have not been particularly effective in increasing rating accuracy, which is the crucial criterion in judging the quality of ratings.

Rating accuracy is the extent to which a set of ratings reflects a ratee's true or actual performance level. Although error training is still an aspect of some rater training programs, recent approaches to rater training have focused more directly on improving rater accuracy.

Rater accuracy training. Several approaches for increasing the accuracy of ratings have been offered. For example, Banks and Robertson (1985) describe an approach to accuracy training called assessment skills training. This training focuses on training raters in how behavior relevant to different performance dimensions of interest might be manifested in different job situations. Hedge and Kavanaugh (1988) describe observational training in which raters are taught how to make appropriate and accurate behavioral observations. These authors also describe a decision training program, which focuses on the processes by which accurate judgments about performance effectiveness are made.

One approach to accuracy training, in particular, has received considerable research attention.

The strategy, labeled frame of reference (FOR) training (Bernardin and Buckley, 1981), typically involves training raters about the multidimensional nature of performance, defining the different performance dimensions relevant to the situation or job, providing sample behaviors that represent different levels of effectiveness on the different dimensions, and providing practice and feedback to trainees in how to make accurate ratings. The primary objective of FOR training is to train raters to use common conceptualizations about performance and what constitutes different levels of effectiveness when they are making evaluations of others. This FOR approach to training has been shown to be more effective in increasing rating accuracy than other types of (or no) training (McIntyre, Smith, and Hassett, 1984; Pulakos, 1984, 1986; Athey and McIntyre, 1987).

In summary, rater training programs that focus directly on increasing rater accuracy yield higher quality ratings than other approaches to rating training. The design of any rater training program should, however, incorporate the key learning components (i.e., lecture, practice, discussion, and feedback) to achieve optimal results.

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rating accuracy

Kevin R. Murphy

Rating accuracy refers to the correspondence between PERFORMANCE APPRAISAL ratings and actual performance levels. Because acceptable measures of actual performance (often referred to as "true scores") are often difficult to obtain in field settings, rating accuracy is often inferred on the basis of the psychometric characteristics of the ratings. For example, a number of rating errors measures (e.g., measures of HALO EFFECTS, LENIENCY EFFECTS, CENTRAL TENDENCY EFFECTS) might be used to evaluate ratings. In the absence of such errors, accuracy is sometimes assumed. However, research on rater error measures and other indirect measures of accuracy suggests that these measures cannot be used to determine the accuracy of performance ratings (Sulsky and Balzer, 1988; Murphy and Balzer, 1989). The measurement of rating accuracy requires the development of some normative standard or true score.

STANDARDS FOR EVALUATING ACCURACY

Rating accuracy measures are most often encountered in laboratory research studies (e.g., Borman 1977; Murphy et al., 1982), where it is possible to videotape the performance being evaluated and develop normative true scores. These scores are obtained from multiple expert raters, who have opportunities to observe and evaluate ratings under optimal conditions (e.g., multiple observations of each tape, freedom from distractions). If adequate evidence of convergent and discriminant validity can be demonstrated in these expert ratings, the mean over several experts is accepted as a good approximation of the true performance level, and rating accuracy can be evaluated by comparing an

individual rater's evaluations with these expert true scores.

Alternatively, accuracy can be assessed using behavior recognition measures. In this method, raters are asked whether or not they have observed certain behaviors, and their ratings are checked against videotapes of the performance observed. A number of indices based on signal detection theory can be used to assess raters' sensitivity and biases in remembering or recognizing specific behaviors (Sulsky and Balzer, 1988; Murphy, 1991). Behavior based methods are thought to assess the accuracy of observation and memory, whereas true score based measures are thought to assess the accuracy of evaluative judgments about performance.

ACCURACY MEASURES

Measures of accuracy based on comparisons between performance ratings and some normative true score must often be broken down into multiple components; simple differences between ratings and true scores are generally uninterpretable. Cronbach (1955) showed that differences between any rating and some set of standards reflected at least four distinct facets of accuracy: (1) accuracy of the overall mean rating (elevation); (2) accuracy in distinguishing among ratees (differential elevation); (3) accuracy in distinguishing overall strengths from overall weaknesses (stereotype accuracy); and (4) accuracy in distinguishing individual patterns of JOB PERFORMANCE (differential accuracy). There is considerable evidence that these aspects of accuracy are largely independent of one another, unrelated to a number of alternative accuracy measures, and unrelated to a number of indirect measures of accuracy (Sulsky and Balzer, 1988; Murphy and Balzer, 1989).

IS ACCURACY ALWAYS DESIRABLE?

As Murphy and Cleveland (1995) note, performance ratings have a number of purposes in organizations, and the accurate measurement of job performance might be only one of the many goals pursued by raters, ratees, and organizations. Rating accuracy is most desirable when ratings lead directly to administrative decisions (and when there is clear consensus that these decisions should be made on the basis of current job performance), or when they are used for strictly development purposes. Accuracy may be less desirable (and may even interfere with more important uses of performance appraisal) when ratings are used to motivate employees, or to communicate implicit standards and norms (Murphy and Cleveland, 1995).

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rating bias

Kevin R. Murphy

Rating bias refers to a wide variety of distortions in PERFORMANCE APPRAISAL ratings. Rating biases can be distinguished from RATING ERRORS in the sense that bias usually refers to the systematic effect of some presumably irrelevant variable on the mean rating (and sometimes the variability of ratings). LENIENCY EFFECTS are an example of a widely studied rating bias. As this example suggests, however, some rating biases might lead to rating errors.

The source of performance ratings is often considered a potential source of bias. For example, SELF RATINGS are usually higher

than ratings obtained from other sources, which may indicate a self serving bias (Gioia and Sims, 1985), PEER RATINGS might be upwardly biased by friendship, or might be unduly severe when peers are in direct competition. Ratings could be biased by demographic characteristics, such as race (Kraiger and Ford, 1985), gender, or age, but most reviews of performance appraisal research suggest that demographic effects of rating bias are small.

Rating bias might also reflect differences in performance appraisals due to organizational cli mates and cultures, work group norms, or simple differences in supervisors' tendencies to use spe cific parts of the rating scale (Wherry and Bart lett, 1982). While rating biases are thought to reduce RATING ACCURACY, the evidence linking rating biases to inaccuracy is weak.

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rating errors

Kevin R. Murphy

Rating errors refer to distortions in PERFORM ANCE APPRAISAL ratings that are assumed to reduce RATING ACCURACY. A wide variety of rating errors have been described in the research literature (Saal, Downey, and Lahey, 1980), but most discussions of these errors focus on HALO EFFECTS, LENIENCY EFFECTS, and CEN TRAL TENDENCY EFFECTS.

Rating errors represent differences between characteristics of the ratings and assumed char acteristics of the performance to be evaluated. Halo errors are thought be the result of raters generalizing from their overall impressions of each subordinate when evaluating specific aspects of performance (Murphy, Jako, and

Anhalt, 1993). Errors of this sort will inflate the intercorrelations among ratings of separate aspects of performance, and can make it difficult to validly distinguish individual strengths and weaknesses. Leniency errors occur when ratings are unrealistically high; rating inflation is often assumed to result from raters' unwillingness to face the consequences of giving low ratings, even when they are clearly deserved (Murphy and Cleveland, 1995). Central tendency errors occur when raters do not distinguish between individuals and/or between specific aspects of performance.

CAUSES AND CONSEQUENCES OF RATING ERRORS

Although some rating errors may be the result of conscious distortions on the part of the rater (e.g., raters might knowingly inflate ratings to avoid confrontations with ratees; Murphy and Cleveland, 1995), they are usually thought to reflect faulty cognitive processes used by raters in evaluating their subordinates. The cognitive processes that contribute to halo errors have been widely studied and there is extensive evid ence that attention, encoding, and memory biases can all contribute to halo (Murphy et al., 1993). While leniency and central tendency errors may have both cognitive and motivational causes, they are likely to be strongly affected by rating norms in an organization.

Rating error indices have long been used as indirect measures of rating accuracy, based on the assumption that the sorts of cognitive and motivational distortions that lead to these errors will also decrease the accuracy of ratings. How ever, there is little evidence that rating errors in fact lead to inaccuracy (Murphy and Balzer, 1989), and the use of rating error measures as criteria for evaluating ratings has been widely criticized (Murphy et al., 1993). Indeed, there is evidence that some "rating errors" (e.g., halo) can *increase* the accuracy of performance ratings (Nathan and Tippins, 1990).

Two strategies have been pursued in at tempting to reduce halo, leniency, and/or cen tral tendency. First, a number of RATER TRAINING programs have been developed. Al though it is possible to train raters to avoid halo, leniency, and the like, this type of training does not appear to increase the accuracy or

usefulness of rating. Second, a number of be haviorally oriented rating scale formats have been developed, with the goal of increasing the accuracy of ratings (e.g., BEHAVIORAL OBSERVATION SCALES, BEHAVIORALLY ANCHORED RATING SCALES). However, there is little evidence that the use of these rating scales reduces rating errors or inaccuracy. To date, no method of reducing rating errors *and* increasing the accuracy and usefulness of ratings has been developed.

ARE RATING ERRORS A SERIOUS PROBLEM?

Measures of halo, leniency, and central tendency have long been used as criteria for evaluating performance ratings, training programs, rating scales, and so forth. Use of rating error measures as criteria, however, is no longer justified. They do not provide information about the accuracy of ratings, the success of training, or the usefulness of scale formats. Obtaining information about the means, variances, and intercorrelations among ratings has some value, but none of these measures permits direct inferences about the *quality* of rating data.

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realistic job previews

John P. Wanous

The realistic job preview (RJP) is an external RECRUITING strategy. An RJP contains accur ate information about job duties, which can be obtained from a JOB ANALYSIS. It also contains information about an organization's culture, which can be obtained from EXIT INTERVIEWS and/or surveys. There are three criteria for something being included in an RJP: (1) it is important to most recruits, (2) it is not widely known outside the organization, and (3) it is a reason that leads newcomers to quit.

This information is communicated to job ap plicants *prior* to organizational entry. For example, the RJP can be posted on a website, discussed during the EMPLOYMENT INTER VIEW, be handed out as a brochure, be shown as a video, or be discussed during a job visit (with, for example, potential coworkers). Com bining two or more of these methods may in crease the impact of the RJP. Realistic information disseminated *after* organizational entry is newcomer orientation (*see* NEW EM PLOYEE ORIENTATION) or ORGANIZA TIONAL SOCIALIZATION (Wanous and Reichers, 2000).

The purpose of an RJP is to increase the degree of "fit" between newcomers and the or ganizations they join, with the ultimate goal of increasing both the retention and performance of new hires (Wanous, 1992). Although the RJP may initially increase stress for job candidates, it will eventually increase newcomer JOB SAT ISFACTION, commitment to the organization, and, as a result, increase the retention of new hires. RJPs have also been found to increase JOB PERFORMANCE, but only if the videotape format is used (Premack and Wanous, 1985; Phillips, 1998). The most probable reason for this is that role models of effective job perform ance can be shown to recruits.

There are several explanations for the effects of RJPs on retention. First, the information pro vided in an RJP helps job candidates to choose more effectively among job offers. Second, the RJP can "vaccinate" expectations against disap pointment after organizational entry, because the most dissatisfying job/organizational factors have already been anticipated. Third, the in formation in an RJP can help newcomers to cope more effectively with their job duties as well as the stress associated with being in a new environment. Finally, an RJP can enhance the perceived trustworthiness of the organization to

job candidates, thus increasing their initial com mitment to the organization.

Several guidelines for designing an RJP have been suggested (Wanous, 1992: 61–4; Phillips, 1998: 684–7). First, self selection should be ex plicitly encouraged; that is, job candidates should be advised to carefully consider whether to accept or reject a job offer. Second, the RJP "message" must be credible. This can be facili tated by using actual employees as communica tors. Third, interviews are an excellent method when job candidate questions are expected, be cause a two way conversation can take place. Interviews have been shown to be the single most effective medium for increasing retention (Phillips, 1998). Fourth, how typical employees feel about the organization, not just sterile facts, must be part of an RJP. Fifth, the balance be tween positive and negative information should closely match the realities of the job itself. Finally, the RJP should normally be done early in the recruiting process, before job candidates expend too much energy trying to obtain a job offer. (An exception would be to position the RJP at the end of executive recruitment.)

Research continues to uncover the boundaries for RJPs. First, if the retention rate for new hires is very low (e.g., most newcomers quit before one year), the job may be so undesirable that RJPs will have little effect. Similarly in organiza tions with very high retention, RJPs may not be able to improve on an already high level. Thus, the RJP is most effective when the one year job retention rate for newcomers is in the 50–80 percent range, increasing the retention rate by about 10 percent, e.g., from 50 percent to 55 percent (Wanous, 1992). Second, if the RELE VANT LABOR MARKET has relatively few job openings, the RJP will have little effect on a job candidate's job choice. Third, RJPs appear to be more effective when job candidates have some previous job knowledge or work experience, be cause they can fully understand the information provided to them (Meglino, DeNisi, and Ravlin, 1993). Fourth, RJPs increase newcomer reten tion more so in business organizations than in the military (Wanous, 1992; Phillips, 1998).

RJPs may also be relevant for other aspects of human resource management. They could easily be used for preparing managers for international assignments (Black et al., 1999; *see* EXPATRIATE ASSIGNMENT). Some STAFFING techniques also communicate realistic information and may complement the RJP. These include: the SITU ATIONAL INTERVIEW, "inside" recruiting sources (i.e., employee referrals and rehires; see Zottoli and Wanous, 2000), and ASSESSMENT CENTERS (e.g., Thornton and Byham, 1982).

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recruiting

James A. Breaugh

Recruiting consists of organizational activities that provide a pool of applicants for the purpose of filling job openings. Successful recruitment requires careful planning and strategy develop ment, well designed recruitment actions, and the evaluation of past recruitment efforts (Rynes, 1991).

RECRUITMENT PLANNING

Recruitment planning should be carefully integ rated with an employer's HUMAN RESOURCE STRATEGY. Among the issues that an employer

should address in recruitment planning are: (1) does it wish to fill positions internally or externally (*see* RECRUITING SOURCES); (2) what are the job specifications for the open positions (*see* JOB SPECIFICATION); (3) is AFFIRMATIVE ACTION a consideration; and (4) what are its budgetary constraints?

RECRUITMENT STRATEGY DEVELOPMENT

In developing a recruitment strategy, an em ployer should address numerous issues. Among the most important of these are (1) what is the RELEVANT LABOR MARKET from which it will recruit; (2) what is the recruitment message it wants to convey; and (3) what recruitment method(s) will it use to communicate this mes sage?

In deciding upon the relevant labor market from which to recruit (e.g., PhD chemists), an employer should consider a variety of factors (e.g., are members of the targeted group likely to be qualified for and interested in the jobs the employer has to fill?). For legal compliance reasons, employers have made special efforts to recruit members of protected groups. To effect ively recruit members of protected groups, an employer needs to carefully plan its actions. For example, some recruitment methods (e.g., em ployee referrals) may be less effective in reaching members of protected groups than other methods (e.g., publicizing positions at a minority job fair). In a similar vein, recruiters who are comparable in relevant background characteris tics (e.g., race) to the type of persons being recruited may be seen as having more credibility (Breaugh, 1992).

A key issue in recruitment strategy develop ment is deciding what information about the job and the organization to convey to applicants (Rynes, 1991). If an employer's goal is to attract a large number of applicants, then its recruit ment message is likely to present only the posi tive features of a job. However, such a recruitment message is one sided, can be per ceived as deceptive, and can result in undesirable outcomes (e.g., EMPLOYEE TURNOVER) for the organization (Wanous, 1992). In contrast to a deceptive recruitment message, REALISTIC JOB PREVIEWS provide applicants with an accurate view of the job. The provision of

accurate information has been shown to have benefits for both individuals (JOB SATISFAC TION) and employers (less turnover). In making decisions about the design of recruitment com munications, an employer should consider whether it is conveying the type of information that will help applicants make good job choice decisions.

Once it has determined the information that it wants to convey, an employer needs to decide upon the recruitment method(s) that will most effectively fill positions. Early recruitment com munications should attract attention and gener ate interest (Breaugh, 1992). During the course of the recruitment process, other recruitment methods (e.g., conversations with job incum bents) can provide detailed information about the job opening. Given the number of recruit ment methods that can be utilized (e.g., JOB POSTING, EXECUTIVE SEARCH), it is impos sible to discuss all of them. Nevertheless, each recruitment method has its pros and cons. For example, the use of employee referrals allows current employees to screen prospective em ployees and provide realistic job previews. How ever, the use of employee referrals tends to have adverse impact on protected groups.

RECRUITMENT ACTIVITIES AND RECRUITMENT EVALUATION

Given that an employer has carefully considered its recruitment strategy, carrying out recruit ment activities (e.g., writing job advertisements, training recruiters) should be a fairly straightfor ward process. Once an organization has com pleted its recruitment actions for filling a job opening, it should evaluate those efforts (Hene man and Heneman, 1994). Among the criteria an employer could assess are: (1) the number of applications generated by each recruitment method; (2) the YIELD RATIO for each step of the recruitment process; (3) the cost per re cruit; (4) the number of minority job applicants recruited; and (5) first year performance of new hires. The results of an employer's evalu ation of recruitment activities can be used in future recruitment planning and strategy devel opment.

See also *strategic recruiting*

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recruiting sources

Robert D. Gatewood

Recruiting sources are methods used by organizations to transmit information about open positions to potential applicants. These sources can differ in the type of applicants reached, amount of information transmitted, and cost. Recruiting sources can be categorized into two types: *internal* and *external* recruiting sources. Internal recruiting sources refer to methods that transmit information to *current* employees. The most common internal source is JOB POSTING, in which position information is directly provided to employees. Interested employees may choose to apply. Breaugh (1992) describes "closed" internal sources whereby applicants may *not* know that they are being considered for a position. Examples include nominations by supervisor(s), replacement charts developed by top management, and computerized job–person matching systems.

External recruiting sources refer to methods directed to individuals who are not current employees. The most common external sources are: brochures, videotapes, advertisements in newspapers, magazines, and professional periodicals, announcements on radio, television, and electronic networks, job fairs, employee referrals, internships, and educational site visits.

Research has attempted to compare the results of various recruiting sources in terms of such variables as JOB SATISFACTION, tenure, and JOB PERFORMANCE. Rynes (1991) concludes that no consistent differences among sources have been determined. These inconsistencies may partially reflect the fact that satisfaction, tenure, and performance are influenced by several factors, besides recruitment. In addition, Williams, Labig, and Stone (1993) found that applicants frequently use multiple recruiting sources. Therefore, the effects of an individual recruitment source may be difficult to assess.

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red circle jobs

Thomas H. Stone

A red circle job indicates that the incumbent is paid more than the maximum for the job or range rate. Many red circle rate jobs suggest pay structure control problems, such as managers who have raised employees' pay above rate range maximums. However, red circle rates may also occur if a new job evaluation results in a lower evaluation of some jobs. The common practice for handling red circle jobs is to freeze the pay at that level for the current incumbent until either the job moves within the rate range as a result of wage structure adjustments over time or the incumbent leaves the job.

redeployment

Stanley Nollen

Redeployment refers to the lateral movement of a group of employees from one type of job or

function to another to meet the organization's changing occupational needs. This implies re training and may or may not imply geographic mobility.

reference checks

Craig J. Russell

Reference checks are a form of BACKGROUND CHECKING (GENERIC). Applicants provide names of individuals who can verify information provided by the applicant and/or provide addi tional information. Many organizations perform routine reference checks to avoid embarrassment or legal liability for future events (e.g., disclosure by an investigative news reporter that a high school principal had been hired based on false college transcripts) (Sloane, 1991). However, reference checks generally do not target issues of personal integrity beyond confirmation of in formation provided by the applicant (*see* IN TEGRITY TESTING). Reference checks can also target knowledge, skills, and abilities (*see* KSAOS), tasks, and behavioral requirements obtained from a JOB ANALYSIS.

Like background checks, reference checks are usually conducted by telephone and can be used to verify information obtained from WEIGHTED APPLICATION BLANKS and BIOGRAPHICAL HISTORY INVENTORIES (Muchinsky, 1979). Lack of standardized procedures greatly de creases reliability, causing CRITERION RE LATED VALIDITY to generally be poor.

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Rehabilitation Act of 1973

Stuart A. Youngblood

DISCRIMINATION against handicapped work ers is not covered by Title VII of the CIVIL RIGHTS ACT OF 1964. Instead, the Rehabili tation Act and the AMERICANS WITH DIS ABILITIES ACT OF 1990 (ADA) provide coverage for these workers. The Rehabilitation Act applies only to government contractors or other government financed organizations and requires AFFIRMATIVE ACTION. A handicap is defined very broadly as: (1) a physical or mental impairment; (2) a record of such impair ment; or (3) a person who is regarded as having such an impairment. The Act does, however, exclude individuals defined as alcoholics or drug abusers (*see* EMPLOYEE ASSISTANCE PROGRAMS) or any individual who has a cur rently contagious disease or infection that con stitutes a threat to other employees or customers or who is unable to perform the duties of the job. Conditions that have been held to constitute a protected handicap include diabetes, high blood pressure, heart conditions, epilepsy, dyslexia, and post traumatic stress disorder.

Similar to the ADA, the Rehabilitation Act requires employers to make a "reasonable ac commodation" to the handicapped, which typ ically means providing job access and in some cases job redesign. Reasonable accommodation is a gray area of the law and has been clarified by case law and reliance on the concepts of BUSI NESS NECESSITY and financial costs and ex penses. Employers have mistakenly interpreted the Rehabilitation Act by tolerating lower JOB PERFORMANCE from handicapped workers and hesitating to discipline and terminate alcoholic and drug dependent employees for poor job per formance. Moreover, in some jobs, refusal to hire an applicant with a handicap may be a BONA FIDE OCCUPATIONAL QUALIFICA TION.

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reinforcement

David J. Cherrington

Reinforcement refers to the consequences following a target behavior that increase the likelihood of its occurrence. Positive reinforcers are positive stimuli that have the effect of

increasing the probability of a response, while negative reinforcers are aversive stimuli that decrease the probability of a response. In a work setting, some of the most popular positive reinforcers include money, pay increases, promotions, praise, and recognition. Negative reinforcers include criticism, fatigue, boring work assignments, injuries, and unpleasant working conditions.

A distinction is often made between primary and secondary reinforcers. Primary reinforcers are satisfying events associated with physiological needs, such as food, water, sex, rest, and the removal of pain. Secondary reinforcers are learned reinforcers acquired through a process of value internalization, such as social approval, recognition, pride in craftsmanship, and money.

The relationship between behavior and subsequent reinforcement is called a reinforcement contingency. Contingencies include: (1) positive reinforcement contingency, where the occurrence of a target behavior is followed by a positive reinforcer; (2) negative reinforcement contingency, where the occurrence of the target behavior is followed by a decrease in the negative reinforcer; (3) punishment, where a decrease in the target behavior is required to eliminate the presence of an aversive stimulus; (4) extinction, where all reinforcement is withheld to eliminate a response; and (5) combination strategies, where, for example, extinction and positive reinforcement are used to weaken an undesirable response and strengthen a different, desirable response.

Reinforcement schedules refer to the timing of reinforcement. A continuous reward schedule rewards every correct response. An intermittent schedule rewards every Nth response, where N can be either a fixed or a variable number. An interval schedule rewards the first correct response after an interval of time, where the length of the interval can be either fixed or variable. Variable ratio and variable interval schedules create a high response rate and are very resistant to extinction.

relevant labor market

Stuart A. Youngblood and Lawrence H. Peters

The relevant labor market is a term used by the US Department of Labor OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS (OFCCP) and US federal courts (*see Wards Cove Packing Co.* v. *Antonio*, 490 US 642, 1989) in matters associated with employment DISCRIMINATION and AFFIRMATIVE ACTION. Determination of the relevant labor market is necessary when employers conduct a UTILIZATION ANALYSIS and an availability analysis as required by Revised Order No. 4 issued by the OFCCP for federal contractors. A utilization analysis consists of describing the percentages of a protected group (e.g., race or sex) of employees by occupation within the current employer's workforce. An availability analysis reports a similar percentage breakdown by protected class, but for applicants and prospective employees who reside within a geographic area that defines the employer's relevant labor market. A discrepancy between these percentages, where the employer's workforce percentage of protected class members is less than the percentage observed for the relevant labor market, is described as "underutilization." Underutilization may call for voluntary or court ordered affirmative action to close identified gaps. Clearly, a showing of underutilization may very well depend on how the employer defines the relevant labor market. Relevant labor market is determined by commuting patterns as well as search, recruitment, and hiring practices of employers within a geographic area. In general, lower level positions in organizations, those with relatively low wages and relatively lower skill requirements (*see* KSAOS) are associated with labor markets defined in terms of a "reasonable" daily commuting distance. Sometimes, employers will use decennial census data to establish commute patterns for a given geographic area to assist in the definition of the relevant labor market. The relevant labor market for some professional, managerial, and executive positions, on the other hand, might extend far beyond the local area to reflect a regional, national, or global applicant pool.

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reliability

Larry J. Williams

Classic measurement theory proposes that the variability in the measures used in behavioral science research contain two distinct compon ents: true score variance and random error vari ance. True score variance reflects variability observed within sample data that is due to the construct that is being measured. Random error variance (i.e., "noise") may reflect a number of causes, to include temporary fatigue, fluctu ations of memory or mood, and other factors that are temporary and changing. For a given measure used with a given sample, the total observed variance is equal to the *sum* of the true score variance and random error variance. Reliability is a property of a measure that reflects how much of the total observed variance is due to true score variance. Specifically, reliability is defined as the ratio of true score variance to observed variance (Bohrnstedt, 1983). The higher the reliability, the more observed vari ability reflects true score differences rather than random error. This is a desirable property of any measure. As such, reliability refers to the accur acy or precision in a measuring instrument, and synonyms include dependability, stability, con sistency, predictability, and accuracy (Kerlinger, 1973).

Reliability is important because statistical es timates of relationships between variables are influenced by the reliabilities of the measures. Correlation coefficients are always attenuated by low reliabilities of measures, although it is pos sible to adjust for this problem by using the correction for attenuation formula (e.g., the cor relation is divided by the product of the square roots of the reliabilities of the two measures). The consequences of low reliability with regres sion coefficients are more complicated (e.g., signs of coefficients can be reversed, significant coefficients can be made to appear nonsignifi cant, and nonsignificant coefficients can appear as significant; Kenny, 1979). To account for measurement error with regression models, more advanced structural equation techniques must be used (e.g., Joreskog and Sorbom, 1993).

There are several ways to assess the reliability of a measure, including those based on stability and those based on equivalence. One estimate of reliability is obtained by correlating a variable with itself, at two different points in time. This results in a measure of stability referred to as *test–retest reliability*. A similar estimate is obtained by randomly splitting the measure into two forms, which are administered at two points in time, and this process yields a parallel forms test–retest coefficient. A major problem with both of these approaches is that true change in the variables cannot be distinguished from unreliability (Bohrnstedt, 1983). Alternatively, one of the earliest varieties of equivalence is the split half method, in which the total number of items in a composite is divided into two halves and the summated scores on each half are then correlated. Generally, the split half approach has been replaced by internal consistency methods. The most popular version of a measure of equivalence is called *coefficient alpha*, which reflects the correlations among all items of the composite.

A different set of reliability estimates is obtained from exploratory and confirmatory factor analysis. *Omega* is one reliability estimate linked to exploratory factor analysis, and it is based on the covariance matrix among the items and the uniqueness estimates from the factor solution. The reliability of a latent variable from a confirmatory factor analysis can also be calculated. In this case, the factor loadings and error variances are used in the calculations. Finally, it should be noted that in judging any estimate of reliability for a measure, criteria have been provided. It has been suggested that in the early stages of research on a measure, a value of 0.70 or higher will be adequate. For basic re search, a threshold of 0.80 should be considered. For applied settings, a reliability of 0.90 should be considered the minimum (Nunnally, 1978).

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religion

Ramona L. Paetzold

Religion is one of the protected categories under Title VII of the CIVIL RIGHTS ACT OF 1964. It is defined in the Act to include "all aspects of religious observance and practice, as well as belief " (section 701(j)). Courts have interpreted religion to include moral or ethical beliefs that play the role of religion in a person's life (as long as they are sincerely held), but courts have also held that religion does not include beliefs that are viewed to be political in nature, or that form the basis of a social ideology. Atheists receive protection under this protected category, be cause atheism fits within the statutory definition of religion.

repatriation

Hal B. Gregersen

International assignments can enhance the global competitiveness of firms by increasing coordination and control across units, transfer ring innovations across geographic boundaries, and developing future executives (*see* EXPATRI ATE ASSIGNMENT). To obtain these results, firms are increasing the number of managers sent on international assignments as expatriates (Selmer, 1995). Concurrently, human resource scholars have begun to examine various stages of the international assignment cycle and have more recently focused their efforts on the repat riation process or returning home from inter national assignments (Adler, 1981; Black and Gregersen, 1991; Black, Gregersen, and Men denhall, 1992; Selmer, 1995).

Research indicates that: (1) repatriation is as difficult, if not more difficult, than the original expatriation adjustment; (2) a significant major ity of repatriated employees are dissatisfied with the repatriation process; and (3) approximately 25 percent of repatriated employees leave their firm within one year after returning home (Black et al., 1992; Selmer, 1995). In addition, most expatriates do not have a formal job assignment upon repatriation and, when a formal assign ment is obtained, it is usually a career demotion compared to the international assignment pos ition (Black and Gregersen, 1991).

While some research has assessed the repatri ation process, it is all cross sectional and future research must assess repatriation with more systematic longitudinal data from a variety of countries.

See also *expatriate human resource issues*

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repetitive motion strain injury

Donna E. Ledgerwood

Repetitive motion strain is a term synonymous with carpal tunnel syndrome (CTS), hand–arm vibrations, and muscular/skeletal disorders. Three of the physical ailments that workers complain about most often are CTS, back pain, and headaches. According to the NATIONAL INSTITUTE FOR OCCUPATIONAL SAFETY AND HEALTH (NIOSH) (US Department of Health and Human Services, 1993), CTS was first studied as it relates to "primary" Raynaud's phenomenon. Raynaud's phenomenon was first described as a condition of local loss of blood circulation, in which one or more fingers become white and cold all at once. Primary Raynaud's phenomenon, originally described by Dr. Maur ice Raynaud, occurs spontaneously in less than 15 percent of the general population. The ratio

of female to male patients is five to one. Second ary Raynaud's phenomenon has the same signs and symptoms and progresses through the same stages of severity, but may be correlated with a specific cause, such as another medical condi tion, vinyl chloride, or vibrating hand tools.

Early stages of vibration syndrome are char acterized by tingling or numbness in the fingers. Temporary tingling or numbness during or soon after use of a vibrating hand tool is *not* con sidered CTS. To be diagnosed as vibration syn drome, these neurologic symptoms must be more persistent and occur without provocation by immediate exposure to vibration. Other symptoms of vibration syndrome include blanching, pain, and flushing. The symptoms usually appear suddenly, and are precipitated by exposure to cold. With continuing exposure to vibration, the signs and symptoms become more severe and the pathology may become irre versible. The exact point at which vibration syn drome becomes irreversible has not yet been firmly established.

CTS and other repetitive motion strains are all issues of ergonomics. As such, these physical disorders will be unlikely to receive standards from NIOSH or the OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA). A greater probability exists that standards will emerge for ergonomic safety and health which will be applicable to the traditional workplace and the virtual office.

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replacement charts

Nicholas J. Mathys

Replacement charts are a human resource fore casting technique that describe a firm's organ ization structure in terms of individuals who occupy various managerial and professional pos itions. For each position the incumbent and potential replacements are identified along with information such as potential for advancement, experience or skills needed to qualify for next position, gender (for aid in diversity planning), and age (only for retirement planning).

Replacement charts should be computerized and provide a description of how vacancies can be filled by a firm's INTERNAL LABOR MARKETS. They should be updated annually or when changes in strategic directions occur. Updates should be guided by ongoing assess ments of potential replacements – matching their current knowledge, skills, abilities, and other characteristics (*see* KSAOS) against not only present position requirements but also those needed to meet anticipated future needs of the position. Assessments should include KSAOs needed for horizontal as well as vertical moves. The former require more broad based experience and responsibilities, often of a cross functional nature, to meet the needs of today's flatter structures.

Before the number of qualified replacements for a current or future position can be de termined, a method of comparing potential replacement candidates with the position's re quirements is needed. This requires sound JOB ANALYSIS techniques and an up to date HUMAN RESOURCE INVENTORIES bank (Gatewood and Rockmore, 1986). When it is done properly, job families (*see* JOB FAMILY; PAY GRADE) can be developed that serve to identify potential CAREER PATHING and aid in individual career planning.

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representation elections

Charles R. Greer

Representation elections, which are conducted by the NATIONAL LABOR RELATIONS BOARD (NLRB), are the most common method by which employees obtain union representation. While representation elections typically involve

only one union, in some circumstances more than one union may seek to represent the same group of employees and, as a result, multiple unions may be on the election ballot in addition to the no union alternative. Although the criter ion for winning an election is the majority of votes cast (50 percent plus one vote), if an insuf ficient number of employees vote in the election, the NLRB will not consider the election as being representative and will not certify the union on the basis of the election.

During the period beginning after the NLRB is petitioned and before the actual election is conducted, the employer and union may choose to present arguments at a hearing with the NLRB as to an appropriate definition of the election unit, which means the groups of employees that should be allowed to vote (Feldacker, 1990). Because of differences in employees' desires for unionization, both sides may perceive an advantage if certain groups are excluded or included. In addition, after the NLRB orders an election, the employer must provide the union with the names and addresses of employees eligible to participate in the elec tion (Feldacker, 1990; Jacobs, 1993).

During the pre election period the employer must not violate the NLRB's laboratory condi tions for a fair election. This means that the employer cannot intimidate employees against voting for the union, such as by threatening to terminate operations if the union wins the elec tion, terminate employees active in organizing efforts, implement an unscheduled increase in wages for the purpose of discouraging unioniza tion, and so forth. If an employer's conduct is especially egregious, and the NLRB determines that a fair election cannot be held, it will issue a bargaining order which requires the employer to bargain with the union. On the other hand, if the employer is successful in winning the election and does not violate the laboratory conditions, the NLRB cannot order another election for 12 months.

See also *union representation procedures*

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reproductive health hazards

Donna E. Ledgerwood

The OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) has identified re productive hazards as one of the arenas most likely to experience an increase in litigation. Exposure to substances such as lead, ethylene oxide, cadmium, formaldehyde, mercury, and ionizing radiation is generally believed to intro duce potential reproductive hazards. Since these substances may affect the reproductive capacity of men as well as women, fetal protection pol icies of employers have been the focus not only of health and safety litigants, but of cases invol ving equal employment opportunity as well.

Zielinski (1990) observed a profound lack of risk assessment and scant evidence of primary research directed at reproductive health hazards in the workplace. Such deficiencies in research efforts are problematic, particularly with the increasing use of potentially harmful substances and an exponential growth in the development and application of new chemicals. The combina tion of more employee threats of litigation and limited organizational awareness of such issues as reproductive hazards promises to remain as an issue of concern (Stewart, Ledgerwood, and May, 1996).

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retraining

Daniel C. Feldman

Retraining refers to teaching individuals the knowledge, skills, and abilities (*see* KSAOS) that will be necessary for them to obtain jobs in new occupations or organizations. In contrast

to TRAINING, retraining refers to teaching individuals knowledge, skills, and abilities related to jobs outside their current occupations or outside their current organizations. Retraining is frequently used to retool individuals whose career paths (*see* CAREER PATHING) have become obsolete due to changes in technology, to prepare individuals to assume jobs in different industries or organizations after they have been laid off, or to prepare individuals to take new positions after a structural reorganization of the firm has led to the elimination of their present jobs (Leana and Feldman, 1992).

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reverse discrimination

Barbara A. Lee

This term refers to DISCRIMINATION against an individual who is not a member of a group that historically has endured discrimination. Discrimination against Caucasians is race discrimination, but is popularly called reverse discrimination. Discrimination against men is sex discrimination, but is also popularly known as reverse discrimination.

Reverse discrimination claims are brought when an employer engages in voluntary or court ordered AFFIRMATIVE ACTION that uses racial or gender preferences in hiring or promotions (*see* AFFIRMATIVE ACTION FOR NON VICTIMS). The response of the US Supreme Court to these claims has varied, depending upon whether the plaintiffs were charging a refusal to hire or promote, or were challenging a layoff. In JOHNSON V. TRANSPORTATION AGENCY (480 US 616, 1987), the Supreme Court approved a gender conscious promotion made under the aegis of an affirmative action plan. Using the criteria established in *United Steelworkers of America* v. *Weber* (443 US 193, 1979), the court determined that women were manifestly underrepresented in the job category, that the affirmative action plan did not require the discharge of any male employees and was not an absolute bar to the promotion of men, and that the plan was a temporary measure designed to eliminate gender imbalance rather than to achieve a certain quota of women. However, in *Wygant* v. *Jackson Board of Education* (476 US 267, 1986), the same court ruled unconstitutional a layoff plan that attempted to preserve the racial balance of the teaching staff by laying off more senior white teachers rather than less senior black teachers.

reward systems

Steve H. Barr

Also known as COMPENSATION systems and pay systems, reward systems refer to outcomes that an individual receives in an organization. Such outcomes occur in a variety of types. For example, *extrinsic* rewards include wages, salaries, BONUSES, and fringe benefits (insurance, healthcare, retirement plan, and so forth; *see* BENEFITS). *Intrinsic* rewards include praise, recognition, esteem, self competence, and so forth. To enhance organizational effectiveness, reward systems should be designed to reinforce organizational objectives. Thus, they are tied to and should be integrated with the processes of setting goals and evaluating performance.

Reward systems can contribute to the organization's effectiveness in three ways:

1   the reward system can help attract the best human assets to the firm;
2   the reward system can help retain good performers;
3   the reward system can motivate to affect performance.

Reward systems reflect one of two underlying organizational cultures or orientations about rewards. The first is a *performance culture*, also referred to as PAY FOR PERFORMANCE and merit based systems (*see* MERIT PAY). These can occur at the individual level (piece rate or bonus/commission plans; *see* COMMISSION BASED PAY; PIECEWORK), group level (profit centers, cost reduction sharing), and plant or company level (PROFIT SHARING, SCANLON

PLAN). Performance culture reward systems link intrinsic and extrinsic rewards to measured outcomes of individuals, groups, or the organization. These outcomes should reflect individual, group, or organization level goals. In this culture, a larger percentage of an employee's pay is at risk (*see* AT RISK PAY).

A second culture or orientation about rewards is the *entitlement culture*. In this system, rewards are distributed based on factors such as seniority, job level or grade, education, or training. Persons meeting certain levels of each factor receive predetermined levels of reward for that factor. In this culture, a smaller proportion of the employee's pay is at risk.

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right to work

John T. Delaney

Section 14(b) of the US NATIONAL LABOR RELATIONS ACT OF 1935 allows states to prohibit unions from negotiating COLLECTIVE BARGAINING agreements that require workers to become union members to obtain or retain employment. Proponents of state right to work laws argue that workers should be allowed to choose freely whether to join a union or not. Because unions are legally obligated to represent members and nonmembers equally, unionists argue that right to work laws unfairly allow nonmembers to receive the benefits of unionization (e.g., negotiated wage increases) without incurring any costs (e.g., union dues). As of 2003, 22 states had such laws.

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rights arbitration

William H. Holley, Jr.

Rights (grievance) arbitration is the type of ARBITRATION that stems from employee rights negotiated and written in COLLECTIVE BARGAINING agreements. These rights accrue to employees by the fact that they are employees in positions covered under the collective bargaining agreement; in other words, they are BARGAINING UNIT employees.

Typically, the final step in the GRIEVANCE PROCEDURE involves rights arbitration, which takes place in a hearing before a neutral arbitrator selected by the parties. At the hearing the union advocate and management advocate present their respective positions through evidence provided by witnesses and documents related to the relevant contract language and the issue being decided by the arbitrator. At the conclusion of the hearing, the parties decide whether to present oral closing arguments or submit a post hearing brief (a written version of the facts, relevant contract language, arguments supported by arbitral authority, rebuttals to the opposite party's position, and the requested decision of the arbitrator). The arbitrator then studies the evidence presented by the parties and makes a decision based on the relevant contract language in the collective bargaining agreement and the evidence presented by the parties.

The rights arbitration procedure is considered a peaceful and effective mechanism for resolving disputes that arise during the life of a collective bargaining agreement and is a substitute for the

STRIKE by the union and the LOCKOUT by the employer. Rights arbitration is an example of workplace self governance in that the parties themselves design the system which best fits their needs. The parties determine whether there will be a single arbitrator or a board of arbitrators and whether to have a permanent or ad hoc (for only one case) arbitrator(s). They also define the authority of the arbitrator by negotiating an arbitration clause in the collective bargaining agreement and by defining the issue to be presented to the arbitrator prior to presenting the evidence at the hearing. The arbitrator interprets the contract language that the parties have negotiated to apply to their workplace. The parties themselves select the arbitrator who will rule on the evidence which the parties present through witnesses and documents. The Code of Professional Responsibility for Arbitrators in Labor–Management Disputes has been established by the NATIONAL ACADEMY OF ARBITRATORS and the major appointing agencies to govern behavior of arbitrators and their relationships with the union and management. The appointing agencies are the American Arbitration Association, the FEDERAL MEDIATION AND CONCILIATION SERVICE, and the National Mediation Service.

The arbitrator's decision is usually written and includes the facts in the case, the issue(s) presented, the relevant contract provisions, positions of the parties, analysis of the parties' evidence and positions, and the final decision. Arbitrator decisions are rarely overturned by appeal to the courts as long as the arbitrator bases his or her decision on the contract language and evidence presented.

After decades of experience with rights arbitration in the US, arbitral standards and guidelines have been developed for arbitral decision making (see bibliography). These include BURDEN OF PROOF, levels of proof, past practice, intent of the parties, and so forth, which guide the arbitrator's decision making. About 10 percent of the decisions submitted by the arbitrators to the major reporting services (*Labor Arbitration Reports* by Bureau of National Affairs and *Labor Arbitration Awards* by Commerce Clearing House) are published.

Because of its success in the union–management arena, rights arbitration has been introduced in the nonunion sector through employee promulgated arbitration (*see* NONUNION EMPLOYEE GRIEVANCE PROCEDURES). This type of arbitration typically occurs in situations where the EMPLOYEE HANDBOOK specifies that termination will be only for just cause and/or where arbitration is used for resolving conflicts over statutory claims, such as employment DISCRIMINATION on the basis of age, disability, race, or gender. In these types of cases, rights arbitration is considered more of a substitute for a court trial than a substitute for a strike or lockout. In some cases, the introduction of employer promulgated arbitration is viewed as a union avoidance instrument or union substitution device.

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role playing

Timothy T. Baldwin

Role playing is one form of simulation (*see* SIMULATIONS) used primarily for the training of interpersonal skills (e.g., interviewing, giving effective feedback, handling customer complaints). Role playing gives trainees opportunity to experience a situation first hand and to "learn by doing." Role playing is also frequently used to promote attitude change via a variant known as role reversal. Role reversal involves the exchange of roles among trainees from different backgrounds or perspectives with the goal of heightening awareness and understanding of others. Role playing is often used in conjunction with lectures and other training techniques, and is a key element of BEHAVIOR MODELING training.

Rucker plan

Theresa M. Welbourne

The Rucker plan is a form of GAINSHARING that utilizes a bonus formula based on value added (which is defined as sales minus raw materials and services) rather than net sales, revenue, or sales value of production (which are used in the SCANLON PLAN). Although value added is in the denominator, the ratio still uses cost of labor in the numerator. The rationale behind using this formula is that effects not controllable by employees, such as inflation and market factors, are not included in the formula. The Rucker plan is similar to the Scanlon plan in that it also suggests using employee participation programs (*see* EMPLOYEE INVOLVEMENT).

rule of thumb

Nicholas J. Mathys

The rule of thumb is a qualitative forecasting technique used to predict the demand for human resources. Sometimes called STAFFING tables, this decision aid or heuristic links the required number of direct and indirect staff required to external changes in demand, such as number (or value) of sales, number of customers, and so forth. For example, a retail chain specifies that for every ten new stores an additional regional manager will be hired or for every $10,000 in weekly sales an additional checkout clerk and stock person are needed. See Burack and Mathys (1996) for more details.

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Russia

Sheila M. Puffer

Like virtually every aspect of Russian society, the labor force is undergoing dramatic change as Russia makes the difficult transition from a com

munist controlled, centrally planned system to a market oriented economy. Since 1991, which marked the fall of communism and the breakup of the Soviet Union, the government's policies to privatize large sectors of the economy have resulted in dramatic changes in job security and social benefits that had been guaranteed to all citizens.

In the mid 1990s, gross national product suffered annual declines in the range of 15 per cent. Production dropped dramatically in thousands of privatized enterprises that once received government subsidies and whose suppliers and customers had been designated by central ministries. Unprecedented layoffs and unemployment as well as delayed wage payments ensued. Despite these onerous problems, other government legislation opened up opportunities for entrepreneurship and job creation in the rapidly growing private sector.

In 1998 the country suffered a financial crash, resulting in a highly devalued ruble and massive losses of citizens' savings. The Russian economy gradually recovered, with changes from 2001 to 2002 including an 8.8 percent increase in real disposable income, a 16.6 percent increase in real wages, and a 27 percent increase in the average monthly wage to US$141, reaching US$185 in December 2002. Wages constituted approximately 46 percent of gross domestic product (GDP) in 2002, and the official unemployment rate declined slightly from 9 percent to 8.6 per cent. In 2002, one quarter of the population was reported living below the subsistence level of 1,800 rubles a month or US$57 (World Bank, 2003).

HUMAN RESOURCE PRACTICES

Understandably, the transitional environment resulted in the human resource field consisting of a mix of policies and practices from the former communist regime, as well as new approaches used primarily by the emerging private sector. Two large surveys in 1998 and 2000 found a major drive toward implementing modern human resource management (HRM) practices. However, most HRM innovations were implemented through trial and error rather than drawing from international practices (Gurkov, 2002). The unique time perspective and other cultural vestiges of the communist era tended to make

much of the workforce resistant to coordination and integration, thus requiring managers to be flexible in their approaches (Fey and Denison, 2003). Implementing ways of making employees more accountable for their decisions was another important cultural characteristic of the work place (May, Bermann Young, and Ledgerwood, 1998).

New Labor Code Enacted in 2002

The Russian Federation's Labor Code was sub stantially amended in 2002, the first major over haul since the end of the communist regime, and aimed at being more suited to a market economy. The 100 page law is the primary legislation regulating labor practices such as disciplinary action, overtime, holidays, retirement age, and extra compensation for jobs in remote regions or hazardous occupations. The new code applies to all persons working in the country, including all foreign nationals. The standard work week is 40 hours, and time off includes a minimum of 24 working days for vacation, including 14 taken as consecutive calendar days, and an additional ten public holidays.

Unions

Under the new code, unions have decreased in influence. Unions are to be consulted but their input is not binding, with labor and management negotiating directly with each other. The largest union by far, the Federation of Independent Trade Unions, is the successor to the Soviet government run organization and is viewed by some as being closer to the political establish ment than to the workers (Hooson, 2002). The proliferation of smaller unions throughout the 1990s has subsided, with the new code stipulat ing that the largest union in a company can peti tion to be the sole representative of employees in making collective agreements with management. Union approval is no longer required in dis missals, and employers have more latitude in dismissing workers for economic reasons. The right to strike has been curtailed, requiring sup port of at least half of a meeting attended by at least two thirds of a company's employees.

Recruitment and Selection

Recruitment and selection are typically con ducted on an informal and personal basis, pri marily through networks of contacts. As during the communist era, personal characteristics, es pecially trustworthiness, and friendship and family ties are still the major selection criteria, although skills are becoming considerably more important, especially in entrepreneurial start ups. Recruitment is also possible through the long established but largely ineffective state em ployment agency, as well as new private search firms.

Compensation and Benefits

In 2001 the government implemented a flat per sonal income tax of 13 percent. As during the communist period, BONUSES were an expected component of COMPENSATION (Puffer, 1993). Employees were accustomed to receiving bo nuses based on group or enterprise performance rather than individual results (Welsh, Luthans, and Sommer, 1993). Private start ups typically paid vastly higher salaries and bonuses than state sector enterprises, but were much less inclined to provide housing, day care, vacation resorts, and medical services (Puffer and Shekshnia, 1994).

All employers are required to make contribu tions to state funds for medical care, education, employment, and social security, with pension fund contributions being the largest at 28 per cent. In 2003 the government was considering a new multi pillar pension system that would in clude private sector management of pension assets.

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S

safety: blood-borne pathogens

Donna E. Ledgerwood

Healthcare employees are subjected to numerous biological risks in the daily course of performing their jobs. But while AIDS/AIDS RELATED COMPLEX has been the focus of mass media, the actual number of healthcare workers infected with the human immunodeficiency virus (HIV) has been limited, compared to an estimated 12,000 healthcare workers who are infected with the hepatitis B virus annually (Minter and Moretz, 1989). Additionally, the incidence of tuberculosis is growing at an alarming rate. These are but three of a host of communicable diseases existing in the workplace today. Managers must become more aware of the rights of: (1) the infected worker; (2) the coworkers of the infected worker; and (3) the employer. Managers will face many challenges in dealing with the regulations mandated by the AMERICANS WITH DISABILITIES ACT OF 1990, the structure of fines imposed by the OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA), and emerging regulations for personal protective equipment and other aspects related to employee health and safety.

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safety: rights and responsibilities

Donna E. Ledgerwood

The concept of individual rights is unique to the American labor force. In most countries, the right to command resides unilaterally and exclusively with managers and executives, limited only by labor contracts (*see* LABOR CONTRACT), conciliation agreements, or consent decrees.

American labor unions occasionally have had a major influence in the passage of legislation such as the OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 and have successfully challenged management decisions where labor has shown management to be unwilling to remove work related hazards. The OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) was established by congressional intent and requires that every employer assure, as far as possible, the safety and healthful working conditions of every employee. The Department of Labor assumes that every manager is also part of the labor force.

Where OSHA has not promulgated specific standards, employers are responsible for following the Act's General Duty clause. This clause states that employers "shall furnish . . . a place of employment which is free from recognized hazards that are causing or are likely to cause death or serious physical harm to his or her employees."

Employers who are found to be negligent in their health and safety practices (those found to have willful, repeated practices in violation of the law, or those who fail to correct prior conditions found to be OSHA violations) can be cited and receive penalties up to $70,000 per violation, per day, per incident. Citations are written documents which serve as OSHA's vehicle to inform employers of alleged violations. Administrative penalties reflect violations of public policy, whereas fines connote punitive damages imposed by the court for criminal activities. When the potential for state penalties is added

to those imposed by the federal government, an employer can see that failure to provide safe and healthful practices can be costly in more than one way. Moreover, safe and healthful work practices allow the employer to remain compet itive in the long run, with a proper paper trail to use as a defense in the event the employer is sued or an employee dies in a job related incident. For example, employers who participate in OSHA recommended programs (e.g., voluntary protec tion programs) can have fines reduced as much as 85 percent due to their good faith efforts.

In another important arena, the courts are demonstrating an increasing acceptance of the concept of culpability. For culpable actions which "managers knew or should have known" and prevented, managers and executives are being personally fined and even going to jail for murder or manslaughter. For example, on Sep tember 3, 1991, a fire killed 25 people in a North Carolina poultry plant because of inadequate and unmarked exits, with locked doors and poor lighting. There were no functioning fire alarms or sprinklers in the plant. Having been cited previously for safety violations, management was held liable for the loss of life on the grounds of culpability.

The North Carolina incident is not an isolated case of managerial unawareness or negligence. Rather, this tragedy serves as an ominous re minder that employee safety and health remains inadequately addressed as the costs and liabilities of losses mount. In 1988 alone there were 6.2 million job related injuries in the US, and 240,000 cases of occupational illnesses (Feare, 1990). Nine million injuries and illnesses were reported in 1990 (Westlund, 1991), and OSHA issued 99,225 citations for serious violations of safety standards, while imposing $63 million in fines (Garland, 1991). These statistics demon strate the relevance of the employee safety and health issue and the concomitant challenge for managers to provide a safe working environ ment.

Whether due to civil or criminal litigation, managers must become aware of how unaware they are. In addition to fines from federal and state agencies, USC 3571 sets forth an alternat ive fine structure under federal law for noncom pliance with laws related to safety and health. Managerial and nonmanagerial employees can

be fined individually up to $250,000 for a mis demeanor and up to $250,000 for a felony which is their first offense (Waska and Monce, 1991). Thus, with additional authority comes addi tional responsibility. Now there is individual liability for corporate acts as well as corporate liability for individual acts. For more informa tion on specific rights and responsibilities of employers and employees, see *All About OSHA* (US Department of Labor, 1991).

Employer Responsibilities

According to OSHA, employer responsibilities include: (1) meeting a general duty responsibility to provide a workplace free from recognized hazards that are causing or are likely to cause death or serious physical harm to employees, and comply with standards, rules, and regulations issued under the Act; (2) being familiar with mandatory OSHA standards and making copies available to employees for review upon request; (3) informing all employees about OSHA; (4) examining workplace conditions to make sure they conform to applicable standards; (5) re moving the hazard or, if the hazard cannot be eliminated, minimizing and reducing it; (6) making sure employees have and use safe tools and equipment, including appropriate per sonal protective equipment, and that such equipment is properly maintained; (7) using color codes, posters, labels, or signs when needed to warn employees of potential hazards; (8) establishing or updating operating proced ures and communicating them so that employees follow safety and health requirements; (9) pro viding medical examinations when required by OSHA standards; (10) providing training re quired by OSHA standards; (11) reporting to the nearest OSHA office within *eight* hours any fatal accident or one that results in the hospital ization of five or more employees; (12) keeping OSHA required records of work related injuries and illnesses, and posting a copy of the totals from the last page of OSHA Publication No. 200 during the entire month of February each year (this requirement applies to employers with 11 or more employees); (13) posting, at a prominent location within the workplace, the OSHA poster (OSHA No. 2203) informing employees of their rights and responsibilities (in states operat ing OSHA approved job safety and health

programs, the state's equivalent poster and/or OSHA 2203 may be required); (14) providing employees, former employees, and their repre sentatives access to the Log and Summary of Occupational Injuries and Illnesses (OSHA No. 200) at a reasonable time and in a reasonable manner; (15) cooperating with the OSHA com pliance officer by furnishing names of author ized employee representatives who may be asked to accompany the compliance officer during an inspection and, if there are no representatives, allowing the compliance officer to consult with a reasonable number of employees concerning safety and health in the workplace; (16) not discriminating against employees who properly exercise their rights under the Act; (17) posting OSHA citations at or near the worksite involved and leaving each citation, or copy thereof, posted until the violation has been abated, or for three working days, whichever is longer; and (18) abat ing cited violations within the prescribed period.

Employer Rights

Employer rights include: (1) seeking advice and offsite consultation as needed by writing, calling, or visiting the nearest OSHA office; (2) being active in industry association involvement in job safety and health; (3) requesting and receiving proper identification of the OSHA compliance officer prior to inspection; (4) being advised by the compliance officer of the reason for an inspection; (5) having an opening and closing conference with the compliance officer; (6) ac companying the compliance officer on the in spection; (7) filing a Notice of Contest with the OSHA area director within 15 working days of receipt of a notice of citation and proposed pen alty; (8) applying to OSHA for a temporary variance from a standard if unable to comply because of the unavailability of materials, equip ment, or personnel needed to make necessary changes within the required time; (9) applying to OSHA for a permanent variance from a stand ard if proof can be furnished that facilities or methods of operation provide employee protec tion at least as effective as that required by the standard; (10) taking an active role in developing safety and health standards through participa tion in OSHA Standards Advisory Committees,

through nationally recognized standards setting organizations, and through evidence and views presented in writing or at hearings; (11) being assured of the confidentiality of any trade secrets observed by an OSHA compliance officer during an inspection; and (12) submitting a written request to the National Institute for Occupational Safety and Health (NIOSH) for information on whether any sub stance in the workplace has potentially toxic effects in the concentrations being used.

Employee Responsibilities

Although OSHA does not cite employees for violations of their responsibilities as it can with employers, the law requires each employee to comply with all occupational safety and health standards and all rules, regulations, and orders issued under the Act that are applicable. Em ployee responsibilities include: (1) reading the OSHA poster at the job site; (2) complying with all applicable OSHA standards; (3) following all employer safety and health rules and regulations, and wearing or using prescribed protective equipment while engaged in work; (4) reporting hazardous conditions to the superior; (5) re porting any job related injury or illness to the employer, and seeking treatment promptly; (6) cooperating with the OSHA compliance offi cer conducting an inspection if he or she inquires about safety and health conditions in the work place; and (7) exercising one's rights under the Occupational Safety and Health Act in a respon sible manner.

Employee Rights

Employees have a right to seek safety and health on the job without fear of punishment. This right is spelled out in Section 11(c) of the Occu pational Safety and Health Act. The law says that employers shall not punish or discriminate against workers for exercising rights such as: (1) complaining to an employer, union, OSHA, or any other government agency about job safety and health hazards; (2) filing safety or health grievances; (3) participating on a workplace safety and health committee or in union activ ities concerning job safety and health; (4) par ticipating in OSHA inspections, conferences, hearings, or other OSHA related activities;

(5) reviewing copies of appropriate OSHA standards, rules, regulations, and requirements that the employer should have available at the workplace; (6) requesting information from one's employer on safety and health hazards in the area, on precautions that may be taken, and on procedures to be followed if an employee is involved in an accident or is exposed to toxic substances; (7) receiving adequate training and information on workplace safety and health hazards; (8) requesting the OSHA area director to investigate if one believes hazardous conditions or violations of standards exist in the work place; (9) having one's name withheld from one's employer, upon request to OSHA, if one files a written and signed complaint; (10) being advised of OSHA actions regarding one's complaint and having an informal review, if requested, of any decision not to inspect or to issue a citation; (11) having one's authorized employee representative accompany the OSHA compliance officer during the inspection tour; (12) observing any monitoring or measuring of hazardous materials and having the right to see these records, and one's medical records, as specified under the Occupational Safety and Health Act; (13) having one's authorized representative, or oneself, review the Log and Summary of Occupational Injuries (OSHA No. 200) at a reasonable time and in a reasonable manner; (14) requesting a closing discussion with the compliance officer following an inspection; (15) submitting a written request to NIOSH for information on whether any substance in the workplace has potentially toxic effects in the concentration being used and have one's name withheld from one's employer if requested; (16) objecting to the abatement period set in the citation issued to the employer by writing to the OSHA area director within 15 working days of the issuance of the citation; (17) participating in hearings conducted by the Occupational Safety and Health Review Commission to which an employer goes to appeal a citation or penalty which the employer received by an OSHA inspector; (18) being notified by one's employer if he or she applies for a variance from an OSHA standard, and testifying at a variance hearing and appealing the final decision; and (19) submitting information or comment to OSHA on the issu

ance, modification, or revocation of OSHA standards and requesting a public hearing.

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safety in the workplace

Donna E. Ledgerwood

Safety is defined in the Glossary of the American Society of Safety Engineers (ASSE) as a general term denoting an acceptable level of risk of, relative freedom from, and low probability of harm (ASSE, 1993). Called occupational safety during the 1970s and 1980s, the area today typically described as workplace safety refers to the ability to manage (prevent, avoid, and control) job related losses due to sudden changes in process, material, resources, or energy. Safety could also be defined as those things we presently *should* see that can cause us immediate harm.

See also *safety: rights and responsibilities*

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salesforce compensation

David W. Cravens

Salesforce compensation consists of the financial and nonfinancial rewards given to salespeople

whose primary responsibilities include contact
ing customers and prospects with the objective
of obtaining commitments to buy the goods or
services offered by the salesperson (Ingram and
LaForge, 1992). The salespeople may also be
responsible for providing supporting services to
customers. COMPENSATION is provided by the
organization (or individual) employing the sales
person in return for the salesperson's satisfac
tory JOB PERFORMANCE.

Financial compensation for salespeople may
include a salary and/or some form of incentive
compensation (see INCENTIVE PAY). Incentives
may be a commission paid on sales results or a
bonus determined by the amount sold, activities
sold, activities performed, or the sales manager's
assessment of the salesperson's performance (see
BONUSES; COMMISSION BASED PAY). Team
incentives may be used to reward team selling
performance. Financial compensation systems
range from 100 percent salary to 100 percent
commission. Nonfinancial compensation may
include various forms of recognition of the sales
person's contribution to the organization (e.g.,
President's Club).

The method of financial compensation is usu
ally determined by the job requirements and the
extent of control and direction that sales man
agement wishes to have over the salesperson's
efforts (Anderson and Oliver, 1987). Salary only
compensation provides the most control over the
salesperson, whereas commission only compen
sation essentially allows the salesperson to deter
mine the amount and allocation of his or her
selling effort. Most compensation plans include
some opportunity for incentive compensation.
For example, salary might represent 70 or 80
percent of compensation, with the remainder
comprised of bonus or commission pay
(Cravens, 1995).

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salting

Stuart A. Youngblood

Salting refers to a union organizing tactic of
covertly placing paid union organizers on an
employer's payroll. Employers have argued that
a paid union organizer who applies for and is
selected to work for an employer cannot be con
sidered an employee under the NATIONAL
LABOR RELATIONS ACT OF 1935. The US
Supreme Court rejected this argument and
unanimously upheld a NATIONAL LABOR RE
LATIONS BOARD (NLRB) ruling that paid
union organizers on an employer's payroll are
employees under the National Labor Relations
Act. The Supreme Court case, *NLRB* v. *Town
and Country Electric*, involved contractors in
the building trades, but the ruling affects all
employers in any industry. "Salts" are costly
to employers because they can file unfair labor
practices, GRIEVANCES, or DISCRIMINATION
complaints that require staff and legal resources
to resolve. Salting appeals to union organizers in
the building trades, which is composed of many
smaller employers who hire highly mobile
workers for short durations.

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high court ruling. *HR News*, **15** (1), 4 5.

savings or thrift plans

Charles H. Fay

Savings or thrift plans are common defined con
tribution PENSION PLANS which promote
savings on the part of employees. Employers
typically match some portion (usually 50 per
cent) of employee savings. Most such plans
have been converted to, or replaced by, 401(K)
PLANS, which allow both contributions to
such plans and the earnings of the plan to
enjoy deferred tax treatment. All EMPLOYEE
RETIREMENT INCOME SECURITY ACT OF
1974 requirements apply to tax qualified thrift
plans.

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Scanlon plan

Theresa M. Welbourne

The Scanlon plan is a GAINSHARING plan that uses a bonus formula based on improvements in historical production. The ratio used is the cost of labor to some measure of PRODUCTIVITY (revenue, sales value of production, or net sales). Assuming a stable historical ratio, a bonus is realized when the ratio improves. The amount of savings creates a bonus pool that is shared between the employer and employees (often a 50 : 50 split). The employee share is then distributed among all employees in the work group (usually as a percentage of basic pay). The Scanlon plan recommends suggestion committees.

scientific management

Fang Lee Cooke

Scientific management (also known as Taylorism) is a movement founded by Frederick Winslow Taylor (1856–1917), who was an engineer by training. Taylor believed that the principal object of management should be to secure the maximum prosperity for the employer, coupled with the maximum prosperity of each employee. For the employer, maximum prosperity means not just large profits in the short term but the development of all aspects of the enterprise to a state of permanent prosperity. For the employees, maximum prosperity means not just immediate higher wages, but their development so that they may perform efficiently in the highest grade of work for which their natural abilities fit them. Taylor held that there were three causes for antagonism and inefficiency at workplaces: first, the fallacious belief of the workers that any increase in output would inevitably result in unemployment; second, the defective systems of management which make it necessary for workers to restrict output in order to protect their interests; and third, inefficient rule of thumb effort wasting methods of work. Taylor argued that the aim of "scientific management" was to overcome these obstacles by means of systematic observation and measurement. Taylor also believed that it was necessary to increase management control to improve efficiency and that there was a need to reform managerial authority: to base it on competence rather than the power to hire and fire. Taylorism has been widely criticized by scholars from other schools such as the human relations school.

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SD$_y$

Michael J. Burke

The standard deviation of JOB PERFORMANCE in dollar terms, SD$_y$ is a key component of Brogden's selection utility model (*see* SELECTION UTILITY MODELS) and of some TRAINING UTILITY models. Several methods for estimating SD$_y$ include the CREPID (which relies on JOB ANALYSIS information, PERFORMANCE APPRAISAL information, and labor costs) and global SD$_y$ (which relies on subject matter expert judgments of the dollar value of employee performance) procedures. Research related to SD$_y$ estimation procedures (see Boudreau, 1991, for a review) has assisted the field in gaining a better understanding of the economic impact of human resource programs, such as PERSONNEL SELECTION and TRAINING programs.

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secondary boycotts

Hoyt N. Wheeler

Secondary boycotts are union efforts, usually involving PICKETING, to force a second employer to "refrain from doing business with" an employer with whom the union has a labor dispute (Gould, 1986: 53). The term "boycott," which has the same meaning in several languages, derives from the name of an infamous 1879 Irish estate manager whose tenants isolated him (Funk, 1972). Such actions are illegal for most workers under American labor law (section 8(b)(4)(B), NATIONAL LABOR RELATIONS ACT OF 1935), and give rise to swift legal penalties. However, the variation aimed at consumers is a technique used to good effect in the US by farm workers, who are not covered by the National Labor Relations Act.

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selection models

Neal Schmitt

Selection models are descriptions of the ways in which organizations collect and use information to make decisions about the assignment of people to various treatments (e.g., hire, reject, promote, train). Decision makers must first collect data using psychological tests (*see* PSYCHOLOGICAL TEST) or other assessment procedures that yield information relevant to the examinees' abilities to perform relevant job tasks. Decision makers then need to combine that information in a way that provides correct predictions about the examinees' subsequent JOB PERFORMANCE.

MECHANICAL VERSUS JUDGMENTAL DATA COLLECTION

Through JOB ANALYSIS, an organization identifies the type of knowledge, skills, abilities, and other characteristics (*see* KSAOS) required to perform the tasks that comprise a job. Human resource specialists have developed a wide variety of techniques to assess the degree to which individuals possess these critical KSAOs. These data collection procedures include mechanical procedures such as psychological tests (or documentation of experience and education requirements), which are relatively easily and objectively scored. In contrast, other data collection procedures involve subjective judgments on the part of an evaluator as to whether an examinee possesses or lacks the required KSAOs. The most common judgmental approach to data collection is the EMPLOYMENT INTERVIEW, though there are certainly subjective elements in other data collection procedures, such as various work SIMULATIONS (*see* ASSESSMENT CENTERS), or even the evaluation of the degree to which particular credentials indicate the possession of a desired job relevant attribute.

ACTUARIAL VERSUS CLINICAL DECISION-MAKING

Once relevant KSAO data are collected, the organizational decision maker must determine *how* to combine that information to predict each applicant's expected job success. If the organization adopts an *actuarial* approach to the use of information, it combines the information using a statistical formula that is based on the statistical relationship between KSAOs and subsequent job success as established in previous research studies. This procedure assumes that the KSAO–job performance relationship is the same in the current group of examinees as it was in those samples in which the research was conducted. Decision quality is dependent solely on the adequate identification of KSAO–job performance relationships.

In *clinical* decision making, a person considers the entire array of information regarding an applicant's KSAOs. This information is compared to his or her own experience with the job and organization, and prior experience evaluating previous candidates (and those candidates' subsequent job performance). This approach to decision making is much more individualistic and subjective; the skill of the decision maker in integrating this array of information is a critical determinant of decision quality.

Noncompensatory and Compensatory Models

One other concern that is important when in formation is combined to make selection deci sions is whether to use that information in a compensatory or noncompensatory fashion. A *compensatory* combination rule is one in which low levels on one ability can be compensated for by high levels on other abilities. For example, an applicant whose computer keyboarding skills are not great would be able to perform a job requir ing such skills if he or she was motivated to attain the required level of skill. In effect, superior motivation would compensate for a current lack of keyboarding skills. Occasionally, a *noncompen satory* rule is appropriate. For example, one's technical competence in operating some piece of machinery would not compensate for a lack of color vision if the machine controls were color coded. In this case, no amount of technical com petence could compensate for a lack of color vision.

Both compensatory and noncompensatory ap proaches to combining information are possible with either clinical or actuarial decision making.

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selection ratio

Michael J. Burke

The selection ratio is the proportion of indi viduals in the applicant population who are hired. For a definition of the hiring rate and its relation to the selection ratio, see Alexander, Barrett, and Doverspike (1983).

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selection utility models

Michael J. Burke

A selection utility model is a theoretical equation for translating the results of a CRITERION RELATED VALIDITY study into terms that are meaningful to organizational decision makers, such as dollar valued increases in JOB PER FORMANCE, percent increases in output, and reduction in the number of employees needed. The most frequently applied selection utility models provide decision makers with a frame work for systematically considering the benefits and costs of alternative PERSONNEL SELEC TION procedures or decisions.

Brogden's Selection Utility Model

Brogden's (1949) contributions are still the basis for much of the utility analysis work done by human resource researchers and practitioners today. Brogden demonstrated that an estimate of the dollar value, or utility, of a selection pro gram is a function of the number of individuals hired, the correlation between the selection pro cedure scores and job performance scores, the standard deviation of job performance in dollar terms (SD_y), the mean selection procedure score (expressed in a standard score form, with mean and standard deviation equal to 0 and 1, respect ively) of the newly hired employees, and the total cost of the selection program. As noted by sev eral authors, a slightly modified version of Brog den's model can be used for examining the gain in utility of a new selection program over an existing one.

One of the most difficult quantities to es timate when applying Brogden's model is SD_y. Strictly speaking, one would need information about the dollar value of the performance of each employee to compute SD_y. Given the difficulties in obtaining such individual level data, several simpler methods for estimating SD_y have been proposed.

Global SD_y estimation procedures. Schmidt et al.'s (1979) procedure has subject matter experts (e.g., supervisors) estimate the dollar value, to the organization, of the goods and services pro duced by the average employee as well as by employees at the 15th and 85th percentiles. Under the assumption that the dollar value of

employee performance is normally distributed, the differences between the values associated with the 50th and 15th percentiles and the 85th and 15th percentiles each represent estimation of SD_y. These separate estimates are then averaged to obtain a final estimate of SD_y. Alternative global SD_y estimation procedures, which employ consensus seeking processes or anchoring (feedback) and adjustment processes, have been evaluated (Burke and Frederick, 1984).

Cascio Ramos estimate of performance in dollars (CREPID). Cascio and Ramos (1986) proposed an SD_y estimation procedure which relies on JOB ANALYSIS information, performance ratings, and labor costs. Essentially, the CREPID procedure produces a dollar value for each employee based on multiplying mean salary for the employee's job times the employee's weighted overall performance rating. The standard deviation of these employee dollar values is assumed to be equal to SD_y. Modifications to CREPID which rely on existing job analysis and employee PERFORMANCE APPRAISAL information have been proposed. Other types of SD_y estimates, which rely on rules of thumb (such as 40 percent of mean salary; *see* RULE OF THUMB) or which have relevance to particular settings (e.g., military), have also been suggested. A number of studies (see Boudreau, 1991, for a review) have assisted us in gaining a better understanding of the relationships between alternative SD_y estimation procedures. A typical finding is that SD_y estimates based on the CREPID procedure and 40 percent of mean salary are somewhat consistent, whereas global estimates tend to be greater. These results are understandable given how utility is defined for each procedure as well as our knowledge of the mathematical relationships between the various SD_y estimation procedures.

EXTENSIONS AND MODIFICATIONS TO BROGDEN'S SELECTION UTILITY MODEL

The significant work of Cronbach and Gleser (1965) addressed the utility of classification, placement, and sequential selection. The work of Boudreau (1991) and his colleagues more directly focused on extending Brogden's utility model to incorporate economic concepts (vari-

able costs, taxes, and discounting), the effects of recruitment activities, and the flow of employees into and out of the organization. In addition, Cronshaw and Alexander (1985) incorporated capital budgeting techniques into Brogden's model and subsequently argued that dollar utility can be defined in terms of costs, revenues, and investments. Finally, regression based utility equations which do not require correcting validity coefficients for range restriction (typically considered in VALIDITY GENERALIZATION analyses) have been presented (Raju, Burke, and Maurer, 1995).

The above adjustments to Brogden's utility model have given researchers and practitioners a better understanding of the complexities involved in estimating selection program utility. In addition, discussions in the literature concerning changes in performance levels over time, possible decays in the predictive effectiveness of selection procedures over time, and the assumed effects of labor market conditions on selection utility have advanced our understanding of the factors impacting selection utility estimates. Overall, this line of research has assisted organizations in gaining a better sense for the economic value of validated personnel selection programs.

Notwithstanding the complexities of estimating selection utility, researchers have discussed how one can deal with the uncertainty of these utility estimates in decision contexts. Among several approaches, focusing on break even values (minimum values necessary for utility gain to meet the costs associated with a personnel selection program) offers a practical means for decision making.

RAJU, BURKE, AND NORMAND'S SELECTION UTILITY MODEL

Based on a different set of assumptions than Brogden about the relationship between behavioral performance and the dollar value of job performance, Raju, Burke, and Normand (1990) presented another regression based utility model and set of equations for estimating selection utility. Whereas Brogden's model requires an estimate of SD_y to compute selection utility in dollar terms, the Raju et al. model requires an estimate of the economic value of the job (the constant "A" in their equations) to express

selection in dollars. Recently, researchers have debated the promise of this model for over coming problems in the estimation of selection program utility.

It should also be noted that the criterion variable in both Brogden's and Raju et al.'s models (typically job performance expressed in dollars) is assumed to be continuous. Several researchers have proposed utility models for evaluating selection procedures based on a dichotomized criterion (i.e., when all individuals in the "unsuccessful group" are assigned the same low value on the criterion and all of those in the "successful group" are assigned the same high value on the criterion).

JARRETT'S SELECTION UTILITY MODEL FOR ESTIMATING PERCENTAGE INCREASE IN OUTPUT

Jarrett (1948) presented a general formula for estimating the percentage increase in *output* for a validated personnel selection program. He showed that an estimate of the percentage increase in output was a direct function of the validity coefficient, the coefficient of variation (the ratio of the standard deviation of output to mean output), and the mean standard score on the selection procedure of the selected group. In recent years, researchers have examined the extent to which the coefficient of variation (sometimes referred to as SD_p) varies as a function of job complexity. Jarrett's utility model and subsequent research related to estimating the coefficient of variation have increased our understanding of the percentage increase in output resulting from the use of validated selection programs, especially for jobs where performance is quantifiable.

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self-awareness training

Timothy T. Baldwin

Students of human behavior have long suggested that knowledge of oneself (self awareness) is essential to productive personal and interpersonal functioning. Dimensions of self awareness include personal values, cognitive style, interpersonal orientation, personality, and interests. Self awareness training typically consists of the trainee completing and interpreting one or more self assessment instruments (e.g., Myers–Briggs type indicator) and then receiving feedback from others, sometimes in an unstructured format known as sensitivity training. An increasingly popular form of self awareness training involves "360 degree feedback" (Van Velsor and Leslie, 1991), which refers to feedback collected from all those within a trainee's sphere of influence (e.g., superiors, subordinates, peers, and customers; *see* 360 DEGREE APPRAISALS).

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self-efficacy training

Collette A. Frayne

Self efficacy is defined as an individual's judg ment of his or her capabilities to organize and execute courses of action required to attain cer tain types of performances (Bandura, 1986). These expectations regarding personal mastery determine whether people will try to cope with difficult situations. In addition, efficacy ex pectations serve to determine how much effort people will expend and how long they will per sist in their efforts to overcome obstacles or aversive events. The stronger the efficacy ex pectations, the more active one's efforts (Ban dura, 1986).

Self efficacy training programs are designed to directly improve the individual's competen cies, primarily through the use of mastery, mod eling, and persuasion experiences, in performing the task. Studies have indicated that some training methods can enhance self efficacy in the areas of, among others, SELF MANAGE MENT TRAINING (Frayne and Latham, 1987), cognitive modeling, and BEHAVIOR MODEL ING (Gist, Schwoerer, and Rosen, 1989).

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self-management training

Colette A. Frayne

Self management (Mills, 1983) is an effort by an individual to control his or her own behavior. Thus, an essential characteristic of self manage ment is that the individual is the primary agent for increasing or decreasing one or more re sponse patterns.

Training in self management teaches peo ple how to assess problems, to set specific hard goals in relation to those problems, to monitor ways in which the environment facilitates or hinders goal attainment, and to identify and administer REINFORCEMENT for working toward, and punishment for failing to work toward, goal attainment (Karoly and Kanfer, 1982).

The potential usefulness of self management in modifying behavior has been supported in laboratory and clinical settings (e.g., Karoly and Kanfer, 1982). In organizational settings, self management training has improved both employee attendance (Frayne and Latham, 1987) and JOB PERFORMANCE and has enabled employees at various hierarchical levels to manage themselves more effectively (Manz, 1983).

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self-managing teams

Susan Albers Mohrman

Self managing teams are groups of people who (1) perform interdependent work, (2) are collect ively responsible for the accomplishment of a product or service, and (3) self regulate their work. They are also referred to as semi autono mous or autonomous work teams and self regulating teams. Although they vary in their authority limits and amount of autonomy, they

are all characterized by increased internal con
trol that results when management tasks such as
planning, scheduling and staffing, organizing,
and monitoring work are made a team responsi
bility. By one typology (Hackman, 1982), a self
designing team also controls its team's design,
including its goals and composition. Self
managing teams are a form of HORIZONTAL
MANAGEMENT.

Self managing teams extend the principles of
motivating job design, or job enrichment, to the
team level (Hackman and Oldham, 1984).
Teams are appropriate when an individual
cannot perform a whole task, so whole product
identification is only possible at the group level.
Work technology also determines the appropri
ateness of teams. Self managing teams are ap
propriate when work is interdependent and
uncertain, requiring a great deal of online inter
action and mutual adjustment. The determina
tion of the appropriateness of the use of self
managing teams is often accomplished through
a sociotechnical analysis aimed at jointly opti
mizing the technical and social design of the
work system (Pasmore, 1988).

Three conditions are especially important for
successful application of self managing teams
(Cummings, 1978). First, the task of the team
must be differentiated and self contained.
Second, the team must have boundary control
over its inputs and outputs. These first two
conditions exist when the team contains the ne
cessary resources and skills to perform its pro
duction tasks and to do its own support tasks and
quality control. It also interfaces directly with its
suppliers and customers. The third condition is
task control, the ability to self regulate team
behavior in converting inputs into products or
services. These factors enable the team to be
held accountable for its performance.

Implementation of self managing teams re
quires the redesign of many aspects of the organ
izational system. Team members are generally
cross trained (*see* CROSS TRAINING) to facil
itate mutual coordination, provide flexibility in
task assignment, and enable the team to perform
expanded functions. Salary is often based, in
part, on the skills that have been mastered by
each individual. In addition, team BONUSES are
sometimes used to reward team performance.
Personnel and PERFORMANCE MANAGEMENT

functions such as goal setting, feedback, ap
praisal, interviewing and hiring, disciplining,
and firing may all be team responsibilities. In
some cases these are joint responsibilities with
management.

Management structures and roles change sig
nificantly to provide a context suitable for self
managing teams. Supervisors may be respon
sible for several teams. Their role changes from
day to day direction to helping to develop the
team to manage itself (Manz and Sims, 1989). In
some instances, the supervisory level may be
eliminated altogether, as team leaders perform
management tasks or leadership roles are dis
persed among team members. Support functions
such as maintenance or quality may be radically
reduced in size, and remaining functional
experts may be used in a consulting role to the
teams.

The historical roots of self managing teams
lie in the sociotechnical tradition and originated
in Europe (e.g., Trist and Bamforth, 1951).
Early applications focused on the shop floor,
largely in production settings characterized by
continuous process technology. Recently, use
has spread to KNOWLEDGE WORK settings
(*see* KNOWLEDGE TEAMS). Self managing
teams are frequently part of high involvement
(Lawler, 1986) organizational approaches that
create conditions that motivate employees to
contribute to high performance. Supporting
design changes include flattening the organiza
tion, distributing performance related informa
tion to employees, extensive training and
development, eliminating status differences,
rewarding for performance and skills, and cre
ating conditions for EMPLOYEE EMPOWER
MENT.

Research on self managing teams finds
modest evidence of positive impact on attitu
dinal and organizational performance results
(Cohen, 1994). Results are believed to be best
when they are used in a supportive context and
when adequate attention is given to examining
and co optimizing the technical system. Al
though dissemination of this approach has been
slow, data show that the application of self man
aging teams is steadily increasing. For example,
over 60 percent of the largest US firms now
employ self managing teams in some operations
(Lawler, Mohrman, and Ledford, 1995).

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self-ratings

Walter C. Borman

Self ratings in an organizational setting involve asking organization members to evaluate themselves on overall performance, or, more often, on several individual dimensions of performance (e.g., job knowledge, planning, and organizing). Self evaluations are used most often for developmental purposes, and often are used in conjunction with SUPERVISORY RATINGS or subordinates' ratings (*see* 360 DEGREE AP PRAISALS). Employees are then given these other ratings so that they can judge how they may have under or overestimated their performance in each area. In addition, self ratings are occasionally used as criterion scores for selection or other kinds of research when ratings from other sources are not available.

An obvious advantage of self ratings is that the "rater" has a lot of knowledge about "ratee" performance. A disadvantage is that self ratings may often overestimate actual performance levels. In fact, research shows that self ratings are typically more lenient than PEER RATINGS or supervisory ratings (Borman, 1991; *see* LENI ENCY EFFECTS). Further, a meta analysis (Harris and Schaubroeck, 1988) found that inter rater agreement between self ratings and either peer ratings or supervisor ratings was low ($r = 0.35$ and 0.36, respectively) compared to the agreement between peers and supervisors ($r = 0.62$).

Finally, the issue of self rating validity was explored by Mabe and West (1982). They conducted a meta analysis of correlations between self ratings of abilities and criterion scores (mostly test scores or supervisory ratings). The mean validity coefficient was 0.29, but these validities varied considerably. Relatively high validity coefficients were obtained when raters (1) made relative rather than absolute judgments, (2) had comparatively more experience providing ratings, (3) were told that their ratings were anonymous, (4) rated past rather than future performance, and (5) were told that their ratings would be compared to criterion scores.

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service quality

David E. Bowen

The most widely accepted definition of service quality in the management and marketing literature is the extent to which customers' perceptions of service meet and/or exceed their

expectations (e.g., Zeithaml, Parasaraman, and Berry, 1990). This subjective, customer based definition of quality is a departure from earlier definitions of quality based on the extent to which measurable attributes of the products or services themselves conformed to objective, pre determined specifications (Reeves and Bednar, 1994).

Zeithaml et al. (1990) determined that cus tomers evaluate service on five dimensions: reli ability, responsiveness, assurance, tangibles, and empathy (these five factors have a mixed track record of replication by other researchers). Overall, service quality is a function of both outcome (e.g., a properly prepared meal) and process (e.g., how the meal was delivered by the waiter).

Managing the delivery of service quality must take into account the unique nature of services that are primarily intangible, are often produced and consumed simultaneously, and frequently involve customers as coproducers of the service they receive (Bowen and Schneider, 1988). These characteristics pose distinct challenges to human resource managers. For example, service quality must be managed in real time in the service encounter between contact employee and customer. This makes quality control an integral part of the HUMAN RESOURCE FUNC TION because the selection and training of contact employees helps to determine quality. Also, customers who help to coproduce their service (e.g., bringing the right documents to their tax consultant) can be viewed as "partial employees" who also must be managed as human resources (e.g., thoughtfully selected and trained).

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sex

Ramona L. Paetzold

Sex is one of the protected categories under federal antidiscrimination law (e.g., Title VII of the CIVIL RIGHTS ACT OF 1964, EQUAL PAY ACT OF 1963). The interpretation of "sex" has broadened over the years to include not only the biological categorization, but also the cultural and social categorization scheme known as gender (particularly under Title VII). Thus, protection flows to males and females as bio logical entities, and to men and women as they are culturally understood. For example, the use of sex and/or gender based stereotypes can lead to discrimination on the basis of sex. In general, "sex" has not been interpreted to include SEXUAL ORIENTATION.

sex-role stereotypes

Ellen A. Fagenson Eland

Sex role stereotypes are biased assumptions made about individuals based upon their mem bership in a particular sexual group. Sex role stereotypes assume that all members of one sex have similar characteristics and these character istics are different from those possessed by members of the other sex. For example, women are often stereotyped as being emotional, nur turing, and passive; men are stereotyped as being independent, decisive, and strong (Powell, 1993). Research has shown, however, that women and men managers are more alike than they are different, suggesting that sex role stereotypes are inaccurate (Freedman and Phil lips, 1988). They can also be harmful.

Women managers cite sex role stereotypes as the primary barrier they face in securing higher level management positions (Heidrick and Struggles, 1986; *see* WOMEN'S CAREER ISSUES). Research has consistently shown that, according to male managers, women managers are less likely to possess the charac teristics of successful managers than male managers (Schein, 1973; Brenner, Tomkiewicz, and Schein, 1989; Heilman et al., 1989). In the 1970s, women managers made similar

attributions. According to more recent research, however, women managers now perceive that successful managers possess the sex role stereo typical traits characteristic of both men and women (Brenner et al., 1989; Heilman et al., 1989).

Sex role stereotyping is most likely to occur when little information other than an individual's sex is known about him or her (Powell, 1993). Consequently, stereotyping of men and women in the workplace could be reduced if (1) infor mation beyond their sex is known to those making judgments and decisions about them, and (2) opportunities to interact with those deci sion makers are provided (Fagenson, 1993).

Researchers often measure sex role stereo types in the workplace by asking individuals to rate others or themselves on a set of attributes that people generally believe are more desirable or typical of each gender group. The Bem Sex Role Inventory (Bem, 1974), the Woman As Managers Scale (Peters, Terborg, and Taynor, 1974), the Spence and Helmreich Personal At tributes Questionnaire (Spence and Helmreich, 1978), and the Schein Descriptive Index (Schein, 1973) are four instruments commonly employed for this purpose. Hypothetical work situations which may vary the sex of the individ ual described in the situation are also used by researchers to measure individuals' propensity to stereotype individuals on the basis of their sex.

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sexual harassment

Barbara A. Lee

Sexual harassment is a form of sex DISCRIMIN ATION and is defined by the EQUAL EMPLOY MENT OPPORTUNITY COMMISSION (EEOC) as follows. Unwanted sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual har assment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting said individual; or (3) such conduct has the purpose or effect of substantially inter fering with an individual's work performance or creating an intimidating, hostile, or offensive working environment (EEOC Guidelines on Sex Discrimination, 29 CFR section 1604.11).

Employers can be held legally liable for "quid pro quo" sexual harassment (harassment by a supervisor that involves threats or promises of changes in employment terms) (*see* BARNES V. COSTLE, 1977; MERITOR SAVINGS BANK V. VINSON, 1986), as well as for the creation of a hostile or offensive environment by a supervisor (*Harris* v. *Forklift Systems*, 114 S Ct 367, 1993), a coworker, or a nonemployee. In *Harris*, the court ruled that the plaintiff need not prove any phys ical, psychological, or financial harm as a conse quence of the harassment. It is the conduct itself that is unlawful if a reasonable person would find that the conduct had created a hostile or offen sive work environment.

The courts have differed as to whether the "reasonable person" test should be used, or the "reasonable woman" test (if the target of the harassment is female) should apply. In *Ellison* v. *Brady* (924 F 2nd 872, 9th Circuit, 1991), the court ruled that, because research shows that men and women react differently to sexual behavior and because women are more likely to be offended by such behavior, the reasonable woman test should be used. In the *Harris* case, the court appeared to use the "reasonable person" test, but did not address this issue explicitly.

Employers may prevent sexual harassment from occurring and may present a successful defense against sexual harassment claims for hostile or offensive environment harassment if they have: (1) a clear policy that spells out what sexual harassment is and what its consequences will be; (2) a reporting policy that provides multiple avenues for a target of harassment to use so that the target need not report the harassment to the alleged harasser; (3) training programs for, at a minimum, managers and supervisors on how to recognize and respond to harassment; and (4) a monitoring mechanism that enables the employer to identify and stop harassment before it escalates into a legal claim.

The federal courts do not agree on whether Title VII permits a claim of same sex sexual harassment. While some courts have ruled that such claims relate to SEXUAL ORIENTATION, others have stated that harassment of a man by a gay man, or a woman by a lesbian, can be viewed as a form of sex discrimination because it is gender targeted conduct.

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sexual orientation

Ramona L. Paetzold

Sexual orientation is generally viewed as including homosexuality and bisexuality, and is not specifically protected under federal antidiscrimination laws. Some states and/or cities and counties do protect individuals from discrimination by private employers on the basis of sexual orientation, however. Public employers may be restricted in their ability to discriminate on the basis of sexual orientation because of Constitutional protections that have been found to flow to gays and lesbians (under the equal protection guarantees of the Fifth Constitutional Amendment and FOURTEENTH CONSTITUTIONAL AMENDMENT).

simulations

Timothy T. Baldwin

Simulations are instructional activities designed to maximize learning by replicating essential characteristics of a real world task. Although physical similarity between a simulation and the work context is important, the key element in the effectiveness of any simulation is psychological fidelity. Attaining high psychological fidelity requires representation of those conditions which make trainees "feel" as if they are performing the real task. Traditional examples of simulations include flight simulators and business games, but advanced computing technology now enables creation of "virtual reality" in many different contexts (e.g., simulated surgery) and is creating extraordinary opportunities for the use of simulations.

single-group validity

Larry James

Boehm (1972) provided a definition of single group validity that distinguished it from DIFFERENTIAL VALIDITY. She explained that single group validity exists when (1) a predictor demonstrates validity that is statistically different from zero for one group but not another group, and (2) there is no statistically significant difference between the validities of two groups. Boehm (1972) argued that the occurrences of single group validity far outnumbered the instances of differential validity. However,

Schmidt, Berner, and Hunter (1973) presented evidence that when differences in sample sizes are taken into account, there is little support for the single group validity argument. Further more, when the issue is taken to the population level, it becomes untenable. Two population validities cannot be equal and, at the same time, have one be equal to zero and another one not equal to zero. Thus, the usefulness of single group validity has been questioned.

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situational interview

Robert L. Dipboye

The situational interview is a type of highly structured procedure used in employment inter views (*see* EMPLOYMENT INTERVIEW) and first introduced by Latham et al. (1980). The basic assumption underlying this approach is that the future performance of applicants can be best predicted by finding out their goals and intentions for dealing with the dilemmas that they might encounter in specific job situations. The first step in developing a situational inter view is to analyze the job using the CRITICAL INCIDENTS TECHNIQUE. From the incidents generated in this step, performance dimensions are identified that are then evaluated in the interview. Those incidents that best represent each of the dimensions are turned into interview questions by asking the applicant to consider "what they would do if " they were confronted with the situations described in the incidents. Interviewers ask the same questions of all ap plicants in exactly the same way, with no oppor tunity provided for follow up questions or other conversation with the applicant. Also, inter viewers are not given access to applications, test scores, or other ancillary data on the appli cant until after they have finished evaluating the applicant. Interviewers evaluate the applicants on BEHAVIORALLY ANCHORED RATING SCALES, in which possible examples of good, average, or poor answers are used to anchor the points on the rating scale. After the applicant is asked each of the questions and rated on the performance dimensions, the ratings on the di mensions are then averaged to form a composite evaluation of the applicant.

The research has provided impressive sup port for the validity and reliability of the situ ational interview (McDaniel et al., 1994). Moreover, the JOB RELATEDNESS of the situ ational interview makes it more defensible against charges of DISCRIMINATION than the typical unstructured interview.

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situational tests

Richard Klimoski

Situational tests are assessment devices that re quire applicants, or candidates, to respond to a set of standardized instructions and stimuli *as if* they were doing so under natural conditions. Behavior is directly observed or recorded (some times on videotape), and trained staff then score these observations in standardized ways (*see* ASSESSMENT CENTERS; WORK SAMPLES). Examples of situational tests include the in basket test, the SITUATIONAL INTER VIEW, the leaderless group discussion, and assigned role playing exercises (*see* MANAGE MENT GAMES; ROLE PLAYING; SIMULA TIONS). Situational tests are usually administered in selection contexts, but can also be used in personnel development work.

Most situational tests are based on some aspects of a target job. These tests can vary in terms of "mundane realism" versus fidelity (Weick, 1965). The highest fidelity situational

tests use very realistic materials and equipment to represent the task situation and provide applicants with an opportunity to respond almost as if they were in the job situation. Low fidelity simulations might merely present a verbal or a written description of a hypothetical work circumstance and ask for verbal reactions (Motowidlo, Dunnette, and Carter, 1990).

Another important distinction is whether or not the situational test provides an opportunity to assess actual performance or inference about underlying job relevant knowledge, skills, abilities, or other dispositions (*see* KSAOS) (Russell and Domm, 1995). The development of situational tests to assess actual performance calls for evidence of job relevance (*see* CONTENT VALIDITY; CRITERION RELATED VALIDITY), while the development of inferences about underlying KSAOs requires that the inferences made really do get at the underlying traits or qualities of interest (*see* CONSTRUCT VALIDITY).

Finally, situational tests can be designed for one on one assessment or may involve the applicant/candidate in a group context. The latter can require a given candidate to interact with other individuals who are also being assessed, or with staff who are trained to act in standardized ways.

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skill

Paul E. Spector

Skill refers to a person's current level of proficiency on a particular task or family of tasks. Examples include driving an automobile or operating a computer. Skills can be classified as either mental (e.g., report writing) or physical (running a machinist's lathe), although most job tasks involve elements of both. Skill reflects a person's current level of proficiency. In contrast, ability (*see* KSAOS) reflects the capability or capacity to develop a skill. Skills can be assessed by a variety of devices, including ASSESSMENT CENTERS, psychological tests (*see* PSYCHOLOGICAL TEST), SITUATIONAL TESTS, and WORK SAMPLING.

skill-based pay design

Gerald E. Ledford, Jr.

Three sets of issues are important in a skill based pay design (Ledford, 1991). First, the plan must be tailored to its context – the business strategy, organizational structure, and organizational culture. Second, pay plan mechanics must be developed, including definition of compensable units of skill and creation of relevant training and assessment materials. Third, a plan for transition from the existing pay system is needed. Of these factors, the fit of the design with its context is probably the most important in determining effectiveness (Jenkins et al., 1992). Plans for knowledge workers (*see* KNOWLEDGE WORK) are relatively new and present many special design challenges (Ledford, 1995).

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smoke-free work environment

Michael R. Manning

A smoke free work environment results from organizational policy prohibiting smoking

within all company premises. Smoking bans have risen due to opposition from nonsmokers, evidence about the harmful effects of second hand smoke, and a plethora of new local, state, and federal laws. A 1994 survey suggested that 96 percent of American businesses wanted a smoke free work environment by 2002 (Laabs, 1994). Since SMOKING CESSATION has been shown to have short term work related con sequences (Manning, Osland, and Osland, 1989), implementing smoking policies that in volve the workforce in policy development and compassionately encourage behavioral changes in smokers seems prudent (Yandrick, 1994).

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smoking cessation

James R. Terborg

Smoking cessation is defined as a complete dis continuation of smoking for a period of six months. A 1992 national survey in the US found that 40 percent of worksites provided information or sponsored activities on smoking cessation and 59 percent had formal policies restricting smoking at work. Cigarette smoking is the chief preventable cause of premature death and disability in the US. Compared to non smokers, smokers have 40 percent higher esti mated lifetime healthcare expenses, consistently sustain more occupational injuries, have higher use of drugs and alcohol, and have higher rates of ABSENTEEISM (Kaman, 1995). The overall effect of smoking on JOB PERFORMANCE is less clear, but appears to be negative because of lost work time due to smoking (Kaman, 1995). Ex posure to environmental tobacco smoke, a docu mented carcinogen, by nonsmokers is also associated with negative health effects. Cascio (1991) estimated the annual cost of employing smokers and allowing them to smoke at work to

be $2,853 per smoker, in 1991 US dollars. Meta analysis suggests that smoking cessation pro grams at work conservatively produce a 13 percent quit rate, compared to 6 percent of smokers who quit on their own (Fisher, Glas gow, and Terborg, 1990). Smoking cessation programs appear to be cost beneficial. Policies toward a SMOKE FREE WORK ENVIRONMENT decrease employee exposure to environmental tobacco smoke, modify worksite norms toward smoking, reduce smokers' cigarette consump tion while at work, and, in some instances, increase smoking cessation. Considerable vari ability exists across worksites with respect to the content, implementation, and effectiveness of smoking cessation programs.

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social influence in the performance evaluation process

Dwight D. Frink, Darren C. Treadway, and Gerald R. Ferris

Drawing from sociologists such as Erving Goff man (Brissett and Edgley, 1990), social influ ence in performance evaluations envisions actors engaging in "performances," or acts, de livered to help shape definitions of reality. This broad domain includes impression manage ment, self presentation, influence tactics, and organizational politics, among others (Ferris et al., 2002). Some acts may be specifically targeted toward managing impressions in hopes of more favorable evaluations. Others may be a part of a social fabric that unintention ally affects perceptions and performance evalu ations. Typically, the focus is on the former class of acts.

The general model includes an actor (the ratee) that engages in various activities designed to dispose the audience (the rater) toward giving a favorable rating. The objective typically is a positive disposition toward the actor, but may at times focus on the outcome, as when blackmailing someone in authority over you to get better ratings. Thus, a social influence perspective focuses on the *process*. Employees can employ a number of forms of influence, and the usefulness of different tactics appears to be contingent on the context, source, and target of the influence efforts (Ferris et al., 2002). Typically, the dependent variable is performance ratings, although other outcomes such as perceptions of fairness (Dulebohn and Ferris, 1999) and promotability (Wayne et al., 1997) are relevant.

Research consistently has supported that general model, initially focusing on specific influence tactics. Some effort in that direction remains, although increasingly the emphasis is on moderating variables, such as actor and target INDIVIDUAL DIFFERENCES, including positive affectivity (Castro et al., 2003), self monitoring (Snyder, 1987), and political skill (Ferris et al., 2004). Other moderators may include social capital and accountability conditions (Frink and Klimoski, 1998), among others.

Nature and Forms of Social Influence

Tactics of influence.   Kipnis and his colleagues developed one program of research focusing on subordinate/ratee influence efforts (Kipnis, Schmidt, and Wilkinson, 1980). This produced a typology, and findings indicate that subordinate ingratiation correlates with higher performance ratings. Furthermore, a tactician strategy (emphasizing reason) was more successful for male subordinates, and an ingratiator strategy (emphasizing friendliness) was more effective for female subordinates in receiving higher performance ratings (Kipnis and Schmidt, 1988).

Ferris, Wayne, and colleagues emphasized the performance evaluation process and outcomes in a second program of research. Findings demonstrate that influence tactics operate through supervisor affect, perceived competence, and perceived similarity to the supervisor. Furthermore, Ferris et al. (1994) supported a positive link between supervisor focused (i.e., ingratiation) tactics and performance evaluation

through liking, but a negative link between job focused (i.e., self promotion) tactics and performance evaluation through liking. Wayne et al. (1997) used three intermediate linkages (i.e., supervisor affect, perceived competence, and perceived similarity to supervisor), and tangible outcomes (i.e., promotions and salary increases), finding that reasoning, favor doing, and assertiveness positively influenced, and bargaining negatively influenced, human resource decisions through managers' perceptions of subordinate skills, competence, and similarity to the subordinate. Thus, not all influence tactics are similarly perceived or equally effective (Kipnis and Schmidt, 1988).

These streams are based on the influence typology of Kipnis et al. (1980). However, recent scholarly activity suggests that other forms of influence tactics warrant investigation. Dulebohn and his colleagues (Dulebohn, 1997; Dulebohn and Ferris, 1999) suggest that influence tactics serve as a voice mechanism, and Ferris et al. (2002) suggest that the strategic expression of emotion can be a form of influence.

Also, research is needed that employs longitudinal research designs because of the temporal nature of the phenomenon. To date, only two studies (Wayne and Liden, 1995; Dulebohn, Ferris, and Ree, 1999) have done so. Research investigating longitudinal performance evaluation processes with cross sectional research designs must be interpreted with caution because one hypothesis may be that findings are merely an artifact of cross sectional designs.

Accountability as social influence.   Interest in accountability as a framework of performance evaluations is increasing because it is a key social context feature, actors and audiences can be held to answer for decisions and actions, and performance evaluations themselves are accountings (Frink and Klimoski, 1998; Klimoski and Inks, 1990; Tetlock, 1992). Research indicates that individuals generally seek out and consider accountability context features, including timing and likelihood of being held accountable, the standards being employed, and the number and characteristics of the various audiences holding that person accountable. Decisions and acts are then tailored to achieve the desired outcome, which may range from avoidance, deflection,

and denial to opportunistically reaping rewards (i.e., minimizing losses to neutralizing the ac counting to gaining rewards) (Frink and Kli moski, 1998). This embraces the dramaturgical notion that the rate considers how particular influence tactics may be received by the rater, making choices based on the anticipated re sponse.

When accountable, both ratees and raters alter intensity of cognitive processing in order to successfully cope with the accounting. Thus, the rater may rate more conscientiously and the ratee may work more conscientiously when accountable (Klimoski and Inks, 1990). Altern atively, simple decision heuristics and free riding can occur if they provide easy justifica tions (Adelberg and Batson, 1978). Hall et al. (2003) presented a conceptualization and em pirical results concerning accountability in per formance evaluation contexts, and others have investigated the effects of accountability (e.g., Fandt and Ferris, 1990; Ferris et al., 1997). For example, Frink and Ferris (1998) found that personal accountability for goals was re lated to higher self set goals, although actual performance did not differ across conditions, implying goal setting can influence impres sions. Also, Greenberg (1985) implied that high self set goals could be used as a self handicapping strategy to deflect a negative accounting.

CONCLUSION

Although the greater portion of performance evaluation theory and research has been directed toward measurement issues, forms of influence in performance evaluation are recognized as crit ical components of the larger focus of social contexts of human resource decisions. This focus is a vital part of human resource manage ment practice and research (Ferris et al., 2002; Ferris and Mitchell, 1987).

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Social Security Act of 1935

Charles H. Fay

This Act established the Old Age, Survivor, Disability, and Health Insurance Program (OASDHI). Included under OASDHI are: provisions for retirement, survivors and disability insurance, known collectively as SOCIAL SECURITY BENEFITS; hospital and medical insurance for the aged and disabled, known as Medicare/Medicaid; black lung benefits for coal miners; Supplemental Security Income; unemployment insurance (FEDERAL UNEMPLOYMENT TAX ACT OF 1935); and public assistance and welfare services, including aid to families with dependent children (AFDC). Social Security and Medicare are paid for by taxes on employers and employees, authorized under the Federal Insurance Contributions Act (hence, FICA taxes). Medicaid is funded by the states; matching grants are made by the federal government from general revenues.

FICA taxes are not levied on total salaries: in 2003 the salary subject to FICA taxes for Old Age and Survivor Insurance was $87,000; the tax rate was 6.2 percent for both employers and employees. Medicare taxes are levied on total salaries; in 2003 the tax rate was 1.45 percent for both employers and employees. Social Security was designed to be part of the "three legged stool" of retiree income replacement: company pensions and personal savings were to account for most retirement income. Social security benefits generally become available on retirement or disability; covered survivors receive benefits in case of the employee's death.

Medicare consists of two parts. HI (Hospital Insurance) provides hospital insurance, with varying deductibles and coverage; eligibility begins at age 65 or with disability. SMI (Supplemental Medical Insurance) provides medical insurance; enrollee premiums cover about 25 percent and the rest is covered by government funds.

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social security benefits

Robert M. McCaffery

Social Security is a term commonly used in the US to describe two separate, but related, federal benefit programs that are funded by employee payroll taxes and matching (100 percent) employer contributions. Old Age, Survivor, and Disability Insurance (OASDI) protects

employees and family members against income losses due to the lifetime events cited in the title. Benefits vary according to earnings of the em ployee, the number of years covered by the pro gram, and, in some cases, age. Medicare or Health Insurance (HI) covers a portion of hos pital (Part A) and medical (Part B) costs for people aged 65 or older and certain disabled individuals. Participants must contribute to the costs of Part B coverage.

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Society for Human Resource Management

Rebecca A. Thacker

The Society for Human Resource Management (SHRM) is the leading voice of the human re source profession, representing the interests of more than 64,000 professional and student members from around the world. SHRM pro vides its membership with education and in formation services, conferences and seminars, government and media representation, and pub lications that equip human resource profession als for their roles as leaders and decision makers within their organizations. The society is a founding member and Secretariat of the World Federation of Personnel Management Associ ations (WFPMA), which links human resource associations in 55 nations. SHRM relies upon the efforts of committed volunteers and an em powered staff in establishing its reputation as the voice of the profession on workplace issues and in guiding the advancement of the human re source profession.

For further information, contact: Society of Human Resource Management (SHRM), 606 North Washington Street, Alexandria, Virginia 22314 1997. Telephone 703 548 3440. Fax 703 836 0367. Website: www.shrm.org.

Society for Industrial and Organizational Psychology

Stuart A. Youngblood

The Society for Industrial and Organizational Psychology (SIOP) is a professional organization of approximately 3,600 members, who are scien tists, teachers, practitioners, consultants, staff psychologists, and students in private and public sector organizations. Industrial organizational psychologists typically work in a variety of areas: selection and placement, training and de velopment (*see* TRAINING), ORGANIZATION DEVELOPMENT AND CHANGE, performance measurement and evaluation, QUALITY OF WORK LIFE, consumer psychology, and engin eering psychology. SIOP is a division (Division 14) within the American Psychological Associ ation (APA), is affiliated with the American Psy chological Society (APS), and is also separately incorporated as a nonprofit organization.

SIOP hosts an annual three day, midyear con ference preceded by concurrent professional workshop sessions, and also runs a five day pro gram of symposia, papers, and special addresses at the annual APA convention. SIOP produces several useful publications, including a casebook on ethics and standards for the practice of psy chology, a graduate training program catalog of industrial/organizational and organization be havior PhD programs, guidelines for education and training at the doctoral level, PRINCIPLES FOR THE USE OF PERSONNEL SELECTION PROCEDURES, Frontiers in I O Psychology (a series of edited books on cutting edge topics), the Professional Practice Series, and The Indus trial Organizational Psychologist (TIP), which can also be accessed on the Internet (cmit. unomaha.edu/TIP). Membership in SIOP re quires good standing in APA or APS, comple tion of a doctoral degree, based in part on a psychological dissertation, conferred by a gradu ate school of recognized standing, and engage ment in professional work and activities that are primarily psychological in nature.

SIOP can be reached at: The Society for Industrial and Organizational Psychology, Ad ministrative Office, 657 East Golf Road, Suite 309, Arlington Heights, IL 60005. Telephone 708 640 0068. Website: www. siop.org.

South Korea

Marianne J. Koch and Richard M. Steers

The HUMAN RESOURCE FUNCTION in South Korean firms can be characterized by two major influences. First, the Confucian tradition has formed the basis for Koreans' attitudes toward work, self discipline, desire for education, and loyalty to country and employer. Paternalistic leadership, owner managers, and top down decision making have long prevailed as characteristics of the dominant management style in Korean businesses. Recently, there has been a push to "modernize" the human resource function in larger Korean businesses by hiring professional managers (including professional human resource managers) and approaching human resource management (HRM) in a more "scientific" manner.

The second development accrues, in part, from both limited, domestic, skilled human capital and the growth in recent years of unionism in South Korea. Increasing demands for more equitable wealth distribution have also led to severe labor disputes since the late 1980s (which is an interesting deviation from the Confucian ethics tradition). Proficiency in HRM is now seen as a necessary means of avoiding further union organizing and growth and PRODUCTIVITY loss.

Korean businesses are currently grappling with an increasingly diversified workforce. Labor force participation among Korean women is increasing, as is the number of workers from other countries who have been migrating into Korea in order to work. This influx of new types of workers in the historically all male, all Korean workforce in South Korea presents new challenges to the relatively new professional HRM staffs in Korean organizations.

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staffing

David J. Snyder and Michael A. McDaniel

Staffing is concerned with the recruitment, selection, placement, classification, evaluation, and promotion of individuals in an organization. Staffing has its roots in the fact that individuals differ from one another. Thus, staffing programs in an organization are concerned with recruiting, selecting and promoting persons based on those INDIVIDUAL DIFFERENCES which are deemed valuable for successful JOB PERFORMANCE.

Staffing begins with recruitment of individuals for a position. This involves attracting a number of qualified individuals to apply for the job. Recruitment can be within or outside the organization. Some methods often used to recruit individuals for a position include postings within the organization (*see* JOB POSTING), advertisement (e.g., newspapers, television, radio), employment agency referrals, and employee referrals.

Another aspect of staffing is PERSONNEL SELECTION. Selection is concerned with hiring those individuals who are best qualified for the position. This involves selecting individuals on the basis of knowledge, skills, and abilities (*see* KSAOS) which are judged necessary for successful job performance. Once persons are hired, organizations often must decide in which of two or more jobs they should be placed. This is accomplished either by the use of a single criterion scale (*see* PLACEMENT) or by the use of many criteria (*see* CLASSIFICATION).

Staffing is also concerned with appraisal and PROMOTION of employees. Once an individual is on the job, the focus turns to making judgments about performance. Promotion

is advancing an individual from one rank in the organizational hierarchy to another.

See also *strategic staffing*

standard hour plan

Timothy J. Keaveny

A standard hour plan is an INCENTIVE PAY plan which establishes a fixed unit of time for completion of a task or job. An employee re ceives the wage for the standard unit of time for completion of the task without regard to the actual time needed. For example, assume that in an automobile repair shop the standard time for replacing a muffler is one hour. Under a stand ard hour plan an employee would receive one hour's wage for replacing a muffler, regardless of the actual time required. Such a plan requires accurate measurement of time necessary for each job or task. Standard hour plans are more appro priate than a PIECEWORK incentive plan when the tasks or jobs are longer in cycle, nonrepet itive, and require many skills for completion (Patten, 1977). One must monitor the quality of work when a standard hour plan is used.

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Standards for Educational and Psychological Testing

Robert M. Guion

The *Standards for Educational and Psychological Testing* is the fifth in a series of publications dating from 1954 (American Educational Re search Association et al., 1954) setting forth re quirements for excellence in developing, documenting research on, reporting, and using psychological and educational tests. Each was developed by representatives of three organiza tions concerned with testing: the American Edu cational Research Association, the American Psychological Association, and the National Council on Measurement in Education. The 1999 revision (American Educational Research Association et al., 1999), like the previous ver sions, provides technical standards for develop ing and evaluating tests. These include rules of good practice, information to appear in manuals for test users, and requirements for scaling or equating scores. They have also offered more than rules. They have defined and codified key concepts and principles, such as (1) the nature of VALIDITY and the various aspects and types of evidence required for inferring it; (2) concepts of reliability and measurement error; and (3) prob lems of equivalence across different forms of a test. The 1999 version also addresses standards of effective test use in various settings – using tests with linguistic minorities and people with handicapping conditions, administering and scoring tests and reporting results, and protect ing the rights of test takers.

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statistical process control

Richard S. Blackburn

Statistical process control (SPC) is a tool to examine the variability associated with process output. Processes of interest might include grinding components to some desired width or filling cereal boxes to some desired weight. Measurement and analysis of process output provides better understanding of why unaccept able variability (rejects) occurs and how to reduce this variability to acceptable levels. SPC is closely associated with the quality perspective of W. Edwards Deming, one of the early pro ponents of TOTAL QUALITY MANAGEMENT (Deming, 1986).

SPC assumes that process observations are normally distributed. Process observations will yield a large number of data points clustered around a mean, with 99.8 percent of the observations within three standard deviations (plus or minus) of that mean. Process data can be presented visually in a control chart (see figure 1).

Given the vagaries of human and mechanical interactions, the likelihood of particular observations being exactly at the mean is low. Rather, most of the observations will be within three standard deviations of the mean, in an area defined by the lower and upper "control limits."

The mean value for a process may or may not be at a level that will satisfy customers, and output within the lower and upper control limits may or may not be acceptable to those same customers. Management must decide the acceptable mean level for any particular process and how broad the variability can be and still meet customer expectations. When measures of process results fall *within* the control limits, the process is said to be "in control," and efforts are directed at maintaining this process. When many observations fall outside the control limits, the process is said to be "out of control," and efforts are directed at bringing the process back "in control" (Deming, 1986).

According to Deming, two categories of causes can contribute to a process being out of control. "Common causes" include such organ-

izational problems as poor raw materials, malfunctioning equipment, poor manufacturing process design, or poor supervision. "Special causes" include errors of commission or omission attributable to employees. Deming believed that managers too often attribute out of control processes to employee shortcomings, when most of the real causes of such variability are common causes. That is, Deming asserted that most problems were beyond the control of the employee; they were the responsibility of management. Deming argued that organizational shortcomings explain more variance in process quality than managing the performance levels of individual employees. Thus, admonishing employees to work harder, rewarding them for better results, or punishing them for poorer results was believed to have little impact on overall process quality if the underlying quality problems are organizational (or "common") in nature.

Organizations use SPC to determine if process changes are reducing error rates, creating improvements in the mean value of the output, and/or successfully "tightening" the control limits around the desired mean.

SPC requires adequate data collection systems to gather the needed information and appropriate training so that employees can understand the information and determine the most effective way to reduce out of control process variability.
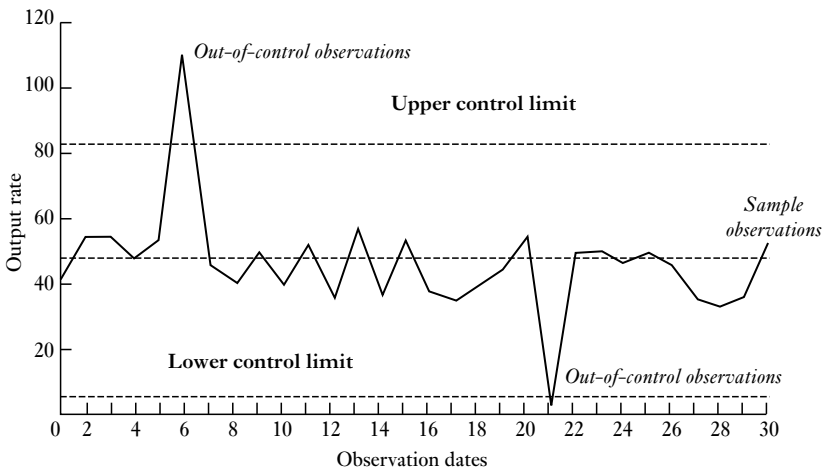
Figure 1   Statistical process control chart

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Steelworkers v. *Weber*, 443 US 193 (1979)

Leonard Bierman

In *Steelworkers* the Supreme Court ruled that a quota system used by employer Kaiser Aluminum and Chemical Corporation to admit production workers into a craft training program did not constitute illegal REVERSE DISCRIMINATION. The court held that the specific features of the Kaiser AFFIRMATIVE ACTION program were within the spirit of Title VII because the quota system was designed to correct the effects of the company's past discriminatory practices against blacks. The court highlighted the plan's characteristics of being *temporary*, of not having a *permanent* adverse impact on individuals, and of intending to *correct* a manifest racial imbalance.

strategic alliances

David Lei

Strategic alliances are transitional mechanisms that enable firms to manage highly complex or fast changing environments, to gain access to desired complementary resources or capabilities, and to learn new competencies that enhance and sustain its competitive strategy. Alliances represent linkages between firms to achieve economic benefits and resources not available through arms length market transactions, internal development, or acquisition (Lei and Slocum, 1992; Eisenhardt and Schoonhoven, 1996; Inkpen, 1996; Das and Teng, 2000; Lei, 2003). Firms can design strategic alliances as platforms to accelerate organizational learning of new skills and capabilities, especially those that are highly tacit or organization embedded (Badaracco, 1991; Hamel, 1991; Lei and Slocum, 1992).

FACTORS PROMOTING THE RISE OF ALLIANCES

All alliances are motivated by the need to reduce economic risk and to gain access to firm based knowledge or capabilities. Several environmental forces have accelerated alliance formation, including (1) sharing costs of commercializing cutting edge technologies in research and development intensive industries, (2) shaping or transforming standards in fast changing industries, (3) pooling resources for global economies of scale in value adding activities, (4) accelerating entry into new markets, and (5) learning skills and technologies from partners.

FORMS OF ALLIANCES

A variety of governance structures exist to support alliance implementation. Generally, alliances can span the spectrum from licensing agreements and cross marketing arrangements to more interwoven cooperative mechanisms such as technology development pacts, equity ownership stakes, and formalized joint ventures (Osborn and Baughn, 1990). Regardless of the specific organization design, each alliance entails sharing knowledge among partners (Hamel, 1991; Inkpen, 1996; Inkpen and Beamish, 1997; Khanna, Gulati, and Nohria, 1998). The type of knowledge shared among partners is more important in determining the alliance's role in building competitive advantage than the specific alliance design used.

Shared knowledge may be broadly categorized as migratory and embedded; hence, its form fosters alliances classified as product links and knowledge links, respectively (Badaracco, 1991). Product links share knowledge that is easily understood, highly transparent, mobile, and embodied in specific product technologies or designs (thus the term migratory). Partners cooperate to lower product development, production, and distribution costs or obstacles. Product links govern a division of labor among partners across value adding activities. Yet one distinguishing factor in these relationships is that each firm utilizes its partner's skills and capabilities, but does not seek to internalize them. Many alliances involve STRATEGIC OUTSOURCING of different functions.

Knowledge links share highly tacit, organiza tion embedded skills deeply rooted in the firm's core competencies. Embedded knowledge is tightly interwoven within the organization's dy namic routines, communication paths, and op erating practices. Alliances predicted on learning seek to develop new capabilities that are future sources of competitive advantage, often span ning multiple products and technologies. Organ izational learning and knowledge flows are more complex and difficult to manage in knowledge links than in product links. Partners in these relationships seek to internalize the other firm's skills and capabilities, often leading to a race in which competence based competition results in opportunism, risks for asymmetric resource de pendencies, and control difficulties related to alliance based knowledge application. Firms in these relationships seek not only to access other firms' new resources, but also to guard their own from high transparency and potential expropri ation.

ORGANIZATIONAL CHARACTERISTICS

Alliances reduce the boundaries between firms, thereby facilitating speedier product and tech nology development. However, the more com plex forms of alliances also generate significant coordination issues, particularly concerning knowledge sharing, joint investment costs, and the integration of managers and personnel from different firms (Gulati and Singh, 1998). As such, alliances are organization designs between markets and hierarchies; they evolve with firm strategy (Osborn and Baughn, 1990; Ring and Van de Ven, 1992; Das and Teng, 2000). Rate of organizational learning determines competitive advantage and bargaining power within the alliance (Hamel, 1991). Firms can structure alli ances to create transitional, modular networks of relationships to specialized activities; knowledge transmission becomes highly permeable across boundaries, thus amplifying high levels of ex ternal interdependence. In some industries, a variety of firms can simultaneously cooperate and compete with one another in a larger "net work" configuration that serves as the locus for resource, knowledge, and information flows; consequently, actions among partnering firms lead to strongly embedded relationships (Gnya wali and Madhavan, 2001).

COOPERATION, COMPETITION, AND FUTURE GROWTH

Alliances compel firms to balance cooperation with competition. Knowledge flows (particu larly tacit skills) can unintentionally strengthen future competitors, particularly if underlying technologies are applicable across numerous products (Hamel, 1991; Lei and Slocum, 1992), and can result in alliance based "co opetition" (Brandenburger and Nalebluff, 1996). Carefully managed alliances enable firms to learn new skills from multiple sources, thereby strengthening their core competencies and strategic flexibility. From a corporate strategy perspective, alliances represent strategic options for future expansion; they leverage firm specific capabilities with managed growth. Excessive dependence on alli ances can "hollow out" the firm's core compet encies and skills.

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communications downward, upward, and across the organization to shape and reshape strategy; and (3) cohesiveness among managers to coalesce around an emerging strategic vision. Strategic development is critical when implementation consists of the processes through which the organization comes to understand, accept, and commit to an evolving strategy. It is also critical to organizations that seek growth either by extension of their current businesses or by internally based diversification into very similar product lines or services (steady state organizations). This is in contrast to organizations that seek growth by acquisition or mergers (evolutionary organizations), in which external selection plays a more important role in managerial alignments (Kerr and Jackofsky, 1989).

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strategic development

Ellen F. Jackofsky

Strategic development is one approach to STRATEGIC STAFFING where management development programs are designed and implemented to be aligned with the strategic direction of the organization. Strategic development implies that management development activities should be responsive to strategic business needs, consistent with strategy formulation, and serve a role in strategy implementation (Schuler, 1992).

Strategic development is congruent with a fluid, organic view of organizations where both the manager's value to the organization (in terms of behaviors, skills, knowledge, attitudes, and motives) and strategic demands are viewed as evolving over time. In such situations, management development should influence at least three essential components of the strategic implementation process: (1) flexibility to take advantage of unanticipated events; (2) ongoing

strategic human resource management

Patrick W. Wright

Strategic human resource management (SHRM) is "the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals" (Wright and McMahan, 1992: 298). SHRM is primarily concerned with understanding how the HUMAN RESOURCE FUNCTION attempts to integrate its activities with the strategic planning process in firms (Greer, 1995). In other words, SHRM is the macro organizational approach to understanding the role of human resource management in the organization (Butler, Ferris, and Napier, 1991). Researchers and practitioners believe that integrating the human resource function and its activities into the strategic management process results in higher organizational performance.

SHRM plays a role in both the strategy formulation and strategy implementation compon

ents of the strategic planning process. Strategy formulation entails the top managers' identifica tion of the external opportunities to be exploited and threats that may potentially negatively impact the firm. This analysis is conducted in conjunction with the identification of internal strengths that the firm can capitalize on and the internal weaknesses that might limit alternatives (known as SWOT analysis) to determine the most effective strategy for the firm to pursue. The human resource function contributes to this process by identifying human resource issues or developments that might be considered oppor tunities (e.g., new business opportunities for which the firm's human resources might be uniquely qualified to exploit), threats (e.g., pos sible labor market shortages), strengths (e.g., the unique culture or skills of the firm's human capital pool), or weaknesses (e.g., lack of skills or morale problems).

In response to the choice of a strategic plan, the human resource function attempts to align its activities, such as selection, training, ap praisal, compensation, labor relations, and so forth, in a way that insures that the plan will be successfully implemented. This requires two types of integration: vertical and horizontal. Ver tical integration consists of linking human re source practices and policies to the firm's strategy. For example, a vertical linkage might entail focusing leadership development efforts on the enhancement of skills in international management when the firm is pursuing a global expansion strategy. Horizontal integration re quires coordination among the various human resource practices to ensure that each is support ing, rather than detracting from, the others. An example of horizontal integration might involve a firm engaging in global expansion. Such a firm might systematically identify the skills needed for selection of potential global managers (for eign language skills, flexibility, and so forth) versus what might be taught in training (specific cultural norms). The firm might also identify the type of compensation system necessary to attract individuals who would be willing and able to succeed in a global assignment (*see* INTER NATIONAL COMPENSATION).

SHRM is aimed at increasing organizational performance, and the relationship between SHRM and firm performance has been viewed in three ways: best practices, contingency, and configuration. The best practices approach posits that certain human resource practices will result in increased organizational perform ance across all situations (Ichniowski, 1990). The contingency approach argues that the effective ness of human resource practices depends upon the organization's strategy (Schuler and Jackson, 1987). The configuration approach assumes that maximal organizational performance stems from developing the proper set of matching human resource practices that support one another (Arthur, 1994).

See also *strategic management*

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strategic human resource planning

James W. Walker

Organizations conduct broad human resource planning to align the management of human resources with business strategy. Plans are stra tegic when they address significant change of direction, not merely continuity. However, human resource planning has had many def initions as the process has evolved in practice. For some organizations, it is narrowly defined,

focusing on the forecasting and addressing of STAFFING needs, management SUCCESSION PLANNING, or other aspects of planning for human resources. For others, it is an integral element of business strategic planning, address ing a wide range of organizational and human resource issues (Director, 1985; Butler, Ferris, and Napier, 1991).

Human resource strategies define how a com pany will manage its people toward the achieve ment of business objectives – setting priorities for action (Walker, 1992). Like any strategy, a human resource strategy provides a directional plan of action for managing change. It provides a business perspective of actions necessary to gain and sustain competitive advantage through the management of human resources – a focus on priorities in managing people in a changing en vironment. Human resource strategies are guides to help organizations to recognize and address issues that call for actions and to give them the opportunity to manage these changes effectively. These strategies focus on the con cerns of greatest importance and create a window of opportunity for bringing manage ment to action. Strategic planning creates air time for discussion of key issues among managers.

When applied in best practices, the process of developing and implementing human resource strategies is an integral element of overall busi ness strategic planning. Explicitly or implicitly, human resource strategies are regarded as man agement strategies, developed and implemented by managing executives in the same manner as other functional business strategies.

Strategies can involve multiple programs and activities, typically involving multiple functions and extending several years. Issues of strategic importance are not easily or speedily resolved. Plans are typically rolled out (top down) and rolled up (bottom up) in the context of both business plans and functional human resource plans (staff departmental plans) at each level of an organization.

Human resource strategic planning defines the relationship between people and competitive advantage – and then defines how to systematic ally manage people to attain this advantage. The process enables organizations to gain competit ive advantage through people as well as through management of costs, effective use of people, and people management systems (Ulrich, 1987a). A primary agenda of strategic human resource planning is the design and delivery of people management programs (e.g., selection, development, appraisal, rewards). These en compass a large variety of human resource actions (organization planning, selection, staffing, performance, development, rewards).

Effective human resource plans are simple and focus on action plans. They present a busi ness rationale for human resource actions, stated in business language. Strategies often raise more questions, requiring further analysis and plan ning, rather than merely a series of near term action (Ulrich, 1987b). Some human resource strategies build unity between customers and employees by focusing on opportunities to align internal organizational capabilities with services and resulting benefits valued by cus tomers (Ulrich, 1992).

See also *strategic human resource planning pro cesses*

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strategic human resource planning processes

Randall S. Schuler

The term strategic human resource planning processes refers to the efforts of firms to identify the human resource implications of

organizational changes and of key business issues, in order to align their human resources with needs resulting from those changes and issues (Schuler, Jackson, and Storey, 2001; Jackson and Schuler, 2003). Earlier, in times of environmental stability, strategic human resource planning focused on matching human resource demand with human resource supply (Milkovich, Dyer, and Mahoney, 1983). At that time, forecasting human resource needs and planning the steps necessary to meet these needs was largely a numbers game. This process typically consisted of developing and implementing plans and programs to insure that the right number and type of people were available at the right time and place to serve relatively predictable business needs. For example, if a business were growing at 10 percent per year, top management would continue to add to the workforce by 10 percent; it worked before, it "should" work again.

From Numbers to Issues and Objectives

Today, because the environment is changing organizations so dramatically, human resource planning has become more of a dynamic, volatile issues game (Schuler and Walker, 1990; Schuler et al., 2001), and the processes have changed. The question is, "What are the issues and objectives of most importance to the business?" Increasingly, the key business issues and objectives flow from dynamic organizational changes, but they can also result from situations associated with great changes in the external environment, such as increasing global competition. Once knowing these issues and objectives, the question then is, "What are the human resource implications?" Yes, strategic human resource planning still involves numbers, but its processes often involve much more: (1) crafting mission and value statements consistent with the strategies and goals; (2) insuring that employees understand the needs of the business and what changes are necessary for the organization to be successful and then accept the changes necessary as well as the process of change itself; (3) systematically aligning the appropriate human resource activities based upon an explicit understanding of the business; and (4) creating a dynamic human resource planning process that mirrors the business planning process and that

identifies key changes and implications for managing human resources for line managers as well as human resource managers (Jackson and Schuler, 2003).

Strategic human resource planning processes must consider both the long term and short term human resource implications of organizational changes. In fact, firms might typically go out five years in their planning and then work back to the present. Using strategic human resource planning helps to insure that the human resource implications of organizational changes and key business issues are dealt with systematically and thoroughly. Regardless of the time horizon or the issues, strategic human resource planning processes can be described in five broad phases (Smith, Boroski, and Davis, 1992; Schuler et al., 2001).

Phase 1: Identify the Key Business Issues and Objectives

The first phase of strategic human resource planning involves gathering data to learn about and understand all aspects of the organization's environments, both its internal and external environments. This helps the organization to anticipate and plan for issues arising from both stable and dynamic conditions based on the organization's strategy, vision, mission, goals, and values. For example, planning for increased global competition based on a strategy of cost reduction could involve assessing current labor productivity, probable future productivity, and wage levels worldwide. If a company is going to expand its revenue by 10 percent over each of the next five years, it *may* need more employees. Or perhaps improved technologies will mean a need for fewer employees. Human resource planners and line managers together figure out just what the staffing implications are. To do this, they might use their human resource information systems (HRIS) to measure performance levels in specific divisions, offices, occupational groups, or positions.

Phase 2: Analysis to Determine Human Resource Implications

The objectives of the analysis phase are (1) to develop a clear understanding of how the information generated during phase 1 impacts the future *demands* of the organization, and

(2) to develop an accurate picture of the current *supply* available internally.

Forecasting human resource demands.   A variety of forecasting methods – some simple, some com plex – can be used to determine an organization's demand for human resources. The type of fore cast used depends on the time frame and the type of organization, the organization's size and dis persion, and the accuracy and certainty of avail able information. The time frame used in forecasting the organization's demand for human resources frequently parallels that used in forecasting the potential supply of human resources and the needs of the business. Com paring the demand and supply forecasts then determines the firm's short , intermediate , and long term needs.

Forecasting human resource supplies.   Forecasting supply can be derived from both internal and external sources of information. Internal sources of supply are generally the focus at this stage of planning. External sources are considered in later phases, as part of the process of designing the practices needed to prepare for the future.

PHASE 3: ESTABLISHING HUMAN RESOURCE OBJECTIVES

After phase 2 is completed, a great deal of de scriptive information about current and future conditions is available. The next phase involves interpreting this information and using it to establish priorities and set objectives and goals.

With a short time horizon, which is often the time frame adopted for DOWNSIZING efforts, objectives are often easy to state in quantifiable terms. Examples of short term human resource objectives include: increasing the number of people who are attracted to the organization and apply for jobs (the applicant pool); attracting a different mix of applicants (with different skills, in different locations, and so forth); im proving the qualifications of new hires; increas ing the length of time that desirable employees stay with the organization; and helping cur rent and newly hired employees to quickly develop the skills needed by the organization. Such objectives can generally be achieved in a straightforward way by applying state of the art human resource management techniques and working with line managers to insure agreement with and understanding of the program object ives.

PHASE 4: DESIGN AND IMPLEMENT HUMAN RESOURCE POLICIES, PROGRAMS, AND PRACTICES

Whereas the focus of phase 3 was establishing *what* to accomplish, phase 4 addresses *how* to accomplish it. What specific human resource policies, programs, and practices will help the organization achieve its stated objectives? A great variety of activities can be designed during this phase. These include: diversity programs to make organizations more attractive to a broader array of applicants; programs to improve the socialization efforts so that good employees want to remain with the organization; programs to downsize the organization, such as early re tirement incentives and generous severance packages to complement the normal attrition process; and programs to empower employees and increase participation in order to insure success in a change to TOTAL QUALITY MAN AGEMENT (*see* EMPLOYEE EMPOWERMENT). Increasingly, organizations and their human re source professionals are realizing that many if not all of their human resource policies and practices have to change as new strategies and new directions require different behaviors, com petencies, and motivations from their employees (Schuler et al., 2001).

PHASE 5: EVALUATE, REVISE, AND REFOCUS

In this phase, the objectives set during phase 3 again come into play, for these define the criteria to be used in evaluating whether a program or initiative is successful or is in need of revision. For example, if personal self development is the only objective one hopes to achieve from holding diversity awareness workshops, then asking em ployees whether the workshop experience was valuable may collect the only data needed. How ever, when large investments are made for the purposes of reducing EMPLOYEE TURNOVER, attracting new or different employees to the firm, improving team functioning, or all three, then data relevant to these objectives should be examined. Likewise, remuneration schemes may need to be revised if the current schemes are rewarding inappropriate or unnecessary beha viors amongst the employees and consequently

the organization is not attaining its strategic business goals and objectives.

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strategic industrial relations

Cynthia L. Gramm

Strategic industrial relations is an approach for analyzing the strategic choices made by the actors – employers, workers and their organizations, and policy makers – in INDUSTRIAL RELATIONS systems and the implications of those choices for industrial relations outcomes. Stra

tegic industrial relations is based on the premise that these actors deliberately choose the strategies and institutional structures that they believe will best facilitate attainment of their objectives. Like its sister approach, STRATEGIC HUMAN RESOURCE MANAGEMENT, strategic industrial relations builds on concepts drawn from two bodies of research: STRATEGIC MANAGEMENT and industrial organization economics. Strategic industrial relations, however, differs from strategic management and strategic human resource management in a key respect. Whereas strategic management and strategic human resource management focus on the identification and implementation of choices that advance the employing organization's objectives, strategic industrial relations has a broader focus. Specifically, strategic industrial relations focuses on identifying and implementing choices that advance the individual or joint objectives of workers, worker organizations, and industrial relations policy makers as well as the objectives of employing organizations.

STRATEGIC INDUSTRIAL RELATIONS MODELS

The most general model of strategic industrial relations is articulated by Kochan, Katz, and McKersie (1994). Their model integrates concepts from the literature on business strategy with the more traditional industrial relations systems models (e.g., Dunlop, 1958). Whereas traditional industrial relations systems models emphasize the role of environmental factors in determining industrial relations processes and outcomes, their model portrays industrial relations processes and outcomes as determined by the "*interaction* of environmental pressures and organizational responses" (Kochan et al., 1994: 13). This model is useful for specifying broad categories of factors (e.g., external environment, values, business strategy, history) likely to influence the strategic choices made by industrial relations actors. Kochan et al. also posit a three level institutional structure in which strategic industrial relations choices are made: (1) a long term strategy and policy making level; (2) a COLLECTIVE BARGAINING and personnel policy level; and (3) a workplace and individual/organization relationships level. They provide detailed descriptive evidence of strategic choices made at each of these levels. As Lewin

(1987) observed, however, the Kochan et al. model has several limitations. In particular, the concept of industrial relations strategy is never defined precisely and the model does not gener ate unambiguous, testable hypotheses. Perhaps as a result, the model has not yet stimulated much empirical research.

Other recent models based on the strategic industrial relations approach focus more nar rowly on the determinants or consequences of specific strategic choices faced by an industrial relations actor(s). Fiorito, Gramm, and Hen dricks (1991), for example, develop a model of the determinants of a union's choice of organiza tional structure. Their model identifies four general union strategies and generates testable hypotheses linking the union's choice of organ izational structure to its dominant strategy and the environment in which it operates. Similarly, Walton, Cutcher Gershenfeld, and McKersie (1994) develop a model of strategic collective bargaining negotiations that generates some test able propositions.

EMPIRICAL RESEARCH ON STRATEGIC
INDUSTRIAL RELATIONS

Empirical research on strategic industrial rela tions has the potential to provide answers to the following questions.

1   Faced with a particular choice situation, what alternative strategies are available to the industrial relations actor(s)?
2   What factors influence the actor's choice of strategy?
3   Does the choice of strategy contribute to the attainment of the actor's goals or have an impact on other industrial relations out comes?

Empirical research addressing these questions, however, remains in its infancy. As was true at the time of Lewin's (1987) earlier review of this literature, most of the empirical work continues to rely on qualitative case studies and/or de scriptive statistics instead of formal hypothesis testing in the context of multivariate models. A few studies, however, model and test empirically the effectiveness of an industrial relations actor's decision to engage in particular strategic beha viors. Examples of studies of this type include

Fiorito, Jarley, and Delaney's (1995) analysis of the effects of a set of innovative union organizing tactics on several indicators of organizing effect iveness, and Gramm and Schnell's (1994) inves tigation of the effects of alternative employer strategies for operating during strikes on meas ures of the value of the settlement and the em ployer's success at continuing operations during the strike.

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strategic issues in diversity

R. Roosevelt Thomas, Jr. and Catherine A. Ouellette

Before one can determine the strategic import ance of managing workforce diversity (*see* DI VERSITY), one needs to understand (1) what strategy is (i.e., a plan for achieving competitive advantage) and (2) the factors (e.g., environ ment, mission, vision, culture, and key success variables) that influence effective strategic man agement. In this context, the strategic import ance of workforce diversity is a function of its relevance to the enterprise's strategy, and the management of diversity becomes strategic itself when it is critical to successful strategy imple mentation.

Below, we list factors that some organizations consider strategic and then examine their relationship with workforce diversity. In doing so we will demonstrate how the management of workforce diversity can be strategic.

EMPLOYER OF CHOICE

Many organizations aspire to attract the "cream of the crop" and consider this capability to be a potential source of competitive advantage. When recruiting for the best talent available, managers in some organizations have come to recognize that the pool from which they are drawing is diverse. Further, they believe that effective *management* of this diverse "cream" will give them a competitive edge in becoming the employer of choice (Thomas, 1993).

EMPOWERMENT

To gain a competitive advantage, some managers have identified empowerment of employees as strategic (*see* EMPLOYEE EMPOWERMENT). If the workforce is diverse, empowerment cannot be done to an optimal degree without an ability to effectively manage diversity.

TEAMING

An increasing number of managers are contending that cross functional teams and self directed teams will be sources of competitive advantage. To the extent that team membership reflects diversity in significant aspects, the management of that diversity will be a critical determinant of the manager's ability to tap teaming as a strategic source. The challenge will be to meld team members into an effective unit without unnecessarily compromising the diversity they bring.

RIGHT-SIZING

Operating with the optimal number of human resources has been seen for many years as a basic strategic requirement. However, right sizing places a premium on tapping the full potential of the remaining human resources. If the remaining participants are diverse, diversity management becomes a requirement for realizing the full benefit of right sizing.

CUSTOMER-FOCUSED

With a rise in competitive pressures, many managers are stressing being customer focused as a potential source of competitive advantage. The customer base, however, like workforce participants, is becoming increasingly more diverse. The ability to deal with this external diversity is enhanced by an ability to deal with internal workforce diversity (Cox and Blake, 1991).

ENHANCE CREATIVITY

Influenced by research (Cox and Blake, 1991) and/or anecdotal experiences, more managers are becoming convinced that a diverse workforce is more creative than one comprised of homogeneous participants. These managers see this enhanced creativity and innovation as a potential source of competitive advantage. An international corporation, for example, with a worldwide research operation will need to manage its global diversity as a means of enhancing creativity. Thus, in general, moving beyond simply creating diversity to harnessing it for enhanced innovation requires diversity management.

TOTAL QUALITY

This approach to management has gained in popularity as a potential source of competitive advantage (*see* TOTAL QUALITY MANAGEMENT). One of its basic premises is the engagement of the workforce. If the workforce is diverse, diversity management becomes a prerequisite for engaging organizational participants and realizing the strategic importance of total quality (Thomas, 1991).

The management of workforce diversity is clearly strategic for many organizations. Managers need to determine the strategic significance of diversity management by relating it to the organization's strategic factors. In this context, the management of workforce diversity is no longer solely a legal, moral, or social responsibility issue, but a strategic force as well.

See also *strategic management; strategy*

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strategic job analysis

Benjamin Schneider and D. Brent Smith

Strategic job analysis refers to a process of spe cifying the tasks to be performed (*see* TASK) and the knowledge, skills, abilities, and other charac teristics (*see* KSAOS) required to effectively per form those tasks for a job as it is predicted to exist in the future (Schneider and Konz, 1989). Strategic job analysis acknowledges the potential volatility faced by organizations resulting from such factors as technological innovation and in creasingly competitive markets. These factors force fundamental changes in the nature of the work performed and, concomitantly, changes in the requisite KSAOs of the workforce.

In volatile environments, traditional JOB ANA LYSIS, focusing on jobs as they currently exist, can fail to anticipate future needs. Schneider and Konz (1989) suggest explicitly incorporating in the job analysis process information from relevant subject matter experts (planners, strat egists) about issues, both within the organization (new technology initiatives) and outside the or ganization (new markets to be entered), that might affect the tasks to be accomplished in jobs and the KSAOs required to do those jobs. This can be accomplished by adding to the trad itional job analysis process a workshop com posed of subject matter experts who can comment on these issues. The original tasks and KSAOs generated during earlier phases of job analysis can now be revised and supple mented with the information from this work shop. The workshop participants then produce a new set of ratings of the tasks and KSAOs in light of the future issues they identified. Com paring present and future ratings allows an as sessment of the extent to which changes facing the organization will affect the job in question.

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strategic management

Benjamin M. Oviatt

Strategic management is both a process and a field of study involving the design, selection, or evolution and management of organizational strategy. It is a decision making and action taking process that some scholars depict as the deliberate design of organizational plans and actions to achieve organizational aims (Pearce and Robinson, 1994). In contrast, other scholars emphasize the unplanned and emergent nature of organizational strategy (e.g., Mintzberg, 1987). Yet whether deliberate or emergent, its aim is the "survival and growth of those organ izations that through their outputs have distinct ive competencies, compared to other competing organizations, to produce outputs that serve so ciety" (Summer et al., 1990). As a field of study, it attempts to understand the conditions under which that aim can be achieved.

Strategic management is distinctive in its comprehensiveness. It assumes that survival and growth require a long run alignment be tween the network of external environmental elements that an organization faces and its net work of internal elements (Miller and Friesen, 1984). The primary actors of interest are usually high level managers, owners, and entrepren eurs, but it is increasingly clear that due to its comprehensiveness a variety of actors at all levels may be important to successful strategic man agement.

LEVELS OF STRATEGIC MANAGEMENT

Three levels of strategic management are usually recognized: corporate, business, and functional. Corporate level strategic management involves the choices of businesses in which to compete

and the allocation of resources to those busi nesses. Research suggests that a corporation with a collection of businesses that share some resources, activities, and/or knowledge per forms slightly better on average than corpora tions with a portfolio of unrelated businesses.

Business level strategic management involves decisions about how to compete against other businesses in the same or proximate industries. Much of the research at the business level has attempted to identify a small number of generic business strategies used to compete across most industries (*see* STRATEGY for a discussion of some of them).

Functional level strategic management fo cuses on how various business functions (human resources, finance, marketing, and so forth) may be aligned to form a coherent busi ness strategy. In recent years, the interest in resources, BUSINESS PROCESSES, BUSINESS PROCESS REENGINEERING, and specific or ganizational activities has highlighted the need for the separate functions to avoid forming their own distinct strategies, and, instead, to integrate their disparate activities in a way that provides unique customer value and, therefore, a com petitive advantage.

A Framework of Strategic Management

Andrews (1980) provided what may be the most comprehensive and enduring framework for ex plaining the process of strategic management. He noted that organizations must decide what they *might do* in terms of the environmental opportunities and threats they face, what they *can do* in terms of their internal resources and competence, what they *should do* in terms of their social responsibility, and what they *want to do* in terms of the owner's/managers' personal desires and values.

The understanding of external environmental opportunities and threats begins with the study of broad technological, sociological, economic, natural resource, and political changes (*see* PEST ANALYSIS). This is followed by analysis of forces more proximate to relevant industries, perhaps using Porter's (1980, 1985) well known five forces of incumbent rivals, potential en trants, substitutes, suppliers, and buyers.

Internal competence may depend on access to a scarce asset, such as ownership of a diamond mine or a patent on a pharmaceutical. However, resource based theory (Barney, 1991) depicts internal organizational competencies and incom petencies as more frequently derived from so cially complex routines that are difficult to describe, imitate, and substitute. The inertia naturally inherent in those routines means they are slow to change. That goes for both beneficial and destructive routines, but when they produce outputs of unique value to customers, such as can be achieved by organizational culture that promotes innovation, a sustainable competitive advantage may emerge.

Social responsibility is usually depicted as attempting to solve the complex calculus of com peting organizational stakeholders (Freeman, 1984). Inevitably, strong owners and managers project their own personal desires and values on to the strategic management of an organization. Finally, Andrews (1980) emphasizes that under standing these four aspects of strategic manage ment, difficult though that may be, is nothing compared to the creative act of reconciling their always conflicting forces into a proactive state ment of organizational strategy.

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strategic negotiations

Joel E. Cutcher Gershenfeld and J. William Breslin

The term strategic negotiations joins two concepts, each with ancient roots. Negotiation implies two or more interacting parties with a mixture of common and competing interests; strategy extends that interdependence by introducing a time horizon – where present ac tions by one party anticipate future actions by other parties. Combined, these concepts define the modern paradigm of bargaining in such varied contexts as international diplomacy, labor relations, and managerial decision making.

In the modern literature, Schelling (1960) was the first to trace systematically the strategic im plications of tactical actions in negotiations, ex ploring the various uses and limitations of threats, commitments, delegation, MEDI ATION, and information. Strategy subsequently became an integral part of the emerging negoti ation literature, whether the focus was on the bargaining process (Walton and McKersie, 1965; Lax and Sebenius, 1986), the structure of negotiations (Strauss, 1978; Bacharach and Law ler, 1984), the psychology of negotiations (Pruitt, 1981; Bazerman and Neale, 1991), or general negotiations theory (Walton and McKersie, 1965; Breslin and Rubin, 1991; Wal ton, Cutcher Gershenfeld, and McKersie, 1994). The book *Getting to YES* by Roger Fisher and William Ury (1981) is notable in the negoti ations literature for elevating a set of integrative tactics into a normative strategy that has achieved broad acceptance.

Among frameworks for analyzing strategic choices, Pruitt (1983) identifies four strategies available to negotiators: problem solving, con tending, yielding, and inaction. He points out that choices among the strategies can be ex plained through the use of both Blake and Mou ton's dual concerns model (1964) and a feasibility analysis. More recently, Walton et al. (1994) identified two concurrent outcomes of negotiations: substantive agreements and social contracts. Changes in social contracts are par ticularly likely to take on strategic significance. They then identify three strategies for negoti ated change: forcing, fostering, and escape from the relationship. These strategies can be pursued separately, sequentially, or in combination. In addition, they interact with structural con straints and the dynamics of the negotiations process. Across all efforts to link the concepts of strategy and negotiations lie two core prin ciples: (1) the identification and utilization of strategy serves both to enable and to constrain bargaining tactics; and (2) the dynamics of nego tiation provide similar constraints and oppor tunities for change strategies. Thus, bringing together the ancient concepts of strategy and negotiations reveals the many ways in which they are intertwined.

See also *negotiation tactics; strategy*

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strategic outsourcing

John Storey

Strategic outsourcing is a particular form of subcontracting for services or components. Outsourcing and insourcing can be seen as reflections of the classic make or buy decision. The outsourcing (or contracting) of certain services, such as security, catering, office cleaning, and information technology, has been a traditional, longstanding practice. However, outsourcing is now recognized as far more wide spread and part of an ever increasing trend. The increase is seen in terms of both the number of companies that now practice outsourcing and the wider span of activities which are now out sourced.

Outsourcing becomes strategic when the de cisions do not rest on short term cost cutting but are part of a long term plan which re appraises the core competencies of the organiza tion and perceives enduring and emerging competitive advantage through a partnership al liance with vendors who bring special expertise to the organization.

Rationales and Drivers

One major driver is to reduce headcount and direct labor costs. (This sometimes, though not always, has involved subcontractors using non union labor in order to pay lower hourly rates; trade unions have therefore often viewed out sourcing as a union busting device.)

It has also been facilitated by developments in information technology: companies can, for example, now outsource routine customer billing to remote stations in low labor cost parts of the world. The other main reasons for its growth include the following: (1) flexibility, i.e., the level of service provision can be in creased or decreased to meet market circum stances without laying off core staff; (2) scrap levels can, in theory, be eliminated as defective parts can be rejected; and (3) outsourcing is a device to access specialist expertise which would be too expensive or even too difficult to accumu late in house.

The more strategic reasons relate to the asso ciation with reengineering and root and branch decisions about core functions and sources of competitive advantage (*see* BUSINESS PROCESS REENGINEERING). Strategic outsourcing thus ideally results from a rational and far reaching competitive analysis process, one which seeks world class standards on an activity by activity basis. The device may also be used to gain close up access to the latest technology and expertise.

The Case Against

There are several dangers associated with out sourcing.

1   One danger is losing control of the service. This may antagonize customers or em ployees who cannot get timely access to in formation and who may blame the main company, not the contractor. Legal and tax complications are associated factors, espe cially in the US.
2   Contract workers may have lower commit ment.
3   The costs may in fact turn out to be higher rather than lower. This concern was given credence as a result of a survey of 100 firms by the Boston Consulting Group (*The Economist*, 1991).
4   Companies may lose expertise in the out sourced functions, which may be impossible to regain.
5   Hollowing of the organization may result in long term decline if the choice of core com petencies has been unwise.
6   There are transactions costs in researching, negotiating, administering, and controlling numerous contractors.

Techniques for Successful Outsourcing

Guidelines from consultants emphasize several cautions regarding outsourcing, including: the importance of clarifying very carefully the ob jectives desired from each outsourcing decision; the need to expect and specify in the service contract high levels of quality, reliability, and other standards; and the need to avoid arbitrary contracting of all support services (the rationale will vary from company to company depending on its own strategy and sustainable competitive advantages) (Jacobs, 1994).

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strategic recruiting

Robert D. Bretz, Jr.

Strategic recruiting is the process of identifying, and attempting to attract, applicants in the ex ternal labor market who possess the characteris tics or aptitudes that will enable the organization to achieve its strategic objectives. RECRUITING typically results from needs identified in the employment planning process, and is presumed to be driven by the need to fulfill immediate operational objectives. Strategic recruiting, on the other hand, derives from systematic assess ment of the organization's mission and strategic objectives, and is undertaken to facilitate long term organizational success.

Rynes and Barber (1990) have suggested that organizations facing a current or anticipated labor shortage could employ strategic recruiting as a means of attracting applicants, or could address the shortage through other strategies that do not involve applicant attraction. Olian and Rynes (1984) have indicated how organiza tional strategy might affect recruitment prac tices. Bretz and Judge (1994) have suggested that an organization's strategic objectives drive the choice of human resource systems that are implemented, and in doing so reveal to job ap plicants important contextual information that would otherwise be unknown. Organizational information has a significant effect on applicant attraction because specific types of individuals are attracted to specific types of organizations. Thus, the use of REALISTIC JOB PREVIEWS to deliver accurate contextual information is crit ical if an organization wishes to use recruiting strategically, because the applicants' perceptions of good organizational fit affect their JOB SEARCH behaviors and their willingness to join the organization.

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strategic role of human resources

Patrick W. Wright

The strategic role of human resources is to de velop and exploit the firm's people as a source of competitive advantage. This must be accom plished through aligning the firm's human re source management (HRM) practices as well as the skills of the firm's employees with the com petitive strategy (Wright, 1991).

The strategic role of human resources consists of three components. First, the firm's human resources must be developed as one aspect of the core competence (Hamel and Prahalad, 1994) of the firm. The core competence de scribes the unique skills or capabilities that a firm possesses that allow it to perform some activity in a manner superior to its competitors. These skills or capabilities cannot be conceived of apart from the people who make up the organization, and thus can be considered a human resource based competitive advantage. Thus, the underlying strategic role of human resources is to develop and deploy the firm's human resources such that their unique skills and capabilities will allow it to outperform its

competitors (Wright, McMahan, and McWil
liams, 1994).

A second component of the strategic role of
human resources is to provide input regarding
human resource issues into the strategic plan
ning process (see STRATEGIC HUMAN RE
SOURCE PLANNING). Consistent with the
concept of STRATEGIC HUMAN RESOURCE
MANAGEMENT, this entails identifying the en
vironmental opportunities and threats existing
in the external environment which might impact
human resources. It also involves identifying the
internal strengths and weaknesses of the firm's
human resources (e.g., the unique capabilities or
limitations that exist within the firm's human
capital pool). This information provides stra
tegic planners with some of the limits of strategic
alternatives (e.g., the firm neither possesses nor
can easily obtain the human resource skills ne
cessary for a particular strategy), as well as some
potential areas to be exploited (e.g., the high
levels of motivation and positive attitudes of
employees might be used to differentiate the
firm's services from competitors) (Lengnick
Hall and Lengnick Hall, 1988).

The third component of the strategic role of
human resources is to develop and align human
resource practices that will enable the firm's
human resources to successfully implement the
strategic plan. This requires that the HUMAN
RESOURCE FUNCTION, based on the strategic
plan, identify the variety of human resource skills
that are required and in what amounts. The
human resource function then develops and ap
plies human resource planning techniques, selec
tion methods, training and development
programs, and appraisal and compensation
systems to insure that the firm has employees
and managers who possess the skills and motiva
tion to implement the strategic plan (see HUMAN
RESOURCE PLANNING). This demands that the
human resource practices be integrated in two
ways: (1) vertical integration, which consists of
ensuring that the human resource practices are
consistent with and supportive of the strategic
plan; and (2) horizontal integration, which entails
insuring that the various human resource prac
tices are consistent with and supportive of one
another (Baird and Meshoulam, 1988; Wright
and McMahan, 1992).

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strategic staffing

Stella M. Nkomo

Strategic staffing is a process for identifying and
filling future staffing needs to meet long term
business requirements. It has its roots in STRA
TEGIC HUMAN RESOURCE MANAGEMENT
and is viewed as a part of HUMAN RESOURCE
STRATEGY implementation. STAFFING is a
crucial tool because it affects an organization's
ability to successfully execute a particular com
petitive strategy (Miller, 1984). Strategic
staffing begins with identifying the staffing im
plications of proposed business strategies. By
developing and implementing strategic staffing
plans, organizations can insure the right mix of
talent to meet changing business objectives and
strategies.

The strategic staffing process involves the
design of strategies for four broad clusters of
activities: (1) the identification of talent through
JOB ANALYSIS, skills inventories, and recruit
ing needed to enhance strategy; (2) the acquisi
tion of the talent through recruitment and
selection (see RECRUITING); (3) the orientation
and socialization of employees (see NEW

EMPLOYEE ORIENTATION; ORGANIZA
TIONAL SOCIALIZATION); and (4) the move
ment of employees to appropriate positions
within the organization through PROMOTION,
transfer, and demotion (Butler, Ferris, and
Napier, 1991: 83). Much of the emphasis in
strategic staffing focuses on managerial staffing
(see SUCCESSION PLANNING). Researchers
have developed models for aligning managerial
staffing with business strategy (Kerr and Jack
ofsky, 1989; Bechet and Walker, 1993). Align
ment involves matching managers with the
appropriate skill mix and characteristics to an
organization's strategic direction.

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strategy

Benjamin M. Oviatt

A strategy is a *pattern* of decisions and actions
evident in an organization over time. An effect
ive strategy may be deliberately planned by its
managers, or it may emerge as a post hoc obser
vation of a related group of decisions and actions.
A distinctive characteristic of an organizational
strategy is its comprehensiveness. That is, it
includes and affects most parts of an organiza
tion. Mintzberg (1987) has noted that the word
strategy is actually used in several different
senses: a formal plan, a competitive ploy, a posi
tion in the mind of customers, a perspective in
the mind of employees, and several others. In all
cases, however, a pattern of organizational deci
sions and actions is observable.

There are three levels of strategy (see STRA
TEGIC MANAGEMENT). Corporate level strat
egy concerns the identification of the businesses
in which the corporation will compete and the
allocation of resources to those businesses. Busi
ness level strategy involves how businesses com
pete in their industries. Functional level
strategy focuses on the integration of disparate
parts of a business so that they are consistent
with and supportive of the business strategy.

GENERIC STRATEGIES

Much research has gone into discerning a
limited number of generic strategies that are
used across many different industries. Porter
(1980, 1985) defined three generic business
level strategies of differentiation (unique
market wide customer value), cost leadership
(lowest costs among all competitors in a market),
and focus (marketing to a limited, well defined
group of buyers, sometimes divided into cost
focus and differentiation focus). His concepts
have been empirically explored by several
scholars in various industry contexts.

Miles and Snow (1978) inductively developed
four generic strategies of: defender (narrow
product line, concentrates on efficient opera
tions), prospector (innovator always looking for
new opportunities), analyzer (operating in both
stable and turbulent domains with correspond
ing foci on efficiency and innovation), and re
actor (no consistent strategy, changes when
forced to by the environment). These strategies
cover both the corporate and the business level.

Miller and Friesen (1984) inductively de
veloped several configurations or archetypes of
organizational characteristics by studying a col
lection of business cases. These may also be seen
as generic strategies. Six successful and four
unsuccessful organizational configurations were
found. In addition, they found nine configura
tions associated with organizational change. The
configurations cover both corporate and busi
ness level strategy.

These are probably the best known, but other
typologies and taxonomies of generic strategy
exist. Unfortunately, the cumulative empirical
evidence indicates that none of them holds
across all or even most industries. Thus, the
development of effective organizational strat
egies still requires a large dose of situational
art. Of course, it cannot be otherwise in com
petitive economies because successful strategies

are often imitated, thereby eliminating the com petitive advantage they once provided.

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stress management programs

Jonathan D. Quick and James Campbell Quick

Stress management programs are defined as strategies for preventing job strain and for chan neling job stress into healthy and productive outcomes. They take a variety of forms aimed at individual adaptation and/or organizational change (Quick and Quick, 1984). Ultimately, stress management is good management. Understanding stress management programs is important to enhance health, wellbeing, and PRODUCTIVITY at work. Stress management programs may aim at modifying the demands or stressors to which employees are subject (pri mary prevention), at changing individual re sponses to stressors (secondary prevention), or at treating psychological, behavioral, or medical distress (tertiary prevention).

ORGANIZATIONAL AND JOB STRATEGIES

Stress management programs based on organiza tional and/or structural change strategies are forms of primary prevention. Organizational cultures that are flexible and resilient provide employees greater degrees of freedom to accom modate job stress. Flexible work schedules are among a number of structural mechanisms for enabling employees to accommodate the full spectrum of demands in their work and personal lives (Levi, 1982). Job redesign programs aimed at enhancing employee decision latitude and in creasing control over various aspects of the work environment help to reduce job strain and are another form of primary prevention (Karasek, 1979). Supportive supervisory and peer relation ships at work are a form of secondary prevention for employees.

INDIVIDUAL STRATEGIES

Stress management programs based on indi vidual strategies may reflect either primary pre vention or secondary prevention. Individual strategies that target specific health risk beha viors, such as drug abuse or smoking, or strat egies such as (1) cognitive restructuring to reduce the stressfulness of a demand, (2) plan ning and organizing activities to manage job demands, and (3) time management skills are all considered to be primary prevention strat egies because they target the *source* of the stress.

HEALTH PROMOTION programs and wellness programs (*see* WELLNESS) are second ary prevention strategies because they are designed to enhance employees' overall health, hardiness, and resistance to job strain. The core of many of these programs is physical fitness training. Relaxation training, momentary relax ation, and a variety of relaxation techniques are a second major category of behavioral change strategies for secondary prevention (Benson, 1974). While the mechanisms through which social relationships significantly influence health are not fully understood, social support systems appear to have direct, positive effects on how employees see and interpret job demands, as well as buffering effects that reduce experienced job strain (House, Landis, and Umberson, 1988). Social relationships may be helpful as emotional outlets for employees experiencing stress or strain. Expressive writing in diaries may also be an alternative emotional outlet.

THERAPEUTIC AND CURATIVE STRATEGIES

Stress management programs based on thera peutic or curative strategies are forms of tertiary prevention. EMPLOYEE ASSISTANCE PRO GRAMS may help employees to reestablish a healthier balance between work and home life, to make full use of leisure time, to take other actions to reverse unhealthy effects of job stress, and to assist employees with specific forms of distress through referral to appropriate medical

and/or psychological services. The need for therapeutic and curative strategies may also suggest a failure of the organization or the individual to recognize a problem and take early action to prevent distress.

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strike

Hoyt N. Wheeler

Broadly defined, the strike is a collective abstention from work for the purposes of self protection (Liso and Pisani, 1992). In American labor law, a strike is defined as a concerted stoppage of work, slowdown, or interruption of operations (section 501(2), LABOR MANAGEMENT RELATIONS ACT OF 1947). In order to be protected under American law, it must be part of a controversy over terms and conditions of employment or about who represents the employees.

The strike comes in many types and varieties. In the US there is the important distinction between the unfair labor practice strike (prompted by an employer's violation of labor laws), where the employer may only temporarily replace strikers, and the economic strike (any other lawful strike), where strikers can be permanently replaced. There are also: (1) WILD CAT STRIKES, which are not authorized by a union; (2) the National Emergency Strike, which affects an entire industry or a substantial part of it; (3) the recognition strike, where a union is seeking recognition as the representative of a group of employees; and (4) the jurisdictional strike, where a union is striking to claim work as against another union. There are also political strikes in which workers withdraw their labor as an act of political or social protest.

The possibility of a strike is what moves management to agree to union COLLECTIVE BARGAINING demands, so "the strike, however its shapes and forms change, is . . . integral to collective bargaining" (Barbash, 1984: 65). Nevertheless, its use has declined to historic lows in the US in the past decade, leading to doubts of its continued viability.

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succession planning

Arthur K. Yeung

Succession planning refers to the process and actions that aim at identifying and developing a pool of potential successors for senior or key jobs in the future. Unlike replacement planning, succession planning is more strategic, proactive, long term oriented, and development focused. It insures the continual supply of qualified executive talent to lead and support business growth.

Such planning is of strategic importance to many corporations like General Electric (Friedman and LeVino, 1984). By adopting a fair and systematic succession planning process, companies are able to reap the following benefits: EARLY IDENTIFICATION OF MANAGEMENT TALENT, retention of high potential employees, enhancement of managers' readiness for future roles and challenges, and, as a result, the building up of human capital for business continuity and stability. However, where companies require major shifts in strategic direction that call

for external recruitment, succession planning through internal resourcing becomes less important.

Succession planning is vulnerable to corporate politics and personal bias that may be counterproductive to business success and realization of individuals' potential. For instance, businesses may be reluctant to release good people to other businesses and different businesses or functional units may wish to advance their candidates for senior management positions. Hence, to maximize the usefulness of succession planning, corporations need to pay attention to the following processes (Nowack, 1994).

Identify Leadership Competencies

Leadership competencies should be based on business strategies, customer requirements, and business cultures. These required competencies should reflect and profile the successful leaders of the corporation in the coming decade. To facilitate assessment, development, and evaluation, the competencies need to be defined and operationalized in observable behaviors and outcomes.

Develop a Comprehensive Database

A comprehensive and current database should be developed for the target population. Once the leadership competencies are identified, appropriate assessment methods can be used to measure the candidates along those competencies. To insure objectivity, multiple sources of information need to be collected on a periodic basis, including in depth interviews with high potential candidates, 360 degree appraisals, performance appraisals (see performance appraisal), and assessment centers ratings. Ideally, the assessments should be conducted by special human resource staff members who have high personal integrity and are able to assess people accurately through multiple methods. To facilitate the organization and retrieval of information, many companies use computer databases to store candidate information.

Conduct Executive Management Review Sessions

The purposes of executive management review sessions are to review the strengths and weaknesses of the candidates, to determine their promotability, and to recommend developmental plans for the candidates. The sessions are usually attended by incumbent executives and related human resource staff. Evaluation of candidates by potential, not by personal relationship, is the key success factor of these sessions. Therefore, it is important to create an open atmosphere to address the concerns of the candidates and to resolve conflicting interests among business units. Built in check and balance mechanisms are also required to insure the integrity and fairness of the process. For instance, a consensus among attending executives, rather than the recommendation of incumbent executives, may be required to determine the promotability and possible career plans of the candidates. Based on the information collected, human resource staff can also contribute to the fairness of the process by advocating or questioning the view of incumbent executives regarding specific candidates.

Provide Feedback and Implement Plans

While succession planning used to be secretive in order to minimize inflated expectations of the candidates and the effects of the self fulfilling prophecy of the candidates' superiors (Schein, 1987), companies are realizing the importance of providing feedback to the potential candidates because it is important to match the company's succession plans with the candidates' career aspirations. Once the candidates are committed to the plans, development plans with both systematic on the job assignments and external training opportunities should be prepared and implemented.

Measure Developmental Progress

The candidates should be carefully reviewed by senior management regarding their career progress and accomplishment. Data should be periodically updated and the promotability and developmental plans of the candidates should be revised as time evolves.

In a nutshell, succession planning has to be managed carefully and systematically. It should be conceived as a strategic planning process from which companies cultivate their most critical resources: high quality executive talent.

See also *management development; strategic human resource planning*

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supervisory ratings

Walter C. Borman

Supervisors are often asked to evaluate the performance of their subordinates. This is done either for administrative purposes, such as to aid in making pay or promotion decisions, or for research purposes, to help, for example, to validate new PERSONNEL SELECTION procedures. The main advantage of supervisor ratings (as compared to PEER RATINGS or subordinate ratings) is that supervisors will typically have worked with many different subordinates and are thus well calibrated to make reasonably accurate ratings.

Recent research on supervisor ratings focuses on the cognitive processes associated with how supervisors arrive at judgments about their subordinates' performance (e.g., Borman, 1991; Murphy and Cleveland, 1991).

See also *performance appraisal; rating accuracy; self ratings*

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surveillance

Stuart A. Youngblood

The growth of service industries and the increasing use of computer, telephone, and video technology have contributed to an increased level of monitoring in the workplace. Workers in data processing, word processing, and customer service operations (e.g., airline reservation clerks, telephone directory assistance operators) are most likely to be monitored by a computer or telephone on the job. In addition, assembly line workers and retail clerks are likely to be video monitored as an antitheft precaution.

The growing use of digital telecommunications, electronic data communications between computers, and digital video and graphical image transmission as means of surveillance increases privacy concerns in the workplace. Estimates of employees subject to some form of workplace surveillance range from 6 to 15 million workers in the US alone. As employers experiment with telecommuting and other uses of technology that blur the distinction between work and nonwork, privacy concerns among workers are predicted to increase. Employers are faced with the competing interests of the right to know versus each employee's right to privacy when electing to monitor employee behavior on the job. Although electronic surveillance can be misused, many employees believe that objective measures of their JOB PERFORMANCE used in a PAY FOR PERFORMANCE reward system can be more fair than traditional PERFORMANCE APPRAISAL systems (*see* REWARD SYSTEMS).

The Computer and Business Equipment Manufacturers Association advises employers to do the following to minimize problems: (1) explain to employees how, why, and when work is to be monitored; (2) give employees access to their records and regular feedback; (3) measure only behaviors essential to meeting organizational goals; (4) use statistics to spot problems early and take action on them; (5) anticipate INDIVIDUAL DIFFERENCES and permit workers to regulate their workplace as much as possible; (6) reward individuals for performance; and (7) do not continuously drive up production

standards. Other experts have advised em
ployers to humanize workplace monitoring by
involving employees during the planning stages
of a computer installation that will entail moni
toring. Observing PROCEDURAL JUSTICE
rights by permitting employees the right of re
buttal before a performance appraisal goes on the
record and announcing monitoring systems in
advance can prevent worker complaints.

See also *privacy in organizations*

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  sions*. Washington, DC: US Government Printing
  Office.

synthetic validity

James S. Phillips

Synthetic validity is "the inferring of validity in
a specific situation from a logical analysis of jobs
into their elements, and a combination of those
elemental validities into a whole" (Balma, 1959:
395).

The process of synthetic validation is related
to VALIDITY GENERALIZATION, since the val
idity of a test battery is *inferred* rather than
demonstrated for a specific job and setting.
This inference is based on the development of
a matrix of (1) job elements common to a family
of jobs (*see* JOB FAMILY) and (2) selection tests
that are predictive of JOB PERFORMANCE on
those individual job elements. A basic assump
tion of synthetic validation is that different jobs
involving the same kinds of behavior should
also require the same knowledge, skills, abilities,
and other characteristics (*see* KSAOS). Synthetic
validity subsequently assumes that if a test is
valid for a particular job element, then it will
be valid for use with any job involving that
same element (McCormick, DeNisi, and Shaw,
1979: 51).

Using the concept of synthetic validity, a test
battery can be assembled for a particular job by
identifying the elements involved, and then
selecting tests that have previously been shown
to predict performance on those elements. This
approach presumably eliminates the need to val
idate the new test battery, since each of the
elemental validities is already known and should
not have changed significantly across jobs. Syn
thetic validity is especially useful when there are
not sufficient numbers of persons performing
the same job to conduct a CRITERION
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  lishing the job component validity of tests. *Journal of
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T

task

Robert J. Harvey

A task is the most behaviorally detailed unit of work that is typically contained in a JOB ANALYSIS. It describes a work activity that produces a single, meaningful work product or outcome. Tasks are implicitly or explicitly composed of even more behaviorally specific "elements" that do not produce a meaningful work product or output when considered in isolation (e.g., "turn power switch to 'on' position," "insert pencil into electric sharpener," "remove sharpened pencils from sharpener"). When these elements are combined, however, a meaningful *task statement* is produced, e.g., "Prior to each scheduled course evaluation, sharpen a sufficient number of no. 2 pencils using an electric sharpener to provide each student with two pencils (at least 3 inches in length) for use in completing course evaluation questionnaires, exercising discretion regarding the colors of pencils used."

Various criteria have been advanced for defining the kinds of content that should be present in a task statement. At a minimum, task statements should include: (1) an *action verb* (e.g., "sharpen") that describes what the worker does, using as behaviorally specific language as possible; and (2) the *object* of the action (e.g., "no. 2 pencils"). Often, task statements include supplemental information, such as: (3) the context in which the task is performed (e.g., "prior to scheduled evaluations"); (4) the tools, equipment, or work aids to be used (e.g., "electric sharpener"); (5) criteria for evaluating successful performance (e.g., "pencils at least 3 inches in length," "enough pencils for each student to have two"); and (6) the degree of worker discretion that is allowed when performing the task (e.g., "free to choose pencil color"). Tasks are more behaviorally specific than duties (*see* DUTY).

task inventory approach to job analysis

Ronald A. Ash

Task inventories are structured JOB ANALYSIS questionnaires used to gather information about job components. The typical task inventory consists of task statements (*see* TASK) which are rated by job incumbents and/or their supervisors using one or more rating scales, and a background information section requesting such information as worker/supervisor identification, work experience, education, sex, race, wage/salary, job satisfaction, physical demands, equipment usage, management information, and any other dimension which may add depth to the analytical process.

Typically, a task is defined as a collection of more elemental activities directed toward the achievement of a specific objective (Levine, 1983). An example of a task statement for an accountant job might be: communicates with clients by letter or telephone in order to gather information for tax returns. A thorough job analysis will typically identify from 30 to 100 tasks of this type for a job. The rating scales used in task inventories often include a 7, 9, or 11 point relative time spent scale, with extreme anchor points of "very much below average" and "very much above average." US Air Force occupational analysts convert the relative time spent ratings into percentage time spent estimates which serve as their primary units of analysis. Other rating scales occasionally included in task inventories include *importance*, *difficulty*, and *consequence of error*.

The task inventory approach can be used to analyze a single job, but is more typically used to analyze a more inclusive occupational group, or JOB FAMILY. Thus, all tasks performed by employees in the occupational group to be covered must be included in the analysis. Depending upon the intended breadth of cover age of the inventory, from several hundred to two thousand task statements may be included. When such large numbers of tasks are to be rated, task statements are typically shortened (e.g., "communicates with clients by letter or telephone").

Task inventory data can be analyzed using standard statistical packages (e.g., SPSS; SAS), but the US Air Force has developed a set of some 50 general purpose programs designed specific ally for analyzing and displaying task inventory information. This statistical package is called Comprehensive Occupational Data Analysis Programs (CODAP) (Christal and Weissmuller, 1988). Task inventory data are often used to group or classify individual positions into jobs or job families for common treatment in terms of PERSONNEL SELECTION, TRAINING, PER FORMANCE APPRAISAL, and COMPENSA TION. It is often useful to link task inventory information to human attribute information (*see* KSAOS) through creation of a task by KSAO matrix or other procedure (Levine, 1983; Drau den, 1988).

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tax-deferred annuities

Charles H. Fay

Employees of some nonprofit groups and public school systems have been able to purchase tax deferred annuities (generally called 403(b) plans), deducting the costs of the annuity from income, since the 1940s. The TAX REFORM ACT OF 1986 imposed restrictions on these plans similar to those on 401(K) PLANS. The goal of legislation affecting tax deferred annuities is the encouragement of employees of covered or ganizations to save for retirement.

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Tax Reform Act of 1986

Ramona L. Paetzold

The Tax Reform Act of 1986 (TRAC) amended both the EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA) and the Internal Revenue Code (IRC). First, regarding ERISA, the TRAC lowered the maximum cliff vesting period for an ERISA covered plan from ten years to five years. Thus, after TRAC, ERISA permits either a five year cliff vesting or a seven year graded vesting schedule. How ever, ten year cliff vesting is permitted for multi employer PENSION PLANS. The vesting schedules are duplicated in the IRC as part of the requirement for plan qualification (special tax treatment).

Second, TRAC added a separate limitation in the IRC on the total amount of elective deferrals that an individual can exclude from gross income in any year ($7,000, but indexed for inflation). These elective deferrals include, for example, employer contributions to a qualified cash or deferred arrangement.

Third, TRAC substantially amended the IRC to provide new tests for satisfying the antidis crimination norm (required for qualified status). The new minimum coverage tests state that a plan is not qualified unless it satisfies either the ratio percentage test or the average benefits test. The essence of both tests is that plans seeking

preferred tax treatment must not benefit too high a percentage of "highly compensated" em ployees without providing significant benefits to non highly compensated employees as well.

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team-based incentives

Luis R. Gomez Mejia

Team based incentives consist of financial rewards provided to employees based on the performance of their group. Individuals are expected to have common goals and objectives, work in close collaboration with one another, and be dependent on one another for the perform ance of the team. The team incentives can be provided based on outcomes that are objectively measured (e.g., cost savings, number of units produced, revenues from a patent) or subject ively assessed (e.g., judgments made by a panel of executives). The goals, measurement criteria, and payment amount may be specified in ad vance or management may distribute the team rewards on an ad hoc basis (e.g., upon comple tion of a product design). Payments can be pro vided in cash, as company stock, or in the form of special nonmonetary awards, such as time off, a trip, a dinner, and the like. Many team based plans differentially allocate rewards within the team based on individual contributions to the team effort and the extent to which the employee cooperates with other team members and is able to work effectively with others in problem solv ing assignments. In general, team based incen tives work better when teams are relatively permanent in their composition and have relat ively impermeable boundaries between them, and intragroup interdependencies exceed inter group interdependencies.

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team-building training

Richard W. Woodman

Team building, often called team development, is a training process by which members of a work group or team learn to diagnose how they work together and plan changes to improve their ef fectiveness. Empirical evaluation of team build ing has indicated that the process can result in positive changes in team functioning, including higher levels of participation, improved com munication, and stronger decision making and problem solving skills. Team building training will be most effective when (1) performed in conjunction with actual work on tasks with intact groups, and (2) preceded by a diagnosis that identifies the emotional and task needs of the team being trained (Woodman and Pasmore, 2002).

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Teamsters v. *United States*, 431 US 324 (1977)

Leonard Bierman

Actions taken because of bona fide seniority systems (*see* BONA FIDE SENIORITY SYSTEM) may be a justification for a company's prac tice that results in DISPARATE TREATMENT or DISPARATE IMPACT. In *Teamsters* the Su preme Court held pursuant to section 703(h) of Title VII that otherwise neutral legitimate seni ority systems do not become unlawful under Title VII simply because they may perpetuate pre Act DISCRIMINATION.

teleconferencing method

J. Kevin Ford and Deidre Wasson

Teleconferencing is a type of training method used to simultaneously train individuals at a variety of sites. Teleconferencing involves a central broadcasting facility where the trainer is videotaped for instantaneous transmission, a satellite system to transmit the lesson, and multiple receiving locations (hotels, conference rooms, universities, corporate headquarters) where trainees are located (Wexley and Latham, 1991). Trainees may ask questions of the trainer via telephone calls or a console box at any time during the training (Zemke, 1986). Teleconferencing has advantages in a variety of situations, such as: limited time or money availability, large groups of trainees in multiple locations, and limited availability of trainers.

See also *training; training evaluation*

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temporary workers

Stanley Nollen

Temporary workers are employees of staffing companies or agencies who are supplied to client companies as needed, according to the client's order. Temporary employment serves the traditional purpose of providing fill in workers for regular employees who are absent from work (usually because of sickness or vacation). Temporary employment also enables client companies to quickly adjust the size of their labor input to fluctuating demands for labor (*see* CONTINGENT EMPLOYMENT), and it allows them to obtain specialized workers for specific short term needs. Some temporary workers are direct hires onto the payroll of the company where they work (rather than being supplied from an agency), where they form a labor pool that is available to take up different jobs as needed by the company.

Temporary workers move from one client company to another frequently and do not have employment security. Few of them get BENEFITS that are not mandated because their length of service with their agency is too short. For some people, temporary employment is a preferred work option while they pursue other interests, while for others it is chosen only instrumentally as a bridge to regular employment.

The use of temporary employment and its regulation by governments varies widely across countries. In the US, the use of staffing companies to supply the labor needs of companies in a wide range of occupations is becoming increasingly common.

test fairness

Larry James

The key to successful PERSONNEL SELECTION lies in the accurate identification of INDIVIDUAL DIFFERENCES that can be applied to meet the varying requirements of different jobs. To this end, measures of individual differences are used to appraise a person's unique patterns of abilities. These measures, if valid, differentiate between individuals. For example, on a valid predictor of JOB PERFORMANCE, a person who scores higher on the measure than someone else should also perform comparatively better on the job. Test fairness is concerned with whether that differentiation is based on valid factors or is grounded in unfair discrimination, or invalid biases.

Guion (1966: 26) states: "Unfair discrimination exists when persons with equal probabilities of success on the job have unequal probabilities of being hired for the job." Underlying this definition is the need to consider criterion performance and predictor performance simultaneously. It is important to note that a selection measure on which one group scores differently than another group is not unnecessarily unfair if those same differences are *also* found in the criterion. In a selection situation, criterion performance is typically represented by actual job performance. If valid differences exist

between groups on actual job performance, then parallel differences on the test are indicative of VALIDITY and not bias. Group differences in means on a selection measure are, thus, not in and of themselves indicative of test unfairness (Drasgow, 1987).

As with many social issues, the definition and operationalization of test fairness depends on one's point of view. What seems like a fair test to the owners of a company may not seem fair to job applicants or social commentators. Consequently, there are several definitions and models of test fairness, each with its own measurement system and advocates. The four most prominent models will be presented here. The sometimes subtle and sometimes not so subtle differences in these models point to the underlying issue that fairness ultimately has subjective components.

In the *regression model*, test fairness is defined in terms of test bias for some subgroup of the selection population (e.g., subgroups defined by race, sex, or ethnicity). Cleary (1968: 115) stated: "The test is biased if the criterion score predicted from the common regression line is consistently too high or too low for members of some subgroup." This is the definition set forth in the 1978 UNIFORM GUIDELINES ON EMPLOYEE SELECTION PROCEDURES (Ledvinka, 1979). The regression model is based on least squares regression procedures that minimize errors in prediction. When regression lines for subgroups of applicants are compared and determined to be unequal, there is a potential for bias in selection, if a common regression line is actually used for the total population. Decisions based on a common regression line in this case would overpredict future performance for one group and underpredict performance for another group.

The *equal risk model* of test fairness was proposed by Einhorn and Bass in 1971 and considers the distribution of criterion scores around a regression line. A minimally accepted probability of success on the job is first determined. For example, a company may wish to accept an 80 percent chance that the person selected will be successful on the job. Separate cutoff points on the selection test are then set for the different subgroups to insure that anyone selected would have at least an 80 percent probability of being successful on the job. Thus, fairness is defined in terms of the hiring entity's needs. If a test predicts well for one subgroup but not another (e.g., there is evidence of DIFFERENTIAL VALIDITY), very different cutoff points would need to be set to yield equal probabilities of success.

The *constant ratio model* was presented by Thorndike in 1971. It focuses on the proportion of a subgroup that could be successful on the job in relation to the proportion of people from that subgroup who are selected. If those proportions are equal, the selection system is deemed fair. For example, if 30 percent of minority group members are successful and 50 percent of majority group members are successful *on the job*, then the selection ratio for each group should reflect those proportions. In this case a fair selection process would select 50 percent of the majority applicants and 30 percent of the minority applicants. This model has been criticized as an elaborate way to set quotas for minority hiring, and may lead to more errors in PLACEMENT than other test fairness models.

Finally, the *conditional probability model* looks at differences in both probability of being selected and probability of success on the job. A test is considered fair under this model if people who belong to different subgroups who should be successful on the job have the same probability of being selected based on a common CUTOFF SCORE. If the test predicts equally well for different subgroups, the probability for success should also be equal. If a selection procedure produces a greater number of selection errors for one subgroup than another, it will be considered unfair.

Each model of test fairness presented above has strengths and weaknesses. Both the regression model and the equal risk model provide assurances for the company that their selection process will yield successful employees. The constant ratio model favors the applicant's point of view because it is primarily concerned with selection ratios rather than prediction accuracy. The conditional probability model benefits companies because it focuses on the reduction of prediction errors. When selecting the appropriate model of test fairness, one must consider precisely what one is attempting to achieve, in terms of both technical merit and public policy and social interests.

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Thirteenth Constitutional Amendment

Ramona L. Paetzold

Ratified in 1865, the Thirteenth Amendment to the US Constitution outlawed slavery and involuntary servitude. The Amendment also authorized Congress to pass legislation to enforce the prohibition of slavery, which Congress did by passing the CIVIL RIGHTS ACT OF 1866. The first two sections of that Act (now more popularly known as sections 1981 and 1982 of the CIVIL RIGHTS ACT OF 1871) are the primary means of enforcing the Thirteenth Amendment.

360-degree appraisals

Walter C. Borman and David W. Bracken

The central idea of a 360 degree appraisal system is to obtain performance evaluations on individual employees from multiple perspectives or sources. Typically, ratings are gathered from supervisors, peers, and subordinates, or some combination of these sources (e.g., Bracken, 1994). SELF RATINGS and customer ratings may also be elicited. Other terms used to describe 360 degree appraisals include multi rater systems, upward feedback, and full circle feedback.

The purpose of 360 degree appraisals is usually to provide feedback to individuals on how their performance is viewed by a number of organizational constituencies (e.g., Edwards, Borman, and Sproul, 1985). The appraisal done for this purpose will be part of a feedback process that encourages an honest self diagnosis of strong and weak performance areas, and sets in motion developmental efforts to improve effectiveness in the relatively weak areas. These evaluations have also been used as administrative performance appraisals that feed into personnel decisions, such as promotions (*see* PROMOTION) and SUCCESSION PLANNING.

There are a number of issues associated with administering a 360 degree appraisal program. Best practice thinking (e.g., Bracken, 1994) suggests, first, that behavioral rather than trait rating scales should be employed (*see* BEHAVIORALLY ANCHORED RATING SCALES; TRAIT). Second, selection of raters should be managed carefully to avoid, for example, ratees nominating only "friendly raters" to provide them with feedback. Third, ratings should be made anonymously to encourage honest appraisals. Finally, raters should be trained to use the rating form properly to help them make accurate appraisals (*see* RATING ACCURACY).

See also *appraisal feedback; performance appraisal*

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time and motion study

James B. Shaw

A time and motion study is a very detailed analysis of the specific body movements and/or procedural steps that are used to perform a particular TASK. Typically, data for a time and motion study are collected by observing employees on the job and/or videotaping employees as

they work. The job analyst records the actions taken to complete the task and also the exact amount of time that each action takes. Descriptions of employee behaviors are recorded by using a standard list of basic body motions. These basic motions include actions such as grasping, searching, selecting, transporting, and assembling (McCormick, 1979). Typically, the analyst develops a chart to show the actions associated with performing a task and the time required for each action. This chart typically uses symbols to represent workers' specific actions and the sequence in which they occur.

Time and motion studies provide detailed information about jobs. These studies concentrate on tasks that require relatively standard, repetitive actions to be completed. The methods are objective. They result in data that are particularly useful for the design of equipment to be used on the job and for setting performance standards for those operating the equipment. By observation of several individuals doing the tasks, a normal or standard time to complete can be established and used to evaluate the performance of employees. However, time and motion studies provide little information about the broader context in which the job is performed.

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time-based pay

Timothy J. Keaveny

Employee COMPENSATION can be linked either to the amount of time worked or to a measure of the work completed (*see* INCENTIVE PAY; PAY FOR PERFORMANCE). With a time based pay system, employee compensation equals the rate of pay per unit of time multiplied by the number of time units worked; for example, $8.00 per hour multiplied by 8 hours equals $64.00. Another label for such a system is membership based compensation. In a simple time based pay system, all employees in a given job receive the same rate of pay per unit of time. Such a system is easy to administer because

management has only to measure the amount of time an employee is on the job rather than measure the amount of work performed. Time based pay assumes that the amount of work performed per unit of time is quite uniform. Quality of performance is expected to be better with time based pay compared to performance based pay. The principal criticism of such systems is that compensation is linked to attendance and not to performance.

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time span of discretion

Timothy J. Keaveny

Elliot Jaques proposed time span of discretion as a measure of the amount of responsibility for work that a person has in a job. Jaques (1961: 10) defines time span of discretion as "the maximum period of time during which the use of discretion is authorized and expected without review of that discretion by a superior." This concept provides a basis for placing a value on the work performed by a person in a job. Time span of discretion can be viewed as a single factor method of job evaluation, although it is unique in that it provides an objective measure of worth as opposed to a subjective judgment.

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total quality management

Richard S. Blackburn

Total quality management (TQM) is like "art," an acceptable definition lies in the eye of the beholder. Consider the following definitions of TQM:

1 The "constant attainment of customer satis faction through an integrated system of tools, techniques, and training. This involves the continuous improvement of organizational processes, resulting in high quality products and services" (Sashkin and Kiser, 1991: 25).

2 An "evolving system . . . for continuously improving products and services to increase customer satisfaction in a rapidly changing world" (Shiba, Graham, and Walden, 1993: 27).

3 A "total, company wide effort that includes all employees, suppliers, and customers, and that seeks continuously to improve the qual ity of products and processes to meet the needs and expectations of customers" (Dean and Evans, 1994: 12).

These definitions share several themes: cus tomer focus, systemic thinking, continuous im provement, EMPLOYEE INVOLVEMENT, and a TQM culture. Organizations with a strong com mitment to TQM seek to exceed customer ex pectations, even to delight customers. But TQM is not a cure all for specific organizational mal adies. To be successful, TQM requires systemic thinking and long term commitment by senior management. The status quo will never suffice under a TQM strategy; continuous improve ment is mandatory. Ongoing performance im provements require structures for employee input, such as EMPLOYEE EMPOWERMENT, employee involvement programs, or SELF MANAGING TEAMS. Finally, a TQM culture provides a set of unstated (and often unstatable) assumptions that guide employee actions to en hance product or service quality. Confronted with conflicting choices, employees in a TQM culture know that choosing the quality response is the right choice.

A BRIEF HISTORY OF QUALITY

Space constraints preclude a detailed considera tion of the history of TQM (for a more com plete discussion, see Garvin, 1988). Pride in personal craftsmanship initiated quality's earli est era (inspecting it in), with personal inspec tion of outputs to insure quality. This era closed when the industrial revolution, SCIENTIFIC MANAGEMENT, and mass production left em ployees responsible for smaller pieces of more complex products. Quality control departments and inspectors insured the quality of these prod ucts. Defective products were scrapped, with little information fed back to the employees pro ducing the products. Quality feedback that was received typically contributed to adversarial re lations between manufacturing and quality con trol departments.

Publication of *The Economic Control of Quality of Manufactured Products* (Shewart, 1931) heralded the "analyze it in" era of quality man agement. Shewart, a statistician, improved qual ity at Western Electric by analyzing variations in manufacturing processes. Shewart reasoned that better understanding of processes should im prove the output of those processes. These stat istical analyses underscored approaches to quality for many years.

In the decades following World War II, US companies sold almost everything they could make – regardless of its quality. A top automo tive executive told a class of MBAs in the mid 1970s: "The American consumer will not pay for better quality" (Hayes, 1990: 8). Coincidentally, the phrase "Made in Japan" meant low quality merchandise. But, while US businesses were complacent in their markets, the Japanese were designing manufacturing and control processes based on the precepts of W. Edwards Deming (see Deming, 1986). Unknown to all but a hand ful of US companies, a third quality era ("design/build it in") had begun. This era was marked by a new appreciation of the costs of (poor) quality, an attempt to spread total quality throughout organizations, and the introduction of zero defects programs and QUALITY CIRCLES (Garvin, 1988). By the late 1970s, the quality philosophy that Deming, Joseph Juran, and others had been preaching (but which had fallen on deaf ears in the US) began to pay off for Japanese firms. Japanese automobile and elec tronic manufacturers sold products of superior quality at lower prices than their US compet itors. Foreign competitors designed and built quality into their products. US firms did not.

The realization that US firms were losing market share to foreign competition forced many US companies to reassess their commit ments to quality, prompting the advent of the fourth quality era, strategic quality management ("manage it in"). These firms (re)discovered

quality and began efforts to transform their or ganizations via TQM. The US Congress assisted these efforts in 1987 by passing legislation au thorizing the MALCOLM BALDRIGE NA TIONAL QUALITY AWARD.

BUILDING A TQM ORGANIZATION

Successful implementation of TQM requires recognizing "the revolutionary character" of multiple changes to an organization's architec ture. Traditional structures and systems give way to new approaches that are internally con sistent and congruent. Relationships with im portant constituents, particularly customers and suppliers, change. In traditional organiza tions, customer interactions are the responsibil ity of sales and marketing. A TQM perspective views every interaction (both internal and ex ternal) as involving a potential customer. This customer focus drives decision making. Sup pliers do not compete to provide raw materials on the basis of price alone. TQM organizations view suppliers as partners and work with a limited number of suppliers (perhaps only one) to insure the timely supply of high quality inputs at reasonable prices.

Structures and jobs change in a TQM organ ization: from hierarchical, highly specialized functions supporting individualized jobs and predominantly vertical communications to net worked functions supporting flexible, team based learning with communications flowing in directions needed to get the job done. These changes require transformation of the way staff units provide their services. In particular, successful TQM efforts require substantive changes in major human resource systems, including RECRUITING, PERSONNEL SE LECTION, TRAINING, MANAGEMENT DE VELOPMENT, performance evaluation (*see* PERFORMANCE APPRAISAL), COMPENSA TION, REWARD SYSTEMS, and employee voice and communications to reflect a customer oriented human resource management system (Blackburn and Rosen, 1993).

ISSUES OF CONCERN WHEN IMPLEMENTING TQM

When implementing TQM, management at all levels must "walk the TQM talk," changing processes and systems to reinforce TQM, or employees will view such change efforts as just another "flavor of the month" approach to re solving organizational problems. Some firms have been unable to find links between TQM and improved corporate financial performance. Other firms easily "pick the low hanging fruit" in terms of obvious improvements, but lose mo mentum when more difficult changes must be made. Some firms get caught in what has been labeled "the activity centered fallacy" (Schaffer and Thompson, 1992), focusing less on specific organizational results and more on undertaking large numbers of activities that management and consultants hope (but are not certain) will influ ence those results. Firms organize quality circles and self managed teams, provide quality training and the like, but important results show little change. Eventually such change efforts collapse under their own weight.

At one time TQM was viewed with an almost religious fervor by its advocates. Early disap pointments with TQM change efforts tempered some of this enthusiasm. Still, what once was viewed by some as a fad has moved from being an order winning characteristic of organizations to being only an order qualifier. Everyone is doing it now – other characteristics like speed and design have become the current order winning requirements.

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training

Irwin L. Goldstein

When learning events are planned in a systematic fashion and are related to events in the work environment, they are called training programs. From this point of view, the training process is defined as the systematic acquisition of skills, rules, concepts, or attitudes that result in improved performance in the work environment (Goldstein and Ford, 2002). This is a time when organizations are facing a very competitive environment, both domestically and internationally. Also, the use of technology is changing both organizations and the types of training they employ. As organizations move toward a knowledge society, they are struggling with how to use training as a way of developing a continuous learning philosophy. Thus, trainers are faced with a series of issues including: how to work with teams; how to develop leaders; and how to respect diversity as well as traditional concerns about resolving gaps in individual skills and competencies. In all of these situations, effective training stems from a systematically designed learning atmosphere based upon a careful assessment of job requirements and the capabilities of the trainees.

Training represents a positive hope for persons first entering the world of work or those individuals changing their work environment. When training is designed well, it gives individuals opportunities to enter the job market with needed skills, to perform in new functions, and to be promoted into new situations. Therefore, not surprisingly, labor unions often include training opportunities as parts of a contract during bargaining negotiations and large companies have designed multi million dollar facilities to annually train thousands of craftspersons in new technological innovations.

The American Society for Training and Development's Human Performances Practices Survey (HPPS) of 540 organizations provides considerable information about training programs. Bassi and Van Buren (1998) analyzed these data and found that technical skills training accounted for 30 percent of the training budgets. Professional skills training (such as accounting, computer sciences, information systems management) accounted for another 19 percent of the budget. Interestingly, basic skills training and new employee training accounted for the smallest percentage of the budget, a mere 2 percent. Other data (Olson, 1994) were consistent with these findings and indicated that employees with a college education are three to four times more likely to receive training than employees with a high school degree. A fascinating part of the HPPS found that despite the development of new learning technologies, 84 percent of all training was still classroom based and instructor led. It is also the case that new training technologies such as computer based training, web based training, and virtual reality training are being developed and will have an impact on future training development (*see* COMPUTER ASSISTED INSTRUCTION; INTERNET). The future challenge will be to develop these systems so that it is possible to take advantage of their capabilities and insure that they are used in a way that supports, not interferes with, learner efforts (Goldstein and Ford, 2002).

A complete instructional system model involves three key components: needs assessment, training and development, and evaluation. Effective training endeavors will emphasize careful needs assessment, precisely controlled learning experiences designed to achieve instructional objectives, and use of performance criteria and evaluation information. The purpose of needs assessment is to design instructional objectives which are based on three levels of needs assessment: organization, task, and person analysis. Once instructional objectives are established, instructional programs can be designed and the training delivered. The development of performance criteria and an experimental or quasi experimental design for evaluating the training program effectiveness permit inferences about the effectiveness of the instructional system. The next three sections elaborate on each of these three key components of the model and

then a discussion of workforce issues that are relevant to training concerns follows.

NEEDS ASSESSMENT

Needs assessment consists of a series of analyses that assess the organization, the job, and the persons performing the job to provide input for the design and evaluation of training systems. Several different steps in the needs assessment process exist. Organizational analysis involves a macro level analysis of the role of training which includes an examination of the system wide components of the organization that affect a training program's design and development. This phase includes an examination of the organizational goals and organizational climate for training. For example, in this state, the organization addresses whether training is the appropriate strategy to resolve a specific human resource issue facing the organization. In addition, organizational system constraints are examined that may make successful transfer of training to the job difficult (*see* TRANSFER OF LEARNING). An example of such a constraint could be supervisors who do not support the objectives of the training systems being employed. Research by Rouillier and Goldstein (1993) has identified many of the organizational facilitators and inhibitors which help to determine whether what is learned in training will actually be eventually used by trainees when they arrive on the job. Based upon the assessment obtained as a result of the organizational analysis, decisions are then made as to whether the organization should be or is ready to provide training.

As discussed above, another phase of the needs assessment is the determination of which tasks are required on the job and which knowledge, skills, abilities, and other characteristics (*see* KSAOS) are necessary to learn to perform those tasks. In this phase, the researcher determines which KSAOs are critical in the sense that they make a difference in the performance of the important task components of the job. This is a complex process which involves the collection of data identifying tasks and KSAOs as well as determining the answers to questions such as which KSAOs should be learned in training as compared to which should be learned on the job.

Another component of the needs assessment is person analysis, which involves specifying the trainees' capabilities. This involves determining the target population for the training program, which can include persons already in the organization or individuals who are not yet part of the organization. By determining the capabilities of these target populations on the required KSAOs for the job, the training program can focus on critical KSAOs that are not in the repertoire of the target population. From the information obtained in the needs assessment, a blueprint emerges that describes the objectives to be achieved upon completion of the training program. This provides input for the design of the training program as well as for the measures of success (criteria) that will be used to judge the program's adequacy. Thus, objectives communicate the goals of the program to both the learner and the training designer.

TRAINING ENVIRONMENT

Once the tasks, KSAOs, and objectives have been specified, the next step is designing the environment to achieve the objectives. Training is a delicate process that requires a supportive learning environment. Brinkerhoff and Montesino (1995) designed a study where supervisors had discussions with trainees prior to training regarding course content, the importance of training to the job, and expectations of how training would be applied to the job. Then they followed up after training to insure that what was learned was being used. Contrast that with the findings of the Independent Commission on the Los Angeles Police Department following the 1991 riots. The common statement made to new officers on the beat was "Forget everything you learned at the Academy" (Druckman and Bjork, 1994: 36). The training process must be designed to facilitate the learning of the KSAOs required to perform the tasks that the trainee needs for successful JOB PERFORMANCE. The analysis of job tasks and required KSAOs and the design of a matching training environment require very careful analyses (*see* JOB ANALYSIS). For example, most golfers would agree that instructing them to correct a flaw in their golf swing by reading a text description is not nearly as useful as videotapes which allow the instructor to point to the exact flaws in their swing. Similarly, simulators have been found to be very effective in teaching pilots to fly

airplanes (*see* SIMLUATIONS). Some of the ad vances in modern technology have resulted in a vast array of very complex training simulation systems. For example, the Federal Aviation Agency in the US decided that flight simulators had become so sophisticated that business jet pilots could use the simulator to meet many of their training requirements, thereby not always requiring actual flying time in the plane.

Another interesting technological innovation is the development of interactive videodiscs. As described by Purcell and Russell (1990), the hardware components of videodisc systems con sist of computers, videodisc players, monitors, and connecting equipment. These instruments present information in many different forms, including motion pictures, stills, text, and graphics, along with sound tracks. The most sophisticated of these systems is called inter active videodisc and permits the student and system to interact, providing a large number of individualized learning experiences. Several companies are now employing this technology to provide employees with workstations that have the capability to make changes in manufac turing processes. The system is often used to provide what is called "just in time" training as manufacturing systems driven by computer technology shift from one operation to another (*see* JUST IN TIME PRODUCTION SYSTEMS). Indeed, simulations built around work situations have been found to be very effective in teaching many skills, including helping managers to de velop communication skills.

These latter simulations include techniques known as behavioral role modeling (*see* BEHA VIOR MODELING). A good example of their effective use is presented by Frayne and Latham (1987), who demonstrated the value of the ap proach in training managers in self management skills (*see* SELF MANAGEMENT TRAINING) in an extremely well controlled study. But again that does not mean that the use of behavioral role modeling or an interactive videodisc will always be the most effective training system to teach learners for all situations. A critical point is that the fanciest gadget does not make for a training system unless it is based on a proper needs assessment and evaluated to insure that it performs its functions. There are dozens (per haps hundreds) of different types of training methods. Goldstein and Ford (2002) present detailed information about a variety of training approaches, ranging from classroom instruction to complex simulators.

It is now recognized that learning is a very complex and multidimensional construct (Krai ger, Ford, and Salas, 1993). It involves cognitive changes in the learner's knowledge base, and the way the trainee organizes and integrates the new material in his or her existing framework. Following learning, there is also the question of how the trainee will apply the knowledge and skills in the job situations. Cognitive and in structional theorists have progressed to a stage of development where information is emerging concerning the choice of training environments. Tannenbaum and Yukl (1992) have summarized recent advances concerning our understanding of important learning variables that contribute to the enhancement of the training process. For example, they note that learners do best when given the opportunity to actively produce the capability; that feedback should be accurate, credible, timely, and constructive; and that the instructional process should enhance trainee self efficacy and expectations that training will be successful and lead to valued outcomes (*see* SELF EFFICACY TRAINING). Obviously, training systems designed to use these variables are more likely to produce better learning. Ex cellent discussion of this work on learning and instructional theory can be found in Baldwin and Ford (1988), Ford and Kraiger (1995), and Goldstein and Ford (2002).

TRAINING EVALUATION

The number of different types of objectives that organizations hope training programs can achieve vary widely but could, for example, in clude: producing quality goods in a shorter time period; reducing accidents, with a corresponding decrease in insurance premiums; implementing a management system that is more customer service oriented; or increasing a health oriented approach to lifestyles as a way of reducing time away from work due to illness and stress. The potential number of goals is unlimited. While training is not a panacea for all the ills of society, well conceived training programs have achieved beneficial results. Despite an increasing number of thoughtfully developed

programs, realistically not all programs are based upon either appropriate needs assessment or systematic evaluation to insure they achieve their objectives. Unfortunately, many organiza tions do not collect the information to determine the utility of their own instructional programs. Thus, their techniques remain unevaluated, except for the high esteem with which they may be regarded by training personnel. For example, a survey by Saari et al. (1988) of 600 firms provides information about evaluation methods that indicates that the vast majority of evaluations consist of trainee reactions which are written up at the end of the course. While posit ive reactions are important, these positive feel ings do not necessarily mean that the appropriate level of learning has occurred. Relatively few efforts are made to collect information concern ing performance changes. On the job, post training follow up enables both the trainee and the organization to learn whether the programs are achieving the desired results and whether modifications are necessary to enable the pro gram to work. In the long run, systematic evalu ations can provide information that can lead to meaningful revisions, which in turn insure that organizational goals are met.

The evaluation process centers on two proced ures: establishing measures of success (criteria) and using research designs to determine what changes have occurred during the training and transfer process. Criteria must be established for both the evaluation of trainees at the conclusion of the training program and the evaluation of on the job performance. Recent classifications for this purpose suggest that several different meas ures are necessary, including: various type of reaction measures from participants; learning measures including immediate knowledge and knowledge retention of participants in the training program; transfer and behavior changes on the job; and the actual utility of the total program (Alliger et al., 1997).

In addition to criterion development, the evaluation phase must also focus on the neces sary design to assess the training program. Sev eral different designs can be used to evaluate training programs and to some extent the choice of a design depends on the questions you want to answer. Some examples of questions (from Goldstein and Ford, 2002) are as follows:

1 Do you wish to determine whether the trainees learn during training?
2 Do you wish to determine whether what has been learned in training transfers as en hanced performance in the work organiza tion?
3 Do you wish to determine whether the per formance for a new group of trainees in your organization is consistent with the perform ance of the original training group?
4 Do you wish to determine whether a training program evaluated as being effective in an other organization can be used successfully in your organization?

An answer to these different questions helps to determine the components of your evaluation model. For example, the answers to these ques tions help to determine when you should collect information and how you can use control groups as a way of accounting for extraneous effects. A number of authors have written material to help in the effective design of evaluation pro grams (e.g., Goldstein and Ford, 2002).

TRAINING AND SELECTION SYSTEMS

Training interventions are just one component within a larger set of interacting organizational and societal systems (see HUMAN RESOURCE PLANNING). Thus, the need for training systems is often determined by other factors, such as when new technology will be introduced, or when groups of persons will retire, thus re quiring others to be trained to take their place (see EARLY RETIREMENT POLICY). Clearly, training and selection systems continuously interact both at the entry level and at PROMO TION level. Both training and selection systems stem from a job analysis or needs assessment, which helps an organization to determine both the basis for selection and also what needs to be trained at what point in time. Often, the organization needs to decide whether it wishes to select (or even find) persons with particular capabilities or whether training should be provided. Usually, both selection and training are required to insure the most capable work force. But the level of training, and at what capability level training needs to begin, is deter mined by the types of individuals who have been selected.

The interactions between training and selection systems often go even further, and sometimes the differences between the uses of selection and training systems are hard to distinguish. For example, ASSESSMENT CENTERS are a standardized set of simulated activities, often used as a way of testing and selecting managers. These simulated activities can also be designed to provide information to the candidates about which skills need to be developed further for them to qualify as future managers. Further, these exercises can be designed so the candidate has the opportunity to practice (or be trained) in performing assessment center simulations requiring these various skills and abilities. Sometimes the assessment has to be designed in a slightly different way so that helpful feedback can be given to the candidate. However, many of the simulations and procedures used are very similar. In this latter case, the same instrument can essentially serve both selection and training purposes.

Another example of the overlap between training and selection devices is known as trainability testing. Investigators interested in predicting performance suggest that a person who can demonstrate proficiency in learning to perform on a small job sample will also learn better on the job. Thus, the measure has been named a trainability test. This is not an entire training program but rather a sample of tasks that call forth some of the KSAOs needed on the job. Note that to have a good trainability test, careful needs assessment is necessary to determine the tasks and KSAOs required for the job. Predictably, this emphasis on good needs assessment as the basis of the measure often leads to successful efforts. Research by Robertson and Downs (1989) over a twenty year period reports on a considerable number of trainability tests that successfully predict later performance for jobs such as carpentry, bricklaying, dentistry, and sewing.

THE TRAINING SCENE TOMORROW

As noted above, training is a big business, with both organizations and employees having high expectations about what can be accomplished. Many conditions suggest even greater expectations concerning what training needs to accomplish in the future (Goldstein and Ford, 2002).

Advances in technology. Already, a significant portion of our lives is spent in educational and training programs. Prognosticators suggest that instructional technology is likely to have an even greater impact. Several reasons exist for such a prediction, including the startling effects resulting from developments in technology. The clear trend is toward distance learning, CD ROM and interactive media, web based instruction, intelligent tutoring systems, and virtual reality training. Many countries are investing in technology in the hope that automation will result in increased PRODUCTIVITY and product quality and as a result will permit them to gain a competitive edge in global market competition. Paradoxically, the increases in technology and machine responsibility increase the demands on the human being. As noted by Howell and Cooke (1989), instead of simple procedural and predictive tasks, the demands of operating extremely sophisticated computer systems require the human operator to become responsible for inferences, diagnoses, judgments, and decision making, often under severe time pressure.

All of these types of developments in automation and computer technology place even greater demands on training systems to produce a highly sophisticated workforce. The training needs that are likely to affect the future of organizations are clearly stated by a description of the expectations of executives at a Mazda car manufacturing plant: "They want employees to be able to work in teams, to rotate through various jobs, to understand how their tasks fit into the entire process, to spot problems in production, to trouble shoot, articulate the problems to others, suggest improvements and write detail charts and memos that serve as a road map in the assembly of the car" (Vobejda, 1987: A14). The effects of failing to provide adequate training were sadly demonstrated in the nuclear power plant accident at Three Mile Island. A major finding of that investigation was that key maintenance personnel did not have adequate training for their jobs.

Interestingly, as discussed in the section above on the training environment, advances in technology have led to increasingly sophisticated training systems. These advanced systems will only work to the degree that the individual is

capable of mastering the technology needed to operate the learning system. Thus, an additional feature to designing the learning program on the basis of a thorough needs assessment is also insuring that the workers are capable of operating the system. In a sense, an environment is being created where some of the advanced training systems will take training for a person to learn to operate it. This all becomes another reason to evaluate all training to insure that it functions as well as possible.

Organizations and global markets.   A future look at jobs and organizations makes increasingly fluid world market arrangements appear more likely than is already obvious. Most consumers now realize that it is not unusual for a manufacturer to produce a product (e.g., an automobile) which is manufactured in a number of different countries. Sometimes, these involve arrangements between liaison teams directing the overall efforts between different employees in different organizations in different countries, all contributing to the production of a single final product. In these situations, managers will be expected to understand and manage the processes for achieving quality as well as managing team efforts across individuals who have different values and come from different cultures (*see* EXPATRIATE ASSIGNMENT; PREPARATION FOR AN INTERNATIONAL WORK ASSIGNMENT). In discussing the enormous training implications, Ronen (1989: 418) notes that the manager given an assignment in a foreign country must possess the "patience of a diplomat, the zeal of a missionary, and the linguistic skill of a UN interpreter." Ronen is correct, but the issue is likely to become just as complicated for managers working in their own countries because the workplace will need to incorporate individuals who come from environments with very diverse cultures and values. That issue becomes more obvious in discussions of work place demographics (*see* STRATEGIC ISSUES IN DIVERSITY).

Changing demographics.   Projections clearly indicate that the workforce is changing and thus will impact human resource management in a way never experienced before. In some countries in Europe, such as Sweden, the small number of workers available has made it difficult to even employ selection systems because everyone is needed in the marketplace. In other countries, such as the US, data (Braddock, 1999) clearly indicate that the rate of increase in the population available for the workforce will decline significantly in the coming decades and new entrants or those primarily between the ages of 16 and 24 will decrease substantially.

In addition, demographics indicate that a large number of individuals who will be available for entry into the workforce will be under educated youth lacking basic literacy skills. The impact of this problem is made more dramatic by the corresponding developments in advanced technology, which increase the need for technical skills to enter the job market. In addition, significant numbers of the under educated youth are members of racial minority groups that society has not completely integrated into the workforce. While many members of these groups have successfully entered professional and technical careers, many of the hard core unemployed are racial minorities.

As well as the problem of under educated youth, other serious demographic issues exist. A number of different groups, including women, racial minorities, and older persons, have faced problems of substantial unemployment as well as job DISCRIMINATION related to promotional opportunities. With this focus, the question of training programs and their fairness to these groups has become a serious legal issue in some countries, such as the US. Training techniques that have not been validated and that are discriminatory in promotional and job opportunities are being struck down by the courts in the US. Settlements often result in millions of dollars in backpay to current employees and require training to enable the employees to qualify for better jobs.

The design and implementation of these programs require a special sensitivity to the needs of the applicant population and the job requirements. For example, training programs for older trainees can be more successful if they follow certain principles. Older workers are often highly motivated to learn but sometimes fear failure in competition with younger workers, especially where high technology needs to be utilized in performing the job. Training should be arranged so that materials

are organized to insure complete mastery of pre vious components before moving ahead, and where possible training should build on elements that are familiar to trainees from past learning. In addition, systems should be organized to min imize memory requirements and to avoid paced or time pressured situations. Finally, the mater ials should be as job relevant as possible, provide positive feedback, and encourage the self confid ence of the trainee. Of course, it is possible to point out that many of these principles are im portant for any type of training program, but they appear particularly pertinent to insuring the success of the older worker. In these situ ations, an additional training issue is the degree to which the organization is itself willing to make a commitment rather than assuming that all of the changes necessary must come from the trainee. Organizations which are likely to be successful in integrating persons from diverse groups will need to provide mentoring and training for individuals already in their organiza tion as well as the entry level trainee (*see* MEN TORING PROGRAMS).

It almost seems unnecessary to suggest that the training implications of all the issues dis cussed above are enormous, especially for training managers who will be working with a very culturally and racially diverse workforce. Managers will need to provide ON THE JOB TRAINING to integrate unskilled youth into the workforce, while at the same time working with job incumbents and other managers who may not have previously been a traditional part of the workforce. Supervisors will need to per form these activities at a time when jobs have become increasingly complex, and national and international competition more intense. All of this will make training in areas such as interper sonal skills even more important in the future workplace.

A related impact for training is that there is an increasing emphasis on quality for both service oriented jobs (*see* SERVICE QUALITY) and manufacturing oriented jobs (*see* TOTAL QUALITY MANAGEMENT). This has important training implications in that more employees will need to be trained in quality techniques and processes. However, for the manager, the training implications for being able to manage such emphases are dramatic. Managers will be expected to understand and manage the pro cesses for achieving quality as well as learning to manage team efforts, which are likely to be emphasized as a way of achieving success. Clearly, training can be a positive force for both the individual and the organization. To meet these expectations, the training agenda for the next decade will provide quite a challenge.

See also *training capabilities; training evaluation; training utility*

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training capabilities

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Before trainees can benefit from any form of training, they must be ready to learn (Goldstein and Ford, 2002). Trainee readiness refers to both the maturational and experiential factors that a learner brings to a training program. Readiness, though, is typically seen as primarily due to the number and kind of previously learned intellectual skills (Gagne, 1985). To examine readiness, the capabilities of the trainees must be investigated in the context of the ability requirements of the training program content (Fleishman and Mumford, 1989). When there is a mismatch between the ability requirements of the training program and the training capabilities of the trainee, the training program will fail. One implication of a mismatch is the need to carefully screen potential trainees for certain ability characteristics to maximize training success. For example, short work sample tests (*see* WORK SAMPLES) have been shown to be effective in predicting the trainability of individuals to succeed in a subsequent skill based training program (Robertson and Downs, 1979).

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training evaluation

Neal Schmitt

Training evaluation is a formal attempt to determine the individual and organizational impact of attempts to make people or organizations more effective (*see* TRAINING). In measuring the outcomes of training and development efforts, two important concerns must be addressed. First, the intended outcomes of the training must be specified in ways that allow for their measurement. Traditionally, trainee reactions, learning, behavior, and performance outcomes have all been considered in rigorous evaluation attempts (Kirkpatrick, 1967). In addition, system functioning, or the interrelationship between these outcomes and other organizational variables, should be considered (Schmitt and Klimoski, 1991: ch. 11). Kraiger, Ford, and Salas (1993) have asserted that the potential affective, behavioral, and cognitive outcomes of training should also be specified and measured.

The second major concern is the degree to which a research design with good internal and

external validity (Cook and Campbell, 1979) can be implemented. Internal validity refers to the extent to which we can draw the inference that training has caused the desired outcome within the context of our evaluation study. Various types of research designs provide differing degrees of confidence in this regard (see Cook and Campbell, 1979, for a discussion of the strengths and liabilities of various research designs) and vary in the degree to which they may be practically feasible. External validity refers to the extent to which the effects of training, as measured in a training evaluation study, generalize to ongoing practice within an organization.

Training evaluation research should also include consideration of the theoretical and practical significance of the results, and an analysis of the process and content of training.

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training utility

Wayne F. Cascio

The utility of a training intervention is the extent to which its use improves the performance of those trained beyond what would have occurred had the training not taken place. Depending on the objective of the training intervention, individuals or teams may be the focus of attention. Performance, in turn, may be defined in at least three ways: (1) the proportion of individuals or teams who are considered successful; (2) the average standard score on one or more relevant measures of JOB PERFORM

ANCE; or (3) the dollar payoff to the organization resulting from the use of a particular training intervention.

Utility models have been proposed that explicitly address each of the alternative ways of defining performance noted above (for fuller descriptions of these methods see Boudreau, 1991; Cascio, 2000; Boudreau and Ramstad, 2003). In this section, however, we will focus only on performance definition (3) above, namely, assessing the dollar payoff to an organization resulting from the use of a particular training intervention. Assessing the utility of training outcomes in financial terms is not easy, but the technology to do it is available and well developed. At a conceptual level, the expression of utility is straightforward: utility = benefits − costs. To compute utility, however, the following formula is used:

$$\Delta U = (N)(T)(d_t)(SD_y) - C$$

where ΔU is the gain to the firm in dollars resulting from the program; N is the number of employees (or teams) trained; T is the expected duration of benefits in the trained group; d_t is the true difference in JOB PERFORMANCE between the trained and untrained groups in standard deviation units; SD_y is the standard deviation of dollar valued job performance among employees who have not received the training (see SD$_y$); and C is the total cost of training N employees. The parameter d is the *effect size*. It describes the degree of departure from the null hypothesis that training had no effect – that is, after training, the job performance of the trained group is no different from that of the untrained group:

$$d = \frac{\overline{X}_1 - \overline{X}_u}{SD_y}$$

The parameter d_t represents the *true* difference between the mean job performance of the trained and untrained groups, expressed in standard (Z) score units:

$$d_t = \frac{d}{\sqrt{r_{yy'}}}$$

As shown above, the *true* difference in job performance between trained and untrained

groups (d_t) is obtained by taking the difference (d) and correcting it for the unreliability of the job performance measure. The term is $\sqrt{r_{yy}}$ the square root of the reliability of the job perform ance measure. To illustrate, if the mean number of products produced per hour of a trained group is 7, while the mean for an untrained group is 6.5, with a standard deviation of one unit, then $d = (7 - 6.5)/1$, or 0.5 standard deviation units. When an objective measure of performance is used, d need not be corrected for unreliability (reliability). However, if SUPER VISORY RATINGS or some other less than per fectly reliable measures are used, then d must be corrected statistically for unreliability. Failure to do so will produce a biased (conservative) esti mate of d.

ILLUSTRATION

In the simplest possible case, let us assume the following parameters: $N = 50$, $T = 1$ year, $d_t = 0.5$, $SD_y = \$10,000$, and $C = \$50,000$. Substituting these values into the general utility equation yields:

$$\Delta U = (N)(T)(d_t)(SD_y) - C \text{ or}$$
$$\Delta U = (50)(1)(0.5)(\$10,000) - (\$50,000)$$

Therefore $\Delta U = \$200,000$. However, as Boudreau (1983a) has pointed out, such an ana lysis fails to consider the effects of economic factors, such as discounting, variable costs, and corporate taxes that serve to lower expected pay offs from training. Further, to the extent that training is effective, multiple cohorts will likely receive the training, and this will raise estimates of overall payoffs (Boudreau, 1983b). The example above assumes that only one cohort received the training. In practice, therefore, credible estimates of the economic utility of valid training programs must account for: (1) all of the parameters in the general utility equation; (2) the economic factors of discounting, variable costs, and corporate taxes; (3) multiple cohorts of trainees; and (4) employee attrition and decay in the effects of the training (see Cascio, 1989, 2000). Failure to do so may overstate the expected payoffs (utility) by as much as 50 per cent or more.

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trait

Jeanette N. Cleveland

A trait is a disposition to behave in a particular way across a range of situations. People with a strong tendency to consistently behave in a par ticular way are described as being high on these traits. Human behavior can be organized into a hierarchy. At its simplest level, behavior can be examined in terms of specific responses. Some of these responses or behaviors (*see* BEHAVIOR) are linked to one another and form habits. When groups of habits tend to occur together, they form traits (Pervin, 1993). Finally, at a higher level of organization, traits may tend to be linked together (e.g., sociability, liveliness, impulsiveness) to form types (e.g., extraversion). Trait theories suggest that people have broad predispositions to respond in certain ways and that there is a hierarchical organization to personality.

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transfer of learning

Charles R. Williams

Transfer of learning, also called transfer of training, is a process which involves the fol lowing steps: (1) trainees learn and retain the skills taught during training; (2) learned skills are transferred, which means using learned skills to perform one's job; and (3) transferred skills are maintained as a part of JOB PER FORMANCE over time. Achieving transfer of learning is difficult. It is estimated that 90 per cent of training efforts do not successfully transfer to the job.

Transfer can be improved *before* training by increasing trainees' motivation to learn. Em ployees who can choose the training sessions they want, or can choose whether to attend training at all, are more motivated than those not given a choice. Supervisors can also encour age trainees to attend training by discussing its benefits, and can set goals with trainees before training for using learned skills on the job. Transfer can be improved *during* training by selecting and teaching job relevant knowledge and skills, by maximizing the physical and psy chological similarity between the work environ ment and the training environment, by teaching general learning principles, and by exposing trainees to a variety of problem situations, scen arios, and solutions. Transfer can be improved *after* training by having supervisors model the skills learned in training, by giving trainees the opportunity to use what they learned in training, and by rewarding employees when they use those skills while performing their jobs (see Baldwin and Ford, 1988; Tannenbaum and Yukl, 1992; Goldstein and Ford, 2002).

See also *training*

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trend extrapolation

Nicholas J. Mathys

Trend extrapolation is a forecasting technique that can be used to estimate both demand for and supply of human resources. This technique is based on what is called a time series – a set of observations measured at successive points in time (e.g., weekly, monthly, yearly). Usually the most significant underlying characteristic of any data is their trend, mathematically referred to as the slope or average rate of change over a time period. In projecting STAFFING require ments for some time in the future, it may be useful to assume that the relationships that have occurred in the past will continue to hold. Based on this, one can take past data, such as number of employees used at different levels of activity (or time periods) and project (or ex trapolate) what would likely occur in the future. This technique lends itself to graphical analyses and simplifies the mathematics involved. An example of this approach is in Burack and Mathys (1996).

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trends in unionism

Leo Troy

The term trends in unionism means the direc tion over time of the membership of unions,

and/or of union penetration of the labor market. The latter is often referred to as union density, or extent of organization. Union density is ana logous to the concept of real wages: just as nom inal wages are adjusted to determine real wages, or the buying power of wages, so union mem bership is adjusted by employment to get a measure of real membership. Density is ex pressed as a percentage.

Trends in membership may be up, down, or unchanged, but in themselves are insufficient for understanding how well unions are succeeding in organizing; they do not account for changes compared to the labor market. Union density itself is a subtle index. It can rise even if mem bership is stable, as long as employment falls. Likewise, density can fall even if membership increases but employment rises more quickly. Historically, density usually falls as a result of a decline in union membership relative to a rise in employment.

Economy wide measures of unions' density are membership figures compared to nonfarm employment, or the civilian labor force. Simi larly, density can be calculated relative to em ployment by industry, occupation, geography, gender, race and age, and cross classifications of these variables. One of the most significant measures of trends in density compares the public with the private sectors of the labor market. Density can also be compared across countries, but problems of comparability in the statistics of union membership and employ ment figures may affect levels. Nevertheless, international trends in density are clearly dis cernible.

two-tiered pay structures

James E. Martin

Under such two tiered pay structures, em ployees hired after a specified date, usually the effective date of the COLLECTIVE BARGAIN ING contract when tiers were first negotiated, are placed on lower pay scales than those hired previously. Tiers can be either *temporary*, where the pay of the low tier employees gradually in creases until it equals that of the higher tier, or *permanent*, where low tier employees never reach the high tier pay scales unless the contract is changed. Equity theory predictions that low tier employees will exhibit poorer job attitudes than high tier employees have been supported for permanent tiers (McFarlin and Frone, 1990; Martin, 1990), but not for temporary tiers (Cap pelli and Sherer, 1990).

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U

unemployment compensation

Robert M. McCaffery

Unemployment compensation is a US federal–state partnership created by the SOCIAL SECURITY ACT OF 1935 to protect workers who become temporarily unemployed due to no fault of their own. The federal government sets broad guidelines and gives tax incentives to encourages states to enact their own laws. Each state administers its own programs, which typically specify partial income replacement for up to 26 weeks. During periods of high unemployment benefits may be extended with federal subsidies. Payments are usually 50 to 60 percent of recent earnings up to a statutory maximum.

Benefits are funded by an employer tax (employees contribute in a few states) that is essentially tied to involuntary terminations and layoffs.

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Uniform Guidelines on Employee Selection Procedures

Stuart A. Youngblood

The Uniform Guidelines on Employee Selection Procedures (UGESP) are employment validation guidelines issued in 1978 by four US governmental agencies (the EQUAL EMPLOYMENT OPPORTUNITY COMMISSION, the Department of Labor, the Department of Justice, and the US Civil Service Commission [now called the Office of Personnel Management]) for enforcement of Titles VII and IX of the CIVIL RIGHTS ACT OF 1964 as amended by the Equal Employment Opportunity Act of 1972 and 1991, and executive order 11246 (*see* EXECUTIVE ORDERS). Due to the highly technical nature of the UGESP, interpretive guidelines were issued in both 1979 and 1980 that provided over 90 questions and answers. The UGESP were designed to consolidate these four agency guidelines into one consistent guide to assist employers in the development, use, and documentation of technical standards needed to justify employment procedures, especially those that may have adverse impact or DISPARATE IMPACT. The UGESP propose that evidence of validity in terms of CONSTRUCT VALIDITY, CONTENT VALIDITY, or CRITERION RELATED VALIDITY is acceptable and necessary only if an employment practice has adverse impact. The UGESP have been heavily criticized by researchers, employers, and even two previous chairs of the Equal Employment Opportunity Commission because many of the guideline requirements are inconsistent with current professional opinion (*see* PRINCIPLES FOR THE USE OF PERSONNEL SELECTION PROCEDURES issued by the SOCIETY FOR INDUSTRIAL AND ORGANIZATIONAL PSYCHOLOGY) and more recent Supreme Court decisions.

union avoidance

Anil Verma

It is a well observed and recorded fact that managers generally prefer to work without the

presence of unions in the workplace. Explana
tions offered for such managerial preference
range from ideological opposition to managerial
need for control to reasons of efficiency
(Kochan, Katz, and McKersie, 1986). Bendix
(1956: 444), in his seminal work on ideology in
the workplace, argued that "ideologies of man
agement can be explained only in part as ration
alizations of self interest; they also result from
the legacy of institutions and ideas."

Thus, managers generally avoid unions to the
best of their ability within the constraints of legal
and political institutions. Three forms of union
avoidance can be articulated based on historical
experience.

Direct Opposition

For many organizations, the best way to avoid
unions is to insure that one is never formed. In
the first half of the twentieth century, such
avoidance frequently meant intimidation, coer
cion, dismissal, and on occasion, the use and/or
threat of violence to deter employees from
joining unions (Rayback, 1959).

Although many of those tactics are illegal in
most countries, including Canada and the US,
the incidence of dismissal of union activists
remains high (Freeman and Medoff, 1984;
Cooke, 1985; ICFTU, 1994). In many parts of
the US and Canada, employers can also oppose
union drives during a campaign that precedes
the vote by employees. Some forms of employer
intervention (such as free speech) during a cam
paign are legal in the US. Although there is
always a chance that employer opposition could
backfire, i.e., workers alienated by employer be
havior could punish the employer by voting for
the union, there is considerable evidence that
employer opposition is effective in preventing
employees from voting for a union (Lawler and
West, 1985; Lawler, 1990). A substantial con
sulting industry specializing in union avoidance
know how has taken root in the US (Kilgur,
1978; Sullivan, 1978; Hughes, 1990; Bureau of
National Affairs, 1995).

Union Substitution

Another union avoidance response is for man
agers to offer employees all those services that a
union would normally provide: protection from
arbitrary treatment, access to a grievance process

(see GRIEVANCE PROCEDURE), more say in
workplace decisions, better communication,
good wages and BENEFITS, and so forth.
Though nonunion companies did not provide
these benefits to their employees traditionally,
by the 1960s a growing number of firms began to
adopt such policies and thus were able to sustain
their nonunion status despite attempts to organ
ize them (Foulkes, 1980). Notable among these
firms were IBM, Polaroid, Eastman Kodak, and
Hewlett Packard. Empirical evidence supports
the notion that such policies reduce the chances
of unionization (Fiorito, Lowman, and Nelson,
1987).

Disinvestment in Unionized Operations

Yet another route to union avoidance for union
ized firms is to disinvest in unionized operations
and to channel new investments into new plants
that are nonunion. The disinvestment may be
gradual over several years, or it may be sudden in
the form of relocation, closure, or sale of a union
ized facility. It is generally very difficult to find
direct empirical evidence for such actions be
cause investment decisions are made for many
reasons. Compounded within each investment
decision are reasons (proximity to markets, tech
nology, labor costs, raw materials, and so forth)
which are difficult to separate from the desire to
avoid unions. A few studies have provided
limited evidence of such disinvestment behavior
(Verma, 1985; Kochan et al., 1986).

Union avoidance strategies of employers have
been successful in the US, where managers
enjoy greater freedom to oppose unions than in
most other industrialized nations. While union
densities (see TRENDS IN UNIONISM) have
fallen in most industrialized nations since 1980
(Galenson, 1994), the drop in the US from 30
percent in 1965 to 15.5 percent in 1994 is one of
the most precipitous (Troy and Sheflin, 1985;
Hirsch and Macpherson, 1995). It has been
argued that union avoidance has played a major
role in this decline (Freeman and Medoff, 1984;
Presidential Commission on the Future of
Labor–Management Relations, 1995).

A key related issue is the role of public policy,
given what we know about union avoidance.
Workers in most countries of the world today
enjoy the legal right of association. If the em
ployer's instincts are to oppose collective activity

by employees, what role can public policy play to insure that workers are able to exercise their legal right to join a union of their choice?

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union commitment

Daniel G. Gallagher

Union commitment can be generally defined as an attitudinal concept reflecting the extent to which workers identify with, or are attached to, the goals and values of the union in which they are a member.

Union commitment represents the applica tion of more general organizational commitment concepts to specific situations involving labor unions. The dimensionality and measurement of union commitment has been subject to considerable debate. However, Gordon et al. (1980) have suggested that union commitment is composed of four underlying factors: (1) loy alty to the union, representing a sense of pride in union membership and a desire to remain a member; (2) responsibility to the union, focusing upon the member's willingness to fulfill ob ligations pertaining to the protection of union interests; (3) willingness to work for the union, reflecting a readiness to do special work on behalf of the union; and (4) belief in unionism, showing the member's ideological belief in the concept of unionism. Alternative defini tions or measures suggest that union commit ment represents both pro union attitudes and the intent to engage in activities to support the union.

Union commitment has been identified by many researchers as an important predictor of actual membership participation in union activ ities (meeting attendance, political action, PICKETING, and so forth). In addition, consid erable evidence suggests that union commitment is influenced by a worker's background experi ences (e.g., parents' attitudes toward unions) and the degree to which a worker views the union as providing favorable treatment and outcomes for the union membership.

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union effects on pay

Nancy Brown Johnson

The primary question addressed in union pay research is the degree to which a union worker earns more than he or she would earn in a non union environment. Researchers examine this question through studies of union and nonunion workers with similar demographic characteris tics, similar union and nonunion establishments, and workers who move in and out of union membership across time. Lewis (1963, 1986) carefully analyzed over 100 union wage studies and estimated that the union wage gap approx imately ranged from 10 to 15 percent. Others have drawn similar conclusions (Hirsch and Addison, 1986). These estimates vary across time and labor market conditions. For example, Lewis (1986) found that union gap estimates had reached as high as 19 to 20 percent in the late 1970s and as low as 12 percent in the late 1960s.

The wage gap estimate also varies by demo graphic group because unions negotiate standard rate policies that do not allow management to pay workers on an individual basis (Freeman and Medoff, 1984). Standard rate pay results in rais ing the pay of workers who would otherwise receive lower pay. Thus, unions tend to increase younger workers' pay relative to older workers and blue collar relative to white collar workers' pay. However, analysis of numerous studies in dicates ambiguous wage gap findings by race and sex (Lewis, 1986).

In summary, union pay research clearly shows that unions raise wages, but the amount they raise wages varies across time. This research also indicates that unions raise wages more for groups of workers who would otherwise receive lower pay.

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union management cooperation

William N. Cooke

Union–management cooperation is a term that has been widely used to characterize cooperative activities undertaken by unions and employers, primarily aimed at improving organizational performance but with a secondary objective of improving the QUALITY OF WORK LIFE (QWL). The underlying purpose or expectation of cooperation is that both labor and manage ment gain more from the employment relation ship through cooperation than either can achieve without cooperation (Kochan, Katz, and McKersie, 1986; Cooke, 1990).

STRUCTURE AND OBJECTIVES

Although the act of cooperation may be viewed as a process of joint decision making informally conducted on a day to day basis, union–man agement cooperation is more generally viewed as relationships having voluntary but formalized decision making mechanisms (outside of con tract negotiations) for input and discussion from union representatives and/or union members. These formalized mechanisms typic ally include union–management steering or policy committees at various levels in organ izations and team based efforts (e.g., EM PLOYEE INVOLVEMENT programs, QUALITY CIRCLES, quality of work life programs, and SELF MANAGING TEAMS) dispersed through out organizations.

Whereas union–management committees are comprised of union leaders and managers who focus on resolving more systemic organizational problems or inefficiencies, work teams are com prised of BARGAINING UNIT employees who focus on identifying barriers and opportunities to improve performance in given work areas. Toward enhancing performance, the parties engage in *direct* efforts at improving quality, PRODUCTIVITY, throughput, speed to market, customer satisfaction, timely delivery, and

otherwise reducing costs. Toward enhancing the QWL and *indirectly* improving performance, the parties also engage in cooperative efforts that focus on improving JOB SATISFACTION, the work environment, and the labor–management relations climate.

SUPPORTING PRACTICES

A variety of supporting mechanisms and practices generally accompany these cooperative efforts, such as the following.

1   As incentives and rewards for achieving and sharing in improved performance from cooperation, many organizations provide group based performance compensation (*see* PAY FOR PERFORMANCE), such as PROFIT SHARING, GAINSHARING, and ad hoc recognition BONUSES.

2   To enhance performance related skills, organizations invest in additional education and TRAINING in joint problem solving, statistical process control, team building (*see* TEAM BUILDING TRAINING), leadership, facilitation, and communications.

3   To facilitate greater WORKFORCE FLEXIBILITY and to broaden employee understanding of operations, employees frequently learn and take on more job tasks than usual.

4   Cooperation is often marked by less confrontational approaches to contract negotiations than otherwise. The parties, that is, are more inclined to embrace notions of INTEGRATIVE BARGAINING and interest based negotiation processes.

5   In order to maintain employee commitment to cooperation and teamwork, the parties often agree to stronger employment security provisions, ranging from protection against displacement that might otherwise occur from increased productivity, to opportunities to counter bid subcontracting bids from external vendors, to guaranteed employment security during the life of negotiated contracts.

POTENTIAL BENEFITS AND COSTS

A wealth of case studies and self reports identify a wide range of potential benefits and costs to management, employees, and union leaders. For management, the potential benefits include improved performance, cost reductions, stronger employee identity and commitment to organizational goals, better employee–supervisor relations, reduced GRIEVANCES, reduced disciplinary action, lower ABSENTEEISM, increased workforce flexibility, and greater workforce adaptability. Potential costs to management include additional expenditures for reorientation and training, perceived loss of authority and status, displacement of supervisors and middle managers, and lost time in meetings.

Potential benefits to employees include increased intrinsic rewards from participation, involvement, greater input into how work is accomplished, improved working conditions, fewer grievances, quicker resolution of problems, heightened dignity, greater self esteem, increased pride in work, and added financial rewards from any group based performance pay arrangements. Potential costs to employees include demands for working harder (not necessarily smarter), displacement or loss of employment from improved productivity, and unwanted peer pressure to participate and be accountable.

Potential benefits to union leaders include recognition from members for QWL improvements, improved communication with managers, greater input in management decisions, reduced day to day contract administration problems, more widespread contact with members, and greater membership input into union activities. Potential costs to union leaders include perceptions of being coopted by management, erosion of traditional roles of unions and collective bargaining, heightened political conflict over union leadership roles, increased uncertainty of reelection, and loss of member commitment and union influence. (For citations and further review of these potential benefits and costs see Cooke, 1990.)

STATISTICAL ANALYSES

Empirical analyses of the effect of union–management cooperation on company performance are limited but generally show that cooperation and related team based activities lead to significant improvements in both productivity and quality (Voos, 1987; Cooke, 1992, 1994; Fernie

and Metcalf, 1995). The degree of effects on performance, however, appears to be conditioned by other factors that influence the intensity of and commitment to cooperative activities. Included among these factors are group based performance pay, concession bargaining, subcontracting out bargaining unit work, technological investments, and layoffs (Cooke, 1990, 1994; Eaton, 1994).

Little empirical evidence is available about the effects of cooperation and related team based activities on employees and unions. One survey of employees across locations within a large unionized company shows that employees report greater job satisfaction, stronger organizational commitment, and better work group relations in those locations characterized by union–management cooperation and team based activities than in locations characterized by traditional union–management relations (Batt and Appelbaum, 1995). Juravich, Harris, and Brooks (1993) report from their survey of union leaders across a diverse industry sample that a majority of union leaders believe that cooperation and team based participation have improved EM PLOYEE MORALE, health and safety, the ability to resolve grievances, and union member satisfaction and identification with their unions. In addition, a majority of union leaders report that cooperation has improved relationships between union officers and union members, between union officers and plant managers, and between union members and supervisors.

CONCLUSION

In summary, the empirical evidence to date, albeit very limited, appears to indicate that the potential benefits of union–management cooperation and related team based efforts generally (but not always) outweigh the potential costs for employers, union leaders, and union members.

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union organizing

Richard B. Peterson

Union organizing is the process by which unions (and employee associations) and public and private sector employers try to influence a given grouping of employees to vote to support or not support union representation in their particular workplace.

In reality, the union is the moving party in the process of seeking representation for a particular grouping of employees. The union may have been approached by disgruntled employees in a particular plant, office, or firm. Or the union may take the initial step of contacting nonrepresented employees to ascertain their possible interest in union representation.

Campaign steps usually include initial contacts with such employees. This is followed by the union organizers determining the level of employee interest in union representation (calling meetings, visiting homes, and counting responses to handbills). If there is sufficient interest, an organizing committee will be

formed. That committee will then spearhead the process of soliciting signatures on authorization cards (Gagala, 1983; Feldacker, 1990; Holley and Jennings, 1994).

During the period from 1935 to 1955 most American employers were willing to accept union representation based on signed authoriza tion cards. However, in more recent years, em ployers have usually required an election to be held to show proof that the majority of em ployees wish union representation (see REPRE SENTATION ELECTIONS). Research has shown that one on one contact, peer contact and per suasion, and effective written communications are the most successful union approaches (Holley and Jennings, 1994: 166).

Most union organizing campaigns are hotly contested by private sector American employers, where the management engages in similar activ ities to attempt to dissuade their employees from voting in favor of the union in the consent or directed election. Over the years the NATIONAL LABOR RELATIONS BOARD and the courts have clarified what tactics used in the union organizing process are legal and illegal (see Fel dacker, 1990). The success of the organizing campaign for the union is negatively related to such factors as size of the BARGAINING UNIT and delays in holding and affirming the election. On the other hand, unions are more likely to win the campaign if the union has a larger member ship, or if two or more unions vie for representa tion rights (Holley and Jennings, 1994: 172).

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union representation procedures

Richard B. Peterson

Representation procedures are defined as those procedures used by the NATIONAL LABOR RE LATIONS BOARD (NLRB) in the US to deter mine the interest of employees in being represented by a union or employee association for the purpose of COLLECTIVE BARGAINING with their employer over wages, hours, and working conditions. These procedures are used as part of the representation election process (see REPRESENTATION ELECTIONS). Many state labor relations agencies use a similar process for determining the interest of public and private sector employees in having union representa tion.

There are three ways in which employee representation may be determined. First, the NLRB may issue a directive where there is a deadlock between the union and employer. Second, the employer may voluntarily recognize the union or employee association based on evid ence that the majority of employees in a defined BARGAINING UNIT wish union representation. This determination may be based on valid signed authorization cards (see UNION ORGANIZING). Finally, the NLRB may run a secret ballot election where the parties agree to: the proposed bargaining unit jurisdiction; eligibility to vote; and time, place, and rules for voting. This is called a consent election (Feldacker, 1990; Holley and Jennings, 1994).

In order for an election to take place, the union must show the local NLRB staff that at least 30 percent of the employees who would fall under the bargaining unit jurisdiction have signed a petition for such an election. In reality, few unions will request an election unless they have signatures from 50 to 70 percent of those employees who would fall into the proposed bargaining unit.

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union shop

John C. Shearer

A union shop is a negotiated union security clause of a labor agreement, which is legal in

states not covered by RIGHT TO WORK state laws. A negotiated union shop provision requires that all new employees become union members (or, at least, pay union dues) after at least 30 days after being employed (as provided by the LABOR MANAGEMENT RELATIONS ACT OF 1947). Under most union shop agreements employees may not later rescind their dues obligation.

union unfair labor practices

Terry L. Leap

Sections 8(b)(1) through 8(b)(7) of the LABOR MANAGEMENT RELATIONS ACT OF 1947 (Taft Hartley Act) contain a number of complex union unfair labor practices. Section 8(b)(1) makes it illegal for a labor organization (union) to restrain or coerce employees and employers with regard to their selection or recognition of a bargaining representative. Section 8(b)(2) prevents a union from forcing an employer to discriminate against an employee in order to influence the employee's union membership. Section 8(b)(3) requires a union to bargain in good faith with an employer (*see* GOOD FAITH BARGAINING). The most complex set of union unfair labor practices is contained in section 8(b)(4). This section places restrictions on hot cargo agreements (a firm agrees not to handle products produced by another firm), SECONDARY BOYCOTTS (forcing a neutral or secondary employer to become involved in a STRIKE or other labor dispute), UNION ORGANIZING efforts in situations where another union has already been recognized as the employees' exclusive bargaining representative, and strikes over jurisdictional disputes (e.g., disputes in the construction industry over which union is entitled to perform specific work). Section 8(b)(5) forbids unions from charging excessive or discriminatory fees and dues to its members. Section 8(b)(6) prohibits the practice of featherbedding (a union forces an employer to pay workers for work that they did not perform). Section 8(b)(7) regulates organizational and recognition PICKETING by unions. Unions cannot, for example, engage in organizational picketing to encourage a group of employees to sign authorization cards within 12 months after these

employees have been subjected to a valid NATIONAL LABOR RELATIONS BOARD representation election (Norris and Shershin, 1992; *see* REPRESENTATION ELECTIONS).

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union voice

Paul Jarley

Union voice refers to the mechanisms through which unions provide members with opportunities to communicate their collective concerns to management. Union voice mechanisms include COLLECTIVE BARGAINING and contract administration, particularly grievance procedures (*see* GRIEVANCE PROCEDURE).

HOW VOICE DIFFERS FROM EXIT

Workers have two basic options for expressing dissatisfaction. First, employees may leave the firm. Exit provides employers with information about the preferences of marginal employees – those most willing and able to leave the organization. If enough workers quit, employers will alter their policies in an effort to reduce EMPLOYEE TURNOVER. Second, employees may communicate their concerns directly to management. Voice may be expressed on an individual or collective basis. Individual voice tends to be idiosyncratic, but through collective voice employers can learn about the preferences of their average employee. Research suggests that there are differences in the terms and conditions of employment offered by firms that rely on union (i.e., collective) voice and those that rely on exit as the principal means for learning about worker preferences.

VIEWS ON UNION VOICE

The literature offers two views on union voice. One view holds that union voice can reduce turnover, facilitate worker acquisition of firm specific skills, and provide a source of product

ivity enhancing suggestions (*see* PRODUCTIV ITY). The other view argues that employers have other mechanisms to systematically learn about worker preferences and that any advan tages are more than offset by the greater labor– management conflict and stifling of individual initiative that accompany union voice. Evidence exists to support both views (*see* UNIONISM EFFECTS).

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unionism effects

Nancy Brown Johnson

Unionism effects describe the changes that workers, employers, and society experience resulting from labor unions negotiating COL LECTIVE BARGAINING agreements as opposed to employers unilaterally determining the terms and conditions of employment.

UNION EFFECTS ON WORKERS

Historically, business unions have primarily focused on improving the wages, hours, and working conditions of their members through collective bargaining. Thus, traditional union effect research has focused on whether unions have achieved these goals. Studies of UNION EFFECTS ON PAY have found that unions raise the wages of their members around 10 to 15 percent. Additionally, research indicates that unions increase their members' fringe benefit levels over nonunion members by even more than their wage effect (Freeman and Medoff, 1984). Thus, most evidence strongly suggests that unions successfully achieve their objective of increasing their members' COMPENSATION.

Despite the evidence that unions increase members' pay, a number of studies find that union coverage correlates with *decreased* JOB SATISFACTION and EMPLOYEE TURNOVER. Because a large body of research typically finds that job satisfaction and turnover relate

inversely, this research has attracted attention. Exit–voice theory (Hirschman, 1970; *see* UNION VOICE) provides one explanation of this appar ent contradiction by arguing that union griev ance systems (*see* GRIEVANCE PROCEDURE; GRIEVANCES) protect employees who voice dis content, and therefore serve to mobilize co workers' discontent (Freeman and Medoff, 1984). A second theory argues that because unions affect job outcomes they also affect the importance of outcomes to the union members. Research drawing on this theoretical perspective has found that unions increase satisfaction with pay and this increased satisfaction offsets the decreased satisfaction with supervision and work itself (Berger, Olson, and Boudreau, 1983). However, a later study used a different sample than prior research and did not find evid ence of decreased job satisfaction among union members. These researchers argue that the pos itive relationship between job satisfaction and turnover in union settings does not exist and the results of prior research resulted from statis tical artifact (Gordon and DeNisi, 1995).

UNION EFFECTS ON FIRMS

Although unions affect firms in various ways, their PRODUCTIVITY and profitability effects have received a great deal of attention. Contro versy surrounds the union effect on productiv ity, in part because a number of offsetting influences exist. First, unions negotiate higher wages, potentially reducing employment. To enhance employment opportunities and to pro tect their members, unions negotiate work rule provisions such as rigid job descriptions (*see* JOB DESCRIPTION) and job requirements that hinder productivity. However, unions also en hance productivity by changing managerial practices and reducing turnover through en hanced employee voice and seniority provisions. In more recent years, some unions have begun working jointly with management to enhance productivity. Because of the offsetting influ ences, however, researchers can make no definit ive productivity predictions. As a result, there is considerable debate on interpretation of the em pirical literature. For example, in separate litera ture reviews, Freeman and Medoff (1984) concluded that unions raise productivity and Addison and Hirsch (1989) found no compelling

evidence of positive or negative productivity effects.

The union effect on firm profitability raises much less disagreement than the effect on prod uctivity. Consistently, studies have found that unionized firms have significantly lower profit ability than nonunion firms, regardless of the profit measure, unit of analysis, time period, or methods used (Hirsch, 1991).

UNION EFFECTS ON SOCIETY

Economists examine the union effect on society by viewing unions as monopolies that raise wages above competitive levels, crowd the un organized sector, and depress wages (Freeman and Medoff, 1984; Rees, 1989). Others have raised additional concerns regarding union effects on society as transmitted through their excessive political power and corruption. While acknowledging that unionization can contribute to these problems, others believe that unioniza tion benefits outweigh these costs. They argue that unions through collective voice provide workplace and compensation practices more amenable to employees, improvements in prod uctivity, and a reduction in wage inequality (Freeman and Medoff, 1984). Others also con tend that worker protection from managerial authority and the representation of the general interests of workers serve to aid society (Rees, 1989).

SUMMARY

The above discussion has only highlighted key union effects. Clearly, many other important union effects exist, such as strikes and their effects on nonunion organizations, public sector outcomes, politics, inflation, and job security.

There is also a question of whether the union effects described here will continue into the future. Kochan, Katz, and McKersie (1986) have argued that INDUSTRIAL RELATIONS systems have undergone a fundamental trans formation, which suggests that future union effects may differ from those of the past. How ever, Dunlop (1993) states that although the environment has undergone modifications, the underlying elements of the US industrial rela tions system have remained essentially stable. This scenario suggests that union effects will remain largely unchanged.

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unionization determinants

Jack Fiorito

Unionization determinants are the factors that cause workers to form, support, or join unions or employee associations (*see* CRAFT UNIONS; IN DUSTRIAL UNIONS). In the US, workers unionize primarily for the purpose of COL LECTIVE BARGAINING. Workers may unionize for collective political activities and to provide mutual assistance as well.

THEORIES OF UNIONIZATION

Theories of unionization generally can be clas sified as to whether they view unions as revolutionary change agents in an inevitable class struggle between workers and capitalists (a Marxist perspective) or as a means for workers to improve their wellbeing within the existing socioeconomic order (pure and sim ple unionism or business unionism, a perspect ive favored by US scholars). The latter

perspective encompasses various narrower theories, but common among them is the notion that workers form, support, or join unions out of the belief that unions are an effective means to address workplace (primarily) and/or societal problems.

FORMS OF UNIONIZATION AND LEVELS OF ANALYSIS

Hundreds of studies have examined the determinants of unionization. Unionization determinants can be conceptualized for various forms of unionization and at varying levels of analysis. In a narrow sense, unionization refers to whether a particular individual is a union member or the proportion of workers who are members in some aggregate unit (e.g., the US), which is also referred to as union density (*see* TRENDS IN UNIONISM). In a broad sense, unionization ranges from values, beliefs, attitudes, and behaviors concerning unions to actual membership and labor contract coverage. To illustrate the breadth of meaning intended, attitudes toward unions may include those of the general public or nonunion workers, but also attitudes of unionized workers, such as UNION COMMITMENT.

Aggregate level studies examine unionization and its causes across very broad units, such as industries, states, or nations, change within such units over time, or both. Individual level studies examine membership, attitudes, and behaviors across individual workers or changes in individual attitudes, and so forth. Unionization also may be analyzed at various intermediate levels, such as a company or election unit.

Unionization determinants vary with the form of unionization in question and the level of analysis. Aggregate level studies tend to focus on economic influences (such as inflation and unemployment) and public policies (such as RIGHT TO WORK laws and the NATIONAL LABOR RELATIONS ACT OF 1935). Individual level analyses stress psychological variables such as attitudes toward work, employers, and unions. Intermediate level studies such as those of REPRESENTATION ELECTIONS often include economic and psychological variables as well as measures of employer and union characteristics and tactics used to persuade workers to support or oppose unionization.

To some extent, the form of unionization examined and the level of analysis dictate the unionization determinants considered, in terms of either measure availability or relevance. An attitudinal measure may not be available for an aggregate unit or may be relatively constant across aggregate units. Conversely, a macroeconomic variable may not make sense at an individual level or may be essentially constant for all individuals in a given employing unit at one point in time. Similar or overlapping constructs may be represented by different measures at different levels of analysis. For example, in an aggregate study, one might specify past wage changes as an indication of union effectiveness; in an individual level cross section one might specify a scale of perceived union effectiveness. In both instances the underlying hypothesis is that workers support unions because they believe unions will improve their economic wellbeing.

To some extent the determinants considered also reflect the disciplinary orientation of researchers. Economists naturally tend to stress economic influences and objective measures, such as wage rates and unemployment rates. Psychologists note that persons act on their perceptions, and stress perceptual variables such as JOB SATISFACTION and perceptions of union effectiveness. INDUSTRIAL RELATIONS scholars stress an interdisciplinary approach, recognizing that these and other disciplines can contribute collectively to a fuller understanding than is possible through any single discipline.

AGGREGATE-LEVEL FINDINGS

In recent years, many studies have attempted to account for the fact that US unionization has dropped from roughly one third of the work force in the 1950s to about one eighth in the 2000s (and less dramatic but similar trends elsewhere). Studies suggest that unionization tends to be pro cyclical, with unions expanding in prosperous times and declining in hard times, although these results find less support in recent decades. Research also indicates that unionization may be affected by "structural" factors, including occupational, industrial, and regional employment shifts, and changes in workforce demographics, as well as public policies and the behavior of unions and employers within a given

policy context. On the latter, several studies have cited a large or even dominant role for employer opposition to unions, in both legal and illegal forms (*see* UNION AVOIDANCE). In addition, some suggest that governments' labor market policies have reduced the need for unions, that worker values have become more individualistic, that job satisfaction has risen, or that unions have failed to respond effectively to these and other changes in their environments. Recent studies have given more emphasis to unions' organizing strategies and tactics.

INDIVIDUAL-LEVEL FINDINGS

Studies of individual decisions to form, support, or join unions stress psychological variables, as noted above. These studies consistently show that perceptions of union effectiveness, job dis satisfaction, and favorable general attitudes toward unions increase workers' unionization tendencies. Additional measures for worker, em ployer, and union characteristics or organizing campaign tactics have been found influential in some studies. To an extent, however, the latter are simply acting as proxies for worker psycho logical states they may influence. For example, employer counter organizing tactics and pro gressive human resource policies are often aimed at reducing perceptions of union effect iveness or increasing job satisfaction. Similarly, worker demographic effects may simply reflect shared dissatisfactions among particular demo graphic groups. This does not necessarily imply that such proxies are unimportant. One often cannot observe worker psychological states, and the role of influences such as employer and union tactics are often intrinsically interesting.

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United Kingdom

Susan Cartwright

ECONOMIC OVERVIEW

The UK is composed of England, Wales, Scot land, and Northern Ireland. The UK occupies a land area of 244,820 km^2 (93,000 sq. miles), which makes it roughly twice the size of New York State. Despite its relatively small size, the UK is one of the most densely populated coun tries in the world with a population density of 246 persons per km^2. The estimated population as of June 2003 was 60,094,648. Almost 90 percent of the population live in urban areas, with 7 million people living in the capital, London. According to the 1994 population census, more than 94 percent were described as white; of the remaining nonwhite population, 3 percent were Asian, West Indian, and other. Generally, the UK is highly tolerant of ethnic differences and there has been little hostility.

The total labor force is estimated to be 29.418 million. The largest employment sector is ser vices (75 percent). This sector has grown signifi cantly as manufacturing and other primary industries have declined. The UK has been at the forefront of call center technology and call center workers make up over 2 percent of the working population. Currently, more people work in call centers than in the coal, steel, and

vehicle manufacturing industries (Cartwright, 2000).

According to 1997 estimates, the manufacturing sector employs 20 percent of the workforce. As well as growth in the service sector, the UK has witnessed a rise in self employment, which now accounts for 12 percent of the workforce. Another notable trend has been the increased participation of women in the workforce. In 1997, women formed 47 percent of the full time and 80 percent of the part time workforce. It is estimated that two thirds of women between the ages of 15 and 65 are employed. In common with the US, the UK is experiencing an increase in its older population and a continuing decline in new labor force entrants. Currently, 19.5 percent of the UK population is under 15 and 20.5 percent is over 60 years of age. Life expectancy for men is 76 years and for women 80.7 years.

Scase (1999) estimates that over the next ten years the UK population, like that of many European countries, will remain static and may even decline. According to Kandola (2001), it is predicted that soon 40 percent of the population will be over 50 and only 5 percent will be in the 15–19 age range.

However, compared to the US, fewer people go on to higher education. Currently, the figure is approximately one in three of all school leavers. There are clear implications for future skill shortages and employers are seeking to attract more female and retired workers to take jobs. At the same time, the UK government has announced its intention to increase the number of young people in higher education institutions to 50 percent. As UK employees have struggled to recruit highly skilled, qualified job applicants, they have sought to resolve the problem by recruiting staff from overseas. This trend has mainly been in respect of jobs in the catering and health sector, and according to some estimates approximately 48 percent of UK firms employ foreign staff.

The current rate of gross domestic product (GDP) is 3.5 percent and the inflation rate is 3.6 percent. Compared to the rest of Europe, un employment is low and for the period 1991–5 averaged 9.1 percent.

POLITICAL AND REGULATORY OVERVIEW

For the period 1979–97 the UK had a Conservative government which was strongly influenced by Margaret Thatcher. During this period competition between individuals and organizations was encouraged in the development of an "enterprise" culture. As a result, unemployment rates increased, inflation reduced, and the gap in financial wealth between the richest and poorest sectors of society increased enormously. In May 1997, the Labour Party, under the leadership of Tony Blair, came to power in a landslide victory. New Labour, as the party became known, was elected on a platform of increased employment and improved public services. New Labour was reelected in June 2001 with a somewhat similar majority of seats in the House of Commons. Under New Labour, unemployment has fallen and an ambitious program of modernization has been introduced into the public sector. Modernization has included the setting of aggressive targets to increase diversity in the workforce and has brought more competition into public services, particularly health. PERFORMANCE MANAGEMENT systems have also increased in prominence in the public sector.

Prior to 1979, previous Labour governments passed a great deal of legislation regulating unfair dismissal, compensation for redundancy, equal opportunities and pay, maternity leave, time for union duties, and health and safety at work. In 1963 the Contracts of Employment Act obligated employers to provide a written statement of the principal terms and conditions of employment, so removing the informality of oral contracts and giving employees a minimum notice period based on years of service. The Redundancy Payments Act of 1965 compelled employers to make a payment based on earnings and length of service to employees declared redundant. In the period between 1990 and 1995, there were estimated to be over 4 million redundancies in the UK (Blyton and Turnbull, 1998).

Employment tribunals were established in 1965, primarily to resolve disputes regarding claims of unfair dismissal. Over the years their remit has extended to include almost 80 different kinds of claims such as disability discrimination,

equal pay, working time, and breach of contract. Employment tribunals are normally chaired by a barrister or solicitor of at least seven years' standing and two representatives, one from the employee's side and one from the employer's. Since 1993 certain types of cases may be heard by the chairperson sitting alone. The Employers Protection (Consolidation) Act of 1978 permits dismissed employees to grieve a complaint of unfair dismissal to an employment tribunal. A conciliation officer from the Advisory Concili ation and Arbitration Service (ACAS, estab lished in 1974) attempts to find a mutually agreeable solution to the grievance. ACAS has a staff of almost 750 people and is based in London and the regions.

Additional government bodies have been formed to enforce specific laws, such as the Equal Opportunities Commission (EOC) to insure compliance with the Sex Discrimination Act (SDA) 1975. The Commission for Racial Equality (CRE) was established under the Race Relations Act (RRA) 1976 to tackle direct and indirect racial discrimination and to promote racial equality. The RRA was strengthened by an Amendment Act in 2000, following the Mac pherson Inquiry into the death of black teenager Stephen Lawrence, to extend protection against racial discrimination by public authorities. Health and safety in the workplace has been addressed by the Health and Safety at Work Act 1974. As well as attending to the physical hazards that may result in accidents or prove dangerous to health, employers are also obliged to safeguard individuals as far as possible from the ill health effects of psychosocial hazards such as workplace stress. Since 1974, the Health and Safety at Work Regulations (1999) state that employers have a duty to operate a written health and safety policy; to assess the nature and scale of risks to health; and to apply principles of pre vention.

As a member state of the European Union (EU), employment law and practices are influ enced by EU directives and steps have been taken to harmonize UK practice in the social policy area with the rest of Europe. The Conser vative government was highly resistant to commit to the basic employment rights and ob jectives embodied in the EU Social Charter (*see* EUROPEAN UNION), but following the 1997 change in government, there has been greater acceptance and adherence to the objectives of the Social Charter under New Labour. Notably, in January 2000 the UK government accepted legislation that required companies with more than 1,000 employees and at least 150 employees in each of two or more member states to set up a European works council (EWC) or some other European level information and consultative procedure.

Prior to 1998, working hours were not subject to any regulation in the UK. The implementa tion of the Working Time Regulations 1998, a consequence of the EU Working Time Directive (93/104), regulates the number of hours worked including overtime averaged out over a period of four months or as long as 12 months if employees agree. The Regulations also address the issues of rest breaks and holiday entitlement. The EU has also been influential in protecting the rights of employees transferred from one employer to another as a result of corporate acquisition.

TRADE UNIONS

The UK has a strong tradition of trade unionism dating back to the onset of industrialization in the eighteenth century. Webb and Webb (1902) define trade unions as "a continuous association of wage earners for the purpose of maintaining and improving the conditions of their employ ment." COLLECTIVE BARGAINING was a common feature of trade unionism during the twentieth century. However, the power of trade unions has been severely weakened over the years mainly as the result of a decline in manu facturing, prolonged high unemployment, and the extensive anti union legislation introduced by the Thatcher government. Labour is less sympathetic to the trade union movement than it was in the past and, despite the party's return to power, the influence of trade unionism has not significantly increased. In 1975 trade union membership in the UK was 12.2 million; by 1996 membership had declined to 7.2 million, which amounts to about one third of the work force. In 1996 there were fewer than 250 strikes or stoppages due to industrial action. The

Trades Union Congress (TUC), established in 1868, is a voluntary body which in 1997 repre sented 74 trade unions. The TUC holds an annual conference and elects a General Council to make decisions and establish policy on a wide range of issues.

HUMAN RESOURCE MANAGEMENT PRACTICES AND TRENDS

The evolution of human resource management (HRM) in the UK has followed a similar course to the US (Sisson, 1994), with an increased alignment between HUMAN RESOURCE STRATEGY and business strategy. The changing nature of work and work organization will con tinue to present a number of challenges for HRM in the future and will require the develop ment of new competencies to cope with the changes in work design (Sparrow, 2000).

Predictions from the Institute for Employ ment (2000) suggest that by 2009, 40 percent of jobs will fall into the managerial, professional, and associate professional class, with only 21 percent in elementary and operative jobs. In an interview for the *Guardian* newspaper in 2000, Graeme Leach, chief economist at the Institute of Directors, claimed that within 20 years one quarter of the workforce would be temporary workers and that as many as 50 percent would work from home in some form. Furthermore, the mobility of the workforce is predicted to increase, along with greater polarization in cul tural, educational, and material living standards (Scase, 1999). If UK employers are to remain competitive in a global economy, they will need to win what Kandola (2001) terms the "war for talent" and recruit more women and ethnic mi norities. This will place an increasing emphasis on flexible working and a move in some sectors to VIRTUAL ORGANIZATION. The UK will also likely employ more immigrant labor, par ticularly from the EU member states.

The changing nature of work has already impacted on worker health. In the UK the aver age number of hours worked is 44.7 hours, which is significantly higher than in other EU states despite the Working Time Directive. This has been a contributing factor in the incidence of stress related illness, which has become a grow ing problem in the UK in recent years. According to the UK Health and Safety Execut ive, stress related absence accounts for 60 per cent of all work absences and affects one in five employees (Cartwright, 2000). Apart from facing recruitment difficulties and skills short ages, employers will also need to meet the chal lenge of maintaining workplace health.

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utilization analysis

Stuart A. Youngblood and Lawrence H. Peters

Utilization analysis is a description of the per centages of protected group members (e.g., non white or female employees) employed within specific job classifications or job families (*see* JOB FAMILY) for a specific employer. A comparison of these percentages with those obtained from an availability analysis of the RELEVANT LABOR MARKET determines whether an employer has underutilized pro tected group members for specific jobs. Such analyses are often conducted proactively by em ployers to determine if voluntary AFFIRMATIVE ACTION programs are needed, or by employers who choose to do business with the federal

government and are therefore required to do such analyses. Employers involved in employ ment DISCRIMINATION litigation may also conduct such analyses to determine if contested employment practices have resulted in DISPAR ATE IMPACT for protected class members.

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V

validity

Robert M. Guion and Chester A. Schriesheim

Validity, in psychometrics, is an inference drawn about the soundness of proposed interpretations of scores on instruments such as tests, ratings, and survey questionnaires. Historically, a short hand use of language referred to the "validity of the instrument," implying that validity was a property of the measurement device itself. How ever, validity is now recognized as a property of inferences from, or interpretations of, the mean ings of scores (Cronbach, 1971).

Validity is currently viewed as a singular or "unitarian" concept judged from a variety of accumulated information. Information needed in making judgments of validity includes that associated with the three interrelated lines of validity evidence, or aspects of validity, known as CONTENT VALIDITY, CRITERION RELATED VALIDITY, and CONSTRUCT VAL IDITY (see American Educational Research As sociation et al., 1999). Of these, the evidence most closely related to the "unified" concept of validity is construct validity. However, any in formation relevant to a particular interpretation of an instrument's score is appropriate evidence of validity, whether it fits one of the three cat egories or not. Guion (1997) classifies the lines of validity evidence as based on instrument devel opment procedures, on reliability, on patterns of correlates, and on outcomes; inferences of valid ity depend on all such sources of evidence.

Evidence accumulated during instrument de velopment includes the clarity of the intended interpretations of scores (i.e., the behaviors, at tributes, or constructs to be measured) and the appropriateness of the content (including the degree of freedom or constraint imposed on pos

sible responses, expected prior knowledge needed to understand and complete the instru ment, and what is included and what is excluded in the instrument's content). Reliability evid ence identifies sources of error (whether random or systematic) that may cast doubt on proposed interpretations of scores. Patterns of correlates consist of empirical evidence of the association between an instrument's scores and various criteria to which they theoretically should be related (given the proposed interpreta tions). Patterns of correlates include the tradi tional aspect of validity known as criterion related validity. Sometimes the criterion is chosen for its theoretical relevance to the intended interpretation (i.e., as a test of con struct validity), but sometimes it is chosen for practical outcomes that are expected given the intended meanings of scores for prediction or classification. Some evidence may favor a pro posed interpretation, but some may not. The evaluation of validity depends on the *prepon derance* of accumulated evidence supporting that interpretation and refuting alternative interpretations.

In general, many sources of evidence of valid ity are better than few, but as pointed out in STANDARDS FOR EDUCATIONAL AND PSY CHOLOGICAL TESTING, "a single line of solid evidence is preferable to numerous lines of evid ence of questionable quality" (American Educa tional Research Association et al., 1999: 9). Note, however, that the *Standards* says a single *line* of evidence, not a single *piece* of evidence (such as an isolated correlation coefficient). Va lidity should not be confused with a validity coefficient.

See also *validity generalization*

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validity generalization

Frank Schmidt

Validity generalization refers to the demonstration that the validities of abilities, aptitude tests, and other selection devices generalize across new settings, organizations, and geographic areas. The most important implication of this finding is that it is not necessary to conduct new validity studies in each setting.

Starting early in the twentieth century, selection psychologists observed considerable variability in validity findings from study to study even when the jobs and tests studied appeared to be similar or essentially identical. This variability showed itself both in statistical significance levels and in actual values of the observed validity coefficients. These findings led personnel psychologists to adopt the theory of situationally specific validity. This theory held that the nature of JOB PERFORMANCE differs from setting to setting and that the human observer or job analyst is too poor an information receiver and processor to detect these subtle but important differences. The conclusion was that validity is specific to each situation and must be estimated by a local validity study conducted in each situation or setting. This meant that validities were not generalizable. This led to the belief that a test that was shown to be valid for a job in Company A might well be completely invalid for an apparently identical job in Company B.

The methods used to test for validity generalization are the meta-analysis methods developed by John Hunter and Frank Schmidt (see Schmidt and Hunter, 1977). These methods have since been applied to many other research literatures in different social sciences, in medical research, in finance, in marketing, and in other areas (Hunter and Schmidt, 1990). John Callender, Hobart Osburn, Nambury Raju, and others have also made contributions to the development of validity generalization methods.

A validity generalization study is conducted in the following manner. First, all available validity studies (published and unpublished) are gathered and coded. The dependent variable is typically a measure of either overall job performance or performance in training. The *variance* of these observed validity estimates is then corrected for variability due to various statistical and measurement artifacts, the most important of which is usually sampling error. The mean of the observed validity coefficients is also corrected for downward biases created by measurement error in the performance measure and by range restriction. If 90 percent or more of the values in this corrected validity distribution are in the positive range, it is concluded that validity generalizes. Because not all artifacts that create variability across studies in validity estimates can be corrected for, these methods yield conservative estimates of the generalizability of validity.

Validity generalization studies have been conducted for over 500 research literatures in personnel selection. Predictors studied include cognitive ability tests, evaluations of education and experience, the EMPLOYMENT INTERVIEW, BIOGRAPHICAL HISTORY INVENTORIES, PERSONALITY TESTS, and INTEGRITY TESTING. In many cases, artifacts accounted for all variance across studies. For cognitive tests, the average amount of variance accounted for has been about 80 percent. In most cases, it has been found that validities generalize across settings, and that mean validity is higher than has typically been believed. However, in some cases (such as the point method of evaluating education and experience; *see* POINT JOB EVALUATION METHOD) it has been found that mean validity is quite low and does not generalize.

These methods have been used to determine whether validities generalize across different jobs, as well as across settings for the same job. Validities of cognitive ability tests, employment interviews, and integrity tests, for example, have

been found to generalize across widely varying jobs.

The purpose of the research program in val idity generalization was to empirically test the theory of situational validity. This research pro gram showed that theory to be false. In retro spect, it is clear that acceptance of the theory of situational validity was based on an inadequate understanding of the extent to which statistical and measurement artifacts cause apparent but false variability in findings across small sample validity studies. The ability of validity general ization and meta analysis methods to quantify and remove such artifactual variation has made these methods useful in many research areas beyond personnel selection.

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variable compensation

Gerald E. Ledford, Jr.

Variable compensation refers to forms of pay that vary according to specified criteria and are not fixed in base pay. This contrasts with MERIT PAY, which usually becomes part of the em ployee's salary. Variable compensation may take many diverse forms, each with its own purposes.

Different forms of variable pay are associated with different organizational levels. Variable compensation for individual performance can include COMMISSION BASED PAY and manu facturing PIECEWORK. Variable pay for small group performance is team based pay (*see* TEAM BASED INCENTIVES). Variable pay at the organizational unit level (e.g., a manufactur ing plant) usually takes the form of GAINSHAR ING. Finally, pay for corporate performance usually takes the form of PROFIT SHARING, or, in the case of EXECUTIVE COMPENSATION, stock grants or options (*see* EMPLOYEE STOCK OWNERSHIP PLANS). This variety makes it difficult to generalize about characteristics of variable pay plans and organizational conditions affecting their consequences for employees and organizations. Clearly, however, many forms of variable pay are widely used by corporations in the US (Lawler, Mohrman, and Ledford, 1995) and elsewhere.

Variable pay usually is delivered in cash BO NUSES. However, there are other options. The organization may vary BENEFITS, such as con tributions to employee retirement accounts or profit sharing plans. Stock options can be a lu crative reward for performance if the stock per forms well during the option period.

Most variable pay plans are intended to achieve at least one of two key goals: increasing employee motivation and linking wages to the organization's ability to pay. Variable pay can motivate employees by varying employee wages with the performance of the employee or the organizational unit. To the extent that em ployees can affect the level of performance meas ured through the plan, and to the extent that increased performance is tied to rewards that employees value, employees will be motivated to increase their performance (Lawler, 1990). If the plan's metrics are built on financial returns or metrics that covary with financial returns, payments will reflect the organization's ability to pay (Schuster and Zingheim, 1992). This latter goal is often related to employment secur ity, because it permits the organization to vary wages without layoffs. Japanese firms, for example, typically tie 30 to 40 percent of em ployee compensation to corporate profits.

Motivation and cost control goals often conflict. Unit performance, as measured by PRODUCTIVITY or quality, often changes inde pendently of financial performance, which is largely dependent on market conditions. How ever, a profitability metric may not have any motivational value, because employees in large firms cannot influence profits significantly.

In general, the more closely variable pay is tied to individual performance, the greater is its motivational effect. This is because of the "line of sight" between employee behavior and mon etary return. However, plans at the team and unit levels can also be motivational and can in crease cooperation in interdependent work systems. Organizations often attempt to com bine the advantages of local line of sight and

ability to pay by complex formulas that, for example, pay out based on unit productivity if the company or business unit earns a profit (McAdams and Hawk, 1994).

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vestibule training method

J. Kevin Ford and Deidre Wasson

Vestibule training is a type of instruction using a vestibule, a small area away from the actual worksite, consisting of training equipment exactly duplicating the materials and equipment used on the job (Cascio, 1991). The purpose of vestibule training is to reproduce an actual work setting and place it under the trainer's control to allow for immediate and constructive feedback. Training vestibules are useful because they allow trainees to practice while avoiding personal injury and damage to expensive equipment without affecting production. Training effectiveness is dependent on the fidelity level of the simulated equipment (Saal and Knight, 1988) and the trainee's ability to behave as in his or her work setting (Goldstein, 1993).

See also *training*

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veteran status

Ramona L. Paetzold

Veteran status is a protected category for some federal antidiscrimination purposes. One of the relevant pieces of legislation is the Veterans' Reemployment Rights Act, which provides that an employee who is called to active duty or inactive duty training must be released from employment related obligations with a guarantee that he or she may return to the same position with seniority, pay, and other privileges that he or she would have had if the absence from work had not occurred. The US Supreme Court has ruled that the reemployment right lasts as long as the employee is in the armed services.

See also *Vietnam Era Veterans' Readjustment Assistance Act of 1972*

Vietnam-Era Veterans' Readjustment Assistance Act of 1972

Vida Scarpello

The purpose of this Act, amended in 1974, is to encourage Vietnam veterans to use their general infantry (GI) educational benefits. The 1972 Vietnam Veterans' Act amends Title 38 of the US Code by improving on the GI Education Program so that more veterans take part in the program. At the time of its passage, the GI program's participation rate was more than 20 percent lower than it had been after World War II. Moreover, of the 5.6 million Vietnam era veterans, 915,000 were discharged with less than a high school diploma or its equivalency. Despite those statistics, only 17.4 percent of the educationally disadvantaged Vietnam veterans had used the Veterans Administration educational benefits. Equally disturbing was evidence

that 30 percent of high school graduates in the armed forces scored as poorly or worse on tests conducted by the armed forces as the average score of those who had not completed high school.

To encourage veteran participation in educational programs, this Act attempts to achieve parity with the World War II GI Bill entitlement level. It also provides for advance payment of the GI Bill educational assistance allowance at the start of the school term and prepayment of the allowance on the first of each month thereafter. Additionally, the Act expands on training options for receipt of GI benefits and also includes special employment assistance provisions. These provisions are contained in the Act's six titles.

Besides raising the rates for vocational rehabilitation, educational assistance, and special training allowances, Title I section (1) of the Vietnam Veterans' Act makes vocational rehabilitation training eligible for GI benefits. Title II specifies the rules and exceptions for advance payment of educational assistance or subsistence allowances. Title III provides for: (1) educational benefits for apprenticeship, ON THE JOB TRAINING, and correspondence courses; (2) special assistance to the educationally disadvantaged, including the granting of certain educational benefits to wives and widows of eligible veterans; and (3) methods of dealing with overcharges by educational institutions, discontinuance of allowances for programs or courses violating the US Code provisions, examination of records of educational institutions, and resolving false or misleading claims made by the educational institution, singularly or in combination with the veteran. Title IV includes various miscellaneous and technical amendments to the veterans' and war orphans' and widows' educational assistance programs.

Title V focuses on job and training counseling and placement services for veterans. This title mandates the promulgation of policies through a Veterans' Employment Service within the Department of Labor, so that veterans receive the maximum of existing and new employment opportunities and training programs. Title V further assigns all administrative and funding appropriation authority to the Secretary of Labor. The secretary is instructed to assign a representative of the Veterans' Employment Service to serve as the veterans' employment representative in each state. Assistant employment representatives may also be assigned (one per each 250,000 veterans in the state). These veterans' employment representatives are to be attached to the staffs of the state employment services, but are administratively responsible to the Secretary of Labor. Finally, Title V mandates employers to give special preference to the employment and training of disabled and Vietnam era veterans.

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virtual organization

Hadyn Bennett

Virtual organization represents a new form of organization which has emerged to enable firms to take advantage of technological developments, particularly in the area of information technology. Typically, virtual organization involves organizing along the value chain, with a number of independent organizations establishing a network in the form of a temporary alliance (Miles and Snow, 1992). Early examples of this form of virtual organization include the use by Nike (Miles and Snow, 1992) and Puma (Voss, 1996) of advanced information technology to establish global networks of organizations to produce sports shoes.

Simultaneously, such patterns of organization will enable companies to operate successfully in the increasingly complex product markets also being brought about by technology developments. For instance, Davidow and Malone (1992) have suggested that more complex patterns of demand will result in ever greater pressure for companies to deliver quickly and globally a high variety of customized products, differentiated not only on the basis of form and

function, but also on the basis of services pro
vided with the product and the ability to involve
the customer in its design. Such developments,
it is argued, have implications for companies'
distribution systems and their internal organiza
tion as they strive to become more customer
oriented. This also has implications for relation
ships with suppliers, whereby supplier networks
will have to become increasingly integrated with
those of the customer to the point where a
system of mutual dependency evolves (Davidow
and Malone, 1992). Thus, in the terminology of
Byrne and Brandt (1992), the virtual organiza
tion is "a temporary network of companies that
come together quickly to exploit fast changing
opportunities," with such networks able "to
share costs, skills and access to global markets,
with each partner contributing what it is best
at." Such networks, they argue, will be charac
terized by excellence (with each party bringing
its core competence to the effort), use of in
formation technology, opportunism (being es
tablished to take advantage of a specific market
opportunity), trust (between partners), and the
removal of the traditional boundaries of the
company (with increased cooperation between
competitors, suppliers, and customers making
it ever more difficult to establish where one
company ends and another begins).

Walters (2000) argues that the virtual organ
ization therefore relies on an "integrated and
coordinated approach towards knowledge, tech
nology and relationship management" to enable
companies to fully exploit the opportunities on
offer. Meanwhile, a significant issue for the in
dividual company lies in identifying its core
competencies, where to deploy these along the
value chain, and identifying complementary
partnership opportunities (Byrne and Brandt,
in Davidow and Malone, 1992).

Virtual Teamworking

Advances in information technology and the de
velopment of virtual organizations have also fa
cilitated the development of virtual teamworking
within organizations and within virtual organiza
tions. Virtual teamworking occurs where team
members communicate and work on projects,
sharing resources, objectives, and interdepend
encies, but do not come into direct face to face
contact, and may not even be employed by the

same organization. It has become a subject of
increasing interest (Geber, 1995; Greiner and
Metes, 1995; Townsend, DeMarie, and Hen
drickson, 1996), although there has been consid
erable disagreement on the ability of virtual
teams to function effectively without face
to face interaction (Geber, 1995; Levinson and
Asahi, 1995). Virtual teamworking requires spe
cific training in managing information techno
logy, cross cultural communication, and the
management of remote interdependencies.

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vocational interest inventories

Paul M. Muchinsky

Vocational interest inventories are structured
paper and pencil assessments which measure
typological profiles of occupational interests.
They are used primarily to assist individuals in
making choices about vocational pursuits which
are consistent with their values and preferences.

Vocational interest measurement has a
lengthy history. It began nearly a century ago
through the pioneering efforts of Parsons (1909),
with later refinements by Berdie (1944). Early
vocational interest inventories consisted of many
statements (several hundred would not be un
common) that describe occupational activities.

Examples would include "building a product or object with your hands" and "dealing with com plex conceptual issues which have no correct solutions." Individuals are asked to indicate their preference for engaging in such activities, usually reflecting a three point response format of liking, disliking, or being indifferent. The individual statements are organized into homo geneous categories, or dimensions, as reflected by, for example, interest in outdoor activities, artistic expressions, and interacting with other people. The individuals' responses to the inter est inventory would be evaluated to yield a score on each dimension in the inventory. The typical inventory would include 10 to 15 such dimen sions. Dimensions receiving high scores would reflect activities the individual likes to engage in; low scores would reflect activities with low inter ests.

Norm groups have been created by assessing the vocational interests of incumbent members of hundreds of occupations (e.g., firefighters). The vocational interests of each occupational group were aggregated to yield a "typical" voca tional interest profile for the members of that occupation. Any given individual's interest pro file would be compared with the various norm groups to identify the most similar profile matches. Individuals would be counseled to pursue vocations based on the similarity of pro files' shape to the vocational norm groups.

More recent vocational interest inventories contain fewer items because of advances in psy chometric test construction principles. The pro file matching process has also been modified. Instead of making profile matches based on spe cific occupational groups (e.g., secretaries), larger vocational groupings (e.g., clerical occu pations) are used to guide individual decision making. Matches are no longer expressed in "either/or" terms, but in probabilistic terms. Some interest inventories can also be completed via a computer software program. Nevertheless, the basic logic and purpose of vocational interest inventories have remained unchanged over the years.

Major concepts of salience in vocational inter est measurement include "differentiation" and "indecision." Differentiation refers to the strength or clarity of an individual's vocational interests. High differentiation is marked by a profile pattern of extreme highs and lows. In decision reflects an undifferentiated pattern of vocational interests, which retard the indi vidual's capacity to commit to a career choice.

Vocational interest inventories have been criticized because they generally fail to make accurate assessments of abilities, which are just as important as interests in determining voca tional congruence. It is also a matter of debate as to *when* vocational interests begin to manifest themselves within the lifespan of the individual, as well as their stability in midlife. These issues have obvious implications for the accuracy of vocational interest measurement. There are also concerns about the capacity of vocational inter est inventories to accurately assess the vocational interests of females, which have changed mark edly over the past 30 years. Despite these issues, vocational interest inventories are frequently used to aid individuals in making career choices and to provide individuals with the opportunity to crystalize their own vocational interests. For the most part, extensive validation evidence reveals that vocational interests are related to vocational satisfaction (*see* JOB SATISFACTION) and stability, but not JOB PERFORMANCE within a vocation.

Classic references which the reader would find useful in understanding vocational interest measurement include Strong (1943), Super (1957), and Holland (1985). More recent refer ences include Weiss (1983), Dawis (1992), and Muchinsky (1994). Specific vocational interest inventories of prominence include the Strong Interest Inventory (Harmon et al., 1994) and the Self Directed Search (Holland, 1994). The best single source of current information on vocational interest inventories can be obtained through the Division of Counseling Psychology of the American Psychological Association.

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W

wage/pay policy line

Jerry M. Newman

Typically, an organization determines the market wage rate across its jobs. The line that illustrates the relationship between the external value of a job (from salary survey information) and the internal value of jobs (from job evaluation) represents the market line. A pay policy line portrays an organization's pay policy with respect to the market line. A lead policy means an organization chooses to pay above the market rate (and, therefore, above the market line) for designated jobs. A match policy is used when the goal is to pay at the market rate. A lag policy is used when the goal is to pay less for particular jobs (below the market line) than market competitors.

wage/pay/salary structure

Jerry M. Newman

A wage structure represents a series of pay grades (*see* PAY GRADE) that order jobs on the basis of worth. As such, it reflects the entire spectrum, from low wage jobs to high wage jobs. Organizations with rapid PROMOTION policies, but little pay advance for any given promotion, have relatively flat structures: the wage progression from grade to grade is small. Conversely, organizations with few promotion opportunities and sizable increases for any given promotion have steep structures.

wage and salary surveys

George F. Dreher

A wage and salary survey is a systematic way to collect information about the COMPENSATION systems of other employers (Milkovich and Newman, 1993: 223). This information can be collected using a variety of means, ranging from telephone interviews to mail survey instruments. The goal of such a survey is to generate estimates of the market wage for positions that tend to be common across a variety of employers (Rynes and Milkovich, 1986). These data are used to make decisions related to the EXTERNAL EQUITY/EXTERNAL COMPETITIVENESS of a company's salary structure.

Conducting such a survey requires a sequence of decisions that can have critical consequences for the results of the survey and the interpretability of the incoming data (Rynes and Milkovich, 1986). These decisions relate to such things as (1) defining the RELEVANT LABOR MARKET; (2) choosing benchmark jobs; (3) considering how to gather and interpret information about indirect forms of compensation and other attributes about the total pay system; and (4) making regional or international adjustments based upon the cost of living and/or currency exchange rates.

Incoming survey data from multiple organizations are typically combined in such a way that estimates can be made about the midpoints and pay rate ranges associated with a key job/benchmark job. These estimates about direct pay must be interpreted in relation to other compensation related employer costs (particularly expenditures associated with employee BENEFITS).

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waiver

Kelly A. Vaverek

A waiver, or release, is "an express or implied relinquishment of a legal right" (Black's Law Dictionary, 1990: 1590). With a waiver, an employee agrees to abandon claims against a current or former employer in exchange for a benefit, such as severance pay or continued employment. Waivers generally require the voluntary consent of an employee with full knowledge of the important, relevant facts. Absent a clear showing of duress or unconscionability, waivers are generally effective at barring contract related claims against employers.

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Walsh–Healy Act of 1936

Charles H. Fay

Under this prevailing wage law, any employer with a federal government contract for the manufacture or provision of materials, supplies, articles, or equipment in excess of $10,000 must pay wages found to be prevailing locally (as determined by the Department of Labor). The employer must in any case pay at least minimum wages under the FAIR LABOR STANDARDS ACT OF 1938. The impact of the Walsh Healy Act (as is the case with the Services Contract Act and the DAVIS BACON ACT OF 1931) is that employers pay local union rates.

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Wards Cove Packing Co. v. Antonio, 490 US 642 (1989)

Leonard Bierman

In *Wards Cove* several minority cannery workers claimed that the employer's hiring and promotion practices constituted adverse impact (*see* DISPARATE IMPACT). The plaintiffs relied on statistics that cannery jobs were predominantly filled by minorities, while the higher paying, skilled noncannery positions were predominantly filled by whites. The Supreme Court, in a decision later in part reversed by Congress, held that the relevant statistical comparison was between minorities holding skilled noncannery jobs and the RELEVANT LABOR MARKET that applied for those jobs. Therefore, simply showing a statistical disparity in an employer's work force was not enough to establish a prima facie adverse impact discrimination case.

Washington v. Davis, 426 US 229 (1976)

Leonard Bierman

The validation of a qualifying test administered to applicants for positions as police officers is the subject of this case. *Test 21* was designed to test verbal ability, such as vocabulary, reading, and comprehension. In considering the validity of this test, the court considered whether the test was directly related to satisfactory progress in the police training program. The court held that it is permissible for the department to use a test for the purpose of predicting ability to master a training program, even if the test does not otherwise predict ability to perform on the job.

Watson v. Fort Worth Bank and Trust, 487 US 977 (1988)

Leonard Bierman

In *Watson* a black employee claimed that her employer's practice of committing promotion decisions to the subjective discretion of

supervisory employees was discriminatory. The court held that DISPARATE IMPACT analysis is no less applicable to subjective employment criteria than to objective or standardized tests. Even a facially neutral practice without a discriminatory intent may result in effects that are indistinguishable from intentional discriminatory practices.

weighted application blanks

Craig J. Russell

Weighted application blanks (WABs) use empirical keying procedures (*see* BIOGRAPHICAL HISTORY INVENTORIES) to predict applicants' future JOB PERFORMANCE (England, 1961). Prediction tends to be very accurate, though keys need to be redeveloped approximately every three years. A WAB key assigns points to each possible answer to application blank questions, breaking down applicant answers into the smallest possible units of information (usually individual response options to each question). For example, "How much income did you earn from your last full time position?" might have the following five response options: 1 = $15,000 to $25,000; 2 = $25,001 to $35,000; 3 = $35,001 to $45,000; 4 = $45,001 to $55,000; 5 = $55,001 to $65,000. A WAB key is typically developed using the vertical percentage difference method of empirical keying.

In theory, WABs accurately predict job performance for the same reasons as biographical history inventories (i.e., there is some causal relationship between the prior life event reflected in answers to application blanks and subsequent behavior). Problems occur when (1) keys developed from one population are applied to different populations and (2) applicants lie or distort answers to application blank questions. Population shifts can only be addressed through frequent development of new keys to keep up with changes in applicant pool experiences and the relationship of those experiences to subsequent job performance. Kluger, Reilly, and Russell (1991) found that when applicants "fake"

answers, vertical percentage difference keying prevents them from obtaining an advantage (though predictive accuracy decreases).

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wellness

James R. Terborg

Wellness is the balance of physical, emotional, social, spiritual, and intellectual health (O'Donnell, 1989). Programs at the worksite that help employees and their families make lifestyle changes to move toward a state of wellness are called wellness programs (Terborg, 1986). An important aspect of wellness is recognition that health is not simply the absence of morbidity and mortality. Rather, a continuum exists from death to optimal wellness with lack of illness as the midpoint. Wellness programs are more comprehensive and holistic than typical worksite HEALTH PROMOTION programs. Little research exists on the CONSTRUCT VALIDITY or PREDICTIVE VALIDITY of wellness.

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whistleblowing

Marcia P. Miceli

Whistleblowing has been defined as "the disclosure by organization members (former or

current) of illegal, immoral, or illegitimate prac
tices under the control of their employers, to
persons or organizations that may be able to
effect action" (Near and Miceli, 1985: 4).
Terms such as "wrongful activity" and "ques
tionable practice" refer to omissions as well as
commissions; for example, when an organization
fails to warn employees of workplace hazards.

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wildcat strikes

John C. Shearer

Wildcat strikes are strikes that occur during the
term of a labor agreement in violation of that
agreement (*see* STRIKE). Employees who partici
pate in wildcat strikes are subject to discharge or
discipline by the employer with the union able to
do little or nothing in their defense. In the US,
the existence of grievance procedures (*see*
GRIEVANCE PROCEDURE) culminating in
binding ARBITRATION makes wildcat strikes
difficult to justify. Arbitration rulings have de
veloped a general rule that employees should
generally "obey now and grieve later."

women's career issues

Lisa Mainiero

Women's career issues are defined as those
issues that affect the progress of women in or
ganizations, such as barriers to entry, sex segre
gation of occupational CAREER PATHING, the
CAREER STAGES experienced by women, how
women cope with WORK–FAMILY CONFLICT,
and the factors affecting women's ability to break
through the upper executive level. This discus
sion will focus on the organizational issues that
affect the promotion of women as a group.

INITIAL STAFFING AND PROMOTION
DECISIONS

Women often are hired into staff rather than line
positions and subsequently find it hard to move

into a line or field capacity. When women are
stuck in career paths that preclude line experi
ences, their prospects for career advancement
are limited. Researchers Karen Lyness and
Donna Thompson, in a comparative study of
69 men and women executives, found that
women reported greater barriers to advance
ment, such as lack of culture fit and exclusion
from informal networks, as well as the need to
develop relationships to facilitate advancement
(Lyness and Thompson, 2000). According to a
Catalyst, Inc. survey, female executives cite obs
tacles to advancement such as: lack of general
management or line experience (79% agree
ment), stereotypes about women's roles and abil
ities (72% agreement), and failure of top leaders
to assume accountability for women's advance
ment (68% agreement). Additionally, 67%
agreed that "commitment to personal or family
responsibilities" was the most important chal
lenge for women advancing to the upper levels
(see Wellington, Kropf, and Gerkovich, 2003).
Current Bureau of Labor statistics further con
firm that even in 2003, fewer than 20% of
women held positions at the upper executive
level in Fortune 500 corporations, although pro
gress is being made. Although women are being
promoted, their promotions do not seem to be as
vital and may lead to early CAREER PLATEAU.

CAREER PROGRESS ISSUES

Among those women who have broken through
the GLASS CEILING to the upper executive
level, defined as the vice president level or
higher, studies of their career histories show
five factors that affect their ability to become
fast tracked in their early career:

1   getting assigned to a high visibility project;
2   demonstrating critical skills for effective JOB
    PERFORMANCE;
3   attracting top level support;
4   displaying entrepreneurial initiative; and
5   accurately identifying what the company
    values (Mainiero, 1994).

In summary, substantial groups of women have
not sufficiently progressed to the upper levels to
permit tracking of their career progress in a
coherent manner. Most women who have made
it to the upper levels, or even middle levels, have

experienced a variety of career issues along the way, such as difficulties in obtaining mentors, coping with corporate politics, and work–family conflicts that may impede their career progress. Of particular concern is the number of women "opting out" of the workforce to care for family at crucial times in their career development.

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work constraints

Peter Villanova

Work constraints refer to a variety of situational factors that interfere with the translation of task relevant INDIVIDUAL DIFFERENCES into cor responding differences in JOB PERFORMANCE. Although situational factors had long been re cognized as potentially important determinants of performance, research and understanding of work constraints was hampered by the absence of a formal conceptual framework to organize work in the area. Systematic efforts to study work constraints in their own right appeared only in the early 1980s (see Peters and O'Con nor, 1980). Peters and O'Connor conceptualized situational constraints as factors beyond the con trol of the individual that are part of the imme diate work environment, and that prevent people from fully utilizing their capabilities.

Peters and O'Connor (1980) used the CRIT ICAL INCIDENTS TECHNIQUE to develop a fairly generalizable taxonomy of work con straints, and they provided a conceptual frame work with testable propositions about the constraint construct. There are three hypotheses central to the Peters and O'Connor situational constraint framework. First, situational con straints were hypothesized to have direct nega tive effects on job performance and work attitudes (e.g., JOB SATISFACTION). Second, situational constraints were predicted to moder ate the relationship between task relevant indi vidual differences and performance – individual differences would be expected to product a stronger relationship with performance in low constraint as opposed to high constraint conditions. Finally, the observed variability in performance was expected to be greater in low constraint as opposed to high constraint condi tions. In effect, constraints were hypothesized to impose an artificial ceiling on potential per formance and thereby impede the translation of task relevant attributes into corresponding performance differences.

RESEARCH ON WORK CONSTRAINTS

Empirical support for these three predictions is mixed and largely inconclusive. One explanation for these mixed results, as Peters, O'Connor, and Eulberg (1985) noted, may be that few work settings have very severe work constraints. They characterized these low levels of con straints as resembling "nuisances" rather than obstacles. More significantly, they offered a set of boundary conditions to explain when con straints would be expected to influence perform ance, including: (1) the assignment of persons to tasks that demand the use of their abilities; (2) the maintenance of sufficiently demanding perform ance standards; (3) raters who do not somehow compensate for the presence of constraints in their ratings; and (4) that resources vary in their availability across individuals. Each of these is considered a necessary but not sufficient condition to sustain the hypothesized con straint–performance relationship. Information about these boundary conditions seems neces sary to formulate confident conclusions.

PROBLEMS AND PROSPECTS

The consistent finding of small and seemingly negligible effects of constraints on performance (e.g., Olson and Borman, 1989) has stimulated interest in alternative conceptualizations of con straints and models of the constraint–performance

relationship (Villanova and Roman, 1993). As one example, Schoorman and Schneider (1988) applied an open systems perspective to the study of constraints in group work settings. The popularity of TOTAL QUALITY MANAGE MENT (and the emphasis it places on work system factors) and the potential practical sig nificance promised from better understanding of constraints are likely to result in additional efforts to investigate this long overlooked per formance determinant.

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work family conflict

Stephen Poelmans

Work–family conflict is the term traditionally used to refer to a specific type of interrole conflict, between expectations and demands as sociated with the role of worker (employee, supervisor, self employed) and the role of family member (parent, spouse, child). In order to include broader nonwork responsibil ities and nontraditional families, the term work–life conflict has been proposed as a more inclusive term.

According to the dominant theory in the field, role theory (Kahn et al., 1964), conflicting ex pectations associated with different roles have detrimental effects for wellbeing. The reasoning is that both work and family claim time and energy. Work is an important source of income, financial security, and status. The family func tions as a nucleus, where two partners find intimacy, support, and raise children. To make a choice between work and family is very diffi cult. Work and family are not independent (Kanter, 1977). As a consequence, conflicts may arise.

Another influential theory is spillover theory (Piotrkowski, 1979; Staines, 1980; Zedeck and Mosier, 1990). This theory assumes that time, tasks, attitudes, emotions, strain, and behavior spill over from one domain to the other (Green haus and Beutell, 1985). Contrary to role theory, spillover theory claims that work and family do not necessary have to conflict. They can influ ence each other in positive or negative ways. A distinction was made between the work to family conflict (work influencing family) and the family to work conflict (family influencing work) (Greenhaus and Beutell, 1985; Green haus, 1988; Gutek, Searle, and Klepa, 1991; Frone, Russell, and Cooper, 1992) and between three types of work–family conflict:

1 strain based work–family conflict, or the spillover of stress (e.g., being irritable, ex hausted after work);
2 time based work–family conflict, or the competition for scarce time (e.g., working extra hours, working at home, arriving late at work);
3 behavior based work–family conflict, or the fact that behavior that is appropriate in one domain may not be appropriate in another domain (e.g., a police officer controlling and disciplining his children).

A general, integrative framework of the work–family interface was offered by Frone, Yardley, and Markel (1997). It integrates social support, time commitment, and overload, both at work and in the family, as antecedents, work–family conflict and family–work conflict as core vari ables, and distress, dissatisfaction, and perform ance as outcomes. This model gives a good overview of the most established antecedents and consequences of work–family conflict. Only a few studies proffer theories that challenge or integrate the basic pretences of role theory and spillover theory, such as conservation of

resources theory (Hobfoll, 1989; Grandey and Cropanzano, 1999; Rosenbaum and Cohen, 1999), self discrepancy theory (Higgins et al., 1986; Polasky and Holahan, 1998), social iden tity theory (Tajfel and Turner, 1985; Lobel, 1992), expansionist theory of gender, work, and family (Barnett and Hyde, 2001), the work/ family border theory (Clark, 2000), and the de cision process theory (Poelmans, 2004). Prob ably one of the most important challenges of the field is to test the generalizability of the concepts suggested above in different cultural settings, a stream of research that has only re cently started to develop (Poelmans, 2003).

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See also *work–nonwork role issues*

work nonwork role issues

Ellen Ernst Kossek

Work–nonwork role issues involve individuals' perceptions of role conflict between family roles and work roles (*see* WORK–FAMILY CON FLICT). Theories linking work and family roles have tended to focus on the extent to which they are experienced as structurally differentiated, and whether connections are positive, negative, or nonrelated (Greenhaus, 1989). One dominant

view, the segmentation perspective, suggests that work and family roles are generally independent, do not affect one another, and are distinct in that an individual can successfully function in one environment without any impact on the other (Barling, 1994). An individual's subjective reactions to objective conditions in one domain do not affect outcomes in the other.

In contrast, the spillover framework predicts that the effects of each role, both positive and negative, can carry over to the other (Zedeck and Mosier, 1990). Research on spillover can be organized along two competing perspectives. The scarcity view assumes that individuals have limited time and energy, and competing demands generally result in role overload and conflict, indicating negative spillover (Clay, 1995). The enhancement view argues that increased support, self esteem, and skill development from participating in multiple roles outweigh the costs, and positive spillover from participating in multiple roles is generally expected (Clay, 1995).

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work samples

Richard Klimoski

Work samples (or job sample tests) require an applicant to perform a selected subset of tasks derived from the job of interest (*see* JOB ANALYSIS). Procedures are standardized and scoring is usually developed with the aid of experts (Schmitt and Klimoski, 1992). Work sample

tests have been used since the first quarter of the twentieth century (Asher and Sciarrino, 1974).

The logic underlying work samples reflects the belief that *if* the behaviors and performance sampled in the assessment context are as similar as possible to the behaviors and performance required by the target job, it would require minimal inferences to judge a person's ability or capacity. Work sample tests are usually defensible on content valid bases (*see* CONTENT VALIDITY), and they look appropriate to the general public, to examinees, and to the courts (*see* FACE VALIDITY). Hence, they are an attractive option in testing (Schmitt and Klimoski, 1992).

Work samples are costly and time consuming to develop and administer. Moreover, Arnold et al. (1982), in their study dealing with the selection of workers in the steel industry, pointed out that such tests can be potentially dangerous to applicants.

In the context of PERSONNEL SELECTION, reviews have usually found evidence of respectable CRITERION RELATED VALIDITY (Hunter and Hunter, 1984; Schmidt et al., 1984). Furthermore, Schmidt et al. (1977) reported that such tests had less adverse impact (*see* DISPARATE IMPACT) than paper and pencil tests in the assessment of competence in the metalworking trades. Work sample tests have also been used successfully for identifying workers who would be suitable for training (Robertson and Downs, 1989). Finally, work sample tests have been created to serve as criterion measures for research on personnel selection systems (Borman, 1992).

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work sampling

James B. Shaw

Work sampling is a method of collecting job data in which samples of work activity are observed and recorded at predetermined time intervals. Work sample data may be collected by: (1) ob serving employees doing the job and recording their actions at given time intervals; (2) video taping employees, then observing their actions at predetermined times throughout the tape; or (3) asking employees to stop work at a specific time and to write down what they are doing. Regardless of the method used, it is essential that a sufficient number of job incumbents are included in the work sample project. This will help to insure that the resultant data reliably reflect the job under study.

The output of a work sample analysis is usu ally a list of activities performed, accompanied by the percentage of total time spent on each activity. In general, work samples can be col lected only on those aspects of a job that can be readily observed. However, if job incumbents are sufficiently trained, they may be able to accurately report on less observable, mental and communication activities. Work sampling is useful in setting time standards for the per formance of job activities (*see* TIME AND MOTION STUDY) and can also help to identify situations where employees spend an inappro priate amount of time performing activities that have little connection with efficient task per formance.

work values

Bruce M. Meglino

Values represent a social system's effort to en courage its members to behave in ways that foster the system's welfare. As such, values are enduring beliefs about how an individual *ought* to behave. The type of values and their specifi city depend on the particular social system (e.g., society, a formal organization, one's group). The subset of values that are relevant to the workplace are called work values. This definition differs from the "value" one places on objects (Locke, 1991), although one's work values are important standards for making such evaluations.

Values found to be important in the workplace include achievement, concern for others, hon esty, working hard, positive outlook, helping others, and fairness (Ravlin and Meglino, 1987), although certain organizations may en dorse more specific values (e.g., customer ser vice). Because values describe socially desirable behavior, one's choice of behavior depends on the centrality (i.e., relative importance) of his or her specific values. Values are, therefore, held in hierarchical form. Values can characterize individuals as well as social systems such as organizations (Meglino and Ravlin, 1998). An organization's system of values is said to underlie its organizational culture. Organizations impart their values on individuals through avenues that include ORGANIZATIONAL SOCIALIZATION. Value similarity among organizational mem bers is also enhanced through a process that reflects the ATTRACTION–SELECTION–ATTRITION model.

Work values are also assessed as part of PER SONNEL SELECTION and PROMOTION pro cesses. Work values affect one's perception and interpretation of environmental stimuli and en courage individuals to behave in accordance with their more dominant values (Ravlin and Meglino, 1987). Values also affect relationships through the process of value congruence. The more an individual's value system is similar or congruent with that of another person or work system, the more his or her interactions with that person and within that work system are likely to be positive (Meglino, Ravlin, and Adkins, 1989).

See also *work values assessment*

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tivation hub, and the motivation core. *Organizational
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work values assessment

Bruce M. Meglino

Because values are socially desirable constructs
(*see* WORK VALUES), assessment needs to con
trol for RATING ERRORS resulting from indi
viduals' desires to present themselves in a
favorable light (socially desirable response).
This has led to the use of "ipsative" rating
scales. Such scales require each person to iden
tify the relative importance (to him or her) of
those values listed on the measure. In this sense,
ipsative measures require persons to identify
more central versus more peripheral values,
and this helps to capture the hierarchical rank
ordering of values (Ravlin and Meglino, 1987).
Indices of the *similarity* of these rank orderings
(value congruence) have been used to assess how
well an individual's values *fit* with important
organizational values or with the values held by
other persons (Meglino and Ravlin, 1998). The
centrality of a particular value in an individual's
hierarchy has also been used to predict specific
behaviors.

   Frequently used ipsative measures of work
values include the Organizational Culture Pro
file (OCP; O'Reilly, Chatman, and Caldwell,
1991) and the Comparative Emphasis Scale
(CES; Ravlin and Meglino, 1987). The OCP
requires respondents to sort 54 value statements
into nine categories based on their desirability.

When used to assess individuals' fit with an
organization, findings indicate that the OCP
predicts JOB SATISFACTION, organizational
commitment, and EMPLOYEE TURNOVER.
The CES uses a forced choice format that re
quires respondents to choose between 24 pairs of
equally desirable statements representing four
different values. When used to assess individ
uals' fit with their supervisor, the CES has been
found to predict job satisfaction, organizational
commitment, and attendance (Meglino, Ravlin,
and Adkins, 1989). Also, the dominance of spe
cific CES values (e.g., concern for others) has
been found to predict value related behaviors
(e.g., helping coworkers with personal problems;
McNeely and Meglino, 1994).

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Worker Adjustment and Retraining Notification Act of 1988

Vida Scarpello

The extensive economic restructuring of indus
tries during the late 1970s and massive worker
terminations due to permanent plant closings
and workforce reduction motivated unions to
lobby for the passage of the Worker Adjustment
and Retraining Notification Act (WARN).

Nevertheless, at the time of its passage, the law affected only 2 percent of the businesses in the US and only those businesses that employ 100 or more employees. Moreover, a business is exempt from the law if the need to shut down suddenly has not been foreseen (Congressional Record – Senate, June 22, 1988: 15514).

During Senate debates on the bill, Senator Hatch and other Republicans saw dire conse quences for employer welfare and US trade if the law should pass. Senator Dole, on the other hand, noted that most unions have already taken care of this problem through COLLECTIVE BARGAINING, and, therefore, the issue was simply politics, as the plant closing legislation was linked to the trade bill, which Congress was ready to pass. To Dole's charge, Senator Ken nedy countered with: "if companies had begun giving notice after Congress urged them to do so in the Trade Act of 1974, we would not be here today" (Congressional Record – Senate: 11516). Kennedy also stated that advance notice: (1) is necessary to insure successful worker adjust ment; (2) saves the government money (i.e., according to studies by the Office of Technology Assessment and the Economic Policy Institute, savings are estimated to be between $257 and $400 million each year); (3) makes money appro priated for adjustment efforts go further, resulting in more effective reemployment; and (4) assures fairness for American workers. In strong support of Senator Kennedy, Republican Senator Quayle stated (Congressional Record – Senate: 15519): "As a matter of fact, any CEO in this country that does not give notice and could have – and there are exceptions in this bill – ought to be fired. . . . That is the only common, decent thing that an employer can do." Amid these debates was the urgency to move toward the passage of legislation perceived by many senators to be more significant for the country – the trade bill. Besides, worker notification did not seem to affect trade negatively in countries with such laws: Canada, Germany, France, the UK, Sweden, Japan, and Taiwan (Congressional Record – House, July 13: 17849).

WARN mandates that employers give a 60 day written notice, to specified parties, of their intent to permanently or temporarily shut down single or multiple facilities within a single site of employment, or to permanently reduce the size of the workforce; WARN applies in situations where the shutdown results in employment loss for at least 50 full time employees or a mass layoff of at least six months' duration that affects at least 500 employees (or at least 50 employees, if they comprise one third of the full time work force). Employers are subject to this Act if they employ 100 or more employees, who in the ag gregate work 4,000 or more hours per week (excluding overtime).

Section 2(a)(6) of the Act defines *employment loss* as involuntary loss of employment through no fault of the employee. *Layoff* is defined as that exceeding six months, or as more than 50 percent reduction of hours of work during any six month period. In the case of a sale of part or all of the business, the seller becomes responsible for providing notice of plant closing or mass layoff. Finally, the Act does not consider em ployees to have suffered an employment loss if the employer offers a transfer within a reason able commuting distance with no more than a six month break in employment or if the em ployer offers a transfer to any site, regardless of distance, if the employee accepts the offer within 30 days of the offer, the closing, or the layoff, whichever is later.

The closing or mass layoff notifications must be given to: (1) each union representing the affected employees or each employee, if not rep resented by a union; (2) the dislocated worker unit of the state in which the facility exists; and (3) the chief elected official of the unit of local government within which the closing or layoff is to occur, or, in the case of multiple unit closings, the unit of local government to which the em ployer paid the highest taxes for the preceding year.

Exempted from this law are employees hired for a limited employment period, or if the closing or layoff constitutes a STRIKE or LOCK OUT not intended to evade the requirements of this Act.

The WARN Act is enforced through the court system. The Act, however, imposes the civil penalties that may be charged against the employer. For failure to notify employees or their representatives, the penalty is backpay for each employee for each day of the violation, up to 60 days. For failure to notify a unit of local government, the penalty is not more than $500

per day. The court, however, is instructed to eliminate the latter penalty if the employer pays the employee liability amounts within three weeks from the date of the order to shut down or lay off. The law does not assess a pen alty for failure to notify the state's dislocated worker unit.

workers' compensation benefits

John F. Burton, Jr. and James R. Chelius

Workers' compensation programs provide bene fits to workers who experience work related in juries or diseases. The benefits can include medical care, rehabilitation services, and cash benefits. In some cases, the cash benefits include compensation for a portion of noneconomic losses resulting from permanent consequences of the injuries. The primary purpose of the cash benefits is to replace a portion of lost earn ings. The payments are for temporary or per manent disability and for total or partial disability, plus survivors' benefits in the case of death. In the US, benefits are established by each of the states and are tax free. US cash benefits typically are two thirds of the worker's pre injury wages up to a weekly benefit amount, which in 2003 ranged from $331 in Mississippi to $1,103 in Iowa.

See also *workers' compensation law*

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workers' compensation law

John F. Burton, Jr. and James R. Chelius

Workers' compensation programs, which exist in virtually every country, provide medical care, rehabilitation services, and cash benefits to workers who experience work related injuries and diseases. They are the oldest and most wide spread legally mandated social insurance pro gram. In addition to providing security for injured workers, many workers' compensation programs are designed to improve workplace safety and health through financial incentives that encourage employers to invest in preven tion. Benefits typically include payment of full medical care, a portion of lost earnings, and, in some instances, a portion of noneconomic losses resulting from the permanent consequences of the injury (*see* WORKERS' COMPENSATION BENEFITS).

Workers' compensation is the original no fault system, in that it provides benefits to in jured workers without regard to who was responsible for causing the injury. The com promise embodied in workers' compensation is that injured workers are provided benefits with out the need to demonstrate employer negli gence, while the employer's liability is limited to the benefits established by the workers' com pensation statute. This exclusive remedy rule is found in some countries, such as the US, while in other countries, such as the UK, injured workers may be able to recover additional amounts through a lawsuit if employer negli gence can be demonstrated.

National laws establish workers' compensa tion programs, except in the US, Canada, and Australia, where the states or provinces control the programs. Workers' compensation in some countries is a separate program that provides cash and medical benefits, as in the US; in some countries, workers' compensation provides the cash benefits and the medical benefits are provided through the general healthcare system, as in the UK and Canada; and in some countries, the benefits for work related injuries and dis eases are provided through the general program for disabled persons, as in the Netherlands. The benefit obligation is guaranteed through a public fund, private insurance, or self insurance, depending on the jurisdiction. The system is typically funded by employer contributions, which are either the same percentage for all employers, the same for all employers in an industry, or are related to individual employer experience. Although employers nominally fund

workers' compensation, evidence indicates that employees usually "pay" for much of this insurance coverage in the form of wages that are lower than they would be without the pro gram.

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workforce demographics

R. Roosevelt Thomas, Jr. and Catherine A. Ouellette

Demographics are statistical descriptions of populations. Workforce demographics describe a particular collection of attributes deemed to impact workplace functioning. For example, the landmark Hudson Institute report, *Work force 2000: Work and Workers for the 21st Century* (Johnston and Packer, 1987), discusses trends of four demographic characteristics: age, gender, nationality/immigrant status, and race. Ad ditionally, the term workforce demographics is used in conjunction with DIVERSITY, which refers to various attributes used to identify people as similar or different. Some of the more common attributes on which similarity is judged include PHYSICAL ABILITIES, SEXUAL ORIENTATION, and RELIGION.

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workforce flexibility

John D. Keiser and Gerald R. Ferris

Workforce flexibility refers to an organization's ability to adapt its human resources in a manner appropriate to increasingly changing environ mental conditions. To be flexible, an organiza tion has the ability to adapt its workforce to new organizational structures, and workers have the background and ability to learn new skills and adapt to new functions (Dalton, 1998). This means two things; first, that firms can quickly and effectively meet human resource staffing needs with qualified and capable workers; and second, that workers have multiple skills, both technical and interpersonal, with the ability to learn more as new demands require. Moreover, workforce flexibility requires that employees have the ability to adapt with relatively little management supervision, instead relying on self managing mechanisms (*see* EMPLOYEE EMPOWERMENT; SELF MANAGING TEAMS). Closely related to workforce flexibility are the concepts BUSINESS PROCESS REENGINEER ING, CROSS TRAINING, contingent workers (*see* CONTINGENT EMPLOYMENT), and or ganizational cultures. In defining workforce flexibility we first examine the transformation of organizational contexts which creates the need for workforce flexibility, and then we review some of the human resource systems that need to be put in place or modified in order to support a flexible workforce.

TRANSFORMATION OF ORGANIZATIONAL CONTEXTS

Realizing that traditional organizational struc tures may not be efficient for global market competition, many organizations have taken on considerable changes in size, structure, and designs of organizations and work systems.

Downsizing.   A common strategy of American businesses since the 1980s has been reducing the size of an organization's workforce, more commonly known as DOWNSIZING. Two pre dominant reasons explain this: (1) to lower over head costs by eliminating unnecessary positions; and (2) to increase the organization's ability to react quickly to environmental conditions. Com bined, lower overhead and quicker responsive ness allow the organization better competitive positioning. Yet the actual task of reducing workforces proved to be a daunting challenge, as evidenced by the disappointing results found by many firms pursuing this strategy (Cascio, 1993). Too often the results of downsizing ini tiatives didn't lead to smaller organizations doing things more efficiently, but instead the downsized organizations were merely the same organizations doing things the same way, only with fewer workers ill equipped to handle the transition.

Restructuring, redesigning, and reengineering.   Or ganizational change can include restructuring communication channels of the organization, re designing the hierarchical chains of command, or changing the technologies so that work itself is performed differently. Definitions of what con stitutes organizational restructuring are plentiful and varied, but a helpful approach for under standing it is to ask the question, "If we were to build the organization from the ground up, how would we do it?" It requires abandoning the status quo altogether to design a way of doing things that would not be hindered by existing practices, individuals, or other sacred cows. Characteristics of redesigned companies emphas ize greater HORIZONTAL MANAGEMENT with fewer organizational levels, more direct inter action between organizational members (thereby deemphasizing formal chains of command), and more boundary personnel (i.e., greater direct contact with parties outside of the organization, specifically customers and suppliers). In turn, this increased interaction will mean the organiza tion will have a better sense of what customers want and an improved awareness of environmen tal conditions. Reengineering jobs go hand in hand with technological change. As improved technology changes how work is performed, so too does it change how work is organized. Dif ferent technologies allow for changes in the work sequence and who performs the work (Frenkel, 2003).

CREATION OF A FLEXIBLE WORKFORCE

For organizational change to occur successfully, the workforce must change accordingly to adapt to new structures and technologies that accom pany reengineering. Leaner workforces will have greater responsibility for PRODUCTIVITY, quality, and customer service. Furthermore, the organizational context changes will also bring about a need for employees to be multi skilled, to be more internally controlled and self managed, and for work to be more team or group based rather than individual based. When managed effectively, these changes can contribute to even greater levels of performance and more favorable employee reactions (McCune, 1994; Pfeffer, 1998).

ORGANIZATIONAL CULTURE

Changing organizational structures and the roles of its members has a profound effect on the organization's culture. Organizational cultures are meant to provide an anchor for molding members' opinions and actions. In a rapidly changing environment, the organization is faced with a paradoxical dilemma of trying to achieve high levels of flexibility while simultan eously maintaining a stable culture. To recon cile, firms must embrace cultures that value change and innovation, and discourage compla cency.

HUMAN RESOURCE SYSTEMS TO SUPPORT WORKFORCE FLEXIBILITY

The success or failure of organizational context changes depends immeasurably on the efforts of a firm's workforce. As Pfeffer (1998) argues, in a rapidly changing business environment, it makes sense to invest in an organization's human cap ital since technical obsolescence occurs sooner and more frequently. The HUMAN RESOURCE FUNCTION must be "ahead of the curve" so that it can assist the rest of the organization through its transition. In the following sections, we iden tify several human resource functions, and dis cuss how current trends of organizational change are likely to affect the services offered by these functions.

Human resource planning. In their quests to become leaner and quicker to react, organiza tions have found it necessary to focus their efforts on fewer core employees. When staffing requirements go beyond the flexibility potential of core employees, companies can outsource contingent workers, or workers who do not have expectations of permanent, full time em ployment. TEMPORARY WORKERS, part time workers (*see* PART TIME EMPLOYMENT), and INDEPENDENT CONTRACTORS make up the contingent workforce who offer their services without the added obligations of BENEFITS, and the flexibility of ending their employment once their services are no longer needed (Larson, 1996).

Although economically desirable, contingent workers create a challenge to an organization since they may not intrinsically embrace the organization's culture, or they may not share the same level of commitment. For this reason, it is imperative that organizations match their core responsibilities with core employees, and only outsource secondary obligations (*see* STRA TEGIC OUTSOURCING).

Performance evaluation and promotion. Perhaps the most dramatic change to careers in the changing environment is that vertical mobility will no longer be the standard reward for job success. Flatter organizations have fewer oppor tunities for advancement, and downsizing initi atives have eliminated layers of middle management. However, this does not suggest a diminished need for PERFORMANCE AP PRAISAL. Instead, the dizzying pace of change makes it necessary that all workers be at their required skill levels, which places greater im portance on evaluations. To complicate matters, the increasing use of teams changes how work is evaluated, since distinguishing between indi vidual and group contributions becomes unclear. As a result, flexible organizations must imple ment performance appraisal procedures that identify job related skills and individuals' com petence levels in them. SUPERVISORY RATINGS will be less common for two reasons: (1) managerial spans of control are broader in horizontal organizations, making individual managers less able to observe the behaviors of their workers; and (2) as mentioned earlier, jobs organized within team structures make identify ing individual contributions difficult for out siders. To compensate, performance appraisals will rely increasingly on PEER RATINGS, in which workers appraise their coworkers or team members. Additionally, the greater focus on customer service provides an opportunity for customers to rate workers (*see* 360 DEGREE AP PRAISALS). Not only will this provide more accurate information regarding service, but it will also alleviate the burden put upon managers.

Promotions, although more rare, will still occur and it is important to note that firms must be cautious in their selections for advance ment (*see* PROMOTION). In fact, some might argue that organizations would profit from moving away from a "fast track" system (with respect to mobility) toward a slower evaluation and promotion system, with longer time spent in positions before eligibility for promotion is achieved. This slower movement accomplishes at least two objectives of the organization. First, with people spending a longer time period in a job, organizations can gain a more accurate and informed assessment of their performance. Second, because skill acquisition and develop ment are objectives of moving people through different jobs, it makes sense that longer time in grade will contribute to better skill acquisition, development, and learning than is often the case in fast track systems (Ferris and King, 1991).

Compensation. We have already established that if an organization expects to successfully turn into a flexible organization, it must rely on its human resources to carry out the transition. For this reason, there should be a premium on the caliber of employees, and their COMPEN SATION should reflect this. In matters of compensation, conventional wisdom is correct when it suggests, "you get what you pay for." So companies should be willing to pay at least the market value to recruit and maintain a quali fied workforce. Not only do premium wages send a positive signal of worth to the employees, from a more pragmatic perspective, they dis courage other companies from recruiting that firm's workers.

As alluded to above, the nature of work in a flexible organization is vastly different from that in traditional workplaces. As a result, typical

organizational pay schemes such as salaries or hourly wages may be inappropriate for flexible organizations. To reward a flexible workforce, SKILL BASED PAY DESIGN systems may be a preferred option, since they reflect what is im portant to the reorganizing efforts.

Much of the focus on flexible organizations pertains to teamwork and group processes. If reorganized companies pursue this structure, their compensation administration should re flect it as well. Team based pay motivates the team to excel (*see* TEAM BASED INCENTIVES) and, when properly administered, is fair to each of the members. Moreover, proper team based compensation plans should minimize individual interests over those of the group and discourage detrimental individual behaviors such as grand standing or free riding.

Lastly, organizations seek flexibility for the simple reason of being more competitive and more profitable. As a result, tying organizational performance to the salary structure is a logical means to instill the purpose of the reorganization (*see* PAY FOR PERFORMANCE).

Training and development. Of the responsibilities added to the human resource function, perhaps none is more prevalent than the specialty of training and development (*see* TRAINING). Re structuring and reengineering demand sophisti cated new skills to accommodate new technologies. And because flexible workforces require higher overall skill levels of their workers, training becomes especially vital. Real istically, the human resource function will not be able to keep up with the multitude of techno logical advancements to provide training from within the human resource function. Instead, organizations will rely on vendors or third party trainers to provide this service. However, it is necessary that the human resource function be actively involved with these transactions to identify training needs and monitor training ef fectiveness (*see* TRAINING EVALUATION).

Increasing employees' technical abilities is only one area of training necessary for a firm to become more flexible. An additional component of training includes the relationship skills neces sary to contribute, since employee participation is a fundamental premise of flexible organiza tions (Ashmos et al., 2002). Skills in the areas of team building, leadership, and networking have been shown to improve the effectiveness of managers in flexible organizations (Kathuria and Partovi, 1999). Furthermore, social and pol itical skill increasingly have become regarded as absolutely critical for managerial success (e.g., Luthans, Hodgetts, and Rosenkrantz, 1988; Fer ris et al., 2004).

Beyond the basic skill requirements of new technologies and interpersonal skills, flexible workforces require additional capabilities that are less obvious. While individuals can readily learn how to perform their jobs, they will simul taneously have to learn how to continuously improve their jobs. This is the type of "second level thinking" that will become an integral com ponent of organizational training programs.

IMPLICATIONS AND CONCLUSION

Flexible organizations have yet to replace trad itional structures in the commercial environ ment, but increasingly we are seeing more firms adopt the characteristics of those pre sented here. Unfortunately, while attempting to make an organization more flexible is gener ally desirable, the actual implementation is proving very difficult, as evidenced by disap pointing results (Cascio, 1993). For this reason, we see the human resource function as a vital linchpin between the strategy formulation and the implementation. This will require the human resource function to change in concert with the rest of the organization (Whetten, Kei ser, and Urban, 1995), and in the spirit of flex ible workforces, it will have to continue adapting to accommodate the changing nature of organ izations and business (*see* HUMAN RESOURCE STRATEGY).

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workplace security

Ricky W. Griffin

Workplace security is a programmatic effort by an organization to protect itself, its property (both tangible and intangible), and its members from various unlawful threats such as theft, fraud, sabotage, industrial espionage, terrorism, and WORKPLACE VIOLENCE. Theft (or stealing) is the unauthorized use and/or consumption of organizational resources by employees and/or nonemployees. Fraud refers to deceptions deliberately undertaken to secure unfair or illegal gain. Industrial espionage is unethical and/or illegal efforts to learn about another organization's confidential or proprietary plans, procedures, and practices. Terrorism is the unlawful use of force or violence to intimidate or to coerce the organization to respond or react in a certain way. Finally, workplace violence involves significant negative effects on persons or property that occur as a result of aggressive behavior.

Most workplace security programs focus on risk prevention, detection, and intervention. Risk prevention involves the initial planning, design, and implementation of various security systems. Some security systems are highly visible and represent tangible, hardware based mechanisms. For example, some organizations require visitors to pass through metal detection devices before entering the offices of certain top managers. Traditional burglar alarm systems and video monitoring systems would also fit into this category.

Other systems are more administrative in nature. For example, most larger businesses require that all visitors sign in at a reception desk and secure an identification badge before entering other parts of the organization. Finally, other systems are more indirect in nature. For example, many work settings require that employees enter and leave the organization through one or a few doors. Among other things, this makes it more difficult for employees to steal resources.

Detection refers to mechanisms put in place to alert the organization to a security breach of some form or another. A wide array of detection mechanisms is used. In the case of a hardware based system, for example, detection results in the activation of an alarm. Administrative control systems provide various channels for detection. For example, if all visitors are required to wear name badges, an individual seen on company premises without such a badge represents a security breach. Observation and other control devices are used to detect security problems in various other contexts.

Intervention refers to what steps, if any, the organization takes if a security problem is detected. In general, the intervention will be closely integrated with the nature and severity of the problem itself. A burglar alarm being set off in the middle of the night, for example, will likely prompt a police investigation. Alternatively, someone on company premises without a name badge might be handled simply by directing the individual back to the reception desk to secure a badge.

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workplace violence

Ricky W. Griffin

Workplace violence involves significant negative effects on persons or property as a result of organization motivated aggression. Workplace violence can stem from a variety of sources. In many cases, workplace violence results from the efforts of external individuals or groups at tempting to steal organizational resources. The commission of violence in conjunction with an armed robbery attempt would be a common example. Workplace violence is also frequently perpetrated by current or former employees. A former employee who feels unjustly terminated and who returns to the workplace to exact re venge would be an example. Occasionally, work place violence is committed by an individual who is a personal acquaintance of an organiza tional member but who himself or herself is not a member of the organization. For example, an estranged spouse might come to the workplace of his or her spouse with the possible con sequence of violence. Finally, there are relatively infrequent situations in which the occurrence of workplace violence is a random event. For example, a deranged individual might enter an organization at random and enact violent behavior.

Workplace violence may be targeted in a number of different ways. In some situations, perpetrators wish to do harm to the organization itself, in an abstract manner, and the victims of that harm either are symbols of the organization (e.g., the chief executive officer) or simply happen to have been in the wrong place at the wrong time. In other situations, the target may be a specific individual. For example, an indi vidual who was fired may attempt to do harm to the supervisor or human resource manager per ceived by the aggressor to be the cause of the termination.

Workplace violence is triggered by a number of factors. In most cases, the individual who commits violence has been in a dysfunctional work setting for some time. He or she may have been passed over for promotion, may be experiencing personal difficulties, or may be overly anxious and/or under excessive stress. Specific triggers might be a termination notice, a work related setback, a disagreement with someone else, or a similar event.

Workplace violence takes a number of forms. The most tragic and public form of violence is murder in the workplace. Assaults, fights, and other physical attacks are also clear examples of workplace violence. In addition, violence can take the form of verbal threats, invasion of per sonal space, SEXUAL HARASSMENT, rape, and other forms of sexual assault, and any other stimulus that results in a threatening work environment.

Organizations that seek to control or minimize the potential for workplace violence have relat ively few alternatives. One step they can take is to conduct thorough background checks of new employees. Another step is to closely monitor the processes used to terminate employees and/ or provide other forms of negative feedback. Developing and maintaining an adequate work place security system is another method that can be used to decrease the incidence of violence (*see* WORKPLACE SECURITY). Finally, organiza tions can also develop, communicate, and en force policies and procedures consistent with the prevention of workplace violence. For example, an organization can maintain a policy that striking someone else in the workplace is grounds for immediate dismissal, and can then strictly enforce this policy.

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WorldatWork

Robert M. McCaffery

WorldatWork (formerly the American Compen sation Association) is a not for profit association of some 26,000 members (2003) engaged in the design, implementation, and management of employee reward programs. The association was founded in 1955 and is headquartered in Scottsdale, Arizona.

WorldatWork sponsors a comprehensive edu cational and professional development program; administers certification programs for com pensation professionals (CCP) and benefits professionals (CBP); and publishes *Worldat Work Journal* (quarterly), *WorldatWork News* (monthly), Building Block Booklets, and various other booklets and software; funds research pro jects; and provides informational services.

Descriptive information is available on re quest from: WorldatWork, 14040 N. Northsight Blvd., Scottsdale, AZ 85260. Telephone 480 951 9191. Fax 480 483 8352.

Y

yield ratio

James A. Breaugh

A yield ratio reflects the percentage of job candidates at the beginning of a step in the recruitment/selection process who move on to the next step in that process (Breaugh, 1992). Consider the following example. A company receives 20 applications for a job opening. After initial screening, the company invites eight individuals for interviews. The yield ratio for this stage of the recruitment process is 40 percent. However, not everyone who receives an interview invitation might accept it (Hawk, 1967). If, for example, only six of the eight people accepted their invitation to interview, the yield ratio for this stage of the recruitment process is 75 percent.

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Note: Headwords are in bold type