

## **Chapter 1—Human Resource Management in Organizations**

### **MULTIPLE CHOICE**

1. Which is not one of the major challenges currently facing HR managers?
- motivating employees without pay raises and promotions
  - changing federal, state and local legal requirements
  - adjusting benefit programs due to increasing costs
  - replacing “baby boomers” as they exit the workplace

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 3  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

2. Human resource management is
- supervising, monitoring, controlling, and disciplining employees in order to achieve organizational goals efficiently and effectively.
  - the designing of organizational systems to ensure that human talent is used effectively and efficiently to accomplish organizational goals.
  - the efficient and effective use and coordination of human capital to ensure the profitability and long-term sustainability of the organization.
  - the design of the interface between the human capital of the firm and its technological and financial capital in order to efficiently and effectively reach organizational goals..

ANS: B                      PTS: 1                      DIF: Easy                      REF: p. 4  
OBJ: 1                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Definitional

3. When the human resources function creates a unique capability in a firm that creates high value and differentiates the organization from its competition, human resources is a/an \_\_\_\_ for the firm.
- intangible asset
  - core competency
  - critical capability
  - strategic contributor

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 4  
OBJ: 1                      NAT: AACSB Reflective Thinking                      LOC: Strategy  
TOP: Definitional

4. The collective value of the capabilities, knowledge, skills, life experiences and motivation of an organizational workforce is called
- the organization’s talent inventory.
  - total human resources.
  - human capital.
  - the organization’s intellectual assets.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 5  
OBJ: 1                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Definitional

5. Through the \_\_\_\_ function, HR management provides the organization with a sufficient supply of qualified individuals to fill the jobs in the organization.
- staffing
  - equal employment opportunity

- c. talent management
- d. employee and labor relations

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 6  
OBJ: 1                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Definitional

6. Which of the following activities would NOT fall into the risk management function of HR?
- a. Sending all employees a text message requiring them to report in to a designated individual after an earthquake affects the city in which the company's plant is located.
  - b. Negotiating with a representative of the Occupational Safety and Health Administration (OSHA) about appropriateness of a measure to reduce harmful gases in a mine.
  - c. Requiring employees to purchase a minimal level of life insurance when they are deployed overseas.
  - d. Designing policies and procedures for a shipping firm to handle episodes of piracy and employee hostage-taking..

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 7  
OBJ: 1                      NAT: AACSB Analytic                      LOC: HRM  
TOP: Application

7. Compensation and benefits managers in almost all organizations face a major and growing concern regarding the cost of
- a. equalization of pay between men and women.
  - b. incentive pay for hourly employees.
  - c. health-care benefits.
  - d. outsourcing to lower-wage countries.

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 7  
OBJ: 1                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

8. Talent management includes which of the following activities?
- a. job-skill training
  - b. wage and salary administration
  - c. diversity assessment and analysis
  - d. environmental scanning

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 7  
OBJ: 1                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Definitional

9. \_\_\_\_ identifies paths and activities for individual employees as they develop within the organization.
- a. Staffing
  - b. HR development
  - c. Equal Employment Opportunity
  - d. Career planning

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 7  
OBJ: 1                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Definitional

10. A large Japanese semiconductor manufacturer is building a manufacturing plant in rural Texas. The Japanese firm has developed a highly-effective system of motivating employees which results in high productivity and high worker satisfaction. As an HR consultant to the Japanese firm, what should your advice be?
- The Japanese firm should study the local Texas culture and redesign its motivation system for the U.S. plant.
  - The Japanese firm can implement the same motivation system in Texas and expect high productivity and high employee satisfaction.
  - The rural Texas and Japanese cultures are so different, that there is little likelihood that a Japanese-operated plant in Texas could be successful.
  - As long as the Japanese company's motivation system is based on pay-for-performance, the Texas employees will be as productive and satisfied as their Japanese counterparts.

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 8  
OBJ: 2                      NAT: AACSB Analytic                      LOC: Environmental Influence  
TOP: Application

11. The shared values and beliefs of an organization is its
- social network.
  - ethical environment.
  - intellectual capital.
  - organizational culture.

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 8  
OBJ: 2                      NAT: AACSB Reflective Thinking                      LOC: Group Dynamics  
TOP: Definitional

12. Which of the following statements about organizational culture is FALSE?
- The organization's culture is seen in its norms of expected behaviors, values, philosophies, rituals and symbols.
  - An organization's rules of behavior may not be beneficial and may limit the organization's performance.
  - Organizational cultures are static, and tend to remain almost identical to the culture established by the founder.
  - Values determine how organizational members treat coworkers and people outside the organization.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 8  
OBJ: 2                      NAT: AACSB Ethics                      LOC: Group Dynamics  
TOP: Conceptual

13. Organizational productivity for the local Meals on Wheels charity ultimately affects the organization's
- total costs.
  - profitability.
  - total revenue.
  - competitiveness.

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 9  
OBJ: 2                      NAT: AACSB Analytic                      LOC: Creation of Value  
TOP: Application

14. Unit labor cost is a measure of
- productivity.
  - profitability.
  - sustainability.

d. efficacy.

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 9  
OBJ: 2                      NAT: AACSB Reflective Thinking                      LOC: Creation of Value  
TOP: Conceptual

15. Due to an urgent need to cut costs, Rotary Dial, Inc., has decided to eliminate its quarterly off-site training conference for managers at all four of its locations with video conferencing. This reduces travel costs significantly and allows the company to lay off two training staff. This is an example of
- organizational restructuring.
  - aligning HR activities with organizational productivity efforts.
  - outsourcing an organizational function.
  - re-designing work.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 10  
OBJ: 2                      NAT: AACSB Analytic                      LOC: Information Technologies  
TOP: Application

16. From an HR perspective, the most compelling reason given below for an organization to have a reputation for social responsibility is to
- heighten the HR director's reputation.
  - increase the ability to attract and retain employees.
  - increase quarterly profits.
  - improve the ability to succeed in bids for governmental contracts.

ANS: B                      PTS: 1                      DIF: Easy                      REF: p. 10  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
TOP: Conceptual

17. In the HR context, "sustainability" is defined as
- the requirement for organizations in polluting industries, such as manufacturers and utility companies, to reduce their impact on the environment.
  - the ability to continue to operate, survive and adjust to significant change.
  - the ability to maintain proper employee flow in, through and out of the organization.
  - the development of organizational policies and procedures that allow the organization to continue to operate in foreign countries which have strict environmental regulation.

ANS: B                      PTS: 1                      DIF: Easy                      REF: p. 10  
OBJ: 2                      NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
TOP: Definitional

18. The explicit aspects of organizational culture include all of the following EXCEPT
- training.
  - regulations.
  - sustainability.
  - policies.

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 10  
OBJ: 2                      NAT: AACSB Reflective Thinking                      LOC: Group Dynamics  
TOP: Conceptual

19. Taking a "green" approach with HR policies can result in all of the following, EXCEPT
- a reduction in the need for safety and health professionals in the organization.
  - reduced operational costs.
  - a positive effect on attracting, retaining and motivating employees.

d. a more strategic emphasis in the organization.

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 11  
OBJ: 2                      NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
TOP: Conceptual

20. The customer service department of the cell phone company serving a 10-state region in the Southwest, has a reputation of being unhelpful to customers and sometimes customer service representatives are considered surly and rude to customers, especially to technologically- challenged callers. The cause of this behavior by the customer-relations is most likely to be
- a. the customer service department being located in New York City.
  - b. a lack of focus on the customer by managers and employees.
  - c. dissatisfied and difficult customers.
  - d. low pay in the customer service positions.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 11  
OBJ: 2                      NAT: AACSB Analytic                      LOC: Ethical Responsibilities  
TOP: Application

21. Beverly, a child care supervisor at a children's hospital in a large urban area, communicates on a daily basis with other employees and community contacts through tweets, texts and blogs. She sends positive news and updates about the activities of the hospital. This social networking is not part of her formal job responsibilities. We can say that Beverly is probably
- a. exposing the hospital to violation of privacy lawsuits and should be prohibited from this networking.
  - b. highly engaged with the organization.
  - c. looking for excuses to avoid working.
  - d. a contingent employee trying to impress her boss so that she will be moved to regular employee status.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 12  
OBJ: 2                      NAT: AACSB Technology                      LOC: Information Technologies  
TOP: Application

22. The extent to which employees feel linked to organizational success and how the organization performs positively is termed
- a. employee engagement.
  - b. employee performance motivation.
  - c. employee morale.
  - d. employee organizational commitment.

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 12  
OBJ: 2                      NAT: AACSB Reflective Thinking                      LOC: Individual Dynamics  
TOP: Definitional

23. Whether employees and managers of an organization behave ethically is fundamentally a function of
- a. professional codes of ethics.
  - b. the relevant laws and legal guidelines applying to the organization and its industry.
  - c. the employee's level of education.
  - d. the organization's culture.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 13  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
TOP: Conceptual

24. As Director of HR, you are designing an ethics program for your organization. You plan to develop a written code of ethics, training for all organizational members, and means for organizational members to obtain advice on ethical situations. What critical element is missing from your plan?
- systems for confidential reporting of misconduct.
  - a discipline system for offenders against the code of ethics.
  - designating a high-level staff position as an ethics officer.
  - ensuring that the organization's code of ethics is not more restrictive than the relevant laws.

ANS: A                      PTS: 1                      DIF: Challenging                      REF: p. 13  
OBJ: 3                      NAT: AACSB Analytic                      LOC: Ethical Responsibilities  
TOP: Application

25. Cisco Systems HR department instituted ethics training based on the TV show American Idol. All of the following are advantages of this training technique EXCEPT
- the ethics training can be available constantly.
  - employees are able to access the program during non-working hours.
  - the ability to reach large numbers of employees.
  - it facilitates face-to-face interaction of trainers and trainee-employees.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 14  
OBJ: 3                      NAT: AACSB Technology                      LOC: Information Technologies  
TOP: Application

26. Arnold is the HR manager for a mid-sized engineering consulting firm. The types of ethical misconduct he is most likely to encounter in his daily work as an HR manager include all of the following EXCEPT
- employees misrepresenting hours and times worked.
  - employees misusing organizational supplies.
  - collusion among Arnold's firm and its competitors to rig bids on government contracts.
  - employees sexually harassing co-workers.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 15 | Figure 1-5  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
TOP: Application

27. Which of the following statements is TRUE?
- The HR function in the organization is largely insulated from unethical behaviors.
  - The HR department is largely responsible for the unethical behaviors of employees in the organization.
  - HR management is the voice of organizational ethics.
  - HR management must focus on clearly illegal behaviors within the firm and leave ethics up to the conscience of each individual manager.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 15  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
TOP: Conceptual

28. In organizations, in order to decide whether certain behavior is ethical or not, a person must answer all the following questions EXCEPT
- Does this behavior conform to typical behavior by employees of competing organizations?
  - Does this behavior meet all applicable laws, regulations, and government codes?
  - Does this behavior meet organizational standards?
  - Does this behavior meet professional standards?

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 15  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
TOP: Conceptual

29. The roles played by HR management in the firm are being affected by all of the following EXCEPT
- the shift from a service economy to a manufacturing economy.
  - the globalization of business.
  - cost reduction pressures.
  - an aging workforce.

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 16  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

30. The main pressure behind U.S. firms resulting in facility closings, international outsourcing, and decreasing their labor costs is from
- intense domestic competition.
  - obsolescence of plant and equipment in the U.S. manufacturing sector.
  - global competition.
  - the growth in information technology.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 16  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

31. The Sarbanes-Oxley Act has had all of the following effects on HR EXCEPT
- companies have to establish ethics codes.
  - HR has had to carry out compliance verification effort involved with the act.
  - HR has to develop anti-retaliation policies for employee whistle-blowers.
  - HR exempt-level professionals must have professional certification.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 16  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Legal Responsibilities  
TOP: Conceptual

32. The U.S. economy can be characterized as a/an \_\_\_\_ economy.
- service
  - manufacturing
  - industrial
  - knowledge-based

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 17  
OBJ: 3                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

33. Other than information technology occupations, between now and 2016 the highest percentage job growth will be in
- manufacturing.
  - the public sector.
  - human resources.
  - health care.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 17 | Figure 1-6  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

34. Between now and 2016 the largest number of new jobs in the U.S. will be in
- healthcare.
  - food-service.
  - professional occupations.
  - information technology.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 17 | Figure 1-6  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

35. Temporary workers, independent contractors, part-timers and leased employees are collectively referred to as
- full-time-equivalent employees.
  - virtual employees.
  - contingent workers.
  - pseudo-employees.

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 18  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Definitional

36. Which of the following is NOT a major reason why businesses use contingent workers?
- to reduce legal liability for employers for discrimination lawsuits
  - to provide stable employment for workers with critical skills
  - to reduce compensation and benefit costs
  - to accommodate employee desire for flexible work schedules.

ANS: D                      PTS: 1                      DIF: Challenging                      REF: p. 18  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

37. Which of the following is TRUE about the U.S. educational system?
- U.S. schools are graduating more engineers than can be used in the economy.
  - U.S. students outperform students in other, directly-competitive nations in math and science.
  - Wages are low in the U.S. manufacturing sector because of the excess number of people with manufacturing skills seeking jobs.
  - The U.S. education system is not generating the types of qualified workers needed in the economy..

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 18  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

38. A rumor has been circulating at the largest law firm in the city that the partners are considering outsourcing much of the work of the paralegals in the firm to a company in India. If you were a paralegal at this firm, what would be your most appropriate attitude or action?
- Relax. Work of this level of professionalism cannot be outsourced to a foreign firm.
  - Relax. Work that requires intimate knowledge of the U.S. legal system cannot be outsourced.
  - Consider your options. Only occupations that are dying are considered for outsourcing.
  - Consider your options. The firm can generate huge labor cost savings by outsourcing your job.



ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 18  
OBJ: 4                      NAT: AACSB Analytic                      LOC: Environmental Influence  
TOP: Application

39. International firms that move manufacturing operations to low-wage countries overseas are sometimes criticized for being “sweatshop employers.” Which of the following is NOT a defense for an international firm that is taking advantage of the wage disparity between the U.S. and less-developed countries?
- a. Even though the wages are lower in the less-developed host country than in the U.S., the host country employees are receiving higher wages than they would otherwise.
  - b. The jobs provided by the U.S. company reduce unemployment in the host country.
  - c. The host country employees receive specialized training that will enable them to emigrate to the U.S. for a better life.
  - d. The working conditions in the U.S.- run manufacturing plant may not adhere to U.S. standards, but those standards may be better than those typical in the host country.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 19  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

40. You are the recruiter for an ophthalmologic products company. Your firm needs a scientist with a highly-specialized background. You have been unable to lure any scientist with the needed qualifications to your firm, even though you have offered a very high salary. After intensive searching, you have found a Canadian-educated, Peruvian scientist with impeccable credentials who is interested in moving to the U.S. Which problem are you most likely to encounter?
- a. The inability of the scientist to adapt to the U.S. work culture.
  - b. Tight immigration quotas for highly skilled workers.
  - c. Your current scientific employees fearing that their work will be outsourced overseas.
  - d. The difficulty in meeting the salary expectations of the Peruvian scientist.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 19  
OBJ: 4                      NAT: AACSB Analytic                      LOC: Environmental Influence  
TOP: Application

41. The country that has the highest hourly compensation for manufacturing production workers is
- a. the U.S.
  - b. Japan.
  - c. Australia.
  - d. Germany.

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 20| Figure 1-7  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

42. Eclipse Executive Services offers ransom insurance policies for companies up to \$10 million per kidnapping. This is an example of a business opportunity generated by which one of the following HR management challenges?
- a. ethical challenges
  - b. economic and technological changes
  - c. workforce demographics and diversity
  - d. globalization of business

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 20  
OBJ: 4                      NAT: AACSB Analytic                      LOC: Environmental Influence  
TOP: Application

43. A major trend regarding diversity is that
- as women have become almost 50% of the workforce, fewer work-family tensions exist.
  - out of political and philosophical convictions many people refuse to classify themselves as any racial or ethnic group.
  - the American “melting pot” has resulted in less ethnic and cultural diversity in the U.S. workforce.
  - with the retirement of baby boomers, employers will experience a “brain drain.”

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 21  
OBJ: 4                      NAT: AACSB Diversity                      LOC: Environmental Influence  
TOP: Conceptual

44. Claude is the HR manager for a pharmaceuticals firm. His top sales representative, Agatha, has twin boys under age 2. Despite the fact that Agatha has a full-time nanny, it is obvious that she is stressed by the demands of her work and her personal life. Claude’s main concern in this case is probably
- how to persuade Agatha to resign.
  - getting Agatha to refocus on her career through motivational training.
  - retaining Agatha as an employee.
  - whether Agatha will file an FMLA lawsuit.

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 21  
OBJ: 4                      NAT: AACSB Analytic                      LOC: HRM  
TOP: Application

45. An integrated system providing information used by HR managers in decision making is a
- human resource administrative system
  - human resource operational system
  - human resource information system
  - human resource management system.

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 21  
OBJ: 4                      NAT: AACSB Technology                      LOC: Information Technologies  
TOP: Definitional

46. Flexible hours, job-sharing, child-care referral services, and flexible leave programs are all examples of
- executive perks.
  - retention programs based on work/family concerns.
  - anti-unionization programs.
  - programs mandated by the Equal Employment Opportunity Act.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 21  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

47. In addition to administrative efficiency, the major reason for compiling data in HR management systems is to
- facilitate information-based HR decision making.
  - develop complete records about each employee.
  - strengthen the organization’s HRMS in comparison to its competitors’ HRMS functions.
  - allow HR departments to retain the HRMS function in-house rather than outsourcing it to vendors.

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 22

OBJ: 4  
TOP: Conceptual

NAT: AACSB Technology

LOC: Information Technologies

48. Ernest, the vice president of HR for the Legendary Repose motel chain, has been on the HR side of the hotel/motel industry for over 30 years. Ernest has become a prized partner with the top executives of the LR corporation, and his advice is valued by the executives. Ernest prides himself on making decisions based on his “gut” and his intuition which he has honed over his career. Which of the following statements is most likely to be TRUE?
- a. Ernest will be impressed and influenced by strategic arguments based on analysis of extensive HR data.
  - b. LR’s current top executives will press Ernest to support his intuitive arguments with hard data.
  - c. Ernest appreciates the efficiency aspect of HRMS more than the decision-making aspect of HRMS.
  - d. Ernest is comfortable with sophisticated statistical models.

ANS: C

PTS: 1

DIF: Challenging

REF: p. 22

OBJ: 4

NAT: AACSB Analytic

LOC: Information Technologies

TOP: Application

49. A tweet would be most appropriate to send out
- a. confidential company data.
  - b. an explanation of the reasons behind a mass layoff.
  - c. notification to the next-of-kin that an employee had been killed in an accident.
  - d. an alert about a policy change needing immediate implementation.

ANS: D

PTS: 1

DIF: Moderate

REF: p. 22

OBJ: 4

NAT: AACSB Technology

LOC: Information Technologies

TOP: Application

50. When HR professionals from different organizations work together to solve shared business problems they are engaging in
- a. collusive HR.
  - b. collaborative HR.
  - c. operational HR.
  - d. professional HR.

ANS: B

PTS: 1

DIF: Easy

REF: p. 22

OBJ: 4

NAT: AACSB Reflective Thinking

LOC: Group Dynamics

TOP: Definitional

51. Eric belongs to an informal group of HR compensation executives from various industries who share information and programs through a wiki. Eric and his colleagues are engaging in
- a. collusion.
  - b. corporate espionage.
  - c. collaboration.
  - d. cronyism.

ANS: C

PTS: 1

DIF: Easy

REF: p. 22

OBJ: 4

NAT: AACSB Analytic

LOC: Information Technologies

TOP: Application

52. An organization’s initial use of an HRMS can be characterized as making HR \_\_\_\_ functions more efficient.
- a. legal

- b. strategic
- c. administrative
- d. competitive

ANS: C                      PTS: 1                      DIF: Moderate                      REF: p. 22  
 OBJ: 4                      NAT: AACSB Technology                      LOC: Information Technologies  
 TOP: Conceptual

53. About 50% of the private sector employees in the U.S. economy are employed by
- a. small businesses.
  - b. federal government agencies and the military.
  - c. large firms in service industries, particularly health care and technology.
  - d. traditional, large manufacturing companies.

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 23  
 OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
 TOP: Conceptual

54. Which of the following is NOT a major HR concern of small businesses?
- a. potential unionization efforts
  - b. shortages of qualified workers
  - c. compliance with government regulations
  - d. increasing benefits costs

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 23  
 OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: HRM  
 TOP: Conceptual

55. Matt has recently joined his family's wholesale landscape nursery business as vice president of operations. The firm employs 25 full time employees, plus about 20 seasonal employees. In the past, Matt's father personally handled all HR issues. Matt plans to bring the company in line with typical HR staffing levels. Matt will most probably
- a. hire a full-time HR manager and outsource payroll.
  - b. add a clerical employee to help with HR tasks.
  - c. outsource the HR function.
  - d. hire a full-time HR professional.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 23  
 OBJ: 4                      NAT: AACSB Analytic                      LOC: HRM  
 TOP: Application

56. The reason that cooperation between operating managers and HR staff is necessary for HR efforts to succeed is that
- a. HR professionals see the "coarse-grained picture" of organizational strategy while operating managers see the "fine-grained picture" of daily production.
  - b. HR designs processes that the operating managers must help implement.
  - c. HR professionals must implement processes that have been designed by top management and which impact operating managers.
  - d. HR professionals must react swiftly to initiatives created by operating managers.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 24  
 OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Operations Management  
 TOP: Conceptual

57. 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.
- Henry is correct, because the HR function is a support and staff function and should not intrude on day-to-day management functions.
  - HR managers have the sole responsibility for the proper implementation of company policy regarding employees. Henry is subverting this process.
  - Henry is probably committing major violations of company policy and wants to keep this secret from HR management.
  - Henry would be surprised to learn that every manager, including him, is an HR manager.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 24  
OBJ: 5                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Application

58. When HR is viewed negatively in an organization, the complaints are typically expressed as
- High-level HR managers being overly focused on results rather than activities.
  - HR managers being excessively focused on their gatekeeping roles.
  - HR managers viewing themselves as organizational change agents.
  - the HR function being too heavily involved in forming organizational competitive strategy.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 25  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

59. Woodmere Production Company employs over 2,000 hourly workers. The HR department is debating the introduction of web-based technology to handle employment applications, employee benefit enrollments and other related functions. The move to this technology will most affect the HR department's \_\_\_\_ role.
- strategic
  - operational
  - administrative
  - employee advocate

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 26  
OBJ: 5                      NAT: AACSB Analytic                      LOC: HRM  
TOP: Application

60. Charlotte is describing her new HR position to a friend. She says that she handles most of the clerical duties involved in running the HR department, including such tasks as maintaining employee files and submitting governmental reports. Charlotte's job would fall into the \_\_\_\_ HR role.
- strategic
  - operational and employee advocate
  - administrative
  - secretarial

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 26  
OBJ: 3                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Application

61. The \_\_\_\_ role of HR management has been increasingly outsourced, while the \_\_\_\_\_ role of HR management is sometimes being given to senior executives without HR experience.
- strategic, operational
  - advocate, operational

- c. operational, administrative
- d. administrative, strategic

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 26  
OBJ: 3                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

62. Considering the trends in HR, current HR departments compared to departments of twenty years ago would
- a. tend to have larger staffs.
  - b. have more clerks than professional staff.
  - c. be less likely to be strategic partners with top management.
  - d. be more tightly linked with vendors of HR specialty services.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 26  
OBJ: 3                      NAT: AACSB Reflective Thinking                      LOC: Information Technologies  
TOP: Conceptual

63. As the vice-president of HR for Woodmere Production, Inc., you are presenting a proposal to Woodmere's top management for outsourcing many of your department's administrative HR functions to vendors. You argue that HR vendors have greater expertise than your in-house staff and that outsourcing will allow you to spend more time on the strategic aspects of HR. But, another key selling-point to top management will be
- a. the reduction in labor costs in the HR department.
  - b. the prestige of retaining a world-class vendor.
  - c. the ability to have closer contact with HR's true clients, the employees.
  - d. improvement in morale of HR staff.

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 26  
OBJ: 3                      NAT: AACSB Analytic                      LOC: Creation of Value  
TOP: Application

64. Which of the following HR activities is MOST likely to be outsourced successfully?
- a. 401k administration
  - b. risk management
  - c. union contract negotiations
  - d. performance management

ANS: A                      PTS: 1                      DIF: Moderate                      REF: p. 26  
OBJ: 5                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

65. Benjamin is an American engineer who is a consultant with a German engineering consulting firm. Currently, Benjamin is assigned to a project in South Korea where he will live for the next year. Benjamin is a/an
- a. expatriate.
  - b. host-country national.
  - c. emigrant worker.
  - d. third-country national.

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 26  
OBJ: 4                      NAT: AACSB Analytic                      LOC: Environmental Influence  
TOP: Application

66. Recruiting and selecting employees for current openings are typical \_\_\_\_ HR activities.

- a. employee advocacy
- b. operational
- c. strategic
- d. administrative

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 27  
 OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: HRM  
 TOP: Conceptual

67. Ensuring fair and equitable treatment for employees regardless of their personal background or circumstances is associated with the \_\_\_\_ role of HR.

- a. strategic
- b. operational
- c. employee advocate
- d. administrative

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 27  
 OBJ: 5                      NAT: AACSB Reflective Thinking                      LOC: HRM  
 TOP: Definitional

68. Which of the following would NOT be identified as a typical HR operational activity?

- a. government compliance
- b. safety programs
- c. compensation
- d. partnering with top executives

ANS: D                      PTS: 1                      DIF: Moderate                      REF: p. 27  
 OBJ: 5                      NAT: AACSB Reflective Thinking                      LOC: HRM  
 TOP: Conceptual

69. Tyrone Toys is intensely focused on reducing labor costs. During a meeting of the executive committee, a member suggests closing its unionized plant in Ohio and opening a non-union plant in Mississippi. The executive vice president (EVP) of HR, who is a member of this committee, suggests that the committee get legal advice in case Tyrone Toys would be subject to lawsuits by the union. This interaction suggests that

- a. HR is not a strategic partner in this firm because a plant closing is not a strategic decision.
- b. HR is not a strategic partner in the firm because any suggestion about closing a plant should properly come from HR, not another executive.
- c. HR is a strategic partner in the firm because in this firm the EVP of HR is allowed to sit in on important strategic meetings.
- d. HR is a strategic partner in the firm because the EVP of HR is a permanent member of the executive committee.

ANS: D                      PTS: 1                      DIF: Challenging                      REF: p. 27  
 OBJ: 5                      NAT: AACSB Analytic                      LOC: Strategy  
 TOP: Application

70. The HR management role that is most influential in reducing the number of employee lawsuits against the company is the \_\_\_\_ role.

- a. strategic
- b. advocate
- c. operational
- d. administrative

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 27

OBJ: 5                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

71. Top executives of an organization truly view the top HR executive as contributing to the strategic success of the firm when they request the HR manager to
- streamline the employee selection process.
  - improve the implementation of performance appraisals for supervisors.
  - evaluate potential merger candidates for organizational compatibility.
  - select a vendor for outsourcing benefits administration.

ANS: C                      PTS: 1                      DIF: Challenging                      REF: p. 28  
OBJ: 5                      NAT: AACSB Reflective Thinking                      LOC: Strategy  
TOP: Conceptual

72. The position of vice-president of HR is open in a large paper-products manufacturing company. Two individuals are being considered, both from the internal HR function at the firm. The selection committee wants the new vice-president to be a strategic contributor to the firm. All of the following competencies are highly desirable EXCEPT
- that the candidate understands the paper-products business in all aspects.
  - that the candidate be a highly detail-oriented person.
  - that the candidate demonstrate ethical behavior.
  - that the candidate be results-oriented.

ANS: B                      PTS: 1                      DIF: Moderate                      REF: p. 28  
OBJ: 7                      NAT: AACSB Reflective Thinking                      LOC: Strategy  
TOP: Application

73. Pauline is an employee of a large city. She is the lead negotiator for contracts between the city government and the police and firefighters' unions. Pauline is an HR
- specialist.
  - technologist.
  - generalist.
  - interventionist.

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 29  
OBJ: 6                      NAT: AACSB Analytic                      LOC: HRM  
TOP: Application

74. The most common area for HR specialization is
- EEO compliance.
  - labor/management relations.
  - benefits.
  - HR information systems.

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 29  
OBJ: 6                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

75. The largest professional organization for HR generalists is
- the International Personnel Management Association (IPMA).
  - the American Society for Training and Development (ASTD).
  - the Human Resource Certification Institute (HRCI).
  - the Society for Human Resource Management (SHRM).

ANS: D                      PTS: 1                      DIF: Easy                      REF: p. 29



OBJ: 6                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Definitional

76. Emil is the assistant HR manager at a commercial construction company. Emil handles almost every aspect of human resources at the company, from employee questions about benefits to holding exit interviews. Emil is an HR
- generalist.
  - specialist.
  - technologist.
  - unit manager.

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 29  
OBJ: 6                      NAT: AACSB Analytic                      LOC: HRM  
TOP: Application

77. The \_\_\_\_ sponsors the most well-known certification program for HR generalists.
- Human Resource Certification Institute
  - International Personnel Management Association
  - World at Work Association
  - American Society for Training and Development

ANS: A                      PTS: 1                      DIF: Easy                      REF: p. 29  
OBJ: 6                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Definitional

78. Gloria recently earned her bachelor's in HR. She has just started her first exempt-level HR job. What is the earliest time that Gloria can be certified as a PHR (assuming she has passed the PHR exam)?
- after seven years of exempt-level HR experience
  - after four years of exempt-level HR experience
  - after two years of exempt-level experience
  - after one year of exempt-level experience

ANS: C                      PTS: 1                      DIF: Easy                      REF: p. 30| Figure 1-10  
OBJ: 6                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Application

79. You are the director of HR for a medium-sized firm. You are looking to hire a benefits specialist. You would prefer the individual to be certified in this field. Consequently, you will check applicant resumés for these initials
- OHST.
  - CEBS.
  - CCP.
  - GPHR.

ANS: B                      PTS: 1                      DIF: Easy                      REF: p. 31  
OBJ: 6                      NAT: AACSB Analytic                      LOC: HRM  
TOP: Application

80. HR professionals value their professional certification because
- certification is required in order to hold an exempt-level position in HR.
  - most large organizations require certification for entry-level HR positions..
  - of the credibility certification gives them with peers and senior managers.
  - certification is viewed as the equivalent of a master's degree in HR.

ANS: C	PTS: 1	DIF: Easy	REF: p. 31
OBJ: 6	NAT: AACSB Reflective Thinking	LOC: HRM	
TOP: Conceptual			

## TRUE/FALSE

1. Intellectual capital is the thinking, knowledge, creativity, and decision-making that people in organizations contribute.

ANS: T	PTS: 1	DIF: Easy	REF: p. 5
OBJ: 1	NAT: AACSB Reflective Thinking	LOC: Creation of Value	
TOP: Definitional			

2. The value of human capital is intangible and its contribution to the organization is not measurable, even though it is of critical importance to the organization's success.

ANS: F	PTS: 1	DIF: Moderate	REF: p. 5
OBJ: 1	NAT: AACSB Reflective Thinking	LOC: Creation of Value	
TOP: Conceptual			

3. HR management is exclusively concerned with activities and forces within the firm.

ANS: F	PTS: 1	DIF: Easy	REF: p. 5
OBJ: 2	NAT: AACSB Reflective Thinking	LOC: HRM	
TOP: Conceptual			

4. A manufacturer of heavy construction equipment is replacing a number of its assembly line employees with a robotic assembly process. This would be termed organizational restructuring.

ANS: F	PTS: 1	DIF: Moderate	REF: p. 10
OBJ: 2	NAT: AACSB Technology	LOC: Creation of Value	
TOP: Application			

5. An organization's reputation as "green" can assist in attracting, retaining and motivating employees.

ANS: T	PTS: 1	DIF: Easy	REF: p. 11
OBJ: 2	NAT: AACSB Ethics	LOC: Ethical Responsibilities	
TOP: Conceptual			

6. Employee organizational commitment is the extent to which individuals feel linked to organizational success and how the organization performs positively.

ANS: F	PTS: 1	DIF: Easy	REF: p. 12
OBJ: 2	NAT: AACSB Reflective Thinking	LOC: Motivation Concepts	
TOP: Definitional			

7. Despite all the media attention about major corporate ethical scandals, research has shown that fewer than one-quarter of employees have seen an episode of misconduct in the last year.

ANS: F	PTS: 1	DIF: Moderate	REF: p. 13
OBJ: 3	NAT: AACSB Ethics	LOC: Ethical Responsibilities	
TOP: Conceptual			

8. Even though business is conducted globally by multi-national organizations, there are still significant differences among nations in the laws governing business.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 14  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Legal Responsibilities  
TOP: Conceptual

9. If an organization has a culture that allows or even encourages unethical behavior, it is likely that the top leadership of the organization is at least partly responsible for the culture.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 14  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
TOP: Conceptual

10. HR staff members are protected by whistle-blower statutes, so typically HR employees have no fears of reporting ethical violations they observe.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 15  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
TOP: Conceptual

11. A survey of HR professionals indicated that common ethical misconduct in HR activities included favoritism in hiring and promotion as well as personal bias in performance appraisal and pay increases.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 15| Figure 1-5  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
TOP: Conceptual

12. As a recruiter for DeeLish Candies, Inc., Joyce has noticed a number of applicants for positions at DeeLish Candies who were laid off from one of its main competitors. This competitor recently completed a major restructuring of the organization. Although Joyce has no direct information about this competitor, she surmises that the restructuring was due to cost pressures. Joyce is probably correct in her guess.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 16  
OBJ: 4                      NAT: AACSB Analytic                      LOC: Creation of Value  
TOP: Application

13. According to the Sarbanes-Oxley Act., publicly traded companies are required to establish codes of ethics.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 16  
OBJ: 3                      NAT: AACSB Ethics                      LOC: Legal Responsibilities  
TOP: Conceptual

14. It is illegal for a firm to be hiring employees for some positions while simultaneously laying off employees from other positions.

ANS: F                      PTS: 1                      DIF: Challenging                      REF: p. 16  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Legal Responsibilities  
TOP: Conceptual

15. The fastest-growing occupations, such as veterinary technologists, are related to information technology and health care.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 17 | Figure 1-6  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

16. If the U.S. educational system does not improve, U.S. employers will be forced to expand international outsourcing of employees with degrees in computers, engineering, and health sciences..

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 18  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

17. Contingent workers have less legal protection regarding selection, discrimination, benefits, discipline and termination than do regular employees.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 18  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Legal Responsibilities  
TOP: Conceptual

18. By not providing contingent employees with health benefits, the employer can save 20-40% in labor costs compared with regular employees.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 18  
OBJ: 4                      NAT: AACSB Analytic                      LOC: HRM  
TOP: Conceptual

19. Roger's company is planning to open a branch of its manufacturing firm in Vietnam. The company has little knowledge of Vietnamese culture, laws and business practices. Roger would be well-advised to hire a host-country national to manage the new Vietnam branch.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 19  
OBJ: 4                      NAT: AACSB Analytic                      LOC: Environmental Influence  
TOP: Conceptual

20. African-Americans are the largest minority in the overall U.S. workforce.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 21  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

21. Now that women make up almost 50% of the U.S. workforce, HR policies and practices supporting work and family balance are less needed.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 21  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
TOP: Conceptual

22. The upcoming "brain drain" as baby boomers age is expected to come about because boomers want to leave the workplace entirely at retirement age, rather than continuing as mentors or part-time contributors to the organization.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 21  
OBJ: 4                      NAT: AACSB Diversity                      LOC: Environmental Influence  
TOP: Conceptual

23. The initial purpose served by an HRMS in an organization is efficiency improvements in data compilation.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 22  
OBJ: 4                      NAT: AACSB Technology                      LOC: Information Technologies  
TOP: Conceptual

24. HR managers have found that tweets are too short to be useful communication tools with employees.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 22  
OBJ: 4                      NAT: AACSB Technology                      LOC: Information Technologies  
TOP: Conceptual

25. Human resource management is a technical discipline requiring specialized skills. Accordingly, all HR activities should be carried out by HR professionals.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 23  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

26. Because the core of HR management involves working with people one-on-one, the introduction of web-based technology has had little impact on the day-to-day working lives of HR managers.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 23  
OBJ: 4                      NAT: AACSB Technology                      LOC: Information Technologies  
TOP: Conceptual

27. Employee self-service in an HRMS means that employees can handle all their interactions with HR electronically without ever needing to interact face-to-face with an HR professional.

ANS: F                      PTS: 1                      DIF: Challenging                      REF: p. 23  
OBJ: 4                      NAT: AACSB Technology                      LOC: Information Technologies  
TOP: Conceptual

28. Key for a more positive view of HR is for HR to expand its expertise in legal compliance.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 25  
OBJ: 4                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

29. Most HR outsourcing is related to the administrative role of HR.

ANS: T                      PTS: 1                      DIF: Moderate                      REF: p. 26  
OBJ: 5                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

30. The top management team of an international chemical company is considering outsourcing some of its HR functions. As a member of the HR staff who has been involved with top management in strategic discussions about an upcoming acquisition, you ought to be updating your resumé because you will probably be terminated.

ANS: F                      PTS: 1                      DIF: Moderate                      REF: p. 26  
OBJ: 5                      NAT: AACSB Analytic                      LOC: Strategy

TOP: Application

31. Typical operational HR functions include legal compliance, processing applications, training supervisors, and answering questions about wages and salaries.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 27  
OBJ: 5                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

32. Strategic HR is proactive rather than reactive in focusing on future business needs..

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 27  
OBJ: 5                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

33. When EconoPharmCo acquired a competing chain of discount drug stores, the vice president of HR was brought in to the executive committee for his input after the decision to acquire was made. The executive committee wanted the HR vice president to make plans for workforce changes. This is an example of HR as a strategic partner.

ANS: F                      PTS: 1                      DIF: Challenging                      REF: p. 27  
OBJ: 5                      NAT: AACSB Analytic                      LOC: Strategy  
TOP: Application

34. When hiring a benefits specialist for a large organization, the recruiter would be wise to look for a professional with the GPHR certification.

ANS: F                      PTS: 1                      DIF: Easy                      REF: p. 31  
OBJ: 6                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

35. Professional certifications are helpful for HR professionals because many people enter the field of HR with limited formal HR training.

ANS: T                      PTS: 1                      DIF: Easy                      REF: p. 31  
OBJ: 6                      NAT: AACSB Reflective Thinking                      LOC: HRM  
TOP: Conceptual

## ESSAY

1. Discuss why ethical issues permeate HR management. What role does organizational culture play in organizational ethics? What are typical ethical violations observed by HR managers? What are the four elements of ethics programs?

ANS:

Ethical issues revolve around questions of fairness, justice, truthfulness, and social responsibility. Ethics involves not only complying with laws and regulations, but acting in accordance with professional and organizational standards of behavior. Organizations that are socially responsible are positively viewed by prospective and current employees, improves the organization's image, improves employee morale and loyalty, and provides competitive advantages with consumers. Organizational ethics are driven by organizational culture, the shared values and beliefs of organizational members. Organizational members look to HR management as the "keeper and the voice" of organizational ethics. The HR department is often the main resource for ethics policies in the organization, and the HR department takes the lead in ethics training for employees and legal compliance. The most common unethical incidents observed by HR managers include: employees lying to supervisors, drug and alcohol use, and falsification of records. Ethical organizations are viewed more positively by the community, industry, consumers and other employers. This allows employers to attract and retain employees, as well as avoid lawsuits and regulatory actions. The four elements of ethics programs are: (1) a written code of ethics and standards of conduct, (2) training on ethical behavior for all organizational members, (3) means for employees to obtain advice on ethical situations, and (4) systems for confidential reporting of ethical misconduct or questionable behavior.

PTS: 1                      DIF: Moderate                      REF: p. 10-16                      OBJ: 3  
 NAT: AACSB Ethics                      LOC: Ethical Responsibilities  
 TOP: Conceptual

2. What challenges face HR managers with regard to workforce availability and quality? What are potential solutions?

ANS:

In many parts of the U.S. there are shortages of workers with needed skills. Although there is not a shortage of potential workers, these workers lack the skills needed to fill the jobs in the current U.S. economy. U.S. students are falling behind competitive nations in math and science, and U.S. schools are not meeting the demand for graduates with degrees in engineering, computers, and health sciences. These shortages have spurred U.S. companies to outsource jobs internationally and to bring skilled workers to the U.S. from overseas. It is urgent that U.S. education improve to provide a future workforce with modern skills. The poor preparation of U.S. workers and the scarcity of some critical skills makes the talent management and development role of HR critical.

PTS: 1                      DIF: Moderate                      REF: p. 23-24                      OBJ: 4  
 NAT: AACSB Reflective Thinking                      LOC: Environmental Influence  
 TOP: Conceptual

3. Describe the major purposes of an HR management system (HRMS) in the organization. Give examples of HRMS uses. What changes has this required for HR managers?

ANS:

An HRMS enhances administrative and operational efficiency and it also improves the effectiveness of the organization. Efficiencies are created in the rapid compilation of data on employees and activities. Employees can use self-service programs to change their personal data, make changes to their benefits, and prepare for performance reviews. HRMS also allows HR to communicate more quickly to employees. Organizational effectiveness is served by providing data for HR planning and managerial decision making. This allows HR to provide data for strategic planning. Collaboration among HR professionals in different organizations is aided by wikis which enable HR professionals to share information and programs. Blogs and twitters allow HR to communicate with employees rapidly, and allow employees to communicate both positive and negative information about the organization to co-workers and the public. This has required firms to establish policies on how this technology can and should be used. This includes rules regarding privacy and the correction of erroneous information.

PTS: 1                      DIF: Moderate                      REF: p. 21-22                      OBJ: 4  
NAT: AACSB Technology                      LOC: Information Technologies  
TOP: Conceptual

4. What are the three major roles of HR management? Which is/are the most affected by technology and outsourcing? Which role is growing in importance?

ANS:

The administrative role of HR focuses on clerical administration. It involves processing and record keeping activities. The administrative activities of HR are easily computerized, and are most easily outsourced to vendors. The operational role requires HR professionals to identify and implement needed programs and policies in cooperation with operating managers. This includes legal compliance, processing applications and filling positions, training supervisors, administering wages and salaries, and resolving safety problems. Operational HR efforts match HR activities with the strategies of the organization. The employee advocate role of HR requires dealing with employee crises, and helping ensure fair and equitable treatment for all employees. The HR advocate role tends to reduce the number of lawsuits and regulatory complaints. The strategic role of HR focuses on HR as a business partner with top management. HR professionals in this role help devise and implement strategy. Examples of such involvement include evaluating mergers and acquisitions, workforce planning in advance of strategic organizational changes, and compensation and incentive plan changes. HR is increasingly playing a strategic role in organizations, while the traditionally-dominant administrative role is being outsourced and automated.

PTS: 1                      DIF: Moderate                      REF: p. 25-28                      OBJ: 5  
NAT: AACSB Reflective Thinking                      LOC: HRM                      TOP: Conceptual

5. Identify the key competencies needed by all HR professionals, and the additional competencies needed by senior HR leaders.

ANS:

HR professionals at all levels need to have: 1) strategic knowledge, 2) legal, administrative and operational capabilities, 3) technological knowledge and the ability to use technology. In addition, senior HR leaders need to have more business, strategic, HR and organizational knowledge, along with the ability to lead change. Plus, senior HR leaders need to demonstrate ethical behavior and have a performance results orientation.

PTS: 1                      DIF: Moderate                      REF: p. 25-28                      OBJ: 6  
NAT: AACSB Reflective Thinking                      LOC: HRM                      TOP: Conceptual