

EXERCISE 6.2: HIRING A PLANT MANAGER AT DYNAMO INDUSTRIES*

Overview

Personnel selection decisions are typically made based on a collection of information from several sources. An organization may have test scores, previous performance appraisals, interview ratings, biographical information, and other data on the candidates. This exercise gives the student a feel for making a final recommendation based on such a collection of data. In addition, through the group interaction, students should gain an understanding of the process involved in a leaderless group discussion.

Your assignment is to review candidate credentials for the plant manager positions at Dynamo Industries in Pittsburgh.

Learning Objectives

After completing this exercise, you should be able to

1. Distinguish candidate information that is valuable and should be considered in the decision from that which should be ignored.
2. Articulate your rationale for decisions.
3. Suggest ways in which the selection process could be improved.
4. Understand the dynamics of a leaderless group discussion.

Procedure

Part A: Individual Analysis

Before class, review all material presented in the scenario that follows (including all exhibits). Assume the following: You are the vice president of personnel. You are to write a report (a two-page executive summary followed by *no more* than two pages of supporting information) that includes the following:

- a. A rank ordering of your top three choices for the Pittsburgh job based on the information you have now.
- b. An *in-depth* discussion of how this rank ordering was reached (a rationale for some candidates being ranked higher than others and for others not being ranked). As part of this analysis, comment on the recommendation by the Ad Hoc Committee on Diversity that Mr. Jackson should be hired since he meets the minimum qualifications and Dynamo has an affirmative action program.
- c. A detailed discussion of how the selection process for hiring a plant manager should be changed in the future in order to make the process more effective. (e.g., additional selection devices to use, additional information to gather, sources to drop or change, methods for deriving a recommendation). Be specific in your recommendations.

- d. A request for whatever additional information you would like to have regarding the process or the candidates or issues that should be considered that could affect your rank orderings. Your instructor may stipulate that requests for additional information may be e-mailed prior to the class meeting.

This report will be sent to the vice president of production and to the president of Dynamo Industries. Bring this report to class.

Part B: Group Analysis

Groups should be charged with reaching a consensus on the rank ordering of the top three candidates. Each member should be given an opportunity to review the others' written reports. The instructor will designate the time to be allotted to this process and will provide additional information on request. In addition, each group should reach consensus on the changes to be made for hiring the plant manager in the future.

Scenario

Dynamo Industries is a medium-sized manufacturer of small electrical motors headquartered in St. Paul, Minnesota. The firm employs 9,800 people. Dynamo Industries has plants in St. Paul; Columbus, Ohio; Atlanta; San Diego; Pittsburgh; Providence, Rhode Island; and Little Rock, Arkansas. All these plants are unionized, although the power of the respective unions varies greatly.

Recently, the company has been trying to hire a new plant manager (see job description in Exhibit 6.2.1) for the Pittsburgh plant (plant managers report directly to the vice president of production). Although Dynamo Industries has experienced slightly above-average growth and profit compared to its competitors, the Pittsburgh plant has been a trouble spot. Over the past 3 years, production costs there have been extremely high and there has been labor strife (e.g., numerous work slowdowns, an excessive number of grievances filed). The most recent Pittsburgh plant manager was terminated, although by mutual agreement, the company stated he left for a better job with another company. Because of the importance of the plant manager position, Dynamo Industries has used several expensive selection devices. These devices are detailed next. After a thorough recruitment effort (both within and outside the company) and some initial screening, the list of job candidates has been reduced to eight names. Exhibit 6.2.2 contains extensive information on each of the eight candidates.

Dynamo Industries does not have an established philosophy for filling job openings. In the past, it has favored promotion from within the company. However, the vice president of production was hired externally. Dynamo has no policy on lateral transfers. In the recent past, such transfers have been rare. The key issue seems to be whether the company benefits from the transfer.

Exhibit 6.2.1**Plant Manager Job Description**

(Written by the vice president of production)

The plant manager (PM) is ultimately responsible for the operating efficiency of the entire plant. In fulfilling his/her responsibilities, the PM regularly consults with subordinate supervisory personnel (the PM frequently delegates duties). A plant manager must be somewhat knowledgeable of production methods and the capabilities of equipment. Some of the activities the plant manager is directly or indirectly involved in include

1. Procuring materials.
2. Maintaining the plant.
3. Controlling quality.
4. Using manpower.
5. Establishing budgets.
6. Revising production schedules because of equipment failure or operation problems.
7. Consulting with engineering personnel concerning the modification of machinery to improve production quantity, the quality of products, and employee safety.
8. Conducting hearings to resolve employee grievances.
9. Participating in union-management contract negotiations.
10. Ensuring safety.
11. Establishing community relations.

Exhibit 6.2.2**Background Information on the Candidates**

1. **George Martin**—age 44. Education: B.A., University of Wisconsin; M.A. (Industrial Relations), Cornell University. He is a plant manager of a relatively small (580 nonunion employees) plant (located in Cleveland) of one of Dynamo's competitors. Martin has held that job for the past 6 years. He has been with that company for 14 years. No reference information was gathered because Martin was concerned about his present employer's reaction.
2. **Tony Caciopo**—age 59. Education: high school graduate. He is an assistant plant manager (Providence). Caciopo has been with Dynamo for 24 years. He has been assistant plant manager in Providence for the past 10 years. He had a severe heart attack 4 years ago but appears to have recovered. Ten years ago, he was offered a job as plant manager by Dynamo but turned it down because of health problems his wife was having.
3. **Kathy Joyce**—age 36. Education: B.A., Indiana University. She is currently plant manager of the Little Rock plant. She desires a lateral transfer because it would enhance job opportunities for her husband. Joyce has been with Dynamo for 5 years. She has been plant manager at Little Rock for 2 years.
4. **Barry Fein**—age 49. Education: associate degree (2 years) from Morehead State University. Until 2 months ago, Fein was plant manager at a large, unionized textile plant. Two months ago, the company Fein worked for discontinued this product line and he was let go. Fein had been with his former company for 20 years and was plant manager for 5 years. His letters of reference were excellent.
5. **Ron Jackson**—age 33. Education: B.A., Howard University; M.B.A., Northwestern. He is currently an assistant plant manager at the Pittsburgh plant. He has been with the company for 4 years; he has been assistant plant manager for 2 years. He has served as acting plant manager at Pittsburgh for the past 2 months.
6. **Jay Davis**—age 46. Education: B.A., Harvard; M.B.A., Harvard. He is currently assistant plant manager (Atlanta). Davis has been with Dynamo for 10 years; the past 7 years he has been assistant plant manager (6 years in St. Paul, the past year in Atlanta).
7. **Frank Hall**—age 58. Education: B.S. (chemistry), Duke University. He is currently vice president for production for one of Dynamo's major competitors. He says he seeks a demotion so that he is required to travel less. He has been vice president of production for 6 years. Before that, he was a plant manager for 12 years. The plant was organized. No reference information is available. However, he has received outstanding reviews in trade publications for his performance as vice president.
8. **Tom Doyle**—age 36. Education: B.A., Williams College; M.B.A., University of Chicago. For the past 2 years, Tom has worked as a special assistant to the vice president of production. Before this he was an assistant PM for 2 years and a PM (Little Rock) for 3 years. Tom was the youngest PM ever appointed at Dynamo. He was very ineffective as a PM and after 3 years was removed from this position.

Exhibit 6.2.3 Personality Profile

Each of the eight candidates was examined by a psychiatrist. In addition to interviewing each candidate, the psychiatrist utilized personality tests (e.g., NEO-AC, 16PF (with "Five Factor Model" and underlying facet scores), the Myers-Briggs Type Indicator, and the Thematic Apperception Test) in drawing the following conclusions.

CANDIDATES' RATINGS

	High	Medium	Low
Ability to handle stress	Martin Caciopo Davis	Joyce Jackson Fein Doyle	Hall
Ability to resolve conflict	Joyce Davis Caciopo	Martin Doyle Hall	Fein Jackson
Interpersonal skills	Martin Joyce	Hall Jackson Caciopo	Davis Fein Doyle
Most likely to succeed as a plant manager	Martin Caciopo	Joyce Doyle Hall Jackson	Fein Davis

Exhibit 6.2.4

Interviewers' Ratings

	Vice President Production	Vice President Personnel	Columbus Plant Manager	Atlanta Plant Manager
George Martin	6.5	6	5.5	4
Tony Caciopo	5	5.5	4.5	6
Kathy Joyce	6	6.5	5	5.5
Barry Fein	4	4	3	4
Ron Jackson	5	5.5	4.5	5
Jay Davis	4.5	5	3.5	6.5
Frank Hall	6.5	7	Interviewer on vacation day of interview	4
Tom Doyle	5.5	6	4.5	6

Note: Each of the interviewers went through a 1-day interview training program. The vice president of production's interviews averaged 3 hours in length. The other interviews averaged 60 minutes in length. Interview ratings were made on a seven-point scale (1 = poor candidate . . . 7 = excellent candidate). All interviews were semistructured.

Exhibit 6.2.5
General Mental Ability
(GMA) Test and
Graphology Analyses

Candidate	GMA Test	Graphology Rating
George Martin	119	5
Tony Caciopo	116	2
Kathy Joyce	131	0
Barry Fein	122	1
Ron Jackson	114	5
Jay Davis	138	4
Frank Hall	112	3
Tom Doyle	125	5

Note: The intelligence test (Wechsler Adult Intelligence Scale) given by Dynamo Industries is commonly used for selecting candidates for management. Individuals scoring below 115 tend not to do well in managerial jobs. Standard error equals 3.5. The graphologist rated the plant manager candidates in terms of their likelihood of success as the Pittsburgh plant manager (0 = very poor prospect . . . 5 = very strong prospect).

Exhibit 6.2.6
Promotability Ratings, Performance Ratings, and Work Sample Scores

Candidate	Promotability	Performance	Work Sample Score
George Martin	Not available	NA	
Tony Caciopo	6	5	19.5
Kathy Joyce	5	6.5	15.5
Barry Fein	NA	NA	18.5
Ron Jackson	5.5	6	18.5
Jay Davis	7	7	18
Frank Hall	NA	NA	16.5
Tom Doyle	5.5	6	19
			17.5

Note: A promotability rating was made as part of the annual performance review (7 = ready for immediate promotion . . . 1 = should not be promoted). The performance rating ranges from 1 = poor performance . . . 7 = exceptional performance. Company data indicated appraisal and promotability ratings correlated .17 with future performance. As part of the selection process, all applicants went through a series of work sample tests (i.e., in-basket, leaderless group discussion, and production planning exercise). Scoring was done by trained raters from the personnel department (20 = highest possible score). Exhibit presents the average rating across the work sample tests.