Chapter 01

Human Resource Management: Gaining a Competitive Advantage

**True / False Questions**

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| 1. | Companies have historically looked at HRM as a means to contribute to profitability and quality.  True    False |

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| 2. | Orientation and skills training are responsibilities of HR personnel involved in analysis and design of work.  True    False |

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| 3. | The three product lines of HR as a business are administrative services and transactions, business partner services, and strategic partner roles.  True    False |

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| 4. | The amount of time that the HRM function devotes to administrative tasks is decreasing, and its role as a strategic business partner is increasing.  True    False |

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| 5. | Advances in technology have decreased HRM's role in providing self-service to employees.  True    False |

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| 6. | HR functions related to benefits administration such as health plan eligibility status, relocation, and payroll are usually not outsourced.  True    False |

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| 7. | When a firm shifts to evidence-based HRM, it should stop using workforce analytics.  True    False |

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| 8. | Evidence-based HR refers to the demonstration that human resources practices have no impact on the company's bottom or key stakeholders.  True    False |

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| 9. | Intangible assets are equally or more valuable than financial and physical assets, but they are difficult to duplicate or imitate.  True    False |

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| 10. | In a learning organization, improvements in product or service quality do not stop when formal training is completed.  True    False |

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| 11. | In exchange for working longer hours without job security, employees want companies to provide flexible work schedules and comfortable working conditions.  True    False |

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| 12. | From a company perspective, it is harder to add part-time employees than it is to add full-time employees.  True    False |

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| 13. | To be effective, balanced scorecards must be customized by companies to fit different market situations, products, and competitive environments.  True    False |

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| 14. | The balanced scorecard should not be used to link a company's human resource management activities to the company's business strategy.  True    False |

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| 15. | A company that adopts total quality management (TQM) trains only selected employees in quality.  True    False |

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| 16. | Applications of the Malcolm Baldrige Award are reviewed by an independent board of examiners who are selected from the public sector.  True    False |

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| 17. | Projections to the demographics of the U.S. workforce predict that the average age of the workforce will decrease.  True    False |

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| 18. | Disabled workers can be a source of competitive advantage.  True    False |

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| 19. | When it comes to problem solving, cultural diversity can provide companies with a competitive advantage.  True    False |

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| 20. | The Sarbanes-Oxley Act of 2002 imposes criminal penalties for corporate governing and accounting lapses.  True    False |

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| 21. | Lean thinking emphasizes only on learning new skills to improve and does not encourage the use of old skills in new ways.  True    False |

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| 22. | Social networking tools can help prevent the loss of expert knowledge that occurs due to retirement.  True    False |

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| 23. | High-performance work systems minimize the fit between a company's social system (employees) and its technical system.  True    False |

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| 24. | An HR dashboard is a series of indicators that are accessible to both managers and employees.  True    False |

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| 25. | Measuring employees' performance is a part of the compensation function of HR.  True    False |

**Multiple Choice Questions**

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| 26. | \_\_\_\_\_ refers to the policies, practices, and systems that influence employees' behavior, attitudes, and performance.

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| A.  | Total quality management |

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| B.  | Financial management |

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| --- | --- |
| C.  | Human resource management |

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| D.  | Production and operations management |

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| E.  | Competency management |

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| 27. | The training and development function of an HR department includes \_\_\_\_\_.

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| A.  | job analysis |

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| B.  | orientation |

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| C.  | performance measures |

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| D.  | attitude surveys |

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| E.  | policy creation |

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| 28. | Among the functions performed by an HR department, feedback and coaching are categorized under the \_\_\_\_\_ function.

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| A.  | recruitment and selection |

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| B.  | compensation and benefits |

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| --- | --- |
| C.  | employee relations |

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| D.  | personnel policies |

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| E.  | performance management |

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| 29. | Among the functions performed by an HR department, vacation, retirement plans, and profit sharing are categorized under the \_\_\_\_\_ function.

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| A.  | training and development |

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| --- | --- |
| B.  | employee relations |

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| --- | --- |
| C.  | compensation benefits |

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| D.  | employee data and information systems |

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| E.  | legal compliance |

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| 30. | The employee data and information systems function of an HR department focuses on responsibilities such as \_\_\_\_\_.

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| A.  | job analysis and description |

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| B.  | record keeping and workforce analytics |

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| C.  | attitude surveys and labor law compliance |

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| D.  | orientation and skills training |

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| E.  | talent and change management |

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| 31. | Which of the following is true about the product line administrative services and transactions?

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| A.  | It deals with implementation of business plans and talent management. |

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| B.  | It emphasizes on knowing the business and exercising influence. |

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| C.  | It emphasizes on the knowledge of HR and of the business and competition. |

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| D.  | It contributes to the business strategy based on considerations of business capabilities. |

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| E.  | It deals with functions like compensation, hiring, and staffing. |

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| 32. | Giving employees online access to information about HR issues such as training, benefits, and compensation is called \_\_\_\_\_.

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| --- | --- |
| A.  | performance management |

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| B.  | self-service |

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| --- | --- |
| C.  | employee engagement |

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| --- | --- |
| D.  | talent management |

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| E.  | shared service |

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| 33. | The practice of companies having other companies provide services is known as:

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| A.  | e-commerce. |

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| --- | --- |
| B.  | reshoring. |

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| --- | --- |
| C.  | downsizing. |

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| --- | --- |
| D.  | benchmarking. |

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| E.  | outsourcing. |

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| 34. | Traditionally, the HRM department was primarily a(n) \_\_\_\_\_.

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| A.  | proactive agency |

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| --- | --- |
| B.  | finance expert |

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| --- | --- |
| C.  | employer advocate |

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| --- | --- |
| D.  | administrative expert |

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| --- | --- |
| E.  | payroll expert |

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| 35. | Which of the following is true of workforce analytics?

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| A.  | It relies on qualitative measures to evaluate employer performance. |

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| B.  | It collects and analyzes information only from external databases. |

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| C.  | It does not aid in evidence-based human resource decisions. |

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| D.  | It does not include information from HR databases and financial reports. |

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| E.  | It can show that HR practices influence an organization's profits. |

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| 36. | Which of the following HR competencies focuses on the ability to apply the principles of HR management to contribute to the success of a business?

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| --- | --- |
| A.  | Relationship management |

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| --- | --- |
| B.  | HR technical expertise |

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| --- | --- |
| C.  | Organizational navigation |

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| --- | --- |
| D.  | Ethical practice |

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| --- | --- |
| E.  | Consultation |

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| 37. | Which of the following HR competencies focuses on the ability to manage interactions with and between others with the specific goal of providing service and organizational success?

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| --- | --- |
| A.  | Relationship management |

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| --- | --- |
| B.  | HR technical expertise |

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| --- | --- |
| C.  | Organizational navigation |

|  |  |
| --- | --- |
| D.  | Ethical practice |

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| --- | --- |
| E.  | Business acumen |

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| 38. | When an HR professional is evaluated on how well she embraces inclusion and how effectively she works with diverse populations, she is being evaluated on her competency in \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | organizational navigation |

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| --- | --- |
| B.  | HR technical expertise and practice |

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| --- | --- |
| C.  | global and cultural effectiveness |

|  |  |
| --- | --- |
| D.  | business acumen |

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| --- | --- |
| E.  | critical evaluation |

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| 39. | When an HR professional is evaluated on how well he understands organizational metrics and their relationship to business success, he is being evaluated on his competency in \_\_\_\_\_.

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| --- | --- |
| A.  | relationship management |

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| --- | --- |
| B.  | organizational navigation |

|  |  |
| --- | --- |
| C.  | business acumen |

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| --- | --- |
| D.  | business communication |

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| --- | --- |
| E.  | ethical practice |

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| 40. | Which competency is an HR personnel said to have if he is able to act personally and professionally with integrity and accountability?

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| A.  | Critical evaluation |

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| --- | --- |
| B.  | Consultation |

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| --- | --- |
| C.  | Business acumen |

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| --- | --- |
| D.  | Communication |

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| --- | --- |
| E.  | Ethical practice |

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| 41. | Organizations that pursue a \_\_\_\_\_ strategy pursue the "triple bottom line" of economic, social, and environmental benefits.

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| A.  | business |

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| B.  | corporate |

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| --- | --- |
| C.  | sustainable |

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| --- | --- |
| D.  | communal |

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| --- | --- |
| E.  | profit |

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| 42. | A company competing through sustainability is likely to \_\_\_\_\_.

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| A.  | place increased value on tangible assets |

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| B.  | avoid social and environmental responsibilities |

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| C.  | emphasize more on productivity than on quality |

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| D.  | adapt badly to changes in the labor force |

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| E.  | provide high-quality products and services |

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| 43. | When a corporate organization competes through globalization, as opposed to technology, it is likely to put most of its efforts on \_\_\_\_\_.

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| A.  | social responsibility |

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| B.  | environmental issues |

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| --- | --- |
| C.  | expanding into foreign markets |

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| --- | --- |
| D.  | developing HR dashboards |

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| --- | --- |
| E.  | integrating technology and social systems |

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| 44. | Sustainability refers to the ability of a company to:

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| A.  | meet its business needs at the cost of environmental responsibilities. |

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| B.  | pursue economic goals despite social and ethical concerns. |

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| C.  | develop socially responsible strategies at the cost of profits. |

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| D.  | sacrifice its business and other needs to support the needs of its competitors. |

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| E.  | meet its needs without sacrificing the ability of future generations to meet theirs. |

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| 45. | Tacit knowledge is an example of \_\_\_\_\_ capital.

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| A.  | social |

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| B.  | customer |

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| C.  | human |

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| --- | --- |
| D.  | intellectual |

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| --- | --- |
| E.  | financial |

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| 46. | Mentoring relationships are an example of \_\_\_\_\_ capital.

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| A.  | social |

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| B.  | customer |

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| --- | --- |
| C.  | human |

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| --- | --- |
| D.  | intellectual |

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| --- | --- |
| E.  | financial |

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| 47. | Distribution channels are an example of \_\_\_\_\_ capital.

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| A.  | social |

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| B.  | customer |

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| --- | --- |
| C.  | human |

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| --- | --- |
| D.  | intellectual |

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| E.  | financial |

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| 48. | Trade secrets are an example of \_\_\_\_\_ capital.

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| A.  | social |

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| B.  | customer |

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| --- | --- |
| C.  | human |

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| --- | --- |
| D.  | intellectual |

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| E.  | financial |

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| 49. | Jake, the CEO of a company, appraises his managers based on how well they empower their employees. Which of the following managers is Jake likely to rate the highest in this regard?

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| A.  | Ben, who gives clear instructions to his subordinates and expects them to follow the orders exactly as given |

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| B.  | Melody, who asks her subordinates to always check with her before making any decisions |

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| C.  | John, who prefers that members of his team always report to him what they do through the day |

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| D.  | Zara, who assigns responsibility to her subordinates and intervenes only when there is a need |

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| E.  | Dave, who assigns complete authority to his subordinates and does not offer any guidance |

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| 50. | According to emerging changes in the employment relationship, which of the following benefits do employees typically not expect to be provided by employers?

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| A.  | Flexible work schedules |

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| --- | --- |
| B.  | Comfortable working conditions |

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| --- | --- |
| C.  | More autonomy |

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| --- | --- |
| D.  | Employability |

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| --- | --- |
| E.  | Job security |

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| 51. | A company whose employees have high engagement is likely to have \_\_\_\_\_ when compared to a company with low employee engagement.

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| A.  | lower retention |

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| --- | --- |
| B.  | lower empowerment |

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| --- | --- |
| C.  | poorer customer service |

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| --- | --- |
| D.  | lower productivity |

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| --- | --- |
| E.  | lower turnover |

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| 52. | \_\_\_\_\_ refers to a systematic planned strategic effort by a company to attract, retain, develop, and motivate highly skilled employees and managers.

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| A.  | Performance appraisal |

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| B.  | Workforce analytics |

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| --- | --- |
| C.  | Talent management |

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| --- | --- |
| D.  | Training and development |

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| --- | --- |
| E.  | Employee engagement |

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| 53. | Which of the following is true of a balanced scorecard?

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| A.  | It indicates the value of a company based on its competitive demands. |

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| B.  | It depicts a company from the perspective of internal and external customers. |

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| C.  | It measures a company's performance based on the business strategy adopted by it. |

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| D.  | It should not be used to link HRM activities and a company's business strategy. |

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| E.  | It guides companies to increase the time spent on new product and service development. |

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| 54. | When considering a balanced scorecard that depicts a company from a(n) \_\_\_\_\_ perspective, the critical HR indicators are employee satisfaction with HR department services and employee perceptions of the company as an employer.

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| A.  | learning |

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| --- | --- |
| B.  | internal |

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| --- | --- |
| C.  | financial |

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| --- | --- |
| D.  | customer |

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| --- | --- |
| E.  | innovation |

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| 55. | When companies are trying to meet the shareholders' and the general public's demands to act more ethically and environmentally responsible, they are recognizing the importance of \_\_\_\_\_.

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| A.  | a balanced scorecard approach |

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| B.  | performance management |

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| --- | --- |
| C.  | total quality management |

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| --- | --- |
| D.  | social responsibility |

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| --- | --- |
| E.  | cultural responsibility |

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| 56. | \_\_\_\_\_ is a companywide effort to continuously improve the ways people, machines, and systems accomplish work.

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| A.  | The Six Sigma process |

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| B.  | Total quality management |

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| --- | --- |
| C.  | Quality control |

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| --- | --- |
| D.  | The process decision program |

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| --- | --- |
| E.  | The activity network |

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| 57. | A company competes for the Malcolm Baldrige National Quality Award. If it is evaluated based on how senior executives create and sustain vision, values, and mission, it is likely that the company is being judged on the criterion of \_\_\_\_\_.

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| --- | --- |
| A.  | strategic planning |

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| --- | --- |
| B.  | workforce focus |

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| --- | --- |
| C.  | customer and market focus |

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| --- | --- |
| D.  | operation focus |

|  |  |
| --- | --- |
| E.  | leadership |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 58. | Which one of the following is true about the Six Sigma process?

|  |  |
| --- | --- |
| A.  | It focuses on the end product of employee satisfaction. |

|  |  |
| --- | --- |
| B.  | It terminates once the processes have been brought within the Six Sigma standards. |

|  |  |
| --- | --- |
| C.  | It strives to attain quality through supervision of daily work and not through training. |

|  |  |
| --- | --- |
| D.  | It discourages employees from lean thinking. |

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| --- | --- |
| E.  | It aims to create a total business focus on serving the customer. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 59. | Which of following is true of lean thinking?

|  |  |
| --- | --- |
| A.  | It is a way to do minimal work with highest attention and care for details. |

|  |  |
| --- | --- |
| B.  | It aims to deliver the best customer service while compromising on volume and quantity. |

|  |  |
| --- | --- |
| C.  | It is a way to create quality products and services using maximum resources. |

|  |  |
| --- | --- |
| D.  | It aims to do more with less effort, time, space, and equipment. |

|  |  |
| --- | --- |
| E.  | It is discouraged by training and quality programs. |

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| 60. | Which of the following people would be categorized as part of the external labor market with regards to Phoenix Inc.?

|  |  |
| --- | --- |
| A.  | John, who works for Phoenix Inc. as a full-time employee |

|  |  |
| --- | --- |
| B.  | Rachel, who works for Phoenix Inc. and is looking for a new job |

|  |  |
| --- | --- |
| C.  | Pete, who is an employee at a direct competitor of Phoenix and is not looking for a new job |

|  |  |
| --- | --- |
| D.  | Roger, who is unemployed and not looking for employment |

|  |  |
| --- | --- |
| E.  | Keith, who works for Jupiter Inc. and is seeking employment elsewhere |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 61. | Which of the following statements is true about the composition of the U.S. labor force in the next decade?

|  |  |
| --- | --- |
| A.  | Immigration will cease to affect the size and diversity of the workforce. |

|  |  |
| --- | --- |
| B.  | The largest proportion of the labor force is expected to be in the age group of 16-24 years. |

|  |  |
| --- | --- |
| C.  | The percentage of highly skilled immigrants will continue to remain lower than the percentage of low skilled immigrants. |

|  |  |
| --- | --- |
| D.  | The median age of the labor force will increase to the highest number ever. |

|  |  |
| --- | --- |
| E.  | The high cost of health insurance and decrease in health benefits will cause many employees to quit working. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 62. | Which of the following statements is true about Generation X?

|  |  |
| --- | --- |
| A.  | It includes people who were born between 1925 and 1945. |

|  |  |
| --- | --- |
| B.  | It grew up much before the personal computer was invented. |

|  |  |
| --- | --- |
| C.  | It values skepticism and informality. |

|  |  |
| --- | --- |
| D.  | It is called the "me" generation. |

|  |  |
| --- | --- |
| E.  | It prefers close supervision and has a lot of patience. |

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| 63. | Which of the following is a characteristic of people of the baby boomer generation?

|  |  |
| --- | --- |
| A.  | They surrender to establishments. |

|  |  |
| --- | --- |
| B.  | They lack social conscientiousness. |

|  |  |
| --- | --- |
| C.  | They do not conform to rules. |

|  |  |
| --- | --- |
| D.  | They are considered to be workaholics. |

|  |  |
| --- | --- |
| E.  | They focus on maintaining a hierarchy even at the cost of justice. |

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| 64. | Which of the following is a characteristic of Millennials?

|  |  |
| --- | --- |
| A.  | They are not comfortable with using computers and the Internet. |

|  |  |
| --- | --- |
| B.  | They are pessimistic and cynical. |

|  |  |
| --- | --- |
| C.  | They have low levels of self-esteem. |

|  |  |
| --- | --- |
| D.  | They are eager to learn, work, and please. |

|  |  |
| --- | --- |
| E.  | They are not narcissistic. |

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| 65. | Which of the following is true of how different generations view each other?

|  |  |
| --- | --- |
| A.  | Millennials may think Generation X managers are good delegators. |

|  |  |
| --- | --- |
| B.  | Generation X managers may think that Millennials lack self-confidence. |

|  |  |
| --- | --- |
| C.  | Millennials might believe that baby boomers do not comply with company rules. |

|  |  |
| --- | --- |
| D.  | Traditionalists may believe that Millennials don't have a strong work ethic. |

|  |  |
| --- | --- |
| E.  | Baby boomers may consider Millennials to be technologically illiterate. |

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| 66. | Which of the following arguments states that companies with the best reputations for managing diversity will win the competition for talent?

|  |  |
| --- | --- |
| A.  | System flexibility argument |

|  |  |
| --- | --- |
| B.  | Marketing argument |

|  |  |
| --- | --- |
| C.  | Employee attraction and retention argument |

|  |  |
| --- | --- |
| D.  | Problem-solving argument |

|  |  |
| --- | --- |
| E.  | Creativity argument |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 67. | Which of the following arguments emphasizes that reactions should be faster and cost less?

|  |  |
| --- | --- |
| A.  | System flexibility argument |

|  |  |
| --- | --- |
| B.  | Marketing argument |

|  |  |
| --- | --- |
| C.  | Employee attraction and retention argument |

|  |  |
| --- | --- |
| D.  | Problem-solving argument |

|  |  |
| --- | --- |
| E.  | Creativity argument |

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| 68. | Which of the following arguments states that diversity of perspectives and less emphasis on conformity to norms of the past should improve the level of resourcefulness?

|  |  |
| --- | --- |
| A.  | System flexibility argument |

|  |  |
| --- | --- |
| B.  | Marketing argument |

|  |  |
| --- | --- |
| C.  | Employee attraction and retention argument |

|  |  |
| --- | --- |
| D.  | Problem-solving argument |

|  |  |
| --- | --- |
| E.  | Creativity argument |

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| 69. | Which of the following arguments states that heterogeneity in decisions potentially produces better decisions through a wider range of perspectives and critical analysis?

|  |  |
| --- | --- |
| A.  | System flexibility argument |

|  |  |
| --- | --- |
| B.  | Marketing argument |

|  |  |
| --- | --- |
| C.  | Employee attraction argument |

|  |  |
| --- | --- |
| D.  | Problem-solving argument |

|  |  |
| --- | --- |
| E.  | Creativity argument |

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| 70. | Which of the following arguments states that companies develop reputations on favorability as prospective employers for women and ethnic minorities?

|  |  |
| --- | --- |
| A.  | System flexibility argument |

|  |  |
| --- | --- |
| B.  | Marketing argument |

|  |  |
| --- | --- |
| C.  | Employee attraction argument |

|  |  |
| --- | --- |
| D.  | Problem-solving argument |

|  |  |
| --- | --- |
| E.  | Creativity argument |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 71. | Which of the following is a prediction about legal issues regarding employment in the U.S.?

|  |  |
| --- | --- |
| A.  | The emphasis on eliminating discrimination is likely to end. |

|  |  |
| --- | --- |
| B.  | The focus will turn away from pre-employment tests. |

|  |  |
| --- | --- |
| C.  | There will be more focus on criminal background screening. |

|  |  |
| --- | --- |
| D.  | There are likely to be lesser challenges to race discrimination. |

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| --- | --- |
| E.  | There will be less emphasis on discrimination against veterans. |

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| 72. | Which of the following is a prediction about legal issues in the workplace in the U.S.?

|  |  |
| --- | --- |
| A.  | Workplace safety will receive lesser attention. |

|  |  |
| --- | --- |
| B.  | HR professionals will work independently without legal counsel. |

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| --- | --- |
| C.  | There will be no penalty for not providing health care coverage. |

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| --- | --- |
| D.  | Reporting and inspection requirements will decrease. |

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| --- | --- |
| E.  | Health care reform will drive compliance issues. |

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| 73. | Which of the following is one of the four characteristics of an ethical, successful company?

|  |  |
| --- | --- |
| A.  | The company gets the best deals, even to the detriment of its vendors. |

|  |  |
| --- | --- |
| B.  | It has a vision that employees may relate to but cannot use in their day-to-day-work. |

|  |  |
| --- | --- |
| C.  | The company emphasizes mutual benefits in its relationship with customers, clients, and vendors. |

|  |  |
| --- | --- |
| D.  | It works on the belief that one's own interest comes before considering interest of others. |

|  |  |
| --- | --- |
| E.  | It allows flexibility of ethical norms when the financial stakes involved are very high. |

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| 74. | Which of the following acts sets strict rules for businesses especially for accounting practices that require more open and consistent disclosure of financial data and CEOs' assurance that the data is completely accurate?

|  |  |
| --- | --- |
| A.  | Gramm-Leach-Bliley Act |

|  |  |
| --- | --- |
| B.  | Glass-Steagall Act |

|  |  |
| --- | --- |
| C.  | Sarbanes-Oxley Act |

|  |  |
| --- | --- |
| D.  | Dodd-Frank Act |

|  |  |
| --- | --- |
| E.  | McCarran-Ferguson Act |

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| 75. | Which of the following statements is true about the Sarbanes-Oxley Act of 2002?

|  |  |
| --- | --- |
| A.  | In case of noncompliance, it limits charges to heavy fines; it does not include prison terms for executives. |

|  |  |
| --- | --- |
| B.  | Organizations spend millions of dollars each year to comply with regulations under the Sarbanes-Oxley Act. |

|  |  |
| --- | --- |
| C.  | It imposes no criminal penalty for corporate governing and accounting lapses. |

|  |  |
| --- | --- |
| D.  | Retaliation against whistle-blowers is not included as a violation under the law. |

|  |  |
| --- | --- |
| E.  | It was passed in response to illegal and unethical behavior by employees toward the management. |

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| 76. | Which of the following is a core value of TQM?

|  |  |
| --- | --- |
| A.  | Methods are designed to meet the needs of external customers and not internal customers. |

|  |  |
| --- | --- |
| B.  | A few select employees in an organization are given training in quality. |

|  |  |
| --- | --- |
| C.  | Processes are designed such that errors are detected and corrected immediately after they occur. |

|  |  |
| --- | --- |
| D.  | The company promotes cooperation with vendors and customers to hold down costs. |

|  |  |
| --- | --- |
| E.  | Managers measure progress with feedback based on qualitative observations. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 77. | Exporting jobs from developed to less developed countries is known as \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | insourcing |

|  |  |
| --- | --- |
| B.  | offshoring |

|  |  |
| --- | --- |
| C.  | reshoring |

|  |  |
| --- | --- |
| D.  | onshoring |

|  |  |
| --- | --- |
| E.  | homesourcing |

 |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 78. | Which of the following, if true, would support reshoring as a strategy for a U.S. firm?

|  |  |
| --- | --- |
| A.  | Decreasing labor costs overseas |

|  |  |
| --- | --- |
| B.  | Increasing wage costs in the United States |

|  |  |
| --- | --- |
| C.  | Increasing public support in the United States for offshoring |

|  |  |
| --- | --- |
| D.  | Increasing transportation costs |

|  |  |
| --- | --- |
| E.  | Decreasing cost of living overseas |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 79. | Which of the following is a concern caused by Gen-Y generation employees using social networking tools?

|  |  |
| --- | --- |
| A.  | Knowledge sharing is suppressed |

|  |  |
| --- | --- |
| B.  | Creating online expert communities |

|  |  |
| --- | --- |
| C.  | Loss of expert knowledge |

|  |  |
| --- | --- |
| D.  | Best practices are not shared |

|  |  |
| --- | --- |
| E.  | Lower productivity |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 80. | Which of the following is true of virtual teams?

|  |  |
| --- | --- |
| A.  | They are typically situated in the same location. |

|  |  |
| --- | --- |
| B.  | They usually work in the same time zone. |

|  |  |
| --- | --- |
| C.  | They can work well without relying on technology. |

|  |  |
| --- | --- |
| D.  | They do not include partnership with competitors. |

|  |  |
| --- | --- |
| E.  | They allow projects to be worked on 24 hours a day. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 81. | Which of the following is true of cloud computing?

|  |  |
| --- | --- |
| A.  | It allows companies to lease software but not hardware. |

|  |  |
| --- | --- |
| B.  | Employees are not aware of the location of the databases. |

|  |  |
| --- | --- |
| C.  | Company data that is stored on the public cloud can be is accessed by the public. |

|  |  |
| --- | --- |
| D.  | It can be accessed only through computers; other gadgets cannot be used. |

|  |  |
| --- | --- |
| E.  | It requires an external system to retrieve data from the cloud. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 82. | In high-performance work systems:

|  |  |
| --- | --- |
| A.  | previously established boundaries between employees and customers remain intact. |

|  |  |
| --- | --- |
| B.  | managers and employees work together, while vendors and suppliers work independently. |

|  |  |
| --- | --- |
| C.  | line employees are trained to specialize in individual tasks. |

|  |  |
| --- | --- |
| D.  | employees do not communicate directly with suppliers and customers. |

|  |  |
| --- | --- |
| E.  | line employees interact frequently with quality experts and engineers. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 83. | An HR dashboard is a series of indicators that:

|  |  |
| --- | --- |
| A.  | only HR managers have access to. |

|  |  |
| --- | --- |
| B.  | requires communication via an extranet. |

|  |  |
| --- | --- |
| C.  | allows the public to understand the HR policies of a company. |

|  |  |
| --- | --- |
| D.  | enables workforce analytics and evidence-based HR. |

|  |  |
| --- | --- |
| E.  | helps managers hire new employees based on secondary data. |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 84. | Which of the following HRM practices involves helping employees understand how their jobs contribute to the finished product?

|  |  |
| --- | --- |
| A.  | Work design |

|  |  |
| --- | --- |
| B.  | Performance management |

|  |  |
| --- | --- |
| C.  | Training |

|  |  |
| --- | --- |
| D.  | Staffing |

|  |  |
| --- | --- |
| E.  | Compensation |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 85. | Which of the following HRM practices involves employees receiving feedback?

|  |  |
| --- | --- |
| A.  | Work design |

|  |  |
| --- | --- |
| B.  | Performance management |

|  |  |
| --- | --- |
| C.  | Training |

|  |  |
| --- | --- |
| D.  | Staffing |

|  |  |
| --- | --- |
| E.  | Compensation |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 86. | Which of the following HRM practices involves employees participating in peer interviews?

|  |  |
| --- | --- |
| A.  | Work design |

|  |  |
| --- | --- |
| B.  | Performance management |

|  |  |
| --- | --- |
| C.  | Training |

|  |  |
| --- | --- |
| D.  | Staffing |

|  |  |
| --- | --- |
| E.  | Compensation |

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| 87. | Which of the following HRM practices involves rewarding employees based on their team's performance?

|  |  |
| --- | --- |
| A.  | Work design |

|  |  |
| --- | --- |
| B.  | Performance management |

|  |  |
| --- | --- |
| C.  | Training |

|  |  |
| --- | --- |
| D.  | Staffing |

|  |  |
| --- | --- |
| E.  | Compensation |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 88. | Which of the following major dimensions of HRM practices involves training employees to have the skills needed to perform their jobs?

|  |  |
| --- | --- |
| A.  | Vision and mission of human resources |

|  |  |
| --- | --- |
| B.  | Managing the human resource environment |

|  |  |
| --- | --- |
| C.  | Acquiring and preparing human resources |

|  |  |
| --- | --- |
| D.  | Compensating human resources |

|  |  |
| --- | --- |
| E.  | Assessment and development of human resources |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 89. | Which of the following dimensions of HRM practices involves ensuring that HRM practices comply with federal, state, and local laws?

|  |  |
| --- | --- |
| A.  | Vision and mission of human resources |

|  |  |
| --- | --- |
| B.  | Managing the human resource environment |

|  |  |
| --- | --- |
| C.  | Acquiring and preparing human resources |

|  |  |
| --- | --- |
| D.  | Compensating human resources |

|  |  |
| --- | --- |
| E.  | Assessment and development of human resources |

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| 90. | Which of the following activities is part of the assessment and development of human resources dimension of HRM practices?

|  |  |
| --- | --- |
| A.  | Training employees to have the skills needed to perform their jobs |

|  |  |
| --- | --- |
| B.  | Identifying human resource requirements |

|  |  |
| --- | --- |
| C.  | Ensuring that HRM practices comply with federal, state, and local laws |

|  |  |
| --- | --- |
| D.  | Creating an employment relationship and work environment that benefits the company |

|  |  |
| --- | --- |
| E.  | Creating pay systems as well as providing employees with benefits |

 |

**Essay Questions**

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| --- | --- |
| 91. | What are the two challenges that HR managers of today face? Discuss how the shared service model and the self-service model help them in overcoming the two challenges.      |

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| --- | --- |
| 92. | Discuss the competencies, according to the Society for Human Resource Management, which HR professionals require to be successful.      |

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| --- | --- |
| 93. | What is meant by empowering and what type of training must be conducted to make it effective?      |

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| --- | --- |
| 94. | Discuss the balanced scorecard approach of measuring stakeholder performance.      |

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| --- | --- |
| 95. | What is the purpose of the Malcolm Baldrige Award? Describe the application and evaluation process, and list the seven characteristics that companies are scored for in the examination.      |

|  |  |
| --- | --- |
| 96. | Discuss how managing cultural diversity can provide a competitive advantage to a firm.      |

|  |  |
| --- | --- |
| 97. | Discuss what companies should do to compete in the global marketplace.      |

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| --- | --- |
| 98. | What is a human resource information system (HRIS)? Explain the benefits of using an HRIS.      |

|  |  |
| --- | --- |
| 99. | What is an HR dashboard? Explain a few ways in which it supports managers and employees.      |

|  |  |
| --- | --- |
| 100. | Outline the four dimensions of human resource management practices.      |

Chapter 01 Human Resource Management: Gaining a Competitive Advantage Answer Key

**True / False Questions**

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| 1. | Companies have historically looked at HRM as a means to contribute to profitability and quality.  **FALSE**Only recently have companies looked at HRM as a means to contribute to profitability, quality, and other business goals through enhancing and supporting business operations. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: What Responsibilities and Roles do HR Departments Perform?* |

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| 2. | Orientation and skills training are responsibilities of HR personnel involved in analysis and design of work.  **FALSE**Orientation, skills training, development programs, and career development are responsibilities of those involved in the training and development functions of HR.Refer To: Table 1.1 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: What Responsibilities and Roles do HR Departments Perform?* |

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| 3. | The three product lines of HR as a business are administrative services and transactions, business partner services, and strategic partner roles.  **TRUE**One way to think about the roles and responsibilities of HR departments is to consider HR as a business within the company with three product lines, namely, administrative services and transactions, business partner services and strategic partner roles. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: What Responsibilities and Roles do HR Departments Perform?* |

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| 4. | The amount of time that the HRM function devotes to administrative tasks is decreasing, and its role as a strategic business partner is increasing.  **TRUE**The amount of time that the HRM function devotes to administrative tasks is decreasing, and its roles as a strategic business partner, change agent, and employee advocate are increasing. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| 5. | Advances in technology have decreased HRM's role in providing self-service to employees.  **TRUE**The availability of the Internet has decreased the HRM role in maintaining records and providing self-service to employees. Self-service refers to giving employees online access to information about HR issues such as training, benefits, compensation, and contracts; enrolling online in programs and services; and completing online attitude surveys. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| 6. | HR functions related to benefits administration such as health plan eligibility status, relocation, and payroll are usually not outsourced.  **FALSE**Outsourcing refers to the practice of having another company (a vendor, third party or consultant) provide services. The most commonly outsourced activities include those related to benefits administration (e.g., flexible spending accounts, health plan eligibility status), relocation, and payroll. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| 7. | When a firm shifts to evidence-based HRM, it should stop using workforce analytics.  **FALSE**Evidence-based HR requires the use of HR or workforce analytics. HR or workforce analytics refers to the practice of using quantitative methods and scientific methods to analyze data from human resource databases, corporate financial statements, employee surveys, and other data sources to make evidence-based human resource decisions and show that HR practices influence the organization's "bottom line" including profits and costs. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| 8. | Evidence-based HR refers to the demonstration that human resources practices have no impact on the company's bottom or key stakeholders.  **FALSE**Evidence-based HR refers to the demonstration that human resources practices have a positive influence on the company's bottom or key stakeholders. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 9. | Intangible assets are equally or more valuable than financial and physical assets, but they are difficult to duplicate or imitate.  **TRUE**Intangible assets are equally or even more valuable than financial and physical assets, but they are difficult to duplicate or imitate. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 10. | In a learning organization, improvements in product or service quality do not stop when formal training is completed.  **TRUE**A learning organization embraces a culture of lifelong learning, enabling all employees to continually acquire and share knowledge. Improvements in product or service quality do not stop when formal training is completed. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 11. | In exchange for working longer hours without job security, employees want companies to provide flexible work schedules and comfortable working conditions.  **TRUE**In exchange for top performance and working longer hours without job security, employees want companies to provide flexible work schedules, comfortable working conditions, more autonomy in accomplishing work, training and development opportunities, and financial incentives based on how the company performs. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 12. | From a company perspective, it is harder to add part-time employees than it is to add full-time employees.  **FALSE**From the company perspective, it is easier to add temporary employees when they are needed and easier to terminate their employment when they are not needed. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 13. | To be effective, balanced scorecards must be customized by companies to fit different market situations, products, and competitive environments.  **TRUE**The balanced scorecard differs from traditional measures of company performance by emphasizing that the critical indicators chosen are based on a company's business strategy and competitive demands. Companies need to customize their balanced scorecards based on different market situations, products, and competitive environments. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 14. | The balanced scorecard should not be used to link a company's human resource management activities to the company's business strategy.  **FALSE**The balanced scorecard should be used to (1) link a company's human resource management activities to the company's business strategy and (2) evaluate the extent to which the HRM function is helping the company meet its strategic objectives. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 15. | A company that adopts total quality management (TQM) trains only selected employees in quality.  **FALSE**Total quality management (TQM) is a companywide effort to continuously improve the ways people, machines, and systems accomplish work. Every employee in the company receives training in quality. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 16. | Applications of the Malcolm Baldrige Award are reviewed by an independent board of examiners who are selected from the public sector.  **FALSE**Applications are reviewed by an independent board of about 400 examiners who come primarily from the private sector. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 17. | Projections to the demographics of the U.S. workforce predict that the average age of the workforce will decrease.  **FALSE**Three important changes in the demographics and diversity of the workforce are projected. First, the average age of the workforce will increase. Second, the workforce will become more diverse in terms of gender, race, and generations, and third, immigration will continue to affect the size and diversity of the workforce. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 18. | Disabled workers can be a source of competitive advantage.  **TRUE**Disabled workers can be a source of competitive advantage. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 19. | When it comes to problem solving, cultural diversity can provide companies with a competitive advantage.  **TRUE**When it comes to problem solving, the benefit that cultural diversity offers is heterogeneity in decisions and problem-solving groups. This potentially produces better decisions through a wider range of perspectives and more thorough critical analysis of issues.Refer To: Table 1.12 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 20. | The Sarbanes-Oxley Act of 2002 imposes criminal penalties for corporate governing and accounting lapses.  **TRUE**The Sarbanes-Oxley Act of 2002 sets strict rules for corporate behavior and sets heavy fines and prison terms for noncompliance. It imposes criminal penalties for corporate governing and accounting lapses, including retaliation against whistle-blowers reporting violations of Security and Exchange Commission rules. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 21. | Lean thinking emphasizes only on learning new skills to improve and does not encourage the use of old skills in new ways.  **FALSE**Lean thinking is a way to do more with less effort, time, equipment, and space, but still provide customers with what they need and want. Part of lean thinking includes training workers in new skills or how to apply old skills in new ways so they can quickly take over new responsibilities or use new skills to help fill customer orders. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 22. | Social networking tools can help prevent the loss of expert knowledge that occurs due to retirement.  **TRUE**Social networking resolves the issue of loss of expert knowledge from retirement through knowledge sharing, capturing, and storing.Refer To: Table 1.13 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-05 Identify how new technology; such as social networking; is influencing human resource management.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 23. | High-performance work systems minimize the fit between a company's social system (employees) and its technical system.  **FALSE**High-performance work systems maximize the fit between a company's social system (employees) and its technical system. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 24. | An HR dashboard is a series of indicators that are accessible to both managers and employees.  **TRUE**An HR dashboard is a series of indicators or metrics that managers and employees have access to on the company intranet or human resource information system. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 25. | Measuring employees' performance is a part of the compensation function of HR.  **FALSE**The assessment and development function involves measuring employees' performance. The compensation function of HR deals with pay structure decisions and benefits to reward employees' performance. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-07 Provide a brief description of human resource management practices.Topic: Meeting Competitive Challenges through HRM Practices* |

**Multiple Choice Questions**

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| 26. | \_\_\_\_\_ refers to the policies, practices, and systems that influence employees' behavior, attitudes, and performance.

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| A.  | Total quality management |

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| B.  | Financial management |

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| **C.**  | Human resource management |

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| D.  | Production and operations management |

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| E.  | Competency management |

Human resource management (HRM) refers to the policies, practices, and systems that influence employees' behavior, attitudes, and performance. Many companies refer to HRM as involving "people practices." |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Introduction* |

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| 27. | The training and development function of an HR department includes \_\_\_\_\_.

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| A.  | job analysis |

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| **B.**  | orientation |

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| C.  | performance measures |

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| D.  | attitude surveys |

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| E.  | policy creation |

The training and development function of an HR department includes orientation, skills training, development programs, and career development.Refer To: Table 1.1 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: What Responsibilities and Roles do HR Departments Perform?* |

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| 28. | Among the functions performed by an HR department, feedback and coaching are categorized under the \_\_\_\_\_ function.

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| A.  | recruitment and selection |

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| B.  | compensation and benefits |

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| C.  | employee relations |

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| D.  | personnel policies |

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| **E.**  | performance management |

Performance measures, preparation and administration of performance appraisals, feedback and coaching, and discipline are performed as part of the performance management function of an HR department.Refer To: Table 1.1 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: What Responsibilities and Roles do HR Departments Perform?* |

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| 29. | Among the functions performed by an HR department, vacation, retirement plans, and profit sharing are categorized under the \_\_\_\_\_ function.

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| A.  | training and development |

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| B.  | employee relations |

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| **C.**  | compensation benefits |

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| D.  | employee data and information systems |

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| E.  | legal compliance |

Wage and salary administration, incentive pay, insurance, vacation, retirement plans, profit sharing, health and wellness, and stock plans are performed as part of the compensation and benefits function of an HR department.Refer To: Table 1.1 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: What Responsibilities and Roles do HR Departments Perform?* |

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| 30. | The employee data and information systems function of an HR department focuses on responsibilities such as \_\_\_\_\_.

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| A.  | job analysis and description |

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| **B.**  | record keeping and workforce analytics |

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| C.  | attitude surveys and labor law compliance |

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| D.  | orientation and skills training |

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| E.  | talent and change management |

The employee data and information systems function of an HR department focuses on several responsibilities including record keeping, HR information systems, workforce analytics, social media, and intranet and Internet access.Refer To: Table 1.1 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: What Responsibilities and Roles do HR Departments Perform?* |

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| 31. | Which of the following is true about the product line administrative services and transactions?

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| A.  | It deals with implementation of business plans and talent management. |

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| B.  | It emphasizes on knowing the business and exercising influence. |

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| C.  | It emphasizes on the knowledge of HR and of the business and competition. |

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| D.  | It contributes to the business strategy based on considerations of business capabilities. |

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| **E.**  | It deals with functions like compensation, hiring, and staffing. |

Administrative services and transactions deals with compensating, hiring, and staffing employees. It lays emphasis on resource efficiency and service quality.Refer To: Figure 1.2 |

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| 32. | Giving employees online access to information about HR issues such as training, benefits, and compensation is called \_\_\_\_\_.

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| A.  | performance management |

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| **B.**  | self-service |

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| C.  | employee engagement |

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| D.  | talent management |

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| E.  | shared service |

Self-service refers to giving employees online access to information about HR issues such as training, benefits, compensation, and contracts; enrolling online in programs and services; and completing online attitude surveys. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| 33. | The practice of companies having other companies provide services is known as:

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| A.  | e-commerce. |

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| B.  | reshoring. |

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| C.  | downsizing. |

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| D.  | benchmarking. |

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| **E.**  | outsourcing. |

Outsourcing refers to the practice of having another company (a vendor, third party or consultant) provide services. The major reasons that company executives choose to outsource HR practices include cost savings, increased ability to recruit and manage talent, improved HR service quality, and protection of the company from potential lawsuits by standardizing processes such as selection and recruitment. |

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| 34. | Traditionally, the HRM department was primarily a(n) \_\_\_\_\_.

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| A.  | proactive agency |

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| B.  | finance expert |

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| C.  | employer advocate |

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| **D.**  | administrative expert |

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| E.  | payroll expert |

Traditionally, the HRM department, also known as "Personnel" or "Employee Relations," was primarily an administrative expert and employee advocate. The department took care of employee problems, made sure employees were paid correctly, administered labor contracts, and avoided legal problems. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| 35. | Which of the following is true of workforce analytics?

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| A.  | It relies on qualitative measures to evaluate employer performance. |

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| B.  | It collects and analyzes information only from external databases. |

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| C.  | It does not aid in evidence-based human resource decisions. |

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| D.  | It does not include information from HR databases and financial reports. |

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| **E.**  | It can show that HR practices influence an organization's profits. |

HR or workforce analytics refers to the practice of using quantitative methods and scientific methods to analyze data from human resource databases, to make evidence-based HR decisions and show that HR practices influence an organization's "bottom line" including profits and costs. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| 36. | Which of the following HR competencies focuses on the ability to apply the principles of HR management to contribute to the success of a business?

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| A.  | Relationship management |

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| **B.**  | HR technical expertise |

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| C.  | Organizational navigation |

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| D.  | Ethical practice |

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| E.  | Consultation |

The competency of HR technical expertise and practice focuses on the ability to apply the principles of human resource management to contribute to the success of a business. It includes behaviors such as remaining updated on relevant laws, legal rulings, and regulations, and developing and utilizing best practices.Refer To: Figure 1.3 |

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| 37. | Which of the following HR competencies focuses on the ability to manage interactions with and between others with the specific goal of providing service and organizational success?

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| **A.**  | Relationship management |

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| B.  | HR technical expertise |

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| C.  | Organizational navigation |

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| D.  | Ethical practice |

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| E.  | Business acumen |

The HR competency of relationship management focuses on the ability to manage interactions with and between others with the specific goal of providing service and organizational success. It includes behaviors such as providing customer service to organizational stakeholders and ensuring alignment within HR when delivering services and information to an organization.Refer To: Figure 1.3 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| 38. | When an HR professional is evaluated on how well she embraces inclusion and how effectively she works with diverse populations, she is being evaluated on her competency in \_\_\_\_\_.

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| A.  | organizational navigation |

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| B.  | HR technical expertise and practice |

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| --- | --- |
| **C.**  | global and cultural effectiveness |

|  |  |
| --- | --- |
| D.  | business acumen |

|  |  |
| --- | --- |
| E.  | critical evaluation |

An HR professional having competency in global and cultural effectiveness is effective at managing human resources both within and across boundaries. Some of the behaviors that a professional with this competency exhibits are embracing inclusion and working effectively with diverse cultures and populations.Refer To: Figure 1.3 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 39. | When an HR professional is evaluated on how well he understands organizational metrics and their relationship to business success, he is being evaluated on his competency in \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | relationship management |

|  |  |
| --- | --- |
| B.  | organizational navigation |

|  |  |
| --- | --- |
| **C.**  | business acumen |

|  |  |
| --- | --- |
| D.  | business communication |

|  |  |
| --- | --- |
| E.  | ethical practice |

An HR professional who is competent in business acumen is able to understand business functions and metrics within an organization and industry. He demonstrates a capacity for understanding the business operations and functions within the organization. He understands organizational metrics and their relationship to business success.Refer To: Figure 1.3 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 40. | Which competency is an HR personnel said to have if he is able to act personally and professionally with integrity and accountability?

|  |  |
| --- | --- |
| A.  | Critical evaluation |

|  |  |
| --- | --- |
| B.  | Consultation |

|  |  |
| --- | --- |
| C.  | Business acumen |

|  |  |
| --- | --- |
| D.  | Communication |

|  |  |
| --- | --- |
| **E.**  | Ethical practice |

An HR professional is said to be competent in ethical practice if he is able to integrate core values as well as act with integrity and accountability throughout all organizational and business practices. Some of the behaviors that a professional with this competency exhibits are maintaining confidentiality and acting professionally.Refer To: Figure 1.3 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 41. | Organizations that pursue a \_\_\_\_\_ strategy pursue the "triple bottom line" of economic, social, and environmental benefits.

|  |  |
| --- | --- |
| A.  | business |

|  |  |
| --- | --- |
| B.  | corporate |

|  |  |
| --- | --- |
| **C.**  | sustainable |

|  |  |
| --- | --- |
| D.  | communal |

|  |  |
| --- | --- |
| E.  | profit |

Sustainability refers to a company's ability to meet its needs without sacrificing the ability of future generations to meet their needs. Organizations pursuing a sustainable strategy pursue the "triple bottom line": economic, social, and environmental benefits. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 42. | A company competing through sustainability is likely to \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | place increased value on tangible assets |

|  |  |
| --- | --- |
| B.  | avoid social and environmental responsibilities |

|  |  |
| --- | --- |
| C.  | emphasize more on productivity than on quality |

|  |  |
| --- | --- |
| D.  | adapt badly to changes in the labor force |

|  |  |
| --- | --- |
| **E.**  | provide high-quality products and services |

When a company competes through sustainability, it is likely to provide a return to shareholders and provide high-quality products, services, and work experience for employees. Such companies also place increased value on intangible assets and human capital, be socially and environmentally responsible, and adapt to the changing characteristics and expectations of the labor force.Refer To: Figure 1.4 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 43. | When a corporate organization competes through globalization, as opposed to technology, it is likely to put most of its efforts on \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | social responsibility |

|  |  |
| --- | --- |
| B.  | environmental issues |

|  |  |
| --- | --- |
| **C.**  | expanding into foreign markets |

|  |  |
| --- | --- |
| D.  | developing HR dashboards |

|  |  |
| --- | --- |
| E.  | integrating technology and social systems |

A company that competes through globalization is likely to focus on expanding into foreign markets and preparing employees to work in foreign locations.Refer To: Figure 1.4 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 44. | Sustainability refers to the ability of a company to:

|  |  |
| --- | --- |
| A.  | meet its business needs at the cost of environmental responsibilities. |

|  |  |
| --- | --- |
| B.  | pursue economic goals despite social and ethical concerns. |

|  |  |
| --- | --- |
| C.  | develop socially responsible strategies at the cost of profits. |

|  |  |
| --- | --- |
| D.  | sacrifice its business and other needs to support the needs of its competitors. |

|  |  |
| --- | --- |
| **E.**  | meet its needs without sacrificing the ability of future generations to meet theirs. |

Sustainability refers to a company's ability to meet its needs without sacrificing the ability of future generations to meet their needs. Organizations pursuing a sustainable strategy pursue the "triple bottom line": economic, social, and environmental benefits. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 45. | Tacit knowledge is an example of \_\_\_\_\_ capital.

|  |  |
| --- | --- |
| A.  | social |

|  |  |
| --- | --- |
| B.  | customer |

|  |  |
| --- | --- |
| **C.**  | human |

|  |  |
| --- | --- |
| D.  | intellectual |

|  |  |
| --- | --- |
| E.  | financial |

Tacit knowledge, education, work-related expertise, and work-related competence are examples of human capital.Refer To: Table 1.6 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 46. | Mentoring relationships are an example of \_\_\_\_\_ capital.

|  |  |
| --- | --- |
| **A.**  | social |

|  |  |
| --- | --- |
| B.  | customer |

|  |  |
| --- | --- |
| C.  | human |

|  |  |
| --- | --- |
| D.  | intellectual |

|  |  |
| --- | --- |
| E.  | financial |

Corporate culture, management philosophy, management practices, informal networking systems, and coaching/mentoring relationships are examples of social capital.Refer To: Table 1.6 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 47. | Distribution channels are an example of \_\_\_\_\_ capital.

|  |  |
| --- | --- |
| A.  | social |

|  |  |
| --- | --- |
| **B.**  | customer |

|  |  |
| --- | --- |
| C.  | human |

|  |  |
| --- | --- |
| D.  | intellectual |

|  |  |
| --- | --- |
| E.  | financial |

Customer capital includes customer relationships, brands, customer loyalty, and distribution channels.Refer To: Table 1.6 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 48. | Trade secrets are an example of \_\_\_\_\_ capital.

|  |  |
| --- | --- |
| A.  | social |

|  |  |
| --- | --- |
| B.  | customer |

|  |  |
| --- | --- |
| C.  | human |

|  |  |
| --- | --- |
| **D.**  | intellectual |

|  |  |
| --- | --- |
| E.  | financial |

Intellectual capital includes patents, copyrights, trade secrets, and intellectual property.Refer To: Table 1.6 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 49. | Jake, the CEO of a company, appraises his managers based on how well they empower their employees. Which of the following managers is Jake likely to rate the highest in this regard?

|  |  |
| --- | --- |
| A.  | Ben, who gives clear instructions to his subordinates and expects them to follow the orders exactly as given |

|  |  |
| --- | --- |
| B.  | Melody, who asks her subordinates to always check with her before making any decisions |

|  |  |
| --- | --- |
| C.  | John, who prefers that members of his team always report to him what they do through the day |

|  |  |
| --- | --- |
| **D.**  | Zara, who assigns responsibility to her subordinates and intervenes only when there is a need |

|  |  |
| --- | --- |
| E.  | Dave, who assigns complete authority to his subordinates and does not offer any guidance |

Empowering means giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service. Employees are then held accountable for products and services; in return, they share the rewards and losses of the results. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 1 EasyLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 50. | According to emerging changes in the employment relationship, which of the following benefits do employees typically not expect to be provided by employers?

|  |  |
| --- | --- |
| A.  | Flexible work schedules |

|  |  |
| --- | --- |
| B.  | Comfortable working conditions |

|  |  |
| --- | --- |
| C.  | More autonomy |

|  |  |
| --- | --- |
| D.  | Employability |

|  |  |
| --- | --- |
| **E.**  | Job security |

New or emergent business strategies have resulted in changes in the employment relationship. Employees realize that companies cannot provide job security, so they want employability—that is, they want their company to provide training and job experiences to help ensure that employees can find other employment opportunities. In exchange for top performance and working longer hours without job security, employees want companies to provide flexible work schedules, comfortable working conditions, and more autonomy in accomplishing work. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 51. | A company whose employees have high engagement is likely to have \_\_\_\_\_ when compared to a company with low employee engagement.

|  |  |
| --- | --- |
| A.  | lower retention |

|  |  |
| --- | --- |
| B.  | lower empowerment |

|  |  |
| --- | --- |
| C.  | poorer customer service |

|  |  |
| --- | --- |
| D.  | lower productivity |

|  |  |
| --- | --- |
| **E.**  | lower turnover |

Employee engagement refers to the degree to which employees are fully involved in their work and the strength of their commitment to their job and the company. Employees who are engaged in their work and committed to the company they work for give companies competitive advantage including higher productivity, better customer service, and lower turnover. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 52. | \_\_\_\_\_ refers to a systematic planned strategic effort by a company to attract, retain, develop, and motivate highly skilled employees and managers.

|  |  |
| --- | --- |
| A.  | Performance appraisal |

|  |  |
| --- | --- |
| B.  | Workforce analytics |

|  |  |
| --- | --- |
| **C.**  | Talent management |

|  |  |
| --- | --- |
| D.  | Training and development |

|  |  |
| --- | --- |
| E.  | Employee engagement |

Talent management refers to the systematic planned strategic effort by a company to use bundles of human resource management practices including acquiring and assessing employees, learning and development, performance management, and compensation to attract, retain, develop, and motivate highly skilled employees and managers. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 53. | Which of the following is true of a balanced scorecard?

|  |  |
| --- | --- |
| A.  | It indicates the value of a company based on its competitive demands. |

|  |  |
| --- | --- |
| **B.**  | It depicts a company from the perspective of internal and external customers. |

|  |  |
| --- | --- |
| C.  | It measures a company's performance based on the business strategy adopted by it. |

|  |  |
| --- | --- |
| D.  | It should not be used to link HRM activities and a company's business strategy. |

|  |  |
| --- | --- |
| E.  | It guides companies to increase the time spent on new product and service development. |

A balanced scorecard gives managers an indication of the performance of a company based on the degree to which stakeholder needs are satisfied; it depicts the company from the perspective of internal and external customers, employees, and shareholders. The balanced scorecard differs from traditional measures of company performance by emphasizing that the critical indicators chosen are based on the company's business strategy and competitive demands. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 54. | When considering a balanced scorecard that depicts a company from a(n) \_\_\_\_\_ perspective, the critical HR indicators are employee satisfaction with HR department services and employee perceptions of the company as an employer.

|  |  |
| --- | --- |
| A.  | learning |

|  |  |
| --- | --- |
| B.  | internal |

|  |  |
| --- | --- |
| C.  | financial |

|  |  |
| --- | --- |
| **D.**  | customer |

|  |  |
| --- | --- |
| E.  | innovation |

A balanced scorecard gives managers an indication of the performance of a company based on the degree to which stakeholder needs are satisfied. When considering a balanced scorecard that depicts a company from a customer perspective, the critical HR indicators are employee satisfaction with HR department services and employee perceptions of the company as an employer.Refer To: Table 1.8 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 55. | When companies are trying to meet the shareholders' and the general public's demands to act more ethically and environmentally responsible, they are recognizing the importance of \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | a balanced scorecard approach |

|  |  |
| --- | --- |
| B.  | performance management |

|  |  |
| --- | --- |
| C.  | total quality management |

|  |  |
| --- | --- |
| **D.**  | social responsibility |

|  |  |
| --- | --- |
| E.  | cultural responsibility |

Companies are recognizing that social responsibility can help boost a company's image with customers, gain access to new markets, and help attract and retain talented employees. Companies thus try to meet shareholder and the general public's demands that they be more socially, ethically, and environmentally responsible. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 56. | \_\_\_\_\_ is a companywide effort to continuously improve the ways people, machines, and systems accomplish work.

|  |  |
| --- | --- |
| A.  | The Six Sigma process |

|  |  |
| --- | --- |
| **B.**  | Total quality management |

|  |  |
| --- | --- |
| C.  | Quality control |

|  |  |
| --- | --- |
| D.  | The process decision program |

|  |  |
| --- | --- |
| E.  | The activity network |

Total quality management is a companywide effort to continuously improve the ways people, machines, and systems accomplish work. It refers to a cooperative form of doing business that relies on the talents and capabilities of both labor and management to continually improve quality and productivity. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 57. | A company competes for the Malcolm Baldrige National Quality Award. If it is evaluated based on how senior executives create and sustain vision, values, and mission, it is likely that the company is being judged on the criterion of \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | strategic planning |

|  |  |
| --- | --- |
| B.  | workforce focus |

|  |  |
| --- | --- |
| C.  | customer and market focus |

|  |  |
| --- | --- |
| D.  | operation focus |

|  |  |
| --- | --- |
| **E.**  | leadership |

Leadership is one of the categories for the Malcolm Baldrige National Quality Award examination. It is evaluated based on how senior executives create and sustain vision, values, and mission.Refer To: Table 1.9 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 58. | Which one of the following is true about the Six Sigma process?

|  |  |
| --- | --- |
| A.  | It focuses on the end product of employee satisfaction. |

|  |  |
| --- | --- |
| B.  | It terminates once the processes have been brought within the Six Sigma standards. |

|  |  |
| --- | --- |
| C.  | It strives to attain quality through supervision of daily work and not through training. |

|  |  |
| --- | --- |
| D.  | It discourages employees from lean thinking. |

|  |  |
| --- | --- |
| **E.**  | It aims to create a total business focus on serving the customer. |

The Six Sigma process refers to a process of measuring, analyzing, improving, and then controlling processes once they have been brought within the narrow Six Sigma quality tolerances or standards. The objective of Six Sigma is to create a total business focus on serving the customer, that is, to deliver what customers really want when they want it. |

|  |
| --- |
| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 59. | Which of following is true of lean thinking?

|  |  |
| --- | --- |
| A.  | It is a way to do minimal work with highest attention and care for details. |

|  |  |
| --- | --- |
| B.  | It aims to deliver the best customer service while compromising on volume and quantity. |

|  |  |
| --- | --- |
| C.  | It is a way to create quality products and services using maximum resources. |

|  |  |
| --- | --- |
| **D.**  | It aims to do more with less effort, time, space, and equipment. |

|  |  |
| --- | --- |
| E.  | It is discouraged by training and quality programs. |

Lean thinking is a way to do more with less effort, time, equipment, and space, but still provide customers with what they need and want. Part of lean thinking includes training workers in new skills or how to apply old skills in new ways so they can quickly take over new responsibilities or use new skills to help fill customer orders. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 60. | Which of the following people would be categorized as part of the external labor market with regards to Phoenix Inc.?

|  |  |
| --- | --- |
| A.  | John, who works for Phoenix Inc. as a full-time employee |

|  |  |
| --- | --- |
| B.  | Rachel, who works for Phoenix Inc. and is looking for a new job |

|  |  |
| --- | --- |
| C.  | Pete, who is an employee at a direct competitor of Phoenix and is not looking for a new job |

|  |  |
| --- | --- |
| D.  | Roger, who is unemployed and not looking for employment |

|  |  |
| --- | --- |
| **E.**  | Keith, who works for Jupiter Inc. and is seeking employment elsewhere |

The labor force of current employees is often referred to as the internal labor force. Employers identify and select new employees from the external labor market through recruiting and selection. The external labor market includes persons actively seeking employment. Keith is the only person in the above scenario that is not currently employed by Phoenix Inc. and is seeking a new job. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: ApplyDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 61. | Which of the following statements is true about the composition of the U.S. labor force in the next decade?

|  |  |
| --- | --- |
| A.  | Immigration will cease to affect the size and diversity of the workforce. |

|  |  |
| --- | --- |
| B.  | The largest proportion of the labor force is expected to be in the age group of 16-24 years. |

|  |  |
| --- | --- |
| C.  | The percentage of highly skilled immigrants will continue to remain lower than the percentage of low skilled immigrants. |

|  |  |
| --- | --- |
| **D.**  | The median age of the labor force will increase to the highest number ever. |

|  |  |
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| E.  | The high cost of health insurance and decrease in health benefits will cause many employees to quit working. |

The median age of the labor force will increase to 42.8 years old, the highest ever. The labor force is expected to increase by 10.5 million in the next decade reaching 164.4 million in 2020. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 62. | Which of the following statements is true about Generation X?

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| --- | --- |
| A.  | It includes people who were born between 1925 and 1945. |

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| --- | --- |
| B.  | It grew up much before the personal computer was invented. |

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| **C.**  | It values skepticism and informality. |

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| --- | --- |
| D.  | It is called the "me" generation. |

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| E.  | It prefers close supervision and has a lot of patience. |

"Generation X," born between 1965 and 1980, values skepticism, informality, practicality, seeks work/life balance, and dislikes close supervision. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 63. | Which of the following is a characteristic of people of the baby boomer generation?

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| A.  | They surrender to establishments. |

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| --- | --- |
| B.  | They lack social conscientiousness. |

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| --- | --- |
| C.  | They do not conform to rules. |

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| **D.**  | They are considered to be workaholics. |

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| E.  | They focus on maintaining a hierarchy even at the cost of justice. |

"Baby boomers," born between 1946 and 1964, fight against the establishment for equal rights and value social conscientiousness and independence. However, they are considered to be workaholics. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 64. | Which of the following is a characteristic of Millennials?

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| --- | --- |
| A.  | They are not comfortable with using computers and the Internet. |

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| --- | --- |
| B.  | They are pessimistic and cynical. |

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| --- | --- |
| C.  | They have low levels of self-esteem. |

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| --- | --- |
| **D.**  | They are eager to learn, work, and please. |

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| --- | --- |
| E.  | They are not narcissistic. |

Millennials grew up with access to computers at home and school as well as access to the Internet. Millennials are characterized as being optimistic, willing to work and learn, eager to please, technology literate, and globally aware. They value diversity and are believed to have high levels of self-esteem and narcissism. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 65. | Which of the following is true of how different generations view each other?

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| --- | --- |
| A.  | Millennials may think Generation X managers are good delegators. |

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| --- | --- |
| B.  | Generation X managers may think that Millennials lack self-confidence. |

|  |  |
| --- | --- |
| C.  | Millennials might believe that baby boomers do not comply with company rules. |

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| --- | --- |
| **D.**  | Traditionalists may believe that Millennials don't have a strong work ethic. |

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| --- | --- |
| E.  | Baby boomers may consider Millennials to be technologically illiterate. |

Traditionalists and baby boomers believe that Millennials don't have a strong work ethic because they are too concerned with work-life balance. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 66. | Which of the following arguments states that companies with the best reputations for managing diversity will win the competition for talent?

|  |  |
| --- | --- |
| A.  | System flexibility argument |

|  |  |
| --- | --- |
| B.  | Marketing argument |

|  |  |
| --- | --- |
| **C.**  | Employee attraction and retention argument |

|  |  |
| --- | --- |
| D.  | Problem-solving argument |

|  |  |
| --- | --- |
| E.  | Creativity argument |

The employee attraction and retention argument states that companies develop reputations on favorability as prospective employers for women and ethnic minorities. Those with the best reputations for managing diversity will win the competition for talent.Refer To: Table 1.12 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 67. | Which of the following arguments emphasizes that reactions should be faster and cost less?

|  |  |
| --- | --- |
| **A.**  | System flexibility argument |

|  |  |
| --- | --- |
| B.  | Marketing argument |

|  |  |
| --- | --- |
| C.  | Employee attraction and retention argument |

|  |  |
| --- | --- |
| D.  | Problem-solving argument |

|  |  |
| --- | --- |
| E.  | Creativity argument |

The system flexibility argument emphasizes that reactions should be faster and cost less.Refer To: Table 1.12 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 68. | Which of the following arguments states that diversity of perspectives and less emphasis on conformity to norms of the past should improve the level of resourcefulness?

|  |  |
| --- | --- |
| A.  | System flexibility argument |

|  |  |
| --- | --- |
| B.  | Marketing argument |

|  |  |
| --- | --- |
| C.  | Employee attraction and retention argument |

|  |  |
| --- | --- |
| D.  | Problem-solving argument |

|  |  |
| --- | --- |
| **E.**  | Creativity argument |

The creativity argument states that diversity of perspectives and less emphasis on conformity to norms of the past (which characterize the modern approach to management of diversity) should improve the level of creativity.Refer To: Table 1.12 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 69. | Which of the following arguments states that heterogeneity in decisions potentially produces better decisions through a wider range of perspectives and critical analysis?

|  |  |
| --- | --- |
| A.  | System flexibility argument |

|  |  |
| --- | --- |
| B.  | Marketing argument |

|  |  |
| --- | --- |
| C.  | Employee attraction argument |

|  |  |
| --- | --- |
| **D.**  | Problem-solving argument |

|  |  |
| --- | --- |
| E.  | Creativity argument |

The problem-solving argument states that heterogeneity in decisions and problem-solving groups potentially produces better decisions through a wider range of perspectives and more thorough critical analysis of issues.Refer To: Table 1.12 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 70. | Which of the following arguments states that companies develop reputations on favorability as prospective employers for women and ethnic minorities?

|  |  |
| --- | --- |
| A.  | System flexibility argument |

|  |  |
| --- | --- |
| B.  | Marketing argument |

|  |  |
| --- | --- |
| **C.**  | Employee attraction argument |

|  |  |
| --- | --- |
| D.  | Problem-solving argument |

|  |  |
| --- | --- |
| E.  | Creativity argument |

The employee attraction argument states that companies develop reputations on favorability as prospective employers for women and ethnic minorities.Refer To: Table 1.12 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 71. | Which of the following is a prediction about legal issues regarding employment in the U.S.?

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| --- | --- |
| A.  | The emphasis on eliminating discrimination is likely to end. |

|  |  |
| --- | --- |
| B.  | The focus will turn away from pre-employment tests. |

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| --- | --- |
| **C.**  | There will be more focus on criminal background screening. |

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| --- | --- |
| D.  | There are likely to be lesser challenges to race discrimination. |

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| --- | --- |
| E.  | There will be less emphasis on discrimination against veterans. |

There will likely be development and debate of new employment laws and regulations, as well as increased emphasis on enforcing specific aspects of current laws and regulations. An emphasis on eliminating discrimination in recruitment and hiring will continue. The focus will likely be on pre-employment tests and criminal background screening. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 72. | Which of the following is a prediction about legal issues in the workplace in the U.S.?

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| --- | --- |
| A.  | Workplace safety will receive lesser attention. |

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| B.  | HR professionals will work independently without legal counsel. |

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| --- | --- |
| C.  | There will be no penalty for not providing health care coverage. |

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| --- | --- |
| D.  | Reporting and inspection requirements will decrease. |

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| **E.**  | Health care reform will drive compliance issues. |

Health care reform will drive compliance issues. The cost savings from not offering health care may be offset by a company's inability to attract and retain talented employees who expect company-sponsored health care benefits. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 73. | Which of the following is one of the four characteristics of an ethical, successful company?

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| --- | --- |
| A.  | The company gets the best deals, even to the detriment of its vendors. |

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| --- | --- |
| B.  | It has a vision that employees may relate to but cannot use in their day-to-day-work. |

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| --- | --- |
| **C.**  | The company emphasizes mutual benefits in its relationship with customers, clients, and vendors. |

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| --- | --- |
| D.  | It works on the belief that one's own interest comes before considering interest of others. |

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| --- | --- |
| E.  | It allows flexibility of ethical norms when the financial stakes involved are very high. |

Ethical, successful companies can be characterized by the following principles. In their relationships with customers, vendors, and clients, these companies emphasize mutual benefits. Employees assume responsibility for the actions of the company.Refer To: Figure 1.7 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 74. | Which of the following acts sets strict rules for businesses especially for accounting practices that require more open and consistent disclosure of financial data and CEOs' assurance that the data is completely accurate?

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| --- | --- |
| A.  | Gramm-Leach-Bliley Act |

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| --- | --- |
| B.  | Glass-Steagall Act |

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| --- | --- |
| **C.**  | Sarbanes-Oxley Act |

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| --- | --- |
| D.  | Dodd-Frank Act |

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| --- | --- |
| E.  | McCarran-Ferguson Act |

The Sarbanes-Oxley Act of 2002 is a congressional act passed in response to illegal and unethical behavior by managers and executives. The act sets stricter rules for businesses, especially accounting practices. It requires more open and consistent disclosure of financial data, CEOs' assurance that the data is completely accurate, and provisions that affect the employee-employer relationship. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 75. | Which of the following statements is true about the Sarbanes-Oxley Act of 2002?

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| --- | --- |
| A.  | In case of noncompliance, it limits charges to heavy fines; it does not include prison terms for executives. |

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| --- | --- |
| **B.**  | Organizations spend millions of dollars each year to comply with regulations under the Sarbanes-Oxley Act. |

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| --- | --- |
| C.  | It imposes no criminal penalty for corporate governing and accounting lapses. |

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| --- | --- |
| D.  | Retaliation against whistle-blowers is not included as a violation under the law. |

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| --- | --- |
| E.  | It was passed in response to illegal and unethical behavior by employees toward the management. |

The Sarbanes-Oxley Act is a congressional act passed in response to illegal and unethical behavior by managers and executives. It sets strict rules for corporate behavior and sets heavy fines and prison terms for noncompliance; organizations are spending millions of dollars each year to comply with regulations under the Sarbanes-Oxley Act. |

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| *AACSB: EthicsAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 76. | Which of the following is a core value of TQM?

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| --- | --- |
| A.  | Methods are designed to meet the needs of external customers and not internal customers. |

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| --- | --- |
| B.  | A few select employees in an organization are given training in quality. |

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| --- | --- |
| C.  | Processes are designed such that errors are detected and corrected immediately after they occur. |

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| **D.**  | The company promotes cooperation with vendors and customers to hold down costs. |

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| --- | --- |
| E.  | Managers measure progress with feedback based on qualitative observations. |

One of the core values of TQM is the company promoting cooperation with vendors, suppliers, and customers to improve quality and hold down costs. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 77. | Exporting jobs from developed to less developed countries is known as \_\_\_\_\_.

|  |  |
| --- | --- |
| A.  | insourcing |

|  |  |
| --- | --- |
| **B.**  | offshoring |

|  |  |
| --- | --- |
| C.  | reshoring |

|  |  |
| --- | --- |
| D.  | onshoring |

|  |  |
| --- | --- |
| E.  | homesourcing |

Offshoring refers to the exporting of jobs from developed countries, such as the United States, to countries where labor and other costs are lower. The main reason for this is labor costs. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-04 Discuss what companies should do to compete in the global marketplace.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 78. | Which of the following, if true, would support reshoring as a strategy for a U.S. firm?

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| --- | --- |
| A.  | Decreasing labor costs overseas |

|  |  |
| --- | --- |
| B.  | Increasing wage costs in the United States |

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| --- | --- |
| C.  | Increasing public support in the United States for offshoring |

|  |  |
| --- | --- |
| **D.**  | Increasing transportation costs |

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| --- | --- |
| E.  | Decreasing cost of living overseas |

Although companies may be attracted to offshoring because of potential lower labor costs, reshoring is becoming more common. Reasons for this include concerns about the demoralizing effects of outsourcing on U.S. employees, potential negative effects of offshoring on the company's public image, the need for employees to be located close to business partners, and rising wages overseas and transportation costs overseas. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 1 EasyLearning Objective: 01-04 Discuss what companies should do to compete in the global marketplace.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 79. | Which of the following is a concern caused by Gen-Y generation employees using social networking tools?

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| --- | --- |
| A.  | Knowledge sharing is suppressed |

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| --- | --- |
| B.  | Creating online expert communities |

|  |  |
| --- | --- |
| C.  | Loss of expert knowledge |

|  |  |
| --- | --- |
| D.  | Best practices are not shared |

|  |  |
| --- | --- |
| **E.**  | Lower productivity |

Issues that can be addressed by social networking include loss of expert knowledge due to retirement, promotion of innovation and creativity, reinforcement of learning, and the need to identify and connect with promising job candidates. Despite its potential advantages, many companies are uncertain as to whether they should embrace social networking. They fear that social networking will result in employees wasting time or offending or harassing their co-workers.Refer To: Table 1.12 |

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| *AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-05 Identify how new technology; such as social networking; is influencing human resource management.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 80. | Which of the following is true of virtual teams?

|  |  |
| --- | --- |
| A.  | They are typically situated in the same location. |

|  |  |
| --- | --- |
| B.  | They usually work in the same time zone. |

|  |  |
| --- | --- |
| C.  | They can work well without relying on technology. |

|  |  |
| --- | --- |
| D.  | They do not include partnership with competitors. |

|  |  |
| --- | --- |
| **E.**  | They allow projects to be worked on 24 hours a day. |

Virtual teams refer to teams that are separated by time, geographic distance, culture, and/or organizational boundaries and that rely almost exclusively on technology (e-mail, Internet, videoconferencing) to interact and complete their projects. Software developers are positioning employees around the world with clusters of three or four facilities, six to eight hours apart, to keep projects moving 24 hours a day. |

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| *AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 81. | Which of the following is true of cloud computing?

|  |  |
| --- | --- |
| A.  | It allows companies to lease software but not hardware. |

|  |  |
| --- | --- |
| **B.**  | Employees are not aware of the location of the databases. |

|  |  |
| --- | --- |
| C.  | Company data that is stored on the public cloud can be is accessed by the public. |

|  |  |
| --- | --- |
| D.  | It can be accessed only through computers; other gadgets cannot be used. |

|  |  |
| --- | --- |
| E.  | It requires an external system to retrieve data from the cloud. |

Cloud computing allows companies to lease software and hardware. Employees are not aware of the location of computers, databases, and applications that they are using. |

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| *AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 82. | In high-performance work systems:

|  |  |
| --- | --- |
| A.  | previously established boundaries between employees and customers remain intact. |

|  |  |
| --- | --- |
| B.  | managers and employees work together, while vendors and suppliers work independently. |

|  |  |
| --- | --- |
| C.  | line employees are trained to specialize in individual tasks. |

|  |  |
| --- | --- |
| D.  | employees do not communicate directly with suppliers and customers. |

|  |  |
| --- | --- |
| **E.**  | line employees interact frequently with quality experts and engineers. |

In high-performance work systems, previously established boundaries between employees and customers and the various functions within a company are abandoned. Employees, managers, vendors, customers, and suppliers work together; line employees are trained in multiple jobs. They communicate directly with suppliers and customers and interact frequently with engineers and quality experts. |

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| *AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 83. | An HR dashboard is a series of indicators that:

|  |  |
| --- | --- |
| A.  | only HR managers have access to. |

|  |  |
| --- | --- |
| B.  | requires communication via an extranet. |

|  |  |
| --- | --- |
| C.  | allows the public to understand the HR policies of a company. |

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| --- | --- |
| **D.**  | enables workforce analytics and evidence-based HR. |

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| --- | --- |
| E.  | helps managers hire new employees based on secondary data. |

An HR dashboard is a series of indicators or metrics that managers and employees have access to on a company's intranet or human resource information system. The HR dashboard provides access to important HR metrics for conducting workforce analytics. As a result, the use of dashboards is critical for evidence-based HR. |

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| *AACSB: TechnologyAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 84. | Which of the following HRM practices involves helping employees understand how their jobs contribute to the finished product?

|  |  |
| --- | --- |
| **A.**  | Work design |

|  |  |
| --- | --- |
| B.  | Performance management |

|  |  |
| --- | --- |
| C.  | Training |

|  |  |
| --- | --- |
| D.  | Staffing |

|  |  |
| --- | --- |
| E.  | Compensation |

In the context of HRM practices supporting high-performance work systems, employees understanding how their jobs contribute to the final product is a part of work design.Refer To: Table 1.14 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 85. | Which of the following HRM practices involves employees receiving feedback?

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| --- | --- |
| A.  | Work design |

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| **B.**  | Performance management |

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| --- | --- |
| C.  | Training |

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| --- | --- |
| D.  | Staffing |

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| E.  | Compensation |

In the context of HRM practices supporting high-performance work systems, employees receiving feedback and how actively they are involved in the performance improvement process is a part of performance management.Refer To: Table 1.14 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 86. | Which of the following HRM practices involves employees participating in peer interviews?

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| A.  | Work design |

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| B.  | Performance management |

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| C.  | Training |

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| **D.**  | Staffing |

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| E.  | Compensation |

Employees participate in selecting new employees, e.g., peer interviews, in an HRM staffing practice that supports high-performance work systems.Refer To: Table 1.14 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 87. | Which of the following HRM practices involves rewarding employees based on their team's performance?

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| A.  | Work design |

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| B.  | Performance management |

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| C.  | Training |

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| D.  | Staffing |

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| **E.**  | Compensation |

The ways in which compensation supports high-performance work systems are team-based performance pay. A part of compensation may be based on company or division financial performance.Refer To: Table 1.14 |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 88. | Which of the following major dimensions of HRM practices involves training employees to have the skills needed to perform their jobs?

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| A.  | Vision and mission of human resources |

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| --- | --- |
| B.  | Managing the human resource environment |

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| --- | --- |
| **C.**  | Acquiring and preparing human resources |

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| --- | --- |
| D.  | Compensating human resources |

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| E.  | Assessment and development of human resources |

Acquiring and preparing human resources deals with identifying human resource requirements, which includes recruiting employees, and selecting employees. It also deals with training employees to have the skills needed to perform their jobs. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-07 Provide a brief description of human resource management practices.Topic: Meeting Competitive Challenges through HRM Practices* |

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| 89. | Which of the following dimensions of HRM practices involves ensuring that HRM practices comply with federal, state, and local laws?

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| --- | --- |
| A.  | Vision and mission of human resources |

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| **B.**  | Managing the human resource environment |

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| --- | --- |
| C.  | Acquiring and preparing human resources |

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| D.  | Compensating human resources |

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| E.  | Assessment and development of human resources |

Managing internal and external environmental factors allows employees to make the greatest possible contribution to company productivity and competitiveness. Creating a positive environment for human resources in a company involves linking HRM practices to the company's business objectives—that is, strategic human resource management; ensuring that HRM practices comply with federal, state, and local laws; designing work that motivates and satisfies employees as well as maximizes customer service, quality, and productivity. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-07 Provide a brief description of human resource management practices.Topic: Meeting Competitive Challenges through HRM Practices* |

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| 90. | Which of the following activities is part of the assessment and development of human resources dimension of HRM practices?

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| --- | --- |
| A.  | Training employees to have the skills needed to perform their jobs |

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| B.  | Identifying human resource requirements |

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| --- | --- |
| C.  | Ensuring that HRM practices comply with federal, state, and local laws |

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| **D.**  | Creating an employment relationship and work environment that benefits the company |

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| E.  | Creating pay systems as well as providing employees with benefits |

Managers need to ensure that employees have the necessary skills to perform current and future jobs. As part of the assessment and development of human resources dimension of HRM practices, the HR department creates an employment relationship and work environment that benefits both the company and the employee. |

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| *AACSB: AnalyticAccessibility: Keyboard NavigationBlooms: RememberDifficulty: 1 EasyLearning Objective: 01-07 Provide a brief description of human resource management practices.Topic: Meeting Competitive Challenges through HRM Practices* |

**Essay Questions**

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| 91. | What are the two challenges that HR managers of today face? Discuss how the shared service model and the self-service model help them in overcoming the two challenges.  The amount of time that the HRM function devotes to administrative tasks is decreasing, and its roles as a strategic business partner, change agent, and employee advocate are increasing. HR managers face two important challenges: shifting their focus from current operations to strategies for the future and preparing non-HR managers to develop and implement human resource practices. To ensure that human resources contributes to a company's competitive advantage, many HR departments are organized based on a shared service model. The shared service model can help control costs and improve the business relevance and timeliness of HR practices. A shared service model is a way to organize the HR function that includes centers of expertise or excellence, service centers, and business partners. Centers of expertise or excellence include HR specialists in areas such as staffing or training who provide their services companywide. Service centers are a central place for administrative and transactional tasks such as enrolling in training programs or changing benefits that employees and managers can access online.The availability of the Internet has decreased the HRM role in maintaining records and providing self-service to employees. Self-service refers to giving employees online access to information about HR issues such as training, benefits, compensation, and contracts; enrolling online in programs and services; and completing online attitude surveys. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| 92. | Discuss the competencies, according to the Society for Human Resource Management, which HR professionals require to be successful.  Following are the nine competencies HR professionals need to have:Human resource technical expertise and practice: It is the ability to apply the principles of human resource management to contribute to the success of a business.Relationship management: It is the ability to manage interactions with and between others with the specific goal of providing service and organizational success.Consultation: It refers to providing guidance to stakeholders such as employees and leaders seeking expert advice on a variety of circumstances and situations.Organizational leadership and navigation: It is the ability to direct initiatives and processes within an organization and gain buy-in from stakeholders.Communications: It is the ability to effectively exchange and create a free flow of information with and among various stakeholders at all levels of an organization to produce meaningful outcomes.Global and cultural effectiveness: It is the ability to manage human resources both within and across boundaries.Ethical practice: It includes integration of core values, integrity, and accountability throughout all organizational and business practices.Critical evaluation: It involves the skills required to interpret information to determine return on investment and organizational impact in making recommendations and business decisions. Business acumen: It is the ability to understand business functions and metrics within an organization and industry.Feedback: Refer To: Figure 1.3 |

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| *AACSB: AnalyticBlooms: RememberDifficulty: 2 MediumLearning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.Topic: Strategic Role of the HRM Function* |

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| 93. | What is meant by empowering and what type of training must be conducted to make it effective?  Empowering means giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service. Employees are then held accountable for products and services; in return, they share the resulting rewards and losses of the results. For empowerment to be successful, managers must be trained to link employees to resources within and outside the company, help employees interact with their fellow employees and managers throughout the company, and ensure that employees are updated on important issues and cooperate with each other. Employees must also be trained to use the Web, e-mail, and other tools for communicating, collecting, and sharing information. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 94. | Discuss the balanced scorecard approach of measuring stakeholder performance.  The balanced scorecard gives managers an indication of the performance of a company based on the degree to which stakeholder needs are satisfied; it depicts the company from the perspective of internal and external customers, employees, and shareholders. The balanced scorecard is important because it brings together most of the features that a company needs to focus on to be competitive. The balanced scorecard should be used to (1) link human resource management activities to the company's business strategy and (2) evaluate the extent to which the HRM function is helping the company meet its strategic objectives. Communicating the scorecard to employees gives them a framework that helps them see the goals and strategies of the company, how these goals and strategies are measured, and how they influence the critical indicators. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 95. | What is the purpose of the Malcolm Baldrige Award? Describe the application and evaluation process, and list the seven characteristics that companies are scored for in the examination.  The Baldrige Award, created by public law, is the highest level of national recognition for quality that a U.S. company can receive. It was established to promote quality awareness, to recognize quality achievements of U.S. companies, and to publicize successful quality strategies. To become eligible for the Baldrige, the company must complete a detailed application with basic information about the firm as well as an in-depth presentation of how it addresses specific criteria related to quality improvement. Applications are reviewed by an independent board of about 400 examiners who come primarily from the private sector. One of the major benefits of applying for the Baldrige Award is the feedback report from the examining team noting the company's strengths and areas for improvement. The categories that are evaluated for scoring are: leadership; measurement, analysis, and knowledge management; strategic planning; workforce focus; operations focus; results; and customer focus.Feedback: Refer To: Table 1.9 |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 96. | Discuss how managing cultural diversity can provide a competitive advantage to a firm.  Following are the ways in which managing cultural diversity can provide a competitive advantage:(1) Cost argument: As organizations become more diverse, the cost of a poor job in integrating workers will increase. Those who handle this well will thus create cost advantages over those who do not.(2) Employee attraction and retention argument: Companies will develop reputations as prospective employers for women and ethnic minorities. Those with the best reputations for managing diversity will win the competition for talent. This will be especially important as the labor pool shrinks and changes composition.(3) Marketing argument: The insight and cultural sensitivity that diverse employees bring to the marketing effort help a company enter new markets and develop products and services for diverse populations.(4) Creativity argument: Diversity of perspectives and less emphasis on conformity to norms of the past improves the level of creativity.(5) Problem-solving argument: Heterogeneity in decisions and problem-solving groups potentially produces better decisions through a wider range of perspectives and more thorough critical analysis of issues.(6) System flexibility argument: Diversity brings greater flexibility when reacting to changes in customer preferences and tastes.Feedback: Refer To: Table 1.12 |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 97. | Discuss what companies should do to compete in the global marketplace.  Companies are finding that to survive they must compete in international markets as well as fend off foreign corporations' attempts to gain ground in the United States.To meet these challenges, U.S. businesses must develop global markets, use their practices to improve global competitiveness, and better prepare employees for global assignments. Every business must be prepared to deal with the global economy. Global business expansion has been made easier by technology. The Internet allows data and information to be instantly accessible and sent around the world. The Internet, e-mail, social networking, and video conferencing enable business deals to be completed between companies thousands of miles apart. Globalization is not limited to any particular sector of the economy, product market, or company size. Businesses around the world are attempting to increase their competitiveness and value by increasing their global presence, often through mergers and acquisitions. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-04 Discuss what companies should do to compete in the global marketplace.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 98. | What is a human resource information system (HRIS)? Explain the benefits of using an HRIS.  Companies continue to use human resource information systems to store large quantities of employee data including personal information, training records, skills, compensation rates, absence records, and benefits usages and costs. A human resource information system (HRIS) is a computer system used to acquire, store, retrieve, and distribute information related to a company's human resources. An HRIS can support strategic decision making, help a company avoid lawsuits, provide data for evaluating policies and programs, and support day-to-day HR decisions. Managers use the system to track employees' vacation and sick days and to make changes in staffing and pay. Using the HRIS, managers can request the HRIS system to automatically prepare a personnel report; they no longer have to contact the HR department to request one. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-05 Identify how new technology; such as social networking; is influencing human resource management.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 99. | What is an HR dashboard? Explain a few ways in which it supports managers and employees.  One of the most important uses of Internet technology is the development of HR dashboards. An HR dashboard is a series of indicators or metrics that managers and employees have access to on their company's intranet or human resource information system. The HR dashboard provides access to important HR metrics for conducting workforce analytics. HR dashboards are important for determining the value of HR practices and how they contribute to business goals. As a result, the use of dashboards is critical for evidence-based HR management. For example, a company may view building talent as a priority so it adds to its dashboard of people measures a metric to track how many people move and the reasons. This allows the form to identify divisions that are developing new talent. Sophisticated systems such as the HR dashboard can extend management applications to decision making in areas such as compensation and performance management. Managers can schedule job interviews or performance appraisals, guided by the system to provide the necessary information and follow every step called for by the procedure. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.Topic: Competitive Challenges Influencing Human Resource Management* |

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| 100. | Outline the four dimensions of human resource management practices.  (1) Managing the human resource environment: Managing internal and external environmental factors allow employees to make the greatest possible contribution to company productivity and competitiveness.(2) Acquiring and preparing human resources: It involves determining the number and type of employees needed, a value that is influenced by customer needs, terminations, promotions, and retirements. Managers also need to identify current or potential employees to fill those needs.(3) Assessment and development of human resources: Managers must ensure employees have the necessary skills to perform current and future jobs. Work may be redesigned to be performed by teams. Companies need to create a supportive work environment.(4) Compensating human resources: Pay and benefits are important incentives to offer employees in exchange for contributing to productivity, quality, and customer service. They are also used to reward employees' membership and attract new employees. |

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| *AACSB: AnalyticBlooms: UnderstandDifficulty: 2 MediumLearning Objective: 01-07 Provide a brief description of human resource management practices.Topic: Meeting Competitive Challenges through HRM Practices* |