

REWARDING NON-COMPLIANT BEHAVIOR IN ORGANIZATIONS:
THE ROLE OF APPRAISAL AND REWARD SYSTEMS ON EMPLOYEE
COMPLIANCE WITH FLSA

A Dissertation

Presented to

The Faculty of the Department

of Psychology

University of Houston

In Partial Fulfillment

Of the Requirements for the Degree of

Doctor of Philosophy

By

Chester Hanvey

December 2011

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ABSTRACT

Most I/O psychologists consider the realm of organizational legal issues to be almost entirely comprised of discrimination-related issues. However, the wave of recent wage and hour lawsuits (governed by the FLSA) has inspired some practitioners to begin applying I/O techniques, such as job analysis, to help employers avoid lawsuits or to provide evidence for existing lawsuits. Despite recognition of the high costs of misclassifying employees as managerial (i.e., salaried), organizations continue to face this allegation with increasing frequency. In this study, I investigated a potential cause of employee non-compliance with FLSA regulations. Using a VIE motivational framework, I hypothesized that company performance appraisal and reward systems may unintentionally motivate employees to perform tasks that jeopardize the organization's compliance with FLSA regulations. Overall results did not support my hypotheses. Time spent on certain non-exempt tasks was not related to performance scores. Possible explanations for these results are discussed.

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Rewarding Non-Compliant Behavior in Organizations:

The Role of Appraisal and Reward Systems on Employee Compliance with FLSA Regulations

Despite knowledge of the high costs associated with non-compliance with wage and hour laws and specifically the Fair Labor Standards Act (FLSA), an increasing number of companies encounter problems with allegations of unlawful practices. One specific type of violation, misclassification, has become increasingly costly for many companies in the past decade, resulting in numerous rulings and settlements worth tens of millions of dollars (Seyfarth Shaw, LLP, 2010). Among other things, the FLSA states that all employees must receive overtime compensation for all time worked beyond 40 hours in one week (Fair Labor Standards Act, 1938). However, because an hourly system of compensation is not practical for all employees in the workforce, the law also allows for employees to be paid a fixed salary if they qualify for one of several exemptions, which are described in detail in a later section. Employees who qualify for at least one exemption (i.e., exempt employees) can legally be paid on a salary basis, thus not receiving overtime pay, while employees who do not meet any exemptions (i.e., non-exempt employees) must be compensated on an hourly basis and receive overtime pay (Banks & Aubry, 2005; Crampton, Hodge, & Mishra, 2003). Misclassification lawsuits arise when one or more employees claim that they are improperly classified by their organization as exempt (i.e., salaried) when in fact they do not meet the legal criteria for any of the exemptions and should therefore be properly classified as non-exempt (i.e., hourly).

Given the potential costs associated with misclassification lawsuits, which are discussed below, proper classification of employees is an important concern for many companies (Banks, 2004). Therefore, non-compliance with FLSA regulations is unlikely to be due to a lack of legal awareness by organizational decision makers, especially Human Resource departments.

As discussed in more depth below, employees can be exempt from these regulations if they meet certain criteria, which qualify them for an exemption. To qualify for the executive exemption, which is the focus of this study, an employee's primary duties must be comprised of exempt work (i.e., managerial duties such as interviewing, training or supervising) as opposed to non-exempt work (i.e., non-managerial duties such as hands on work like cleaning or making products) (Banks & Aubry, 2005; Banks & Cohen, 2005; Ko & Kleiner, 2005; Honorée, Wyld, & Juban, 2005; Crampton, Hodge, & Mishra, 2003). The details of the executive and other exemptions are discussed in a later section. In many cases, Human Resources (HR) departments and upper level management may believe that exempt employees are performing mostly managerial duties and thus are properly classified (Banks, 2004). However, despite the intentions of many organizations that employees in exempt positions perform exempt work, many employees do not perform their job as expected and may instead spend too much time performing non-exempt work. When exempt employees are performing a significant amount of non-exempt work, the organization is at risk of non-compliance with the FLSA (Banks, 2004). In other contexts where employees do not perform the job as expected, the cost to the organization will typically be in the form of decreased performance or efficiency. However, when it comes to FLSA violations, the financial costs associated

with employees not performing their jobs as expected can be far greater in addition to lost productivity due to poor or non-management. Therefore, knowledge that can reduce the likelihood that exempt employees will perform non-exempt work could be very valuable.

There are several potential explanations as to why exempt employees may perform non-exempt work. The focus of this study was to examine one of the potential explanations. Often, organizational decision-makers who are familiar with FLSA regulations will formally state in written documents such as job descriptions or training manuals that exempt employees should spend the majority of their time performing exempt duties. Although employees may be formally told to perform exempt duties, organizational policies may provide a contradictory message by rewarding exempt employees in the form of performance ratings and thus motivating them to perform non-exempt duties. This motivation may be done intentionally (even though it ultimately drives the wrong behaviors) or unintentionally. When performance is linked to compensation, the motivational force to perform work that improves those ratings is typically much higher (Martocchio, 2011). This is especially likely for local managers (e.g., Store Managers, Branch Managers Restaurant Managers) because in many cases, they are evaluated on broad criteria such as performance of the store, branch or restaurant (Banks, 2004) which are often associated with compensation in the form of bonuses or commission. Broad performance criteria will likely motivate employees to perform a broad range of tasks, many of which may be non-exempt. For example, to increase overall profits, a manager may choose to engage in probably hundred of different activities that could improve scores on this criterion. For example, they may choose to perform exempt activities such as coach team members to be more efficient or organize

more marketing events to attract more customers. Alternatively, they may choose to reduce hourly staff to save overhead and absorb duties of the missing employee themselves. Organizations that seek to minimize risk of misclassification lawsuits would be well-advised to avoid performance measures that reward exempt employees for performing non-exempt tasks. In this study, I intended to test the hypothesis that exempt employees may actually be rewarded in the form of higher performance ratings and associated compensation for performing non-exempt tasks and thus be motivated to continue to perform them.

Typically, the employee who seeks to “do whatever it takes to get the job done” is highly desired by organizations, even though it means that they may be performing tasks that are part of another employee’s job. Assuming that the job is designed such that exempt employees are not expected to perform non-exempt tasks, these tasks would be considered extra-role. Exempt employees who are willing to step in and perform extra-role tasks are often praised for their citizenship behaviors which have been described in many ways including: assisting coworkers with job-related matters (Brief & Motowidlo, 1986), altruism and civic virtue (Organ, 1988), and helping coworkers and cooperative behaviors (George & Brief, 1992). Although termed and defined slightly differently by different authors, many researchers consider these citizenship behaviors an important part of the performance domain (Rotundo & Sackett, 2002) and very positive for organizational performance. However, it is likely that this positive set of behaviors also means that exempt employees will be performing some hands-on (i.e., non-exempt) work themselves rather than delegating it to others (i.e., non-exempt employees) (Banks, 2004). This represents somewhat of a conflict in management practice. If exempt

employees are rewarded for performing these tasks in the form of higher performance ratings and compensation, they will likely be motivated to continue to perform non-exempt work, even if it contradicts formally-stated organizational expectations.

One of the ways in which this may operate is through motivation. Employees may be motivated to perform tasks for which they are rewarded. Many motivational theories have been used to successfully predict and explain employee behavior at work. Specifically, expectancy theories were created to predict and explain an individual's choices among alternatives, which seems particularly relevant in this context. Specifically, expectancy theories are considered by some researchers to be especially applicable when studying performance management (DeNisi & Pritchard, 2006). The most widely used and researched expectancy theory is Vroom's (1964) VIE theory (Donovan, 2001) which is the theoretical framework I used to generate hypotheses regarding the relationships between time spent on non-exempt tasks and performance ratings. Specifics of VIE theory and how it related to this study are described further in later sections.

In this study, I intended to provide three types of implications: methodological, theoretical, and practical. I suggest methodological implications in the form of a non-traditional conceptualization of job analyses. To assess FLSA compliance, a traditional job analysis is insufficient in that it ignores individual differences between incumbents and does not allow a researcher to evaluate variability between incumbents, which is a crucial consideration in class action litigation. I therefore propose an alternative view of job analyses, one that questions the premises of traditional job analyses and allows a researcher to evaluate the amount of variability in a sample. From a theoretical

perspective, I suggest a VIE motivation framework as a basis for this study and to explain the underlying processes in employees' decisions to perform non-exempt work. I suggest motivational theory as a way to bridge the gap between performance criteria and the tasks that employees choose to perform. Therefore, in this study I intend to apply VIE theory in a novel area, that is, FLSA compliance. Practical implications include specific suggestions for employers on what to avoid when designing performance appraisal criteria. Specifically, organizations should examine their reward systems to ensure that employees are not rewarded for performing non-exempt work. This may involve a definition of the performance domain that excludes citizenship behavior, to the extent that citizenship behaviors include performing non-exempt work. The goal would be to refine encouraged behaviors to only those that truly support the organization's strategic goals, which includes FLSA compliance. In addition, practical implications may also exist for training of supervisors of exempt employees to ensure that they are not providing positive feedback to employees who perform non-exempt work.

The structure of this paper is as follows: I will provide a background on the provisions of the FLSA, exemptions from the FLSA, and the costs associated with FLSA litigation. I will then provide a brief background on job analysis, which has proven to be useful in FLSA compliance evaluations and is the source of the data in this study. Following that, I will discuss performance appraisal and compensation systems and how they may relate to compliance with the FLSA. Finally, I will discuss employee motivation and how performance criteria can motivate employee behaviors.

First, I will provide a review of wage and hour litigation as background on the type of lawsuit that was addressed in this study. Specifically, the provisions of the FLSA,

exemptions from the FLSA, costs associated with non-compliance, and solutions for employers who wish to comply with the law are described.

Wage and Hour Litigation

Industrial/Organizational (I/O) psychologists are generally very aware that legal issues can impact our field. However, most research and literature tends to be focused on discrimination issues and statutes such as Title VII of the Civil Rights Act (CRA 1964, 1991), the Age Discrimination in Employment Act (ADEA, 1967) and the Americans with Disabilities Act (ADA, 1990). However, one area of organizational law that is often ignored by I/O psychology is the field of wage and hour laws, which is primarily based on the Fair Labor Standards Act (FLSA, 1938). The costs for organizations that face such lawsuits are alarmingly high and the frequency with which these cases are alleged suggests that organizational researchers should take notice. Below, I will summarize the specific provisions of the FLSA, the various exemptions from the FLSA, costs associated with wage and hour litigation, and finally, existing solutions for employers who wish to maintain FLSA compliance.

Provisions of the FLSA. Wage and hour litigation is generally based upon the FLSA which was enacted in 1938 and amended multiple times since (Banks & Aubry, 2005; Honorée, Wyld, & Juban, 2005; Crampton, Hodge, & Mishra, 2003). The Act covers several topics including minimum wage, maximum hours, overtime pay, record keeping requirements, meal and rest break regulations, and standards for working off the clock (Fair Labor Standards Act, 1938) and was originally intended to aid the country in recovery from the depression by protecting workers rights (Crampton, Hodge, & Mishra, 2003). One specific type of wage and hour case that has resulted in numerous multi-

million dollar settlements and court decisions is an allegation known as misclassification.

The FLSA states that all employees in the workforce who are paid by the hour are entitled to overtime pay if they work beyond the minimum threshold established by the relevant Federal or State laws (often 40 hours per week) (Banks & Cohen, 2005).

However, the Act also allows some employees to qualify for one of several exemptions from overtime pay (described in the following section). Those who qualify for one or more of the exemptions can be paid a fixed salary and therefore are no longer entitled to overtime compensation, regardless of the number of hours worked (Banks & Cohen, 2005). This is generally more likely to be the case for employees who are higher in the organizational hierarchy such as management employees, who are frequently paid on a salary basis (Banks & Aubry, 2005).

In addition to federal regulations, many states have chosen to adopt similar or additional regulations for organizations conducting business in their state, which are either the same or more stringent than federal guidelines (Banks & Cohen, 2005; Honorée, Wyld, & Juban, 2005). This has resulted in more hurdles for organizations to clear in misclassification cases and consequently, more violations. Several states in particular have recently experienced an extremely high frequency of wage and hour allegations at the state level including California, Florida, Illinois, New Jersey, New York, Massachusetts, Minnesota, Pennsylvania, and Washington (Seyfarth Shaw, LLP, 2010). Therefore, in addition to the FLSA, employers doing business in certain states must also be aware of their state regulations, which may be enforced more strictly than federal regulations (Banks & Cohen, 2005; Honorée, Wyld, & Juban, 2005).

Exemptions from FLSA. There are five primary exemptions for which organizations can invoke to classify employees as exempt, which nullify the provisions of the FLSA (Ko & Kleiner, 2005). For an organization to legally pay an employee a fixed salary (as opposed to an hourly wage with the potential for overtime) the employee must meet one of the exemptions (Fair Labor Standards Act, 1938). Three of these exemptions can be applied to employees across professions, each of which relies on slightly different but related criteria (Banks & Aubry, 2005). These are known as the Executive, Administrative, and Professional Exemptions. Additional exemptions also exist specifically for certain professions, which include the computer professional and outside sales exemptions (Banks & Cohen, 2005; Ko & Kleiner, 2005). Although the criteria for determining the proper classification of a position differs slightly by exemption, the criteria can be organized into three categories or “tests”: (1) The salary level test, (2) the salary basis test, and (3) the job duties test (Banks & Aubry, 2005). While salary level (e.g., \$455.00 per week or \$27.63 per hour) and salary basis (e.g., paid the same amount each week, regardless of whether fewer hours are worked) tests can easily be evaluated by examining payroll records, the job duties test is much more ambiguous and as a result tends to be the primary disputed criterion in many cases (Banks & Aubry, 2005; Honorée, Wyld, & Juban, 2005).

Although multiple exemptions exist, in this study I am only interested only in examining exemption status with respect to the executive exemption. Explained simply, employees qualify for the executive exemption if their primary duties consist of managerial work (Banks & Aubry, 2005; Banks & Cohen, 2005). While “managerial work” is a somewhat vague term, repeated court rulings and published opinions by

government enforcement agencies have provided guidance as to what this means.

Examples of common managerial duties (i.e., exempt tasks) include tasks such as training, directing work of others, planning work, disciplining employees, or controlling flow or distribution of materials or merchandise (Fair Labor Standards Act, 1938).

Examples of common non-managerial duties (i.e., non-exempt tasks) include tasks such as serving customers, sweeping floors, or taking customer payments. Employees who are not primarily engaged in managerial duties are not eligible for the executive exemption and are therefore entitled to overtime pay when working more than 40 hours in a week.

In California for example, where misclassification lawsuits have been particularly numerous over the past decade or so, courts have accepted a 50% cut-off score to define whether employee's primary duties are managerial (Banks & Cohen, 2005) meaning that employees who spend at least 50% of their total work time on exempt work may qualify for the executive exemption. However, the 50% threshold differs somewhat in federal and state courts and from state to state. It is also important to note that the evaluation of whether employees qualify for the exemption is done on an individual basis, rather than at the job level. In other words, the individual employee is the unit of analysis and the work that other employees perform is not informative in the determination of proper classification for any individual.

HR professionals often classify a position as exempt without a thorough examination of the job duties actually performed. When employees are misclassified as exempt and paid salary, even though they actually perform mostly non-managerial job duties, the organization is liable for the unpaid overtime wages for all misclassified employees (Banks & Aubry, 2005). In other words, if employees are not compensated

for overtime wages to which they are legally entitled under the FLSA, the organization must compensate them for all unpaid wages. When other penalties exist for violations such as missed meal and rest breaks (which are described below), employers are also liable for those penalties, in addition to unpaid overtime.

Organizational hierarchies are typically comprised of many higher level jobs which are clearly exempt (e.g., upper level management), lower level jobs that are clearly non-exempt (e.g., manual laborers) and jobs that fall into a gray area (Banks & Aubry, 2005). Common job titles for positions in the gray area are assistant manager, store manager, shift lead, or branch manager (Banks & Aubry, 2005). For many of these jobs, it is not immediately clear whether employees are properly classified as exempt or non-exempt because employees perform some exempt duties and some non-exempt duties. Recently, I/O psychologists have been able to contribute to FLSA exemption classifications by applying job analysis techniques to help courts and organizations determine the proper classification of employees (Banks & Cohen, 2005). As noted, the key questions in making this determination are the job duties performed by incumbents in a position, and the time they spend on those duties. By employing established job analysis techniques, I/O psychologists have the ability to determine with a high degree of precision the tasks that are actually being performed in the job and how much time is spent on them (Banks & Aubry, 2005; Banks & Cohen, 2005; Honorée, Wyld, & Juban, 2005). Job analyses used for this purpose have been effective in helping courts understand whether a job does, in fact, consist of mostly exempt or non-exempt duties (Banks & Cohen, 2005).

Costs. The costs associated with misclassification and other wage and hour allegations can be alarmingly high. Damages for FLSA violations include unpaid overtime wages and penalties for other violations which may differ by state such as compensation for missed meal breaks and rest breaks (Banks & Aubry, 2005). This is in addition to attorney and expert fees and expenses related to litigation such as lost productivity for company personnel who are responding to the lawsuit (Banks & Cohen, 2005). In California state courts for example, where misclassification lawsuits have been especially common over the last decade, employees are entitled to an additional hour of pay for every missed 30 minute meal period (when working a shift of 5 consecutive hours or longer). If an organization loses a misclassification case, they must retroactively compensate employees for their missed meal breaks. This occurs because exempt employees are not required to (and often do not) take 30 minute uninterrupted breaks every day, as non-exempt employees are required to do. Therefore, if an employee is determined to be misclassified, they likely will have missed many meal breaks in addition to not being compensated for overtime. When misclassification lawsuits are tried as a class action, the number of plaintiffs can include thousands of employees (i.e., class members) over a period of time that can span up to five years (i.e., the class period). Depending on the size of the class, the length of the class period, the amount of unpaid overtime worked by the class members, and the number of missed meal and rest breaks, organizations can potentially be liable for very large sums of money.

As an example, one of the first major wage and hour class actions was a 2003 lawsuit against Farmers Insurance in which the organization was ordered to pay \$90 million in back wages because a judge ruled that they had misclassified a class of current

and former employees (Banks & Cohen, 2005). However, because of this case and many others like it, a small minority of misclassification class actions have actually gone to trial. Instead, the majority of organizations that face allegations of misclassification settle out of court where it is not uncommon for a settlement to reach tens of millions of dollars (Flynn, 2001).

Further, United States Courts statistics suggest that wage and hour cases are on the rise. While discrimination cases (e.g., Title VII, ADA, ADEA) have decreased in the past ten years, FLSA cases have more than tripled, as depicted in Figure 1. In 2010, there were 6,394 cases filed under the FLSA in federal district courts in the 12 month period ending March 31, 2010 as opposed to 1,678 in 2001 (Office of Judges Programs, Administrative Office of the United States Courts, 2010). In the past few years wage and hour class action cases have continued to surpass all other types of workplace class actions both at the federal and state level (Seyfarth Shaw, LLP, 2010).

In addition to frequency of allegations, costs for wage and hour class action litigation are also on the rise. In 2009, the 10 largest wage and hour class action settlements totaled \$364 million which was up 44% from the total of \$252.7 million in 2008 (Seyfarth Shaw, LLP, 2010) and up 14% from the total of \$319.3 million in 2007 (Seyfarth Shaw, LLP, 2009). Wage and hour class action lawsuits have been far more costly than any other type of employment class actions over the last several years (Seyfarth Shaw, LLP, 2010). For comparison, the top 10 verdicts and settlements sum to \$86.2 million for private plaintiff discrimination and \$107 million for government initiated discrimination cases (Seyfarth Shaw, LLP, 2010). Please refer to table 1 for the list of the top ten wage and hour settlements in 2009 and the amount of each settlement

(each of the top ten settled out of court). Further, many people in the legal field expect wage and hour class actions to continue to increase over the next few years (Seyfarth Shaw, LLP, 2010).

Given that FLSA cases are numerous and expensive, many organizations are looking for ways to ensure that they are in compliance and avoid litigation. Below, I will describe some of the solutions that researchers and practitioners have offered to help companies remain compliant and thus lower their potential liability.

Solutions for Employers. Thus far, researchers and practitioners have offered three primary solutions to employers to comply with the provisions of the FLSA. The first is to conduct periodic audits of exempt jobs within the organization (Banks & Aubry, 2005), the second is to design jobs appropriately so that exempt employees will spend the majority of their time on exempt activities, and third is to adjust incentives to encourage compliant behavior on the part of employees (Banks, 2004).

The goal of an FLSA audit is to determine whether exempt employees are primarily performing exempt work or non-exempt work. One of the best ways to do a wage and hour audit is to conduct a job analysis where information is collected specifically to address whether exempt employees meet any of the exemptions (Banks & Aubry, 2005). Such a job analysis would need to be designed specifically to collect data on what tasks individual exempt employees are actually performing on the job, and the amount of time that they spend on those tasks. Organizations can then use these data to assess whether exempt employees meet the exemption requirements and as evidence in response to potential misclassification allegations (Banks & Aubry, 2005). In the event that exempt employees are performing a significant amount of non-exempt work, an

organization can make changes to ensure compliance (Banks, 2004). Possible changes could be reclassification of the job to non-exempt, or redesign of the job, which is described below.

The second solution for employers to ensure compliance with the FLSA is to design exempt jobs such that the job itself requires only a small amount or no non-exempt work. Many organizations have the ability to influence the amount of exempt work performed through the design of jobs. Ensuring that non-exempt tasks are not assigned to exempt employees is one way to enhance compliance. Additionally, exempt employees who don't have sufficient staffing, for example, may feel the need to perform more non-exempt work to ensure that it gets done (Banks, 2004). Therefore it is important that organizations provide exempt employees with sufficient staff, training and organizational support to allow them to perform their jobs in an exempt manner while also performing at a high level (Banks, 2004).

The third method by which non-exempt work can be minimized is through performance management and compensation and incentive systems (Banks, 2004). In this study, I aimed to determine whether performance management and compensation systems are related to the performance of non-exempt work by exempt employees. Specifically, several "danger zones" commonly exist in organizations where employees may be motivated to perform non-exempt work, which include employees who want to: get their hands dirty, get things done quicker or better, deliver the best customer service, or simply help out other employees (Banks, 2004). Ironically, most if not all of these are typically considered "good management." However, often what is considered good management practice puts organizations in danger of non-compliance with FLSA

regulations. Managers who want to build morale or set good examples for their employees may perform non-exempt work as one way of accomplishing these goals. While these managerial behaviors may in fact have a positive outcome from a business standpoint, they may put the organization at legal risk, if too much time is spent on them. For example, a manager who wants to promote teamwork may regularly choose to step in and help out their employees. Unfortunately, this typically means that the manager is performing non-exempt hands on work. For these reasons, incentives should be designed to drive behavior that is not only associated with high performance but also in compliance with regulations such as the FLSA.

As mentioned previously, the best way to assess the proper classification of employees is to conduct a job analysis, which includes estimates of time spent on particular tasks (Banks & Aubry, 2005; Honorée, Wyld, & Juban, 2005; Ko & Kleiner, 2005). In the following section, I will provide a brief summary of job analysis and specifically job analyses used for legal purposes.

Job Analysis

Until recently, wage and hour litigation was outside the realm of I/O psychology and generally fell into the fields of statisticians, labor economists, and compensation specialists (Banks & Cohen, 2005). However, in the last few years, I/O psychologists have been able to successfully apply established methods such as job analyses to provide clarity in these cases. Job analyses are one of the fundamental tools used by I/O psychologists and represent perhaps the most widely collected type of HR data in both large and small organizations (Morgeson & Dierdorff, 2011). Job analysis is defined as the process of gathering, analyzing and structuring information about a job's components

and characteristics, including environmental contexts and job requirements (Sanchez & Levine, 2002). Job analyses have been used for decades by I/O psychologists and are likely the most practical contribution to date that our field has to offer to the business world. As such, a variety of methodologies have emerged for conducting job analyses and the spectrum of the potential applications has widened as well. Not only have job analyses been useful in helping business by providing both HR applications (e.g., selection, training, performance appraisal) and non-HR applications (e.g., ergonomics, human factors) (Sanchez & Levine, 2002), but they have also been successfully used for decades to provide evidence in different types of organizational legal matters (Gutman, 1993).

As a side note, many researchers have begun to use the term “work analysis” in place of the more traditional term “Job analysis” (Morgeson & Dierdorff, 2011; Sanchez & Levine, 1999). However, throughout this study, I continue to use the term “job analysis.” This is done intentionally because it more accurately describes an FLSA-relevant study. The term “work analysis” is typically preferred by researchers who feel that “job analysis” is too narrow and does not capture worker attributes, in addition to work activities (Morgeson & Dierdorff, 2011). However, in the context of an FLSA-relevant study, only amount of time spent on tasks matters (Banks & Aubry, 2005). Information on worker attributes may be useful for other purposes but is not useful for determining compliance with the FLSA. The most appropriate way to study a job to determine compliance with FLSA regulations is to use a very narrowly defined job analysis. In the following section, I will discuss how job analyses have been used successfully as evidence for other legal purposes.

Job analysis for legal purposes. Job analyses have a long history of association with the United States court system dating back to the enactment of the Civil Rights Act (CRA) of 1964 (amended in 1991), the Age Discrimination in Employment Act (ADEA) of 1967, and more recently the Americans with Disabilities Act (ADA) of 1990, all of which are meant to deal with the issue of discrimination (Gutman, 1993). In these contexts, job analyses are typically conducted with the goal of demonstrating the job-relatedness of a selection procedure in CRA and ADEA cases (Gatewood, Feild, & Barrick, 2007; Gutman, 1993) or identifying the “essential functions” of a job in ADA cases (Mitchell, Alliger, & Morfopoulos, 1997) to determine whether unlawful discrimination has occurred. Job analyses as related to CRA and ADEA cases are discussed in the next section, and job analyses as related to ADA cases are discussed in the following section.

In CRA and ADEA cases, job analyses are generally used to determine whether a given selection device is selecting employees based on characteristics which are actually related to job performance (i.e., job relatedness) (Gutman, 1993). For example, in the landmark 1971 case (Griggs et al. v. Duke Power Co., 1971), Duke Power eventually lost their case because they could not demonstrate that one of their selection criteria was related to job performance (Gatewood, Feild, & Barrick, 2007; Gutman, 1993). The court found that a high school diploma, which the company required of all employees, was not actually related to one’s ability to perform the job effectively. Therefore, because this selection criterion disproportionately selected white applicants, it was ruled unlawful. Based on this and similar rulings, many organizations conduct job analyses before implementing any selection instrument to not only protect themselves legally but

also because it is essential to the effectiveness of the instrument (Gatewood, Feild, & Barrick, 2007).

The second common use of job analyses for legal purposes is to determine the essential functions of a job (Mitchell, Alliger, & Morfopoulos, 1997). When the ADA was passed in 1990, organizations became legally required to provide reasonable accommodation for individuals who could perform the essential functions of a job for which they were applying. As is the case with many laws, when the language of the law is applied to actual organizations, the wording becomes much more ambiguous and the legal boundaries become much more difficult to define. One of the most important terms in the ADA is “essential functions,” which is what all qualified applicants must be able to perform with or without accommodation. However, it is not always immediately clear what the essential functions of a job are. Therefore, many organizations use job analyses to identify the essential functions of jobs (Mitchell, Alliger, & Morfopoulos, 1997; Gatewood, Feild, & Barrick, 2007). The outcome of many of these processes is a job description which specifies the primary duties, or essential functions, of the job. This sometimes can include explicitly stated physical and mental demands in addition to the list of primary tasks performed.

In addition to discrimination cases, job analyses have recently been used by I/O psychologists to contribute to wage and hour litigation cases and specifically misclassification cases by providing estimates of the percent of time that individual employees spend on exempt and non-exempt tasks (Banks & Cohen, 2005). Although job analyses used in wage and hour cases have the same general objective as those used in discrimination cases (i.e., to evaluate compliance or provide evidence for active

litigation), the crucial questions to be answered in misclassification cases differ from traditional job analyses, and even from job analyses used for discrimination cases. Job analyses for the purpose of evaluating FLSA compliance must be conducted with the primary goal of determining whether individual employees meet the criteria for any of the exemptions (Banks & Aubry, 2005). As it relates to the executive exemption, this means collecting data on the amount of time that individual employees spend on exempt and non-exempt work (Banks & Cohen, 2005).

In the next several sections, I will discuss the significance of job analysis variability and specifically, how it relates to class action lawsuits. Within the following sections, I will also examine some of the underlying assumptions that researchers commonly accept when assessing job analysis reliability and propose an alternative view, one which gives researchers the ability to apply job analysis methodology to different aspects of class action lawsuits.

Significance of Variability. One measurement issue that is pervasive across all sciences is how to conceptualize variability. From one perspective, variability is considered error. From another perspective, variability is representative of meaningful individual differences (Sanchez & Levine, 2000). Typically, the purpose of the measurement drives the perspective that a researcher takes. For example, if measuring the length of an object, variability in measured length would likely be aggregated (e.g., averaged) as variation about the mean would be assumed to be due to random measurement error, assuming that no systematic bias exists in the measurement. In this example, the goal of the measurement is to determine the actual length of a single object, and therefore presenting a range of measurements would not be useful. However, as a

second example, assume that the goal of the measurement is to determine the height of a class of students. Variation in heights is considered to represent meaningful individual differences in height, and aggregating those measurements would result in a loss of that useful information. These two examples are intended to show the different ways that variability can be handled. The examples seem fairly obvious and could be clearly distinguished by the fact that in the first example, we are measuring a single object whereas in the second example, we are measuring multiple people with the expectation that they differ.

Consider the case of a job analysis. How is variability in ratings, scores, time spent, and importance typically treated by researchers and practitioners? Generally, despite the fact that we are almost always measuring the job performed by many different employees, scores are aggregated to create a single job description or a single set of knowledge, skills abilities or other characteristics (KSAOs) to use for selection, training, or some other similar purpose. For many purposes such as when an organizational decision needs to be made (e.g., what to include in a training module), aggregating scores is necessary because ranges of tasks performed would not be useful and would essentially render the job analysis worthless because organizational decisions often cannot be made on the basis of a range of results. The goal in these scenarios is to describe the group as a whole, and not any one individual. However, when it comes to class action wage and hour lawsuits, variability is of crucial importance. The implications for these lawsuits are discussed in more detail below but first I will address the assumptions of reliability as it applies to job analyses.

Assumptions of job analyses reliability. In this section, I address the underlying assumptions of traditional conceptions of job analysis reliability and discuss some of the theoretical problems with reliability measures. As with any measurement instrument, reliability of a job analysis is crucially important. One reason is that the validity of the inferences made by job analyses is essential to the utility of the process. The degree to which an instrument is unreliable sets a limit on the degree to which valid inferences can be drawn from the results. While this is widely agreed upon in the field, some debate exists about the meaning of unreliability (Spector, 2000; Morgeson & Campion, 2000).

Reliability is usually assessed in one of two ways, inter-rater reliability and intra-rater reliability (Dierdorff & Wilson, 2003; Viswesvaran, Ones, & Schmidt, 1996), each of which have underlying assumptions that are often problematic when used for job analyses in general (Morgeson & Campion, 2000) and specifically for wage and hour class action litigation purposes. For the purposes of evaluating the reliability of job analyses, the overwhelming majority of published job analysis studies use inter-rater correlations as their measure of reliability (Dierdorff & Wilson, 2003). A potentially problematic issue with this method is that inter-rater reliability is based on the premise that raters are observing the same job (or tasks, behaviors, etc.) and therefore, we would expect them to give similar ratings (Sanchez & Levine, 2000). Deviations from the “true score” are considered evidence of unreliability (Morgeson & Campion, 2000). Notice that an additional inherent assumption of this approach (aside from the assumption that raters are rating the same thing) is that the job itself is identical across incumbents. The premise of inter-rater reliability is that an objective reality exists (e.g., the characteristics of the job) and individual raters are all rating this objective reality (Sanchez & Levine,

2000). The only way that two raters could differ is if one or both of them are wrong. Provided that no systematic bias exists in the measurement, any variation that exists among raters is due to random error, a chain of logic based on Classical Test Theory (CTT) (Sanchez & Levine, 2000; Morgeson & Campion, 2000). Based on CTT, the proper way to handle differences in scores is to average them because over time the average is an unbiased estimator of the true score, or objective reality.

Practically, we know that the premises involved in using inter-rater agreement as an estimate of reliability are rarely accurate. Would we ever believe that any two people are observing and thus rating the exact same thing? More, importantly, would we ever believe that the job of a group of people is ever exactly the same? More likely, individuals in the same position perform their jobs similarly, but not identically. This is more likely to be the case when there is higher job complexity and autonomy, thus giving individual employees an opportunity to engage in “job crafting” (Wrzesniewski & Dutton, 2001), customize the job to fit their unique role identities (Dierdorff, Rubin, & Morgeson, 2009), or perform their work in idiosyncratic ways (Lievens, Sanchez, Bartram, & Brown, 2010). Given the likely flaw in this premise, it seems inappropriate to consider interrater agreement as reliability and further, interrater disagreement as unreliability. As stated by Sanchez and Levine (2000) “disagreement [on job analysis data] may simply indicate systematic depictions of alternate but equally valid views” (p. 812).

There are many methodological and practical implications for the assumptions in assessing job analysis reliability. The most important in this context is its consequences for class action lawsuits. The following section discusses how reliability

and specifically variability between incumbents can have a significant impact on decisions in class action lawsuits.

Implications for class action lawsuits. Wage and hour lawsuits almost always present organizations with two separate legal hurdles, because Plaintiff attorneys typically attempt to try the case as a class action. The first ruling in a class action allegation determines whether all Plaintiffs are properly considered to be a class (i.e., class certification). Assuming that they are found to be a class, the second ruling determines whether employees in the class are misclassified (i.e., merits). To determine whether a class should be certified, the court must reach a decision as to (1) whether the named Plaintiffs adequately represent all members of the class and (2) whether “common issues predominate” (Banks & Cohen, 2005). If all employees of a company have the same allegation, it would not be necessary to try the same case multiple times, once for every similarly situated employee. Rather, for efficiency, the court can try the case once and the results will apply to all class members, regardless of the court’s decision. However, in order to provide each potential class member with their due process, it is essential (and required) to first determine whether all class members do, in fact, have a sufficient similarity with respect to their complaints or whether individual inquiry is required (Banks & Cohen, 2005).

From an I/O perspective, this is equivalent to assessing whether there is significant variability between incumbents in how they perform their jobs (Banks & Cohen, 2005). Suppose an extreme example where half of a company’s employees (despite having the same job title) perform mainly exempt duties while the other half performs mainly non-exempt duties. Attempting to reach one ruling for all employees as

a class would be inappropriate and would necessarily result in an unfair verdict for half of the class. For this reason, the court must first determine whether all potential class members are similarly situated (i.e., perform the job similarly) before deciding to proceed with a class action lawsuit.

The class certification decision is almost entirely based on whether there is significant variability among the members of the proposed class. Variability can refer to special circumstances of some potential class members, differences in job titles, or differences in the application of company policies or procedures such as different regions or business units (none of these factors are necessarily sufficient in isolation). In wage and hour cases, this most often refers to variability in the way that job is performed, or more specifically, the job duties of individual employees (Banks & Cohen, 2005). This presents an opportunity for I/O psychologists to provide valuable evidence by performing a detailed job analysis. The job analysis can provide insight about whether there is variability in the tasks which members of the proposed class actually perform, therefore providing persuasive information toward a class certification ruling. However, underlying this approach is an assumption of the value associated with individual variation. If one were to instead aggregate this variability, which is common in a traditional job analysis, researchers would lose the ability to provide any relevant information for class certification decisions. Therefore, it is important to preserve data at the individual level until it is determined that aggregation is an appropriate step.

Another example of area where individual variation is important to preserve is organizational climate research. Researchers have debated over whether it is appropriate to aggregate individual level characteristics into a group level variable (Guion, 1973).

Specifically, when significant heterogeneity exists within a group, some researchers question whether it can really even be considered a group at all (Jones & James, 1979). Researchers have proposed several calculations (e.g., Intra-class correlations; ICC or within-group correlations; r_{wg}) to determine whether a group is sufficiently similar to be considered a group. However, these calculations require a third variable (e.g., work group, location) for the purposes of grouping, which is not necessarily present in many misclassification cases. There are currently no statistics to evaluate variability within a single group quantitatively. The standard deviation and range help to describe the degree of variability but neither allows a researcher to test for statistical significance. Regardless of whether the calculations for significant agreement are possible in individual circumstances, the reasoning behind these calculations highlights a very important issue, which is that it does not make sense to treat individuals as a group (e.g., a “class”) if they are different on key variables such as job duties performed or time spent on those job duties. While I did not attempt to analyze whether there is significant variability in this study, the concept is still worth noting because for most job analyses, high agreement is assumed. In this study, I did not assume that all individuals perform work in the same way, but instead treated individual variation as meaningful and something from which we can obtain valuable information. There are currently very few methodologies available to examine jobs at an individual level. However, this study offers an example of one way that it can be done.

In this study, I suggest that variability is non-problematic and further, that it can actually be very valuable. Statistical relationships cannot be calculated using a constant, which is what results from aggregating job analysis information. My goal in this study

was to determine whether company policies motivate employees to perform more non-exempt work, and more specifically, whether employees are rewarded for spending more time on non-exempt tasks in the form of higher performance ratings and associated compensation. This analysis would not be possible if the tasks performed and time spent on tasks were treated as a constant. Instead, just as performance can vary across individuals, I propose that time spent performing various tasks also varies across individuals. Although the previous point seems obvious, it is worth making because in most job analyses time spent on tasks, tasks performed, importance of tasks and other outcomes are not allowed to vary across individuals, because they are aggregated to create a common job analysis for all employees. Therefore, a traditional job analysis methodology would not have provided the data necessary to conduct this study.

In the following sections, I will discuss performance appraisal and compensation systems, which I suggest may motivate exempt employees to perform non-exempt work if not constructed properly.

Performance Appraisal and Compensation Systems

There is an adage in HR that states “what gets measured, gets done.” What seems like common knowledge is potentially the source of legal compliance problems for many organizations. When performance appraisal systems measure broad performance criteria, they motivate employees differently than specific criteria (DeNisi & Pritchard, 2006) and are likely to be motivating employees to perform a broad range of work behaviors to improve ratings on those criteria. Encouraging broad outcomes is often considered to be a desirable approach to stimulate good management in general.

However, the downside to this approach is that it lacks boundaries and may lead to non-compliance when some of those encouraged work behaviors are non-exempt.

Perhaps what makes FLSA compliance so difficult for many employers is that often, the same individual characteristics that make an employee a high performer also are likely to cause the employee to perform many non-exempt tasks. For example, employees will frequently report that some of the main reasons that they perform non-exempt tasks are related to improving performance, such as: “because it’s easier to do myself than training someone else to do it” or “because I can do it more quickly or efficiently than my employees” (Banks, 2004). Individuals who are willing to do “whatever it takes” to get the job done may be considered ideal employees in many work environments, but unfortunately, it is often these same individuals who are performing many non-exempt tasks and putting the company at legal risk (Banks, 2004). However, given the incredibly high costs associated with a misclassification lawsuit, an organization is likely to be better suited by sacrificing a small amount of productivity if it can avoid legal action. In the following section I will discuss performance appraisals followed by a discussion of compensation systems, which are often closely linked to performance.

Performance appraisals. Performance appraisal is defined as the systematic description of job relevant strengths and weaknesses within and between employees (Cascio, 1987). In addition to evaluating performance, performance appraisals can be a major method for organizations to formally communicate what is expected of its employees (Martocchio, 2011). While the performance appraisal itself is simply a method of collecting data about the performance of employees, performance management

is a broader set of activities with the ultimate goal of increasing organizational performance (DeNisi & Pritchard, 2006). Most companies in the private sector also base pay and promotion, financial incentives or other organizational decisions on performance appraisals (DeNisi & Pritchard, 2006). Performance appraisals tend to be somewhat formal and structured due to potential legal liability when making these decisions (DeNisi & Sonesh, 2011). Many variations of performance appraisals exist and the recommended type is typically dependant on the specific circumstances and strategic goals of an organization (DeNisi & Pritchard, 2006). Best practices dictate that the performance appraisal and compensation and reward systems should be consistent with strategic organizational goals (Martocchio, 2011; DeNisi & Pritchard, 2006). For example, an organization that intends to promote teamwork should evaluate employees based on team or group performance. If the organization were to base its performance appraisal on individual performance, it may be sending mixed messages to employees and may actually be motivating employees to work individually so as to achieve higher performance ratings. As it relates to FLSA regulations, almost unanimously, organizations would state that it is their goal for exempt employees to perform exempt work. However, assessing manager's performance based on broad criteria such as "customer service" may motivate employees to be more involved in customer service, some of which requires that manager to perform non-exempt work (Banks, 2004). This may be especially true for performance measures over which employees do not have full control. Employees typically desire to control over their own performance are not as comfortable with criteria that are out of their control (DeNisi & Pritchard, 2006). One way of gaining more control over group level performance, is to be more personally

involved in the tasks that influence these ratings. This also may lead to exempt employees performing more non-exempt tasks. In this section, I will provide a brief overview on performance appraisals as they relate to the current study.

Although different researchers use different grouping and labels (Gatewood, Feild, & Barrick, 2007; Viswesvaran, 2001), performance data can usually be cleanly categorized into one of two broad groups: objective and subjective measures. Objective measures typically are obtained from company data that involve no personal opinions such as sales numbers, number of customers helped, or number of days late. Subjective measures are opinion based and typically ask people with knowledge of an employee's job performance to provide ratings of some kind. Each method has its strengths and weaknesses (Viswesvaran, 2001; Gatewood, Feild, & Barrick, 2007) meaning that the recommended type of performance data depends on the specifics and goals of an organization (DeNisi & Sonesh, 2011). Ironically, despite the fact that researchers have been studying performance appraisals since the early 1920's, many practitioners report that academic research on the topic is of limited usefulness in practice (DeNisi & Pritchard, 2006). Perhaps this gap between what researchers have found and what practitioners need to know allows for performance appraisal systems in practice to potentially have a negative impact on the organization.

Although researchers have studied many different measurement issues with performance appraisal (Cascio, 1987; Feldman, 1981; Cooper, 1981), I introduce an additional performance appraisal issue in this study. However, the issue is not related to measurement, but rather the work behaviors that are encouraged by the criteria themselves. In other words, I did not address issues related to measurement, but rather to

organizational strategy. In later sections, I will discuss three specific types of performance appraisals that may have the unintended and undesired effects of motivating employees to perform non-exempt work.

However, first I will discuss compensation systems, which are closely related to performance appraisals in many organizations. Compensation systems may impact the relationship between performance appraisal criteria and employee performance, and are therefore summarized in the following section.

Compensation systems. A related area of Human Resource Management is compensation. Many organizations tie compensation to performance in one way or another, either through performance based bonuses or salary increases (DeNisi & Pritchard, 2006). Compensation is defined as either intangible and tangible rewards or returns employees receive for doing their jobs (Martocchio, 2009). Examples of intangible rewards include recognition, status, job security, challenging work, and learning opportunities. Examples of tangible rewards include pay and benefits (Martocchio, 2011). Monetary compensation (i.e., pay) can also be divided into several groups including base pay and incentives. Many organizations use their compensation plans as a way to advance the overall organizational strategy. This is known as a strategic reward and compensation plan (Martocchio, 2011). Strategic reward and compensation systems can be executed at multiple levels from specifying what the strategy is, to the actual implementation of the performance appraisal. Strategic reward and compensation plans can support the organization's strategy in a wide range of ways, such as recruiting talented employees, or reducing absenteeism or turnover. No matter what the strategy, compensation can be a very powerful way to work towards the

organization's goals. One way in particular that this works is because of the value that employees typically place on monetary rewards (Martocchio, 2011).

As stated by Krueger (1986), "money is probably the most emotionally meaningful object in contemporary life" (p. 3). Money serves both instrumental (e.g., ability to make purchases) and symbolic (e.g., achievement, status, freedom) purposes (Tang, 1992). As such, it provides a powerful motivating force for many employees. When performance is tied to compensation, the performance appraisal itself will likely have a similar motivating force for employees.

The specific processes by which money influences behavior are not fully understood by researchers (Martocchio, 2011). For example, a notable gap exists in the compensation and reward literature for the construct definition of the meaning of money (Mitchell & Mickel, 1999). We also know that different individuals value money differently which can also be affected by cultural identification. However, these influences are also not fully understood by researchers (Martocchio, 2011). One theory that may be valuable in understanding the effect of rewards and compensation on employee behavior is employee motivation because compensation plans specifically are considered to be one of the primary drivers of employee motivation (Prien, Prien, & Wooten, 2003). In the following section, I will discuss employee motivation and how it may help to explain the way in which compensation and rewards can affect employee behaviors.

Employee Motivation

The gap between organization policies and employee behavior can often be filled by motivation. Motivation refers to the internal factors that impel action and to the

external factors that can act as inducements to action (Locke & Latham, 2004). People are motivated to do different things in different ways. Motivational theories are applicable to all aspects of life, but are especially relevant in organizations. As such, multiple theories exist to help I/O psychologists explain, predict, and control employee behavior in organizations (Donovan, 2001). However, for reasons explained below, expectancy theories and specifically VIE theory are the most useful frameworks for purposes of addressing FLSA compliance. In the following section, I will provide a review of VIE theory, and then discuss how it may relate to FLSA compliance.

Expectancy theories. The central assumption of Expectancy Theories is based on Tolman's (1932) assertion that human behavior is the result of conscious choices made by individuals among alternative courses of action with the goal of maximizing pleasure, and minimizing pain (Donovan, 2001). While various expectancy theories have been proposed and studied, the most widely studied expectancy theory is Vroom's (1964) VIE theory (Pinder, 1988). In this study, I use the logic of VIE theory to generate a framework for understanding the relationship between time spent on tasks and performance ratings. One of the ways in which VIE theory differs from other motivational theories is that it is designed to predict individual choices from among multiple options (Campbell & Pritchard, 1976). In contrast, goal-setting theory has much empirical support but focuses on task performance, not which tasks employees perform. The purpose of this study is to examine individual choices to perform certain tasks (not quality of performance), which is specifically what VIE theory is designed to do (Diefendorff & Chandler, 2011). VIE theory consists of three main components: (1) Valence, which is one's affective orientation toward the second level outcomes, (2)

Instrumentality, which is one's perceptions of the relationship between first level outcomes and a given set of second level outcomes, and (3) Expectancy, which is one's judgments of the likelihood that their actions will reach their goal (first level outcomes). An individual's perceptions of these three components combine to produce a motivational "force" (Vroom, 1964). First level outcomes are outcomes that are achieved as a direct result of an action. Second level outcomes are outcomes that are achieved due to their relation to the first level outcome (Vroom, 1964). For example, there are many possible outcomes that result from the action of applying for a job. The first level outcome of the action would be to simply get the job, as that is the direct result of applying. The second level outcomes would be all outcomes associated with getting the job such as compensation, experience, or prestige. Overall, the VIE model proposes that individuals will choose the course of action that produces the largest positive force (or lowest negative force) (Vroom, 1964).

Some readers may note that research on VIE theory has not provided much empirical support for the utility of the theory; however, much research on VIE theory has been plagued with methodological problems (Campbell & Pritchard, 1976). Specifically, Donovan (2001) points out three major methodological flaws in studies of VIE theory which are present in as many as 75% of all studies on VIE theory (Van Eerde & Thierry, 1996). First, as noted, VIE theory is intended to predict individual choices among several alternatives; however, most studies of VIE theory use a between subjects design which likely underestimates the predictive validity (Campbell & Pritchard, 1976). Second, Vroom (1964) specifically stated that VIE theory is intended to predict three things (1) an individual's choice, (2) intention, and (3) level of effort. However, most research on VIE

theory has inappropriately used performance as the criterion, which is likely to be contaminated by many other variables such as ability. The third major methodological problem with many VIE studies is the reliability of the measurement of the VIE components (Donovan, 2001). Typically, measures of these components have low reliabilities, making it problematic to make meaningful predictions. In sum, despite a lack of empirical research using proper methodology, VIE theory remains a well-recognized and useful framework for understanding employee motivation (Donovan, 2001). In fact, some researchers such as Klein et al. (2008) argue that nearly every theory of goal choice uses an expectancy-valence framework (Diefendorff & Chandler, 2011). Expectancy frameworks have been applied by other researchers in the context of productivity enhancement (Pritchard, Holling, Lammers, & Clark, 2002) and performance management (DeNisi & Pritchard, 2006). Expectancy theory is a broad framework that has more direct implications for performance management research and allows researcher to bring together research from different fields (DeNisi & Pritchard, 2006).

To apply VIE theory, one must consider the level of all three components to determine the motivational force associated with an action (Vroom, 1964). When the motivational force of all possible actions are considered, the action with the greatest positive (or lowest negative) force will be the action chosen. Theoretically, one can calculate overall motivational force by multiplying expectancy judgment by a composite of combined valence and instrumentality judgments (Vroom, 1964). In other words, the theory would predict that motivational force would be increased if the level of any of the

three components is increased, provided that neither of the other two equal zero (Diefendorff & Chandler, 2011).

In this study, I propose that high performance ratings (especially when associated with compensation) would serve as a goal whose attainment would be highly desired by employees. Therefore, individuals would have a high motivational force to act in ways that enable them to achieve high performance ratings and compensation, especially when the alternative choice (e.g., compliance with FLSA regulations) is likely to provide very little individual incentive. In the following section, I will discuss how VIE theory can be applied to help understand employee non-compliance with FLSA regulations.

Motivational effect on FLSA compliance. One theme that is common to most theories of motivation is that humans will act in ways that will allow them to achieve desired outcomes (Donovan, 2001) or what DeNisi and Pritchard (2006) refer to as need satisfaction. Applying a VIE framework, I would expect that employees would behave in ways that will result in higher performance ratings, provided that high performance ratings are more desired than alternative potential outcomes. When high performance ratings are tied to financial incentives, the likelihood that employees will be motivated to achieve higher performance becomes even greater, because these outcomes are highly desirable for most employees (Diefendorff & Chandler, 2011; Martocchio, 2009). The key for organizations is to ensure that performance appraisals are structured so that employees are rewarded for efforts that are directed toward outcomes desired by the organization (DeNisi & Pritchard, 2006).

In the case of FLSA compliance, VIE theory can be applied to make certain predictions about tasks that employees choose to perform. The theory is useful in

predicting how employees will allocate effort across actions, which refers to the allocation of time and resources toward a particular action (DeNisi & Pritchard, 2006). Therefore it is a useful theory in predicting both which tasks are performed (i.e., choice of action) and how much time is spent on those actions (i.e., effort). To the extent that employees are rewarded for these efforts, they will be motivated to continue (DeNisi & Pritchard, 2006). While VIE theory is additionally intended to predict intention (Donovan, 2001; Diefendorff & Chandler, 2011), that outcome is not relevant from an FLSA-compliance perspective, because all that matters is the tasks actually performed and the time spent on those tasks (Banks & Aubry, 2005). I partially use logic to apply VIE theory to the current study, while empirically testing other parts, which is depicted in Figure 2. Using VIE framework, I made predictions about the relationship between tasks performed and performance appraisal ratings. As shown in the model in Figure 2, I propose that when broad performance measures are implemented, employees' valence and instrumentality perceptions will be greater to perform tasks that will increase these ratings. This is especially true when performance is tied to compensation or some other highly desired outcome (e.g., promotion, recognition). When compensation is reliably linked to objective criteria (e.g., commission), instrumentality will also be perceived as high by employees. However, it is unclear whether expectancy will also be high, that is, whether time spent on certain tasks will actually result in higher performance. This relationship is what I intended to test in this study. Both the valence/instrumentality and the expectancy variables will be discussed in more detail below.

As noted, according to VIE theory, motivational force toward an action will be increased if any one of the three components is increased, but is dependent on two

factors: a composite valence/instrumentality (V) judgment and expectancy (E).

Theoretically V multiplied by E equals the motivational force toward a choice of action (Diefendorff & Chandler, 2011). Using this framework, the first level outcome in this study is higher performance ratings and the second level outcome is compensation.

Because monetary gain is a robustly desired outcome (Krueger, 1986), valence judgments are likely to be high when compensation is tied to performance. When organizations link compensation to performance, instrumentality judgments are also expected to be high, especially if the performance ratings are objective. In most, if not all organizations, one would expect that if compensation is related to performance in any kind of formal way, compensation would be received if the performance meets the pre-established level. In other words, in any reputable company, employees would expect with high certainty to receive their bonus or commission if they meet their performance targets. If compensation is consistently linked to performance (as research suggests it should be), instrumentality perceptions would be very high (DeNisi & Pritchard, 2006). For the purposes of this study, I did not empirically test valence or instrumentality judgments. Instead, I am describing a common context where I would logically expect valence and instrumentality to be high.

The second variable that creates motivational force according to VIE theory is expectancy. Expectancy is what I intended to test empirically in this study. Expectancy is the perceived relationship between effort and achievement of the first level outcome (Vroom, 1964). In this study, expectancy refers to the relationship between time spent on tasks and performance ratings. I propose that time spent on certain tasks that are related to a performance criterion will result in higher scores on that performance criterion. If

this includes non-exempt tasks, the organization is at greater risk of non-compliance with FLSA regulations. In the scenario I have just described, performance is linked to compensation (i.e., high instrumentality), compensation is highly desired (i.e., high valence), and time spent on a broad range of tasks including non-exempt tasks results in higher performance ratings (i.e., high expectancy). Therefore, all three of the VIE components would be expected to be high and thus motivational force to continue to perform those tasks would be predicted. Again, I did not assess perceptions of expectancy in this study, but rather use the VIE framework to understand the hypothesized relationships.

For comparison, I also considered the motivational logic of employees whose alternative action is to remain compliant with FLSA regulations. The outcomes associated with compliance with FLSA regulations are likely to have low valence for employees, or at least lower valence than the alternative of achieving higher performance ratings and compensation because there typically are no rewards for FLSA compliance. Further, the consequences of non-compliance will be suffered by the organization, not the employees personally. Also, if the organization loses a misclassification lawsuit, the employees will personally profit from the case outcome, which although unlikely may provide motivation in the opposite direction. Expectancy is likely to be low because even employees who are aware of FLSA regulations may not know the specifics of how to perform their job in compliance with the regulations, given the complexity of determining exempt status. However, this assumes that employees are knowledgeable about FLSA regulations which, based on experience in this area, is likely to be a false assumption.

An additional consideration is whether employees who receive higher performance ratings for performing non-exempt tasks would be motivated to initiate legal action, because presumably they would have more positive attitudes toward the organization. This concern is somewhat negated in class action lawsuits because only a single employee needs to initiate the lawsuit. If the class is certified, then all similarly situated employees are included as plaintiffs, regardless of their attitudes toward the company. While employee attitudes are an important consideration, it is not likely to predict the occurrence of class action litigation.

In sum, organizations that reward employees for broad performance criteria, and not FLSA compliant behavior, are potentially motivating employees to perform non-exempt work. Now that the major components of the study have been discussed, I describe my hypotheses.

Hypotheses

In this study, I hypothesize that employees will be motivated to spend more time performing tasks that contribute to performance that is measured. Specifically, I tested whether employees are rewarded in the form of higher performance ratings for performing certain non-exempt tasks. When broad performance criteria are used, a broad range of behaviors will likely be able to improve those ratings. Some of those behaviors may be non-exempt tasks. Specifically, performance measures that can be improved by performing non-exempt work will likely motivate employees to perform non-exempt work, even though they are classified as exempt by their organization. However, this is not to suggest that all non-exempt work will be encouraged by all performance measures. Instead, I expected that only those performance measures that can be improved when

employees perform specific non-exempt tasks will motivate employees to perform those specific non-exempt tasks.

There are many possible performance measures that have the potential of incentivizing and therefore motivating employees to perform non-exempt work. I examined three of these performance criteria in this study, which are: customer service ratings, inventory management, and efficiency. Each of these performance measures is described below:

Customer service. One of the types of performance measures identified by Banks (2004) that commonly results in exempt employees performing non-exempt work is customer service. Appraising performance on the basis of customer service can be problematic because in many cases, a manager will choose to perform non-exempt customer service tasks (e.g., serving customer at the register, greeting customers at the front door) in an effort to improve customer service. While potentially good for this performance metric, performing non-exempt customer service tasks can put the company at risk of non-compliance with FLSA regulations. Because customer service ratings are often an important performance metric, managers will likely be motivated to perform non-exempt customer service tasks if it results in higher customer service ratings, especially if compensation is linked to performance. In other words, because customer service is a broad performance metric, one would expect that employees who spent more time performing a broad range of customer service tasks (including non-exempt tasks) will also receive higher customer service ratings. Therefore, I hypothesize that time spent on non-exempt customer service tasks will be positively related to higher customer service performance ratings.

H1: Exempt employees who spend more time performing non-exempt customer-service related tasks will receive higher customer service ratings.

Inventory management. A second type of performance criterion that may motivate exempt employees to perform non-exempt work is inventory management and specifically, inventory losses. Again, there are many non-exempt tasks that could help to prevent inventory loss (e.g., counting inventory, logging returned products). Appraising performance on the basis of inventory losses can also be problematic because just as with customer service, exempt employees may choose to perform non-exempt tasks if they can improve inventory ratings. Because inventory losses can greatly affect overall performance, managers will likely be motivated to perform non-exempt tasks if they result in higher performance ratings. In other words, one would expect that exempt employees who spent more time performing non-exempt inventory-related tasks will also receive higher inventory ratings. Therefore, I hypothesize that time spent on non-exempt inventory-related tasks will be positively related to higher inventory management performance ratings.

H2: Exempt employees who spend more time performing non-exempt inventory management related tasks will receive higher inventory management ratings.

Efficiency. The final performance criterion that I intend to address in this study is efficiency, which refers to the return on investment that an organization gets from individual items in their inventory. This is another potentially problematic performance measure because as with the previous two, there are many non-exempt tasks that could help to improve efficiency (e.g., restocking empty shelves, up-selling customers). Again, managers may choose to perform non-exempt tasks if they feel it will improve efficiency

ratings. Because efficiency is typically a very important performance criterion from a profit standpoint, managers will likely be motivated to perform non-exempt tasks if they result in higher performance ratings. In other words, one would expect that exempt employees who spent more time performing non-exempt tasks related to efficiency will also receive higher efficiency ratings. Therefore, I hypothesize that time spent on non-exempt efficiency-related tasks will be positively related to higher efficiency performance ratings.

H3: Exempt employees who spend more time performing non-exempt efficiency related tasks will receive higher efficiency ratings.

Now that the major aspects of this study have been summarized, I will next direct my attention to the method I used to evaluate the hypotheses.

Method

In the following sections, I will describe how I evaluated the hypotheses stated above. Specifically, I will describe the sample I used, the measures of each of the variables and the procedure that was used to collect the data. First, I will describe the sample.

Sample

To evaluate my hypotheses, I utilized data from a questionnaire that was administered to a sample of incumbents in the “Assistant Manager” position at a nationwide organization (N=803). Within the sample, 27 participants (3.45%) reported that their highest level of education was a graduate degree, 707 (90.29%) had a college degree, 45 (5.75%) reported some college, 2 (0.26%) had either a high school diploma or a GED, and 22 either did not report their education level or selected the option for

“other.” The average tenure at the company was 2.18 years ($SD=1.15$) with a range from 3 months to 12 years. The average amount of time in the Assistant Manager position was 0.86 years ($SD=0.77$) and 0.58 years ($SD=0.71$) in the same branch. Age, gender and race data were not collected.

A representative sample of Assistant Managers was selected from the total population which was defined as all Assistant Managers in the United States. The population represented 4019 branches nationwide. To ensure that the sample was representative of the population, sample characteristics were compared to population characteristics to assess the degree to which they were similar. The sample was compared to the population on several characteristics that were considered relevant to job duties which were: number of full-time employees at the branch, average branch revenue, average fleet size of the branch, average branch age, average satellite count and the percent of business from different sources (i.e., insurance, retail, dealership, corporate or other). The sample mirrored the population closely on all of these factors.

There are two primary pieces to this dataset, job analysis data and performance appraisal data. The dataset is the result of a nation-wide job analysis that was conducted in 2008 for the purpose of determining the exemption status of Assistant Managers (all classified as exempt by their organization) at a national merchandise rental company. In the next section, I will describe the measures that were used for each of the variables in my hypotheses. Following that, I provide a description of the procedures used.

Measures

Data for this study were collected using a job analysis questionnaire from a sample of job incumbents. The details of the job analysis questionnaire are described in

the procedures section below. The job analysis resulted in two types of information that I used to test the hypotheses in this study: (1) estimates of the percent of time spent on certain tasks and (2) performance ratings on multiple criteria. Both the performance appraisal data and the job analysis data (i.e., time spent on tasks) are described in more detail below, including the specific ways in which the data relate to my hypotheses.

Performance ratings. As part of the job analysis, data were collected on branch performance ratings on multiple standardized company performance criteria, including three that are relevant for this study. Each of these performance criteria is used by the company to assess some aspect of branch performance and all are used to determine either compensation or make promotion decisions. Specifically, the three performance criteria are: Service Quality Index (customer service), conversions (inventory management), and utilization rate (efficiency). Each of these is assessed monthly for performance management and compensation purposes. Participants were asked to self report their branch's average score over the past 12 months on each of the following three performance criteria.

Customer Service. The first performance measure is the service quality index (SQI) which is the percentage of customers who reported that they were "completely satisfied" with their service. These ratings are generated using a feedback system where customers are randomly selected to participate in a phone survey to give feedback on the customer service in their most recent experience. One of the questions that customers are asked is their overall level of satisfaction with the service they received. Although a five point rating scale is provided for customers, branches are judged only on the percentage of customers who reported the highest rating ("completely satisfied") on the survey.

Each branch is expected to have a higher percentage than the corporate average, which is typically in the 78%-80% range. To report performance on this criterion, each individual manager reported their branch's average SQI score over the past year by hand writing a number from 0% to 100%. Scores that were greater than 100% will be considered invalid and discarded. Only one customer service score was discarded because it was reported as greater than 100%. This particular criterion is one of the most important criteria considered by the company for determining which managers to promote. Thus, one would expect that employees with aspirations of career advancement would be motivated to achieve high scores on this criterion and thus perform work that would improve their ratings.

Inventory management. The second performance measure is the number of conversions, which refers to the number of instances when merchandise goes missing during the course of a rental and the deposit was not sufficient to cover the loss in inventory. Before customers are allowed to rent merchandise, they must first pass all of the security tests which include having a valid driver's license, valid credit card, and meet the minimum age. The customer is also required to put down a security deposit on the merchandise. The branch is required to keep a hold on the customer's credit card for the cost of the rental and a security deposit. However, on occasion the company may lose control of the rental, meaning that it was not returned on time and the branch is unable to reach the customer. When the customer's credit card is declined for added deposit, it is called a conversion, which is equivalent to having the merchandise stolen. Because no fraud is involved, the branch is held accountable for the lost merchandise. The branch is charged for the full value of the merchandise from the monthly profits, which is typically

a substantial loss. Therefore, a separate performance criterion is tracked for number of conversions per month for each branch. To report performance on this criterion, each individual manager reported their branch's average number of conversions per month over the past year by hand writing a number which was zero or greater. Participants who reported an average number of conversions of greater than three, were considered outliers and discarded. A total of 14 inventory scores were discarded because they were greater than three. Lower numbers of conversions per month means higher performance. In addition to simply a performance measure, this criterion can have a substantial effect on monthly profits which are tied to monthly commission earned by managers. Because of the high value of the merchandise being rented, a single conversion in a month usually means that the manager will not receive any commission that month. Therefore, managers are likely to be motivated to perform any tasks that will reduce the number of conversions because it will affect their performance as well as their compensation.

Efficiency. The third performance measure is the utilization rate, which is the percentage of inventory currently being rented. This measure is calculated by dividing the total inventory currently being rented by the total inventory. The ideal utilization rate is defined as 92%, which allows for merchandise that is not ready to rent or is currently being repaired. To report performance on this criterion, each individual manager reported their branch's average monthly utilization rate over the past year by hand writing a number from 0% to 100%. Scores that were greater than 100% will be considered invalid and discarded. A total of eight utilization scores were discarded because they were greater than 100%. This performance criterion is also related to compensation in that it is one of the variables used in a formula to determine the

manager's commission. As with the previous two criteria, employees would likely be motivated to achieve high ratings on this criterion and thus perform work that would improve ratings.

Each of these three performance measures will be used as the outcome variables to test the hypotheses described in earlier sections. In the following section, I will describe the predictors for this study. In this section I will detail the measures that were used to collect information for time spent on different tasks, and the specific tasks that I hypothesize will be related to each performance criterion.

Time spent on tasks. Because the primary purpose of this job analysis was to determine the amount of time that individual employees spend on various tasks, the dataset includes estimates of the percent of time that employees spend performing all aspects of their job, including both exempt and non-exempt work. As described in more detail below, time spent on tasks was assessed in several steps. First, incumbents were presented with a comprehensive list of tasks they may perform in their job which are grouped into "Task Areas" which are groups of homogenous tasks with respect to exempt status and function. In other words, each task area contains tasks that are all related to the same function (e.g., cleaning and maintaining the facility) and are all either exempt or non-exempt. In total, this position consisted of 17 distinct Task Areas, twelve of which are exempt and five of which are non-exempt. Please see Table 2 for the full list of task areas and the exempt status of each. Incumbents were asked to self-report the relative amount of time that they spent on each individual task and then the percent of time that they had personally spent on each of the 17 task areas in the previous 12 month period. Participants reported the percents of time in spent in each task area in two steps. First,

they were instructed to allocate 100% of their time among the five large work categories (i.e., groups of similar task areas) by hand writing a percentage from 0% to 100% for each of the work categories. These five percentages summed to 100%. Second, they allocated 100% of their time within each work category among the smaller task areas within that work category by hand writing a percentage from 0% to 100% for each of the task areas within each work category. The percentages for all task areas within each work category summed to 100%. Please see Appendix B for a sample of the portion of the questionnaire that allowed participants to report percent of time spent in each work category and task area. By multiplying time spent in a task area by time spent in a work category, percent of time spent within each task area was calculated. Therefore, estimates were obtained at the individual level for relative amount (i.e., percent) of time spent on tasks in each task area. It should be noted that time spent on a single non-exempt task area does not necessarily come at the expense of time spent on exempt work. Because of the large number of task areas (17), it is not possible to determine which task areas would have had more time spent on them if less time was spent in any other task area.

As stated previously, I am not hypothesizing that time spent on all non-exempt tasks will be related to all performance measures. Rather, I am proposing that only the specific non-exempt tasks that can impact a performance criterion will be related to scores on that performance measure. Given the task areas and performance measures in this dataset, I have identified several non-exempt task areas that are likely to result in improved performance on each of the three performance criteria. Below, I will describe

the specific task areas that I expect will be related to each of the three performance measures and explain the rationale for these predictions.

Customer Service. The position I studied has three non-exempt task areas which could potentially improve customer service ratings. These are “Renting and Selling Merchandise,” “Processing Returns” and “Cleaning & Maintaining Facility & Equipment” (all hypothesized relationships are summarized in Table 2). All three of these task areas contain tasks that relate to customer service either by direct interactions with customers or by providing a clean environment for customers, both of which are presumed to be related to some extent to customers’ satisfaction ratings.

For example, within the “Renting and Selling Merchandise” task area are tasks such as: greet customers, take or verify customer reservations in-person or over the phone, review contract with customer and answer customers' questions, assist customers with personal belongings at rental. Examples of customer service tasks within the “Processing Returns” task area include: remedy customer service issues by offering compensation (e.g., discounts, write-offs, and upgrades), process paperwork for vehicle returns and calculate balance due, assist customers with personal belongings when returning vehicles. There are also tasks in the “Cleaning & Maintaining Facility & Equipment” task area that could have an effect on customer satisfaction. For example tasks related to maintaining clean facilities or clean inventory would likely impact customer ratings, such as: salt/sand parking lot and sidewalks, vacuum floor, clean and supply bathrooms, maintain landscaping, and property appearance (please see Appendix A for the complete task list).

While there are many factors that influence customer satisfaction (Schnieder & Bowen, 1993), certainly these tasks are likely to play a large role. Therefore, I hypothesize that time spent in these three customer service related task areas will be positively related to customer service ratings. Because managers can also improve customer service ratings by performing managerial tasks as well, I controlled for time spent in these exempt task areas that also relate to customer service. Because it's likely that time spent in the "Overseeing Rentals and Returns" task area would also be related to customer service ratings and is exempt, time spent in this task area was used a control variable for analyses where time spent in the "Renting and Selling Merchandise" or "Processing Returns" task areas are used as the predictor. In addition, time spent in "Overseeing Branch Cleanliness & Maintenance" task area was used as a control variable for analyses where time spent in the "Cleaning & Maintaining Facility & Equipment" task area is used as the predictor.

Inventory management. The second performance criterion that I addressed was inventory management. As described above, one of the performance criteria used by this organization assesses the number of rentals that are lost, the value of which is deducted from branch profits. Three task areas contain tasks that have the ability to impact inventory losses. These are "Renting and Selling Merchandise," "Preparing, Cleaning & Moving Merchandise" and "Performing Clerical Duties." For example, the "Renting and Selling Merchandise" task area contains the following tasks that relate to inventory management: take or verify customer reservations in-person or over the phone, prequalify customers by phone (e.g., valid driver's license, credit card, cash, underage and additional drivers), contact insurance or credit card company to verify primary and

secondary coverage/deductible for customers. In the “Preparing, Cleaning & Moving Merchandise” task area, tasks related to inventory management include: inspect vehicles in lot to ensure vehicles are locked and empty, pick-up and deliver vehicles to body shops and dealerships, pick-up vehicles in Impound. Examples of tasks in the “Performing Clerical Duties” task area that relate to inventory management include: organize and secure contracts, attach additional information to contracts (i.e., coupons, underage driver, cash qualification, van addendums, additional drivers) and file (please see Appendix A for the complete task list). Therefore, I predicted that managers who spend more time performing work in these three task areas will have better ratings on the inventory losses criterion (i.e., less inventory lost).

As with the previous set of hypotheses, exempt task areas were used as control variables when they cover the same function as the non-exempt task area predictor. Specifically, time spent in the “Overseeing Rentals & Returns” task area was used as a control variable when time spent in the “Renting and Selling Merchandise” task was used as the independent variable. Time spent in the exempt “Adding, Deleting, & Relocating Merchandise” task area was used as a control variable when time spent in the “Preparing, Cleaning & Moving Merchandise” task area was used as variable predictor because these task areas cover similar functions. Similarly, time spent in the exempt “Managing Branch Financials” task area was used as a control variable when time spent in the “Performing Clerical Duties” task area was used as predictor because these task areas cover very similar functions.

Efficiency. In this organization, efficiency is measured by dividing the total number of items rented by the total number of items available. Again, managers may be

motivated to perform work in certain non-exempt tasks that would increase scores on this performance criterion. Specifically, two non-exempt task areas may be related to efficiency scores. These are “Preparing, Cleaning & Moving Merchandise” and “Performing Clerical Duties.” Each of these task areas contains tasks that would likely improve efficiency scores. Tasks related to efficiency in the “Preparing, Cleaning & Moving Merchandise” task area include: prep vehicles for rental (e.g., wash, fill fluids, tire pressure, windows), deliver vehicles to corporate accounts, install license plates, registration and stickers for vehicles, contact vendor to request service on vehicles (e.g., LOFR, recalls). All of these tasks would increase the percent of items currently available to be rented. Likewise, examples of tasks related to efficiency in the “Performing Clerical Duties” task area include: organize and secure contracts, write down or input contracts on Daily Log (e.g., who made sale, rates, upsell, type of rental), attach additional information to contracts (i.e., coupons, underage driver, cash qualification, van addendums, additional drivers) and file (please see the Appendix A for the complete task list). Therefore, I hypothesized that time spent in each of these three task areas will be related to higher efficiency scores.

As with the previous sets of hypotheses, exempt task areas were used as control variables when they covered the same function as the predictor. Specifically, time spent in the exempt “Planning & Evaluating Utilization” task area was used as a control variable when time spent in the “Preparing, Cleaning & Moving Merchandise” task area was used as the predictor because these task areas cover similar functions. Similarly, time spent in the exempt “Managing Branch Financials” task area was used as a control

variable when time spent in the “Performing Clerical Duties” task area was used as a predictor because these task areas cover similar functions.

In the following section I describe the procedures used to conduct the job analysis that resulted in the data being used in this study.

Procedure

The job analysis in this study was conducted in response to a misclassification lawsuit of a national rental company, which means that it differs from traditional job analyses in two important ways: (1) the goals of the job analysis, (2) the outcome of the job analysis. First, the goal of the analysis was simply to determine the relative amount of time spent on various job duties. Traditional job analyses may also be used to assess amount of time performing various types of work, but often have the additional goal of determining the importance of the tasks or the Knowledge, Skills, Abilities or other characteristics (KSAOs) that may be required to perform those tasks. In most cases, the implicit ultimate goal of a job analysis is to improve organizational performance to some extent (e.g., through selection or training). However, because these data were collected specifically to address active litigation, the ultimate goal of this study is only to determine how much time is spent on certain job duties. Therefore the goal is simple and not directly related to organizational performance, even though performance data was also collected in conjunction with the job analysis.

It should also be noted that the predictors in this study (i.e., job analysis data) are merely the relative amount of time spent, and not quality of work. In no way does this data reflect how well any employee performs any of these tasks. Instead, I predicted simply that time spent on tasks will result in increased performance. This is due to the

fact that FLSA compliance is not related in any way to quality of work, only percent of time spent on that work.

The job analysis that I used to test my hypotheses was conducted using a combination of several common job analysis techniques. First, research was done to identify a comprehensive list of all tasks that an employee may perform on the job. This process involved reviewing secondary materials (e.g., job descriptions, training manuals, operations manuals), observing and interviewing job incumbents, and conducting Subject Matter Expert (SME) meetings with supervisors. After a comprehensive list of 318 tasks was identified, tasks were sorted by experienced job analysts into task areas which are groups of tasks with a similar function. For example, all tasks related to cleaning and maintaining the appearance of the store would be grouped into the task area “Cleaning & Maintaining Facility & Equipment.” In all, 17 different task areas were identified, each of which were preliminarily assigned exempt status by a team of three job analysts with an average of approximately 15 years of experience in the area. This preliminary task list was then evaluated by a legal expert (whose credentials are described below) to ensure that all task areas were homogenous with respect to exempt status of the tasks within it and that the preliminary sorting by the job analysts was accurate. If the legal expert determined that a non-exempt task was in an exempt task area, it would be moved to the proper non-exempt task area, and vice versa. Following the review by the legal expert, each task area was comprised either entirely of exempt tasks, or entirely of non-exempt tasks. The legal expert was the former labor commissioner of California who is currently an attorney whose practice area includes wage and hour litigation. Therefore, he has a significant amount of expertise in this area. Following the review by the legal expert, the

final task list was produced (the task list can be found in Appendix A). The list of task areas and their exemption statuses are summarized in Table 2.

Once the task list was generated, the tasks were imbedded into questionnaires which were grouped by task area. The paper and pencil questionnaires were then administered in person at multiple sites around the United States. Incumbents were asked to report among other things, the relative amount (i.e., percent) of time that they have personally spent in each task area in an average week over the past year in their current position. In addition, participants were also asked to self-report a number of demographic factors, including scores on the performance measures described above.

Data Cleaning. Job analysis data and performance data were collected for 889 incumbents. I then eliminated participants if they met any of the following criteria, which are described in more detail below: (1) responded unreliably to the “lie items,” (2) gave inappropriate responses to time spent on task areas, (3) reported that they were not confident in their reports of time spent on tasks, or (4) reported that they were not confident in their answers to the demographic section (including performance ratings). Each of these four criteria is described below.

To control for careless or random responding, five “lie items” were imbedded in the questionnaire. Participants who responded improperly to these items were eliminated from further analysis. An example of a lie item is the task: Advance employees’ pay out of the cash box (Task 166 in the Task List in Appendix A). Subject matter experts confirmed that this task is not something that any Assistant Manager would ever perform as a part of their job. Therefore, I eliminated participants who indicated that they did perform this and other lie item tasks from the analysis because it was assumed that their

responses were random, careless, or untruthful. If participants reported spending a “small amount of time” or more (i.e., two or higher on a 0-6 Likert type scale) on two or more lie items, they were excluded from further analysis. I eliminated 20 participants from the dataset due to inappropriate responses to lie items.

Next, there are several indicators of unreliable responding to the portion of the questionnaire where participants reported time spent on work categories and task areas (see Appendix B). Participants were eliminated from the dataset if their responses indicated that they responded in a careless manner or did not understand the directions. Participants were asked to report the percent of time they spent in each of the work categories, which should sum to 100%. Additionally, participants were asked to report the percent of time that they spent in each of the task areas within each work category, which should also sum to 100%. If a participants total was off by more than 20% (i.e., greater than 120% or less than 80%) they were eliminated from the dataset. The arbitrary cutoff score of 20% was used because participants did not have calculators and I did not feel it was appropriate to exclude participants for small math errors. For participants whose percentages did not equal 100% but were within the 20% threshold, I normalized their responses to make them equal to 100% by dividing the percent for the individual work category or task area by the sum of all the work categories or task areas. The second indicator of unreliable responding to this section is if participants reported spending time in a work category, but did not report any percentages in the task areas within that work category. This made it impossible to compute percent of time in all task areas. Therefore, participants were also excluded for this reason. The third indicator of unreliable responding to this section was if they left the entire section blank. Again, this

made it impossible to compute percent of time in all task areas so participants were also excluded for this reason. A total of 43 additional participants were eliminated because of improper responses to this section of the questionnaire.

Finally, at the end of each section of the questionnaire, participants were asked whether they were confident in the responses they gave on the preceding section. Participants had two response options: “Confident” and “Not confident.” Participants who reported that they were not confident in their responses to either the section where they reported time spent on task areas or the section where they reported performance scores were eliminated from the dataset. A total of 18 additional participants were eliminated because they reported that they were “not confident” in their responses to the section where they reported time spent on task areas and a total of five additional participants were eliminated because they reported that they were “not confident” in their responses to the section where they reported performance scores.

In the following section I will discuss the analyses conducted and the results of my analyses. I will describe the reliability of the questionnaire as well as the results to analyses I ran to test my hypotheses.

Results

Reliability of Measures

As discussed, the questionnaire used to generate the data for this study was designed specifically for a single organization for practical purposes (as opposed to research purposes). Therefore I am not able to assess reliability in the same ways that may be possible for a questionnaire that was developed in an academic context. Additionally, there is no existing reliability or validity data for this questionnaire

(because it was unique for this organization) and it is not possible to validate the self-report results against actual behavior. However, there are several sources of reliability which together provide converging evidence of reliability. Each of these pieces of evidence is reported below.

As discussed in an earlier section, participants were eliminated from the questionnaire if they responded in certain ways which indicated that their responses were unreliable. The vast majority of participants passed all four “reliability checks.” Of the total participants, 97.7% answered the “lie items” appropriately. Of the remaining participants, 95.1% reported percentages of time properly. Of the remaining participants, 97.8% reported that they were confident in their reports of percents of time spent and 99.3% reported that they were confident in their reports of demographic information. Of the initial sample of 889, over 90% of the participants passed all four checks, and those who did not were eliminated. Of the final sample of 803 participants, all 100% passed all four reliability checks. While these are not statistical tests of reliability, taken together, these data do provide some evidence toward reliability.

Reliability was measured statistically in two additional ways: Cronbach’s alpha and intra-rater reliability. Cronbach’s alpha was used to measure the internal consistency for time spent on items within each task area. The rationale for using this statistic is that tasks within a task area, though separate, are likely to be related to one another. As discussed in detail by Cortina (1993), the Cronbach’s alpha statistic is often misused. Typically, it is considered most appropriate when evaluating items which all address different aspects of the same construct, which is not the case in this study. However, the fact that I am using it to evaluate separate tasks that are related only by function means

that the statistic is likely to underestimate actual internal consistency. Therefore, large values on this statistic suggest that participants are answering in an internally consistent pattern, which provides further evidence toward reliability. The analysis revealed that all 17 task areas had a Cronbach's alpha statistic above the commonly accepted minimum threshold of .70 with many of the task areas having an alpha statistic of greater than .90. These results provide additional evidence toward the reliability of the questionnaire.

To measure intra-rater reliability, participants were asked to self-report time spent on each task area using two different formats. First they were asked to provide ratings using a 6- point Likert scale on the relative amount of time they spent on each task individually compared to all other tasks. In a different section they were asked to report the percent of time spent on the entire task area, as was described above. I aggregated the individual task ratings within each task area and ran a correlation to see if the two different self-reports were correlated for each task area. Of the 17 task areas, all but one was significantly correlated with a p-value below .001. The other task area was non-significant with a p-value of .086. This provides additional evidence of the reliability of the questionnaire.

In summary, I looked at reliability in several different ways and each of these analyses suggested a high degree of reliability. These results give me confidence in the quality of the instrument that was used to collect the data and in the consistency of data. Next I will discuss the analyses that I ran to test my hypotheses and the results that I found.

Hypothesis 1 – Customer Service

The first hypothesis was that non-exempt customer service related tasks would be positively related to customer service scores. To test this hypothesis, I identified three non-exempt task areas that contained tasks relating to customer service. For each of these task areas, I ran correlations, bivariate regressions, multiple regressions, hierarchical regressions, multi-level regressions, and a latent variable model where customer service ratings were regressed on time spent in each of the specified non-exempt task areas. The results of all correlations between task areas and the three outcome measures are displayed in the correlation matrix in table 3 and descriptive statistics for all task areas and performance scores are displayed in tables 4 through 6.

The analyses provided mixed support for hypothesis 1. First, I hypothesized that time spent in the “Renting and Selling Merchandise” task area would be positively related to customer service scores because managers who interact directly with customers at the time of their pick-up are likely to improve a customers’ experience. However, results did not support this relationship. The correlation ($r=-.018$, ns) and the bivariate regression ($b=-.011$, ns) were both non-significant (all bivariate regression results are displayed in table 7). Second, I hypothesized that time spent in the “Processing Returns” task area would also be positively related to customer service scores because managers who interact directly with customers at the time of their drop-off are likely to improve a customers’ experience. The results did provide support this relationship. Both the correlation ($r=.088$, $p=.013$) and bivariate regression ($b=.096$, $p=.013$) indicated a significant relationship. Third, I hypothesized that time spent in the “Cleaning & Maintaining Facility & Equipment” task area would also be positively related to customer service ratings because a clean ambiance is likely to affect customers’ experiences.

However, the results did not support this relationship. The correlation ($r=.038$, ns) and bivariate regression ($b=.155$, ns) were both non-significant. Therefore, correlations and bivariate regressions provided mixed support for hypothesis 1.

I also ran multiple regression models in which multiple predictors were entered into the model simultaneously. The model included customer service ratings as the outcome and time spent on all three non-exempt customer service related task areas as the three predictors. Results of the multiple regressions are shown in table 8. The results of this model were consistent with the correlations and bivariate regressions. The regression weights for both “Renting and Selling Merchandise” and “Cleaning & Maintaining Facility & Equipment” were non-significant ($b=-.026$, ns; $b=.191$, ns respectively) but “Processing Returns” was positively related to customer service ratings ($b=.121$, $p=.004$) in this model as well.

Because customer service can also be improved by performing exempt customer service related tasks, I additionally ran hierarchical regressions to determine whether each non-exempt task area had incremental predictive validity above and beyond time spent in the exempt task areas. As discussed earlier, each of the non-exempt task areas has a parallel exempt task area that includes the managerial component of many of the same functions. For each predictor, the parallel exempt task area was used as a control variable. For each of these analyses, I entered the exempt task area into the model in the first step, and then added the non-exempt task area in the second step. The results for all hierarchical regressions are also consistent with the bivariate and multiple regressions and are displayed in table 9. For the first predictor, time spent in the “Renting and Selling Merchandise” task area, I used time spent in the parallel exempt task area

“Overseeing Rentals and Returns” as the control variable. As with the previous analyses, the result did not provide support for this relationship. Time spent in “Overseeing Rentals and Returns” was not significantly related to customer service ratings in step one ($r^2=.003$, $f(1,786)=2.40$, ns) and adding time spent in “Renting Vehicles & Selling” did not significantly increase model fit ($\Delta r^2<.001$, $f(1,785)=.05$, ns).

For the second predictor, time spent in the “Processing Returns” task area, I also used time spent in the parallel exempt task area “Overseeing Rentals and Returns” as the control variable. As with the previous analyses using this predictor, the results provided support for this relationship. Adding time spent in “Processing Returns” to the model significantly increased model fit ($\Delta r^2=.007$, $f(1,785)=6.25$, $p=.013$). Therefore, time spent on non-exempt tasks within the “Processing Returns” task area was able to predict customer service ratings over and above time spent on exempt tasks in the “Overseeing Rentals and Returns” task area. However, despite the statistical significance, less than 1% of the variance was accounted for in this model suggesting that the practical significance may be limited.

For the third and final predictor, time spent in the “Cleaning and Maintaining Facility and Equipment” task area, I used time spent in the parallel exempt task area “Overseeing Branch Cleanliness and Maintenance” as the control variable. Consistent with the previous analyses, the result did not provide support for this relationship. Time spent in “Overseeing Branch Cleanliness and Maintenance” was not significantly related to customer service ratings in step one ($r^2>.001$, $f(1,786)=.59$, ns) and adding time spent in “Cleaning and Maintaining Facility and Equipment” did not significantly increase model fit ($\Delta r^2=.001$, $f(1,795)=.65$, ns).

In addition to the direct hypothesis tests, I ran several follow-up analyses for each of the hypotheses to further evaluate any relationships between variables. One of the assumptions of a regression analysis is that all observations are independent. In actual organizations, this assumption is commonly violated because certain employees are often influenced by common factors, such as supervisor. One way to avoid this assumption violation is to run a multi-level model that accounts for dependence within clusters inside an organization. In addition to avoiding this assumption violation, a multi-level model can also provide additional results that may be very informative. Specifically, a multi-level model allows me to test whether the relationship between time spent on exempt duties and performance ratings varies significantly across clusters inside the organization. A simple regression is an average of the effect for all employees in the entire company; however a multi-level model will add the ability to determine whether that effect is consistent across the organization or if it differs between clusters. Specifically, the variance of the regression weights can be tested to determine whether there is significant variability between clusters.

I used the district as the grouping variable (i.e., cluster) for several reasons. First, a participant's district is objective data so there is very little question as to the accuracy or validity of the groups. Second, the districts are meaningful because each has the same regional leadership and each is likely to have many regional similarities such as climate and customer demographics. The regional leadership can affect how individual employees perform their job because they regularly interact with (and presumably direct and evaluate behavior to some extent) employees including the Assistant Managers. Regional similarities in climate can be important because this particular industry is

affected by tourism and weather conditions. These factors are likely to affect revenue and maintenance issues. Finally, customer demographics are likely to affect the length of rental and can influence customer service expectations (Ford, 2001).

Participants came from 30 different districts which ranged in size from one to 84 with an average size of 26.70 (SD=23.52). Although the smallest district in my sample has only one participant, it does not mean that certain districts only have a single Assistant Manager working in it. A sample of managers provided data for this study and in some cases only one manager from a district participated. However, all districts within the company had multiple branches within it and multiple Assistant Managers.

In a multi-level model with more than one predictor, the fixed effects are estimates of the same parameters being estimated in multiple regression. The fixed effect of a predictor is equivalent to a regression weight in a simple regression and the fixed effect of the intercept is the intercept in a simple regression. To make the intercepts interpretable, I centered all predictors around the grand mean for all multi-level models. The intercept is defined as the value of the outcome when all predictors are equal to zero. However, conceptually this situation is highly unlikely with non-centered variables as it would be a rare situation where a manager would report spending zero percent of their time on all predictors, thus limiting the meaningfulness of intercept values. By centering the predictors, the intercept becomes defined as the expected value of the outcome, when all predictors are at their average level.

The variance components in multi-level models refer to the variance of slopes and intercepts and the covariance between slopes and intercepts. Statistically significant slope variance indicates that the relationship between the predictors and the outcome

varies significantly across districts and can be interpreted as an estimate of stability of the relationship across districts. Significant intercept variance indicates the degree to which the intercept varies across district which essentially means that there are mean differences on the outcome across districts. Significant covariance between a predictor and the intercept indicates that there is a significant relationship between the intercept and the slope. For example, a positive covariance would indicate that districts with a higher mean level on the outcome variable also tend to have a stronger relationship between the predictor and the outcome.

Because of the sample size and the number of parameters being estimated, I was not able to run a random slopes, random intercepts model using all five predictors (three non-exempt and two exempt task areas). The SAS software was not able to estimate this model. Instead I ran several separate models. First, I ran a fixed slopes, random intercepts model with all five predictors. Second, I ran five separate random slopes, random intercepts models, one for each predictor.

First I ran a fixed slopes, random intercept model using all five predictors. This model did not estimate variance components for the predictors, which greatly reduced the number of parameters being estimated. In this model, the fixed effects of the predictors were consistent with the previous analysis. Specifically, time spent in the “Processing Returns” task was significantly related to customer service scores ($\gamma_{20}=.124$, $p=.002$) but none of the other predictors were significantly related to the outcome. The fixed effect of the intercept was significantly different from zero ($\gamma_{00}=78.88$, $p<.001$) and the variance of the intercept was non-significant ($\sigma_0^2=1.26$, $p=.058$) but was very close to the 0.05

alpha cutoff. The variance of the slopes and covariances between slopes and the intercept were not estimated in this model because of sample size limitations.

I then assessed the variance of the slopes to determine whether the relationship between time spent in each of the task areas and customer service scores varied across district. I ran five separate random slopes, random intercept models. Each model allows the slope and intercept to vary across district. Each of the five models includes a single predictor which was time spent in each the five relevant task areas and estimates variance components, which refers to the variance of slopes and intercepts across district and covariance between the slopes and intercepts.

The results of the fixed effects for these models were also consistent with the previous analyses (multi-level results are displayed in table 10). Specifically, only time spent in the “Processing Returns” task area was significantly related to customer service scores ($\gamma_{10}=.105$, $p=.020$) while the fixed effects for the other two non-exempt predictors and both exempt predictors were not significant. The estimates of the fixed effect of the intercept for the five models were all significantly different from zero which is primarily due to the scale of the outcome variable (i.e. customer service scores).

Further analyses of these models revealed that regression coefficients (i.e., slopes) did not vary significantly in any of the five models and none covaried significantly with the intercept. Therefore, the relationships between the predictors and the outcome were relatively stable across districts. In addition, the intercepts were relatively stable across district as none of the intercepts had significant variance across district. In sum, the results of the multi-level models for hypothesis 1 were entirely consistent with the

previous analyses, and provided no additional insight into the relationships between the predictors and the outcome.

Finally, I looked at the data from a latent variable perspective by fitting a structural model to data. The goal of a structural model is to explain covariances between observed variables and uses latent variables to represent immeasurable attributes. By using a structural model, I can assess the fit of the overall model using latent variables which are error-free. To test hypothesis 1, I specified a model with one latent predictor variables (Non-Exempt customer service work), two observed predictors (two exempt task areas), and one observed outcome (see Figure 3 for a depiction of the model). It is preferable for latent variables to be measured by at least three observed variables (Kline, 2005) and because there are only two exempt variables in this model, each was used as an observed predictor as opposed to indicators of a latent predictor. For the same reason, this model had one observed outcome (Customer Service scores) as opposed to a latent outcome. The latent predictor, Non-Exempt customer service work, is measured by time spent in three task areas, “Renting and Selling Merchandise,” “Processing Returns,” “Cleaning & Maintaining Facility & Equipment.” The two observed predictors are time spent in the “Overseeing Rentals & Returns” and “Overseeing Branch Cleanliness & Maintenance” task areas and the observed outcome is customer service scores.

I first assessed the model fit which refers to the ability of a model to reproduce the data (Kenny, 2010). Various statistics exist to assess model fit and each is sensitive to different factors. Some of the statistics indicate that the model fit was acceptable while others indicate that it was not ($\chi^2=127.98$, $p<.001$, $CFI=.688$, $RMSEA=.161$, $SRMR=.070$). The significant chi-square statistic indicates adequate model fit but it is

sensitive to sample size and is not particularly meaningful for a data set of this size (Kenny, 2010). The CFI value is well below the rule of thumb value of .90 (Kline, 2005), indicating poor model fit. The CFI value is affected by the complexity of the model and when models are highly complex, lower CFI values may be considered acceptable (Kline, 2005; Kenny, 2010). However, my model was relatively simple and I therefore interpret the value to indicate that the model did not fit well. RMSEA values of less than .08 are considered a rule of thumb for adequate model fit (Kline, 2005), which also suggests that my model fit was poor. Finally, SRMR values of less than .10 are commonly considered evidence of acceptable model fit (Kline, 2005) and my model met this standard. Because several of the model fit indices indicated that model did not adequately fit the data, the model parameters will be interpreted cautiously with that in mind.

The estimates of the latent model parameters did not support hypothesis 1. Parameter estimates indicated that neither the Non-Exempt latent variable nor the two Exempt observed variables significantly predicted customer service scores. ($\beta = -.030$, ns, $\beta = .060$, ns, $\beta = .011$, ns respectively). Finally, less than 1% of the total variance in the outcome was accounted for by the model. Therefore, I conclude that the structural model did not support hypothesis 1.

In sum, the results of the different analyses were relatively consistent and provided mixed support for hypothesis 1. Time spent on tasks within the "Processing Returns" task area is positively related to customer service scores, even when similar exempt work is taken into account, while time spent in the other two task areas "Renting and Selling Merchandise" and "Cleaning & Maintaining Facility & Equipment" do not appear to be related to customer service scores.

Hypothesis 2 – Inventory Management

The second hypothesis was that non-exempt inventory related tasks would be positively related to inventory scores (i.e., fewer inventory losses), meaning that I would expect negative correlations and regression weights. To test this hypothesis, I identified three non-exempt task areas that contained tasks relating to inventory management and ran the same analysis as the previous section to evaluate the hypothesized relationships.

The analyses did not support hypothesis 2. First, I hypothesized that time spent in the “Renting and Selling Merchandise” task area would be related to inventory scores because managers who are directly involved in the renting and document verification process are likely to be able to reduce inventory losses. However, results did not support this relationship. The correlation ($r=-.041$, ns) and the bivariate regression ($b=.002$, ns) were both non-significant (the results of all correlations and bivariate regressions are displayed in table 11). Second, I hypothesized that time spent in the “Preparing, Cleaning and Moving Merchandise” task area would also be related to inventory scores because a manager who is directly involved in the handling of the merchandise may be able to reduce losses. The results did not support this relationship either. Both the correlation ($r=-.032$, ns) and bivariate regression ($b=-.004$, ns) were non-significant. Third, I hypothesized that time spent in the “Performing Clerical Duties” task area would be related to inventory scores because maintaining paperwork properly can affect inventory losses. The results did not support this relationship either. The correlation ($r=-.059$, ns) and bivariate regression ($b=-.013$, ns) were both non-significant. Therefore, correlations and bivariate regressions did not provide any support for hypothesis 2.

I also ran a multiple regression model in which multiple predictors were entered into the model simultaneously. The model included inventory scores as the outcome and time spent on all three non-exempt inventory related task areas as the three predictors. Results of the multiple regressions are shown in table 12. The results of this model were consistent with the correlations and bivariate regressions. The regression weights for “Renting Vehicles & Selling” and “Preparing, Cleaning and Moving Equipment” and “Performing Clerical Duties” were all non significant ($b=.002$, ns; $b=-.003$, ns; $b=-.012$, ns respectively). Therefore the multiple regression analysis also did not support hypothesis 2.

Even though all bivariate regressions were non-significant, I also ran the hierarchical regressions because it is possible that a suppression effect may exist. If so, adding a control variable may actually result in a significant relationship, even though the bivariate regression was non-significant (Cohen, Cohen, West, & Aiken, 2003). Therefore, I additionally ran hierarchical regressions to determine whether each non-exempt task area had predictive validity when time spent in the exempt task areas was taken into account. The results for all hierarchical regressions are also consistent with the bivariate and multiple regressions and are displayed in table 13. For the first predictor, time spent in the “Renting and Selling Merchandise” task area, I used time spent in the parallel exempt task area “Overseeing Rentals and Returns” as the control variable. Consistent with the previous analyses, the results did not provide support for this relationship. Time spent in the “Overseeing Rentals and Returns” task area was not significantly related to customer service ratings in step one ($r^2=.001$, $f(1,623)=.54$, ns)

and adding time spent in the “Renting Vehicles & Selling” task area did not significantly increase model fit ($\Delta r^2 = .002, f(1,622)=1.40, ns$).

For the second predictor, time spent in the “Preparing, Cleaning & Moving Merchandise” task area, I used time spent in the parallel exempt task area “Planning & Evaluating Utilization” as the control variable. Consistent with the previous analyses, the results did not provide support for this relationship. Time spent in the “Planning & Evaluating Utilization” task area was not significantly related to customer service ratings in step one ($r^2=.003, f(1,623)=1.96, ns$) and adding time spent in the “Preparing, Cleaning & Moving Merchandise” task area did not significantly increase model fit ($\Delta r^2=.002, f(1,622)=.95, ns$).

For the third and final predictor, time spent in the “Performing Clerical Duties” task area, I used time spent in the parallel exempt task area “Managing Branch Financials” as the control variable. Consistent with the previous analyses, the results did not provide support for this relationship. Time spent in the “Managing Branch Financials” task area was significantly related to customer service ratings in step one ($r^2=.007, f(1,623)=4.35, p=.036$) but adding time spent in “Performing Clerical Duties” did not significantly increase model fit ($\Delta r^2=.002, f(1,622)=1.43, ns$).

As with the previous hypothesis, I also ran several multi-level regression models to further evaluate the relationships between my variables. I hypothesized that time spent in six different task areas (three exempt and three non-exempt) would be significantly related to inventory scores. Again, my sample size was not sufficient to allow me to estimate a random slopes, random intercepts model with all six predictors. Therefore, I

first ran a fixed slopes, random intercepts model with all six predictors. Second, I ran six separate random slopes, random intercepts models, one for each predictor.

In the fixed slopes, random intercept model with all six predictors, the fixed effects for all three exempt and three non-exempt predictors were non-significant, which was consistent with previous analyses. The fixed effect of the intercept was significantly different from zero ($\gamma_{00}=.375$, $p<.001$) and the variance of the intercept was also significantly different from zero ($\sigma_0^2=.046$, $p=.005$). In other words, the number of predicted conversions when all predictors were at their mean level (because predictors were centered) differs significantly from district to district. The variance components for the predictors were not estimated in this model due to sample size restrictions.

Next I was interested in determining whether the relationship between the outcome and any of the predictors also varied across district. Therefore, I ran six separate random slopes, random intercepts models (Results are displayed in table 14). Each model had a single predictor which was time spent in each of the relevant six task areas. Analysis of the fixed effects for each of these models revealed that none of the fixed effects of the predictors were significantly related to inventory scores which is consistent with previous analyses.

Analysis of the variance components for the five models revealed that the regression coefficients (i.e., slopes) did not vary significantly in any of the six models and none covaried significantly with the intercept. Therefore, the relationships between the predictors and the outcome were relatively stable across districts. On the other hand, the intercepts significantly varied across district in all models (Model 1: $\sigma_0^2=.050$, $p=.006$; Model 2: Did not converge; Model 3: $\sigma_0^2=.048$, $p=.004$; Model 4: $\sigma_0^2=.048$,

$p=.006$: Model 5: $\sigma_0^2=.049$, $p=.005$; Model 6: $\sigma_0^2=.047$, $p=.004$). In sum, the results of the multi-level models for the fixed effects were entirely consistent with the previous analyses. However, this analysis did reveal significant differences across district in aggregate number of conversions.

Last, I examined hypothesis 2 from a latent variable perspective by fitting a structural model to data. To test hypothesis 2, I specified a model with one latent predictor variables (Non-Exempt inventory-related work), and one observed outcome (see Figure 4 for a depiction of the model). A model including an exempt latent predictor would not converge due to negative variance estimates for this variable. I therefore revised the model to include only non-exempt tasks, which is of primary interest in this study. The model with only a single latent predictor converged properly. The latent variable, Non-Exempt inventory-related work, is measured by time spent in three task areas, “Renting and Selling Merchandise,” “Preparing, Cleaning & Moving Merchandise,” “Performing Clerical Duties” and the observed outcome is inventory scores.

As with hypothesis 1, some of the statistics indicate that the model fit was acceptable while others indicate that it was not ($\chi^2=1.72$, $p=.422$, $CFI=1.00$, $RMSEA<.001$, $SRMR=.013$). The chi-square value was non-significant thus suggesting that the model does not have adequate fit. This is unexpected given that larger samples will almost always have significant chi-square statistics (Kenny, 2010). The CFI value was estimated at 1.00 which is above the rule of thumb level of .90 thus indicating acceptable model fit (Kline, 2005). RMSEA values of less than .08 are considered a rule of thumb for acceptable model fit (Kline, 2005), which also suggests that my model fit

was adequate. Finally, SRMR values of less than .10 are commonly considered evidence of acceptable model fit (Kline, 2005), thus also suggesting that the fit of my model was adequate. All of these fit indices indicate that the model fits the data reasonably well with the exception of the chi-square test.

Consistent with previous analyses, the estimates of the model parameters did not support hypothesis 2. Parameter estimates indicated that the Non-Exempt latent variable did not significantly predict inventory scores. ($\beta = -.121$, ns) and only 1.5% of the variance in inventory scores was accounted for by the predictor. Therefore, I conclude that the structural model did not support hypothesis 2.

In sum, hypothesis 2 was not supported by any of the analyses that I ran and the results were consistent for all analyses. None of the three predictors were significantly related to inventory scores.

Hypothesis 3 – Efficiency

The third hypothesis was that non-exempt efficiency related tasks would be positively related to efficiency scores. To test this hypothesis I identified two non-exempt task areas that contained tasks relating to efficiency and ran the same analysis as the previous sections to evaluate the hypothesized relationships.

The analyses did not support hypothesis 3. First, I hypothesized that time spent in the “Preparing, Cleaning and Moving Merchandise” task area would be positively related to efficiency scores because a manager who is directly involved in the preparation of merchandise could improve the rate at which their inventory is rented. The results did not support this relationship. Both the correlation ($r = -.113$, $p = .003$) and bivariate regression ($b = -.289$, $p = .003$) were significant but in the opposite direction from what was

hypothesized. The results of all correlations and bivariate regressions are displayed in table 15. Second, I hypothesized that time spent in the “Performing Clerical Duties” task area would be positively related to efficiency scores because maintaining paperwork properly can affect a branch’s ability to rent a higher proportion of its inventory. The results did not support this relationship either. The correlation ($r=-.027$, ns) and bivariate regression ($b=-.131$, ns) were both non-significant. Therefore, correlations and bivariate regressions did not provide any support for hypothesis 3.

I also ran a multiple regression model in which multiple predictors were entered into the model simultaneously. The model included efficiency scores as the outcome and time spent on both non-exempt inventory related task areas as the predictors. Results of the multiple regressions are shown in table 16. The results of this model were consistent with the correlations and bivariate regressions. Consistent with the bivariate models, the regression weight for “Preparing, Cleaning and Moving Equipment” was significant but in the opposite direction from what was predicted ($b=-.288$, $p=.004$) and “Performing Clerical Duties” was non-significant ($b=-.127$, ns). Therefore the multiple regression analysis also did not support hypothesis 3.

Although none of the bivariate regressions were significant in the hypothesized direction, I also ran hierarchical regressions to determine whether each non-exempt task area had incremental predictive validity above and beyond the exempt task areas. The results for all hierarchical regressions are also consistent with the bivariate and multiple regressions and are displayed in table 17. For the first predictor, time spent in the “Preparing, Cleaning & Moving Merchandise” task area, I used time spent in the parallel exempt task area “Planning & Evaluating Utilization” as the control variable. As with

the previous analyses, I found significant results but in the opposite direction from what was hypothesized. Time spent in the exempt “Planning & Evaluating Utilization” task area was not significantly related to customer service ratings in step one ($r^2=.001$, $f(1,671)=.88$, ns) but adding time spent in the “Preparing, Cleaning & Moving Merchandise” task area significantly increased model fit ($\Delta r^2=.012$, $f(1,670)=8.15$, $p=.004$). However, as with the previous analyses, the regression weight was negative ($b=-.282$, $p=.004$). Again, less than 2% of the variance was accounted for by this model which suggests that the practical significance may be limited.

For the second predictor, time spent in the “Performing Clerical Duties” task area, I used time spent in the parallel exempt task area “Managing Branch Financials” as the control variable. As with the previous analyses, the result did not provide support for this relationship. Time spent in the “Managing Branch Financials” task area was not significantly related to customer service ratings in step one ($r^2<.001$, $f(1,671)=.03$, ns) and adding time spent in the “Performing Clerical Duties” task area did not significantly increase model fit ($\Delta r^2=.001$, $f(1,670)=.52$, ns).

As with the previous hypotheses, I also ran several multi-level regression models to evaluate the relationships between my variables. I hypothesized that time spent in four different task areas (two exempt and two non-exempt) would be significantly related to efficiency scores. Again, my sample size was not sufficient to allow me to estimate a random slopes, random intercepts model with all four predictors. Therefore, I ran a random intercepts model with all four predictors and four separate random slopes, random intercepts models, one for each predictor.

In the random intercept model with all four predictors, the fixed effects for both exempt and both non-exempt predictors were consistent with the multiple regression analysis. Only one predictor (time spent in the “Preparing and Moving Merchandise” task area) was significantly related to the outcome and in the opposite direction from what was predicted ($\gamma_{10}=-.276$, $p=.005$). All others were non-significant. The fixed effect of the intercept was significantly different from zero ($\gamma_{00}=84.09$, $p<.001$) and the variance of the intercept was also significantly different from zero ($\sigma_0^2=35.04$, $p=.035$). In other words, the predicted level of efficiency (at the mean level of all four predictors) differs significantly from district to district. Variance components of the predictors were not estimated in this model due to sample size limitations.

I was also interested in determining whether the relationship between any of the predictors and efficiency scores varied across district. I therefore ran four separate random slopes, random intercepts models (Results are displayed in Table 18). Each model had a single predictor which was time spent in each of the relevant four task areas. Analyses of the fixed effects of these models were consistent with all previous models. Time spent in the “Preparing and Moving Merchandise” task area was negatively related to efficiency ($\gamma_{10}=-.321$, $p=.038$). None of the other predictors were significantly related to efficiency scores. The estimates of the fixed effect of the intercept for the five models were all significantly different from zero.

Analysis of the variance components in all four models revealed that the regression coefficients (i.e., slopes) of one predictor (time spent in the “Preparing and Moving Merchandise” task area) varied significantly across districts ($\sigma_1^2=-.227$, $p=.038$). However, the slopes did not significantly covary with the intercept ($\sigma_{01}=-1.03$, ns). None

of the slopes for any of the other predictors varied across district and none covaried significantly with the intercept. Therefore, the relationships between the predictors and the outcome were relatively stable across districts for three of the predictors, but varied significantly for one of the predictors. Finally, I evaluated the random effect of the intercept values in each of the four models and found that the intercepts significantly varied across district in all models. In sum, the results of the multi-level models for the fixed effects were entirely consistent with the previous analyses. However, this analysis did reveal significant differences across district in aggregate efficiency scores and a variable relationship between time spent in the “Preparing and Moving Merchandise” task area and efficiency scores.

Finally, I analyzed data from a latent variable perspective by fitting a structural model to data. To test hypothesis 3, I specified a model with one latent predictor (Non-Exempt efficiency-related work), two observed predictors, and one observed outcome (see Figure 5 for a depiction of the model). As discussed previously, it is preferable for latent variables to be measured by at least three observed variables (Kline, 2005), which is not possible for this model given that there are only two non-exempt predictors. Nonetheless I ran the model to see if the parameters could be estimated. In this model, the latent variable, Non-Exempt efficiency-related work, is measured by time spent in two task areas, “Preparing, Cleaning & Moving Merchandise,” and “Performing Clerical Duties.” The two observed predictors are time spent in the “Planning & Evaluating Utilization” and “Managing Branch Financials” task areas and the observed outcome is efficiency scores.

Some of the statistics indicate that the model fit was acceptable while others indicate that it was not ($\chi^2=12.26$, $p=.002$, $CFI=.658$, $RMSEA=.087$, $SRMR=.030$). The significant chi-square statistic indicates adequate model fit but it is sensitive to sample size and is not particularly meaningful for the data set or this size (Kenny, 2010). The CFI value is well below the rule of thumb value of .90 and the (Kline, 2005) indicating poor model fit. RMSEA values of less than .08 are considered a rule of thumb for acceptable model fit (Kline, 2005), which also suggests that my model fit was poor. Finally, SRMR values of less than .10 are commonly considered evidence of acceptable model fit (Kline, 2005), thus suggesting that the fit of my model was adequate. Several of the model fit indices indicated that model did not adequately fit the data; therefore the model parameters will be interpreted cautiously with that in mind.

Consistent with previous analyses, the estimates of the model parameters did not support hypothesis 3. Parameter estimates indicated that neither the Non-Exempt latent variable nor the two Exempt observed variables significant predicted efficiency scores. ($\beta=-1.25$, ns, $\beta=-.460$, ns, $\beta=-.919$, ns respectively). Therefore, I conclude that the structural model did not support hypothesis 3.

In sum, hypothesis 3 was not supported by the analyses I ran and the results were consistent for all analyses. The first predictor, time spent in the “Preparing, Cleaning & Moving Merchandise” task area was significantly related to efficiency scores but in the opposite direction from what was predicted while time spent in the “Performing Clerical Duties” task area does not appear to be related to efficiency scores.

Control Variables

Because of the number of non-significant results, I also analyzed several demographic variables to determine if they could account for the non-significant results. Specifically, I looked at six categorical variables (education level, deposit requirement, physical condition of facility, presence of security cameras, after hours key drop, presence of Area Manager on site) and three continuous variables (tenure, branch income, total time on exempt tasks). Several of these variables are expected to relate only to certain hypotheses while others potentially relate to all three.

First, I was interested in seeing whether education level had an effect on any of the hypotheses. Managers who started with higher levels of education are perhaps less likely to engage in hands on work than someone who was promoted internally and used to hold one of the non-exempt positions. However, there was very little variability in education level within this sample as over 90% of the sample had a college degree. To see if education was related to the relationships, I replicated all of the bivariate and multiple regressions separately for each level of education. As would be expected given the lack of variability in education, the results for customer service and efficiency were almost identical to the overall results and were exactly identical for inventory at all levels of education.

I then looked at whether a deposit was required at the manager's branch affected the results because inventory losses are directly related to deposits being taken for a sufficient amount of money. Only 9 participants (1.12%) reported that their branch does not require a deposit. As with the previous analyses, the lack of variability in this control variable resulted in identical results for all inventory analyses.

The next control variable I examined was the physical condition of the branch. Participants self-reported the physical condition of their branch on a 5 point scale which ranged from “Poor” to “Excellent” with an option for “Currently Being Remodeled.” Responses were distributed relatively evenly across the four ratings (excluding “Currently being remodeled”), with the highest percent of respondents reporting “Average” (n=265, 33.13%). I was specifically interested in assessing whether this variable affected the relationship between time spent in the “Cleaning and Maintaining Equipment” task area and customer service ratings because my hypothesis was that a clean environment was indirectly related to customer satisfaction. I re-ran the bivariate regression at all four levels of physical condition and the results were non-significant at each level. When I treated physical condition as a continuous variable (on 4 point scale), it was significantly related to time spent in the “Cleaning and Maintaining Equipment” task area ($r=-.098$, $p=.006$). Therefore, I ran additional analyses to see if physical condition had a moderating effect. However, the analysis revealed that physical condition did not significantly moderate the relationship.

Next I looked at whether the presence of security cameras or an afterhours key drop would affect the relationships with inventory scores, because both features have the ability to impact lost or stolen items. 241 participants (30.24%) reported having security cameras and 512 participants (64.00%) reported having an afterhours key drop. The presence of security cameras did not affect the results. However, when looking only at locations that do have an afterhours key drop, I did find several significant relationships. For branches that have an afterhours key drop, time spent in the “Renting and Selling Merchandise” task area did significantly predict inventory scores in a bivariate regression

($b=.008$, $\beta=.130$, $p=.010$) and multiple regression with the other non-exempt task areas in the model ($b=.007$, $\beta=.124$, $p=.015$) but in the opposite direction from what was predicted. This effect was also significant over and above the effect of the parallel exempt task area in a hierarchical regression ($b=.008$, $r^2=.023$, $\Delta r^2=.020$, $f(1,390)=7.88$, $p=.005$). All analyses for branches without an afterhours drop remained non-significant.

I then looked at whether the presence of an Area Manager on the premises would affect the results. Each Area Manager's office is located on site at one of the branches within their district. Presumably, having one's supervisor located on site may affect one's perceived freedom to choose which tasks to perform. However, the results of the customer service analyses were nearly identical to the overall analyses. Results of the inventory and efficiency analyses were exactly the same regardless of whether the Area Manager's office was located on site.

I also looked at tenure to see whether amount of time in the position and with the company affected the results. My hypotheses were that knowledge of the performance and reward system would motivate employees to perform tasks that could improve these ratings. It is likely that tenure would affect these relationships as employees with greater tenure are likely to be more familiar with the performance measures and ways that they can be improved. Therefore, I input tenure as a moderator on each of the relationships. The results indicated that tenure did not significantly moderate any of the relationships with any of the performance measures. For similar reasons I also used tenure in the assistant manager position and tenure in the current branch separately as two other moderators. The results of these analyses indicate that neither of these variables

significantly moderated any of the relationships with any of the three performance measures.

Next, I looked at branch income (i.e., sales volume) to see if that variable played a moderating role. As sales volume increases, several operational factors typically change as well. For example, higher volume branches typically have more employees, more customers, larger facilities, etc. Each of these may affect a manager's choices on which tasks to perform. However, the results of the analyses indicated that branch income did not significantly moderate any of the relationships with any of the performance measures.

I then looked at total time spent on exempt work as a potential moderator. Some of the manager's performed very little non-exempt work while others performed a lot of non-exempt work. Those who performed more exempt work are likely to have stronger relationships with the outcomes because there is more variability in the amount of time spent in the non-exempt task areas. The analyses revealed that there was a moderating effect of total time spent on exempt work, but only for a few analyses. Specifically, total time on exempt work moderated the relationship between time spent on the "Cleaning & Maintaining Facility & Equipment" task area and customer service scores. Also, total time on exempt work moderated the relationship between two task areas and inventory scores. The relationships between time spent in the "Preparing, Cleaning & Moving Merchandise" and "Performing Clerical Duties" task areas with inventory scores was moderated by total time spent on exempt tasks.

Because of the significant effect that total percent of time on exempt work had on the hypothesized relationships, I investigated this further. From a practical FLSA compliance standpoint, the total percent of time spent on exempt work is less important

than whether or not the employees spends more than 50% of their time on exempt work, thus creating a dichotomy between over 50% and 50% or under. Employees who are over 50% exempt are not necessarily problematic for the organization because they still meet the legal requirements. Therefore, the employees who spend 50% of their time or less on exempt work are not in compliance and would seem to be the group where this study would be most applicable. I re-ran the analyses using only employees who spent 50% of their total time or less on exempt work (n=183). However, these analyses yielded no significant results. Even relationships that were significant in the overall analyses were non-significant when looking at only the subgroup.

In the next section I discuss the interpretation of the results from the analyses described above, which is followed by a discussion of the study limitations, implications and future directions.

Discussion

Overall my hypotheses were not supported by the data. There was mixed support for hypothesis 1, no support for hypothesis 2, and mixed support for hypothesis 3, but in the opposite direction from what was predicted. However, this study had five notable findings, each of which will be discussed separately.

The first notable finding was that, as predicted in hypothesis 1, time spent in the non-exempt “Processing Returns” task area was significantly related to customer service scores, even when taking time spent on exempt customer service related task area into account. In other words, managers who spent more time personally processing returned rentals from customers (much of which involves directly interacting with customers) tend to have branches with higher customer service scores. This result supports the hypothesis

that managers can improve customer service scores by stepping in and performing some non-exempt tasks themselves. However, while this relationship was statistically significant, the r^2 statistic reveals that the hypothesized model only accounts for 1% of the variance in customer service scores. Therefore, this result should be viewed with some caution as the practical value of this result may be limited.

The second notable finding was that time spent in the non-exempt “Preparing, Cleaning and Moving Merchandise” task area was significantly related to efficiency scores in the opposite direction from what was predicted, even when taking time spent on exempt efficiency related tasks into account. Again, the practical value of this finding may be limited as the r^2 statistic indicated that the model only accounts for about 1% of the variance in efficiency scores. One potential explanation for the direction of this relationship is that tasks are being performed as a reaction to improve low scores, as opposed to being done proactively. This explanation is discussed in more detail later.

The third notable finding was the moderating effect of total percent of time spent on exempt work with several of the hypothesized relationships. Total time spent on exempt work moderated one relationship in hypothesis 1 and two relationships in hypothesis 2. Specifically, total time on exempt work moderated the relationship between time spent in the “Cleaning & Maintaining Facility & Equipment” task area and customer service scores (hypothesis 1) the relationships between time spent in the “Preparing, Cleaning & Moving Merchandise” and “Performing Clerical Duties” task areas with inventory scores (hypothesis 2). In all three cases, the relationship was stronger at higher levels of time spent on all non-exempt tasks. This suggests that a restriction of range may have been an issue for some of the analyses. As is discussed

later, managers who spent less time on all non-exempt tasks necessarily spend less time on individual non-exempt task areas. This lack of variability makes it difficult to detect statistically significant relationships (Cohen, Cohen, West, & Aiken, 2003).

The fourth notable finding was the moderating affect of the afterhours key drop. I found that for branches with an afterhours key drop, the time spent in the “Renting and Selling Merchandise” task area was significantly related to inventory scores but in the opposite direction from what was predicted. In other words, managers who spent more time on tasks within this task area also had a greater average number of inventory losses, but only for branches with an afterhours key drop. The explanation of this finding is not immediately clear. Certainly, given the number of analyses I ran, there is the possibility of Type I error. However, another possible explanation is that the presence of an afterhours key drop means higher number of inventory losses and more time spent in the “Renting and Selling Merchandise” task area to resolve those conversions. As noted earlier, the possibility exists that some tasks are performed in reaction to lower performance, which may also explain these results. However, this explanation is highly speculative.

Fifth, analysis of the multi-level models indicated that in some instances, the effects that were identified were not consistent throughout the organization. Specifically, the mean level of inventory scores and efficiency scores varied significantly across districts and the relationship between time spent in the “Preparing and Moving Merchandise” task are varied significantly across districts. Although no covariance estimates were significant, the fact that significant variability was detected indicates that some of my findings are not stable throughout the entire organization. In other words, all

districts should not be considered equivalent in all circumstances. Relationships between variables may be at least partially dependent on what area of the organization is being studied. However, for the vast majority of the analysis, the multi-level models revealed that the effects were relatively consistent across districts.

As were described in the previous section, I ran a number of additional analyses on various control variables to try to explain my results. Other than the two findings that have been discussed, the results of the analysis with the control variables provided almost no insight into my hypotheses. Below I discuss three types of issues that may explain my results, which are: statistical issues, practical issues, at theoretical issues.

I examined two different statistical issues that may help to explain my results. They are statistical power and restriction of range. When analyses produce non-significant results, one of the possible explanations is low statistical power. Therefore, I calculated the minimum required sample size for my analyses to see if perhaps my study lacked the power to detect significant relationships, even if they did exist. To detect a small effect size of $r=.10$, with the commonly accepted minimum power of .80 (Cohen J., 1988), the minimum sample size required is 616. Each of my initial analyses had at least that many participants (some follow-up analyses with subsets of the total sample were below that sample size). Therefore it is unlikely that the non-significant results were a result of statistical power. A second potential statistical issue is the restriction of range. As was discussed earlier, most managers had very low values on many of the predictors. In addition, there was also a restriction of range for the inventory scores (see table 4 for descriptive statistics) which ranges from zero to three, with many participants reporting zero. This was not the case for the other two variables which had ranges of

almost 100 percentage points. Because lost inventory is a very low frequency event, there was very little variability in that variable which makes analyses less likely to yield statistically significant results (Cohen, Cohen, West, & Aiken, 2003). Inventory was the only performance score that had no significant relationships with any predictors using the entire sample, which could be due in part to the lack of variability.

Given the lack of significance, I also investigated several practical issues that may help to explain my results. In particular, I suspected that the task areas may be too broad to have a significant relationship with the performance scores. While each of the task areas included specific tasks that logically relate to the performance measures, there were many tasks included in each of those task areas that do not seem to be related to the performance measure. For example, when looking at customer service related tasks in the “Renting and Selling Merchandise” task area, certain tasks such as “Greet Customers” or “Offer food and beverage to customers” would clearly be related to customer service perceptions whereas other tasks such as “Pre-write contracts” or “Call credit card company for authorization” are unlikely to improve customer service scores. For this reason, I went back to examine the data at the task level as opposed to the broader task area level. I went through the task list and identified 12 non-exempt tasks that are clearly and logically related to customer service ratings. As shown in table 19, many of these tasks were significantly related to customer service scores. When I aggregated ratings of time spent on all 12 tasks (which ranged from 0-5 for each task), this new aggregated variable was significantly related to customer services scores ($r=.080$, $p=.025$). This suggests that some of the items included in each of the task areas that were not related to customer service may have attenuated the effect. However, this

was not the case for inventory scores. I identified eight non-exempt tasks that clearly and logically relate directly to inventory management, which are displayed in table 20.

Unlike the customer service analysis, only one task was significantly related to inventory scores and it was in the opposite direction from what was predicted. The aggregate rating of time spent in all eight tasks was also not significantly related to inventory scores ($r=.028$, ns), thus suggesting that level of analyses was not the issue for inventory scores.

I also looked at specific tasks that seemed to clearly and logically relate directly to efficiency. I identified seven non-exempt tasks that could directly influence the percent of inventory currently being rented, which are listed in table 21. As with the inventory analysis, the majority of these tasks were not significantly related to efficiency scores and the aggregate of all seven tasks was also not significantly related to efficiency scores ($r=.027$, ns). Therefore, it does not seem that the level of analyses (i.e., task level vs. task area level) affected the results for inventory or efficiency analyses.

Perhaps a more impactful practical issue is the temporal sequence of events. My hypotheses assumed that managers would perform non-exempt tasks proactively to improve performance scores. However, it is also possible that managers may step in to perform non-exempt tasks reactively to try to make up for poor performance. If this is the case, then I would expect to find negative relationships between time spent on exempt tasks and performance scores because low performance scores would lead to more time being spent on related tasks. Indeed, this was the case in several instances. In particular, many tasks that relate to inventory management were positively related to inventory scores, meaning that the higher number of lost items, the more time was spent on the tasks. Although this was the opposite of what was hypothesized, these results perhaps

provide insight into the relationships between these variables. For example, the task “Pick-up vehicles in impound” was positively related to the number of vehicles lost ($r=.099$, $p=.017$). Certainly this task would only be performed as a reaction to a vehicle being impounded, and not proactively to prevent lost vehicles. This rationale may also explain the negative relationship that was found between efficiency and time spent in the “Preparing, Cleaning & Moving Merchandise” task area, which was discussed in an earlier section. Perhaps managers perform these tasks reactively to improve poor efficiency scores and not proactively to improve or maintain scores that are already average or above average. To the extent that some managers are performing these tasks proactively while others are performing them reactively, the results would likely turn out non-significant, as they did in many of the analyses in this study.

In addition, I also considered several theoretical issues to try to explain the non-significant results. For example, it is possible that managerial style is what impacts a manager’s decision to perform certain tasks, instead of or in addition to the hypothesized predictors. Managerial style, or leadership style, is seen by many as a trait which remains stable across time and situations (Gough, 1988). From this perspective performance measures would not significantly impact which tasks a manager performs. Another possibility is that some managers may not be very good at performing non-exempt tasks. Depending on the ability of the manager and the non-exempt employees, it is certainly possible that a non-exempt employee, whose primary job duties are to perform many of these non-exempt tasks, would be better at them than a manager who only performs them occasionally. If this is the case, then a manager’s involvement would actually hurt overall performance in these areas. Additionally, as noted in earlier sections, perceptions

of the motivational components were assumed and not measured. If any of those assumptions were not accurate (e.g., high performance scores are not highly valued), I would not expect to find significant results. Finally, it is possible that the particular organization in this study was cautious in the design of their appraisal and reward system and designed them to avoid encouraging employees to perform non-exempt work. It is also possible that exempt employees and their supervisors have been properly trained to not perform or reward non-exempt work. I do not have any information of the performance appraisal development process or the existing training programs so I cannot evaluate whether this is the case. Nonetheless, it remains a possibility that the hypothesized relationships would exist in other organizations. In addition, a number of study limitations are discussed in a later section.

Regardless of the explanation, many of the analyses in this study were non-significant. Although I suggested a number of potential explanations for these results, perhaps the proposed relationships simply do not exist. If this is the case, then this may also provide some valuable information from a practical perspective. If performance criteria do not motivate exempt employees to perform non-exempt behaviors, then it would not be necessary to take that factor into account when designing a performance or compensation system. Not having the possibility of motivating managers to perform non-exempt work would allow organizations to design their appraisal systems with only performance in mind. This would be an ideal situation for those who want to maximize job performance. However, as noted, there are many potential explanations for the results. Therefore, the interpretation of non-significant relationships should be viewed with caution.

In addition to the potential issues outlined above, numerous methodological limitations were inherent to the study, which were acknowledged a priori. It is possible that some or all of these recognized limitations also contributed to the results I obtained. In the following section I discuss these limitations.

Limitations

One limitation of this study is that it is entirely based on self-report data. Self-report data is potentially susceptible to a number of biases that may compromise the accuracy of the data. In addition to issues regarding truthfulness of the respondents, one must also be concerned about participants' ability to accurately recall past behavior. However, the methodology of this job analysis included efforts to address these limitations to the extent possible, as described below.

To reduce social desirability, participants were assured numerous times (including by a company representative) that their responses were confidential and would not be used to reward, punish, or evaluate them in any way. In addition, each participant signed an acknowledgement sheet stating that they were aware of these assurances and that they completed the questionnaire truthfully and accurately. Participants were also asked at the end of each section to state whether they were confident that their answers were accurate and those who did not answer this question affirmatively were eliminated from further analysis.

To address issues with accurate recall, psychological research has demonstrated that people can recall past behavior accurately if certain conditions are met. For example, if meaningful absolute points in time are established, people are able to use these milestones to aid in recall (Belli, Smith, Andreski, & Agrawal, 2007). Additionally,

presenting participants with the exhaustive list of potential tasks before they are asked to estimate percentages have also been demonstrated to improve recall (Gael, 1988).

Further, multiple studies have demonstrated that individuals are much more likely to accurately recall relative time spent of tasks, rather than absolute time, which is why that is the measure of time used in this study (Cascio, 1987). Finally, tasks were separated into homogenous task areas because it is easier for job incumbents to think about their jobs when tasks are organized into sets compared to an unorganized list of tasks (Guion, 1988). The methods used in this study have stood up to multiple legal challenges (including critiques by other I/O psychologists) and have been ruled to be sufficiently valid in numerous courts (Hashimoto v. Abercrombie & Fitch and Hollister, 2008; Huizar v. Carl Karcher Enterprises Inc., 2003; Vargas v. Catalina Restaurant Group, 2007; Arenas v. El Torito Restaurants Inc., 2008; Wiegele v. FedEx Ground Package System Inc., 2009; Mynaf v. Taco Bell Corporation, 1997; Whiteway v. FedEx Kinko's Office and Print Services Inc., 2005; Hines v. CSK Auto Inc., 1999; Shafer v. Rent-A-Center Inc., 2007; Tucker v. Casual Male Retail Group Inc., 2005), thus giving me confidence that the results of the job analysis are meaningful.

Another significant limitation of this study is that it is correlational by nature and does not allow for causality to be inferred. Even significant findings would not allow a reader to conclude with certainty that evaluation systems cause non-compliant behavior. Only in a true experiment when time spent on tasks could be manipulated could one draw a causal conclusion (Shadish, Cook, & Campbell, 2002). However, the vast majority of organizational research is correlational because obtaining experimental data is not practical in most organizations. Despite this limitation, correlation research is able to

provide useful information about relationships that may exist and provide qualified evidence toward causality, which is due in part to the increased generalizability associated with such studies.

Additional limitations exist based on the fact that the data used here are from a real organization as opposed to a laboratory setting. Several of these limitations (e.g., data only being collected from one branch employee as opposed to all employees) have already been discussed. Many factors exist in the real world that cannot possibly all be measured, not to mention the interactions between all of them. An alternative would be to conduct a lab study where many of these factors could be measured and/or controlled. However, this would be at the cost of the external validity of the study results. While these methodological limitations are recognized, the value of external validity and the potential practical significance of the results seem to outweigh these limitations.

Implications

In this study, I intended to offer potential implications from three perspectives: methodological, theoretical, and practical. However, some of these implications are somewhat marginalized by fact that my hypotheses were not robustly supported. Despite that, I feel that several implications remain. From a methodological perspective, this study conceptualizes the job analysis in two non-traditional ways. First, this study uses job analysis results as a predictor. Traditionally, the job analysis is viewed strictly as an outcome, that outcome being the result of the job analysis process which yields a set of characteristics associated with a given job. However, this study treats the job analysis data (i.e., time spent on tasks) as a predictor which was able to predict at least some meaningful outcomes. Second, in order for any variable to be able to predict anything, it

must have some variability. The second methodological contribution is that the job analysis results in this study are viewed as a variable, rather than a constant. Usually, the job analysis process results in a summary of all employees (i.e., a single job description, or single list of KSAO's, etc.), when in fact, each individual employee's job actually differs somewhat from the general summary or average. By acknowledging that variability is meaningful and not error, the examination of these differences "may yield fruitful insights for human resource programmes" (Sanchez & Levine, 2000, p. 812). I not only suggest that such variability does exist, but also propose that the previously ignored variability can predict meaningful outcomes. Third, most job analyses are thought of as a means to an end. That is, typically job analysis results are a step toward some type of HR related function such as a developing a selection system or a training program. However, a job analysis conducted to assess FLSA compliance is an end in itself. In other words, the job analysis results themselves are the desired information, and are not used as a step in developing some other organizational procedure. The job analysis used in this study contributes to job analysis methodology in that it offers an example of an FLSA-relevant job analysis which differs from more common types of job analysis.

From a theoretical perspective, I suggested a VIE motivational framework as a way to bridge the gap between performance criteria and the work that employees choose to perform. Specifically, I offered VIE theory as an explanation for exempt employees performing non-exempt work. While not entirely supported, this framework may remain useful in that it not only proposes a way to bridge the gap between rewards and behavior, but also is being applied to an entirely new area of research, that is FLSA compliance. In

addition, as mentioned previously, many previous studies on VIE theory suffer from significant methodological flaws. In this study, I attempted to avoid these issues to the extent they applied. Because I did not actually assess individuals' judgments of valence, instrumentality or expectancy, some of the methodological problems identified by Donovan (2001) and others are not applicable to this study. However, one of the primary flaws in prior research that is applicable to this study is the criterion of interest. Specifically many past studies have incorrectly used performance as the outcome variable (Donovan, 2001). In this study, I used choice between tasks and effort toward those tasks as the outcomes, which are two of the outcomes that VIE theory was intended to predict.

This study also offers some practical implications. One of the findings of this study was that time spent on non-exempt tasks directly related to customer service were related to customer service scores. This is significant in that it suggests the possibility that implementing customer satisfaction as a performance criterion may lead to more non-exempt work being performed by managers. From a practical standpoint, significant results suggest that organizations may be indirectly encouraging its employees to engage in non-compliant behavior, at least specifically with regard to customer service. Given this, it may be prudent for organizations to audit their reward systems in order to identify risks associated with managers performing non-exempt duties. Alternatively, performance criteria could be defined more narrowly such that they will motivate employees to perform specific work behaviors, without the unintentional consequence of also rewarding non-exempt tasks. The performance domain is typically defined such that citizenship behaviors are included (Rotundo & Sackett, 2002). However, in many cases, performing non-exempt tasks could be considered a form a citizenship behaviors,

especially when a manager is helping out a subordinate by performing some of their tasks. To the extent that this is true, organizations may want to consider the consequences from an FLSA perspective of including citizenship behaviors in the performance domain. Another way to potentially mitigate this issue is to provide performance evaluation training specific to supervisors of exempt employees, so that they will understand the importance of not evaluating or rewarding exempt employees for performing non-exempt work. If they are rewarding employees for non-compliant behavior (consciously or not) then they are placing themselves at a much higher risk of non-compliance with wage and hour laws.

Future Directions

While many of the results in this study were non-significant, I still believe there is merit to this line of research. Future research on this topic could go a number of directions since explanations for wage and hour compliance are rarely studied in an academic context.

One specific recommendation for future research is to assess employee perceptions of the motivational components associated with performance appraisal and reward systems. That was a significant limitation of this study in that individual perceptions of the motivational components were logically deduced, and not measured. Future research could assess employee perceptions to determine the degree to which the assumed perceptions are accurate, and further, whether they explain the proposed relationships.

Given some of the results I found in this study, a second recommendation for future research would be to account for the temporal sequence of events. One of the

proposed explanations for some of the non-significant results was that it is unclear whether exempt work is performed proactively, or reactively. Knowledge of the temporal sequence could greatly improve the understanding of the proposed relationships. This could be assessed through a longitudinal study or a self-report format that evaluates the order that tasks are performed (more time spent on certain tasks after high ratings or low ratings) and the reasons that certain tasks are performed.

Another future direction would be to account for the behaviors of other employees in the branch. As discussed earlier, it is entirely possible that employees overall are spending more time working on specific tasks to improve overall performance. However, in this study, I only studied the tasks of one employee per branch. An assessment of the activities of other employees in the branch may help to explain whether work performed in the specific task areas by all employees, is related to overall branch performance.

As noted, this study used time spent on tasks as the predictor of performance scores. No effort was made to assess quality of work because it is not relevant from an FLSA perspective. However, ability may help to explain some of the proposed relationships. For example, simply spending time helping a customer does little to describe the quality of service provided. While not relevant from the FLSA perspective, the quality of work done likely impacts my hypotheses and could improve the understanding of these relationships.

Finally, there are likely a number of additional or alternative factors that can predict time spent on non-exempt tasks. For example, managerial style may determine choices of tasks performed, regardless of performance appraisals. Future research can study whether managerial style predicts task choice with more utility than the

performance appraisal system. Another possible factor is job design. Poorly designed jobs (in addition to performance criteria) can lead to role confusion among employees. This confusion may result in employees performing more non-exempt work than expected (Banks, 2004). These are two examples of factors that may also influence the amount of time that employees spend on non-exempt tasks. However, there are likely many more that I have not identified. Each of these alternative explanations represents an opportunity for future research.

While this study did not support all of my hypotheses, FLSA compliance is still a very important topic to be studied. Many opportunities exist to study the sources of non-compliance which would be extremely valuable to organizations with exempt employees.

Conclusion

This study aimed to evaluate whether performance appraisal and reward systems may motivate exempt employees to perform non-exempt tasks, thus jeopardizing their organization's compliance with FLSA regulations. To do this, I examined whether time spent on specific non-exempt tasks was related to scores on related performance measures. Some support was found for the relationship between customer service related tasks and customer service scores, but in general the other results did not support the hypotheses. Numerous control variables were examined and explanations were proposed to explain the non-significant results. Nonetheless, FLSA compliance remains an important concern for employers, and reducing one's risk of liability by ensuring that organizational policies encourage compliance is critical.

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Appendix A

Task List

Task Area 1: Renting and Selling Merchandise (Non-Exempt)

1. Greet customers
2. Offer food and beverages to customers
3. Talk to customers to learn about their special rental needs (e.g., hand control vehicles, stow-n-go minivans)
4. Inform customers and employees what vehicles are available in person or on the phone
5. Inform customers of preferred rates or available discounts
6. Take or verify customer reservations in-person or over the phone
7. Prequalify customers by phone (e.g., valid driver license, credit card, cash, underage and additional drivers)
8. Call customer with ARMs reservation to clarify rental needs
9. Provide information or answer customer questions on vehicle features and functions
10. Advise customers about specialty vehicle availability and direct to other branch if needed
11. Schedule customer reservation times
12. Advise customers of underwriting qualifications for rentals and direct to appropriate locations where applicable
13. Contact other branches in order to address customers needs (e.g., territorial restrictions, specialty vehicles)

14. Schedule appointments for customer pick-ups and vehicle deliveries
15. Pick-up customers at their locations (e.g., home, business, dealerships, bodyshops)
16. Pre-write contracts
17. Rewrite 30-day-old contracts
18. Calculate and quote rental prices to customers at the counter or over the phone
19. Collect customers company name, RO, PO or claim number to generate direct bill authorization
20. Review rental options (upgrades, coverage) with customers when third party payments are provided
21. Explain ancillary products and services to customers (i.e., protection package, GPS units, pre-sale fuel tank, additional drivers, underage fee)
22. Contact insurance or credit card company to verify primary and secondary coverage/deductible for customers
23. Offer upgrade options to customers
24. Provide corporate account forms to customers (i.e., business account leads)
25. Call customer credit card company for authorization (as directed by computer system)
26. Review contract with customer and answer customers questions
27. Provide customers with directions to their destinations (e.g., hotel, other Enterprise branch)

28. Notate customers records regarding personal preferences during reservation process to personalize service
29. Explain corporate account membership benefits to customers to generate qualified leads
30. Perform "trunk to trunk" checks with customers at rental
31. Assist customers with personal belongings at rental

Task Area 2: Processing Returns (Non-Exempt)

32. Perform "trunk to trunk" checks with customers at return
33. Ask three critical questions to evaluate service
34. Remedy customer service issues by offering compensation (e.g., discounts, write-offs and upgrades)
35. Document customer interactions in "Success/Failure Log"
36. Document customer comments on Customer Satisfaction Log (i.e., write offs for customer satisfaction, 0531)
37. Process paperwork for vehicle returns and calculate balance due
38. Assist customers with personal belongings when returning vehicles
39. Notify customers when personal items are left in rentals and store in secure place
40. Update customer on status of personal vehicle repairs (e.g., body shop work, dealership service)
41. Inform customer of need to switchout
42. Retrieve keys from dealerships for dealer rental vehicles
43. Retrieve keys to dropped vehicles

Task Area 3: Conducting Customer Callbacks & Collecting Payments (Exempt)

44. Place same day calls to assess customer satisfaction
45. Pull and review contracts for customers who didnt return rental on due date
46. Talk to employees regarding outstanding contracts
47. Calculate charges to date for customer call backs
48. Discuss customer rental status with employees (i.e., overdue vehicles, late payments)
49. Call customers to notify them of third party billing status changes
50. Identify potential conversions through callbacks (e.g., deposit amounts, ability to locate, balance due)
51. Discuss charges with customers over the phone and obtain customer authorization to charge credit card
52. Schedule customer payments
53. Complete branch accident report (DX) and collect deductible from customer
54. Send customers to Collections or District Magistrate
55. Update customer records with information after call-backs and contract reviews
56. Calculate customers balance due by subtracting third party portion of payment throughout the rental
57. Collect payments from customers at counter for balances due

Task Area 4: Overseeing Rentals & Returns (Exempt)

58. Direct customers to the appropriate employees for service at rental
59. Assist employees with customer transactions
60. Direct employees to pick-up customers at their specific location
61. Coordinate customer pick-ups with shuttle driver (airport)
62. Monitor airport shuttle driver pick-up and drop off times
63. Plan for pick-ups at scheduled reservation times
64. Authorize one-way rentals
65. Review contracts for accuracy and enter information into ECARS
66. Audit and review contracts for proper underwriting and make corrections in ECARS
67. Collect and follow-up on concierge agreement contracts (i.e., contracts written by non-Enterprise employees per agreement)
68. Contact Area Manager regarding large rental orders for special events
69. Approve specific customer requests in Specialty Vehicle Tracker
70. Check specialty reservations and pull vehicles aside
71. Authorize delivery of vehicles to dealerships for customers after hours (i.e., deliver keys)
72. Spot check rent ready vehicles for cleanliness and fluid levels
73. Direct employees to conduct “trunk to trunk” inspections for rentals
74. Direct employees to pick-up and drop off drivers/porters
75. Pass out shuttle keys and nextels
76. Talk to Utilization Manager and revise daily rates
77. Write employee rental contracts

78. Discuss special circumstances /instructions with employee to ensure customer satisfaction (i.e., ticket by ticket coaching)
79. Monitor timing of employees answering phones (i.e., two ring max)
80. Monitor transaction times and service levels at service rental
81. Gain pertinent information from referral sources to improve customer satisfaction
82. Direct employees to inform customer of need to switchout
83. Authorize out-of-group breakdown switchouts for customers
84. Direct movement of vehicles by customers and employees in lot
85. Monitor transaction times and service levels at returns
86. Direct customers to the appropriate employees for returns
87. Provide assistance to employees with dissatisfied customers and resolve conflicts
88. Contact customers identified as “not completely satisfied” by ESQI scores
89. Direct employees to conduct “trunk to trunk” inspections for returns
90. Direct employees to refuel vehicles
91. Direct employees to prep vehicles
92. Direct employees to take vehicles for professional cleaning
93. Refund customer charges to resolve customer issues
94. Check voicemail for customer concerns or issues
95. Discuss exceptions to company standards with next level of management to resolve customer issues
96. Inspect and accept rentals when returned or dropped off by another branch

97. Direct customer to review and sign DX Report

Task Area 5: Preparing, Cleaning & Moving Merchandise (Non-Exempt)

98. Prep vehicles for rental (e.g., wash, fill fluids, tire pressure, windows)
99. Fuel vehicles
100. Use gas card to purchase gas for personal vehicle
101. Move vehicles in lot
102. Check certificates of insurance in vehicles
103. Inspect vehicles in lot to ensure vehicles are locked and empty
104. Pick-up and deliver vehicles to FBOs (e.g., private airports, military bases, corporations, government facilities)
105. Deliver vehicles to corporate accounts
106. Pick-up and deliver vehicles to body shops and dealerships
107. Pick-up vehicles in Impound
108. Install license plates, registration and stickers for vehicles
109. Contact vendor to request service on vehicles (e.g., LOFR, recalls)
110. Contact and request vehicle repairs from vendors (e.g., dent wizard, auto glass)
111. Take vehicles for professional cleaning

Task Area 6: Planning & Evaluating Utilization (Exempt)

112. Print and evaluate reservations
113. Discuss utilization needs or status with other branches and satellites regarding business flow
114. Print and plan for next day reservations

115. Call other locations to inquire about dropped vehicles (e.g., dealerships, hotels, parking garages, body shops)
116. Review "units not rented" on screen and evaluate status
117. Pull contracts to evaluate anticipated returns
118. Contact satellite to see if additional vehicles are needed
119. Review reports from utilization management
120. Review and evaluate ARMs reservations to ensure that they have been contacted
121. Check with employees in lot regarding when vehicles will be available
122. Check for updates and directives regarding changes to current fleet
123. Discuss status of vehicles in lot with employees (e.g., location, cleanliness status, mix)
124. Contact shop to inquire about status of vehicle repairs and maintenance
125. Monitor LOFRS, Recalls, and Deletes in fleet
126. Look-up, evaluate, and create action plan for maximizing fleet mix using the "DC40 Report"
127. Evaluate fleet mix to match to customers rental needs
128. Review callbacks to anticipate timing of returns
129. Cancel no-shows
130. Document and review vehicles on Dropped Vehicles Log
131. Update out of service vehicles in RALPH
132. Contact Repair Department and request approval for body shop repairs

133. Coordinate maintenance activities for vehicles (e.g., oil changes, tires, brakes)
134. Test drive vehicles with suspected problems to determine maintenance needs
135. Call customers to determine timing of returns or switch-outs for evaluating fleet
136. Call body shops and dealerships to determine when customers repairs will be completed and rentals returned for evaluating fleet
137. Organize vehicles in lot to facilitate rentals
138. Provide Area Manger with utilization updates
139. Discuss need to lose or add vehicles with next level of management
140. Review out of group drops and inform Remarketing
141. Discuss fleet mix with Remarketing and Acquisition Departments

Task Area 7: Adding, Deleting, & Relocating Merchandise (Exempt)

142. Transfer vehicle to another branch's books
143. Request assistance from Area or Region to pick-up or drop off vehicles
144. Sign for new vehicles
145. Direct employees to move vehicles (e.g., in lot, from other locations)
146. Direct employees to pick-up dropped vehicles out of group
147. Direct employees to pull deletes from fleet
148. Direct drivers to pick-up or move vehicles
149. Review and sign Delete Form

150. Arrange to borrow vehicles from dealerships and body shops to augment fleet
151. Direct employees to find location of dropped vehicles and their keys
152. Notify vehicle acquisitions of “drop ships” at branch
153. Sign-off on drop ship delivery receipt (i.e., NCS)

Task Area 8: Hiring, Evaluating & Managing Employee Performance (Exempt)

154. Recruit new employees (e.g., recommend Enterprise, approach potential hires)
155. Participate in job candidate branch observation and complete checklist
156. Provide feedback to Area and Branch Manager on candidate from branch observation
157. Sit in on new hire interviews with Area Managers
158. Interview potential employees (e.g., car preps and drivers)
159. Conduct performance reviews (e.g., car preps and drivers)
160. Recommend employees for transfer or promotion
161. Review employee performance in "Success/Failure Log"
162. Assist with 30 and 90 day MT performance reviews (i.e., review, add comments)
163. Monitor and direct employee compliance with dress code
164. Monitor and assess employees' adherence to cycle of service
165. Review and evaluate interns' progress on projects
166. Advance employees' pay out of the cash box
167. Facilitate the “Vote” meetings

168. Discuss employees performance with Branch and/or Area Manager (e.g., package sales, average rates, ESQI scores)
169. Provide positive feedback to employees on high performance (e.g., send emails, document in Significant Event Log, put in personnel file)
170. Counsel employees on performance that needs improvement
171. Complete formal disciplinary documentation for employees
172. Resolve employee disputes
173. Call Area Manager regarding employee issues
174. Contact Corporate or Group HR regarding employee issues or questions (e.g., policies, procedures)
175. Create contests and team-building events for employees using T&E funds

Task Area 9: Training & Developing Employees (Exempt)

176. Assist new hire with branch observation (i.e., onboarding, scavenger hunt)
177. Review employee standing on personal matrix and suggest improvements
178. Review training materials with car preps
179. Review and work through training materials with MTs and MAs (e.g., Roadmaps)
180. Review employee readiness for promotion with employees'
181. Assist in MTs preparation for MQI (e.g., test)
182. Coach MTs and MAs on rental policies and procedures
183. Demonstrate correct procedures and behaviors for employees to facilitate learning
184. Coach car preps on cleaning procedures

185. Coach employees on "trunk to trunk" inspections
186. Coach employees on qualifying and underwriting procedures
187. Coach employees on a ticket by ticket basis to maximize sales and service
188. Coach MTs, MAs and interns on callback procedures
189. Coach employees on phone skills based on phone shops
190. Role play scenarios with employees to facilitate learning
191. Take MTs, MAs and interns on marketing calls to facilitate learning
192. Plan and facilitate after hours get-togethers with Enterprise employees for business reasons
193. Attend meetings with Area and/or Branch Managers to discuss branch employees development
194. Attend meetings with Area and/or Branch Managers to discuss personal development as a manager

Task Area 10: Planning, Directing & Scheduling Work (Exempt)

195. Monitor vehicle prep workload
196. Create work schedules for MTs, MAs and interns (e.g., "flex time", vacation requests)
197. Update Responsibility Roster
198. Create Driver and Vehicle Prep schedules
199. Schedule employees to work at another branch or satellite
200. Create lunch break schedule for employees
201. Identify and assign employees daily, weekly, and monthly responsibilities (i.e., responsibility roster, duty list)

202. Create Peak Plan for branch
203. Assign and follow up with employees on specific tasks assigned for the day
204. Plan staffing following unexpected events and emergencies
205. Sign shuttle driver and vehicle prep timesheets
206. Review and approve work hours in WorkBrain
207. Document employee call-ins and no-shows in WorkBrain
208. Direct employees to switch roles or station locations (e.g., outside by lot, inside counter)
209. Direct employees to conduct Callbacks
210. Direct employees to work A/Rs
211. Review employees' A/R assignments and follow-up (e.g., 90 and 110 screens)
212. Discuss schedule changes with employees
213. Direct employees to take lunches
214. Identify content for and lead branch meetings

Task Area 11: Performing Clerical Duties (Non-Exempt)

215. Log on to Enterprise Intranet and retrieve forms and documents
216. Open and sort mail
217. Make copies of T&E expense receipts and file
218. Sign store property lease contracts
219. Call Help Desk for assistance with computers
220. Complete application for military base or government facility pass

221. Complete Insurance Inspection sheet and fax to insurance company (AAA, Geico)
222. Organize and secure contracts
223. Distribute paychecks to employees
224. Charge handhelds/DAT 500s/Nextels
225. Write down or input contracts on Daily Log (e.g., who made sale, rates, upsell, type of rental)
226. Attach additional information to contracts (i.e., coupons, underage driver, cash qualification, van addendums, additional drivers) and file
227. Shred customer personal information

Task Area 12: Marketing (Exempt)

228. Log, track and review fleet services, truck rentals, and employee referral leads
229. Log, track and review corporate and car sales leads (e.g., Intranet, paper list)
230. Collect and analyze information on competitors rates
231. Create and evaluate PDM plans with employees
232. Forecast percentage of market share (POM) with Area Manager
233. Set and post/update monthly and YTD goals on salesboard
234. Create marketing schedules
235. Direct employees to obtain and deliver marketing items for customers and accounts (e.g., calendars, pens, maps)

- 236. Direct employees to obtain and bring food or other marketing items to branch for customers
- 237. Create contests and team-building events for accounts using T&E funds
- 238. Call inactive accounts to prospect for more business
- 239. Deliver packet to new corporate account and build business
- 240. Conduct sales calls (e.g., bodyshops)
- 241. Conduct service calls (e.g., donut runs)
- 242. Discuss marketing calls upon completion and update marketing book
- 243. Discuss employees' leads with vehicle sales manager
- 244. Forward corporate leads to LCAM
- 245. Discuss leads with LCAM/RCAM

Task Area 13: Billing (Exempt)

- 246. Print and review A/R List
- 247. Set up direct billing to third party vendors
- 248. Meet with accounts to reconcile invoices
- 249. Create JVs and enter into system (i.e., journal vouchers noting edits required for contracts)
- 250. Discuss status of corporate account receivables with Group Corporate Manager

Task Area 14: Managing Branch Financials (Exempt)

- 251. Check and respond to email regarding updates and requests from management
- 252. Review Branch I&E Statements to identify areas of opportunity and trends

253. Review Service Logs (e.g., Success/Failure Log) and identify trends
254. Review petty cash receipts and sign off on report
255. Check callback completion percentage
256. Track and review daily sales efforts (e.g., DW sales, utilization, sell-ups, average rates)
257. Review and evaluate branch expenses
258. Review DX Report for accuracy and completeness
259. Review and sign OX reports
260. Review Daily Report and close double rent contracts to reconcile fleet
261. Review Daily Report and work “pending” contracts to close in system
262. Sign vendor invoices
263. Run "macros" and evaluate macro reports summarizing branch performance
264. Review and compare performance numbers against other branches
265. Review and evaluate branch matrix rankings
266. Review personal ranking in matrix
267. Evaluate branch performance against local competition
268. Calculate average daily rate for vehicles
269. Forecast fleet growth
270. Post or document branch and employee performance scores (e.g., ESQI, profit)
271. Document branch Loss Control performance (e.g., undocumented damage, comp/collision reserve)

- 272. Distribute branch and employees sales performance to employees and managers
- 273. Give OX report to responsible employee and collect signature
- 274. Make branch operational improvement suggestions to Branch or Area Manager
- 275. Discuss branch performance with Area Manager and Branch Manager (through email, phone, or in person)
- 276. Update Area and/or Branch Manager on A/R and bad debt status
- 277. Interact with and respond to local and state authorities (e.g., conversions, thefts)
- 278. Resolve undocumented vehicle damage with another branch
- 279. Complete undocumented damage report (OX) and send to Loss Control
- 280. Compile documents for packet to send to corporate (i.e., batch, CRSs)
- 281. Attend branch meetings (e.g., morning meeting, ESQI Roundtables)

Task Area 15: Safeguarding & Securing Assets (Exempt)

- 282. Deposit or pull money from safe to give change to customer
- 283. Count cash, money orders and checks and prepare deposits
- 284. Initiate cash box worksheet (i.e., cash not balancing)
- 285. Take deposit to bank
- 286. Review and approve customer cash rentals (e.g., underwriting)
- 287. Open and close safe
- 288. Secure gas cards
- 289. Secure vehicle keys in safe

290. Collect, count and secure GPSs
291. Conduct research to locate missing vehicles or keys
292. Complete daily reconciliation report (i.e., match keys to vehicles)
293. Contact Loss Control regarding customers on DNR list to evaluate customers' status
294. Notify Area Manager and Loss Control to add customer in DNR database
295. Look up customer credit card and driver's license number
296. Run customer credit checks
297. Contact Loss Control for potential conversion and start worksheet
298. Obtain new vehicle keys and secure missing vehicles
299. Conduct "drive bys" at customers work or home to locate missing vehicles
300. Notify Loss Control regarding vehicle recovery
301. Lock/unlock lot gates and window shields and set/turn off alarms

Task Area 16: Overseeing Branch Cleanliness & Maintenance (Exempt)

302. Direct employees to clean branch
303. Inspect perimeter of building
304. Monitor and ensure cleanliness of area outside of branch
305. Request branch repairs from group operations manager
306. Order branch supplies (e.g., forms, cleaner, vehicle wash)
307. Close branch early when branch is not busy
308. Check parking lot lighting
309. Direct employees to salt/sand lot

Task Area 17: Cleaning & Maintaining Facility & Equipment (Non-Exempt)

- 310. Salt/sand parking lot and sidewalks
- 311. Clear sidewalk and lot of snow and ice
- 312. Empty garbage
- 313. Vacuum floor
- 314. Perform minor repairs on handhelds/DAT 500s
- 315. Clean and supply bathrooms
- 316. Maintain landscaping and property appearance
- 317. Clean windows
- 318. Remove trash from perimeter

Appendix B

Sample of the portion of the questionnaire that allowed participants to report time spent
in each task area

PART B **PERCENT OF TIME SPENT**

In Part B, you will estimate the percent of time you have spent performing the different aspects of your job during an average week. Remember to answer the questions based on your experience over the **last 12 months** in your current position. There are two sections in Part B.

SECTION 1:

In the first section, the 17 Task Areas from Part A have been grouped into 5 Work Categories. Each Work Category describes a major aspect of the Assistant Manager's job. Estimate the **percent of time** from 0 to 100% you personally have spent in **each Work Category** in an average week.

You should review Part A to refresh your memory about the tasks included in each Task Area. The page numbers for each Work Category are included in the table on the next page to make referencing Part A easier.

An example is given below.

WORK CATEGORY	PERCENT OF TIME WORKING IN WORK CATEGORY
Rentals (pp. 6-13) Renting and Selling Merchandise Processing Returns Conducting Customer Callbacks & Collecting Payments Overseeing Rentals & Returns	<u> 30 </u> %

EXAMPLE

In this example, the Assistant Manager reported that in an average week she has spent 30% of her total work time in the "Rentals" Work Category. The remaining 70% of the manager's time must have been spent on the remaining four Work Categories. The percent of time spent across all of the Work Categories must total 100%. *This example may not reflect your experience on the job.*

Estimate **the percent of time** from 0 to 100% you have spent in **each Work Category** in an **average week** in your current position. The percentages must total 100%.

WORK CATEGORY	PERCENT OF TIME WORKING IN WORK CATEGORY
<p>Rentals (pp. 6-13)</p> <ul style="list-style-type: none"> Renting and Selling Merchandise Processing Returns Conducting Customer Callbacks & Collecting Payments Overseeing Rentals & Returns 	<p>_____ %</p>
<p>Merchandise (pp. 14-18)</p> <ul style="list-style-type: none"> Preparing, Cleaning & Moving Merchandise Planning & Evaluating Utilization Adding, Deleting, & Relocating Merchandise 	<p>_____ %</p>
<p>Human Resources (pp. 19-25)</p> <ul style="list-style-type: none"> Hiring, Evaluating & Managing Employee Performance Training & Developing Employees Planning, Directing & Scheduling Work 	<p>_____ %</p>
<p>Financials (pp. 26-31)</p> <ul style="list-style-type: none"> Performing Clerical Duties Marketing Billing Managing Branch Financials 	<p>_____ %</p>
<p>Maintenance and Security (pp. 32-35)</p> <ul style="list-style-type: none"> Safeguarding & Securing Assets Overseeing Branch Cleanliness & Maintenance Cleaning & Maintaining Facility & Equipment 	<p>_____ %</p>

Total of Above = 100%

SECTION 2:

In Section 2, you will estimate the **percent of time** from 0 to 100% you have spent in **each Task Area within each Work Category** in an average week in your current position. Again, review Part A to recall the tasks included in each Task Area; page numbers are included to help you reference Part A.

The percentages for Task Areas within each Work Category must total 100%. You should skip a Work Category only if you indicated that you spent 0% of your time in that Work Category in Section 1.

An example is given below.

EXAMPLE

WORK CATEGORY	TASK AREAS	PERCENT OF TIME WORKING IN TASK AREA
Rentals	Renting and Selling Merchandise (pp. 6-7)	60 %
	Processing Returns (pp. 8-9)	10 %
	Conducting Customer Callbacks & Collecting Payments (pp. 10-11)	0 %
	Overseeing Rentals & Returns (pp. 12-13)	30 %
	Total of Rentals =	100%

In this example, within the “Rentals” Work Category, the manager reported that she has spent 60% of her time “Renting and Selling Merchandise,” 10% of her time “Processing Returns,” 30% of her time “Overseeing Rentals & Returns,” and no time “Conducting Customer Callbacks & Collecting Payments.” Together, these four Task Areas make up 100% of the “Rentals” Work Category. *This example may not reflect your experience on the job.*

Estimate **the percent of time** from 0 to 100% that you have spent in **each Task Area within each Work Category** in an average week in your current position. The percentages within each Work Category must total 100%.

WORK CATEGORY	TASK AREAS	PERCENT OF TIME WORKING IN TASK AREA
Rentals	Renting and Selling Merchandise (pp. 6-7)	%
	Processing Returns (pp. 8-9)	%
	Conducting Customer Callbacks & Collecting Payments (pp. 10-11)	%
	Overseeing Rentals & Returns (pp. 12-13)	%
	Total of Rentals =	100%
Merchandise	Preparing, Cleaning & Moving Merchandise (pp. 14-16)	%
	Planning & Evaluating Utilization (p. 17)	%
	Adding, Deleting, & Relocating Merchandise (p. 18)	%
	Total of Merchandise =	100%
Human Resources	Hiring, Evaluating & Managing Employee Performance (pp. 19-21)	%
	Training & Developing Employees (pp. 22-24)	%
	Planning, Directing & Scheduling Work (p. 25)	%
	Total of Human Resources =	100%
Financials	Performing Clerical Duties (pp. 26-27)	%
	Marketing (pp. 28-29)	%
	Billing (p. 30)	%
	Managing Branch Financials (p. 31)	%
	Total of Financials =	100%
Maintenance and Security	Safeguarding & Securing Assets (pp. 32-33)	%
	Overseeing Branch Cleanliness & Maintenance (p. 34)	%
	Cleaning & Maintaining Facility & Equipment (p. 35)	%
	Total of Maintenance and Security =	100%

Table 1

Ten largest wage and hour settlements in 2009

	Case	Settlement
1	In Re Wal-Mart Wage & Hour Employment Practices Litigation	\$65 million
2	Hale, et al. v. Wal-Mart Stores, Inc.	\$55 million
3	Brattain, et al. v. Richmond State Hospital	\$42.4 million
4	In Re Wachovia Securities Wage & Hour Employment Practices Litigation	\$39 million
5	Westerfield, et al. v. Washington Mutual, Inc.	\$38 million
6	Barnett, et al. v. Wal-Mart Stores, Inc.	\$35 million
7	Parris, et al. v. Lowe's Home Improvement Warehouse, Inc.	\$29.5 million
8	Veliz, et al. v. Cintas Corp.	\$22.27 million
9	In Re Heller Ehrman LLP	\$19.7 million
10	Conley, et al. v. Pacific Gas and Electric Co.	\$17.25 million

Note. Data for 2010 has not yet been made available

Table 2

Summary of task areas, exempt statuses and predicted relationships to performance criteria

Work Categories	Task Areas	Exempt Status	Related to:
Rentals	Renting and Selling Merchandise	Non-Exempt	Customer Service Inventory
	Processing Returns	Non-Exempt	
	Conducting Customer Callbacks & Collecting Payments	Exempt	
	Overseeing Rentals & Returns	Exempt	
Merchandise	Preparing, Cleaning & Moving Merchandise	Non-Exempt	Inventory Efficiency
	Planning & Evaluating Utilization	Exempt	
	Adding, Deleting, & Relocating Merchandise	Exempt	
Human Resources	Hiring, Evaluating & Managing Employee Performance	Exempt	
	Training & Developing Employees	Exempt	
	Planning, Directing & Scheduling Work	Exempt	
Financials	Performing Clerical Duties	Non-Exempt	Inventory Efficiency
	Marketing	Exempt	
	Billing	Exempt	
	Managing Branch Financials	Exempt	
Maintenance and Security	Safeguarding & Securing Assets	Exempt	
	Overseeing Branch Cleanliness & Maintenance	Exempt	
	Cleaning & Maintaining Facility & Equipment	Non-Exempt	Customer Service

Table 3

Correlations of time spent in 17 task areas and three performance measures

Variable	1	2	3	4	5	6	7
1 Renting Vehicles & Selling	1	.336**	-.104**	-.187**	-.057	-.373**	-.319**
2 Processing Returns	.336**	1	-.168**	-.014	.053	-.268**	-.162**
3 Conducting Customer Callbacks & Collecting Payments	-.104**	-.168**	1	-.055	-.128**	-.159**	-.115**
4 Overseeing Rentals & Returns	-.187**	-.014	-.055	1	-.199**	-.037	-.026
5 Preparing, Cleaning & Moving Vehicles	-.057	.053	-.128**	-.199**	1	-.120**	.005
6 Planning & Evaluating Utilization	-.373**	-.268**	-.159**	-.037	-.120**	1	.208**
7 Adding, Deleting & Relocating Vehicles	-.319**	-.162**	-.115**	-.026	.005	.208**	1
8 Hiring, Evaluating & Managing Employee Performance	-.264**	-.200**	-.101**	.016	-.210**	-.036	-.038
9 Training & Developing Employees	-.290**	-.230**	-.056	.016	-.192**	-.038	-.085*
10 Planning, Directing & Scheduling Work	-.302**	-.246**	-.082*	-.042	-.116**	.042	-.048
11 Performing Clerical Duties	-.195**	-.181**	.000	-.148**	.007	-.029	-.097**
12 Marketing	-.249**	-.255**	-.012	-.153**	-.125**	.037	.001
13 Working A/Rs	-.236**	-.296**	.135**	-.166**	-.119**	-.096**	-.063
14 Managing Branch Financials	-.231**	-.288**	.050	-.168**	-.108**	-.018	.001
15 Safeguarding & Securing Assets	-.140**	-.137**	-.104**	-.017	-.074*	-.038	.024
16 Overseeing Branch Cleanliness & Maintenance	-.196**	-.154**	-.074*	-.038	-.019	-.068	-.001
17 Cleaning & Maintaining Facility & Equipment	-.214**	-.173**	.003	-.163**	.017	-.075*	.016
18 Customer Service	-.018	.088*	-.034	.055	.009	-.042	-.031
19 Inventory	.041	.033	.143**	.029	-.032	-.056	-.030
20 Efficiency	.006	-.092*	.060	.043	-.113**	.036	.065

Note. *indicates $p < .05$, ** indicates $p < .01$

Table 3

Correlations of time spent in 17 task areas and three performance measures (continued)

Variable	8	9	10	11	12	13	14
1 Renting Vehicles & Selling	-.264**	-.290**	-.302**	-.195**	-.249**	-.236**	-.231**
2 Processing Returns	-.200**	-.230**	-.246**	-.181**	-.255**	-.296**	-.288**
3 Conducting Customer Callbacks & Collecting Payments	-.101**	-.056	-.082*	.000	-.012	.135**	.050
4 Overseeing Rentals & Returns	.016	.016	-.042	-.148**	-.153**	-.166**	-.168**
5 Preparing, Cleaning & Moving Vehicles	-.210**	-.192**	-.116**	.007	-.125**	-.119**	-.108**
6 Planning & Evaluating Utilization	-.036	-.038	.042	-.029	.037	-.096**	-.018
7 Adding, Deleting & Relocating Vehicles	-.038	-.085*	-.048	-.097**	.001	-.063	.001
8 Hiring, Evaluating & Managing Employee Performance	1	.445**	.257**	.044	.122**	.020	.014
9 Training & Developing Employees	.445**	1	.175**	-.025	.128**	-.004	-.057
10 Planning, Directing & Scheduling Work	.257**	.175**	1	.149**	.057	.041	.112**
11 Performing Clerical Duties	.044	-.025	.149**	1	.027	.140**	.161**
12 Marketing	.122**	.128**	.057	.027	1	.274**	.183**
13 Working A/Rs	.020	-.004	.041	.140**	.274**	1	.457**
14 Managing Branch Financials	.014	-.057	.112**	.161**	.183**	.457**	1
15 Safeguarding & Securing Assets	.063	-.013	.101**	.083*	.069	.023	.124**
16 Overseeing Branch Cleanliness & Maintenance	.058	.071*	.142**	.058	.110**	.066	.029
17 Cleaning & Maintaining Facility & Equipment	.079*	.040	.154**	.114**	.124**	.074*	.130**
18 Customer Service	.029	-.011	-.024	-.027	.005	-.043	-.039
19 Inventory	-.013	.009	-.039	-.059	-.135**	-.015	-.083*
20 Efficiency	-.048	.016	.009	-.027	.016	.000	.006

Note. *indicates $p < .05$, ** indicates $p < .01$

Table 3

Correlations of time spent in 17 task areas and three performance measures (continued)

Variable	15	16	17	18	19	20
1 Renting Vehicles & Selling	-.140**	-.196**	-.214**	-.018	.041	.006
2 Processing Returns	-.137**	-.154**	-.173**	.088*	.033	-.092*
3 Conducting Customer Callbacks & Collecting Payments	-.104**	-.074*	.003	-.034	.143**	.060
4 Overseeing Rentals & Returns	-.017	-.038	-.163**	.055	.029	.043
5 Preparing, Cleaning & Moving Vehicles	-.074*	-.019	.017	.009	-.032	-.113**
6 Planning & Evaluating Utilization	-.038	-.068	-.075*	-.042	-.056	.036
7 Adding, Deleting & Relocating Vehicles	.024	-.001	.016	-.031	-.030	.065
8 Hiring, Evaluating & Managing Employee Performance	.063	.058	.079*	.029	-.013	-.048
9 Training & Developing Employees	-.013	.071*	.040	-.011	.009	.016
10 Planning, Directing & Scheduling Work	.101**	.142**	.154**	-.024	-.039	.009
11 Performing Clerical Duties	.083*	.058	.114**	-.027	-.059	-.027
12 Marketing	.069	.110**	.124**	.005	-.135**	.016
13 Working A/Rs	.023	.066	.074*	-.043	-.015	.000
14 Managing Branch Financials	.124**	.029	.130**	-.039	-.083*	.006
15 Safeguarding & Securing Assets	1	.012	.094**	.077*	.033	-.049
16 Overseeing Branch Cleanliness & Maintenance	.012	1	.454**	.027	-.002	.023
17 Cleaning & Maintaining Facility & Equipment	.094**	.454**	1	.038	.010	.020
18 Customer Service	.077*	.027	.038	1	-.040	.042
19 Inventory	.033	-.002	.010	-.040	1	-.013
20 Efficiency	-.049	.023	.020	.042	-.013	1

Note. *indicates $p < .05$, ** indicates $p < .01$

Table 4

Descriptive statistics of all task areas

Task Area	Mean	SD	Minimum	Maximum
Renting Vehicles & Selling	17.53	11.14	0.00	81.00
Processing Returns	9.86	6.03	1.00	40.50
Conducting Customer Callbacks & Collecting Payments	9.05	5.59	0.00	42.00
Overseeing Rentals & Returns	9.11	6.37	0.00	52.50
Preparing, Cleaning & Moving Vehicles	6.77	6.18	0.00	54.00
Planning & Evaluating Utilization	10.60	7.51	0.00	56.00
Adding, Deleting & Relocating Vehicles	5.84	4.82	0.00	36.00
Hiring, Evaluating & Managing Employee Performance	2.67	2.53	0.00	18.00
Training & Developing Employees	6.18	4.80	0.00	28.00
Planning, Directing & Scheduling Work	3.43	2.92	0.00	28.00
Performing Clerical Duties	3.49	2.92	0.00	18.00
Marketing	2.60	2.60	0.00	16.00
Working A/Rs	3.14	3.71	0.00	28.00
Managing Branch Financials	2.80	2.61	0.00	18.00
Safeguarding & Securing Assets	2.79	2.30	0.00	24.30
Overseeing Branch Cleanliness & Maintenance	2.40	1.96	0.00	20.00
Cleaning & Maintaining Facility & Equipment	1.73	1.61	0.00	14.00
Percent of Time Spent on Exempt Activities	60.61	14.91	5.54	91.75
Percent of Time Spent on Non-Exempt Activities	39.39	14.91	8.25	94.46

Table 5

Descriptive statistics of sums of task areas

Task Areas	Mean	SD	Minimum	Maximum
Sum of All Non-Exempt Customer Service Task Areas	29.13	14.03	2.50	90.83
Sum of All Non-Exempt Inventory Task Areas	27.79	12.27	4.50	84.92
Sum of All Non-Exempt Efficiency Task Areas	10.26	6.85	0.00	59.00
Sum of All Exempt Customer Service Task Areas	11.51	6.60	0.70	53.25
Sum of All Exempt Inventory Task Areas	22.51	9.70	0.13	70.00
Sum of All Exempt Efficiency Task Areas	13.40	7.91	0.00	66.00
Sum of All Customer Service Task Areas	40.64	14.15	7.00	91.80
Sum of All Inventory Task Areas	50.30	10.36	19.75	88.15
Sum of All Efficiency Task Areas	23.66	9.80	0.00	71.00

Table 6

Descriptive statistics of performance measures

Performance Measure	Mean	SD	Minimum	Maximum
Customer Service	79.03	6.55	8.00	98.00
Inventory	0.38	0.63	0.00	3.00
Efficiency	86.18	14.52	8.00	100.00

Table 7

Summary of bivariate regressions on customer service scores

Predictor	b	beta	P
Non-Exempt Task Areas			
Renting and Selling Merchandise	-.011	-.018	.615
Processing Returns	.096	.088	.013
Cleaning and Maintaining Equipment	.155	.038	.286
Exempt Task Areas			
Overseeing Rentals & Returns	.057	.055	.122
Overseeing Branch Cleanliness & Maintenance	.092	.027	.442
Sum of All Non-Exempt Customer Service Task Areas	.013	.028	.433
Sum of All Exempt Customer Service Task Areas	.061	.061	.085
Sum of All Customer Service Task Areas	.026	.056	.113

Note. Each predictor refers to percent of time spent in each task area

Table 8

Summary of multiple regressions on customer service scores

Predictor	b	beta	P
Renting and Selling Merchandise	-.026	-.045	.241
Processing Returns	.121	.111	.004
Cleaning and Maintaining Equipment	.191	.047	.199

Note. Each predictor refers to percent of time spent in each task area

Table 9

Summary of hierarchical regressions on customer service scores

Predictor	Step 1			Step 2		
	b	SE	beta	b	SE	beta
Model 1						
Overseeing Rentals & Returns	.057	.036	.056	.055	.037	.054
Renting and Selling Merchandise				-.005	.021	-.008
		R ²	.003		.003	
		ΔR ²			<.001	
Model 2						
Overseeing Rentals & Returns	.057	.036	.056	.058	.036	.056
Processing Returns				.096*	.039	.089*
		R ²	.003		.011	
		ΔR ²			.008*	
Model 3						
Overseeing Branch Cleanliness & Maintenance	.092	.119	.027	.043	.133	.013
Cleaning and Maintaining Equipment				.131	.162	.032
		R ²	.001		.002	
		ΔR ²			.001	

Note. *indicates $p < .05$, ** indicates $p < .01$, Each predictor refers to percent of time spent in each task area

Table 10

Summary of multi-level regressions on customer service scores

Predictor	Fixed Effect	Variance Components	
		1	2
Model 1			
(1) Intercept	78.85**	1.14	
(2) Renting and Selling Merchandise	-.009	.001	.008
Model 2			
(1) Intercept	78.87**	1.28	
(2) Processing Returns	.105*	-.037	.007
Model 3			
(1) Intercept	78.89**	1.15	
(2) Overseeing Rentals and Returns	.057	.051	<.001
Model 4			
(1) Intercept	78.89**	1.08	
(2) Overseeing Branch Cleanliness & Maintenance	.081	.023	<.001
Model 5			
(1) Intercept	78.89**	1.08	
(2) Cleaning and Maintaining Equipment	.174	-.130	<.001

Note. *indicates $p < .05$, ** indicates $p < .01$, each predictor refers to percent of time spent in each task area, diagonals indicates variance.

Table 11

Summary of bivariate regressions on inventory scores

Predictor	b	beta	P
Non-Exempt Task Areas			
Renting and Selling Merchandise	.002	.041	.304
Preparing, Cleaning & Moving Merchandise	-.004	-.032	.421
Performing Clerical Duties	-.013	-.059	.139
Exempt Task Areas			
Overseeing Rentals & Returns	.003	.029	.463
Planning & Evaluating Utilization	-.005	-.056	.162
Managing Branch Financials	-.020	-.083	.038
Sum of All Non-Exempt Inventory Task Areas	-.010	-.018	.609
Sum of All Exempt Inventory Task Areas	-.005	-.007	.845
Sum of All Inventory Task Areas	-.018	-.028	.432

Note. Each predictor refers to percent of time spent in each task area; Lower scores on inventory means fewer losses and better performance

Table 12

Summary of multiple regressions on inventory scores

Predictor	b	beta	P
Renting and Selling Merchandise	.002	.031	.452
Preparing, Cleaning & Moving Merchandise	-.003	-.031	.441
Performing Clerical Duties	-.012	-.054	.182

Note. Each predictor refers to percent of time spent in each task area; Lower scores on inventory means fewer losses and better performance

Table 13

Summary of hierarchical regressions on inventory scores

Predictor	Step 1			Step 2		
	b	SE	beta	b	SE	beta
Model 1						
Overseeing Rentals & Returns	.003	.004	.029	.004	.004	.038
Renting and Selling Merchandise				.003	.002	.048
	R^2	.001			.003	
	ΔR^2				.002	
Model 2						
Planning & Evaluating Utilization	-.005	.003	-.056	-.005	.003	-.060
Preparing, Cleaning & Moving Merchandise				-.004	.004	-.039
	R^2	.003			.005	
	ΔR^2				.002	
Model 3						
Managing Branch Financials	-.020*	.009	-.083*	-.018	.009	-.076
Performing Clerical Duties				-.010	.009	-.048
	R^2	.007			.009	
	ΔR^2				.002	

Note. Note. *indicates $p < .05$, ** indicates $p < .01$; Each predictor refers to percent of time spent in each task area; Lower scores on inventory means fewer losses and better performance

Table 14

Summary of multi-level regressions on inventory scores

Predictor	Fixed Effect	Variance Components	
		1	2
Model 1			
(1) Intercept	.373**	.050**	
(2) Renting and Selling Merchandise	.002	<.001	<.001
Model 2			
(1) Intercept		Did not Converge	
(2) Overseeing Rentals and Returns		Did not Converge	
Model 3			
(1) Intercept	.371**	.048**	
(2) Preparing and Moving Merchandise	-.001	<.001	<.001
Model 4			
(1) Intercept	.369**	.048**	
(2) Optimizing Utilization	-.003	<.001	<.001
Model 5			
(1) Intercept	.375**	.049**	
(2) Performing Clerical Duties	-.009	.002	<.001
Model 6			
(1) Intercept	.375**	.047**	
(2) Overseeing Branch Financials	-.024	-.005	.001

Note. *indicates $p < .05$, ** indicates $p < .01$, each predictor refers to percent of time spent in each task area, diagonals indicates variance.

Table 15

Summary of bivariate regressions on efficiency scores

Predictor	b	beta	P
Non-Exempt Task Areas			
Preparing, Cleaning & Moving Merchandise	-.289	-.113	.003
Performing Clerical Duties	-.131	-.027	.491
Exempt Task Areas			
Planning & Evaluating Utilization	.070	.036	.348
Overseeing Branch Cleanliness & Maintenance	.034	.006	.872
Sum of All Non-Exempt Efficiency Task Areas	-.003	-.004	.921
Sum of All Exempt Efficiency Task Areas	-.044	-.053	.138
Sum of All Efficiency Task Areas	-.030	-.045	.204

Note. Each predictor refers to percent of time spent in each task area

Table 16

Summary of multiple regressions on efficiency scores

Predictor	b	beta	P
Preparing, Cleaning & Moving Merchandise	-.288	-.113	.004
Performing Clerical Duties	-.127	-.026	.503

Note. Each predictor refers to percent of time spent in each task area

Table 17

Summary of hierarchical regressions on efficiency scores

Predictor	Step 1			Step 2		
	b	SE	beta	b	SE	beta
Model 1						
Planning & Evaluating Utilization	.070	.075	.036	.047	.075	.024
Preparing, Cleaning & Moving Merchandise				-.282**	.099	-.110**
	R ²	.001		.013		
	ΔR ²			.012**		
Model 2						
Managing Branch Financials	.034	.213	.006	.057	.215	.010
Performing Clerical Duties				-.139	.192	.028
	R ²	.000		.001		
	ΔR ²			.001		

Note. Note. *indicates $p < .05$, ** indicates $p < .01$; Each predictor refers to percent of time spent in each task area; Lower scores on inventory means fewer losses and better performance

Table 18

Summary of multi-level regressions on efficiency scores

Predictor	Fixed Effect	Variance Components	
		1	2
Model 1			
(1) Intercept	84.16**	37.51*	
(2) Preparing and Moving Merchandise	-.321*	1.03	.227*
Model 2			
(1) Intercept	84.01**	36.17*	
(2) Optimizing Utilization	.130	-1.17	.025
Model 3			
(1) Intercept	84.25**	33.56*	
(2) Performing Clerical Duties	.004	.927	<.001
Model 4			
(1) Intercept	84.35**	32.48*	
(2) Overseeing Branch Financials	-.075	2.51	<.001

Note. *indicates $p < .05$, ** indicates $p < .01$, each predictor refers to percent of time spent in each task area, diagonals indicates variance.

Table 19

Relationship between selected individual tasks and customer service scores

No.	TA	Task	r	p
1	1	Greet customers	.015	.673
2	1	Offer food and beverages to customers	.052	.147
3	1	Talk to customers to learn about their special rental needs (e.g. hand control vehicles, stow-n-go minivans)	.008	.830
9	1	Provide information or answer customer questions on vehicle features and function	.046	.202
15	1	Pick-up customers at their locations (e.g., home, business, dealerships, bodyshops)	.028	.432
26	1	Review contract with customer and answer customers questions	.074	.039
27	1	Provide customers with directions to their destinations (e.g., hotel, other branch)	.086	.016
30	1	Perform "trunk to trunk" checks with customers at rental	.077	.030
31	1	Assist customers with personal belongings at rental	.083	.019
32	2	Perform "trunk to trunk" checks with customers at return	.088	.014
38	2	Assist customers with personal belongings when returning vehicles	.052	.141
40	2	Update customer on status of personal vehicle repairs (e.g., body shop work, dealership service)	-.025	.489
Sum of all tasks listed above			.080	.025

Note. Tasks were rated on a relative scale from 0 ("I do not perform this task") to 5 ("I spent much more time of this task than other tasks")

Table 20

Relationship between selected individual tasks and inventory scores

No.	TA	Task	r	p
6	1	Take or verify customer reservations in-person or over the phone	.004	.919
7	1	Prequalify customers by phone (e.g., valid driver license, credit card, cash, underage and additional drivers)	-.016	.695
12	1	Advise customers of underwriting qualifications for rentals and direct to appropriate locations where applicable	.082	.040
22	1	Contact insurance or credit card company to verify primary and secondary coverage/deductible for customers	.044	.269
26	1	Review contract with customer and answer customers questions	.003	.939
103	5	Inspect vehicles in lot to ensure vehicles are locked and empty	-.048	.231
222	11	Organize and secure contracts	-.003	.940
226	11	Attach additional information to contracts (i.e., coupons, underage driver, cash qualification, van addendums, additional drivers) and file	.074	.065
Sum of all tasks listed above			.028	.490

Note. Tasks were rated on a relative scale from 0 (“I do not perform this task”) to 5 (“I spent much more time of this task than other tasks”)

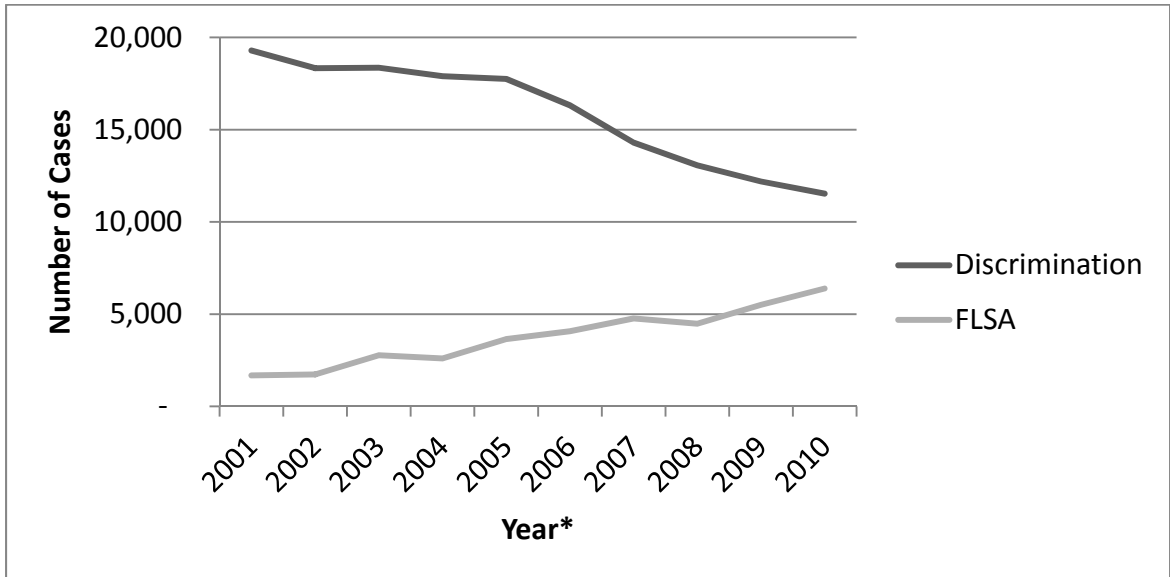
Table 21

Relationship between selected individual tasks and efficiency scores

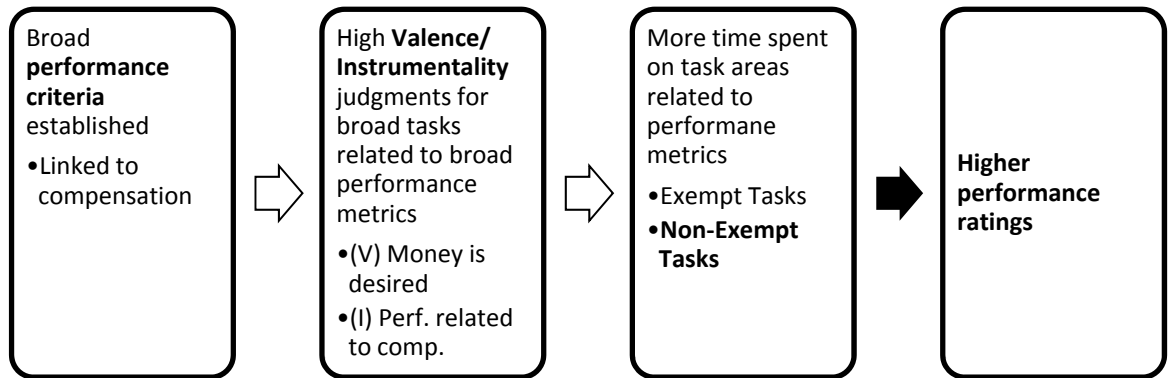
No.	TA	Task	r	p
98	5	Prep vehicles for rental (e.g., wash, fill fluids, tire pressure, windows)	-.081	.035
99	5	Fuel vehicles	-.032	.413
104	5	Pick-up and deliver vehicles to FBOs (e.g., private airports, military bases, corporations, government facilities)	.034	.378
109	5	Contact vendor to request service on vehicles (e.g., LOFR, recalls)	.106	.006
110	5	Contact and request vehicle repairs from vendors (e.g., dent wizard, auto glass)	.066	.086
221	11	Complete Insurance Inspection sheet and fax to insurance company (AAA, Geico)	.021	.589
222	11	Organize and secure contracts	.003	.933
Sum of all tasks listed above			.027	.479

Note. Tasks were rated on a relative scale from 0 (“I do not perform this task”) to 5 (“I spent much more time of this task than other tasks”)

Figure 1. Trends in FLSA and discrimination cases in federal district courts since 2001.

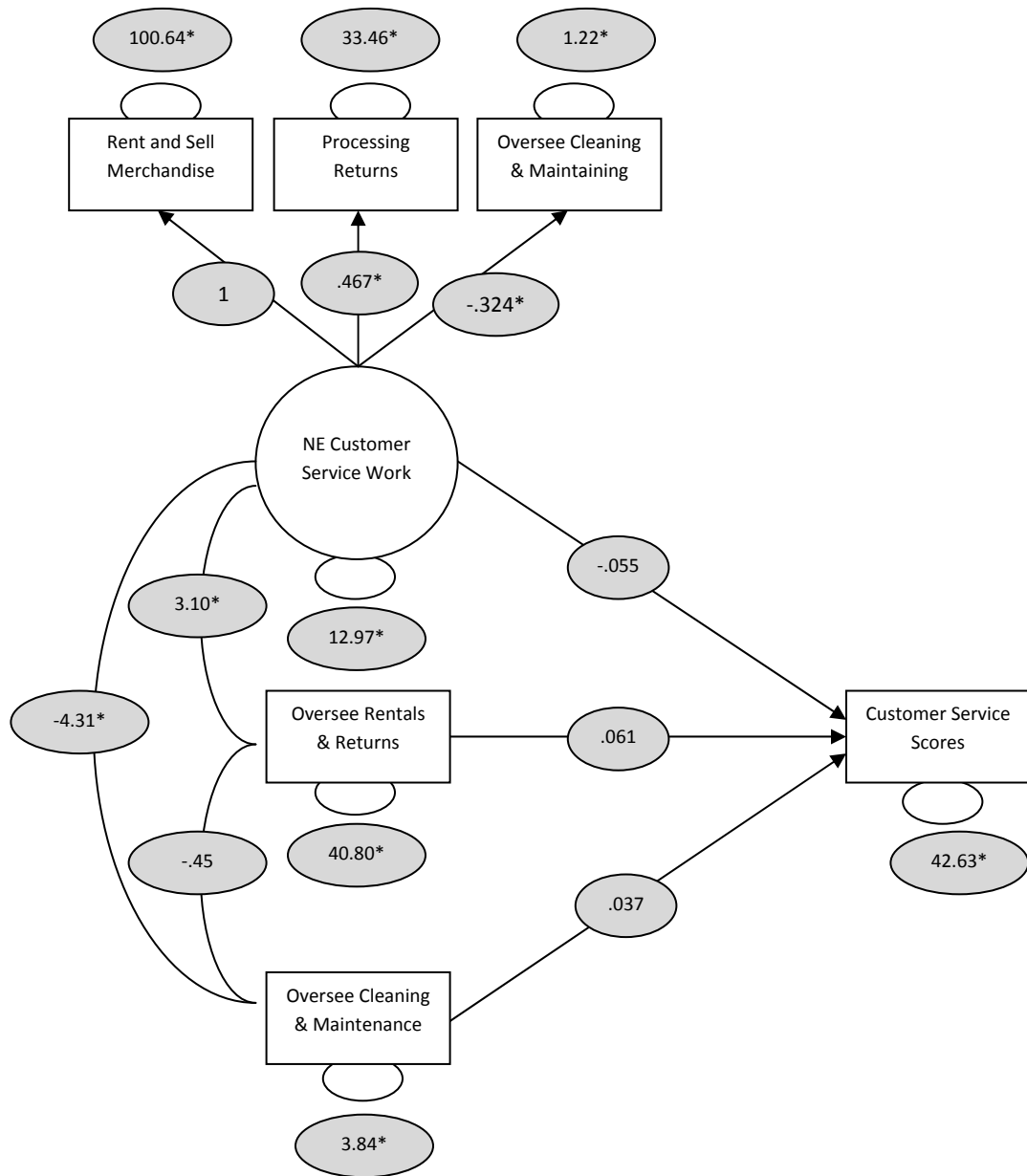


* Each year represents the 12 month period ending on March 31 of that year

Figure 2. *Model of VIE framework applied to FLSA compliance*

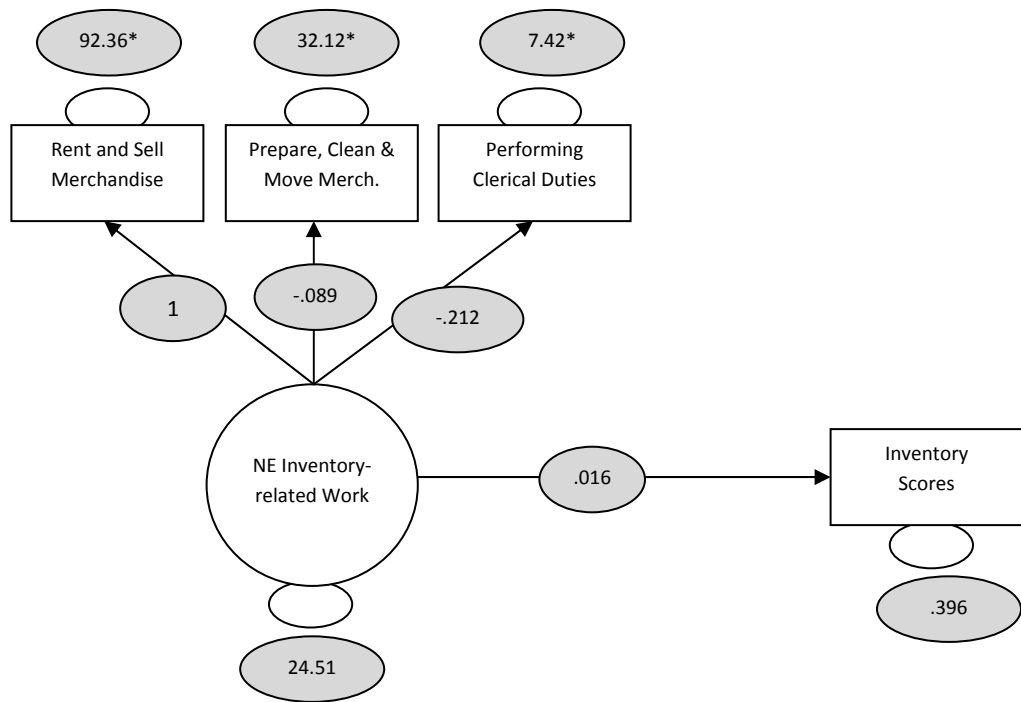
Note. Relationships depicted with white arrows are logically deduced and the relationship depicted with the black arrow will be empirically tested.

Figure 3. *Structural model for hypothesis 1 (customer service)*



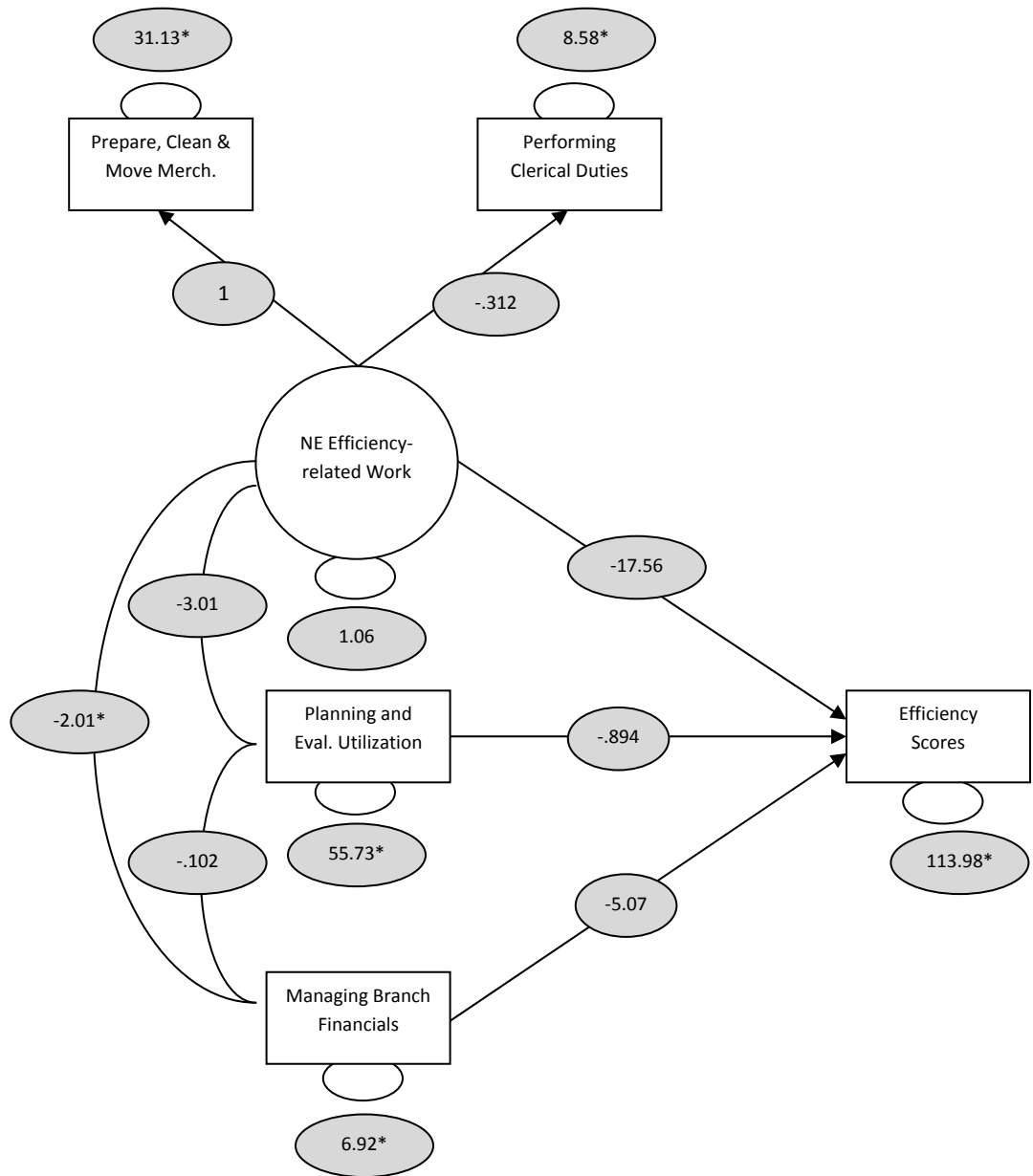
Note. *indicates $p < .01$

Figure 4. *Structural model for hypothesis 2 (inventory)*



Note. *indicates $p < .01$

Figure 5. Structural model for hypothesis 3 (efficiency)



Note. *indicates $p < .01$

