

## Chapter 1

### Human Resource Management's Role and Strategic Nature

#### Multiple Choice

1. Human resource management is \_\_\_\_\_.
  - a. supervision, monitoring, controlling, and disciplining employees in order to achieve organizational goals
  - b. having management systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals
  - c. the use and coordination of human skills to ensure the profitability and survival of the organization
  - d. the design of the organization and its systems in order to achieve the goals of the organization

ANSWER: B, 1

2. The aim of \_\_\_\_\_ is to provide a sufficient supply of qualified individuals to fill jobs in an organization.
  - a. diversity assessment and training
  - b. staffing
  - c. HR planning and analysis
  - d. human resource development

ANSWER: B, 3

3. Employee rights must be addressed in \_\_\_\_\_.
  - a. both unionized and non-unionized organizations
  - b. primarily unionized organizations
  - c. union-free workplaces to inhibit organizing attempt
  - d. government rather than non-government workplaces

ANSWER: A, 3

4. An activity of HR management that is important to facilitating good employee relations is \_\_\_\_\_.
  - a. a voluntary workplace suggestion system
  - b. the distribution of a company newsletter
  - c. the development and communication of HR policies and procedures
  - d. an employee assistance program

ANSWER: C, 3

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5. Henry, the production manager for a chemical plant, resents what he feels are unwarranted intrusions into his territory by HR managers. Henry feels that his relationships with his employees are strong and supportive, and that HR initiatives generally cause unnecessary trouble and complications. Which of the following statements is true?
- a. Henry is correct because the HR function is a support function and should not intrude on day-to-day management functions.
  - b. HR managers have the sole responsibility for the proper implementation of company policy regarding employees. Henry is subverting this process.
  - c. Henry is probably committing major violations of company policy and wants to keep this secret from HR personnel.
  - d. Henry would be surprised to learn that every manager, including him, is an HR manager.

ANSWER: D, 9

6. What are the three HR management roles?
- a. personnel, human relations, labor relations
  - b. administrative, operational and employee advocate, strategic
  - c. operational, labor relations, strategic
  - d. short term, intermediate term, longer term

ANSWER: B, 10

7. Two major shifts driving the transformation of the administrative role of HR management are \_\_\_\_\_ and \_\_\_\_\_.
- a. economics; job changes
  - b. technology; training
  - c. advanced level degree programs for HR professionals; enhanced HR systems
  - d. technology; outsourcing

ANSWER: D, 6

8. The \_\_\_\_\_ role of HR management emphasizes human capital and its contribution to organizational results.
- a. employee advocate
  - b. administrative
  - c. strategic
  - d. operational

ANSWER: C, 10

9. One of the two main purposes of HR technology is strategic in nature, whereby the organization benefits from \_\_\_\_\_.
- a. greater administrative efficiency
  - b. better managerial decision making
  - c. employee self-service functionality
  - d. less paperwork

ANSWER: B, 9

10. World wide, small businesses employ more than \_\_\_\_\_ percent of private-sector employees?
- a. 60
  - b. 50
  - c. 40
  - d. 30

ANSWER: B, 9

11. Which of the following is not one of the four elements identified by the text as critical to increasing ethical behavior?
- a. a written code of ethics and standards of conduct
  - b. systems for confidential reporting of ethical misconduct
  - c. training on ethical behavior for all employees
  - d. roundtable discussions involving management and employees to discuss ethical issues facing the business

ANSWER: D, 5

12. The primary determinant of ethical behavior in an organization is \_\_\_\_\_
- a. size of the organization
  - b. nature of the industry
  - c. availability of audit staff
  - d. organizational culture

ANSWER: D, 5

13. Which of the following is NOT a necessary competency for HR professionals?
- a. training in psychology
  - b. operational capabilities
  - c. technology usage capabilities
  - d. strategic knowledge

ANSWER: A, 10

14. Beyond the basics, HR leaders may need additional competency in which area?
- a. business and organizational knowledge
  - b. certification as employee benefits specialists
  - c. employee orientation skills
  - d. event planning

ANSWER: A, 10

15. Which of the following activities is NOT a focus for HR after an acquisition deal has been closed?
- a. due diligence
  - b. payroll migration
  - c. frequent communications
  - d. guidance for managers

ANSWER: A, 15

16. Temporary workers, independent contractors, leased employees, and part-timers are collectively referred to as \_\_\_\_\_, and make up about \_\_\_\_\_ of the U.S. workforce.
- a. contingent workers; 30%
  - b. non-organizational employees; 25%
  - c. contingent workers; 25%
  - d. non-organizational employees; 20%

ANSWER: C, 7

17. \_\_\_\_\_ provides input to organizational strategic planning.
- a. Human resource development
  - b. Organizational scanning
  - c. Strategic HR management
  - d. Human resource strategy

ANSWER: C, 11

18. HR management plays a significant strategic role in organizations where there are identifiable core competencies that relate to people. All of the following are prominent areas in which strategic HR management can have impact, except \_\_\_\_\_.
- a. ethics
  - b. customer service and quality
  - c. organizational productivity
  - d. branding and marketing

ANSWER: D, 4-5

19. "The shared values and beliefs in an organization" is a definition of \_\_\_\_\_.
- organizational norms
  - organizational culture
  - organizational ethics
  - organizational commitment

ANSWER: B, 2

20. By restructuring the organization, HR can contribute to the improvement of organizational productivity. Which of the following approaches to improving productivity is not considered to be an organizational restructure?
- eliminating layers of management
  - reducing staff
  - changing reporting relationships
  - re-shaping jobs due to technology changes

ANSWER: D, 4

21. \_\_\_\_\_ begins with the process of defining an organizational strategy and making decisions on allocating resources.
- Human resource planning
  - Environmental scanning
  - Labor market analysis
  - Strategic planning

ANSWER: D, 11

22. The HR planning process begins with \_\_\_\_\_.
- an environmental scan
  - a review of the organizational needs
  - an assessment of the internal workforce
  - a review of the organization's objectives and strategies

ANSWER: A, 13

23. In HR planning, which variable is NOT assessed as an HR-related factor that can add value from the organization's internal environment?
- quantity of human resources
  - quality of human resources
  - the federal tax code
  - organizational culture

ANSWER: C, 13

24. A citizen of one country working in another country and employed by an organization headquartered in the first country is called a(an) \_\_\_\_\_.

- a. expatriate
- b. host-country national
- c. third-country national
- d. detached duty employee

ANSWER: A, 8

25. Compensation costs for hourly production workers is greatest in \_\_\_\_\_
- a. U.S
  - b. Japan
  - c. Germany
  - d. France

ANSWER: C, 8

26. The process of identifying a longer-term plan for the orderly replacement of key employees is called \_\_\_\_\_.
- a. succession planning
  - b. HR planning
  - c. recruiting campaign
  - d. workforce planning

ANSWER: A, 13

27. Specific measures tied to HR performance indicators are called:
- a. HR deliverables
  - b. HR targets
  - c. HR metrics
  - d. HR evaluations

ANSWER: C, 20

28. Organizations who are using overtime, hiring contingent workers, and outsourcing work are likely addressing a \_\_\_\_\_.
- a. surplus of employees
  - b. workforce realignment
  - c. shortage of employees
  - d. succession plan

ANSWER: C, 18

29. Which of the following is NOT an HR metric for employee retention and quality?
- a. average employee tenure
  - b. employee age distribution

- c. percent of new hires retrained for 90 days
- d. employee performance in first year

ANSWER: B, 21

30. A widely used financial measure that can be applied to measure HR is \_\_\_\_\_, which is the net operating profit of a firm after the cost of capital is deducted.
- a. full-time equivalents (FTE)
  - b. return on investment (ROI)
  - c. HR scorecard
  - d. wealth

ANSWER: D, 22

31. One approach to assessing HR effectiveness is \_\_\_\_\_, which compares specific measures of performance against data on those measures in other organizations.
- a. benchmarking
  - b. compa-valuation
  - c. HR appraisal
  - d. HR scorecard

ANSWER: A, 20

32. A (an) \_\_\_\_\_ is a formal research effort to assess the current state of HR practices in an organization
- a. Follow up study
  - b. HR audit
  - c. HR Intervention
  - d. Metric assessment

ANSWER: B, 23

33. Monitoring employee actions and performance is much easier and less expensive today due to:
- a. technological advances
  - b. new legal rulings
  - c. decline in union strength
  - d. employee demographics

ANSWER: A, 19

34. A measure that calculates the value of expenditures for HR activities, and how long it will take for them to pay for themselves, is called:
- a. balanced scorecard

- b. ROI
- c. discounted cash flow
- d. value added

ANSWER: B, 21-22

35. HR metrics are used as:
- a. headcount parameters
  - b. financial statement supplements
  - c. salary determinants
  - d. performance indicators

ANSWER: D, 20

36. Succession planning and \_\_\_\_\_ ensure that high-quality talent will be available to carry out strategy.
- a. forecasting technology
  - b. regulatory relief
  - c. leadership development
  - d. union avoidance

ANSWER: C, 13

37. Expansion of HR technology serves what two major purposes in administration and operations?
- a. efficiency and effectiveness
  - b. security and audit trails
  - c. Sarbanes-Oxley compliance and data recovery
  - d. secrecy and standardization

ANSWER: A, 9

38. The final step in strategic planning is:
- a. Perform SWOT analysis
  - b. Formulate supporting functional strategies
  - c. Evaluate and re-assess
  - d. Set of goals and objectives

ANSWER: C, 12

39. \_\_\_\_\_ in the labor market set(s) the price for high-quality talent and determines the availability of workers.

- a. competition
- b. turmoil
- c. union restrictions
- d. immigration trends

ANSWER: A,14

40. An ideal international approach to HR is:
- a. Relies entirely on home-country practices
  - b. Is weighted toward home-country practices
  - c. Is weighted toward host-country practices
  - d. employs the best of both home- and host-country practices

ANSWER: D, 14

### True and False

41. Paying relatively high wages will make any organization uncompetitive.

ANSWER: False, 4

A firm may still remain competitive if it has high productivity and resultant low unit labor costs.

42. The operational role of HR management requires managing HR activities and serving as employee advocate.

ANSWER: True, 10

43. The biggest increase in jobs over the next several years is expected to be in the manufacturing industry.

ANSWER: False, 7

The biggest increase in jobs will be in the services such a health care and IT.

44. One reason for the decline in contingent workers is that they increase costs for the employer.

ANSWER: False, 7

Contingent workers offer the advantage of a reduction in cost for the employer.

45. The focus of HR planning is to have the right capabilities, at the right times, and in the right places.

ANSWER: True, 11

46. In order for mergers and acquisitions to be successful, HR professionals should spend a significant amount of time on cultural aspects of the transaction.

ANSWER: True, 15

47. Due to immigration trends, the average age of the U.S. workforce is declining.

ANSWER: False, 9

The average age of the U.S. workforce is increasing.

### **Essay**

48. Identify and define the three roles of HR management.

ANSWER: 10

(1) Administrative – clerical administration and recordkeeping. (2) Operational and Employee Advocate – requires HR professionals to identify and implement needed programs and policies in the organization, in cooperation with operating managers. HR is also seen as the “employee advocate,” to ensure the fair and equitable treatment of employees. (3) Strategic – helping define the strategy relative to human capital and its contributions to organizational results.

52. Identify three major issues for HR management to address once a corporate acquisition deal has been closed.

ANSWER: 15

Merging administrative functions such as payroll and benefits, retaining employee talent, employee communications, and guidance for managers during the transition are cited in the text.

53. Identify at least two strategic HR management approaches used to enhance organizational productivity.

ANSWER: 4

Restructuring the organization, re-designing work, aligning HR activities, and outsourcing are the four main approaches identified in the text.

54. Identify at least three potential ethical concerns regarding administration of employee compensation.

ANSWER: 6

Misrepresenting time worked, falsifying expense reports, bias in performance appraisals, deliberate inappropriate overtime classifications, and accepting gifts from vendors are the issues identified in the text.

55. Name three metrics used in measuring the effectiveness of HR.

ANSWER: 21-23

Revenue per employee, Return on investment (ROI), Human Economic Value Added (HEVA), and Human Capital Value Added (HCVA) are measures identified in the text.