

File: Ch02, CHAPTER 2, Functions and Strategy

TRUE/FALSE

1. A typical HR department has responsibility for transactional work, which is developing solutions that benefit employee work groups, like resolving employee performance issues or work-group conflict.

Ans: False

Difficulty: Medium

Response: See page 31

Ref: The Strategic Nature

2. Planning and controlling are the primary functions of management.

Ans: False

Difficulty: Easy

Response: See page 32

Ref: INTRODUCTION

3. Prior to the mid-1960's, personnel departments in organizations were primarily involved in planning company picnics, scheduling vacations, enrolling workers for health-care coverage, and planning retirement parties.

Ans: True

Difficulty: Medium

Response: See page 31

Ref: WHY IS HRM IMPORTANT TO AN ORGANIZATION?

4. Unions in organizations were outlawed by the Wagner Act of 1935.

Ans: False

Difficulty: Medium

Response: See page 39

Ref: Exhibit 2 – 4

5. Fortunately, given the internal to organization nature of HRM, these activities are mildly and marginally affected by what occurs outside the organization.

Ans: False

Difficulty: Medium

Response: See page 38

Ref: HOW EXTERNAL INFLUENCES AFFECT HRM

6. Frederick Taylor is often regarded as the father of scientific management.

Ans: True

Difficulty: Easy

Response: See page 40

Ref: Management Thought

7. Labor unions promote grievance procedures to resolve differences between workers and management.

Ans: True

Difficulty: Medium

Response: See page 39

Ref: Labor Unions

8. In an organization, the goal of recruiting is to give enough information about the job to attract a large number of qualified applicants and simultaneously discourage unqualified candidates from applying.

Ans: True

Difficulty: Medium

Response: See page 35

Ref: Staffing Function

9. To provide motivation in most technology-based organizations, the maintenance function is

used.

Ans: False

Difficulty: Medium

Response: See page 37

Ref: Maintenance Function

10. Unfortunately, compensation and benefits managers are the lowest paid HR professionals.

Ans: False

Difficulty: Medium

Response: See page 41

Ref: EXHIBIT 2-5

11. Interpersonal communication skills have no influence on advancement in an HR career.

Ans: False

Difficulty: Medium

Response: See page 45

Ref: Is a Career in HR for Me?

12. Outsourcing refers to sharing HRM activities among geographically dispersed divisions.

Ans: False

Difficulty: Medium

Response: See page 47

Ref: HR TRENDS AND OPPORTUNITIES

13. Procedures for public companies regarding how they handle and report their financial picture are established by the Sarbanes-Oxley Act.

Ans: True

Difficulty: Medium

Response: See page 49

Ref: HR AND CORPORATE ETHICS

14. Of all the functions of an organization that may be outsourced, unfortunately, HR is one function that cannot.

Ans: False

Difficulty: Medium

Response: See page 47

Ref: Outsourcing

15. Shared services centers are one way to make HR functions more cost-efficient and responsive to the organizational strategy.

Ans: True

Difficulty: Medium

Response: See page 47

Ref: Shared Services

MATCHING KEY TERMS AND DEFINITIONS

- a) Employee relations function
- b) Scientific management
- c) Maintenance function
- d) Training and development function
- e) Hawthorne Studies
- f) Controlling
- g) Motivation function
- h) Planning
- i) Leading
- j) Organizing
- k) Shared services
- l) Communication programs
- m) Management
- n) Strategic human resource management
- o) Staffing function
- p) Labor union
- q) Compensation and benefits

16. Activities in HRM concerned with seeking and hiring qualified employees.

Ans: o

Difficulty: Easy

Response: See page 34

Ref: Staffing Function

17. A primary management function focusing on determining what activities need to be completed to accomplish organizational goals

Ans: j

Difficulty: Medium

Response: See page 32

Ref: Reviewing the Functions of Management

18. A primary management function ensuring that the right people are on the job with appropriate skills, and motivating them to high levels of performance

Ans: i

Difficulty: Medium

Response: See page 32

Ref: Reviewing the Functions of Management

19. A primary management function that consists of monitoring activities to ensure that organizational goals are achieved.

Ans: f

Difficulty: Medium

Response: See page 32

Ref: Reviewing the Functions of Management

20. Acts on behalf of its members to secure wages, hours, and other terms and conditions of employment.

Ans: p

Difficulty: Easy

Response: See page 38

Ref: Labor Unions

21. A set of principles designed to enhance worker productivity.

Ans: b

Difficulty: Medium

Response: See page 40

Ref: Management Thought

22. Activities in HRM concerned with helping employees exert at high energy levels.

Ans: g

Difficulty: Medium

Response: See page 36

Ref: Motivation Function

23. Activities in HRM concerned with assisting employees to develop up-to-date skills, knowledge, and abilities.

Ans: d

Difficulty: Medium

Response: See page 36

Ref: Training and Development Function

24. Activities in HRM concerned with effective communications among organizational members

Ans: a

Difficulty: Medium

Response: See page 43

Ref: Employee Relations

25. HRM function concerned with paying employees and administering the benefits package.

Ans: q

Difficulty: Medium

Response: See page 42
Ref: Compensation and Benefits

26. HRM programs designed to provide information to employees.

Ans: l
Difficulty: Medium
Response: See page 37
Ref: Maintenance Function

27. A primary management function that consists of establishing organizational goals.

Ans: h
Difficulty: Medium
Response: See page 32
Ref: Reviewing the Functions of Management

28. Activities in HRM concerned with employee commitment and loyalty to the organization.

Ans: c
Difficulty: Medium
Response: See page 37
Ref: Maintenance Function

29. A series of studies conducted at a plant of Western Electric in the 1920s and 1930s that provided new insights into group behavior.

Ans: e
Difficulty: Medium
Response: See page 40
Ref: Management Thought

30. Sharing HRM activities among geographically dispersed divisions.

Ans: k

Difficulty: Medium
Response: See page 48
Ref: Shared Services

31. The process of efficiently completing activities with and through people.

Ans: m
Difficulty: Medium
Response: See page 32
Ref: Introduction

32. Aligning HR policies and decisions with the organizational strategy and mission.

Ans: n
Difficulty: Medium
Response: See page 32
Ref: The Strategic Nature

FILL-IN-THE BLANKS

33. _____ are those who work with and through people, allocating resources in the effort to achieve goals.

Ans: Managers
Difficulty: Medium
Response: See page 32
Ref: Reviewing the Functions of Management

34. HRM is a _____ function that provides assistance in HRM matters to line employees or those directly involved in producing the organization's goods and services.

Ans: staff or support
Difficulty: Medium
Response: See page 32
Ref: THE HRM FUNCTIONS

35. The term, “Human Resource Management,” denotes a more professional and sophisticated role than the term, “_____.”

Ans: personnel

Difficulty: easy

Response: See page 30

Ref: Why is HRM Important to an Organization?

36. External HRM influences are categorized into the general areas of the dynamic environment, _____, labor unions, and current management practice.

Ans: laws and regulation

Difficulty: Medium

Response: See page 38

Ref: HOW EXTERNAL INFLUENCES AFFECT HRM

37. The _____ paved the way for the human relations movement.

Ans: Hawthorne studies

Difficulty: Medium

Response: See page 40

Ref: Management Thought

38. _____ act on behalf of their members to negotiate work hours and wage rates.

Ans: Labor unions

Difficulty: Easy

Response: See page 38

Ref: Labor Unions

39. _____ are designed to assist employees in advancing their work lives.

Ans: Career development programs

Difficulty: Hard

Response: See page 36
Ref: EXHIBIT 2-3

40. Job performance is a function of the employee's ability and _____ to do the work.

Ans: willingness
Difficulty: Medium
Response: See pages 36-37
Ref: Motivation Function

41. The main thrust of the _____ is to promote staffing activities.

Ans: employment function
Difficulty: Medium
Response: See page 41
Ref: Employment

42. _____ is designed to help the organization ensure that it has the necessary talent internally for meeting future human resource needs.

Ans: Employee development
Difficulty: Medium
Response: See page 36
Ref: Exhibit 2 – 3 Training and Development Function

43. A _____ is a company that assumes all HR functions of a client company by hiring all of its employees and leasing them back to the company.

Ans: professional employer organization
Difficulty: Hard
Response: See page 47
Ref: Professional Employer Organization (PEO)

44. The HR _____ is typically concerned with only one of the four functions of HR.

Ans: specialist
Difficulty: Medium
Response: See page 45
Ref: Is a Career in HR for Me?

MULTIPLE – CHOICE

45. The primary functions of management are
- a) planning, organizing, adapting, and measuring.
 - b) organizing, planning, leading, and adapting.
 - c) leading, organizing, planning, and controlling.
 - d) planning, leading, controlling, and adapting.
 - e) planning, adapting, leading, and improvising.

Ans: c
Difficulty: Medium
Response: See page 32
Ref: Reviewing the Functions of Management

46. Which of the following statements best describes the role of managers?
- a) The role of managers is to set organizational goals.
 - b) The role of managers is to delegate responsibilities and ensure that organizational goals are met.
 - c) The role of managers is to monitor activities and employees to ensure that organizational goals are met.
 - d) The role of managers is to reward and punish employees to ensure that organizational goals are met.
 - e) The role of managers is to work with and through other people, allocating resources, in the effort to achieve organizational goals.

Ans: e
Difficulty: Medium
Response: See page 32
Ref: Reviewing the Functions of Management

47. Vinita, the Vice-President of Human Resources at ABC Products, starts her staff meeting with, “The work process engineering we implemented last year was a good start. We need to

overhaul four of the other production areas within the next 18 months. What do you think are reasonable goals and objectives, based on last year's work?" She is performing the management function of

- a) controlling.
- b) leading.
- c) organizing.
- d) planning.
- e) adapting.

Ans: d

Difficulty: Hard

Response: See page 30

Ref: INTRODUCTION

48. Which of the following is true regarding the achievement of organizational objectives?

- a) Any effort to achieve organizational objectives has three elements in common: goals, people, and leadership.
- b) Any effort to achieve organizational objectives has three elements in common: goals, scarce resources, and leadership.
- c) Any effort to achieve organizational objectives has three elements in common: goals, people, and leadership.
- d) Any effort to achieve organizational objectives has three elements in common: goals, limited resources, and people.
- e) Any effort to achieve organizational objectives has three elements in common: goals, scarce resources, and technological edge.

Ans: d

Difficulty: Medium

Response: See page 32

Ref: Reviewing the Functions of Management

49. Abby is a manager in a toy store. She is screening and evaluating resumes for a sales associate position in her store. She is very concerned whether the new sales associate will have the appropriate skills for the job and how to motivate them once they are hired. The primary management function indicated is

- a) planning.
- b) organizing.
- c) leading.
- d) controlling.
- e) delegating.

Ans: c

Difficulty: Hard

Response: See page 32

Ref: Reviewing the Functions of Management

50. Josh as a manager is focused on the primary management function of determining what activities need to be completed to accomplish his organizational goals. Josh is focused on which of these functions?

- a) Planning
- b) Organizing
- c) Leading
- d) Controlling
- e) Delegating

Ans: b

Difficulty: Medium

Response: See page 32

Ref: Reviewing the Functions of Management

51. Mary as a manager is focused on the primary management function that consists of establishing organizational goals. Mary is focused on which of these functions?

- a) Planning
- b) Organizing
- c) Leading
- d) Controlling
- e) Delegating

Ans: a

Difficulty: Medium

Response: See page 32

Ref: Reviewing the Functions of Management

52. Marty, as a manager, is focused on the primary management function that consists of ensuring that the right people are on the job with appropriate skills, and motivating them to high levels of performance. Marty is focused on which of these functions?

- a) Planning
- b) Organizing
- c) Leading
- d) Controlling

e) Delegating

Ans: c

Difficulty: Medium

Response: See page 32

Ref: Reviewing the Functions of Management

53. Employee relations are part of which primary HRM activity?

- a) Global assessment
- b) Motivation
- c) Staffing
- d) Training and development
- e) Maintenance

Ans: e

Difficulty: Medium

Response: See page 34

Ref: EXHIBIT 2-2

54. All of the following are within the primary HRM functions EXCEPT:

- a) meeting federal guidelines for employment practices.
- b) hiring the best qualified candidates.
- c) establishing working conditions that are conducive to retaining the best workers.
- d) setting production standards.
- e) training employees to function effectively within the organization.

Ans: d

Difficulty: Medium

Response: See page 34

Ref: EXHIBIT 2-2

55. Emmanuel conducts new employee orientation for a large organization. His work is within which basic HRM function?

- a) Training and development
- b) Work process engineering
- c) Motivation
- d) Career management
- e) Staffing

Ans: a

Difficulty: Medium

Response: See page 34

Ref: EXHIBIT 2-2

56. You have been offered a job by a major manufacturer as a campus recruiter for technology positions. Your work will be in which HRM function?

- a) Training and development
- b) Maintenance
- c) Motivation
- d) Career management
- e) Staffing

Ans: e

Difficulty: Medium

Response: See page 34

Ref: EXHIBIT 2 – 2

57. Tamara is an HRM professional whose primarily involved in the motivation function. As such, she may perform all of these activities EXCEPT

- a) employee benefits.
- b) health and safety.
- c) job design.
- d) performance appraisals.
- e) rewards and compensation.

Ans: b

Difficulty: Medium

Response: See page 34

Ref: EXHIBIT 2 – 2

58. Which of the following is NOT true regarding changes in the U.S. workplace over the last 35 years?

- a) There has been a reduction in the number of federal and state laws regarding hiring and employment practices.
- b) Jobs have become more technical and require employees with more knowledge and skills
- c) Teamwork has become more prevalent.
- d) The number of employees working from home has increased.
- e) Job boundaries are becoming more blurred.

Ans: a

Difficulty: Medium

Response: See page 31

Ref: WHY IS HRM IMPORTANT TO AN ORGANIZATION?

59. Which of the following is NOT a responsibility of human resource professionals?

- a) Train employees to improve their productivity.
- b) Design a work environment conducive to employee retention.
- c) Manage the professional development of each employee.
- d) Attract the best qualified employees.
- e) Improve the well-being of employees by closely monitoring their personal and family life.

Ans: e

Difficulty: Medium

Response: See page 31

Ref: WHY IS HRM IMPORTANT TO AN ORGANIZATION?

60. To assist the organization in its strategic direction, which of the following must HRM NOT do?

- a) Only react to the decisions made by top managers
- b) Be forward thinking
- c) Take the lead regarding the “people” dimension of the organization
- d) Support the business strategy
- e) Attract and retain the most qualified employees

Ans: a

Difficulty: Medium

Response: See page 32

Ref: The Strategic Nature

61. Chris is a human resource professional who is currently working with line managers to reward those employees who are creative and innovative. Chris’s work is aligning HR strategy with which organizational strategy?

- a) Cost differentiation
- b) Customer intimacy
- c) Customer/Market focus
- d) Product differentiation
- e) Motivation

Ans: d

Difficulty: Hard

Response: See page 33

Ref: Exhibit 2-1

62. An effective HRM communications program should have all of the following elements EXCEPT

- a) top management commitment.
- b) an effective upward communication mechanism.
- c) a way to determine what to communicate.
- d) a way to allow for feedback.
- e) no lower-level employee involvement.

Ans: e

Difficulty: Medium

Response: See page 43 – 44

Ref: Employee Relations

63. Tom accepted an overseas assignment from his employer, however, after 30 days, he and his family were disgruntled. This most likely occurred because HR failed to

- a) make arrangements for the family pet to join Tom and his family members overseas.
- b) involve both Tom and his entire family in the relocation and orientation process prior to departure.
- c) change Tom's compensation and benefits to match those of other employees in the new location.
- d) provide return airline tickets to Tom and his family.
- e) none of the above.

Ans: b

Difficulty: Medium

Response: See page 49

Ref: HRM IN A GLOBAL ENVIRONMENT

64. Which of these legislation raises the mandatory retirement age from 65 to 70; uncapped in 1986?

- a) Immigration Reform and Control Act
- b) Employee Retirement Income and Security Act
- c) Mandatory Retirement Act

- d) Age Discrimination in Employment Act
- e) Civil Rights Act

Ans: c

Difficulty: Easy

Response: See page 39

Ref: EXHIBIT 2 – 4

65. Albert, a VP for Human Resources, is evaluating the extent to which the hiring and employment practices in his organization are in compliance with federal and state laws. Which type of external influences that impact HRM is Albert is considering?

- a) Workforce diversity
- b) Community relations
- c) Laws and regulations
- d) Ethics
- e) Labor unions

Ans: c

Difficulty: Medium

Response: See page 38

Ref: HOW EXTERNAL INFLUENCES AFFECT HRM

66. Kai, a human resources manager in a service organization, has rewritten the policies and procedures manual and all job descriptions to remove any idioms, and arranged for translations into six languages. This is an example of which part of the dynamic environment of HRM?

- a) Employee involvement
- b) Technology
- c) Inception
- d) Labor unions
- e) Workforce diversity

Ans: e

Difficulty: Hard

Response: See page 38

Ref: The Dynamic Environment of HRM

67. All of the following are examples of the HRM dynamic environment EXCEPT:

- a) compensation
- b) ethics

- c) work process engineering
- d) globalization
- e) decentralized work sites

Ans: a

Difficulty: Medium

Response: See page 38

Ref: The Dynamic Environment of HRM

68. The nearly decade study that gave rise to what is today called the human relations movement was the _____ studies.

- a) Hawthorne
- b) Longfellow
- c) Mayo
- d) Emerson
- e) Paulson

Ans: a

Difficulty: Medium

Response: See page 40

Ref: Management Thought

69. The Hawthorne studies were the work of

- a) John Hawthorne.
- b) Elton Mayo.
- c) Hugo Munsterberg.
- d) Frederick Taylor.
- e) Mary Parker Follet.

Ans: b

Difficulty: Easy

Response: See page 40

Ref: Management Thought

70. _____ is considered the father of scientific management.

- a) Frederick Taylor
- b) Hugo Munsterberg
- c) Mary Parker Follet
- d) Tom Peters

e) Elton Mayo

Ans: a

Difficulty: Easy

Response: See page 40

Ref: Management Thought

71. Which of the following early management theorists suggested improved methods of employment testing, training, performance evaluations, and job efficiency?

- a) Frederic Taylor
- b) Hugo Munsterberg
- c) Mary Parker Follet
- d) Tom Peters
- e) Elton Mayo

Ans: b

Difficulty: Hard

Response: See page 40

Ref: Management Thought

72. Who was an early management theorist and social philosopher who advocated people-oriented organizations?

- a) Frederic Taylor
- b) Hugo Munsterberg
- c) Mary Parker Follet
- d) Tom Peters
- e) Elton Mayo

Ans: c

Difficulty: Medium

Response: See page 40

Ref: Management Thought

73. Which of the following is NOT true?

- a) Labor unions exist to assist workers with the management of an organization.
- b) Labor unions act on behalf of their members to secure wages, hours, and other terms and conditions of employment.
- c) Labor unions promote and foster grievance procedure.
- d) When a union is present, the employer can fire employees for unjustified reasons.

e) When a union is present, HRM practices are spelled out in a negotiated agreement.

Ans: d

Difficulty: Medium

Response: See page 38

Ref: Labor Unions

74. Unions assist workers in dealing with the management of an organization in all of these ways EXCEPT:

- a) they work to negotiate better retirement packages.
- b) they work to establish good pay rates for members.
- c) they constrain management from making unilateral decisions.
- d) they have the final say in supervisor selection.
- e) they work for plant safety improvements.

Ans: d

Difficulty: Medium

Response: See page 38

Ref: Labor Unions

75. Which of the following is NOT an external influence that affects HRM?

- a) Labor unions
- b) Laws and regulations
- c) Job design
- d) The dynamic environment
- e) Current management practice

Ans: c

Difficulty: Hard

Response: See page 38

Ref: HOW EXTERNAL INFLUENCES AFFECT HRM

76. Which critical aspect of unions may keep management from making unilateral decisions?

- a) Work teams
- b) Spillover effect
- c) Alliance networks
- d) Grievance procedures
- e) Globalization

Ans: d

Difficulty: Medium

Response: See page 38

Ref: Labor Unions

77. Why would workers in a modern organization unionize?

- a) To decide new plant locations.
- b) To limit the grievance procedure process.
- c) To get more retirement benefits.
- d) To increase executive compensation packages.
- e) To encourage unilateral decision making.

Ans: c

Difficulty: Easy

Response: See page 38

Ref: Labor Unions

78. Which of these activities ends the staffing function?

- a) Recruiting
- b) Selection
- c) Interview
- d) Qualifications defined
- e) Career development

Ans: b

Difficulty: Easy

Response: See page 35

Ref: Staffing Function

79. Lou, an HR manager, knows there is trouble in the staffing function for which of these reasons?

- a) There are a large number of minority applicants.
- b) Most applicants are successful on the job.
- c) Retention of new employees is well above the industry average.
- d) There are a large number of qualified applicants.
- e) There are a large number of unqualified applicants.

Ans: e

Difficulty: Hard

Response: See page 35
Ref: Staffing Function

80. The goal of _____ is to have competent, adapted employees who possess up-to-date skills, knowledge, and abilities to perform their current jobs more successfully.

- a) training and development
- b) employee training
- c) empowerment training
- d) work process development
- e) organization development

Ans: a
Difficulty: Medium
Response: See page 36
Ref: Training and Development Function

81. Which of these training and development functions is designed to provide better skills for the current job?

- a) Career development
- b) Employee development
- c) Employee training
- d) Organization development
- e) Skill qualification

Ans: c
Difficulty: Medium
Response: See page 36
Ref: EXHIBIT 2 – 3

82. Which of the following describes the employee development function?

- a) Providing technological support for all employees.
- b) Ensuring that the organization has the necessary talent internally for meeting future human resource needs.
- c) Assisting employees in acquiring better skills for their current job.
- d) Assisting employees in advancing their work lives.
- e) Facilitating system-wide changes in the organization.

Ans: b
Difficulty: Medium

Response: See page 36
Ref: EXHIBIT 2 – 3

83. Which of the following describes the organization development function?

- a) Providing technological support for all employees.
- b) Ensuring that the organization has the necessary talent internally for meeting future human resource needs.
- c) Assisting employees in acquiring better skills for their current job.
- d) Assisting employees in advancing their work lives.
- e) Facilitating system-wide changes in the organization.

Ans: e

Difficulty: Medium

Response: See page 36

Ref: EXHIBIT 2 – 3

84. Which of the following describes the career development function?

- a) Providing technological support for all employees.
- b) Ensuring that the organization has the necessary talent internally for meeting future human resource needs.
- c) Assisting employees in acquiring better skills for their current job
- d) Assisting employees in advancing their work lives.
- e) Facilitating system-wide changes in the organization.

Ans: d

Difficulty: Medium

Response: See page 36

Ref: EXHIBIT 2-3

85. Employee motivation can be increased by all of the following EXCEPT

- a) maintaining a level of respect between employees and management.
- b) involving employees in decisions which affect them.
- c) listening to employees.
- d) implementing employee suggestions where appropriate.
- e) improving the lounge and cafeteria areas.

Ans: e

Difficulty: Medium

Response: See page 37

Ref: Motivation Function

86. Which of the following is NOT true regarding the maintenance function?

- a) Maintaining employees' commitment to the organization.
- b) Keeping employees well-informed about what is going on around them.
- c) Ensuring a safe and healthy work environment.
- d) Ensuring that the employees have the appropriate skills and abilities to perform their job.
- e) Helping employees exert at high energy levels

Ans: e

Difficulty: Medium

Response: See page 37

Ref: Maintenance Function

87. Jon, the manager of a technology firm, has become aware that many of his employees, once highly productive, are making mistakes due to the stress of work/home balance and the influence of illegal substances. He comes to you, HR manager, for suggestions. What do you tell him?

- a) Discuss job redesign options.
- b) Encourage mandatory drug testing as part of the hiring process.
- c) Refer these employees to the employee assistance programs available for these situations.
- d) Change job qualification specifications.
- e) Transfer the employees to another department. Give him the transfer forms.

Ans: c

Difficulty: Medium

Response: See page 37

Ref: Maintenance Function

88. In which of these activities, an employee relations specialist would be involved?

- a) Working with position control specialists in compensation.
- b) Ensure policies and procedures are enforced properly.
- c) Making the job offer.
- d) Benefits administration.
- e) Conducting the initial interview.

Ans: b

Difficulty: Medium

Response: See page 43

Ref: Employee Relations

89. Olga is an employment manager whose goal is to get qualified persons into the right job. This activity is better known as _____.

- a) salary planning
- b) communication programs
- c) benefits
- d) recruiting
- e) career development

Ans: d

Difficulty: Medium

Response: See page 41

Ref: Employment

90. Sofia graduated from your college about 10 years ago with an HRM degree. She has developed job analysis and job evaluation materials for three different organizations. She is well suited for which senior HRM position?

- a) Compensation and benefits manager
- b) Employee relations manager
- c) Labor relations manager
- d) Training and development manager
- e) Employment manager

Ans: a

Difficulty: Hard

Response: See page 42

Ref: Compensation and Benefits

91. Jamal, a plant manager in a medium-sized nonunion manufacturing firm, has just “wasted” another day answering employee complaints and questions about the change from a production focus to a customer demand focus that the company launched last year. He heads home with a briefcase full of the work he had scheduled to do. He wonders if HRM can help, and scans his company phone book. Whom should he call?

- a) Tom, employment manager
- b) Don, employee relations manager
- c) Myrtle, compensation and benefits manager
- d) Mason, training and development manager
- e) Sheila, union grievance avoidance specialist

Ans: d

Difficulty: Hard

Response: See pages 41-42

Ref: Training and Development

92. What were the major findings of the Watson Wyatt Human Capital Index study?

- a) Most major HRM practices are merely fads.
- b) Potential HRM benefits are overshadowed by production costs.
- c) A fully functioning HR department makes a significant financial contribution to an organization.
- d) Small businesses utilize HRM resources better than large organizations.
- e) HRM has no link to shareholder return.

Ans: c

Difficulty: Medium

Response: See page 45

Ref: Does HRM Really Matter?

93. A large manufacturing organization uses several consulting firms to provide training programs, private staffing agencies to perform recruiting and selection activities, and a financial organization to handle benefits administration. This situation is an example of

- a) outsourcing.
- b) shared services.
- c) decentralized work surveillance.
- d) telecommuting.
- e) offshoring.

Ans: a

Difficulty: Medium

Response: See page 47

Ref: Outsourcing

94. A large manufacturing organization, with 20 geographically dispersed production facilities recently cut its HRM staff by 60%. Each site has a few generalists, but specialist needs in recruiting and selection planning, employment law, training, and benefits administration have been consolidated into one location. This situation is an example of

- a) outsourcing.
- b) shared services.
- c) decentralized work surveillance.

- d) telecommuting.
- e) offshoring.

Ans: b

Difficulty: Medium

Response: See page 48

Ref: Shared Services

95. How has Sarbanes-Oxley affected HRM?

- a) HRM now monitors financial reporting to shareholders.
- b) HRM must coordinate visas, work visas and travel arrangements.
- c) HRM now supervises executive loans.
- d) HRM must certify financial reports.
- e) HRM must create the environment where whistleblowers can come forward without fear of reprisal.

Ans: e

Difficulty: Hard

Response: See page 49

Ref: HR AND CORPORATE ETHICS

96. Which of the following is not true regarding HRM in small business operations?

- a) The owner-manager is often responsible for performing HRM activities.
- b) Small-business human resource departments are sometimes staffed with a full-time secretary.
- c) The owner-manager does not have to keep current with respect to legal issues because of the small size of the business.
- d) Small-business human resource departments are often staffed with one individual.
- e) Small-business human resource departments must achieve the same goals that a larger department achieves.

Ans: c

Difficulty: Hard

Response: See page 48

Ref: HRM IN A SMALL BUSINESS