Contextualism on a Small Canvas:
Exploring the Formal and Informal Faces of HRM Processes and Practices of Small and Medium Size Businesses in Argentina

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Abstract

This paper presents the preliminary results of an analysis of the human resource (HR) practices of 50 small and medium size firms in the Buenos Aires region. Beginning with a discussion of contextualism in HR, the authors argue that the Argentine economic uncertainty (inflation, political insecurities and policy turnarounds) create a context wherein it is logical to have a HR system that is in legal compliance yet not too formally exposed to changes in public policy (the Janus two faces of formal and informal human resource management (HRM) practices);

The local adoption and interest in global "best practices" may be totally accepted, accepted with modifications, accepted in name, but not really applied in practice or rejected by small firms in Argentina. This discussion is followed by an historical review of the social, political and economic history of Argentina. Next, the results of the survey are presented in the areas of: HR roles and functions, Staffing, Training and Development, Performance Management, and Rewards. The paper concludes with a discussion of the apparent disconnect between what activities and systems exist formally and the informal processes and activities that characterize Argentine human resource management in small and medium size firms.
Introduction: Contextualism and Small Business

The topic of the wisdom of a universally applied set of management practices, applied across cultural, institutional and geographic boundaries, has been discussed for decades (Phatak, 1989; Trompenaars and Hampton-Turner, 2004). In particular, the utility of applying a standardized set of “best practices” in the area of human resource management as opposed to accepting and understanding the variations in practices associated with local context - given the particularities of managing human processes and relationships - has led to an ongoing and lively debate (Brewster, 1993, 2006; Rosenzweig, 2006; Sackman, 2009) and even led to a comparative analysis of how researchers do and should study organizations (Mayrhofer and Reichel, 2009).

Argentina makes a particularly interesting focus for research on contextualism and universalism for three reasons. First, the Argentine economic, political and regulatory context is dynamic and unpredictable. Specific, formalized business regulations abound and are rapidly superseded. Economic and social policies are often in flux. Second, Argentina has for a long time looked to Europe and North America for business practices and institutional models, sometimes due to the prevalence of multinational enterprises (MNEs) during several periods in the nation’s economic development. Finally, by focusing on small and medium sized businesses we can look to a subpopulation that is a widespread, significant component of the Argentine economy and the adoption of universalist “best practices” would largely be due to motives other than compliance with home office mandates, as may be the case in an analysis of MNE subsidiary practices. Also, by focusing on the practices of smaller and medium sized firms we felt we would be able get the best chance of observing the interaction between formal practice and systems and informal activities and processes of HRM.

A Social, Historical and Economic Review of Argentina

Argentina is a fairly new country that separated from the Spanish colonizers in 1810 and declared its independence in 1816. Its wealth started with agriculture and cattle. The country was populated sparsely and most of the commerce and development took place in the capital city of Buenos Aires. At the beginning of the twentieth century, Argentina was among the most developed countries in the world (Shumway, 1993). This economic position is documented by the many investments it received from the United States and European companies at this time. During and after World War I (WWI), Argentina’s ties with Europe were strengthened when hundreds of Europeans immigrated to Argentina. The country maintained its status as an economic power for almost four more decades.

After this period as an economic power, Argentina has gone through cycles of boom and bust, where everything has fluctuated. Many authors have talked about these cycles. Some authors have called Argentina the country of roller coaster of competitive and anti-competitive
shocks (Carrera, Mesquita, Perkins, & Vassolo, 2003), and others have called it the country of "bandazos" ("violent rolls") (Oppenheimer, 2006, p. 163) because it goes from one extreme to the other. The government has alternated between democratic and military leadership. Strong economic times have been followed by periods of depression where inflation and devaluation have been the common currency.

Not surprisingly, economic policies fluctuated as well and could be changed by the government on the spur of the moment because of the current political party or leader’s ideas. Throughout the twentieth century, Argentina has alternated between protectionist and not-so-protectionist approaches towards imports and exports. Argentina would open and close its borders depending on the ideas of the current president in office. During the closed periods, the country would restrict imports through quotas, taxes and cumbersome paperwork. During the open periods, the country would apply lenient policies towards the importing of goods from other countries.

Inflation is another significant aspect of Argentina’s economic landscape. Argentina has suffered inflation for the last 100 years and has tried to control it with several economic plans. Some plans tried unsuccessfully to establish control prices. Some even proposed the introduction of a new currency unit to stop the inflationary mentality. In 1989, the annual inflation rate exceeded 3,000 percent (Krueger, 2004) and marked the peak of Argentina’s worst inflation. At the beginning of the 1990s, inflation was more controlled and Argentines enjoyed living in an open market with low prices due to competition among companies. During this time, people could buy home appliances or even cars and clothes by arranging to pay with monthly installments. In short, they were starting to learn how to live in a secure business environment where newer and growing companies operated according to clearer and more standardized rules of commerce. The rationale behind these conditions was that the country had opened its doors to foreign investments and had adopted a policy of market-orientation. It was during this decade that the “Ley de Convertibilidad” (convertibility law) (Ley 23.928 de Convertibilidad del Austral) tied the US dollar to the Argentine peso at US$ 1 = AR$ 1.

During the 1990s, the country applied several measures that made it among the best countries for foreign direct investment (FDI) and caused Argentina to be cited as an example of economic growth (Carrera et al., 2003). After the Argentine economy’s breakdown in 2001-2002, however, multinational and global companies in Argentina had to deal with political and economic instability along with other risk factors. During the 2001-2002 years, the country entered into an economic crisis that saw two presidents and three economic ministers change or resign (Carrera et al., 2003). The country bounced through periods of great stability and bonanza to periods of recession and economic instability.

By 2001, the convertibility law was abandoned and there was an economic crisis where the country defaulted on its International Monetary Fund loan. At this time, the currency exchange had reached its worst ratio of US$ 1 = AR$ 4. After the 2001-02 crisis and its consequences, the country once again closed its doors to ideas and foreign investments. Nationalism surged and many multinational and international firms were bought out with Argentine capital. New, sometimes smaller, local companies appeared as Argentine entrepreneurs and opportunists took advantage of low selling prices to purchase companies.
carrying large debts (Sainz, 2003). Interestingly, this wave of nationalization was not directly caused by state policy. Argentina managed to survive the 2001-02 crisis and canceled a significant portion of its international debts in 2006.

By 2007, Argentina was "enjoying the sixth year of one of the unlikeliest economic expansions in memory" (Lynch, 2007, p. 1B). Companies such as the so-called “Argentine business groups,” were able to manage these fluctuations and persist in spite of Argentina’s economic cycles (Carrera et al., 2003). These groups – defined as companies controlled by the same local owner or group of owners managed by the same team – managed instability by being able to change their courses of action when necessary. Sometimes they changed their course of action by diversifying, and sometimes they changed their course of action by using international connections or social and political ties (Carrera et al., 2003). The Argentine business groups did what any other successful company in the world would have done to survive: they figured out how to handle their uncontrollable external environment.

Political and economic risks are among the factors that cannot be controlled even in developed countries. Risks may be more predictable, but they are still uncontrollable. However, depression cycles may be easier to surmount by multinational companies that can compensate with operations overseas. According to Yip (2000), when a company uses an integrated global strategy, it can reduce worldwide costs by switching production from country to country to take advantage of differences in exchange rates, taxes, transportation, and labor costs. On the other hand, small firms that operate locally have had to learn how to survive in their local environment.

Our objective is to discover how small Argentine companies manage to survive policy turnarounds, economic uncertainty, and political insecurities. We argue that these provide a context where it is logical for Argentine human resource management to have two parallel systems or faces. The formal face is in legal compliance but not too exposed to changes in public policy. The other face is informal and easier to change but not formally regulated or standardized. In this paper, we refer to these as the Janus faces of Argentine HRM. Implicit in this objective, we want to learn how global best practices have been (a) accepted, (b) accepted with modifications, (c) accepted in name but not really applied, or (d) rejected by small firms in Argentina.

Argentines use formal and informal processes to manage rapid change and uncertainty in an organic way. These processes can take the form of common knowledge which is not typically talked about. Examples of these include deciding which taxis to take in Buenos Aires and how much socializing should occur before making a business decision in a meeting. Which taxi you take can spell the difference between getting from point A to point B or getting robbed. Not socializing enough before making a business decision can stall a decision, or even worse, precede a decision which, although agreed to formally, will never be carried out. An interesting perspective tying the formal and informal is a comment on Argentine laws by Dornbush, an economist from MIT:

"Los paises desarrollados tienen normas flexibles de cumplimiento rígido. Ustedes tienen normas rígidas de cumplimiento flexible." (Oppenheimer, 2006, p. 33).
In Argentina, could it be that the lack of rigid, well-defined structures and policies may be the consequence of the uncertainty and instability in which the country has been immersed? What enables Argentine small firms to succeed in a highly volatile environment? Are there informal processes that let them change and adapt through crises? We examine small companies with small resources. For this study, we consider companies with less than 130 employees. In human resources literature, these may also be called small to medium-sized enterprises or SMEs (Dowling, Festing and Engle, 2008).

Sample Characteristics and Research Issues

The survey was conducted in 2007 to collect data from Argentine firms. For this paper we have excluded the responses from companies with more than 130 employees for an adjusted total of 50 surveys. The survey has 67 questions. Company structure was not the purpose of this research, so the survey generalized to four level of employees: executives, managers, supervisors, employees. The survey's questions generally fell into five HR areas: (1) HR department roles and functions, (2) staffing, (3) training and development, (4) performance measurement, and (5) rewards. Some general and classification questions such as the age of the company, the industry, and the position respondents were also included. The data was analyzed in an Excel spreadsheet and the results for each of the five following areas: 1) HR roles and functions, 2) Staffing, 3) Training and Development, 4) Performance Management, and 5) Rewards.

Responses to the classification questions were related to (1) the age of the company, (2) the industry and country where it operates, (3) the ratio of male/female employees, (4) the number of employees to determine the size of the company, (5) the position the respondent is working in, the time, and the time working in the same position.

(1) 66% of the surveyed companies were less than 20 years old.
(2) The sample was diverse and the industry with the most respondents was the "wholesale and retail trade industry." 92% of respondents operate only in Argentina.
(3) The ratio of male to female employees was 74% to 26%.
(4) Most of the surveyed companies had 30 employees or less (58%).
(5) Most respondents classified themselves as employees and managers, at 46% and 26% respectively. 42% were working in that position for less than five years and 34% for between 5 and 9 years. When respondents were asked about the time they were in their current positions, 38% of them said they had been working in the same position for the past 5 years and 34% had been working in the same position between 5 and 9 years. Based on the survey responses, it seems that there is little mobility once the employee is part of the company because the time employees were at the position was the same time they were at the company. (See Chart 1 and Chart 2)

Survey Responses and Results

The postulated Janus formal and informal faces manifested themselves even in the process of collecting the data for this study. The respondents to our survey, almost to a person,
did not initially want to answer the survey and it was difficult to discover why. The survey was
designed carefully to not directly ask questions Argentines were uncomfortable talking about,
such as company sales or earnings.

One prospective respondent finally shed some light on this hesitancy. Even though the
survey assured confidentiality on respondents’ identities at the beginning and end of the survey
questions, some respondents were still reluctant to complete the survey truthfully because they
feared that the Argentine bureau of tax revenue (Argentine equivalent of United States IRS)
would get access to their information. This concern is at least partially due to the Argentine
bureau of tax revenue practice protected by the Argentine law known as the “11,683 Ley de
Procedimientos Fiscales” (Law of Fiscal Procedures) which allows the Argentine bureau of tax
revenue to search for irregularities in tax payments with disguised inspectors (La Nación, 2007,
p. 3).

Results for the role of HR as well as reported descriptions of the HR functions of staffing,
training and development, performance measurement and reward practices will now follow.
Anyone wishing further details on the questionnaire items may contact one of the authors.

HR department roles and functions

Less than half of respondents have HR departments (14), only one company outsourced
HR functions, and 35 did not have an HR department. Within companies with HR departments,
79% of those respondents had only one employee in the department. Having only one employee
may indicate that (a) other employees perform HR functions, (b) the company outsources HR
functions while the HR employee documents and calculates salaries and vacations but is not very
involved in planning and setting strategies, or (c) HR departments were created recently and
companies are just now implementing HR roles and functions.

When respondents were asked who performs HR functions, 78% of them answered that
those functions are performed by administrative personnel. It seems that companies do not see
HR functions as important in the company strategy. It may be argued that HR departments work
more as documenters than as strategic partners. The concept of having HR departments for
administering competencies with changes in HR roles and functions is one of the ideas that have
come from business schools. This new concept is something that may have been accepted with
modifications, because so few companies in the sample actually have HR departments and the
ones that do mostly consist of exactly one employee.

Staffing

We argue that the most important requisites for hiring were recommendations because
Argentines are very social and the concept of "chain of favors" or "Bank of Favors" is well
known. This was a sensitive question since respondents may not have wanted to reveal their
informal recruitment process. However, honest answers were facilitated by providing
respondents with a list of requisites which included a "recommendations" option.

Personal interviews were the determinant when hiring the four level of employees
(employees, supervisors, managers, and executives). The requirement most valued after
"personal interviews" was "experience" for all levels but managers. With managers,
recommendations were rated second on the scale. Recommendations were valued more highly than experience. However, the mean value of experience was close to that of recommendations.

For the other three levels of employees classifications, recommendations were valued third and age fourth. The rest of the variables presented, such as psychological evaluations or consensus between supervisors and employees were moderately considered. What may be inferred from these results is that experience is considered necessary due to the nature of the changing environment of Argentina and its cycles. Personal interviews were a logical response due to the common interaction in the culture where face to face communication is highly preferred. Recommendations are part of the informal HR process. It may happen that the hiring process follows this order: (1) there is an open position, (2) the manager or supervisor makes a recommendation and (3) the company evaluates the prospective employees in personal interviews (4) taking into account their experience. (See Table 1).

When respondents were asked to list the factors to consider when hiring employees, responsibility was considered the most important factor. Most of the listed factors (computer knowledge, education level, written and oral communication skills, personal physical appearance, responsibility, commitment, leadership, ability to work in teams, honesty, references) were considered important or very important, except for executives, where the values tended to be lower than the rest.

General managers were considered the more involved and influential people for hiring employees and supervisors. The board of directors were considered the most involved when hiring managers and executives. Although structure is not the focus in this paper, it may be inferred that structures in SMEs are vertical and communication is top-bottom. To confirm this last assertion, it can be observed that coworkers do not participate in or influence staffing.

Training and development

Almost half of the surveyed companies provide training for employees. From the 50 companies surveyed, 23 provided training for employees (46%), 17 provided training for supervisors also 17 for managers (34%), and only 9 companies do training for executives (18%). Most of the training was done for lower level employees and training decreased as the level of employees increased. Gomez and Sanchez (2005) mention that training may be seen as a reward in most Latin American countries because of budget constraints. This may certainly be true, particularly for small companies. However, it may also indicate that the reason for having training at the lower employee level may be related to that the training is being done for entry-level positions.

After the recently hired employee learns tasks and activities related to the position, training is rarely conducted. The following supports this assertion. Most of the respondents answered that training is done mostly inside the company (43% inside vs 8% outside for the level of employees) and the majority of employee training is done by people from the company. The informal process may apply here. It is well known that companies have to train their employees
and keep them updated to maximize their performance. Training is an idea imported via business
schools. It is not a frequent practice in Argentina.

Generally speaking, companies consider that employees should come to their jobs with
the necessary knowledge to perform the needed tasks. Moreover, companies claim that they do
offer training. How is it that they mostly do training for lower level positions but not for upper
level positions? Apparently local SME's accept "global best practices" but they modify them
according to their needs, experience, or customs. (See Chart 3)

INSERT CHART THREE ABOUT HERE

The general manager decides who gets training and who does not for most of the
positions. This may be related to the size of the companies and probably to the general
paternalistic style of small Argentine companies. (See Chart 4)

INSERT CHART FOUR ABOUT HERE

Performance Measurement

Most of the surveyed companies measure performance for the four levels of employees
recognized by the survey. Employees were at the level where most measurement was done (82%
vs. 18%) and executives were at the level where the least amount of measurement was done
(36% vs 64%). It seems that as the level of the employee increases, how much their performance
is measured decreases. The frequency of measurement at the employee level was done monthly
for most of the respondents (62%); at the supervisor level it was also done monthly for the
majority of respondents (34%); and for managers and executives most of the companies
surveyed did not measure performance at all (38% and 66% respectively). (See Chart 5)

INSERT CHART FIVE ABOUT HERE

Most of the companies were small companies without high hierarchical structures and
many employees. Consequently, it was expected that companies would not spend as much time
and resources measuring performance at all levels. It was interesting, however, to see that they
did measure performance. It should be that performance measurement is one of those "global
best practices" that come from business schools. Here the formal HR System face may indicate
that companies should measure performance. Our surveyed companies said that they do and this
is probably true.

But the informal HR face shows something else. Performance measurement may be
somehow connected to control functions. Nobody likes to talk about control in any organization
because it is usually seen as something negative. However, survey responses may be related to
control functions. The survey did not go as far as asking respondents about interpretation of
concepts but it may be argued that most respondents associated the idea of performance
measurement with control functions. Recall how functions and procedures may be blurred.

In another survey question, performance management tools were ranked: company
shares, department contribution to company shares, division contribution to company shares,
company earnings, department earnings, goals accomplished by the company, goals
accomplished by the person, and other. Respondents had to value the given tools in an scale of 1
to 5, with 1 being the most important and 5 the least important. The surveyed companies valued
as very important and important the "goals accomplished by the person" tool for employees and
supervisors. Managers and executives, on the other hand, were seen as placing more value on
"goals accomplished by the company". Clearly, respondents were considering performance as
control tasks because they did not consider company shares or department contributions as important.

Moreover, respondents were also asked to value the degree of influence when measuring performance. They valued general managers as very influential and influential when measuring performance for employees and supervisors. This answer also corroborates that performance measurement is more about control than about performance itself because there is a time constraint to influence on measurements for all employees and supervisors in the company.

Another survey question was about control tasks. Responses showed that companies considered control tasks and activities as important and very important for employees, supervisors, and managers. It may be said that in this area, the global best practice of empowerment and decentralization has been accepted in name but was not really applied. (See Table 2)

**INSERT TABLE TWO ABOUT HERE**

*Rewards*

It might be expected that for a country where face to face communication and interaction are preferred, collective rewards are the way to go for the majority of respondents. However, only 12% of the surveyed companies reward collectively (8% by department and 4% to the whole company), with the majority rewarding individually (68%) and 20% of the companies not rewarding at all. The majority of the companies reward their employees. It would have been interesting to know why 20% of the companies do not reward employees. Although it is very difficult to prove or obtain information about it, this may be another manifestation of the informal face of HR in Argentina. Some companies do give employees cash rewards, but will not say so openly to avoid paying taxes determined by those prizes.

The most valued reward was a salary increase for the rewarded employees at the employee, supervisor, and managerial levels. All prizes listed for the executive level of employees had little or no value for the surveyed companies. One possible reason behind these results for the executive level of employees may be related to the size of the companies. Simply put, they may just have managers and no executives.

It seems that incentive practices have been accepted in Argentina and global best HR practices for rewards have been completely assimilated. (See Chart 6)

**INSERT CHART SIX ABOUT HERE**

*An Assessment of Company Roles*

Respondents were asked to rate the importance of several tasks to be performed by employees, supervisors, managers, and executives. Among the given tasks, respondents considered "keep or increase communication" the most important task for employees; "control employees and its activities" the most important for supervisors, and "redesign and/or create new objectives" the most important task for managers and executives. (See Table 3)

**INSERT TABLE THREE ABOUT HERE**

*Discussion, Conclusions and a Closing Question*
It should be evident from our study and analysis that there are informal as well as formal faces to Argentine HR processes. Yes, there are formal processes like creating strategies and implementing long-term plans. But when the economy swings wildly, Argentine companies don't change their formal setup, they just adjust their informal processes. Accordingly, Argentine companies do not automatically accept global HRM best practices, but modify them for their needs. Small Argentine companies have HR departments, but these still don't have the strategic role and proportional size they have in larger enterprises.

When hiring, personal interviews and experience are an important part of the formal process but informal recommendations can be an even more important factor. While training has been accepted as a key need to enhance employee performance, because of fewer resources and the notion that employees should have all the necessary skills before they are hired, most of the training is done for entry level positions. The formal face of Argentine HRM tells us that employee performance is measured. The informal face tells us that this "performance measurement" has more to do with control tasks, particularly as the employee level increases. For rewards, it is clear that small Argentine firms value money the most because the formal and informal faces concur.

*Individualism, Teamwork and Global Competitiveness*

Although we might expect Argentines with strong family ties to be both a very social and a collective culture, it turns out they also highly individualistic. This was clear from the survey result showing that rewards were given individually. Indeed that the quest for true teamwork and synergy is illusive is illustrated by the national Argentine soccer team's difficulty in classifying for the 2010 FIFA World Cup in South Africa.

Argentine soccer players are among the best in the world and Argentines love soccer, the most popular game in the world. Lionel Messi in Barcelona, the 2009 FIFA soccer player of the year, Carlos Tevez in the English Premier League Manchester City team, Javier Saviola in the current Portuguese league-leading Bénfica team, and Agüero in the Atlético Madrid team are just a few of the Argentine soccer stars having an impact abroad.

However, Argentines are frustrated because the Argentine national soccer team has only won two World Cups in 1978 and 1986 and, most recently, struggled just to qualify for the 2010 World Cup. It would seem that Argentine institutions are still learning how to provide leadership for team-making. It is telling how, when Argentine players go play in European teams, they most often adapt well and are stars on their respective new teams. So what would happen in Argentina if more Argentines actually worked together for common goals? *Put in other words, what might happen if the formal and informal faces in Argentina were more closely aligned?*

*References*


CHART 1: AGE OF SURVEYED COMPANIES

Surveyed Companies
(Percentages)

<table>
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<tr>
<th>Age (in years)</th>
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<th>5%</th>
<th>10%</th>
<th>15%</th>
<th>20%</th>
<th>25%</th>
<th>30%</th>
<th>35%</th>
<th>40%</th>
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<td>01 a 10</td>
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<td>31 a 40</td>
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<tr>
<td>91 a 100</td>
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<td>101 a 110</td>
<td>0%</td>
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<tr>
<td>111 a 120</td>
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</table>
CHART 2: MALE VS. FEMALE EMPLOYEES

Male vs Female Employees

% of employees working at the surveyed companies

<table>
<thead>
<tr>
<th>Category</th>
<th>Employees</th>
<th>Supervisors</th>
<th>Managers</th>
<th>Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Written and Oral Exams</td>
<td>3.733</td>
<td>3.565</td>
<td>2.822</td>
<td>3.875</td>
</tr>
<tr>
<td>Personal Interviews</td>
<td>1.224</td>
<td>1.553</td>
<td>1.298</td>
<td>2.758</td>
</tr>
<tr>
<td>Recommendations</td>
<td>1.878</td>
<td>1.800</td>
<td>1.432</td>
<td>3.452</td>
</tr>
<tr>
<td>Psychological Evaluations</td>
<td>3.956</td>
<td>4.000</td>
<td>3.119</td>
<td>4.097</td>
</tr>
<tr>
<td>Coworkers Opinions</td>
<td>3.870</td>
<td>4.143</td>
<td>3.976</td>
<td>4.345</td>
</tr>
<tr>
<td>Agreement between Supervisors &amp; Employees</td>
<td>3.556</td>
<td>3.732</td>
<td>3.450</td>
<td>3.828</td>
</tr>
<tr>
<td>Agreement between Executives &amp; Managers</td>
<td>3.500</td>
<td>3.591</td>
<td>3.195</td>
<td>4.250</td>
</tr>
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<td>Experience</td>
<td>1.449</td>
<td><strong>1.638</strong></td>
<td><strong>1.447</strong></td>
<td><strong>2.909</strong></td>
</tr>
<tr>
<td>Age</td>
<td>2.429</td>
<td>2.404</td>
<td>2.106</td>
<td>3.364</td>
</tr>
</tbody>
</table>
TABLE 2: IMPORTANCE OF PURPOSES OF PERFORMANCE MEASUREMENT

**CHART 5: PERFORMANCE MANAGEMENT**

- Employees
- Supervisors
- Managers
- Executives

**Performance Measurement Trendline**

<table>
<thead>
<tr>
<th>surveys</th>
<th>employees</th>
<th>supervisors</th>
<th>managers</th>
<th>executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>yes</td>
<td>41</td>
<td>34</td>
<td>31</td>
<td>18</td>
</tr>
<tr>
<td>no</td>
<td>9</td>
<td>16</td>
<td>19</td>
<td>32</td>
</tr>
</tbody>
</table>
### TABLE 3: IMPORTANCE GIVEN TO TASKS

<table>
<thead>
<tr>
<th>Task</th>
<th>Employees</th>
<th>Supervisors</th>
<th>Managers</th>
<th>Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Give information on performance</td>
<td>2.184</td>
<td>2.106</td>
<td>1.617</td>
<td>3.000</td>
</tr>
<tr>
<td>Redesign and/or create new objectives</td>
<td>2.229</td>
<td>2.174</td>
<td><strong>1.604</strong></td>
<td><strong>2.909</strong></td>
</tr>
<tr>
<td>Give incentives/punishments to good/bad performance</td>
<td>2.479</td>
<td>2.435</td>
<td>1.792</td>
<td>3.152</td>
</tr>
<tr>
<td>Keep or increase growing opportunities</td>
<td>2.224</td>
<td>2.333</td>
<td>1.833</td>
<td>3.152</td>
</tr>
<tr>
<td>Control employees &amp; activities</td>
<td>2.229</td>
<td><strong>2.067</strong></td>
<td>1.750</td>
<td>3.424</td>
</tr>
<tr>
<td>Review Pay Scales and Adjust Them</td>
<td>2.633</td>
<td>2.652</td>
<td>1.958</td>
<td>3.515</td>
</tr>
<tr>
<td>Create new positions</td>
<td>2.729</td>
<td>2.739</td>
<td>2.000</td>
<td>3.273</td>
</tr>
<tr>
<td>Keep or increase communication opportunities</td>
<td><strong>2.041</strong></td>
<td>2.478</td>
<td>1.792</td>
<td>3.061</td>
</tr>
</tbody>
</table>

### CHART 6: REWARDS UNIT AND STATUS

**Rewards**

- Individual: 34
- Group/dept: 4
- Whole Co.: 2
- Does Not Reward: 10
<table>
<thead>
<tr>
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<th>Supervisors</th>
<th>Managers</th>
<th>Executives</th>
</tr>
</thead>
<tbody>
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