

GLOBAL
EDITION



Fundamentals of Human Resource Management

FIFTH EDITION

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Engage, Assess, Apply and Develop Employability Skills with MyLab Management

80%



of students said it helped them earn higher grades on homework, exams, or the course

*Source: 2016 Student Survey, n 490

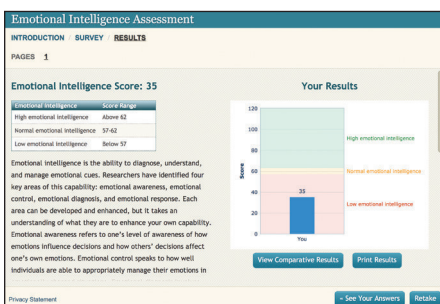
MyLab™ Management is an online homework, tutorial, and assessment program constructed to work with this text to engage students and improve results. It was designed to help students develop and assess the skills and applicable knowledge that they will need to succeed in their courses and their future careers.

See what more than 25,000 students had to say about MyLab Management:

"[MyLab Management] is great. I can access all of the information needed for the course under the home screen. It's easy to navigate and includes helpful videos and tips to help me better understand the course."

— Sheena Dunio,

Student at Southern New Hampshire University



Personal Inventory Assessments is a collection of online exercises designed to promote **self-reflection** and engagement in students, enhancing their ability to connect with management concepts. These assessments help develop professionalism and awareness of oneself and others, giving students the skills necessary for their future career.

Figure 6.3
Sample Selection Test

Source: Based on a sample selection test from *The New York Times*.

CHECK YES OR NO	YES	NO
1. You like a lot of excitement in your life.		
2. An employee who takes it easy at work is cheating on the employer.		
3. You are a cautious person.		
4. In the past three years you have found yourself in a shouting match at school or work.		
5. You like to drive fast just for fun.		

Analysis: According to John Kamp, an industrial psychologist, applicants who answered no, yes, yes, no, no to questions 1, 2, 3, 4, and 5 are statistically likely to be absent less often, to have fewer on-the-job injuries, and, if the job involves driving, to have fewer on-the-job driving accidents. Actual scores on the test are based on answers to 130 questions.

Outback Steakhouse has used preemployment testing since just after the company started.

Source: Ken Wolter/Shutterstock.



Tests of Motor and Physical Abilities

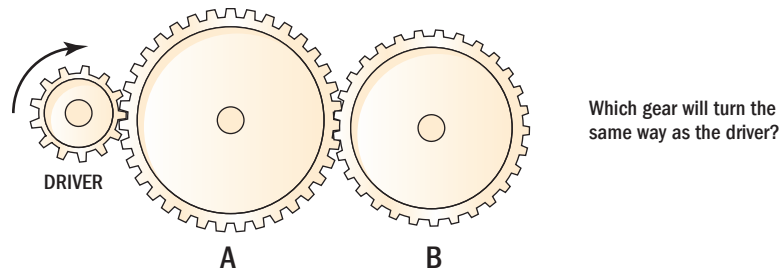
There are many motor or physical abilities you might want to measure, such as finger dexterity, strength, and manual dexterity. The Stromberg Dexterity Test is an example. It measures the speed and accuracy of simple judgment as well as the speed of finger, hand, and arm movements.

Measuring Personality

A person’s mental and physical abilities alone seldom explain his or her job performance. Other factors, such as motivation and interpersonal skills, are important, too. As one consultant put it, most people are hired based on qualifications, but most are fired for nonperformance. And *nonperformance* (or *performance*) “is usually the result of personal characteristics, such as attitude, motivation,

Figure 6.4

Type of Question Applicant
Might Expect on a Test of
Mechanical Comprehension



and especially, temperament.”²² Employers use personality and interests tests (or “inventories”) to measure and predict such intangibles. Thus Acxiom Corporation uses the Birkman Method (www.birkman.com/) personality assessment to help new employees better understand which tasks they perform best.²³

Personality tests measure basic aspects of an applicant’s personality, such as introversion, stability, and motivation. A sample personality inventory item is the following:

It does not make sense to work hard on something if no one will notice.

- a. Definitely true
- b. Somewhat true
- c. Neither true nor false
- d. Somewhat false
- e. Definitely false²⁴

Of course, personality testing isn’t limited to employment settings. Online dating services such as eHarmony.com reject those its software judges are unmatchable.

Many personality tests are *projective*, meaning the person taking the test must interpret an ambiguous stimulus such as an inkblot or a clouded picture. The person supposedly projects into the picture his or her own emotions. Thus, a security-oriented person might describe the exhibit on page 181 as “a giant bug coming to get me.” Some personality tests are *self-reported*: applicants (rather than psychologists) fill them out. For example, the Minnesota Multiphasic Personality Inventory (MMPI) taps traits like hypochondria and paranoia. Available online, the Myers-Briggs test provides a personality type classification useful for decisions such as career selection and planning.²⁵ Its DiSC Profile learning instrument enables the user to gain insight into his or her behavioral style.²⁶

Personality tests—particularly projective ones—are difficult to evaluate and use. An expert must analyze the test taker’s interpretations and reactions and infer from them his or her personality.²⁷ The usefulness of such tests for selection then assumes that you find a relationship between a measurable personality trait (such as extroversion) and success on the job. Because they are personal in nature, employers should use such tests with caution. Rejected candidates may (legitimately) claim that the results are false, or that they violate the Americans with Disabilities Act (ADA).

Interest inventories compare one’s interests with those of people in various occupations. Thus, when a person takes the Strong Interest Inventory, he or she receives a report comparing his or her interests to those of people already in particular occupations.²⁸ The assumption, which studies support, is that poor vocational fit correlates with counterproductive work behaviors, perhaps because it frustrates the worker.²⁹

Personality Test Effectiveness Despite their potential for being difficult to evaluate and use, personality tests can help employers hire effective workers. Industrial psychologists often focus on the “big five” personality dimensions: extroversion, emotional stability, agreeableness, conscientiousness, and openness to experience.³⁰

interest inventories

Tests that compare one’s interests with those of people in various occupations.



Neuroticism represents a tendency to exhibit poor emotional adjustment and experience negative effects, such as anxiety, insecurity, and hostility. Extroversion represents a tendency to be sociable, assertive, active, and to experience positive effects, such as energy and zeal. Openness to experience is the disposition to be imaginative, nonconforming, unconventional, and autonomous. Agreeableness is the tendency to be trusting, compliant, caring, and gentle. Conscientiousness comprises two related facets: achievement and dependability.³¹

For example, in one study of professionals, police officers, managers, sales workers, and skilled/semiskilled workers, conscientiousness showed a consistent relationship with all job performance criteria for all the occupations. Extroversion predicted performance for managers and sales employees.³²

Industrial psychologists have questioned whether *self-report* personality tests (which applicants fill out themselves) predict performance at all.³³ Overall, the evidence suggests that personality measures do help predict job performance. People can and will give fake responses to personality and integrity tests, but employers can reduce test faking by warning that it may reduce the chance of being hired.³⁴ But the most important thing is to make sure that any personality tests you use actually do predict performance.³⁵

Achievement Tests

An *achievement test* is a measure of what someone has learned. Most tests in school are achievement tests. They measure knowledge in areas such as economics, marketing, or accounting. In addition to job knowledge, achievement tests can measure applicants' abilities; a typing test is one example.³⁶ The HR Practices Around the Globe feature addresses testing for assignments abroad.

■ HR Practices Around the Globe

Testing for Assignments Abroad

Living and working abroad requires some special talents. Not everyone can easily adapt to having one's family far away and to dealing with colleagues with different cultural values. Doing so requires high levels of adaptability and interpersonal skills.³⁷

Employers often use special inventories such as the Global Competencies Inventory (GCI) here. It focuses on three aspects of adaptability.

- The Perception Management Factor assesses people's tendency to be rigid in their view of cultural differences, to be judgmental about those differences, and to deal with complexity and uncertainty.
- The Relationship Management Factor assesses a person's awareness of the impact he or she is having on others.
- The Self-Management Factor assesses one's mental and emotional health.

★ Talk About It – 2

If your professor has chosen to assign this, go to www.pearson.com/mylab/management to discuss the following question. You are trying to decide if you would be a good candidate for a job abroad, but you don't want to take any formal tests. Discuss another indicator you would use to answer the question, "Would I be a good candidate for a job abroad?"

Computerized and Online Testing

Most of the tests in this chapter are available in both computerized and paper form, and studies suggest that paper and computerized version scores are equivalent.³⁸

Most selection testing is moving online. For example, Timken Company uses online assessment covering things like math skills for hourly position applicants.³⁹ Many employers, before reviewing résumés and holding interviews, have applicants first take short online tests. This leaves a smaller pool to undergo the more personal and costly aspects of the selection process.⁴⁰ Applicants can take some tests (such as www.iphonetypingtest.com) via their smartphones.⁴¹



Improving Performance Through HRIS

City Garage Computerized Testing Example Texas-based City Garage knew it had to change how it hired employees.⁴² Its old hiring process consisted of a paper-and-pencil application and one interview, followed by a hire/don't hire decision. This was unsatisfactory. For one thing, local shop managers didn't have the time, so "if they had been shorthanded too long, we would hire pretty much anybody who had experience." Furthermore, City Garage differentiates itself with an "open garage" arrangement, where customers interact directly with technicians, so finding mechanics who react positively to customers is essential.

City Garage purchased the Personality Profile Analysis (PPA) online test from Dallas-based Thomas International USA. Now, after a quick application and background check, likely candidates take the 10-minute, 24-question PPA. City Garage staff then enter the answers into the PPA Software system and receive test results in about 2 minutes. These show whether the applicant is high or low in four personality characteristics. It also produces follow-up questions about areas that might cause problems, such as patience. If candidates answer those questions satisfactorily, they're asked back for all-day interviews, after which hiring decisions are made.

★ Watch It

How does a company actually do testing? If your professor has chosen to assign this, go to www.pearson.com/mylab/management to watch the video Patagonia Employee Testing and Selection, and then answer the questions to show what you'd do in this situation.

In addition to being quicker and less expensive to administer, computerized tests have other benefits. For example, vendors such as PreVisor (www.previsor.com) offer adaptive personality tests. These adapt the next question to each test taker's answers to the previous question. This improves validity and makes it less likely candidates can share test questions (because each candidate gets what amounts to a customized test).⁴³ For essay tests, a computer program trained to read applicants' essays recently produced scores as reliable as those of a human rater.⁴⁴



talent analytics

Using new number-crunching software to dig through ("mine") existing employee data to better identify what types of people succeed or fail, and therefore whom to hire.

TRENDS SHAPING HR: *Digital and Social Media*

TALENT ANALYTICS Talent analytics uses numbers-crunching data analysis tools including statistical techniques, algorithms, data mining, and problem-solving and is revolutionizing employee selection.⁴⁵ It lets employers sift through their employee data to identify patterns and correlations that show what types of people succeed or fail.

For example, department store chain Bon-Ton Stores Inc. had high turnover among its cosmetics sales associates. Bon-Ton chose 450 current cosmetics associates who filled out anonymous surveys aimed at identifying employee traits. By using talent analytics to analyze these and other data, the company identified cosmetics associates' traits that correlated with performance and tenure. Bon-Ton had assumed that the best associates were friendly and enthusiastic about cosmetics. However, the best were actually problem solvers. They take information about what the customer wants and needs and solve the problem.⁴⁶ Talent analytics thereby helped Bon-Ton formulate better selection criteria.

Work Samples and Simulations

Work samples and simulations like the situational judgment tests and assessment centers we discuss next can be considered tests. However, they differ from most of the tests we've discussed because they measure job performance directly. Personality and interests inventories, on the other hand, try to predict job performance by measuring traits like extroversion or interests.

Situational Judgment Tests

Situational judgment tests are personnel tests “designed to assess an applicant’s judgment regarding a situation encountered in the workplace” and can be quite effective.⁴⁷ Here’s a sample test question:

You are a sales associate at Best Buy in Miami, Florida. Many of the customers check the product’s feel and price with you, and then buy it at Amazon for a lower price.

Situation 1: A customer comes to you with a printout for a Samsung Galaxy phone from Amazon.com, and proceeds to ask you detailed questions about price, battery life, and how to work the phone, while mentioning that “the price at Amazon is about 25% less than yours.” You would:

1. Tell the customer to go buy the phone at Amazon.
2. Tell the customer to wait for 20 minutes while you take care of another customer.
3. Explain the advantages of similar phones you have that may better fulfill the buyer’s requirements.
4. Ask your supervisor to try to sell the customer on buying the Galaxy from Best Buy.

■ HR and the Gig Economy

Selecting Freelance Workers

Many employers today build their staff wholly or in part around freelance workers like short-term self-employed programmers, designers, or marketers. One website design company owner says that if he needs designers for short projects he “just posts” the job online and gets multiple applications within minutes.⁴⁸

Freelancer community websites enable such employers to recruit and select the right freelance team, based on each freelancer’s reputation and work product. For example, Upwork.com (see www.upwork.com/) reports its members’ skills assessments and lists detailed project work experience, making it easier for prospective employers to decide whom to hire. Similarly, the TopCoder.com (see www.topcoder.com/) programmer community site helps employers identify top programmers based on the reputations they earned within the community.

★ Talk About It – 3

If your professor has chosen to assign this, go to www.pearson.com/mylab/management to discuss the following questions: Go to one or more sites like these. If you were a programming manager for a company, could you use the site to find and hire a new employee directly? If not, what else might you need?

management assessment center

A facility in which management candidates are asked to make decisions in hypothetical situations and are scored on their performance.

Management Assessment Centers

A **management assessment center** is a two- to three-day simulation in which 10 to 12 candidates perform realistic management tasks (like making presentations) under the observation of experts who appraise each candidate’s leadership

potential.⁴⁹ The center itself may be a plain conference room, but it is often a special room with a one-way mirror to facilitate observation. Typical simulated exercises include the following:

- **The in-basket.** Here the candidate faces an accumulation of reports, memos, notes of incoming phone calls, letters, and other materials. The candidate takes appropriate action on each of these materials.
- **The leaderless group discussion.** A leaderless group receives a discussion question and must arrive at a group decision. The raters then evaluate each group member's interpersonal skills, acceptance by the group, leadership ability, and individual influence.
- **Individual presentations.** A participant's communication skills and persuasiveness are evaluated.

Employers use assessment centers for selection, promotion, and development. Supervisor recommendations usually play a big role in choosing participants. Line managers usually act as assessors and typically arrive at their ratings through consensus.⁵⁰ In one study (of 40 police candidates), the researchers concluded: “[A] ssessment center performance shows a unique and substantial contribution to the prediction of future police work success, justifying the usage of such method.”⁵¹

Video-Based Situational Testing

Video-based tests present examinees with scenarios representative of the job, each followed by a multiple-choice question.⁵² A scenario might depict an employee handling a situation on the job. At a critical moment, the scenario ends and the video asks the candidate to choose from among several courses of action. Some employers, such as Knack, use video games to determine candidates' creativity and ability to multitask.⁵³

The Miniature Job Training and Evaluation Approach

With **Miniature Job Training and Evaluation**, the employer trains candidates to perform a sample of the job's tasks and then evaluates their performance. It assumes that a person who demonstrates that he or she can learn and perform the sample of tasks will be able to learn and perform the job itself. The accompanying HR in Practice feature presents an actual example.

miniature job training and evaluation

A selection procedure in which the employer trains candidates to perform a sample of the job's tasks, and then evaluates their performance.

HR in Practice

Selecting Employees at Honda's New Car Plant

When Honda decided to build an auto plant in Lincoln, Alabama, it had to hire thousands of new employees. Working with an Alabama industrial development training agency, Honda began running help wanted ads.

Honda and the Alabama agency first screened the applications by eliminating those who lacked the education or experience and then gave preference to applicants near the plant. About 340 applicants per six-week session received special training at a new facility about 15 miles south of the plant. It included classroom instruction, watching videos of current Honda employees in action, and actually practicing particular jobs. Some candidates who watched the videos simply dropped out when they saw the work's pace and repetitiveness.

The training sessions serve a dual purpose. First, job candidates learn the actual skills they'll need to do the Honda jobs. Second, the training sessions provide an opportunity for special assessors from the Alabama state agency to scrutinize the trainees' work and to rate them. They then invite those who graduate to apply for jobs at the plants. Honda teams, consisting of employees from HR and departmental representatives, do the final screening.⁵⁴