

Chapter 1—Changing Nature of Human Resources Management

MULTIPLE CHOICE

1. Which of the following best defines human resources management?
 - a. the use and coordination of human skills to ensure the profitability and survival of the organization
 - b. the design of the organization and its systems in order to achieve the goals of the organization
 - c. the supervision, monitoring, controlling, and disciplining of employees in order to achieve organizational goals
 - d. the policies, practices, and systems that influence how employees behave, feel, and perform to attain organizational goals

ANS: D PTS: 1 DIF: Moderate REF: 3
OBJ: 01-1 TOP: Definitional

2. Which of the following is human resources (HR) management primarily a function of?
 - a. non-governmental organizations
 - b. organizations with any number of employees
 - c. for-profit organizations with more than 100 employees
 - d. businesses holding federal contracts over \$50 000

ANS: B PTS: 1 DIF: Easy REF: 3
OBJ: 01-1 TOP: Conceptual

3. Which form of management provides a system of policies and practices designed to influence employee behaviour and functioning to support the goals of the company?
 - a. personnel administration
 - b. human resources management
 - c. human capital management
 - d. strategic management

ANS: B PTS: 1 DIF: Easy REF: 3
OBJ: 01-1 TOP: Definitional

4. How do global forces affect HR management?
 - a. affected primarily in the international outsourcing of jobs
 - b. affected in almost all of its functions
 - c. unaffected by global forces
 - d. affected primarily when the organization expands into foreign markets

ANS: B PTS: 1 DIF: Moderate REF: 3
OBJ: 01-1 TOP: Conceptual

5. Who is directly responsible for anticipating and responding to HR changes in the organization?
 - a. specialists in HR strategic management
 - b. HR development professionals
 - c. HR management information systems professionals
 - d. the CEO and board of directors of the organization

ANS: A PTS: 1 DIF: Easy REF: 3
OBJ: 01-1 TOP: Definitional

6. HR management is responsible for providing enough qualified individuals to fill the jobs in the organization. Through which of the following means does it do so?
- a. employment equity
 - b. staffing
 - c. performance management
 - d. strategic HR management

ANS: B PTS: 1 DIF: Easy REF: 5
OBJ: 01-1 TOP: Definitional

7. Diversity and employment equity are both tied to a larger aspect of human resources management. Which of the following are they functions of?
- a. the position of the company as a forward-thinking employer
 - b. the values of unionized workplaces as opposed to non-unionized workplaces
 - c. HR management information systems
 - d. compliance with equal employment opportunity laws and regulations

ANS: D PTS: 1 DIF: Easy REF: 5
OBJ: 01-1 TOP: Definitional

8. Which aspect of HR management focuses on ensuring that the organization can fill jobs with appropriately qualified individuals ?
- a. staffing
 - b. strategic planning and analysis
 - c. development
 - d. diversity assessment and training

ANS: A PTS: 1 DIF: Easy REF: 5
OBJ: 01-1 TOP: Definitional

9. Which of the following HR components identifies paths and activities for individual employees within the organization?
- a. staffing
 - b. career planning
 - c. HR development
 - d. performance management

ANS: B PTS: 1 DIF: Easy REF: 5
OBJ: 01-1 TOP: Definitional

10. Which of the following activities are part of HR development?
- a. diversity assessment and analysis
 - b. performance management
 - c. environmental scanning
 - d. wage and salary administration

ANS: B PTS: 1 DIF: Easy REF: 5
OBJ: 01-1 TOP: Definitional

11. Which of the following costs poses a major and growing concern to HR managers in almost all organizations?
- a. equalization of pay between men and women
 - b. benefits
 - c. early retirement packages
 - d. incentive pay

ANS: B PTS: 1 DIF: Easy REF: 5
OBJ: 01-1 TOP: Conceptual

12. For which of the following are employee assistance programs typically used?
- a. providing concierge service for employees
 - b. outplacing laid-off employees
 - c. advising employees in selection of benefit options
 - d. helping employees with substance abuse problems

ANS: D PTS: 1 DIF: Moderate REF: 5
OBJ: 01-1 TOP: Definitional

13. The HR director of Tyrone Plastics is concerned about the increasing incidence of workplace violence nationwide. Which of the following types of programs might she initiate in the company to address her concern?
- a. employee rights
 - b. employee assistance
 - c. monitoring
 - d. security

ANS: D PTS: 1 DIF: Moderate REF: 5
OBJ: 01-1 TOP: Application

14. In which workplace settings must employee rights be specifically addressed?
- a. in union-free workplaces
 - b. in all organizations
 - c. in unionized organizations
 - d. in government rather than private-sector workplaces

ANS: B PTS: 1 DIF: Moderate REF: 6
OBJ: 01-1 TOP: Conceptual

15. Henry, the production manager for a chemical plant, resents what he feels are unwarranted intrusions into his territory by HR managers. He believes that relationships with his employees are strong and supportive, and that HR initiatives generally cause unnecessary trouble. What is off in Henry's relationship with the HR managers?
- a. Henry would be surprised to learn that every manager, including him, is an HR manager.
 - b. Henry is probably committing major violations of company policy and wants to keep this secret from HR management.
 - c. The HR function is a support function, and as Henry believes, it should not intrude on day-to-day management functions.
 - d. HR managers have the sole responsibility for properly implementing company policy regarding employees—Henry has failed to recognize this.

ANS: A PTS: 1 DIF: Moderate REF: 6
OBJ: 01-1 TOP: Application

16. Which of the following is NOT a major HR concern of small businesses?
- a. potential unionization efforts
 - b. increasing wage costs
 - c. increasing benefits costs
 - d. shortages of qualified workers

ANS: A PTS: 1 DIF: Easy REF: 6
OBJ: 01-1 TOP: Conceptual

17. Matt has recently joined his family's wholesale landscape nursery business as vice president of operations. The firm employs 25 full-time employees and about 20 seasonal employees. In the past, Matt's father handled all HR issues. Matt plans to bring the company in line with typical HR staffing levels. Which of the following options best reflects that?
- taking on all HR duties himself as VP of operations
 - adding a clerical employee to help with HR tasks
 - hiring a full-time HR professional
 - delegating all HR tasks and issues to supervisors

ANS: B PTS: 1 DIF: Challenging REF: 6
OBJ: 01-1 TOP: Application

18. Which are the four key types of assets in an organization?
- physical, financial, tangible, and human
 - physical, financial, intangible, and human
 - physical, tangible, technological, and human
 - tangible, technological, human, and knowledge

ANS: B PTS: 1 DIF: Easy REF: 7
OBJ: 01-2 TOP: Definitional

19. Which of the following assets allow all the other assets of a university to be used to offer educational services to its students?
- administrators, professors, and other employees
 - libraries, laboratories, and technological learning facilities
 - financial endowment and income
 - unique operating processes, specialized research capabilities, and other intangible assets

ANS: A PTS: 1 DIF: Moderate REF: 7
OBJ: 01-2 TOP: Application

20. Which of the following terms best encompasses the value of all the capabilities, knowledge, skills, life experiences, and motivation that people contribute to a workforce?
- total human resources
 - human assets
 - organizational talent inventory
 - human capital

ANS: D PTS: 1 DIF: Moderate REF: 7
OBJ: 01-2 TOP: Definitional

21. Human resources and workforce-related expenditures can be viewed as a percentage of total company expenditures. Which of the following statements outlines the trend in this regard in the last decade?
- Costs have remained stable.
 - Costs have been declining rapidly.
 - Costs have shown wide swings.
 - Costs have been rising steeply.

ANS: D PTS: 1 DIF: Moderate REF: 8
OBJ: 01-2 TOP: Conceptual

22. The chief financial officer of McGill Tubing wants to know the contribution of McGill's workforce toward creating value for shareholders. Which calculation-based analysis would provide this information?

- a. the human capital revenue stream
- b. profit per employee
- c. return on human capital investments
- d. marginal revenue generated per employee

ANS: C PTS: 1 DIF: Challenging REF: 8
 OBJ: 01-2 TOP: Application

23. What is human resources to a firm when the human resources function develops a unique capability that creates high value and differentiates the organization from its competition?
- a. emerging asset
 - b. critical capability
 - c. tangible asset
 - d. core competency

ANS: D PTS: 1 DIF: Easy REF: 8
 OBJ: 01-2 TOP: Definitional

24. A rumour at the largest law firm in the city is that the partners may outsource much of the work done by paralegals in the firm to a company in India. If you were a paralegal at this firm, what would be the most appropriate way to respond and why?
- a. Relax. Work of this level of professionalism cannot be outsourced to a foreign firm.
 - b. Consider your options. Only occupations that are dying are considered for outsourcing.
 - c. Consider your options. The firm can generate huge labour cost savings by outsourcing your job.
 - d. Relax. Work that requires intimate knowledge of the Canadian legal system cannot be outsourced.

ANS: C PTS: 1 DIF: Moderate REF: 9
 OBJ: 01-3 TOP: Application

25. Prestige Executive Services offers companies ransom insurance policies for up to \$10 million. Which of the following HR management challenges has generated this business opportunity?
- a. organizational cost pressures and restructuring
 - b. economic and technological changes
 - c. workforce demographics and diversity
 - d. globalization of business

ANS: D PTS: 1 DIF: Moderate REF: 9
 OBJ: 01-3 TOP: Application

26. Which of the following occupational areas is a defining characteristic of the Canadian economy?
- a. industrial
 - b. technological
 - c. manufacturing
 - d. service

ANS: D PTS: 1 DIF: Easy REF: 10
 OBJ: 01-3 TOP: Conceptual

27. In which occupational area can be found most of the new jobs held by individuals?
- a. health care
 - b. professions
 - c. information technology
 - d. services

ANS: D PTS: 1 DIF: Moderate REF: 10
OBJ: 01-3 TOP: Conceptual

28. Which of the following fields is fastest growing in occupations?
- a. health care
 - b. human resources
 - c. manufacturing
 - d. the public sector

ANS: A PTS: 1 DIF: Moderate REF: 10-11
OBJ: 01-3 TOP: Conceptual

29. The Conference Board of Canada would define all but one of the following as *soft skills* needed in a knowledge economy. Which is the exception?
- a. computer skills
 - b. communication skills
 - c. flexibility
 - d. problem-solving skills

ANS: A PTS: 1 DIF: Moderate REF: 11
OBJ: 01-3 TOP: Definitional

30. Which of the following statements makes an accurate link between the Canadian education system and the demands of the workplace?
- a. Too many people with manufacturing skills are seeking jobs, making wages low in that sector.
 - b. Canadian schools are graduating more engineers than can be used in the economy.
 - c. Canadian students outperform students in other, directly competitive nations in math and science.
 - d. Canadian firms are concerned about the specific skills of new graduates.

ANS: D PTS: 1 DIF: Moderate REF: 11
OBJ: 01-3 TOP: Conceptual

31. Which of these terms encompasses temporary workers, independent contractors, and leased employees?
- a. contingent workers
 - b. part-time workers
 - c. virtual employees
 - d. extra-organizational employees

ANS: A PTS: 1 DIF: Easy REF: 12
OBJ: 01-3 TOP: Definitional

32. Some businesses use contingent workers; some do not. Which of the following is NOT a reason for using contingent workers?
- a. to stabilize the core workforce
 - b. to encourage employee loyalty
 - c. to reduce compensation and benefit costs
 - d. to potentially avoid legal liability for workers

ANS: A PTS: 1 DIF: Challenging REF: 12
OBJ: 01-3 TOP: Conceptual

33. A government policy seeks to ensure that all citizens can keep their identities, take pride in their backgrounds, and feel a sense of belonging. Which of the following names the policy?
- a. cultural management
 - b. cultural diversity
 - c. employment equality
 - d. multiculturalism

ANS: D PTS: 1 DIF: Easy REF: 13
OBJ: 01-3 TOP: Definitional

34. To which of the following conditions has the improvement in communication technology led?
- a. a reduction of stress for workers
 - b. better work–life balance for employees in professional occupations
 - c. ease of managing temporary employees
 - d. an increase in the number of hours worked per employee

ANS: D PTS: 1 DIF: Challenging REF: 13
OBJ: 01-3 TOP: Conceptual

35. Which of the following HR management practices has NOT become Web based?
- a. recruiting
 - b. performance improvement counselling
 - c. performance appraisal documentation
 - d. benefits enrollment

ANS: B PTS: 1 DIF: Moderate REF: 14
OBJ: 01-3 TOP: Conceptual

36. Which of the following statements presents an accurate picture of the age factor in the workforce?
- a. Despite the many layoffs occurring in the last decade, the average age of the workforce is older.
 - b. Because of the many early retirement programs instituted in the last decade, the average age of the workforce is younger.
 - c. As the workforce ages, the need for diversity management is decreasing—the workforce has psychological maturity.
 - d. Variation of ages in the workplace is not considered diversity in the same sense that variation by race and gender is considered diversity.

ANS: A PTS: 1 DIF: Challenging REF: 15
OBJ: 01-3 TOP: Conceptual

37. What are flexible hours, job-sharing, child-care referral services, and flexible leave all examples of?
- a. programs mandated by the Employment Equity Act
 - b. executive perks
 - c. anti-unionization measures
 - d. retention programs based on work–family concerns

ANS: D PTS: 1 DIF: Easy REF: 15
OBJ: 01-3 TOP: Conceptual

38. Claude is the HR manager for a pharmaceuticals firm. One of his top salespersons, Agatha, has twin boys under age two. Despite the fact that Agatha has a full-time nanny, she is clearly overwhelmed by the demands of her work and her personal life. Which of the following should probably be Claude's main concern in this case?
- a. retaining Agatha as an employee

- b. getting Agatha to refocus on her career through motivational training
- c. assessing whether Agatha will file lawsuit
- d. persuading Agatha to resign without violating the Canadian Human Rights Act

ANS: A PTS: 1 DIF: Moderate REF: 15
OBJ: 01-3 TOP: Application

39. Which of the following activities is NOT usually associated with organizational “rightsizing”?
- a. closing facilities
 - b. merging with other organizations
 - c. displacing workers
 - d. increasing layers of management

ANS: D PTS: 1 DIF: Easy REF: 16
OBJ: 01-3 TOP: Conceptual

40. Which of the following has been the main pressure behind restructuring, rightsizing, and mergers and acquisitions?
- a. the desire to increase profits
 - b. obsolescence of plant and equipment
 - c. the need to reduce costs
 - d. intense domestic competition

ANS: C PTS: 1 DIF: Moderate REF: 15
OBJ: 01-3 TOP: Conceptual

41. As HR manager of a mid-sized auto parts manufacturing plant, you have been asked to predict the impact on the employees of a 20 percent layoff of hourly workers. Which of the following predictions are you LEAST likely to include in your memo to the CEO?
- a. increased turnover of survivors
 - b. productivity surge by survivors
 - c. potential loss of employee loyalty
 - d. increased workload on survivors

ANS: B PTS: 1 DIF: Moderate REF: 16
OBJ: 01-3 TOP: Application

42. 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. Into which HR role would Charlotte’s job fall?
- a. administrative
 - b. employee advocate
 - c. secretarial
 - d. operational

ANS: A PTS: 1 DIF: Easy REF: 16
OBJ: 01-4 TOP: Application

43. Which situation is NOT affecting the roles played by HR management within the firm?
- a. increasing need for high-technology workers
 - b. business restructuring
 - c. cost reduction pressures
 - d. globalization of business

ANS: A PTS: 1 DIF: Moderate REF: 16
OBJ: 01-4 TOP: Conceptual

44. Which of the following HR roles typically involve recruiting and selecting for current openings?
- a. employee advocacy
 - b. operational
 - c. strategic
 - d. administrative

ANS: B PTS: 1 DIF: Moderate REF: 18
OBJ: 01-4 TOP: Conceptual

45. Woodland Production Company employees more than 2000 hourly workers. The HR department is debating the introduction of Web-based technology to handle employment applications, employee benefit enrollments, and other related functions. Which HR department role will be most affected by the move to this technology?
- a. administrative
 - b. operational
 - c. strategic
 - d. employee advocate

ANS: A PTS: 1 DIF: Easy REF: 16
OBJ: 01-4 TOP: Application

46. While one HR management role has been declining in emphasis, another has been increasing in importance. Which are the former and latter roles?
- a. strategic, operational and advocate
 - b. administrative, strategic
 - c. operational, administrative and advocate
 - d. advocate, operational and administrative

ANS: B PTS: 1 DIF: Moderate REF: 17| Figure 1-4
OBJ: 01-4 TOP: Conceptual

47. Which of the following HR activities is most likely to be outsourced?
- a. performance management
 - b. benefits administration
 - c. strategic planning
 - d. risk management

ANS: B PTS: 1 DIF: Moderate REF: 17
OBJ: 01-4 TOP: Conceptual

48. What is the main reason why HR functions are outsourced?
- a. to eliminate internal tension
 - b. to provide consistent service despite staff turnover
 - c. to be able to focus on more strategic product development
 - d. to save money on staffing

ANS: A PTS: 1 DIF: Easy REF: 17
OBJ: 01-4 TOP: Conceptual

49. Which of the following HR roles is associated with ensuring ensure fair and equitable treatment for employees no matter what their background or circumstances are?
- a. strategic
 - b. operational
 - c. administrative

d. employee advocate

ANS: D PTS: 1 DIF: Easy REF: 18
OBJ: 01-4 TOP: Definitional

50. As the vice president of HR for Woodland Production, you are presenting a proposal to 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. Which of the following should be your key selling point to top management?
- a. the ability to have closer contact with HR's clients, the employees
 - b. the prestige of retaining a world-class vendor
 - c. the improvement in morale of HR staff
 - d. the reduction in HR administrative staff

ANS: D PTS: 1 DIF: Moderate REF: 18
OBJ: 01-4 TOP: Application

51. Which of the following activities is categorized as an advocacy aspect of HR management?
- a. engaging in community workforce development planning
 - b. resolving employee complaints about unfair treatment
 - c. conducting new employee orientations
 - d. engaging in labour/management negotiations

ANS: B PTS: 1 DIF: Easy REF: 18
OBJ: 01-4 TOP: Definitional

52. HR management can reduce the number of employee lawsuits against the company. Which of the following roles is most influential in achieving this reduction?
- a. administrative
 - b. strategic
 - c. operational
 - d. advocate

ANS: D PTS: 1 DIF: Moderate REF: 18
OBJ: 01-4 TOP: Conceptual

53. Which of the following is NOT a typical HR operational activity?
- a. monitoring safety programs
 - b. partnering with top executives
 - c. supervising compensation
 - d. ensuring government compliance

ANS: B PTS: 1 DIF: Moderate REF: 19
OBJ: 01-4 TOP: Conceptual

54. Which is a key difference between operational HR management and strategic HR management?
- a. planning oriented versus implementation oriented
 - b. employee focused versus organization focused
 - c. profit focused versus cost focused
 - d. pro-active versus reactive

ANS: B PTS: 1 DIF: Moderate REF: 19| Figure 1-5
OBJ: 01-4 TOP: Conceptual

55. In the professional and academic communities, it is a truism that HR management must be a strategic partner in organizations. Which of the following statements is supported by research?
- Dramatic growth of the strategic HR function has occurred.
 - HR spends less than one-quarter of its time on its strategic role.
 - Strategic HR has been largely eliminated from the organization and lodged in the position of the chief operating officer.
 - Over 70 percent of HR managers report that they function as full strategic business partners.

ANS: B PTS: 1 DIF: Moderate REF: 20
OBJ: 01-4 TOP: Conceptual

56. The top executives of an organization may truly view the top HR manager as contributing to the strategic success of the firm. Which of these requests from top management best exemplifies that perception?
- Improve the implementation of performance appraisals for supervisors.
 - Streamline the employee selection process.
 - Select a vendor for outsourcing benefits administration.
 - Evaluate potential merger candidates for organizational compatibility.

ANS: D PTS: 1 DIF: Challenging REF: 20
OBJ: 01-4 TOP: Conceptual

57. Which type of HR is it when professionals from different organizations work together to solve business problems they have in common?
- professional
 - collusive
 - operational
 - collaborative

ANS: D PTS: 1 DIF: Easy REF: 20
OBJ: 01-4 TOP: Definitional

58. Eric belongs to an informal group of HR compensation executives from various industries who meet once a month at a local restaurant to discuss problems that they all face, for example, the challenge of designing true merit pay systems. Which of these practices are Eric and his colleagues engaging in?
- cronyism
 - collaboration
 - collusion
 - competition

ANS: B PTS: 1 DIF: Moderate REF: 20
OBJ: 01-4 TOP: Application

59. Which of the following terms refers to an integrated system that provides information used in HR decision making?
- human resources information system.
 - human resources management system
 - human resources administrative system.
 - human resources operational system.

ANS: B PTS: 1 DIF: Easy REF: 21
OBJ: 01-5 TOP: Definitional

60. Which of the following is the primary reason for compiling data in HR management systems?

- a. to develop complete records about each employee
- b. to facilitate HR decision making
- c. to ensure that the organization's HR management system is stronger than its competitors' systems
- d. to allow the HR department to retain the management system function in-house rather than outsourcing it to vendors

ANS: B PTS: 1 DIF: Easy REF: 21
 OBJ: 01-5 TOP: Conceptual

61. Ernest, the vice president of HR for the Blue Moon motel chain, has been on the HR side of the hotel/motel industry for more than 30 years. He has become a prized partner with the top executives of the corporation, and his advice is valued by the executives. Ernest prides himself on making decisions based on his "gut" and his intuition honed over his career. Which of the following statements most likely provides an accurate description of Ernest's relationship with a human resources management system (HRMS) at Blue Moon?
- a. Due to Ernest's efforts, Blue Moon possesses a state-of-the-art HR management system.
 - b. Ernest will now be pressed by Blue Moon's top executives to support his intuitive arguments with hard data.
 - c. Ernest will be easily impressed and influenced by strategic arguments based on analysis of extensive HR data.
 - d. Ernest would appreciate the efficiency aspect of an HRMS more than its effectiveness aspect.

ANS: D PTS: 1 DIF: Challenging REF: 21
 OBJ: 01-5 TOP: Application

62. You are a consultant for an HRMS vendor, which offers a complete HRMS. You are calling on the head of HR at a potential client firm, which is still using a manual HR system, even though it has 1800 employees. To interest the potential client, your sales pitch will likely stress two things. One is your software's ability to help with automating payroll and benefits. Which of the following is the software's other ability?
- a. to track employment equity activity
 - b. to allow employees to handle changes in their personnel files themselves
 - c. to provide advanced data analysis
 - d. to allow the employer and your firm to be electronically linked

ANS: A PTS: 1 DIF: Challenging REF: 21
 OBJ: 01-5 TOP: Application

63. Which is the most basic application of an HRMS?
- a. enabling employees to check their work schedules for the following month
 - b. automating payroll and benefits
 - c. allowing employees to enrol for health benefits online
 - d. permitting employees to notify HR when children need to be added to health insurance

ANS: B PTS: 1 DIF: Moderate REF: 21
 OBJ: 01-5 TOP: Conceptual

64. Which of the following aspects of HR can an organization's initial use of an HRMS make more efficient?
- a. strategic
 - b. legal
 - c. advocacy
 - d. administrative

ANS: D PTS: 1 DIF: Challenging REF: 22-23
OBJ: 01-5 TOP: Conceptual

65. Which of the following is NOT an organizational use of Web-based systems?
- a. extended linkages
 - b. HR metrics
 - c. bulletin boards
 - d. data access

ANS: B PTS: 1 DIF: Moderate REF: 23| Figure 1-6
OBJ: 01-5 TOP: Conceptual

66. Employees may be allowed to enter the organization's HR database to change their personnel records, enrol in benefit plans, and apply for posted jobs. Which of the following is a critical concern when providing self-service options?
- a. overcoming internal HR management resistance to technology
 - b. monitoring excessive employee use of the system
 - c. training non-computer literate employees to use the system
 - d. maintaining security of the system

ANS: D PTS: 1 DIF: Moderate REF: 23| Figure 1-6
OBJ: 01-5 TOP: Conceptual

67. From an HR perspective, there is a compelling practical reason for an organization to maintain high ethical standards. Which of the following phrases presents that reason?
- a. the ability to succeed in bids for government contracts
 - b. the reputation of the organization's HR department in the profession
 - c. the ability to attract and retain employees
 - d. higher salaries for HR managers

ANS: C PTS: 1 DIF: Moderate REF: 23
OBJ: 01-6 TOP: Conceptual

68. What does the Corruption of Foreign Public Officials Act prohibit?
- a. Canadian firms from engaging in bribery in foreign countries
 - b. Canadian firms from engaging in practices that are corrupt under the laws of the countries in which they are operating
 - c. Canadian firms from doing business with foreign firms that engage in corrupt practices
 - d. foreign firms from engaging in corrupt practices in Canada

ANS: A PTS: 1 DIF: Moderate REF: 24
OBJ: 01-6 TOP: Definitional

69. A not-for-profit scientific organization wishes to build a fisheries research station in a remote part of a developing nation. In order to receive a construction permit from the local government, the scientific organization also had to agree to build an elementary school. How should this situation be characterized?
- a. an instance of the corrupting influence of Canadian organizations on developing countries
 - b. an unambiguously ethical and legal act
 - c. a clear example of a violation of the Corruption of Foreign Public Officials Act
 - d. an example of an ethical dilemma in deciding whether this action would be bribery or a benevolent act

ANS: D PTS: 1 DIF: Challenging REF: 24
OBJ: 01-6 TOP: Application

70. Which of the following statements describes the appropriate relationship between HR and ethical behaviour in the firm?
- a. HR management must focus on clearly illegal behaviours and leave ethics up to the conscience of each manager.
 - b. HR management is the voice of organizational ethics.
 - c. The HR department is largely responsible for the unethical behaviours of employees.
 - d. The HR function is largely insulated from unethical behaviours.

ANS: B PTS: 1 DIF: Moderate REF: 24
OBJ: 01-6 TOP: Conceptual

71. Which types of issues pose fundamental questions about fairness and justice?
- a. strategic
 - b. global
 - c. ethical
 - d. legal

ANS: C PTS: 1 DIF: Easy REF: 26
OBJ: 01-6 TOP: Definitional

72. Which of these organizations administers the most well-known certification program for HR generalists?
- a. Canadian Council of Human Resources Associations
 - b. Canadian Public Personnel Management Association
 - c. International Personnel Management Association
 - d. World at Work Association

ANS: A PTS: 1 DIF: Easy REF: 25
OBJ: 01-7 TOP: Definitional

73. In simple terms, what does ethics deal with?
- a. what is required by law
 - b. how standard practices and procedures are assessed
 - c. how religious values and work intersect
 - d. what ought to be done

ANS: D PTS: 1 DIF: Easy REF: 26
OBJ: 01-6 TOP: Definitional

74. Which of the following fundamentally determines how ethically the employees and managers at a firm behave?
- a. professional codes of ethics
 - b. the organization's culture
 - c. the church-going status of a majority of the organization's employees
 - d. the relevant laws and legal guidelines applying to the organization and its industry

ANS: B PTS: 1 DIF: Moderate REF: 26
OBJ: 01-6 TOP: Conceptual

75. 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. Which of the following represents a critical element missing from your plan?
- a. a system for disciplining offenders against the code of ethics

- b. a way of ensuring that the code of ethics is less restrictive than the relevant laws
- c. means for employees to call attention to organizational wrongdoing to governmental agencies
- d. systems for confidential reporting of misconduct

ANS: D PTS: 1 DIF: Challenging REF: 26
 OBJ: 01-6 TOP: Application

76. A committee making a promotion decision is considering two individuals for the position of vice president of HR. One candidate is a mid-level executive from the operations end of the business, a large paper-products manufacturing company; the other is the current director of compensation. What does the director of compensation most need to convince the committee of?
- a. that she is an expert in legal matters pertaining to HR
 - b. that she is familiar with all areas of HR
 - c. that she has extensive professional connections in the HR community
 - d. that she understands the paper-products business

ANS: B PTS: 1 DIF: Challenging REF: 28
 OBJ: 01-7 TOP: Application

77. What is the name of the national umbrella organization for several provincial and specialist human resources groups in Canada?
- a. International Association for Human Resources Information
 - b. Canadian Public Personnel Management Association
 - c. Canadian Council of Human Resources Associations
 - d. World at Work Association

ANS: C PTS: 1 DIF: Easy REF: 28
 OBJ: 01-7 TOP: Definitional

78. According to a recent U.S. study, which of the following is NOT a key competency needed by HR professionals?
- a. HR technology
 - b. contract negotiation and administration
 - c. strategic contribution
 - d. business knowledge

ANS: B PTS: 1 DIF: Moderate REF: 28
 OBJ: 01-7 TOP: Conceptual

79. Pauline negotiates contracts between the city government and the teachers' union. Which of these types of HR roles does she play?
- a. interventionist
 - b. technologist
 - c. specialist
 - d. generalist

ANS: C PTS: 1 DIF: Easy REF: 29
 OBJ: 01-7 TOP: Application

80. Which of these titles refers to a person who is responsible for performing a variety of HR activities?
- a. generalist
 - b. technologist
 - c. unit manager
 - d. specialist

ANS: A PTS: 1 DIF: Easy REF: 28
OBJ: 01-7 TOP: Definitional

81. Some individuals have in-depth knowledge and expertise in a limited area of HR. Which of the following titles applies?
- unit managers
 - specialists
 - generalists
 - technologists

ANS: B PTS: 1 DIF: Easy REF: 29
OBJ: 01-7 TOP: Definitional

82. Relatively speaking, which of the following best puts the expected hourly earnings for an HR manager in context?
- close to the average for occupations in the business, finance, and administrative sectors
 - above average for all managerial occupations
 - below the national average
 - at the national average

ANS: D PTS: 1 DIF: Moderate REF: 29| Figure 1-9
OBJ: 01-7 TOP: Conceptual

83. Which of the following represents certification of a nationally recognized level of achievement in the field of human resources?
- HRPAD
 - IMPA
 - CSTD
 - CHRP

ANS: D PTS: 1 DIF: Easy REF: 31
OBJ: 01-7 TOP: Definitional

84. Which of these ratings signifies the work prospects of human resources professionals?
- poor
 - excellent
 - fair
 - good

ANS: D PTS: 1 DIF: Easy REF: 30
OBJ: 01-7 TOP: Conceptual

85. Which of the following statements best explains why HR professionals value their certification?
- It is the equivalent of a master's degree in HR.
 - It represents their outstanding professionalism.
 - They can command higher pay.
 - They need it in order to hold an exempt-level position in HR.

ANS: B PTS: 1 DIF: Moderate REF: 30-31
OBJ: 01-7 TOP: Conceptual

TRUE/FALSE

- Human resources management is supervising, monitoring, controlling, and disciplining employees in order to achieve organizational goals.

ANS: F PTS: 1 DIF: Easy REF: 3
OBJ: 01-1 TOP: Definitional

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

ANS: F PTS: 1 DIF: Easy REF: 4| Figure 1-1
OBJ: 01-1 TOP: Conceptual

3. Human resources 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: 5
OBJ: 01-1 TOP: Conceptual

4. There is a clear division of labour between the duties of line supervisors and HR professionals.

ANS: F PTS: 1 DIF: Moderate REF: 6-7
OBJ: 01-1 TOP: Conceptual

5. Intellectual capital, an aspect of the firm's human capital, represents the thinking, knowledge, creativity, and decision making that people in the organization contribute.

ANS: T PTS: 1 DIF: Easy REF: 7
OBJ: 01-2 TOP: Definitional

6. 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: 7-8
OBJ: 01-2 TOP: Conceptual

7. Studies have found that approximately 50 percent of total company expenditures today are related to human resources.

ANS: F PTS: 1 DIF: Easy REF: 8-9
OBJ: 01-2 TOP: Conceptual

8. An HR professional who seeks to work in international business must look for a job in a very large firm.

ANS: F PTS: 1 DIF: Easy REF: 9
OBJ: 01-3 TOP: Conceptual

9. Offshoring occurs when work that cannot be performed domestically is moved to another country.

ANS: F PTS: 1 DIF: Moderate REF: 9
OBJ: 01-3 TOP: Definitional

10. Despite the growth of the service sector, the Canadian economy is dominated by manufacturing firms.

ANS: F PTS: 1 DIF: Easy REF: 10-11
OBJ: 01-3 TOP: Conceptual

11. One consequence of the shift to a service economy is that the number of jobs requiring semi-skilled and less educated workers is expected to grow at a more rapid rate than the number of other jobs.

ANS: F PTS: 1 DIF: Moderate REF: 11
OBJ: 01-3 TOP: Conceptual

12. One reason for the growth in contingent workers is the potentially reduced legal liability faced by employers.

ANS: T PTS: 1 DIF: Challenging REF: 12
OBJ: 01-3 TOP: Conceptual

13. Clark employs 11 international sales representatives who communicate with him entirely by telephone and email. Clark is correct in calling them “my virtual employees.”

ANS: T PTS: 1 DIF: Moderate REF: 12
OBJ: 01-3 TOP: Application

14. According to Statistics Canada, 40 percent of Canada’s labour force was born outside of the country.

ANS: T PTS: 1 DIF: Easy REF: 14
OBJ: 01-3 TOP: Conceptual

15. The high level of divorce among professional couples is changing the emphasis from the management of dual-career couples to the management of working mothers.

ANS: F PTS: 1 DIF: Easy REF: 14-15
OBJ: 01-3 TOP: Conceptual

16. As a recruiter, Joyce has noticed a number of applicants who were laid off from one of her employer’s main competitors. This competitor recently completed a major restructuring of the organization. Although Joyce has no direct information about this organization, she surmises that the restructuring was due to cost pressures. Joyce is probably correct.

ANS: T PTS: 1 DIF: Challenging REF: 15
OBJ: 01-3 TOP: Application

17. Because the core of HR management involves working with people, 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: 16-17
OBJ: 01-4 TOP: Conceptual

18. Most HR outsourcing is related to HR’s administrative role.

ANS: T PTS: 1 DIF: Moderate REF: 17
OBJ: 01-4 TOP: Conceptual

19. The top management team of Celestial Bedding is considering outsourcing some of its HR functions. Management probably expects to save money by eliminating some HR staff positions.

ANS: T PTS: 1 DIF: Moderate REF: 17
OBJ: 01-4 TOP: Application

20. Typical operational HR functions include collecting data, complying with law, and doing HR planning.

ANS: F PTS: 1 DIF: Challenging REF: 19| Figure 1-5
OBJ: 01-4 TOP: Conceptual

21. Operational HR is essentially reactive while strategic HR is essentially pro-active.

ANS: T PTS: 1 DIF: Moderate REF: 19| Figure 1-5
OBJ: 01-4 TOP: Conceptual

22. When EconoPharm was thinking about acquiring a competing chain of discount drugstores, the vice president of HR was brought in after the decision to acquire was made. This circumstance is an example of HR as a strategic partner.

ANS: F PTS: 1 DIF: Challenging REF: 18-19
OBJ: 01-4 TOP: Application

23. HR is becoming more strategic rapidly.

ANS: F PTS: 1 DIF: Moderate REF: 19
OBJ: 01-4 TOP: Conceptual

24. When HR departments of firms in the same industry collaborate, there is some concern that competitive conflicts may arise.

ANS: T PTS: 1 DIF: Moderate REF: 20
OBJ: 01-4 TOP: Conceptual

25. The main purpose served by an HRMS in an organization is efficiency: quicker processing of data and activities with fewer HR staff.

ANS: F PTS: 1 DIF: Moderate REF: 21
OBJ: 01-5 TOP: Conceptual

26. When implementing an HRMS, an early goal for the system is enabling employees to access information, such as checking to see what positions are open in the organization.

ANS: T PTS: 1 DIF: Challenging REF: 21
OBJ: 01-5 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: 23
OBJ: 01-5 TOP: Conceptual

28. Firms with high ethical standards are more likely to meet long-term profit goals than firms that behave unethically.

ANS: T PTS: 1 DIF: Moderate REF: 23-24
OBJ: 01-6 TOP: Conceptual

29. A bribe to a government official will be exempt from the Corruption of Foreign Public Officials Act if the HR professional involved records the transaction as a gift.

ANS: F PTS: 1 DIF: Challenging REF: 23-24
OBJ: 01-6 TOP: Conceptual

30. With respect to HR management, ethics is primarily concerned with legal compliance to avoid “negative press.”

ANS: F PTS: 1 DIF: Moderate REF: 25
OBJ: 01-6 TOP: Conceptual

31. Compliance with laws will guarantee ethical behaviour.

ANS: F PTS: 1 DIF: Challenging REF: 26
OBJ: 01-6 TOP: Conceptual

32. A survey of HR professionals indicated that common misconduct by employees included lying to supervisors, drug or alcohol use, misrepresentation of hours worked, and favouritism in hiring and promotion.

ANS: T PTS: 1 DIF: Challenging REF: 26| Figure 1-8
OBJ: 01-6 TOP: Conceptual

33. It is fair to say that at Enron (where there were widespread incidents of corruption), the organizational culture supported unethical behaviour.

ANS: T PTS: 1 DIF: Moderate REF: 26
OBJ: 01-6 TOP: Application

34. Because of their unique role within the organization, HR professionals are protected from organizational retaliation if they report ethical concerns to higher levels of management.

ANS: F PTS: 1 DIF: Challenging REF: 27
OBJ: 01-6 TOP: Conceptual

35. The competencies for being an HR professional to be a strategic contributor to the organization include a focus on efficiency, attention to details, and the ability to work with people well.

ANS: F PTS: 1 DIF: Easy REF: 28
OBJ: 01-7 TOP: Conceptual

36. Two common entry-level positions in HR are Wage and Salary Administrator and Staff Recruiter.

ANS: T PTS: 1 DIF: Easy REF: 28-29
OBJ: 01-7 TOP: Conceptual

37. An important method for an HR professional to demonstrate outstanding professionalism is to earn the CHRP designation.

ANS: T PTS: 1 DIF: Easy REF: 31
OBJ: 01-7 TOP: Conceptual

38. One reason why human resources professionals should achieve CHRP is that the designation reflects a conviction that the professional practice of human resources management can safeguard the interests of employers, employees, and the public.

ANS: T
OBJ: 01-7

PTS: 1
TOP: Conceptual

DIF: Easy

REF: 31

ESSAY

1. What challenges are facing HR managers with regard to workforce availability and quality?

ANS:

In many parts of Canada, there are shortages of workers with needed skills. As a result, HR professionals are concentrating on improving recruitment, training workers, and retaining skilled workers. Canadian students are slightly above the international average in math and science, but they are behind the students from directly competitive nations. Canadian schools are not meeting the demand for graduates with degrees in engineering, computers, and health sciences. These shortages have spurred international outsourcing.

PTS: 1

DIF: Moderate

REF: 10-11

OBJ: 01-3

TOP: Conceptual

2. What are the three major roles of HR management?

ANS:

The administrative role focuses on clerical administration. The operational and employee advocate role focuses on the management of most HR activities and serving as the employees' champion. The strategic role of HR focuses on HR as a business contributor and the "keeper" of organizational ethics.

PTS: 1

DIF: Moderate

REF: 16-17

OBJ: 01-4

TOP: Conceptual

3. Describe the major purposes of an HR management system (HRMS) in the organization.

ANS:

An HRMS enhances administrative and operational efficiency. It also improves the effectiveness of the organization. Efficiencies are created in the compilation of data and the automation of paperwork. Organizational effectiveness is served by providing data for HR planning and managerial decision making.

PTS: 1

DIF: Moderate

REF: 21-22

OBJ: 01-5

TOP: Conceptual

4. Discuss why ethical issues permeate HR management.

ANS:

Ethics deals with what "ought" to be done, not necessarily what *is* done. Ethical issues revolve around questions of fairness, justice, truthfulness, and social responsibility. Organizational ethics is 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. The most common unethical incidents observed by HR managers include employees lying to supervisors, using drugs and alcohol, and falsifying records.

PTS: 1 DIF: Moderate REF: 25-26 OBJ: 01-6
TOP: Conceptual

5. Describe the key competencies needed by HR professionals.

ANS:

In order to be a strategic partner to top management, HR managers need competencies in five basic areas: (1) strategic competencies, such as managing organizational culture, anticipating and responding to changes quickly, making strategic decisions, and connecting to market-driven and customer forces; (2) knowledge of business and the organization; (3) ability to deliver HR activities efficiently and effectively; (4) HR technology; and (5) personal and professional credibility.

PTS: 1 DIF: Moderate REF: 28 OBJ: 01-7
TOP: Conceptual