

Chapter 1 The Challenges of HRM

MULTIPLE CHOICE

1. What does HRM refer to?
 - a. techniques and processes for organizing people and work activities
 - b. management techniques for controlling people at work
 - c. an integrated set of processes focusing on effective employee deployment and development
 - d. all management activities

ANS: C PTS: 1 REF: 4 OBJ: 1
BLM: R

2. Which resources are essential to an organization?
 - a. utilities, money and people
 - b. money, machines and people
 - c. people, machines and utilities
 - d. machines, utilities and finances

ANS: B PTS: 1 REF: 4 OBJ: 1
BLM: R

3. What is the significance of the new phrases “human capital,” “intellectual assets,” and “talent management” that have crept into business jargon?
 - a. they illustrate how organizations recognize the individual differences of each employee
 - b. they highlight how people are brought together to achieve a common purpose
 - c. they emphasize the value that people have to organizations
 - d. they imply that people need to be managed as resources

ANS: C PTS: 1 REF: 4 OBJ: 1| 3
BLM: HO

4. ARC Refrigeration Inc. is particularly good at bringing together different kinds of people to achieve their common organizational purpose. What is this the essence of?
 - a. human resources management
 - b. organizational strategy
 - c. organizational vision and goals
 - d. enlightened leadership

ANS: A PTS: 1 REF: 4 OBJ: 1
BLM: HO

5. Which function is within the framework for Human Resources Management?
- a. ISO 9000
 - b. customer expectations
 - c. employee relations
 - d. globalization

ANS: C

PTS: 1

REF: 5

OBJ: 1| 2

BLM: R

6. Which activity is part of a line manager's responsibility?
- a. compensation policies
 - b. performance management systems
 - c. scheduling production
 - d. ensuring legal compliance

ANS: C

PTS: 1

REF: 7

OBJ: 1| 4

BLM: HO

7. Which of the following is an HRM activity?
- a. ensuring legal compliance
 - b. selecting employees
 - c. project management
 - d. job coaching

ANS: A

PTS: 1

REF: 5

OBJ: 2

BLM: HO

8. In a recent survey, what did employees cite as a major influence on their decision to stay with an organization?
- a. good pay and benefits
 - b. progressive policies and procedures
 - c. their direct manager
 - d. challenging work

ANS: C

PTS: 1

REF: 6

OBJ: 3

BLM: R

9. Which activity is NOT part of HRM?
- a. occupational health and safety
 - b. job designs and job descriptions
 - c. planning, recruitment, and selection
 - d. promotions and transfers

ANS: D

PTS: 1

REF: 5

OBJ: 2

BLM: R

10. What HR activity determines what, where, when, and how work tasks are done?
- a. defining and designing work
 - b. human resource planning
 - c. recruitment and selection
 - d. employee relations

ANS: A PTS: 1 REF: 5 OBJ: 2
BLM: HO

11. What HR activity provides the resources to assist employees in developing the necessary knowledge and skills to do their jobs today and in the future?
- a. job descriptions and design
 - b. human resource planning
 - c. training and development
 - d. strategic planning

ANS: C PTS: 1 REF: 5 OBJ: 2
BLM: HO

12. What HR process ensures that people in the organization are the right people with the right skills at the right time in the right place?
- a. human resource planning
 - b. job descriptions and work design
 - c. recruitment and selection
 - d. employee relations

ANS: A PTS: 1 REF: 5 OBJ: 2
BLM: HO

13. Which of the following is NOT an emerging area in the field of HRM?
- a. high performance work groups
 - b. incentive compensation
 - c. organizational development
 - d. human resource information systems

ANS: B PTS: 1 REF: 5 OBJ: 2
BLM: R

14. What are two emerging areas in the field of HRM?
- a. organizational development and flexible work arrangements
 - b. incentive compensation and labour relations
 - c. pay and benefits, and safety
 - d. performance management and job design

ANS: A PTS: 1 REF: 5 OBJ: 2
BLM: R

15. What are two emerging areas in the field of HRM?
- a. executive compensation and labour relations
 - b. safety and unions
 - c. performance management and staffing
 - d. high performance work groups and HRIS

ANS: D PTS: 1 REF: 5 OBJ: 2
BLM: R

16. What emerging HR activity is an extension of training and development?
- a. on the job coaching
 - b. learning and organizational development
 - c. human resource planning
 - d. employee development

ANS: B PTS: 1 REF: 5 OBJ: 2
BLM: HO

17. Which term describes the structure of HR processes and activities and their relationship to the organization and the employees?
- a. linear
 - b. integrated
 - c. functional
 - d. dynamic

ANS: B PTS: 1 REF: 6 OBJ: 1| 2| 4
BLM: HO

18. Why is it important that line managers understand HRM?
- a. it allows managers to meet their goals through the achievement of organization goals
 - b. it allows managers to apply HRM principles in the execution of their technical skills
 - c. managers are the key link between the employee and the customer
 - d. managers are responsible for a wide range of HRM activities

ANS: D PTS: 1 REF: 6 OBJ: 3
BLM: HO

19. Jayne Carter, the Vice President of HR for Starline Hotels is focused on ensuring that Starline Hotels is staffed with the most effective human resources to achieve the organizations strategic goals. What is Jayne's role?
- a. operational
 - b. strategic
 - c. staffing
 - d. administrative

ANS: B PTS: 1 DIF: Understanding/Application
REF: 8 OBJ: 1| 2| 4 BLM: HO

20. What is the HR practitioner's primary role?
- a. ensuring the line managers carry out HR policies
 - b. ensuring technology is introduced throughout the organization
 - c. ensuring vacation time is effectively and fairly scheduled
 - d. ensuring the line managers have the best human resource practices

ANS: D PTS: 1 REF: 8 OBJ: 4
BLM: R

21. Who is the key link between the employee and the organization?
- a. the line manager or supervisor
 - b. the human resource manager
 - c. the work group
 - d. the department teams

ANS: A PTS: 1 REF: 9 OBJ: 4
BLM: HO

22. HR departments play an active role in influencing change within organizations. What is NOT part of the HR role?
- a. developing credibility
 - b. developing sound business knowledge
 - c. setting production standards for employees
 - d. becoming business partners with the entire organization

ANS: C PTS: 1 REF: 8 OBJ: 2| 4
BLM: R

23. In organizations that have an HR unit, what do HR managers assume a greater role in?
- a. executive planning and decision making
 - b. selecting employees who deserve bonuses
 - c. assessing the causes of production problems
 - d. setting department goals for line managers

ANS: A PTS: 1 REF: 8 OBJ: 2| 4
BLM: R

24. Which of the following is NOT part of the major role of HR professionals?
- a. provide guidance and assistance to line managers
 - b. assume a greater role in top management planning and decision making
 - c. relieve line managers of their HR responsibilities
 - d. help organizations achieve success by maximizing employee potential

ANS: C PTS: 1 REF: 8 OBJ: 2| 4
BLM: R

25. Which of the following is part of the role of a line manager?
- a. executive planning and decision making
 - b. assessing the causes of production problems
 - c. developing human resource policies
 - d. helping organizations achieve success by maximizing employee potential

ANS: B PTS: 1 REF: 7 OBJ: 4
BLM: R

26. Kyle Jon, the HRM at Riverside Hotels, typically supports and advises the line managers. What type of authority is Kyle using?
- a. line
 - b. staff
 - c. functional
 - d. legitimate

ANS: B PTS: 1 REF: 7 OBJ: 4
BLM: HO

27. Ciara McKay, the banquet manager at Riverside Hotels, typically provides coaching and feedback to her employees. What type of authority is Ciara using?
- a. line
 - b. staff
 - c. functional
 - d. legitimate

ANS: A PTS: 1 REF: 7 OBJ: 4
BLM: HO

28. Manteo Resort places an increased emphasis on the growth and development of its people. The managers are front-and-centre in identifying the gaps in any skill sets and the HR practitioner offers ways of bridging the gaps. What is this an example of?
- a. functional authority
 - b. line manager and HRM partnership
 - c. strategic planning
 - d. human resource planning

ANS: B PTS: 1 REF: 14 OBJ: 4
BLM: HO

29. The HRM for a Canadian real estate company wants to develop an overall recruitment approach to attract individuals with key skill sets. This approach would then generate a pool of applicants with the required competencies for all the regions. The regional manager will actually select the best person from this pool. What is this an example of?
- a. appropriate functional authority
 - b. misuse of staff authority
 - c. appropriate line and staff authority
 - d. inappropriate line and staff authority

ANS: C PTS: 1 REF: 9 OBJ: 4
BLM: HO

30. What is a current business challenge facing organizations and human resource management?
- a. employee assistance programs
 - b. developing human capital
 - c. HRIS policies
 - d. conflict management

ANS: B PTS: 1 REF: 10 OBJ: 5
BLM: R

31. What are three current business challenges facing organizations?
- a. global economy, demographics, and technology
 - b. language, organizational culture, and employee assistance
 - c. human resource planning, staffing, and training
 - d. labour relations, language, and culture

ANS: A PTS: 1 REF: 10 OBJ: 5
BLM: R

32. How has the effect of globalization added to HRM responsibilities?
- a. they are balancing complicated issues related to language and communication
 - b. they must know the differences in country legislations and business practices
 - c. there are increased concerns about privacy, ethics, and culture
 - d. they must address employee concerns about outsourcing

ANS: B PTS: 1 REF: 10 OBJ: 5
BLM: HO

33. Which is the best example of HRM responding to the challenge of globalization?
- a. identifying capable expatriate managers
 - b. containing staffing costs
 - c. redesigning jobs and the ways in which people work
 - d. estimating the demand and supply of human resources

ANS: A PTS: 1 REF: 10 OBJ: 5
BLM: HO

34. Globalization is not just of interest to large firms. What percentage of the Canadian economy is affected by international competition?
- a. 80 to 90 %
 - b. 70 to 80 %
 - c. 50 to 60 %
 - d. 30 to 40 %

ANS: B

PTS: 1

REF: 10

OBJ: 5

BLM: R

35. When managers talk about “going global”, they have to balance a complicated set of issues. Which of the following is NOT one of those issues?
- a. cultural differences
 - b. gender differences
 - c. legal differences
 - d. geographical differences

ANS: B

PTS: 1

REF: 11

OBJ: 5

BLM: R

36. SynCore, a Canadian oil and gas company and DYNA, a Canadian mining company have been experiencing growth while the Canadian car manufacturing industry has declined significantly. What current business challenge is this an example of?
- a. demographics and employee concerns
 - b. technology and quality
 - c. culture and environment
 - d. evolution of firms and sector survival

ANS: D

PTS: 1

REF: 12

OBJ: 5

BLM: HO

37. Which of the following is used by companies to minimize the negative impact on individuals during downsizing?
- a. flextime
 - b. job sharing
 - c. lay off employees based on performance
 - d. outsourcing

ANS: B

PTS: 1

REF: 12

OBJ: 5

BLM: HO

38. What is the term for hiring someone outside the company to perform tasks that could be done internally?
- a. contracting
 - b. outplacement
 - c. employee leasing
 - d. outsourcing

ANS: D PTS: 1 REF: 12 OBJ: 5
BLM: R

39. Which of the following is NOT a method used to contain costs, as an alternative to downsizing?
- a. outsourcing
 - b. contract workers
 - c. employee leasing
 - d. employee redeployment

ANS: D PTS: 1 REF: 13 OBJ: 5
BLM: R

40. Which is the best example of HRM responding to the challenge of technology?
- a. identifying technically skilled workers
 - b. containing costs
 - c. redesigning jobs and the ways in which people work
 - d. developing privacy and code of conduct policies

ANS: C PTS: 1 REF: 13 OBJ: 5
BLM: HO

41. What is the influence of technology on HRM?
- a. operational (i.e. automation), enhanced services and increased access to information
 - b. increased contracting out, outsourcing and employee leasing
 - c. concerns about privacy, ethics and culture
 - d. a complicated set of issues related to language and communication

ANS: A PTS: 1 REF: 14 OBJ: 1 | 2 | 4
BLM: HO

42. A study by the Conference Board of Canada detailed the skills that are important for contributing to innovation in the workplace. Which of the following are two of the skills?
- a. continuous improvement and relationship-building
 - b. conflict resolution and communication
 - c. planning and teamwork
 - d. positive attitude and analytical problem-solving

ANS: A PTS: 1 REF: 14 OBJ: 5
BLM: R

43. A study by the Conference Board of Canada detailed the skills that are important for contributing to innovation in the workplace. Which of the following are two of the skills?
- a. creativity and communication
 - b. relationship building and critical thinking
 - c. implementation and risk taking
 - d. teamwork and analytical problem-solving

ANS: C PTS: 1 REF: 14 OBJ: 5
BLM: R

44. What is a major implication for HRM that has resulted from technological advancement?
- a. older worker retention
 - b. hiring new employees to handle the increased workload
 - c. greater ability to manage HR information
 - d. the need to restrict employee use of the Internet

ANS: C PTS: 1 REF: 14 OBJ: 5
BLM: HO

45. Which of the following is NOT a primary impact that technology has had on HRM?
- a. Technology has improved the processes of internal and external communications.
 - b. Technology has altered the methods of collecting employment information.
 - c. Technology has diminished the role of supervisors in managing employees.
 - d. Technology has sped up the processing of employment data.

ANS: C PTS: 1 REF: 14 OBJ: 5
BLM: R

46. Which of the following is NOT one of the ways that information technology influences HRM?
- a. IT stores and retrieves large amounts of information quickly.
 - b. IT improves productivity with the HR function.
 - c. IT enhances services to line managers and employees.
 - d. IT increases the cost of computer hardware.

ANS: D PTS: 1 DIF: Recognizing/Recalling
REF: 15 OBJ: 5 BLM: R

47. What is the goal of Six Sigma, ISO 9000, and TQM management approaches?
- a. to improve quality and achieve higher customer satisfaction
 - b. to improve resource allocation
 - c. to embrace new technology and manage change
 - d. to enhance human resource development

ANS: A PTS: 1 REF: 18 OBJ: 5
BLM: HO

48. What is the term for finding the best practices in other organizations which can be brought into the company to enhance performance?
- a. worldwide quality standards
 - b. profit maximization
 - c. competitive assessment quality management
 - d. benchmarking

ANS: D PTS: 1 REF: 19 OBJ: 5
BLM: R

49. What is an important factor in effective quality improvement strategies?
- a. employee education
 - b. job evaluation
 - c. job specifications
 - d. change in HRM policies and procedures

ANS: A PTS: 1 DIF: Understanding
REF: 19 OBJ: 5 BLM: HO

50. What is the overall term used to describe the value of knowledge, skills, and capabilities that may not show up on a company's balance sheet but nevertheless have tremendous impact on an organization's performance?
- a. human capital
 - b. core competencies
 - c. knowledge capital
 - d. stakeholder value

ANS: A PTS: 1 REF: 21 OBJ: 5
BLM: HO

51. What is the term used to describe the combination of knowledge, skills, and characteristics needed to effectively perform a role in an organization?
- a. knowledge capital
 - b. human capital
 - c. core competencies
 - d. talent management

ANS: C PTS: 1 REF: 22 OBJ: 5
BLM: HO

52. What is the term used to describe leveraging competencies to achieve high organizational performance?
- a. knowledge capital
 - b. human capital
 - c. core competencies
 - d. talent management

ANS: D PTS: 1 REF: 22 OBJ: 5
BLM: HO

53. What is the term for the skills, knowledge, education and experience of an organization's workforce?
- a. human capital
 - b. intellectual capital
 - c. core competencies
 - d. employee capital

ANS: A PTS: 1 REF: 21 OBJ: 5
BLM: HO

54. What are integrated knowledge sets within an organization known as that distinguish it from its competitors, and that deliver value to customers?
- a. individual competencies
 - b. core competencies
 - c. human capital
 - d. organizational competencies

ANS: B PTS: 1 REF: 22 OBJ: 5
BLM: R

55. What part of an organization is formed by a focus on customer and active listening skills?
- a. its human capital formation
 - b. its skills inventory
 - c. its core competencies
 - d. its leveraged talent

ANS: C PTS: 1 REF: 22 OBJ: 5
BLM: HO

56. What practices are a growing number of companies using to accommodate the generational cohorts who strive to balance the demands of their jobs with the needs of their families or non work lives?
- a. offering greater job flexibility, such as part-time work
 - b. offering educational leaves and training funds
 - c. offering onsite day care
 - d. offering financial supports for elder care services

ANS: A PTS: 1 REF: 23 OBJ: 6
BLM: HO

57. According to Statistics Canada, what percentage of the labour force growth do immigrants represent?
- a. 72 %
 - b. 68 %
 - c. 54 %
 - d. 33 %

ANS: D

PTS: 1

REF: 23

OBJ: 6

BLM: R

58. According to Statistics Canada, what percentage of the labour force do first nations represent?
- a. 15.2 %
 - b. 10.1 %
 - c. 5.7 %
 - d. 3.8 %

ANS: D

PTS: 1

REF: 23

OBJ: 6

BLM: R

59. In what way are Canadian labour force demographics expected to change?
- a. College graduates will make up a smaller share of the Canadian labour force than they did in the past.
 - b. Women will make up a smaller share of the Canadian labour force than they did in the past.
 - c. Visible minorities will make up a smaller share of the Canadian labour force than they did in the past.
 - d. Young entry-level workers will make up a smaller share of the Canadian labour force than they did in the past.

ANS: D

PTS: 1

REF: 23

OBJ: 6

BLM: HO

60. What is the Canadian workforce anticipated to exhibit in the future?
- a. about the same demographic mix as it does today
 - b. an increase in Generation X workers
 - c. an increase in ethnic diversity
 - d. a decrease in the number of older workers

ANS: C

PTS: 1

REF: 23

OBJ: 6

BLM: HO

61. Which demographic change is of concern to organizations?

- a. salary expectations
- b. working-age population
- c. benefit costs
- d. ethics codes

ANS: B

PTS: 1

REF: 25

OBJ: 6

BLM: HO

62. Which demographic change is of concern to organizations?

- a. compensation expectations
- b. older workers
- c. family friendly policies
- d. information systems

ANS: B

PTS: 1

REF: 25

OBJ: 6

BLM: HO

63. RB Trucking is experiencing an increasingly imbalanced age distribution of their long haul truck drivers and office administration assistants. What does this mean for their future labour force?

- a. retraining workers will not be as important as it is today
- b. there will be greater competition for advancement opportunities
- c. there will be more workers available to support retirement benefits
- d. there will be more career opportunities for the middle-aged employee

ANS: B

PTS: 1

REF: 25

OBJ: 6

BLM: HO

64. According to Statistics Canada, approximately what percentage of the Canadian workforce do women comprise?

- a. 36.8 %
- b. 43.9 %
- c. 51.0 %
- d. 62.0 %

ANS: D

PTS: 1

REF: 26

OBJ: 6

BLM: R

65. In recent years, has the educational attainment of the Canadian labour force changed?

- a. no, it has remained at about the same level
- b. yes, it has fallen slightly
- c. yes, it has fallen dramatically
- d. yes, it has risen steadily

ANS: D

PTS: 1

REF: 26

OBJ: 6

BLM: R

66. What percentage of the Canadian population lacks the basic literacy skills to meet everyday requirements in our society?
- a. 25 %
 - b. 35 %
 - c. 45 %
 - d. 55 %

ANS: C
BLM: R

PTS: 1

REF: 26

OBJ: 6

67. Approximately what percentage of the Canadian working population work part-time?
- a. 30 %
 - b. 20 %
 - c. 15 %
 - d. 10 %

ANS: B
BLM: R

PTS: 1

REF: 27

OBJ: 6

68. Approximately what percentage of the Canadian working population is self-employed?
- a. 30 %
 - b. 20 %
 - c. 15 %
 - d. 10 %

ANS: C
BLM: R

PTS: 1

REF: 27

OBJ: 6

69. What are two ways that cultural changes influence employees in the workplace?
- a. their reactions to leadership styles and corporate culture
 - b. their reactions to corporate culture and reward systems
 - c. their reactions to work assignments and organizational culture
 - d. their reactions to reward systems and leadership styles

ANS: D
BLM: HO

PTS: 1

REF: 27

OBJ: 6

70. What do changes in the workplace involving employee privacy, employment equity, and pay equity reflect?
- a. changes in employee rights
 - b. cultural changes
 - c. changes in the nature of the job and workplace
 - d. changes in employee responsibility

ANS: A
BLM: HO

PTS: 1

REF: 27

OBJ: 6

71. Which of the following is a cultural change, well-established in terms of attitude toward work, which has had an impact on HRM?
- a. a de-emphasis on family time
 - b. a return to the work ethic
 - c. a decline in the amount of free time available to individuals
 - d. an increased demand for jobs that permit personal self expression and potential fulfillment

ANS: D

PTS: 1

REF: 27

OBJ: 6

BLM: HO

72. Which of the following represents a recent cultural change emerging in organizations?
- a. equal pay for equal work
 - b. balancing work and family demands
 - c. employment equity
 - d. accommodating unemployed workers

ANS: B

PTS: 1

REF: 27

OBJ: 6

BLM: HO

73. What does the federal law PIPEDA deal with?
- a. the collection and use of personal information
 - b. full disclosure in all matters pertaining to human resources
 - c. personal use of the Internet on company time
 - d. information theft

ANS: A

PTS: 1

REF: 28

OBJ: 6

BLM: R

74. The Ethics Resource Center identified how leaders can enhance ethical practices. What is one of these practices?
- a. providing good career advancement opportunities
 - b. providing good benefits
 - c. demonstrating that integrity is a priority
 - d. ensuring compliance to ethical codes of conduct

ANS: C

PTS: 1

REF: 28

OBJ: 6

BLM: HO

75. Why do organizations consider the options of job sharing and daycare?
- a. to supplement maternity and parental leaves
 - b. to address the gender distribution in the workforce
 - c. to address the changing attitude of employees toward work
 - d. to help employees achieve a better balance between work and family

ANS: D

PTS: 1

REF: 29

OBJ: 6

BLM: HO

76. What is an emerging demographic HR issue that is becoming increasingly important to line managers' and human resource managers' future workplaces?
- a. development of clean technologies and communication technology
 - b. enlightened leadership and teamwork
 - c. TQM and Six Sigma
 - d. work-life balance

ANS: D PTS: 1 DIF: Understanding
REF: 29 OBJ: 6 BLM: HO

77. The basis of which strategy is formed by questions such as "Should we be in business?" and "What business should we be in?"
- a. business strategy
 - b. corporate strategy
 - c. department strategy
 - d. HR strategy

ANS: B PTS: 1 REF: 30 OBJ: 7
BLM: HO

78. The basis of which strategy is formed by the question "How should we compete?"
- a. corporate strategy
 - b. business strategy
 - c. HR strategy
 - d. systems strategy

ANS: B PTS: 1 REF: 30 OBJ: 7
BLM: HO

79. Which strategy are you using when analyzing how hamburgers are sold?
- a. corporate strategy
 - b. operating unit strategy
 - c. business strategy
 - d. HR strategy

ANS: B PTS: 1 REF: 30 OBJ: 7
BLM: HO

80. What is a capacity or quality called that an organization has, which gives it an edge over its competition?
- a. core competency
 - b. competitive advantage
 - c. business strategy
 - d. productivity edge

ANS: B PTS: 1 REF: 31 OBJ: 7
BLM: R

81. Which belief resulted in Loblaw's conversion of 10,000 part-time jobs into full-time jobs?
- a. part-time employees need more supervision
 - b. part-time employees exhibit higher rates of absenteeism
 - c. improved retention of staff has a direct impact on customer satisfaction
 - d. full-time jobs contribute more to the GDP

ANS: C PTS: 1 REF: 31 OBJ: 7
BLM: HO

82. What distinguishes an organization's business strategy?
- a. a focus on company-wide and overall objectives
 - b. a focus on long-term survival and growth
 - c. a focus on the line of business
 - d. a focus on turnaround situations and divestitures

ANS: C PTS: 1 REF: 30 OBJ: 7
BLM: HO

83. What distinguishes an organization's corporate strategy?
- a. a focus on company-wide and overall objectives
 - b. a focus on short-term survival and growth
 - c. a focus on the line of business
 - d. a focus on competition

ANS: A PTS: 1 REF: 30 OBJ: 7
BLM: HO

84. What are two main types of corporate strategies?
- a. restructuring and growth
 - b. differentiation and divestitures
 - c. competitive and cost containment
 - d. realignment and competition

ANS: A PTS: 1 REF: 30 OBJ: 7
BLM: HO

85. Four Seasons Hotels and Starbucks invest a great deal to hire and train the best and brightest employees in customer satisfaction in order to gain advantage over their competitors. What is this illustrative of?
- a. business strategy
 - b. strategic human resource management
 - c. human capital and talent management
 - d. competency development

ANS: B PTS: 1 REF: 31 OBJ: 5
BLM: HO

Scenario 1.1: Who Decides at LB Brands?

LB Brands, a Western Canada marketing company, had grown to 100 employees. Joan Farris the Vice President of Marketing spends much of her day developing and coaching people and helping to solve problems. She has a prescribed employee performance management process. She feels that decisions concerning her employee staffing, training and performance appraisals are her responsibility. Jay Carter, the Vice President of HR, feels that LB Brands must have consistent HR practices and that staffing, training and performance management decisions must be centralized in the HR department.

86. Please refer to Scenario 1.1. What is the problem at LB Brands?
- a. HR demands have grown with the increased number of employees.
 - b. organizational growth and complexity has increased HR demands
 - c. unclear lines of responsibility and decision making authority
 - d. failure to recognize the HR manager's ultimate decision-making role

ANS: C PTS: 1 REF: 7 OBJ: 4
BLM: HO

87. Please refer to Scenario 1.1. Whose argument is correct?
- a. Joan Farris, Vice President of Marketing
 - b. Jay Carter, Vice President of HR
 - c. neither Joan's nor Jay's
 - d. both Joan's and Jay's

ANS: D PTS: 1 REF: 7 OBJ: 4
BLM: HO

88. Please refer to Scenario 1.1. What decision-making authority does the Vice President of HR have?
- a. staff authority
 - b. functional authority
 - c. line authority
 - d. legitimate authority

ANS: A PTS: 1 REF: 8 OBJ: 4
BLM: HO

89. Please refer to Scenario 1.1. What decision making authority does the Vice President of Marketing have?
- a. staff authority
 - b. functional authority
 - c. line authority
 - d. technical authority

ANS: C PTS: 1 REF: 7 OBJ: 4
BLM: HO

90. Please refer to Scenario 1.1. What training and performance management processes fall under the Vice President of HR?
- a. monitoring employee training needs
 - b. creating career and development plans
 - c. conducting on-the-job training
 - d. providing employees with feedback and performance reviews

ANS: B PTS: 1 REF: 8 OBJ: 2|4
BLM: HO

91. Please refer to Scenario 1.1. What training and performance management processes fall under the Vice president of Marketing?
- a. creating career development programs
 - b. succession planning
 - c. monitoring employee training needs
 - d. providing expertise for employee and organizational development

ANS: C PTS: 1 REF: 7 OBJ: 1|4
BLM: HO

92. Please refer to Scenario 1.1. Which of the following best defines Human Resources Management at LB Brands?
- a. management techniques for controlling people at work
 - b. the management of people and organizational knowledge
 - c. an integrated set of policies and procedures focusing on best people practices
 - d. an integrated set of processes and systems focusing on effective deployment and development of people in organizations

ANS: D PTS: 1 REF: 4 OBJ: 1|2
BLM: HO

93. Please refer to Scenario 1.1. Which of the following competing demands does Jay Carter try to balance in his role as the Vice President of HR at LB Brands?
- a. competitive challenges and international challenges
 - b. international challenges and employee concerns
 - c. employee concerns and HRM challenges
 - d. competitive challenges and employee concerns

ANS: C PTS: 1 REF: 6 OBJ: 1|2
BLM: HO

94. Please refer to Scenario 1.1. Among the most significant challenges facing most Canadian companies is demographic change. What two demographic changes are likely impacting LB Brands?
- a. increasing number of women and older workers
 - b. increased outsourcing and the global economy
 - c. increasing global and legal issues
 - d. increased computerization and automation

ANS: A

PTS: 1

REF: 26

OBJ: 5

BLM: HO

Scenario 1.2: HRM Challenges—A Mining Merger

Trimack Resources Inc., a Western Canada mining company, bought WestStar Mining, an Eastern Canada company. Ray Morrison, the CEO of Trimack Resources Inc. was focused on ensuring the new business revolved around how well the people side of the merger was handled. Ray felt that it was critical that the two businesses integrated their people. Morgan Grant, the CEO of WestStar Mining was focused on managing the complex financial issues of the merger. Morgan felt that it was critical that the financial reports were in order before they could move forward with their strategic plans. The new HRM department immediately began terminating employees when they noticed that there were several situations where two employees were doing the work of one position.

95. Please refer to Scenario 1.2. What is this merger an example of?
- a. the effective management of labour costs
 - b. unaligned HRM, business, and corporate strategies
 - c. the differences between leadership styles
 - d. the differences between mining companies

ANS: B

PTS: 1

REF: 31

OBJ: 5|7

BLM: HO

96. Please refer to Scenario 1.2. Which CEO's approach would be most effective for the merger to succeed?
- a. Ray Morrison, the CEO of Trimack Resources Inc.
 - b. Morgan Grant, the CEO of WestStar Mining
 - c. both CEO's approaches will work together
 - d. neither approach is better, it depends on the type of merger

ANS: B

PTS: 1

REF: 7|8

OBJ: 5

BLM: HO

97. Please refer to Scenario 1.2. Which of the following strategies would the success of the merger be particularly dependent on?
- a. growth strategy
 - b. cost containment strategy
 - c. human resource management strategy
 - d. the integration of corporate financial strategies

ANS: C

PTS: 1

REF: 12

OBJ: 5

BLM: HO

98. Please refer to Scenario 1.2. What is an example of an HR initiative that would support Ray's approach to the merger?
- a. employee engagement and team building
 - b. sustainability initiatives and communication training
 - c. careful employee monitoring
 - d. performance management systems

ANS: A

PTS: 1

REF: 8

OBJ: 2| 5

BLM: HO

99. Please refer to Scenario 1.2. What is an example of an HR initiative that would support Morgan's approach to the merger?
- a. sustainability initiatives
 - b. careful employee monitoring
 - c. performance management systems
 - d. clarifying employee positions and labour costs

ANS: D

PTS: 1

REF: 7

OBJ: 3| 5

BLM: HO

100. Please refer to Scenario 1.2. Trimack Resources Inc. has hired an HRM consultant to help strategically manage its human resources. Which statement best represents this process?
- a. linking human resource processes to the business strategy
 - b. tactical methods and procedures to achieve specific organizational strategies
 - c. human resource planning for corporate take-overs
 - d. strategic and operational human resource planning

ANS: A

PTS: 1

REF: 31

OBJ: 7

BLM: HO

Scenario 1.3: HRM Challenges-Staffing Cuts

Artic Learning Systems was under pressure to reduce staffing costs and improve productivity. They took advantage of a Canadian federal program involving work-sharing and encouraged people to use any banked overtime. In some cases, employees were working 50% less. SunSystems Learning, in the same industry, was under the same pressures and decided to do an across the board reduction and laid off 50% of their employees based on performance. Both companies' organizational strategic plans indicated significant growth within a year due to new communication technologies and the ability to provide their learning systems globally. They both assess the best practices of other organizations looking for ways to enhance their performance.

101. Please refer to Scenario 1.3. What are these two companies' approaches to reduce staffing costs called?
- a. restructuring
 - b. outplacement
 - c. downsizing
 - d. re-engineering

ANS: C PTS: 1 REF: 13 OBJ: 5
BLM: HO

102. Please refer to Scenario 1.3. What might SunSystems experience using its approach?
- a. its best employees will stay, feeling their jobs are more secure after under-performing staff were cut
 - b. it could take 6–18 months to realize any savings from the job cuts
 - c. it can easily rehire employees when the economy picks up
 - d. it can easily outsource at reduced staffing costs

ANS: B PTS: 1 REF: 25 OBJ: 5|7
BLM: HO

103. Please refer to Scenario 1.3. What can be attributed to Artic Learning Systems' competitive advantage?
- a. its HR strategy is aligned with its business strategy
 - b. the effective management of its largest expenditures (labour costs)
 - c. its approach to minimize the impact on human resources
 - d. its flexibility to outsource and contract out future work

ANS: A PTS: 1 REF: 31 OBJ: 5|7
BLM: HO

104. Please refer to Scenario 1.3. What would be one of the most significant current business challenges faced by these two companies?
- a. demographics and employee concerns
 - b. culture changes and environment
 - c. business sector survival and globalization
 - d. environment and staffing

ANS: C PTS: 1 REF: 12 OBJ: 5
BLM: HO

105. Please refer to Scenario 1.3. What would you call these companies' approach to look for best practices in other companies?
- a. six sigma
 - b. ISO 9000
 - c. TQM
 - d. benchmarking

ANS: D PTS: 1 REF: 19 OBJ: 5
BLM: HO

106. Please refer to Scenario 1.3. Which type of change is Artic Learning Systems an example of?
- a. transactional change
 - b. transparent change
 - c. reactive change
 - d. proactive change

ANS: D PTS: 1 REF: 5 OBJ: 5
BLM: HO

Scenario 1.4: HRM Challenges—Innovative Hydraulic Systems

Lansdowne Inc., a Quebec-based company, designs and manufactures innovative hydraulic systems which are sold to projects in more than 20 countries. They hire people based on their specialized technical and broader innovation and communication skills. They recruit globally. They also continue to provide training to their employees in the leading edge hydraulic systems technology and provide workplace environments that encourage innovation. Their mission and strategy is to be competitive through technical innovation.

107. Please refer to Scenario 1.4. What would be one of Lansdowne Inc.'s most significant current business challenges?
- a. diverse languages and cultures
 - b. human resource planning
 - c. the global economy
 - d. the environment

ANS: C PTS: 1 REF: 11 OBJ: 5
BLM: HO

108. Please refer to Scenario 1.4. What is the influence of technology on Lansdowne Inc.'s HRM?
- a. increased contracting out, outsourcing and employee leasing
 - b. concerns about privacy, ethics and culture
 - c. complicated issues related to language and communication
 - d. operational (i.e. automation), enhanced services and increased access to information

ANS: D

PTS: 1

REF: 14

OBJ: 5

BLM: HO

109. Please refer to Scenario 1.4. What is the effect of globalization on Lansdowne Inc.'s HRM?
- a. balancing complicated issues related to language and communication
 - b. differences in country legislations and business practices
 - c. concerns about privacy, ethics and culture
 - d. employee concerns about compensation and outsourcing

ANS: B

PTS: 1

REF: 12

OBJ: 5

BLM: HO

110. Please refer to Scenario 1.4. According to the Conference Board of Canada, what two employee skills will contribute to the innovation required in Lansdowne's workplace?
- a. creativity and continuous improvement; and relationship-building
 - b. conflict resolution, and communication
 - c. planning, and risk taking
 - d. team building and analytical skills

ANS: A

PTS: 1

REF: 15

OBJ: 5

BLM: HO

Scenario 1.5: HRM Challenges—Outsourcing

Over the past decade CIBC, BMO and RBC financial groups have outsourced some of their human resource services. Recently RBC has brought back several of their HR-related services in-house.

111. Please refer to Scenario 1.5. Why would these financial groups outsource their HR services?
- a. to grow the organization
 - b. to improve customer service
 - c. to allow HR to focus on strategic planning
 - d. to reduce compensation costs

ANS: C

PTS: 1

REF: 13

OBJ: 5

BLM: HO

112. Please refer to Scenario 1.5. How do these financial institutions outsource?
- a. by contracting outside the organization for work that was formerly done by internal employees
 - b. by contracting work to another country that was formerly done by internal employees
 - c. by using employment types such as part-time, temporary and fixed-term
 - d. by hiring employees in ways other than the traditional full-time job

ANS: A PTS: 1 REF: 13 OBJ: 5
BLM: HO

113. Please refer to Scenario 1.5. What HR services would these financial institutions outsource?
- a. general
 - b. specialized
 - c. administrative
 - d. strategic

ANS: C PTS: 1 REF: 13 OBJ: 5|7
BLM: HO

114. Please refer to Scenario 1.5. What internal organizational factors are influencing these financial groups to outsource?
- a. technological advances
 - b. legislation
 - c. demographic and social concerns
 - d. staffing policies

ANS: D PTS: 1 REF: 13 OBJ: 5|7
BLM: HO

115. Please refer to Scenario 1.5. What external organizational factors are influencing these financial groups to outsource?
- a. compensation policies
 - b. human resource information systems
 - c. global economy
 - d. demographic and employee concerns

ANS: C PTS: 1 REF: 11 OBJ: 5|7
BLM: HO

TRUE/FALSE

1. Human resource management (HRM) is an integrated set of process, programs, and systems that focus on effective deployment and development of employees.

ANS: T PTS: 1 REF: 4 OBJ: 1

2. The term “human resources” implies that people have capabilities that drive organizational performance.

ANS: T PTS: 1 REF: 4 OBJ: 1

3. HRM is equivalent to hiring, paying, and training people.

ANS: F PTS: 1 REF: 4 OBJ: 1

4. Job design entails activities that determine what tasks need to be done, in what order, and with what skills.

ANS: T PTS: 1 REF: 5 OBJ: 2

5. Employee and labour relations does NOT require managers to recognize individual differences in employees.

ANS: F PTS: 1 REF: 5 OBJ: 2

6. The management of human resources does NOT necessarily require an understanding of individual and organizational behaviour but rather knowledge of HR systems and practices.

ANS: F PTS: 1 REF: 5 OBJ: 2

7. The manager must have a thorough knowledge and understanding of contemporary HRM practices and how they influence the output of the organization.

ANS: T PTS: 1 REF: 6 OBJ: 3

8. Human resources management practices and issues are primarily a concern for the human resources department.

ANS: F PTS: 1 REF: 7 OBJ: 4

9. All line managers are people managers and, therefore, have HR responsibilities.

ANS: T PTS: 1 REF: 7 OBJ: 4

10. Because HR managers function in support roles, their job knowledge needs to focus primarily on HR issues rather than the operating goals of the company.

ANS: F PTS: 1 REF: 8 OBJ: 4

11. HR managers must understand the economic and financial capabilities of their businesses to function effectively.

ANS: T PTS: 1 REF: 8 OBJ: 4|7

12. Managing people is every manager's responsibility and obligation.

ANS: T PTS: 1 REF: 7 OBJ: 4

13. HR professionals provide guidance and assistance as internal consultants to line managers.

ANS: T PTS: 1 REF: 9 OBJ: 4

14. HR managers have changed their focus to employee motivation and no longer play a role in top management planning and decision making.

ANS: F PTS: 1 REF: 9 OBJ: 3

15. Canadian exports represent approximately 60 % of Canada's gross domestic product (GDP).

ANS: F PTS: 1 REF: 9 OBJ: 5

16. In 2012, Canada began to show signs of economic recovery with a modest growth in GDP of 2 %.

ANS: T PTS: 1 REF: 10 OBJ: 5

17. Trade agreements that allow a free flow of goods and services mean that competitors may be located in our own back yards.

ANS: F PTS: 1 REF: 10 OBJ: 5

18. Approximately 50 to 60 % of the Canadian economy is influenced by global competition.

ANS: F PTS: 1 REF: 10 OBJ: 5

19. When managers start to "go global", they have to balance a complicated set of issues related to different cultures, laws, and business practices.

ANS: T PTS: 1 REF: 11 OBJ: 5

20. For a company with overseas operations, some critical concerns for success are the identification, selection, and compensation of expatriates.

ANS: T PTS: 1 REF: 11 OBJ: 5

21. While the U.S. economy has been in a longer slump than Canada, the countries are linked since approximately 72 % of Canada's GDP is exported to the U.S.

ANS: T PTS: 1 REF: 11 OBJ: 5

22. Outsourcing refers to employing workers in their homes rather than within the traditional office environment.

ANS: F PTS: 1 REF: 12 OBJ: 5

23. In order to minimize the amount or type of downsizing, some organizations have informed all staff that they can move to a four day work week with reduced pay.

ANS: T PTS: 1 REF: 13 OBJ: 5

24. In economic uncertainty, companies would be well advised to avoid outsourcing as it may cause the failure of the business.

ANS: F PTS: 1 REF: 13 OBJ: 5

25. In some situations, a large portion of a company is outsourced in order to create a new business.

ANS: T PTS: 1 REF: 13 OBJ: 5

26. In addition to outsourcing, organizations are also making more use of migrant workers as a way to contain costs.

ANS: F PTS: 1 REF: 13 OBJ: 5

27. According to a recent statistic, almost 65 % of hiring managers use all types of social media to check job seekers.

ANS: F PTS: 1 REF: 14 OBJ: 5

28. Because of its importance to human resource management, HR managers should assume sole responsibility for the implementation of information technology.

ANS: F PTS: 1 REF: 14 OBJ: 5

29. One major consequence of technology is the skills necessary to be successful are now different.

ANS: T PTS: 1 REF: 14 OBJ: 5

30. Being open to opportunities for change and learning from your experiences are essential elements of implementation skills.

ANS: F PTS: 1 REF: 15 OBJ: 5

31. Risk-taking skills are necessary to develop relationships that support innovation.

ANS: F PTS: 1 REF: 16 OBJ: 5

32. A technology system that provides data for the purposes of control and decision making is called the Human Resources Information System.

ANS: T PTS: 1 REF: 16 OBJ: 5

33. Although Information Technology increases costs, it is an essential operating component of HRM.

ANS: F PTS: 1 REF: 16 OBJ: 5

34. IT influences HR by enhancing services to line managers and employees.

ANS: T PTS: 1 REF: 16 OBJ: 5

35. Total-quality management is a set of principles and practices whose core ideas include doing things right the first time and striving for continuous improvement.

ANS: T PTS: 1 REF: 17 OBJ: 5

36. Re-engineering requires HR practices that address communication between departments and work groups.

ANS: F PTS: 1 REF: 17 OBJ: 5

37. Benchmarking looks at the “best practices,” in companies they compete with.

ANS: F PTS: 1 REF: 18 OBJ: 5

38. ISO 14000 certification focuses on standards for environmental standards.

ANS: T PTS: 1 REF: 18 OBJ: 5

39. New research suggests certain business processes might be better if they were standardized.

ANS: F PTS: 1 REF: 18 OBJ: 5

40. Integrated knowledge sets within an organization that distinguish it from its competitors and deliver value to customers are known as core competencies.

ANS: T PTS: 1 REF: 21 OBJ: 5

41. The knowledge, skills, and capabilities that impact a company's performance but do not necessarily show up on its balance sheet are known as human capital.

ANS: T PTS: 1 REF: 21 OBJ: 5

42. HR programs and assignments have often aided in learning and knowledge being shared among employees.

ANS: T PTS: 1 REF: 21 OBJ: 5

43. Helping employees develop active listening skills and focus on customers are examples of Talent Management.

ANS: F PTS: 1 REF: 21 OBJ: 5

44. Talent Management involves leveraging competencies to achieve high organizational performance.

ANS: T PTS: 1 REF: 21 OBJ: 5

45. The average age of the labour force is expected to decline in the next ten years.

ANS: F PTS: 1 REF: 23 OBJ: 6

46. Due to increases in education, the gap between the educated and non-educated is decreasing.

ANS: F PTS: 1 REF: 24 OBJ: 6

47. Cultural changes are influencing employee reactions to work assignments, reward systems, and career choices.

ANS: F PTS: 1 REF: 7 OBJ: 6

48. Providing family-friendly practices can serve as a powerful way to attract and retain top-calibre employees.

ANS: T PTS: 1 REF: 29 OBJ: 6

Chapter 1 The Challenges of HRM

49. “Family friendly” is a broad term that may include unconventional hours, daycare, part-time work, job sharing, maternity leave, executive transfers, and telecommuting.

ANS: T PTS: 1 REF: 29 OBJ: 6

50. According to the Ethics Resource Center what employees want most in job quality is good pay and benefits.

ANS: F PTS: 1 REF: 29 OBJ: 6

51. Strategic Human Resources Management involves identifying key HR processes and linking those to the overall business strategy.

ANS: T PTS: 1 REF: 31 OBJ: 7

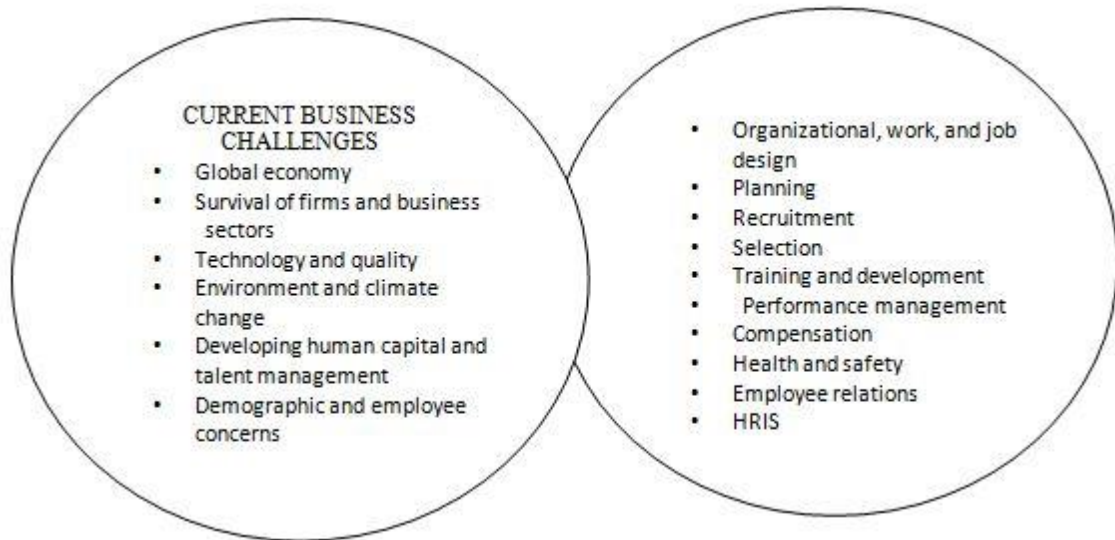
52. The manager must have a thorough knowledge and understanding of contemporary HRM and how these practices influence the output of any organization.

ANS: T PTS: 1 DIF: Understanding
REF: 31 OBJ: 3|4

ESSAY

1. Define HRM. Draw a diagram (a HRM framework /model) to illustrate how the HR activities fit together within an organization?

ANS:



Human resources management (HRM) is an integrated set of processes, programs, and systems in an organization that focuses on the effective deployment and development of its employees. Students should show the interconnectedness and interdependence between the HR processes (not linear).

Human resources management (HRM) is an integrated set of processes, programs, and systems in an organization that focuses on the effective deployment and development of its employees. Students should show the interconnectedness and interdependence between the HR processes (not linear).

PTS: 1

REF: 6

OBJ: 1|2

2. Identify and briefly describe any four of the eight HR activities in an organization.

ANS:

1. *Organizational, work, and job design*—determining what tasks need to be done, in what order, with what skills, and how individual tasks fit together in work units.
2. *Planning*—ensuring that people in the organization are the right people, with the right skills, at the right time, in the right place.
3. *Recruitment and selection*—sourcing, attracting, and hiring the people with the necessary skills and background.
4. *Training and development*—providing the resources to assist employees in developing the necessary knowledge and skills to do their jobs today and in the future.
5. *Performance management*—ensuring that there are appropriate mechanisms in place to provide feedback to employees on a regular basis.
6. *Compensation (pay and benefits)*—developing and administering pay and benefits programs that will attract and retain employees.
7. *Occupational health and safety*—ensuring that the safety and health of employees are maintained.
8. *Employee and labour relations*—ensuring that there are positive and constructive relations between the employees and their supervisors or managers and/or union representatives.

PTS: 1

REF: 5

OBJ: 2

3. Define the term “human capital”. Describe how it differs from other forms of capital organizations management. Suggest 2 ways HRM and line managers build human capital in organizations.

ANS:

Human capital is the value of knowledge, skills, and capabilities of the employees of an organization. They are intangible and do not show up on the balance sheet as an asset, but they have a definite impact on the performance of an organization. Unlike buildings and machines, the organization does not own human capital; the employees themselves own it and they take it with them if they leave an organization. To build human capital, HRM must assist managers by ensuring the best qualified people are selected to fill vacancies. Once on board, the organization must provide training and development and other opportunities for employees to increase their skills, knowledge, and abilities on-the-job. Managers must provide assignments that allow for growth and development and reward employees for their increased ability to contribute to the goals of the organization.

PTS: 1

REF: 4

OBJ: 3| 4| 5

4. List six competitive challenges faced by Canadian organizations. Describe and give an example of any one of the six challenges faced by an organization you are familiar with. Discuss how this challenge might affect managing the organization's workforce. What is the impact on HRM and/or line managers?

ANS:

The six challenges are: global economy, evolution of firms and business sectors, technology and quality, sustainability, developing human capital and talent management, and demographic and employee concerns.

One example: Globalization is the moving of local or regional business into the global marketplace. When managers start to "go global," they have to balance a complicated set of issues related to different geographies, cultures, laws, and business practices. Human resources issues underlie each of these concerns and include such things as identifying capable expatriate managers who live and work overseas; designing training programs and development opportunities to enhance the managers' understanding of foreign cultures and work practices; and adjusting compensation plans to ensure that pay schemes are fair and equitable across individuals in different regions with different costs of living. An example is R.I.M. (Research In Motion) a leading designer, manufacturer and marketer of innovative wireless solutions for the worldwide mobile communications market. They have 500 carriers in 170 countries with products in almost 30 languages.

PTS: 1

REF: 10

OBJ: 5| 6

5. For both male and female, younger and older workers, balancing the demands of family and work present significant challenges. Proactive human resource practitioners are responding to their employees' concerns and needs by providing "family friendly" policies and practices. Describe one "family friendly" program and/or policy and its potential impact on employee health and/or retention.

ANS:

Work and family issues are connected in social, economic, and psychological ways. "Family friendly" HR policies may include flexible work schedules, daycare, part-time work, job sharing, maternity leave, parental leave, executive transfers, spousal involvement in career planning, assistance with family problems, and telecommuting. An increasing number of older workers plan to continue working part-time in their later years with very few planning to work full time. More employees are becoming responsible for the care of aging parents. There are an increasing range of alternative employment forms that provide employees with ways to bring more balance into their daily lives.

PTS: 1

REF: 29

OBJ: 6

Chapter 1 The Challenges of HRM

6. Define strategic HRM and how it is linked to an organization's business strategy. Provide an example.

ANS:

Strategic HRM is identifying the key HR processes and linking those to the overall business strategy. HR strategies link the organizations strategic plans and to the HR practices. For example: the expansion of a mining company would be supported with HR practices such as health, safety and environmental (HSE) training and a particular focus on human resource planning, job analysis (descriptions), recruitment and selection. The organizations strategy on HSE is integrated with all the HR processes, one of which is the selection process (i.e. hiring based on HSE experience and skills).

PTS: 1

REF: 31

OBJ: 7