

Research Capsules

Title: Wage Differences Between Men and Women: Performance Appraisal Ratings Versus Salary Allocation as the Focus of Bias

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Abstract: This paper explores the nature and origins of wage differences between men and women in the context of a single large financial services organization. Data collected on 800 women and 1,831 men showed that modest wage differences do exist and that they tend to be concentrated primarily in managerial levels.

The paper assessed two possible sources of bias in evaluation: performance appraisal ratings and the translation of performance appraisal ratings into salary. The analyses showed that performance appraisal ratings, on average, do not differ between men and women at the same level; however, the relationship between performance appraisal ratings and salary was stronger for men than women, particularly at higher levels. This suggests that wage differences between men and women do not originate in performance ratings themselves, but in the salary allocation process. This process includes not only performance ratings, but supply-demand data, type of task performed, market surveys, and so on.

The results of this study suggest that human resource departments might want to focus their limited resources on exploring the effectiveness of the salary allocation process, rather than further rationalization of the performance appraisal process. Suggested action could include

- the use of multiple salary evaluators;
- the statistical analysis of salary decisions for bias;
- the development of procedures and criteria that adequately link performance appraisal ratings to salary increase;
- training and management development to help managers become aware of how certain actions and decisions may result in sex bias in the salary allocation process.

Title: Management Development Trends: A Corporate Perspective

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Abstract: In late fall of 1985, the Center for Career Research and Human Resource Management at Columbia University's Graduate School of Business surveyed 250 *Fortune*-500 companies to learn about the ways these organizations meet their training and education objectives for their managerial and professional employees. *Fortune* magazine classified the companies surveyed as "America's Most Admired Corporations" in its 1983 and 1984 surveys.

The questionnaire, designed primarily with a forced-choice format, asked respondents a variety of questions about their organization's managerial philosophy and practices affecting training and education decisions. It also asked companies about their current utilization of three broad categories of education programs: internal programs, external programs, and corporate-sponsored university programs.

The data reported by 112 companies highlight both the uniformities and the anomalies in approaches highly ranked companies take to train and educate formally different groups of employees. In most cases company approaches to internal, external, and corporate-sponsored university programs don't appear to be primarily a function of variables such as reputational ranking, industry, or company size.

Virtually every company participating in the study offers internal programs for their first-line supervisors, middle managers, and professional-technical exempt employees, and three quarters of them conduct internal programs for executives. Corporate departments and business groups generally divide design, delivery, and budget responsibilities depending on the program audience. Almost three-quarters of the companies have one or more dedicated on-site training and education facilities,

although only 17 percent operate one or more separate residential ones.

Participating companies generally prefer to educate formally first-line supervisors in internal programs. For executive education they gravitate toward external programs or a balance between internal and external ones, while in the case of middle management and professional-technical education they prefer internal programs or an internal-external program balance. Formal educational requirements for employees, however, are extremely uncommon, with only 5 to 6 percent reporting such rules for various employee groups.

As expected, companies rely primarily on conventional methods of program evaluation—rating sheets and informal follow-up interviews—and haven't ventured into more creative approaches. Nevertheless they are working currently on new program themes for internal executive and middle management programs that address important human resource topics such as strategic planning, leadership, corporate culture, global economic strategies, entrepreneurship, and innovation.

Companies reported wide use of external university-offered programs for executives and commercial programs developed for middle managers and professional-technical employees. But only one-third of the companies have ventured into collaborative arrangements with educational institutions to educate executive, middle management, and professional-technical exempt employees. Companies overwhelmingly viewed the educational institutions' reputation, the faculty's reputation, and social aspects—such as the opportunity to interact with employees from other companies—as very attractive features of external residential programs. In addition, participating companies consistently voiced a preference for five-day residential programs for executives and middle managers.

Title: The Effects of College Internships Upon Individual Participants

Author: M. Susan Taylor, visiting associate professor of business administration, The Amos Tuck School of Business Administration, Dartmouth College, Hanover, NH 03755; 603/646-2369

Abstract: This research examined three hypotheses concerning the individual effects of college internship experience:

- greater crystallization of vocational self-concept and of values regarding work-related outcomes, resulting in higher job satisfaction and intention to remain with the organization;
- less reality shock; for example, interns have fewer value conflicts, more confidence in work preparation, less anxiety, and higher performance;
- better employment opportunities; for example, interns utilize informal sources more often, receive more job offers and higher starting salaries, and express greater satisfaction with accepted positions.

The researcher used a quasi-experimental design to compare interns and matched peers from four academic programs at preinternship, postinternship, college graduation, and postemployment measurement periods. The researcher also conducted an experimental study to examine the effect of internship experience on recruiters' evaluations of applicants' qualifications and their probability of hire.

Findings from the quasi-experimental study supported the greater crystallization of vocational self concept, but not greater job satisfaction or intention to remain. With regard to employment opportunities, interns reported utilizing informal sources significantly more frequently than did the noninterns. In addition, interns received significantly higher starting salaries and expressed greater satisfaction with the extrinsic rewards associated with the accepted position. The two groups were not significantly different concerning number of offers received or in their satisfaction with accepted positions.

When assignment autonomy was used as a moderator, however, the researcher found weak but consistent support for parts of both crystallization and reality shock hypotheses. Concerning the former hypotheses, interns tended to display greater crystallization of their vocational self-concept and reported a stronger intention to remain on the job than did the noninterns. No differences, however, were found between the groups on work values or overall job satisfaction. Concerning the reality shock hypotheses, interns tended to report fewer conflicts with the organization's work procedures, higher job performance, and a greater inten-

tion to remain on the job. The researcher found no differences concerning conflicts in work methods and standards, confidence in work preparation, anxiety, or job satisfaction.

Relatively strong support for the employment opportunity hypothesis emerged from both the full internship sample and a second laboratory study examining recruiters' evaluation of job applicants. Interns used informal job sources significantly more, received more positive evaluations from organizational recruiters, accepted higher salaried positions, and expressed greater satisfaction with the extrinsic rewards of the accepted position. Each of these findings indicates that interns have a distinct advantage over their peers in the labor market.

"Research Capsules" is a quarterly column compiled and edited by Audre Wenzler. Topics of interest include studies of attitudes or trends in training and development, HRD techniques and methods, and research findings that have clear HRD implications. Send your suggestions for topics, comments, and submissions to Audre Wenzler, Director, Human Resource Planning, Coopers & Lybrand, 1251 Avenue of the Americas, New York, NY 10020, or contact her at 212/536-2743. Contributors must include their name, address, and phone number and be willing to respond to reader inquiries regarding their research.



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