

Human Resource Management, 11e (Noe)

Chapter 1 Human Resource Management: Gaining a Competitive Advantage

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

Answer: FALSE

Explanation: 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.

Difficulty: 1 Easy

Topic: What Responsibilities and Roles do HR Departments Perform?

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

2) Samir is responsible for orientation and providing basic computer training. He must be a member of the HR analysis and design team.

Answer: FALSE

Explanation: 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

Difficulty: 2 Medium

Topic: What Responsibilities and Roles do HR Departments Perform?

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: TRUE

Explanation: 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.

Difficulty: 1 Easy

Topic: What Responsibilities and Roles do HR Departments Perform?

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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.

Answer: TRUE

Explanation: 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.

Difficulty: 1 Easy

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

5) Since HR can use the Internet for training, benefits, and contracts, their role in providing self-service has decreased.

Answer: TRUE

Explanation: 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.

Difficulty: 2 Medium

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

6) CompCo has contracted with Move Bros for relocation services. This type of practice is not the norm for outsourcing.

Answer: FALSE

Explanation: Outsourcing is 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.

Difficulty: 2 Medium

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: FALSE

Explanation: Evidence-based HR requires the use of HR or workforce analytics. HR or workforce analytics is 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.

Difficulty: 1 Easy

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

8) *Evidence-based HR* refers to the demonstration that human resource practices have no impact on the company's bottom line or key stakeholders.

Answer: FALSE

Explanation: *Evidence-based HR* refers to the demonstration that human resources practices have a positive influence on the company's bottom line or key stakeholders.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: TRUE

Explanation: Intangible assets are equally as or even more valuable than financial and physical assets, but they are difficult to duplicate or imitate.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: TRUE

Explanation: 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.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: TRUE

Explanation: 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.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

12) First State is faced with a decision to hire part-time employees or more full-time employees. Management has heard that part-time employees make the job easier to fill but take longer to train. On the other hand, it is easier to terminate full-time employees.

Answer: FALSE

Explanation: From a company perspective, it is easier to add temporary employees when they are needed and easier to terminate their employment when they are not needed.

Difficulty: 3 Hard

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Apply

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: TRUE

Explanation: 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.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: FALSE

Explanation: 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.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

15) Bread and Butter has decided to adopt total quality management (TQM). In doing so, training in quality was offered to only the employees who oversee the ovens and baking.

Answer: FALSE

Explanation: 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.

Difficulty: 3 Hard

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Apply

AACSB: Analytic

Accessibility: Keyboard Navigation

16) Big data used in evidence-based HR gathers information from many different sources.

Answer: TRUE

Explanation: Big data merges information from a variety of sources, including HR databases, corporate financial statements, and employee surveys to demonstrate how human resource practices influence an organization's bottom line.

Difficulty: 1 Easy

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

17) Since the baby boomers are getting closer to retirement, the U.S. workforce is predicted to decrease in average age.

Answer: FALSE

Explanation: 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. Third, immigration will continue to affect the size and diversity of the workforce.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

18) Workers with disabilities can be a source of competitive advantage.

Answer: TRUE

Explanation: Workers with disabilities can be a source of competitive advantage.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: TRUE

Explanation: 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 a more thorough critical analysis of issues.

Refer to: Table 1.12

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: TRUE

Explanation: 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 Securities and Exchange Commission rules.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

21) Lean is a new way to envision the work. Projects using lean methodology emphasize only new skills to improve and do not encourage the use of old skills in new ways.

Answer: FALSE

Explanation: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: TRUE

Explanation: Social networking resolves the issue of loss of expert knowledge from retirement through knowledge sharing, capturing, and storing.

Refer to: Table 1.13

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-05 Identify how new technology; such as social networking; is influencing human resource management.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: FALSE

Explanation: High-performance work systems maximize the fit between a company's social system (employees) and its technical system.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

24) As part of updating the HR resources available to employees and managers, Tyree creates an intranet of useful materials that include performance evaluation metrics. This is an example of an HR dashboard.

Answer: TRUE

Explanation: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

25) Measuring employees' performance is a part of the compensation function of HR.

Answer: FALSE

Explanation: 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.

Difficulty: 1 Easy

Topic: Meeting Competitive Challenges through HRM Practices

Learning Objective: 01-07 Provide a brief description of human resource management practices.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

26) _____ refers to the policies, practices, and systems that influence employees' behavior, attitudes, and performance.

- A) Total quality management
- B) Financial management
- C) Human resource management
- D) Production and operations management
- E) Competency management

Answer: C

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

Difficulty: 1 Easy

Topic: Introduction

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

27) The training and development function of an HR department includes

- A) job analysis.
- B) orientation.
- C) performance measures.
- D) attitude surveys.
- E) policy creation.

Answer: B

Explanation: The training and development function of an HR department includes orientation, skills training, development programs, and career development.

Refer to: Table 1.1

Difficulty: 1 Easy

Topic: What Responsibilities and Roles do HR Departments Perform?

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

28) Holly was hired recently by her firm to provide coaching to a work unit that is underperforming. This is part of the _____ function of HR.

- A) recruitment and selection
- B) compensation and benefits
- C) employee relations
- D) personnel policies
- E) performance management

Answer: E

Explanation: Performance measures, the 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

Difficulty: 2 Medium

Topic: What Responsibilities and Roles do HR Departments Perform?

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

29) Mani is unsure of which 401K and retirement plan will meet his needs. He should make an appointment to see a counselor who works with

- A) training and development.
- B) employee relations.
- C) compensation benefits.
- D) employee data and information systems.
- E) legal compliance.

Answer: C

Explanation: Wage and salary administration, incentive pay, insurance, vacation, retirement plans, profit sharing, health and wellness, and stock plans are part of the compensation and benefits function of an HR department.

Refer to: Table 1.1

Difficulty: 1 Easy

Topic: What Responsibilities and Roles do HR Departments Perform?

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

30) Often someone new to HR will be assigned to the _____ HR department to manage employee data and information systems functions.

- A) job analysis and description
- B) record keeping and workforce analytics
- C) attitude surveys and labor law compliance
- D) orientation and skills training
- E) talent and change management

Answer: B

Explanation: 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

Difficulty: 2 Medium

Topic: What Responsibilities and Roles do HR Departments Perform?

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

- A) It deals with implementation of business plans and talent management.
- B) It emphasizes knowing the business and exercising influence.
- C) It emphasizes the knowledge of HR and of the business and competition.
- D) It contributes to the business strategy based on considerations of business capabilities.
- E) It deals with functions such as compensation, hiring, and staffing.

Answer: E

Explanation: 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

Difficulty: 1 Easy

Topic: What Responsibilities and Roles do HR Departments Perform?

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

32) When Joe responded to Terri's email about how to find information on benefits and compensation, Joe was providing

- A) performance management.
- B) self-service.
- C) employee engagement.
- D) talent management.
- E) shared service.

Answer: B

Explanation: *Self-service* refers to giving employees online access to information about HR issues such as training, benefits, compensation, and contracts; online enrollment in programs and services; and completion of online attitude surveys.

Difficulty: 2 Medium

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

33) Alpha Consulting provides HR services to small companies that do not need full-time HR. Contracting with Alpha Consulting is known as

- A) e-commerce.
- B) reshoring.
- C) downsizing.
- D) benchmarking.
- E) outsourcing.

Answer: E

Explanation: Outsourcing is 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.

Difficulty: 2 Medium

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

34) Traditionally, the HRM department was primarily a(n)

- A) proactive agency.
- B) finance expert.
- C) employer advocate.
- D) administrative expert.
- E) payroll expert.

Answer: D

Explanation: 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.

Difficulty: 1 Easy

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

35) Which of the following is true of workforce analytics?

- A) It relies on qualitative measures to evaluate employer performance.
- B) It collects and analyzes information only from external databases.
- C) It does not aid in evidence-based human resource decisions.
- D) It does not include information from HR databases and financial reports.
- E) It can show that HR practices influence an organization's profits.

Answer: E

Explanation: *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.

Difficulty: 1 Easy

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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?

- A) Relationship management
- B) HR technical expertise
- C) Organizational navigation
- D) Ethical practice
- E) Consultation

Answer: B

Explanation: 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

Difficulty: 1 Easy

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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?

- A) Relationship management
- B) HR technical expertise
- C) Organizational navigation
- D) Ethical practice
- E) Business acumen

Answer: A

Explanation: 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

Difficulty: 2 Medium

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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.
- B) HR technical expertise and practice.
- C) global and cultural effectiveness.
- D) business acumen.
- E) critical evaluation.

Answer: C

Explanation: An HR professional having competency in global and cultural effectiveness is effective at managing human resources both within and across boundaries. Two 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

Difficulty: 2 Medium

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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.

Answer: C

Explanation: 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

Difficulty: 1 Easy

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

40) Which competency is an HR professional 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

Answer: E

Explanation: 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. Two of the behaviors that a professional with this competency exhibits are maintaining confidentiality and acting professionally.

Refer to: Figure 1.3

Difficulty: 1 Easy

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

41) As part of Eric's small business loan application, he has to demonstrate the "triple bottom line" of economic, social, and environmental benefits. In doing so, his business is seen as

- A) futuristic.
- B) corporate.
- C) sustainable.
- D) communal.
- E) profit.

Answer: C

Explanation: *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.

Difficulty: 3 Hard

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Apply

AACSB: Analytic

Accessibility: Keyboard Navigation

- 42) A company competing through sustainability is likely to
- A) place increased value on tangible assets.
 - B) avoid social and environmental responsibilities.
 - C) emphasize productivity more than quality.
 - D) adapt badly to changes in the labor force.
 - E) provide high-quality products and services.

Answer: E

Explanation: 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, are socially and environmentally responsible, and adapt to the changing characteristics and expectations of the labor force.

Refer to: Figure 1.4

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

- 43) When a corporate organization competes through globalization, as opposed to technology, it is likely to put most of its efforts into
- A) social responsibility.
 - B) environmental issues.
 - C) expansion into foreign markets.
 - D) development of HR dashboards.
 - E) integration of technology and social systems.

Answer: C

Explanation: 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

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

44) Typically when a company is in the news, it is because the company failed to be sustainable. Which of the following best describes its failure?

- A) The company is able to meet the business needs at the cost of environmental responsibilities.
- B) The company is pursuing economic goals despite social and ethical concerns.
- C) The company has developed socially responsible strategies at the cost of profits.
- D) The company is willing to sacrifice the business and other needs to support the needs of its competitors.
- E) The company is unable to meet the business needs without sacrificing the ability of future generations to meet theirs.

Answer: E

Explanation: Sustainability is 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.

Difficulty: 3 Hard

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Apply

AACSB: Analytic

Accessibility: Keyboard Navigation

45) Over the next decade, which of the following people will have the most difficulty attracting talented employees due to a skills deficit?

- A) Tracy, the owner of several fast-food franchises
- B) Rex, the HR manager for a biotech research firm
- C) Yelena, the director of a mobile advertising company
- D) Franco, the HR director for a large grocery chain
- E) Barbara, the superintendent of an urban school system

Answer: C

Explanation: Many businesses today have difficulty attracting employees who possess the knowledge and skills necessary to perform successfully on the job. There is a significant shortage of people with skills in science, technology, engineering, and math (STEM).

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Evaluate

AACSB: Analytic

Accessibility: Keyboard Navigation

46) As part of today's job culture new employees are assigned mentors who guide the new employee through on-the-job training as well as the culture of the company. This is known as _____ capital.

- A) social
- B) customer
- C) human
- D) intellectual
- E) financial

Answer: A

Explanation: Corporate culture, management philosophy, management practices, informal networking systems, and coaching/mentoring relationships are examples of social capital.

Refer to: Table 1.6

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

47) Distribution channels are an example of _____ capital.

- A) social
- B) customer
- C) human
- D) intellectual
- E) financial

Answer: B

Explanation: Customer capital includes customer relationships, brands, customer loyalty, and distribution channels.

Refer to: Table 1.6

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

48) Che was being recruited by a competitor due to her success at her current company in getting several new patents. This is an example of _____ capital.

- A) social
- B) customer
- C) human
- D) intellectual
- E) financial

Answer: D

Explanation: Intellectual capital includes patents, copyrights, trade secrets, and intellectual property.

Refer to: Table 1.6

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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) Hector, 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) Jing, who prefers that members of his team always report to him what they do throughout the day
- D) Zara, who assigns responsibility to her subordinates and intervenes only when there is a need
- E) Darnell, who assigns complete authority to his subordinates and does not offer any guidance

Answer: D

Explanation: 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.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Apply

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: E

Explanation: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

51) Google employs the practice of team building and rewards ideas that are outside the box. They are likely to have _____ compared to a company with low engagement.

- A) lower retention
- B) lower empowerment
- C) poorer customer service
- D) lower productivity
- E) lower turnover

Answer: E

Explanation: Employee engagement is 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Apply

AACSB: Analytic

Accessibility: Keyboard Navigation

52) _____ is 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

Answer: C

Explanation: Talent management is 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.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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.

Answer: B

Explanation: 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.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: D

Explanation: 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

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

55) When BP Oil provided funds to clean up the oil spill in the Gulf of Mexico, they were recognizing the importance of

- A) a balanced scorecard approach
- B) performance management
- C) total quality management
- D) social responsibility
- E) cultural responsibility

Answer: D

Explanation: 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 the shareholders' and general public's demands that they be more socially, ethically, and environmentally responsible.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: B

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

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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.

Answer: E

Explanation: 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

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

58) Which 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, not through training.
- D) It discourages employees from lean thinking.
- E) It aims to create a total business focus on serving the customer.

Answer: E

Explanation: The Six Sigma process consists 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.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

59) When a company participates in lean thinking they evaluate current practices to

- A) do minimal work with highest attention and care for details.
- B) deliver the best customer service while compromising on volume and quantity.
- C) create quality products and services using maximum resources.
- D) do more with less effort, time, space, and equipment.
- E) discourage training and quality programs.

Answer: D

Explanation: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

- A) Ahmad, who works for Phoenix Inc. as a full-time employee
- B) Tamika, 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) Rogerio, who is unemployed and not looking for employment
- E) Karla, who works for Jupiter Inc. and is seeking employment elsewhere

Answer: E

Explanation: 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. Karla is the only person in this scenario who is not currently employed by Phoenix Inc. and is seeking a new job.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Apply

AACSB: Analytic

Accessibility: Keyboard Navigation

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 a decrease in health benefits will cause many employees to quit working.

Answer: D

Explanation: The median age of the labor force will increase to 42.4 years old. The labor force is expected to increase by 8 million in the next decade, reaching 164 million in 2024.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

- A) It includes people who were born between 1925 and 1945.
- B) Its members grew up much before the personal computer was invented.
- C) Its members value skepticism and informality.
- D) It is called the "me" generation.
- E) Its members prefer close supervision and has a lot of patience.

Answer: C

Explanation: The members of Generation X, born between 1965 and 1980, value skepticism, informality, and practicality; they seek work/life balance and dislike close supervision.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

63) Today's workforce is changing. Many recent college graduates will expect to be allowed to work a flexible schedule that meets their needs. How is this different from 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.

Answer: D

Explanation: 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.

Difficulty: 3 Hard

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Apply

AACSB: Analytic

Accessibility: Keyboard Navigation

- 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.

Answer: D

Explanation: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

- 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.

Answer: D

Explanation: Traditionalists and Baby Boomers believe that Millennials don't have a strong work ethic because they are too concerned with work-life balance.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: C

Explanation: 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

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: A

Explanation: The system flexibility argument emphasizes that reactions should be faster and cost less.

Refer to: Table 1.12

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: E

Explanation: 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

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: D

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

Refer to: Table 1.12

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: C

Explanation: The employee attraction argument states that companies develop reputations on favorability as prospective employers for women and ethnic minorities.

Refer to: Table 1.12

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

71) Which of the following is a prediction about legal issues regarding employment in the United States?

- A) The emphasis on eliminating discrimination is likely to end.
- B) The focus will turn away from pre-employment tests.
- C) There will be less focus on criminal background screening.
- D) There are likely to be fewer challenges to race discrimination.
- E) There will be less emphasis on discrimination against veterans.

Answer: E

Explanation: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

72) With technology constantly changing and employers attempting to keep talented employees away from their competition, which legal issue may be on the rise in the United States?

- A) Workplace safety will receive less attention.
- B) HR professionals will work independently without legal counsel.
- C) There will be no penalty for not providing health care coverage.
- D) Reporting and inspection requirements will decrease.
- E) Security of intellectual property will receive more attention.

Answer: E

Explanation: Recent highly publicized leaks of classified documents have raised awareness of the need to carefully scrutinize data security practices. HR practices may increase the use of electronic monitoring and the surveillance of knowledge workers to protect an organization's intellectual property.

Difficulty: 3 Hard

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Apply

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: C

Explanation: 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

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: C

Explanation: 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.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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.

Answer: B

Explanation: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Ethics

Accessibility: Keyboard Navigation

76) Which of the following is a core value of TQM?

- A) Methods are designed to meet the needs of external customers, 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.

Answer: D

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

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

77) Sampson Lighting was struggling to make a quality product and meet its payroll. The costs for labor were too high. They visited several countries and then decided to move the production side of the business. This is called

- A) insourcing.
- B) offshoring.
- C) reshoring.
- D) onshoring.
- E) homesourcing.

Answer: B

Explanation: Offshoring is exporting 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.

Difficulty: 3 Hard

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-04 Discuss what companies should do to compete in the global marketplace.

Bloom's: Apply

AACSB: Analytic

Accessibility: Keyboard Navigation

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

- A) Rising labor costs overseas
- B) Increasing wage costs in the United States
- C) Increasing public support for offshoring in the United States
- D) Improving health and safety requirements overseas
- E) Decreasing cost of living overseas

Answer: D

Explanation: Reshoring is becoming more common among U.S. companies. Reasons for this include concerns about the demoralizing effects of outsourcing on U.S. employees, the potentially negative effects of offshoring on the company's public image, the need for employees to be located close to business partners, and rising labor costs overseas, particularly in China as its middle class grows and demands higher wages.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-04 Discuss what companies should do to compete in the global marketplace.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

79) Many companies today are having to redo their personnel policies to address the issue of social networking. This is due to a fear of

- A) suppressed knowledge sharing.
- B) creation of online expert communities.
- C) loss of expert knowledge.
- D) no sharing of best practices.
- E) lower productivity.

Answer: E

Explanation: Issues that can be addressed by social networking include the loss of expert knowledge due to retirement, the promotion of innovation and creativity, the 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 1.13

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-05 Identify how new technology; such as social networking; is influencing human resource management.

Bloom's: Understand

AACSB: Technology

Accessibility: Keyboard Navigation

- 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 combine top talent to solve tough challenges.

Answer: E

Explanation: Virtual teams are 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. Options for talent are not limited by geography, so the best people can collaborate in virtual teams to address difficult problems.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Remember

AACSB: Technology

Accessibility: Keyboard Navigation

- 81) How does employees' use of mobile devices offer an advantage to companies?
- A) Companies do not need to lease storage space in the cloud.
 - B) Employees have access to work information at any time or location.
 - C) Companies can decrease spending on desktop computers and software.
 - D) The devices facilitate automation of key HR and business practices.
 - E) It minimizes social networking by employees during business hours.

Answer: B

Explanation: Mobile devices such as smartphones and tablets provide employees with anytime, anywhere access to HR applications and other work-related information.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Understand

AACSB: Technology

Accessibility: Keyboard Navigation

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.

Answer: E

Explanation: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Understand

AACSB: Technology

Accessibility: Keyboard Navigation

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.

Answer: D

Explanation: 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.

Difficulty: 1 Easy

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Remember

AACSB: Technology

Accessibility: Keyboard Navigation

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

Answer: A

Explanation: In the context of HRM practices supporting high-performance work systems, employees' understanding of how their jobs contribute to the final product is a part of work design.

Refer to: Table 1.14

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

85) Which of the following HRM practices involves employees receiving feedback?

- A) Work design
- B) Performance management
- C) Training
- D) Staffing
- E) Compensation

Answer: B

Explanation: In the context of HRM practices supporting high-performance work systems, employee feedback and how actively they are involved in the performance improvement process are part of performance management.

Refer to: Table 1.14

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: D

Explanation: Employees participate in selecting new employees, such as through peer interviews, in an HRM staffing practice that supports high-performance work systems.

Refer to: Table 1.14

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: E

Explanation: 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

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: C

Explanation: 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.

Difficulty: 1 Easy

Topic: Meeting Competitive Challenges through HRM Practices

Learning Objective: 01-07 Provide a brief description of human resource management practices.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: B

Explanation: 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; and maximizes customer service, quality, and productivity.

Difficulty: 1 Easy

Topic: Meeting Competitive Challenges through HRM Practices

Learning Objective: 01-07 Provide a brief description of human resource management practices.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

90) Which of the following activities is part of the assessment and development of the 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 a work environment that benefit the company
- E) Creating pay systems as well as providing employees with benefits

Answer: D

Explanation: 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 a work environment that benefit both the company and the employee.

Difficulty: 1 Easy

Topic: Meeting Competitive Challenges through HRM Practices

Learning Objective: 01-07 Provide a brief description of human resource management practices.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

91) What are the two challenges that HR managers face? Discuss how the shared service model and the self-service model help them overcome the two challenges.

Answer: The amount of time that the HRM function devotes to administrative tasks is decreasing, and its roles as a strategic business partner, a change agent, and an 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; online enrollment in programs and services; and completion of online attitude surveys.

Difficulty: 2 Medium

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

92) Discuss the competencies, according to the Society for Human Resource Management, that HR professionals require to be successful.

Answer: 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 is 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.

Refer to: Figure 1.3

Difficulty: 2 Medium

Topic: Strategic Role of the HRM Function

Learning Objective: 01-01 Discuss the roles and activities of a company's human resource management function.

Bloom's: Remember

AACSB: Analytic

Accessibility: Keyboard Navigation

93) What is meant by empowering, and what type of training must be conducted to make it effective?

Answer: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-02 Discuss the implications of the economy; the makeup of the labor force; and ethics for company sustainability.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

94) Discuss the balanced scorecard approach of measuring stakeholder performance.

Answer: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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.

Answer: 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, a 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.

Refer to: Table 1.9

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: 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 improve 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 a more thorough critical analysis of issues.
6. System flexibility argument: Diversity brings greater flexibility when reacting to changes in customer preferences and tastes.

Refer to: Table 1.12

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-03 Discuss how human resource management affects a company's balanced scorecard.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: 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 videoconferencing 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-04 Discuss what companies should do to compete in the global marketplace.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-05 Identify how new technology; such as social networking; is influencing human resource management.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

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

Answer: 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 firm 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.

Difficulty: 2 Medium

Topic: Competitive Challenges Influencing Human Resource Management

Learning Objective: 01-06 Discuss human resource management practices that support high-performance work systems.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation

100) Outline the four dimensions of human resource management practices.

Answer: 1. Managing the human resource environment: Managing internal and external environmental factors allows 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 that 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 to attract new employees.

Difficulty: 2 Medium

Topic: Meeting Competitive Challenges through HRM Practices

Learning Objective: 01-07 Provide a brief description of human resource management practices.

Bloom's: Understand

AACSB: Analytic

Accessibility: Keyboard Navigation