

Training and Developing Employees

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Strategic Objective

All organizations must manage four resources: money, equipment, information, and people. Investments in better equipment may speed up production or reduce waste. Information is power; data about products, prices, and customers are essential to every business. Investments in training and development of employees can make them more productive or more effective in their jobs, directly contributing to the bottom line. Burke and Day's (1986) meta-analysis of managerial training effects (across six training content areas, seven training methods, and four types of training outcomes) showed that managerial training is moderately effective. Collins and Holton (2004), in their evaluation of 83 studies from 1982 to 2001, including education, government, medical, and military organizations, came to a similar conclusion. Even a moderately effective training program can have a substantial effect. A training program for 65 bank supervisors was found to cost \$50,500, but the utility to the organization was over \$34,600 in the first year, \$108,600 by the third year, and more than \$148,000 by the fifth year (Mathieu & Leonard, 1987).

The purpose of training and management development programs is to improve employee capabilities and organizational capabilities. When the organization invests in improving the knowledge and skills of its employees, the investment is returned in the form of more productive and effective employees. Training and development programs may be focused on individual performance or team performance. The creation and implementation of training and management

development programs should be based on training and management development needs identified by a training needs analysis so that the time and money invested in training and management development is linked to the mission or core business of the organization (Wataid & Ospina, 1999).

To be effective, training and management development programs need to take into account that employees are adult learners (Forrest & Peterson, 2006). Knowles's (1990) theory of adult learning or "Andragogy" is based on five ideas: (a) adults need to know why they are learning something, (b) adults need to be self-directed, (c) adults bring more work-related experiences into the learning situation, (d) adults enter into a learning experience with a problem-centered approach to learning, and (e) adults are motivated to learn by both extrinsic and intrinsic motivators. Having a problem-centered approach means that workers will learn better when they can see how learning will help them perform tasks or deal with problems that they confront in their work (Aik & Tway, 2006).

At different stages of their careers, employees need different kinds of training and different kinds of development experiences. Although a business degree might prepare students for their first job, they will need to gain knowledge and skills through education and experience as they progress through their career. Peters (2006) suggests that there are four stages of management education with different learning outcomes:

1. Functional competence, an understanding of finance, accounting, marketing, strategy, information technology, economics, operations, and human resources management;
2. Understanding context and strategy and how organizational processes interrelate, to make sense of societal changes, politics, social values, global issues, and technological change;
3. Ability to influence people, based on a broad understanding of people and motivations; and
4. Reflective skills, to set priorities for work efforts and life goals.

Therefore, to maximize the effectiveness of training and development, organizations must constantly assess their employees' current training and development needs and identify training and development needs to prepare employees for their next position. This requires that organizations recognize that different employees will have different needs and that these needs will change over time as these workers continue in their careers.

Strategic Issues in HRM

EMPLOYEE DEVELOPMENT AND TURNOVER

Investing in human resources through training and management development improves individual employee capabilities and organizational capabilities. But investing in people is not the same as investing in equipment or machinery. When an organization invests in new computers, for example, the cost can be depreciated over multiple years; but when an organization invests in management development, it is a cost for that year and cannot be depreciated. So from an accounting point of view, dollar for dollar, it is better to invest in the equipment that employees use than it is to invest in the employees using that equipment.

If an organization invests in new equipment, it is expected that the equipment will pay for itself in faster production, less waste, lower maintenance costs, and so forth. But if an organization invests in improving the knowledge and skills of its employees, there should be some benefit to the organization. How should the organization measure the effect? As measures of training program success, Kirkpatrick (1959) suggested using four criteria:

1. Reaction: what the trainees thought of the particular program;
2. Learning: what principles, facts, and techniques trainees learned;
3. Behavior: an assessment of changes in trainee job performance; and
4. Results: the impact of the training program on organizational objectives, such as turnover, absence, and costs.

Measuring the return on investment for a training program adds a fifth level to the criteria. Phillips's (1996) summary of the American Society for Training and Development's return on investment for training case studies in a variety of industries notes that the returns on investment ranged from 150% to 2000%.

There is a second reason that organizations have a bias toward investments in equipment rather than employee development. Developing your employees makes them more attractive to other employers, potentially making them more likely to turnover. After they have been developed, employees are free to leave the organization to work for another organization, taking the organization's investment in their improved level of knowledge or skills with them to their new employer. According to this counterproductive logic, it is better not to develop your own employees, to prevent competitors from potentially benefitting from the training.

Strategic Questions

1. Why would an organization be reluctant to invest in training its employees, if it makes their employees more capable? Isn't it better to have more capable employees?
2. If an organization offered to send you to a management development program, with the condition that you agree to work for the organization for 2 years to "pay off" the training, would you accept the offer?
3. If an organization has a high level of turnover, should it invest in training programs?
4. How should an organization measure the outcome of a training or management development program?
5. How should an organization determine the "break-even" point for management development programs (i.e., where the organization's investment is paid for by increased productivity)?
6. Should the government fund training programs to improve the knowledge and skills of citizens? If organizations are reluctant to invest in training their own employees because those trained employees might be working for a competitor one day, should the government have or not have a similar reluctance to fund training programs?

Resources

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WAYS TO MANAGE

Frederick Winslow Taylor's ideas on Scientific Management were intended to improve workplace efficiency through the systematic application of four principles (Robinson, 1992):

- Develop a science for each element of an individual's work, instead of the old rule-of-thumb method;
- Scientifically select and then train, teach, and develop the worker, rather than expect workers to train themselves;
- Cooperate with the workers so as to ensure that all work is done in accordance with the principles that have been developed; and
- Divide work and responsibility between management and workers.

In more modern terminology, Taylor's principles are to find the best practice, then make the best practice the organization's practice by training employees and replicating it throughout the organization. Insights into better quality products and services or more effective or efficient ways to produce the product or deliver the service can come from employees throughout the organization.

Gosling and Mintzberg (2003) describe two ways to manage. "Heroic Management" is based on the self, and "Engaging Management" is based on collaboration.

Heroic Management:

- Managers are important people, separate from those who develop products and deliver services;
- Higher up managers develop strategy for those lower down to implement;
- Implementation is the problem, because although the higher level managers develop it, most others resist it;
- Rewards for increasing performance go to the leaders—what matters is shareholder value; and
- Leadership is thrust on those who thrust their will on others.

Engaging Management:

- Managers are important to the extent that other people do the important work of developing products and services;
- Effective leaders work throughout the organization, and engaged people often grow little problems into big initiatives;
- Implementation is the problem, because it cannot be separated from formulation, and committed insiders are necessary to come up with key changes;
- Rewards for making the organization better go to everyone—what matters is human values; and
- Leadership is a sacred trust earned through the respect of others.

Heroic Management is based on the idea of command and control (i.e., someone with position power makes the decisions, and the people with less power implement them). And because making decisions and monitoring their implementation is difficult, decision makers are entitled to greater organizational rewards. Engaging Management is based on the idea of teamwork (i.e., everyone in the organization is responsible for creating customers, not just the employees who deal directly with customers).

Strategic Questions

1. If you were to start a sidewalk shoveling business, should you train your employees to know the optimal number of pounds of snow per shovelful to maximize productivity and minimize injury, or let them decide for themselves?
2. Who are the creators of value in organizations?
3. According to Scientific Management, managers plan the work and workers do the work; so how does an organization figure out the best way to do a job?
4. Which is more important, planning the work or doing the work?
5. If workers are given responsibility for the work, are they managers?
6. Is leadership in a person or in an organization?

Resources

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THE ROLE OF THE MANAGER

What does a manager do? A manager manages the work and manages the people doing the work. According to the Fair Labor Standards Act, what makes an employee a manager is that he or she directs the work of others and exercises independent judgment. The Fair Labor Standards Act describes an executive as an employee with the primary duty of managing the enterprise in which the employee is employed or of a customarily recognized department or subdivision thereof; customarily and regularly directing the work of two or more other employees; and having the authority to hire or fire other employees or having particular weight given to suggestions and recommendations as to the hiring, firing, advancement, promotion, or any other change of status of other employees. An employee in an administrative position has as his or her primary duty the performance of office or nonmanual work directly related to the management or general business operations of the

employer or the employer's customers. The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

The most common management tasks involve managing individual performance, instructing subordinates, planning and allocating resources, coordinating interdependent groups, managing group performance, monitoring the business environment, and representing one's staff. The relative importance of these seven management tasks varies by level in the organization (Kraut, Pedigo, McKenna, & Dunnette, 1989). For first-level managers, managing individual performance is the most important activity, which includes motivating and disciplining subordinates, tracking performance and giving feedback, and improving communications and individual productivity. For middle managers, the most important tasks involve planning and allocating resources, including estimating group resource requirements, making decisions about how resources should be distributed, and translating general directives into specific plans and communicating their benefits. For executives, monitoring the business environment is the most important job task, including an increased awareness of sales, business, economic, and social trends. For a self-managed work team, the team takes on the tasks and roles of the manager (Druskat & Wheeler, 2003).

Four management roles result from the influence a middle manager has over others in the organization and the kind of strategic thinking that is required of a middle manager (Floyd & Wooldridge, 1994). "Championing Strategic Alternatives" is bringing entrepreneurial and innovative proposals to top management's attention. "Synthesizing Information" is supplying information to top management about events within and outside the organization. "Facilitating Adaptability" is facilitating the change process. "Implementing Deliberate Strategy" is implementing the organization's strategy.

Strategic Questions

1. What does a manager do? What makes a manager a manager?
2. How does management differ from leadership?
3. What is a manager's role in developing strategy? What is a manager's role in implementing strategies once they have been developed?
4. If a work team becomes a self-managed work team, what does it now have to do that it didn't do when it was just a work team?

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Resources

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SYSTEMS THINKING

Organizations are complex systems, made up of many interacting processes and people. A decision in one functional area influences other functional areas. Understanding how all of these processes interact with each other is an essential aspect of the job of manager. Making the transition from a nonmanagement to a management position requires a shift in focus from the job to the “big picture” of the organization. This integrative view of the organization, which Senge (1990) calls “Systems Thinking,” is methods, tools, and principles oriented to looking at the interrelatedness of forces and seeing them as part of a common process (a system). A system is a perceived whole whose elements “hang together” because they continually affect each other over time and operate toward a common purpose. For example, Wright (1999) describes the highly complex tuition and counseling system at the Open University (United Kingdom), which allocates 900 tutors at 50 study centers to 12,000 students in 190 courses.

HRM can be seen as a system of interrelated processes. The more effectively the organization does recruiting, the larger the pool of qualified applicants there are to select from when making hiring decisions. The more selective the organization can be in making hiring decisions, the better the selection decisions will be and the more effective and productive the employees will be. The longer that effective employees stay with the organization, the lower the turnover and the greater the return on investment for training and development programs.

Pierce (2002) describes the application of Systems Thinking to a safety program at a mid-sized manufacturing company. The case study company

had widely varying numbers of recordable injuries per month, which resulted in variable management emphasis on safety, more emphasis in months following a high number of injuries, and less emphasis in other months. The company undertook a systems thinking approach to safety, to give workers a broader perspective than traditional problem-solving techniques focused on determining causes of problems and then fixing them. Systems Thinking looks at the interrelatedness and interdependence of the parts of a system. Workplace safety can then be seen as a system that includes both machines and the people operating the machines. Workplace injuries may be caused by the machine, by the operator of the machine, or a combination of the two.

Cavana, Boyd, and Taylor (2007) report on their study investigating the causal factors of poor retention and recruitment in the electronic technicians trade in the New Zealand Army. Taking a Systems Thinking approach, they examined the interconnections among apprentices, tradesmen, management, and external stakeholders, to identify the issues and develop an action plan to improve retention. Recognizing that recruitment and retention involved a number of interconnected systems, the action plan had three parts. The action plan included two recruiting initiatives (recruiting current polytechnic students and recent graduates and providing educational opportunities to soldiers from other trade groups to prepare them for trade training), a change in training methods (to better address the learning styles of young adults), and a change in the pay progression model to improve pay equity (by reducing the gap between the pay of apprentices and other Army trainees).

Strategic Questions

1. What would be the effect of downsizing 20% of your workforce? On labor costs, work motivation, job satisfaction, recruitment, etc.?
2. If cheap electricity from fusion power were to become a reality tomorrow, how would it affect your business, if your business was in
 - Aluminum manufacturing
 - Heating and air conditioning equipment
 - Home construction
 - Electric utility
 - Automobile manufacturing
 - Petroleum refining

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3. Cities compete to host the Super Bowl; what are the effects on the city's economy?
4. If the birthrate continues to fall over the next 20 years, what will be the effect on the typical company's workforce?
5. What would be the effects on businesses of a "carbon footprint" tax, in which greater use of carbon-based fuels brings a higher tax?
6. What organizations would be most adversely affected by a 50% increase in the price of gasoline? What organizations would benefit from a 50% increase in the price of gasoline?
7. What would be the effect of a substantial increase in the federal minimum wage?

Resources

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Applications

CALCULATING THE UTILITY OF A TRAINING PROGRAM

The purpose of training employees is to improve their knowledge and skills, which improves their individual capability. Whether the training should be done is a kind of cost-benefit calculation; the improvement in the employees' job performance should be greater than the cost of training the employees. The cost of a training program includes the time and costs to develop the course, instructional materials, equipment, the wages of the trainers, and lost productivity of the employees while they are in the training program. The benefits of a training program include time savings, improved

productivity, and improved product or service quality. Parry (1996) gives an example of a government agency that ran a project management training program for 120 employees. The posttraining measures included percentage of projects completed on time and within budget, level of client satisfaction, and estimated time and money saved. The conclusion was that the agency's training cost of \$95,000 resulted in a savings of \$670,000. Training a group of bank supervisors in supervisory skills was found to result in a cost savings to the organization of \$34,600 in the first year, \$108,600 by the third year, and more than \$148,900 by the fifth year (Mathieu & Leonard, 1987).

To effectively manage the training process, the costs and the benefits of training programs must be measured. Just as the dollar value of a new-and-improved selection test can be compared to the dollar value of the current test by comparing the costs of the tests and the benefits in terms of better selection decisions, the dollar value of a training program can also be calculated, to determine the return on the investment in training (Chmielewski & Phillips, 2002; Phillips & Phillips, 2006). Just because employees completed the training program does not guarantee a positive return; some training programs can have negative utility (Morrow, Jarrett, & Rupinski, 1997).

To evaluate the utility of a training program, a number of variables need to be considered (Cascio, 1999). The greater the difference in job performance between trained and untrained employees, the greater the utility of the training program. Every training program has costs, and as the cost of the training program goes up, the utility goes down. If the training program improves trained employees' job performance, the more employees that are trained, the greater the utility. To determine how effective a training program is in dollars gained, a utility analysis can be conducted, using the utility of training equation. For example, in Farrell and Hakstian's (2001) meta-analysis of training programs for sales representatives, they found improvements in sales productivity of 23% and a dollar gain per employee for the duration of their tenure of \$64,633 for sales representatives and \$93,684 for senior sales representatives.

To Do

Use the utility of training equation and the data in Table 7.1 to create a spreadsheet to calculate the dollar gain of the training program. Next, calculate the utility of the training program under different conditions. What if the cost of the training program was \$1,000 per trainee? What if the cost of the training program was \$1,000 and the true difference in job performance in standard deviation units was 80? What if the cost of the training program was \$1,000 and the true difference in job performance in standard deviation units was 80 and the number of years duration of the training effect on performance was 3 years?

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Table 7.1 Data

ΔU	$\Delta U = T \times N \times d_t \times SD_y - N \times C$	Utility of training equation to calculate the dollar value of the training program
T	Number of years duration of the training effect on performance	2 years
N	Number of employees trained	100 employees
d_t	True difference in job performance between the average trained and untrained employee in standard deviation (SD) units, corrected for attenuation, due to unreliability in the ratings $d = (\text{trained} - \text{untrained})/SD$ $d_t = d/\text{SQRT}(\text{IRR})$	<ul style="list-style-type: none"> • The performance mean for the trained group = 55 • The performance mean for the untrained group = 50 • The SD for both groups = 10 • Estimate of interrater reliability (IRR) = .60
SD_y	Standard deviation of job performance in dollars of the untrained group	Estimate of $SD_y = \$10,413$
C	Cost of training per trainee	\$500 per trainee
Calculate the dollar value of the training program using the utility equation and the data above.		
ΔU		The dollar value of the training program
Now calculate the dollar value of the training program under the following different scenarios with different values from the data above.		
What if...		What if the cost of the training program was \$1,000 per trainee?
What if...		What if the cost of the training program was \$1,000, and the true difference in job performance in SD units was 80?
What if...		What if the cost of the training program was \$1,000 and the true difference in job performance in SD units was 80 and the number of years duration of the training effect on performance was 3 years?

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MY DREAM JOB

Organizations develop mission statements to clarify their purpose and to make public the organization's goals and values. Strategic plans are then developed to realize the mission. A company may state that its mission is to provide the most reliable wireless communication network, then develop strategic plans to ensure that their customers have few dropped calls or poor connections.

Individuals have career goals, jobs that they always wanted to have. To get this dream job, they need to develop a career plan to get that job. The first step is a personal assessment to discover their abilities, skills, and interests. Some of this information may already be available in performance appraisal evaluations or other assessments made by the employer. The next step is to determine what knowledge and skills are required for the dream job, so that the employee can make plans to acquire the needed knowledge and skills. A career is a sequence of related work experiences and activities, aimed at personal and organizational goals, through which a person passes during his or her lifetime, that are partly under the control of the individual and partly under the control of others. Both individual career management and organizational career management is correlated with career success (Gould, 1979; Orpen, 1994); career plans with specific goals and timetables are more likely to be successful.

If an employee's dream job is a compensation manager, the first source of information about the job is the *Occupational Outlook Handbook*. Under the section for "Occupations: Management" is general information about the nature of the work and then a section dealing with jobs in compensation, which is described as follows:

NATURE OF THE WORK

Attracting the most qualified employees and matching them to the jobs for which they are best suited is significant for the success of any organization. However, many enterprises are too large to permit close contact between top management and employees. Human resources, training, and labor relations managers and specialists provide this connection. In the past, these workers have been associated with performing the administrative function of an organization, such as handling employee benefits questions or recruiting, interviewing, and hiring new staff in accordance with policies and requirements that have been established in conjunction with top management. Today's human resources workers manage these tasks and, increasingly, consult top executives regarding strategic planning. They have moved from behind-the-scenes staff work to leading the company in suggesting and changing policies. Senior management is recognizing the significance of the human resources department to their financial success.

Compensation, benefits, and job analysis specialists conduct programs for employers and may specialize in specific areas such as position classifications or pensions. Job analysts, occasionally called position classifiers, collect and examine detailed information about job duties in order to prepare job descriptions. These descriptions explain the duties, training, and skills that each job requires. Whenever a large organization introduces a new job or reviews existing jobs, it calls upon the expert knowledge of the job analyst.

Another useful piece of information is the job market for a compensation manager. Is the demand expected to be better or worse than job growth in general? Ideally, the outlook would be higher than average so that the employee would have more opportunities.

JOB OUTLOOK

The abundant supply of qualified college graduates and experienced workers should create keen competition for jobs. Overall employment of human resources, training, and labor relations managers and specialists is expected to grow faster than the average for all occupations through 2014. In addition to openings due to growth, many job openings will arise from the need to replace workers who transfer to other occupations or leave the labor force.

It would also be helpful to have some idea of what this job pays, because different areas of the country pay more or less for this job. In the following section is general information about earnings.

EARNINGS

Annual salary rates for human resources workers vary according to occupation, level of experience, training, location, and size of the firm, and whether they are union members.

Median annual earnings of compensation and benefits managers were \$66,530 in May 2004. The middle 50 percent earned between \$49,970 and \$89,340. The lowest 10 percent earned less than \$39,250, and the highest 10 percent earned more than \$118,880. In May 2004, median annual earnings were \$81,080 in the management of companies and enterprises industry.

Another source of occupational information that is helpful in career planning is O*Net, which lists the tasks a compensation manager typically performs, and more important, what Knowledge, Skills, and Abilities are required in the job, as well as information on the Work Activities, Work Context, Job Zone, Occupational Interests, Work Styles, and Work Values. If an employee's highest occupational interests were Enterprising and Conventional, O*Net shows that this matches with the occupational interests for people in the job of compensation manager (see Campbell & Holland, 1972; Day, Rounds, & Swaney, 1998; Holland, 1973). There is also a section on Wages and Employment, which gives an estimate of salaries for the United States and for a specific state. The first section gives a summary of the job of compensation manager, and a later section lists the skills someone would need to have to be qualified for the job.

SUMMARY REPORT FOR:

Compensation and benefits manager (O*Net: 11-3041.00)

Plan, direct, or coordinate compensation and benefits activities and staff of an organization.

Sample of reported job titles: Benefits Manager, Human Resources Director, Compensation Manager, Office Manager, Benefits Coordinator, Compensation and Benefits Manager, Business Manager, Corporate Controller, Director of Compensation, Employee Benefits Coordinator.

Skills

Active Listening—Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

Critical Thinking—Using logic and reasoning to identify the strengths and weaknesses of alternative solutions, conclusions or approaches to problems.

Time Management—Managing one's own time and the time of others.

Management of Personnel Resources—Motivating, developing, and directing people as they work, identifying the best people for the job.

Reading Comprehension—Understanding written sentences and paragraphs in work related documents.

Social Perceptiveness—Being aware of others' reactions and understanding why they react as they do.

Speaking—Talking to others to convey information effectively.

Writing—Communicating effectively in writing as appropriate for the needs of the audience.

Management of Financial Resources—Determining how money will be spent to get the work done, and accounting for these expenditures.

Monitoring—Monitoring/Assessing performance of yourself, other individuals, or organizations to make improvements or take corrective action.

To Do

Identify your dream job. Your dream job is the job you want to do someday, not just the job that you think you can get. Describe the nature of the work in general, based on information in the Occupational Outlook Handbook. What is the job outlook for this job? What does the job pay? Identify the knowledge, skills, and abilities required to do the job, based on information in O*Net (if you cannot find an exact match in O*Net, choose a close match).

Create a career plan. Develop an action plan to develop the knowledge, skills, and abilities required for this job. The plan should include milestones to be accomplished by some specific point in time in the future. Use the form provided or your own paper to generate your report.

Dream Job Form		
<i>Dream Job:</i>		
Nature of the work:		
Outlook:		
Pay:		
Knowledge, skills, abilities needed:	How to develop the knowledge, skills, abilities:	Milestones and time line for developing the knowledge, skills, abilities:

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Resources

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Experiential Exercises

CONDUCTING A TRAINING NEEDS ASSESSMENT

The first step in creating effective training programs is to determine what training employees need. Training Needs Assessment is the process of gathering data to determine what training needs employees have so that training can be developed to improve the effectiveness of employees and thereby help the organization meet its business objectives. There are four reasons why training needs assessment should be done before training programs are developed: (a) to identify specific problem areas in the organization so that the highest priority organizational problems requiring training solutions are addressed; (b) to obtain management support by making certain that the training directly contributes to the bottom line, that the training improves employee job performance; (c) to develop data for evaluation of the success of the training program, when the training has been completed; and (d) to determine the costs and benefits of training, because there are costs to leaving a training need unmet as well as benefits from improved job performance (Brown, 2002).

One outcome of doing a training-needs assessment is identification of gaps between the skills that employees have and the skills required for effective job performance. Another outcome is identification of performance problems that are not training needs, because job performance is a

function of both job knowledge, skills, and work motivation (i.e., not every job performance problem has a training solution). There may be organizational practices or incentives that contribute to a lack of employee motivation, a problem that training cannot solve.

To Do

Conduct a training-needs assessment for an employee’s job. Use the Training Needs Assessment Survey to identify where the employee has training needs. In pairs, each person should pick one of the following roles:

Employee: Help the manager identify your training needs in your current job. If you are not currently employed, use your most recent job. If you have never been employed, use student as your job.

Manager: Interview the employee to identify training needs in the current job. Ask the employee questions to identify the employee’s current training needs. Use the list of management skills in the Training Needs Assessment Survey to get ideas for questions to ask the employee. Take notes on the knowledge, skills, and abilities that the employee identifies as needed in his or her job, and possible training needs, using the Training Needs Assessment Worksheet.

Training Needs Assessment Survey

<i>Training Needs Assessment Survey—Leader Observation System</i>	
<i>Categories</i>	<i>Behavioral Descriptors</i>
Planning and coordinating	<ul style="list-style-type: none"> • Setting goals and objectives • Defining tasks needed to accomplish goals • Scheduling employees, timetables • Assigning tasks and providing routine instructions • Coordinating activities to keep work running smoothly • Organizing the work
Staffing	<ul style="list-style-type: none"> • Developing job descriptions of position openings • Reviewing applications • Interviewing applicants • Hiring • Contacting applicants to inform them as to whether or not they have been hired • “Filling in” when needed
Training and developing	<ul style="list-style-type: none"> • Orienting employees, arranging for training seminars, and the like • Clarifying roles, duties, job descriptions • Coaching, acting as a mentor, “walking” subordinates through tasks • Helping subordinates with personal development plans

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Decision making and problem solving	<ul style="list-style-type: none"> • Defining problems • Choosing between two or more alternatives or strategies • Handling day-to-day operational crises as they arise • Weighing tradeoffs, making cost and benefit analyses • Deciding what to do • Developing new procedures to increase efficiency
Processing paperwork	<ul style="list-style-type: none"> • Processing mail • Reading reports, emptying the in-box • Writing reports, memos, letters, etc. • Routine financial reporting and bookkeeping • General desk work
Exchanging routine information	<ul style="list-style-type: none"> • Answering routine procedural questions • Receiving and disseminating requested information • Conveying the results of meetings • Giving or receiving routine information over the phone or e-mail • Attending staff meetings of an informational nature (e.g., status updates, new company policies)
Monitoring and controlling performance	<ul style="list-style-type: none"> • Inspecting work • Walking around and checking things out • Monitoring performance data (e.g., computer printouts, production, financial reports) • Preventive maintenance
Motivating and reinforcing	<ul style="list-style-type: none"> • Allocating formal organizational rewards • Asking for input, participation • Conveying appreciation, compliments • Giving credit when due • Listening to suggestions • Giving feedback on positive performance • Increasing job challenges • Delegating responsibility and authority • Letting subordinates determine how to do their own work • Sticking up for the group to superiors and others, backing a subordinate
Disciplining and punishing	<ul style="list-style-type: none"> • Enforcing rules and policies • Nonverbal glaring, harassment • Demotion, firing, layoff • Any formal organizational reprimand or notice • "Chewing out" a subordinate, criticizing a subordinate • Giving feedback on negative performance
Interacting with others	<ul style="list-style-type: none"> • Public relations • Contacting customers • Contact with suppliers and vendors • External meetings • Community service activities

Managing conflict	<ul style="list-style-type: none"> • Managing interpersonal conflicts between subordinates or others • Appealing to higher authority to resolve a dispute • Appealing to third-party negotiators • Trying to get cooperation or consensus between conflicting parties • Attempting to resolve conflicts between a subordinate and oneself
Socializing and politicking	<ul style="list-style-type: none"> • Nonwork-related chit chat (e.g., family or personal matters) • Informal “joking around” • Discussing rumors, hearsay, grapevine • Complaining, griping, putting others down • Politicking, gamesmanship

SOURCE: Luthans, Rosenkrantz, and Hennessey (1985).

Training Needs Assessment Worksheet

<i>Training Needs Assessment Worksheet</i>	
<i>Knowledge, Skill, Ability</i>	<i>Training Need</i>

Resources

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ASSESSMENT CENTER FOR MANAGEMENT DEVELOPMENT

The first Assessment Center in the United States was developed by the Office of Strategic Services (which later became the Central Intelligence Agency) to select spies (Office of Strategic Services, 1948). It was thought that a paper-and-pencil test would be inadequate for selecting people for such a high-risk job and that better prediction of job success would come from putting spy candidates in various situations to see how they would react. The Assessment Center included cognitive skills tests (e.g., Vocabulary Test, Otis Test of Mental Ability), biographical questionnaires (e.g., Health Questionnaire, Work Conditions Survey), personality tests (e.g., Sentence Completion Test, Projective Questionnaire), a variety of situational tests (e.g., Escaped Prisoner, Resourcefulness Test, Belongings Test), and more than 80 measurements of each candidate.

Some of the situational exercises had obvious content validity for the job of covert agent, and other exercises were designed to measure one or more of the performance dimensions without being typical covert agent situations. For example, the Escaped Prisoner test had content validity. Candidates had to interrogate an allied prisoner recently escaped from a prisoner of war camp to find out how many prisoners were detained in the camp, how many guards, and so on; intelligence gathering is an essential job task for a covert agent. On the other hand, in the Wall Problem, candidates had to work together to get every member of their group from one side of a wall to the other. This was a general test of teamwork and leadership in a leaderless group but not specific to the job of the covert agent. The performance dimensions that the Office of Strategic Services Assessment Center was designed to measure are shown in Table 7.2.

Table 7.2 Performance Dimensions: Office of Strategic Services Assessment Center

Motivation for assignment	War morale, interest in proposed job
Energy and initiative	Activity level, zest, effort, initiative
Effective intelligence	Ability to select strategic goals and the most efficient means of attaining them; quick and practical thought—resourcefulness, originality, good judgment—in dealing with things, people, or ideas
Emotional stability	Ability to govern disturbing emotions, steadiness and endurance under pressure, snafu tolerance, freedom from neurotic tendencies
Social relations	Ability to get along well with other people, good will, team play, tact, freedom from disturbing prejudices, freedom from annoying traits
Leadership	Social initiative, ability to evoke cooperation, organizing and administering ability, acceptance of responsibility
Security	Ability to keep secrets; caution, discretion, ability to bluff and mislead

Although assessment centers are most often used for selection, they can also be used for management development (Jones & Whitmore, 1995). Instead of assessing a number of candidates for management positions for the purpose of making a selection decision, the assessors look for each candidate's strengths and weaknesses. Identified weaknesses are areas for management development experiences, and strengths are characteristics that the candidate can build on throughout his or her career.

To Do

This exercise is done in teams of about six people. Each team will create an assessment center that the people in the other teams will be candidates in. The purpose of this assessment center is management development, so the focus is on identifying the strengths and weaknesses of each candidate (rather than trying to identify which candidates to hire or promote). Create two exercises, one standard assessment center exercise (in-basket, management presentation, a selection interview, a performance appraisal interview, a leaderless group discussion) and one nonstandard exercise. The assessment center must fit into the allotted time. You may have as many assessors per exercise as you want (you must have at least one; two is better).

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One person must serve as the assessment center administrator, to keep the assessment center running smoothly and be the contact person for the instructor. For each exercise, candidates must be given oral or written feedback, which includes an overall assessment of their performance in the exercise and identification of one strength and one weakness. Design the assessment center for the job of assistant director of media relations.

Assistant Director of Media Relations

Job description: Assist the media relations director in planning and implementing strategic public and media relations plans for the university. Write and disseminate press releases, serve on the campus emergency response team, develop internal and external communication plans, write talking points, speeches and other communication materials, assist with special university projects and events, respond to media inquiries, and act as a university spokesperson.

Job specification: Bachelor's degree in communications, marketing or public relations, or an equivalent combination of education and/or experience. Minimum 4 years experience in media relations, strategic communications, crisis management, or a combination of these areas. Strategic thinking and the ability to handle multiple projects simultaneously. Ability to work independently and as part of a team. Excellent organizational and analytical skills. Excellent oral and written communication skills. Ability to communicate effectively with others.

A key component of an assessment center is the schedule, so that assessors and candidates know where they are supposed to be and what they are supposed to be doing. For a two-exercise assessment center with exercises of approximately the same time allotment, the schedule is simple. When the exercises use differing amounts of time, the schedule becomes more complicated. A simple two-exercise assessment center with equal time allotments looks like Table 7.3.

Table 7.3 Two-Exercise Assessment Center With Equal Time Allotments

<i>Time</i>	<i>Exercise</i>	<i>Candidates</i>	<i>Assessors</i>
1:00-1:20 p.m.	In-Basket	#1, #3, #5, #7, #9	A, B, C, D
	Puzzle Exercise	#2, #4, #6, #8, #10	E, F, G, H
1:20-1:30 p.m.	Break	ALL	ALL
1:30-1:50 p.m.	Puzzle Exercise	#1, #3, #5, #7, #9	E, F, G, H
	In-Basket	#2, #4, #6, #8, #10	A, B, C, D

You must prepare all of the materials that the candidates will need to do the exercises and that the assessors will need to evaluate the candidates, including a schedule so that assessors and candidates know where they are supposed to be, what they are supposed to be doing, and at what times. If the exercise requires a role player (e.g., an applicant to interview for a Selection Interview exercise), a description of the role needs to be written. A copy of all of the exercise materials (Exercises, Instructions for Candidates, Instructions for Assessors, Instructions for Role Players, and the Schedule) must be handed in to the instructor at the beginning of class.

Resources

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- Engelbrecht, A. S., & Fischer, H. (1995). The managerial performance implications of a developmental assessment center process. *Human Relations*, 48(4), 387-404.
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- Pearson, M. M., Barnes, J. W., & Onken, M. H. (2006). Development of a computerized in-basket exercise for the classroom: A sales management example. *Journal of Marketing Education*, 28(3), 227-236.
- Shore, T. H., Tashchian, A., & Adams, J. S. (1997). The role of gender in a developmental assessment center. *Journal of Social Behavior and Personality*, 12(5), 191-203.
- Thornton, G. C., & Byham, W. C. (1982). *Assessment centers and managerial performance*. New York: Academic Press.
- Waldman, D. A., & Korbar, T. (2004). Student Assessment Center performance in the prediction of early career success. *Academy of Management Learning & Education*, 3(2), 151-167.
- York, K. M. (1995). Experiential and creative management exercises using an assessment center. *Journal of Education for Business*, 70(3), 141-145.

DEALING WITH A PLATEAUED EMPLOYEE

Career plateauing occurs when employees reach a point in their career where the likelihood of additional promotion is very low (FERENCE, Stoner, & Warren, 1977; Veiga, 1981). Career plateauing may also result when there is a lack of potential for career movement generally, including when the likelihood of receiving further assignments of increased responsibility is low (Feldman & Weitz, 1988). Career plateaus are a normal result in hierarchical organizations; with fewer and fewer positions going up the organizational ladder, almost all employees will reach positions from which further promotions are unlikely. There are

other factors that contribute to career plateauing, including population demographics, economic growth, and type of organization (Tan & Salomone, 1994).

For employees who view promotions as the measure of success at work, career plateauing can have a negative impact on their job satisfaction, work motivation, and job performance. In addition to job satisfaction, career plateauing can also have an impact on career satisfaction and turnover intentions (Lee, 2003) and may be more common for minority employees (Greenhaus, Parasuraman, & Wormley, 1990). But the attitudes and behaviors of plateaued managers can be more positive, if their job is richer and offers an opportunity to participate in decision making (Tremblay & Roger, 2004), and if they have professional mentors (de Janasz, Sullivan, & Whiting, 2003).

Managers need to understand what career plateauing is for two reasons. First, because most of their employees will reach a point in their career where the chances for promotion are low, they will need to work with each employee to find ways to maintain the employee's interest in the job and satisfactory levels of job performance. Second, managers need to understand career plateauing, because it is likely to happen to every employee in the organization, including themselves.

To Do

In pairs, each person should pick the employee or the manager role. The manager will conduct a career planning session with a plateaued employee. The Career Plateauing Guide can be used to structure the session with the employee. The manager should try to help the employee understand the nature of career plateauing and develop a plan to deal with the situation.

Employee: You have been in your current position for a number of years. You have been hoping for a promotion when the next retirement creates an opening. Your job performance has always been excellent, so you think your chances of getting promoted are good.

Manager: The employee has been in the current position for a number of years and his or her job performance has always been excellent. You are aware that the employee has been expecting to get a promotion, but there are at least three other employees that are more likely to get the promotion because of their skills and experience.

Career Plateauing Guide

<i>Career Plateauing Guide</i>	
Educate	<ul style="list-style-type: none"> • Explain to the employee what career plateauing is and why it happens. • Remove the stigma of career plateauing by explaining that it is likely to affect nearly every employee.

<i>Career Plateauing Guide</i>	
Inform	<ul style="list-style-type: none"> • Give the employee information and assistance about second-career development and career changes. • Explain how careers can be spent in one organization (company career) or in a sequence of organizations (individual career). • Identify organizational rewards and recognition for exceptional job performance other than raises and promotions. • Identify other kinds of work experiences that are available, such as lateral moves and special projects, to maintain interest in the job and build knowledge and skills.
Plan	<ul style="list-style-type: none"> • Discourage workaholic lifestyles; emphasize high productivity, not long work hours. • Help the employee to find additional career development experiences. • Encourage the employee to take the initiative to bring to you ideas about how his or her knowledge and skills might be used more effectively, in the current job and other jobs. • Work with the employee to reassess his or her career goals, identify alternate career paths, and make a career plan.

Resources

Appelbaum, S. H., & Finestone, D. (1994). Revisiting career plateauing: Same old problems—Avant-garde solutions. *Journal of Managerial Psychology*, 9(5), 12-21.

de Janasz, S. C., Sullivan, S. E., & Whiting, V. (2003). Mentor networks and career success: Lessons for turbulent times. *Academy of Management Executive*, 17(4), 78-91.

Feldman, D. C., & Weitz, B. A. (1988). Career plateaus reconsidered. *Journal of Management*, 14(1), 69-80.

Ference, T. P., Stoner, J. A. F., & Warren, E. K. (1977). Managing the career plateau. *Academy of Management Review*, 2(4), 602-612.

Greenhaus, J. H., Parasuraman, S., & Wormley, W. M. (1990). Effects of race on organizational experiences, job performance evaluations, and career outcomes. *Academy of Management Journal*, 33(11), 64-86.

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Creative Exercises

DEVELOPING MANAGEMENT TALENT

According to survey results (Becker et al., 2001), organizations with high HRM quality have a higher percentage of employees in a formal plan for development, and both new and experienced employees spend more hours in training each year. Investing in employee development means increasing the value of the organization's human resources. By improving individual capabilities, organizational capabilities are also improved. And as organizations become flatter, with fewer levels between the top and the bottom and more management responsibilities throughout the organization, investments in developing the management skills of all employees becomes even more important.

Some organizations use coaching to develop skills in strategic thinking, vision, creativity, innovation, decisiveness, and motivating others, especially to high-potential employees early in the development process (Pomeroy, 2006; Romans, 2006). Rather than putting people in management positions and expecting them to develop knowledge and skills on their own, organizations can systematically develop their employees' talents through a combination of succession planning and management development to create a long-term process for managing the talent roster across the organization (Conger & Fulmer, 2003).

Coaching is a combination of training and feedback given to employees, where the employee can learn by doing. The purpose of coaching is to have a more experienced employee show a less experienced employee how to do better. Woodruff (2006) calls coaching a powerful catalyst for transforming performance, because coaching is not just a remedial intervention for poor performers; it is a way to help any employee to perform better. A survey conducted by the Chartered Institute of Personnel and Development found that 88% of organizations expect their line managers to coach as part of their day-to-day job (Horner, 2006).

To Do

Your team is responsible for developing the talent of the most recent winner of a television reality show game-show singing contest. This performer has raw talent but does not have much experience, and there are many aspects of show business that this performer needs to learn to successfully manage a career. Your task is to develop a management development program to teach this singer to become a pop star. Choose from one of the development experiences described below and create the content of a management development experience. Prepare to pitch your idea in a 5-min. presentation.

Like most performers who dream of becoming stars, this performer's primary focus is on the music, so one can expect a short attention span for anything not directly related to performing. Therefore, the best management development experiences will have these characteristics:

1. Clear statement of purpose (and payoff), so the performer knows what to expect from the developmental experience.
2. An opportunity to immediately apply what has been learned, in a role play or experiential exercise.
3. Use of real-life examples to illustrate how performers went from unrecognized obscurity to fame and fortune, or from fame and fortune to obscurity (or both).

Development Experiences

Managing the money. The money flows in, the money flows out; who knows where the money goes? Living large and retirement planning.

Breaking in a new manager. How to handle the transition, when artistic differences lead to the firing of the old manager and the hiring of a new manager.

Creating a cost-efficient entourage. The entourage should create the desired image, at a reasonable price. How to distinguish between value-added expenses and needless cost overruns.

How to identify bad influences. There is only one thing worse than bad publicity, and that is no publicity. Staying edgy without falling from grace.

Making a good red-carpet impression. Building your image; face and name recognition. Standing out in a crowd of people trying to stand out in a crowd.

Dealing with local law enforcement. Making all of your interactions with local police positive and newsworthy. The art of persuading the police to use their discretion.

Providing photo opportunities for the paparazzi. Balancing the need for publicity with the desire for privacy, building working relationships with people who can positively or negatively affect your career.

Doing "entertainment news" interviews. Answering and not answering lite-news questions. How to get the most out of a promotional tour: plugging albums, tour dates, and yourself.

Negotiating and renegotiating contracts. Maximizing current income against expectations of future income, on the way up and on the way down.

Creating your distinctive style. All about the look; clothing, hair, makeup, fitness, and accessories.

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Resources

- Atchison, D. (Director). (2006). *Akeelah and the bee*. [Motion picture]. Los Angeles, CA: Lion's Gate.
- Aversano, S. (Producer), & Linklater, R. (Director). (2003). *School of rock*. [Motion picture]. Hollywood, CA: Paramount.
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- Di Bergi, M. (Producer), & Reiner, R. (Director). (2000). *This is Spinal Tap*. [Motion picture]. Los Angeles, CA: MGM Home Entertainment.
- Grazer, B., & Hanson, C. (Producers). (2002). *8 mile*. (2002). [Motion picture]. Universal City, CA: Universal Studios.
- Horner, C. (2006). Coaching for the better. *Training & Development Methods*, 20(4), 535-539.
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- Peters, J. (Producer), & Pierson, F. (Director). (1983). *A star is born*. [Motion picture]. Burbank, CA: Warner Home Video.
- Pomeroy, A. (2006). Earlier coaching pays dividends now and in the future. *HRMagazine*, 51(9), 16.
- Romans, J. (2006). Developing high-potential talent at Hughes Supply. *Strategic HR Review*, 5(3), 32-35.
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CREATING TEAM-BUILDING EXERCISES

Modern organizations are commonly structured around teams, so that for employees in these organizations, most of their work is done in teams. Teams are the fundamental learning unit in organizations. In teams, employees share knowledge and experience and learn from each other, building individual and organizational capability. For example, teams at Whole Foods are structured around products (Produce, Grocery, Prepared Foods), and at the San Diego Zoo, teams are structured around Bioclimatic Zones (Asian Rain Forest, Gorilla Tropics). Organizational learning requires both individuals' competence and organizational culture to work hand in hand, which may require efforts to attain a high level of commitment, trust, and understanding among employees (Yeo, 2005).

When teams are first formed, the team members may not all know each other. Before beginning work, it is useful for team members to build their relationships. Before becoming a fully functioning team, all teams go through five stages of group development: Forming, Storming, Norming, Performing, and Adjourning (Tuckman & Jensen, 1977). Team-building exercises are designed to help the team move through the early stages of group development and arrive at the performing stage. Team-building

exercises can be used when a group first forms or as a re-energizer when the team is immersed in a difficult task or experiencing counterproductive conflict among team members. A team-building exercise gives the team a common experience to help build cohesion.

At Certicom, a high-tech provider of cryptography for secure devices and software, team-building activities are part of a total rewards strategy. The team-building activities help create a positive working environment and team atmosphere (Grant, 2005). Based on field interviews with software testing professionals, Cohen, Birkin, Garfield, and Webb (2004) have suggested that team-building activities in conflict handling can be used to improve the software development process. At their European strategy launch, StorageTek (an international provider of data storage and network solutions) used a team-building exercise in which multiple teams each painted one part of a picture. The teams had to interact to match the correct colors and make sure that their part of the picture aligned with the others around it; these parts eventually became part of the “big picture” (Kirby, 2003).

To Do

In teams of four to six members, create an original team-building exercise for the people in the other teams. Although the content of the exercise may vary, the purpose is to improve the working relationships of the people in the team. The exercise should have the following elements:

- Simple directions—simple to explain, simple to understand;
- Minimal equipment, minimal set-up time;
- Difficult enough to be interesting, easy enough for most teams to be successful; and
- A postexercise debriefing to tell team members why they were doing what they were doing.

Resources

- Berg, P. (Director), & Aaron, D. (Writer). (2004). *Friday night lights*. [Motion picture]. Universal City, CA: Universal Studios.
- Cohen, C. F., Birkin, S. J., Garfield, M. J., & Webb, H. W. (2004). Managing conflict in software testing. *Communications of the Association for Computing Machinery*, 47(1), 76-81.
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