***Human Resource Management, 14e* (Mondy)**

**Chapter 1 Human Resource Management: An Overview**

1) The utilization of individuals to achieve organizational objectives is known as \_\_\_\_\_\_\_\_.

A) human resource leadership

B) human resource management

C) human resource staffing

D) human resource planning

Answer: B

Explanation: B) Human resource management (HRM) is the utilization of individuals to achieve organizational objectives. Basically, all managers get things done through the efforts of others.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 1

2) HR professionals only work with \_\_\_\_\_\_\_\_.

A) other HR professionals

B) only HR specialists

C) all managers throughout the company

D) every person who has applied for employment

Answer: C

Explanation: C) Human resource management (HRM) is the use of individuals to achieve organizational objectives. Basically, all managers get things done through the efforts of others. Consequently, managers at every level must concern themselves with HRM. Individuals dealing with human resource matters face a multitude of challenges, ranging from a constantly changing workforce to ever-present government regulations, a technological revolution, and the economy of the United States and the world. Furthermore, global competition has forced both large and small organizations to be more conscious of costs and productivity. Because of the critical nature of human resource issues, these matters must receive major attention from upper management.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 1

3) Human resource management (HRM) is the utilization of individuals to achieve organizational objectives.

Answer: TRUE

Explanation: Human resource management (HRM) is the utilization of individuals to achieve organizational objectives. Basically, all managers get things done through the efforts of others. Consequently, managers at every level must concern themselves with HRM.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 1

4) Global competition is rarely relevant to the work of HR professionals.

Answer: FALSE

Explanation: Global competition has forced both large and small organizations to be more conscious of costs and productivity. Because of the critical nature of human resource issues, these matters must receive major attention from upper management.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 1

5) What is human resource management? What are the six functional areas of HRM?

Answer: Human resource management (HRM) is the utilization of individuals to achieve organizational objectives. Basically, all managers get things done through the efforts of others. Consequently, managers at every level must concern themselves with HRM. Six functional areas are associated with effective HRM: staffing, HR development, performance management, compensation, safety and health, and employee and labor relations.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 1, 2

6) What is the staffing function of HRM? Identify and discuss what staffing involves.

Answer: Staffing is the process through which an organization ensures that it always has the proper number of employees with the appropriate skills in the right jobs, at the right time, to achieve organizational objectives. Staffing involves the following activities: job analysis, human resource planning, recruitment, and selection.

Job analysis is the systematic process of determining the skills, duties, and knowledge required for performing jobs in an organization. It affects virtually every aspect of HRM. Human resource planning is the systematic process of matching the internal and external supply of people with job openings anticipated in the organization over a specified period. The data provided set the stage for other HR actions. Recruitment is the process of attracting applicants on a timely basis, in sufficient numbers, and with appropriate qualifications. Selection is the process of choosing the individual best suited for the job and organization from a pool of applicants.

Difficulty: Challenging

Skill: Synthesis

AACSB: Analytical thinking

Learning Obj.: 1, 2

7) Avid Technology, Inc. was recently included on *Fortune's* list of 100 best companies. Which HR function will most significantly be affected by this achievement?

A) performance appraisal

B) safety and health

C) recruitment

D) research

Answer: C

Explanation: C) Achieving acknowledgment by an external source is a good way for a brand to be recognized. Being listed on *Fortune's* list of 100 best companies will most likely assist in the company's recruitment and retention programs.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 2

8) Lauren is an HR manager at a marketing firm. Which of the following functions is LEAST likely to be an aspect of Lauren's job?

A) staffing

B) employee safety

C) product testing

D) employee and labor relations

Answer: C

Explanation: C) Six functional areas are associated with effective HRM: staffing, HR development, performance management, compensation, safety and health, and employee and labor relations.

Difficulty: Easy

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 2

9) The staffing process involves all of the following functions EXCEPT \_\_\_\_\_\_\_\_.

A) job analysis

B) recruitment

C) product placement

D) selection

Answer: C

Explanation: C) Staffing involves job analysis, human resource planning, recruitment, and selection.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

10) As an HR manager in charge of staffing for a restaurant chain, John is most likely NOT responsible for \_\_\_\_\_\_\_\_.

A) training

B) job analysis

C) recruitment

D) selection

Answer: A

Explanation: A) Staffing is the process through which an organization ensures that it always has the proper number of employees with the appropriate skills in the right jobs, at the right time, to achieve organizational objectives. Staffing involves job analysis, human resource planning, recruitment, and selection. Training is an aspect of HR development.

Difficulty: Challenging

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 2

11) What is the systematic process of determining the skills, duties, and knowledge required for performing jobs in an organization?

A) strategic planning

B) job enlargement

C) recruitment

D) job analysis

Answer: D

Explanation: D) Job analysis is the systematic process of determining the skills, duties, and knowledge required for performing jobs in an organization. It impacts virtually every aspect of HRM, including planning, recruitment, and selection. Recruitment is the process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications, to apply for jobs with an organization.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

12) The systematic process of matching the internal and external supply of people with job openings anticipated in the organization over a specified period of time is referred to as \_\_\_\_\_\_\_\_.

A) HR planning

B) recruitment

C) job analysis

D) performance appraisal

Answer: A

Explanation: A) Human resource planning is the systematic process of matching the internal and external supply of people with job openings anticipated in the organization over a specified period. The data provided set the stage for recruitment or other HR actions.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

13) The process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications, to apply for jobs with an organization is referred to as \_\_\_\_\_\_\_\_.

A) HR planning

B) selection

C) appraisal

D) recruitment

Answer: D

Explanation: D) Recruitment is the process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications, to apply for jobs with an organization. Human resource planning is the systematic process of matching the internal and external supply of people with job openings anticipated in the organization over a specified period. The data provided set the stage for recruitment or other HR actions.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

14) Lyle, an HR specialist at a publishing company, is in the process of choosing from a group of applicants the individual best suited for an assistant editor position. Lyle is most likely involved in the function of \_\_\_\_\_\_\_\_.

A) recruitment

B) HR planning

C) job analysis

D) selection

Answer: D

Explanation: D) Selection is the process of choosing from a group of applicants the individual best suited for a particular position and the organization. Recruitment is the process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications, to apply for jobs with an organization.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 2

15) Which HRM function consists of training and development, individual career planning and development activities, organization development, and performance management and appraisal?

A) management by objectives

B) employee and labor relations

C) organizational development

D) human resource development

Answer: D

Explanation: D) Human resource development is a major HRM function consisting not only of training and development but also of career planning and development activities, organization development, and performance management and appraisal.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

16) Connor works as an accountant at Price Waterhouse and is scheduled to meet with his manager for a formal review and evaluation of his strengths and weaknesses. In which of the following activities is Connor most likely participating?

A) performance appraisal

B) career development

C) succession planning

D) job analysis

Answer: A

Explanation: A) Performance appraisal is a formal system of review and evaluation of individual or team task performance. It affords employees the opportunity to capitalize on their strengths and overcome identified deficiencies, thereby helping them to become more satisfied and productive employees.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 2

17) Which of the following provides learners with the knowledge and skills needed for their present jobs?

A) training

B) development

C) career planning

D) succession planning

Answer: A

Explanation: A) Training is designed to provide learners with the knowledge and skills needed for their present jobs. Development involves learning that goes beyond today's job and has a more long-term focus.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

18) Which of the following involves learning that goes beyond today's job and has a more long-term focus?

A) training

B) career planning

C) development

D) organizational development

Answer: C

Explanation: C) Development involves learning that goes beyond today's job and has a more long-term focus. Training is designed to provide learners with the knowledge and skills needed for their present jobs.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

19) An ongoing process whereby an individual sets career goals and identifies the means to achieve them is called \_\_\_\_\_\_\_\_.

A) succession planning

B) career development

C) career planning

D) training

Answer: C

Explanation: C) Career planning is an ongoing process whereby an individual sets career goals and identifies the means to achieve them. Career development is a formal approach used by the organization to ensure that people with the proper qualifications and experiences are available when needed.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

20) According to surveys, today's employees will work for approximately \_\_\_\_\_\_\_\_ companies and will change careers \_\_\_\_\_\_\_\_ times in their working lives.

A) 3; 3

B) 5; 7

C) 9 to 11; 3

D) 11 to 13; 5

Answer: C

Explanation: C) According to the Bureau of Labor Statistics, today's employees will work for approximately 9 to 11 companies during their careers based on the assumption that most people will work 30 to 40 years. A survey conducted by NYU's School of Continuing and Professional Studies showed that on average, individuals will change careers (not merely "jobs") three times in their life.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

21) A formal approach used by the organization to ensure that people with the proper qualifications and experiences are available when needed is referred to as \_\_\_\_\_\_\_\_.

A) career development

B) succession planning

C) career planning

D) performance management

Answer: A

Explanation: A) Career development is a formal approach used by the organization to ensure that people with the proper qualifications and experiences are available when needed. Career planning is an ongoing process whereby an individual sets career goals and identifies the means to achieve them.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

22) Which term refers to the planned and systematic attempt to change an organization and improve its performance?

A) organization development

B) corporate development

C) performance management

D) organization training

Answer: A

Explanation: A) Organization development (OD) is planned and systematic attempts to change the organization, typically to a more behavioral environment. OD applies to an entire system, such as a company or a plant.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

23) Which of the following terms refers to a goal-oriented process that is directed toward ensuring that organizational processes are in place to maximize the productivity of employees, teams, and the organization?

A) team strategic management

B) performance management

C) organization development

D) career development

Answer: B

Explanation: B) Performance management is a goal-oriented process that is directed toward ensuring that organizational processes are in place to maximize the productivity of employees, teams, and ultimately, the organization. Organization development (OD) is planned and systematic attempts to change the organization, typically to a more behavioral environment. OD applies to an entire system, such as a company or a plant.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

24) Raj, a software engineer, recently met with his manager for a review and evaluation of Raj's performance over the last six months. In which of the following did Raj most likely participate?

A) performance management

B) performance appraisal

C) organizational appraisal

D) succession planning

Answer: B

Explanation: B) Performance appraisal is a formal system of review and evaluation of individual or team task performance. It affords employees the opportunity to capitalize on their strengths and overcome identified deficiencies, thereby helping them to become more satisfied and productive employees. Performance management is a goal-oriented process that is directed toward ensuring that organizational processes are in place to maximize the productivity of employees, teams, and ultimately, the organization.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 2

25) What HR tool gives employees the opportunity to capitalize on their strengths and overcome identified deficiencies?

A) manager self-service

B) employee orientation

C) performance appraisal

D) selection tests

Answer: C

Explanation: C) Performance appraisal is a formal system of review and evaluation of individual or team task performance. It affords employees the opportunity to capitalize on their strengths and overcome identified deficiencies, thereby helping them to become more satisfied and productive employees.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

26) Compensation, as described in your text, refers to the \_\_\_\_\_\_\_\_.

A) total of all rewards provided to employees in return for their services

B) wages individuals receive each pay period

C) wage schedules and wage rates listed in the union contract

D) internal alignment of intrinsic awards

Answer: A

Explanation: A) As used in the text, the term compensation includes the total of all rewards provided to employees in return for their services. The rewards may be one or a combination of direct financial compensation, indirect financial compensation, and nonfinancial compensation.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

27) All of the following are categories of employee compensation EXCEPT \_\_\_\_\_\_\_\_.

A) direct financial

B) nonfinancial

C) indirect financial

D) stock capital

Answer: D

Explanation: D) As used in the text, the term compensation includes the total of all rewards provided to employees in return for their services. The rewards may be one or a combination of direct financial compensation, indirect financial compensation, and nonfinancial compensation.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

28) Wages, salaries, and commissions are most likely examples of \_\_\_\_\_\_\_\_.

A) direct financial compensation

B) indirect financial compensation

C) employment incentives

D) employment benefits

Answer: A

Explanation: A) Direct financial compensation is the pay that a person receives in the form of wages, salaries, commissions, and bonuses. Indirect financial compensation refers to the financial rewards that are not included in direct compensation, such as paid vacations, sick leave, holidays, and medical insurance.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

29) Ellen enjoys working at Starbucks because of her interactions with customers and co-workers. The satisfaction that Ellen feels would best be categorized as \_\_\_\_\_\_\_\_.

A) emotional health

B) nonfinancial compensation

C) performance satisfaction

D) indirect financial compensation

Answer: B

Explanation: B) Nonfinancial compensation is the satisfaction that a person receives from the job itself or from the psychological and/or physical environment in which the person works. Indirect financial compensation refers to the financial rewards that are not included in direct compensation, such as paid vacations, sick leave, holidays, and medical insurance.

Difficulty: Challenging

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 2

30) Ben works at a small advertising agency as a graphic artist. Ben enjoys his job because the company allows employees to have flexible schedules and to telecommute when necessary. Which of the following best describes this type of employee compensation?

A) indirect financial compensation

B) direct financial compensation

C) nonfinancial compensation

D) required compensation

Answer: C

Explanation: C) Nonfinancial compensation refers to the physical environment in which the person works, which includes the schedule the firm allows. Flexible scheduling and telecommuting are neither direct nor indirect forms of financial compensation.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 2

31) As a public school teacher, Molly has accrued 14 days of sick leave, which is a type of \_\_\_\_\_\_\_\_ compensation.

A) direct financial

B) indirect financial

C) nonfinancial

D) mandatory

Answer: B

Explanation: B) Indirect financial compensation refers to the financial rewards that are not included in direct compensation, such as paid vacations, sick leave, holidays, and medical insurance. Nonfinancial compensation is the satisfaction that a person receives from the job itself or from the psychological and/or physical environment in which the person works.

Difficulty: Challenging

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 2

32) What is the primary reason that firms are more attentive to employee safety and health than they were in the past?

A) federal legislation

B) health care costs

C) labor unions

D) tax benefits

Answer: A

Explanation: A) Today, because of federal and state legislation that reflects societal concern, most organizations have become attentive to their employees' safety and health. Health care, unions, and taxes are less relevant factors.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

33) What human resource management task involves protecting employees from injuries caused by work-related accidents?

A) accident prevention

B) injury analysis

C) job analysis

D) safety

Answer: D

Explanation: D) Safety involves protecting employees from injuries caused by work-related accidents. Health refers to the employees' freedom from physical or emotional illness.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

34) Healthy and safe employees are more likely to \_\_\_\_\_\_\_\_.

A) earn managerial promotions

B) request salary increases

C) remain productive

D) join labor unions

Answer: C

Explanation: C) Health and safety are important because employees who work in a safe environment and enjoy good health are more likely to be productive and yield long-term benefits to the organization. Such employees will not necessarily be promoted, request raises, or join unions.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

35) Approximately half of all employees at ABC Manufacturing are union members. Which of the following is ABC Manufacturing required by law to do with the labor unions?

A) bargain with them in good faith

B) make concessions to them

C) help them organize activities

D) pay dues for their new members

Answer: A

Explanation: A) Businesses are required by law to recognize a union and bargain with it in good faith if the firm's employees want the union to represent them. In the past, this relationship was an accepted way of life for many employers, but most firms today would rather have a union-free environment.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 2

36) What human resource task pervades all functional areas of human resource management?

A) health and safety

B) development

C) training

D) research

Answer: D

Explanation: D) Although human resource research is not a distinct HRM function, it pervades all functional areas, and the researcher's laboratory is the entire work environment. For instance, a study related to recruitment may suggest the type of worker most likely to succeed in a particular firm.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

37) Staffing is the process through which an organization ensures that it always has the proper number of employees with the appropriate skills in the right jobs, at the right time, to achieve the organization's objectives.

Answer: TRUE

Explanation: Staffing is the process through which an organization ensures that it always has the proper number of employees with the appropriate skills in the right jobs, at the right time, to achieve organizational objectives. Staffing involves job analysis, human resource planning, recruitment, and selection.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

38) According to the Small Business Administration, the majority of business are small.

Answer: TRUE

Explanation: However, today, many college graduates obtain jobs in small businesses. In fact, growth of small business is often a primary driver for the economy. Therefore, the practice of HR as it is conducted in small businesses is discussed at various times in your text

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

39) Human resource planning is the systematic process of determining the skills, duties, and knowledge required for performing jobs in an organization.

Answer: FALSE

Explanation: Human resource development is a major HRM function consisting not only of training and development, but also of career planning and development activities, organization development, and performance management and appraisal. HR planning involves matching internal and external supplies of people with job openings over a certain period of time.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

40) Recruitment is the process of attracting qualified individuals and encouraging them to apply for work with the organization.

Answer: TRUE

Explanation: Recruitment is the process of attracting individuals on a timely basis, in sufficient numbers, and with appropriate qualifications, to apply for jobs with an organization.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

41) Human resource developmentinvolves training, career planning, organization development, and performance management.

Answer: TRUE

Explanation: Human resource development is a major HRM function consisting not only of training and development but also of career planning and development activities, organization development, and performance management and appraisal.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

42) Training primarily focuses on the long-term career needs of employees.

Answer: FALSE

Explanation: Training is designed to provide learners with the knowledge and skills needed for their present jobs. Development involves learning that goes beyond today's job and has a more long-term focus.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

43) Development involves learning that goes beyond an employee's present job.

Answer: TRUE

Explanation: Development involves learning that goes beyond today's job and has a more long-term focus. Training is designed to provide learners with the knowledge and skills needed for their present jobs.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

44) Career planning is a formal approach used by the organization to ensure that people with the proper qualifications and experiences are available when needed.

Answer: FALSE

Explanation: Career planning is an ongoing process whereby an individual sets career goals and identifies the means to achieve them. Career development is a formal approach used by the organization to ensure that people with the proper qualifications and experiences are available when needed.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

45) Organization development is the planned and systematic attempts to change the organization, typically to a more behavioral environment.

Answer: TRUE

Explanation: Organization development (OD) is planned and systematic attempts to change the organization, typically to a more behavioral environment. OD applies to an entire system, such as a company or a plant.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

46) Performance management is a formal system of review and evaluation of individual or team task performance.

Answer: FALSE

Explanation: Performance appraisal is a formal system of review and evaluation of individual or team task performance. Performance management is a goal-oriented process that is directed toward ensuring that organizational processes are in place to maximize the productivity of employees, teams, and ultimately, the organization.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

47) Indirect financial compensation is the pay that a person receives in the form of wages, salaries, commissions, and bonuses.

Answer: FALSE

Explanation: Direct financial compensation is the pay that a person receives in the form of wages, salaries, commissions, and bonuses. Indirect financial compensation, which is also known as benefits, refers to the financial rewards that are not included in direct compensation, such as paid vacations, sick leave, holidays, and medical insurance.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

48) Employee health and safety are a primary concern for businesses because of numerous federal and state laws.

Answer: TRUE

Explanation: Safety involves protecting employees from injuries caused by work-related accidents. Health refers to the employees' freedom from physical or emotional illness. Today, because of federal and state legislation that reflects societal concern, most organizations have become attentive to their employees' safety and health.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

49) Today, most firms would prefer having employees belong to unions because the unions handle health benefits.

Answer: FALSE

Explanation: Businesses are required by law to recognize a union and bargain with it in good faith if the firm's employees want the union to represent them. In the past, this relationship was an accepted way of life for many employers, but most firms today would rather have a union-free environment.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

50) Industrial relations requires HR specialists to negotiate with competing businesses for market share.

Answer: FALSE

Explanation: When a labor union represents a firm's employees, the human resource activity is often referred to as industrial relations, which handles the job of collective bargaining.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

51) Human resource research is a distinct HRM function that requires a special department in most large firms.

Answer: FALSE

Explanation: Although human resource research is not a distinct HRM function, it pervades all functional areas, and the researcher's laboratory is the entire work environment. Firms do not typically have specified HR research departments.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2

52) What is HR research? Why would HR research be important for a firm?

Answer: Although human resource research is not a distinct HRM function, it pervades all functional areas, and the researcher's laboratory is the entire work environment. For instance, a study related to recruitment may suggest the type of worker most likely to succeed in a particular firm. Research on job safety may identify the causes of certain work-related accidents. The reasons for problems such as excessive absenteeism or excessive grievances may not be readily apparent. However, when such problems occur, human resource research can often shed light on their causes and offer possible solutions. Human resource research is clearly an important key to developing the most productive and satisfied workforce possible.

Difficulty: Challenging

Skill: Critical thinking

AACSB: Analytical thinking

Learning Obj.: 2

53) Which term refers to employees who have joined together for the purpose of dealing with an employer?

A) political party

B) organization

C) union

D) PEO

Answer: C

Explanation: C) A union is comprised of employees who have joined together for the purpose of dealing with their employer. In a unionized organization, the union rather than the individual employee negotiates an agreement with management.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 2, 5

54) Jenny works in the HR department of Southwest Airlines, and she specializes in industrial relations. In which of the following activities would Jenny most likely participate?

A) outsourcing tasks

B) testing job candidates

C) handling collective bargaining

D) monitoring employee safety issues

Answer: C

Explanation: C) When a labor union represents a firm's employees, the human resource activity is often referred to as industrial relations, which handles the job of collective bargaining. Jenny is less likely to deal with outsourcing, testing, or monitoring safety.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 3

55) A human resource information system (HRIS) is essential to all of the following HR responsibilities EXCEPT \_\_\_\_\_\_\_\_.

A) recruitment and selection

B) creation of mobile HR applications

C) oversight of legal and regulatory compliance

D) benefits administration

Answer: B

Explanation: B) A human resource information system is any organized approach for obtaining relevant and timely information on which to base human resource decisions. An HRIS supports mainstay HR responsibilities: such as planning, recruitment, selection, oversight of legal and regulatory compliance, benefits administration, and safeguarding confidential employee information. Mobile HR applications are created by software developers.

Difficulty: Challenging

Skill: Concept

AACSB: Information technology

Learning Obj.: 3

56) Many HR departments are most likely becoming smaller because \_\_\_\_\_\_\_\_.

A) federal agencies monitor HR functions

B) HR telecommuting is gaining popularity

C) external groups are performing HR functions

D) there is no way to explain the role of HR professionals as strategic business partners

Answer: C

Explanation: C) Many HR departments continue to get smaller because others outside the HR department are now performing certain functions. HR outsourcing, shared service centers, professional employer organizations, and line managers now assist in the accomplishment of many traditional human resource activities.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

57) Jennifer works in an advisory or staff capacity, working with other managers to help them deal with human resource matters. Jennifer is most likely employed as a(n) \_\_\_\_\_\_\_\_.

A) account executive

B) line manager

C) HR manager

D) project manager

Answer: C

Explanation: C) A human resource manager typically acts in an advisory or staff capacity, working with other managers to help them deal with human resource matters. The HR manager has been primarily responsible for coordinating the management of HR to help the organization achieve its goals.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 3

58) The human resource manager normally operates in what capacity?

A) line

B) production

C) matrix

D) staff

Answer: D

Explanation: D) A human resource manager typically acts in an advisory or staff capacity, working with other managers to help them deal with human resource matters. The HR manager has been primarily responsible for coordinating the management of HR to help the organization achieve its goals.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

59) The process of hiring an external provider to do the work that was previously done internally is referred to as \_\_\_\_\_\_\_\_.

A) broadbanding

B) job enlarging

C) outsourcing

D) onboarding

Answer: C

Explanation: C) HR outsourcing is the process of hiring external HR professionals to do the HR work that was previously done internally. The key to HR outsourcing success is to determine which functions to outsource, the extent to which they should be outsourced, and which ones to keep in-house. HR outsourcing focuses primarily on routine, transaction-oriented processes and clerical work.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

60) Lee Shultz, the operations manager for Acme Bolts, has just learned that an experienced arc welder has resigned. He contacts the manager of human resources, Reba Cole, asking her to send him some qualified welders for him to interview. In this case, \_\_\_\_\_\_\_\_.

A) Lee is only concerned about accomplishing operations goals

B) Reba is only concerned about accomplishing human resource goals

C) Lee and Reba see organizational goals from the same perspective

D) both are concerned with accomplishing organizational goals, but from different perspectives

Answer: D

Explanation: D) Lee's primary responsibility is operations; Reba's primary responsibility is human resources. However, both Lee and Reba are concerned with accomplishing organizational goals, even though their perspectives are different.

Difficulty: Challenging

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 3

61) Today HR outsourcing can be done in different ways. Which of the following is one of those ways?

A) discrete services outsourcing

B) project management outsourcing

C) external recruitment process outsourcing

D) parts supply outsourcing

Answer: B

Explanation: B) HR outsourcing is done in different ways, including discrete services and business process outsourcing. With discrete services, one element of a business process or a single set of high-volume repetitive functions is outsourced to a third party. Business process outsourcing (BPO) represents the transfer of the majority of HR services to a third party.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

62) A firm that outsources only benefits administration to a third party is most likely using \_\_\_\_\_\_\_\_.

A) discrete services

B) multiprocess services

C) business process outsourcing

D) single service outsourcing

Answer: A

Explanation: A) With discrete services, one element of a business process or a single set of high-volume repetitive functions is outsourced to a third party. Benefits have been the HR task most likely to be outsourced.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

63) Whirlpool Corporation has an agreement with IBM for the HR outsourcer to handle Whirlpool's workforce administration, compensation, recruitment, training, and performance reporting. This type of outsourcing is known as \_\_\_\_\_\_\_\_.

A) process control outsourcing

B) discrete services outsourcing

C) business process outsourcing

D) single task outsourcing

Answer: C

Explanation: C) Business process outsourcing (BPO) represents the transfer of the majority of HR services to a third party.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 3

64) Which HR task is most likely to be outsourced?

A) training and development

B) benefits administration

C) payroll and compensation

D) recruitment

Answer: B

Explanation: B) Benefits have been the HR task most likely to be outsourced. "Benefits administration has become so complex that it really takes someone who works with it every single day to keep track of all of the different laws and changes that are going on," said Dan Thomas, president of Trivalent Benefits Consulting Inc.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

65) Which of the following takes routine, transaction-based activities that are dispersed throughout the organization and consolidates them in one place?

A) outsourcing centers

B) shared service centers

C) consolidation centers

D) human resource centers

Answer: B

Explanation: B) A shared service center (SSC), also known as a center of expertise, takes routine, transaction-based activities dispersed throughout the organization and consolidates them in one place. Shared service centers provide an alternative to HR outsourcing and can often provide the same cost savings and customer service.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

66) Shared service centers provide an alternative to HR \_\_\_\_\_\_\_\_ and can often provide the same cost savings and customer service.

A) outsourcing

B) onboarding

C) broadbanding

D) downsizing

Answer: A

Explanation: A) A shared service center (SSC), also known as a center of expertise, takes routine, transaction based activities dispersed throughout the organization and consolidates them in one place. Shared service centers provide an alternative to HR outsourcing and can often provide the same cost savings and customer service.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

67) Which term refers to a company that leases employees to other businesses?

A) shared service center

B) human resource provider

C) external employer organization

D) professional employer organization

Answer: D

Explanation: D) A professional employer organization (PEO) is a company that leases employees to other businesses. When a decision is made to use a PEO, the company releases its employees, who are then hired by the PEO. The PEO then manages the administrative needs associated with employees.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

68) Which of the following is a true statement about professional employer organizations?

A) PEOs have the right to hire and fire the client company's employees.

B) PEOs are less popular than in the past due to technology improvements.

C) PEOs run day-to-day operations for client companies.

D) PEOs lease employees from other businesses.

Answer: A

Explanation: A) Since the PEO is the employees' legal employer it has the right to hire, fire, discipline, and reassign an employee. Although PEOs have been available since the early 1980s, they have recently become more popular. PEOs handle administrative tasks so that client companies can focus on strategy.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

69) Shelby Organic Foods is a fast growing firm that produces organic frozen food entrees. The firm employs 700 people and expects to hire more in the next few years. Currently, all of the firm's HR tasks are handled internally by Shelby's HR department. However, top executives at Shelby are considering the idea of outsourcing benefits administration. Which of the following questions is LEAST relevant to the decision to outsource Shelby's benefits administration tasks?

A) What is the cost difference for Shelby between handling benefits internally and externally?

B) How much time is spent by Shelby's HR department handling benefits administration tasks?

C) Which Shelby HR professional should oversee benefits administration at the shared service center?

D) How knowledgeable is Shelby's HR staff about benefits administration and federal health care laws?

Answer: C

Explanation: C) Questions about cost, time, and legal knowledge are particularly important to ask before Shelby outsources any HR tasks. A shared service center is not a form of outsourcing. SSCs consolidate an organization's HR activities into one location and handle the HR tasks internally.

Difficulty: Challenging

Skill: Critical thinking

AACSB: Reflective thinking

Learning Obj.: 3

70) Shelby Organic Foods is a fast growing firm that produces organic frozen food entrees. The firm employs 700 people and expects to hire more in the next few years. Currently, all of the firm's HR tasks are handled internally by Shelby's HR department. However, top executives at Shelby are considering the idea of outsourcing benefits administration. Which of the following best supports the idea of outsourcing benefits administration?

A) Shelby employees enroll for health benefits through the firm's intranet.

B) Shelby's HR manager recently participated in a strategic planning session.

C) The benefits specialist at HR is knowledgeable about changing healthcare laws.

D) Benefits administration is highly time consuming for the Shelby HR department.

Answer: D

Explanation: D) Benefits administration can be a high-volume, repetitive task that is time consuming for HR professionals. Outsourcing benefits administration would allow the HR department to focus on strategic organizational issues. Also, benefits administration has become so complex that it takes someone who works regularly with benefits administration to keep track of all of the different laws and changes that are going on. If Shelby has a specialist who understands the laws, then outsourcing is unnecessary.

Difficulty: Challenging

Skill: Critical thinking

AACSB: Reflective thinking

Learning Obj.: 3

71) Shelby Organic Foods is a fast growing firm that produces organic frozen food entrees. The firm employs 700 people and expects to hire more in the next few years. Currently, all of the firm's HR tasks are handled internally by Shelby's HR department. However, top executives at Shelby are considering the idea of outsourcing benefits administration. Which of the following most likely undermines the idea of outsourcing benefits administration?

A) Employees use Shelby's intranet to self-manage their own benefits.

B) Staff managers at Shelby discuss benefits packages with new employees.

C) Shelby's HR manager regularly meets with the firm's insurance provider.

D) Shelby recently began offering employees a flexible spending plan for benefits.

Answer: A

Explanation: A) If the employees at Shelby are able to manage their own benefits through the firm's intranet, then outsourcing may not be necessary at this time because the HR department is most likely not overwhelmed with benefits administration tasks. Discussing benefits information, changing providers, and offering flexible benefits are less relevant to the decision to outsource.

Difficulty: Challenging

Skill: Critical thinking

AACSB: Reflective thinking

Learning Obj.: 3

72) Which term refers to individuals that are directly involved in accomplishing the primary purpose of the organization?

A) HR managers

B) line managers

C) staff managers

D) sales managers

Answer: B

Explanation: B) Individuals directly involved in accomplishing the primary purpose of the organization are line managers. As the traditional work of HR managers diminishes, line managers are stepping up and performing some duties typically done by HR professionals.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

73) Why are line managers most likely performing more HR tasks today?

A) competition from PEOs

B) implementation of EEO laws

C) automation of HR processes

D) expansion of HR departments

Answer: C

Explanation: C) Managers are being assisted by manager self-service, the use of software, and the corporate network to automate paper-based human resource processes that require a manager's approval, record-keeping or input, and processes that support the manager's job. Everything from recruitment, selection, performance appraisal, to employee development has been automated to assist line managers in performing traditional HR tasks.

Difficulty: Challenging

Skill: Concept

AACSB: Information technology

Learning Obj.: 3

74) A human resource manager is an individual who normally acts in an advisory or staff capacity by assisting other managers with HR issues.

Answer: TRUE

Explanation: Traditionally, a human resource manager was an individual who normally acted in an advisory or staff capacity, working with other managers to help them deal with HR matters. The HR manager was primarily responsible for coordinating the management of human resources to help the organization achieve its goals.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

75) In today's workplace, outsourcing is focused more on saving money than on improving service quality and saving time.

Answer: FALSE

Explanation: Today, outsourcing agreements are focusing more on quality of service and saving time, which is often more important that saving money.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

76) Business process outsourcing involves transferring one element of a business process, such as benefits administration, to a third party.

Answer: FALSE

Explanation: Business process outsourcing (BPO) represents the transfer of the majority of HR services to a third party. With discrete services, one element of a business process or a single set of high-volume repetitive functions is outsourced to a third party. Benefits have been the HR task most likely to be outsourced with discrete services.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

77) A shared service center (SSC),also known as a center of expertise,takes routine, transaction-based activities dispersed throughout the organization and consolidates them in one place.

Answer: TRUE

Explanation: A shared service center (SSC), also known as a center of expertise, takes routine, transaction based activities dispersed throughout the organization and consolidates them in one place. For example, a company with 20 strategic business units could consolidate routine HR tasks and perform them in one location. Shared service centers provide an alternative to HR outsourcing and can often provide the same cost savings and customer service.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

78) A professional employer organization (PEO) leases employees to other organizations.

Answer: TRUE

Explanation: When a decision is made to use a PEO, the company releases its employees. The PEO hires those employees and leases them to the company.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

79) Shared service centers typically handle tasks associated with benefits and pension administration, payroll, and relocation assistance, but succession planning and global training activities remain the responsibility of the firm's HR department.

Answer: FALSE

Explanation: The most common HR functions that use SSCs are benefits and pension administration, payroll, relocation assistance and recruitment support, global training and development, succession planning, and talent retention.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

80) Billings Manufacturing has made the decision to use a professional employer organization. As a result, Billings will release its employees, who will then be hired by the PEO.

Answer: TRUE

Explanation: A professional employer organization (PEO) is a company that leases employees to other businesses. When a decision is made to use a PEO, the company releases its employees, who are then hired by the PEO. The PEO then manages the administrative needs associated with employees.

Difficulty: Moderate

Skill: Application

AACSB: Application of knowledge

Learning Obj.: 3

81) Individuals directly involved in accomplishing the primary purpose of the organization are line managers.

Answer: TRUE

Explanation: Individuals directly involved in accomplishing the primary purpose of the organization are line managers. As the traditional work of HR managers diminishes, line managers are stepping up and performing some duties typically done by human resource professionals.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 3

82) What is a line manager and what role does a line manager play in HR? Why do you think line managers are involved with HR now more than in the past?

Answer: Individuals directly involved in accomplishing the primary purpose of the organization are line managers. As the traditional work of HR managers diminishes, line managers are stepping up and performing some duties typically done by human resource professionals. Automation has assisted greatly in this process. Managers are being assisted by manager self-service, the use of software, and the corporate network to automate paper-based human resource processes that require a manager's approval, record-keeping or input, and processes that support the manager's job. Everything from recruitment, selection, performance appraisal, to employee development has been automated to assist line managers in performing traditional HR tasks.

Difficulty: Challenging

Skill: Critical thinking

AACSB: Analytical thinking

Learning Obj.: 3

83) What technology assists HR professionals? How has technology altered the HR organization?

Answer: With the increased sophistication of technology has come the ability to design more useful human resource information systems (HRIS). An HRIS is any organized approach for obtaining relevant and timely information on which to base human resource decisions. Think of an HRIS as an umbrella for merging the various subsystems, such as applicant tracking systems, online assessment, and automated reference checking. Today, mainstay HR responsibilities such as recruitment, selection, oversight of legal and regulatory compliance, benefits administration, and the safeguarding of confidential employee information cannot be carried out effectively without HRIS. Line managers, HR outsourcing, HR shared service centers, and professional employer organizations are now handling many of the traditional HR tasks because of technology. In addition, many activities associated with staffing have been automated, so line managers can be more involved in the selection process.

Difficulty: Challenging

Skill: Synthesis

AACSB: Information technology

Learning Obj.: 3, 5

84) The meaning of value creation differs according to a company's \_\_\_\_\_\_\_\_.

A) size

B) mission

C) age

D) none of the above

Answer: B

Explanation: B) The meaning of value creation differs according to a company's mission. It is useful to think about the differences between for-profit and not-for-profit organizations. For example, Microsoft and Frito Lay are for-profit companies that strive to generate annual profits for company shareholders. These companies promote profit generation by selling quality software and quality snack products, respectively. The American Red Cross is an illustration of a not-for-profit organization that relies on charitable monetary contributions and grant money to create societal value.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 4

85) In recent years, HR professionals have increasingly been expected to \_\_\_\_\_\_\_\_.

A) serve as strategic planners

B) handle administrative tasks

C) implement federal guidelines

D) act as employee advocates

Answer: A

Explanation: A) Today, HR professions are increasingly expected to take on the role of being a strategic partner with upper management. No longer is an administrative and compliance role acceptable as their primary jobs. HR executives have become a strategic partner in achieving organizational plans and results.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 4

86) The duties of today's HR professionals are moving from a transactional to a strategic model. As such, they work toward \_\_\_\_\_\_\_\_.

A) keeping track of government regulations

B) supporting day-to-day operational processes

C) solving strategic problems in the organization

D) solving transactional problems in the organization

Answer: C

Explanation: C) Today, HR professions are increasingly taking on the role of being a strategic partner with upper management. In this role, HR professionals are moving from a transactional to a strategic model, and they work toward solving strategic problems in the organization.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 4

87) The rapidly evolving world of HR will increasingly require HR professionals to \_\_\_\_\_\_\_\_.

A) focus exclusively on learning new trends in the HR profession

B) thoroughly understand all aspects of what the companies they work for do

C) focus their attention on compliance with government regulation

D) integrate their operations with the finance department operations

Answer: B

Explanation: B) The rapidly evolving world of HR will increasingly require HR professionals to thoroughly understand all aspects of what the companies they work for do. Essentially, they must know more than just HR work. In moving from a transactional to a strategic model, HR professionals work toward solving strategic problems in the organization.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 4

88) A useful way to better understand *how* HR serves as a strategic business partner is to think about the use of the following for value creation: \_\_\_\_\_\_\_\_.

A) balance sheet

B) capital

C) outsourcing

D) professional employee organization

Answer: B

Explanation: B) A useful way to better understand how HR serves as a strategic business partner is to think about the use of capital for value creation. *Capital* refers to the factors that enable companies to generate income, higher company stock prices, economic value, strong positive brand identity, and reputation. There is a variety of capital that companies use to create value, including *financial capital* (for example, cash), *capital equipment* (for instance, state-of-the-art robotics used in manufacturing),and *human capital (employees).*

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 4

89) In today's workplace, HR is \_\_\_\_\_\_\_\_.

A) moving towards a narrower focus on personnel

B) focusing more on administrative tasks

C) focusing more on strategic planning

D) moving towards a wider focus on training

Answer: C

Explanation: C) In the past, HR focused exclusively on personnel and associated administrative tasks. With the increase of automation and technology, HR managers have more time to assist with strategic and business planning.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 4

90) Burton Pharmaceuticals is a fast-growing drug company based in Dallas. Top executives at Burton realize that human capital plays an essential role in the continued success of the firm, and they want HR to participate in strategic planning. Which of the following questions is LEAST relevant to determining whether HR currently plays a strategic role at Burton?

A) Is HR rated by Burton's customers?

B) Is HR present at Burton's restructuring discussions?

C) Does Burton's HR provide an annual report on its ROI?

D) Does HR utilize current technology in recruiting Burton employees?

Answer: D

Explanation: D) The rating HR receives from customers and the participation of HR in strategy and restructuring meetings are both indicators that the firm's HR is involved strategically. An annual report from HR regarding return on investment would also indicate a strategic involvement. Technology used by Burton's HR in recruiting is important to hiring practices but not to strategic planning.

Difficulty: Challenging

Skill: Critical thinking

AACSB: Reflective thinking

Learning Obj.: 4

91) Burton Pharmaceuticals is a fast-growing drug company based in Dallas. Top executives at Burton realize that human capital plays an essential role in the continued success of the firm, and they want HR to participate in strategic planning. Which of the following, if true, best supports the argument that HR should be more involved in strategic planning at Burton?

A) Burton plans to acquire another drug company within the next six months.

B) Burton recently settled a lawsuit related to charges of unfair hiring practices.

C) Burton primarily hires sales representatives who have medical backgrounds.

D) Burton experienced a small profit loss last quarter due to increased competition.

Answer: A

Explanation: A) Acquiring another firm would expand the number of employees at Burton, which means that HR should be involved in the process to ensure that human capital is used appropriately. Lawsuits, employee backgrounds, and competitors are less relevant to HR becoming involved in strategic planning at Burton.

Difficulty: Challenging

Skill: Critical thinking

AACSB: Reflective thinking

Learning Obj.: 4

92) Burton Pharmaceuticals is a fast-growing drug company based in Dallas. Top executives at Burton realize that human capital plays an essential role in the continued success of the firm, and they want HR to participate in strategic planning. Which of the following, if true, suggests that HR is already involved in strategic planning at Burton?

A) HR representatives attend merger and acquisition discussions.

B) HR handles all compliance issues related to OSHA and the ADA.

C) HR regularly updates job analysis and job specification information.

D) HR representatives monitor employee training needs and interests.

Answer: A

Explanation: A) Attending merger and acquisition meetings suggests that HR participates in strategic planning. Legal compliance, job specifications, and training are important issues that are relevant to any HR department, but they do not indicate that Burton's HR department is involved in strategic planning.

Difficulty: Challenging

Skill: Critical thinking

AACSB: Reflective thinking

Learning Obj.: 4

93) Working as a strategic business partner requires a much deeper and broader understanding of business issues.

Answer: TRUE

Explanation: HR professionals have changed the way they work. Working as a strategic business partner requires a much deeper and broader understanding of business issues. Possible strategic tasks for HR include making workforce strategies fundamental to company strategies and goals; increasing HR's role in strategic planning, mergers, and acquisitions; developing awareness or an understanding of the business; and helping line managers achieve their goals. A useful way to better understand *how* HR serves as a strategic business partner is to think about the use of capital for value creation. Capital refers to the factors that enable companies to generate income, higher company stock prices, economic value, strong positive brand identity, and reputation. There is a variety of capital that companies use to create value, including financial capital (cash) and capital equipment (state-of-the-art robotics used in manufacturing). Employees represent a specific type of capital called human capital. Human capital, as defined by economists, refers to sets of collective skills, knowledge, and ability that employees can apply to create value for their employers, and HR professionals are instrumental in managing human capital (employees).

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 4

94) Companies rely on capital to create value. These include human capital, financial capital, and environmental capital.

Answer: FALSE

Explanation: *Capital* refers to the factors that enable companies to generate income, higher company stock prices, economic value, strong positive brand identity, and reputation. There is a variety of capital that companies use to create value, including *financial capital* (cash) and *capital equipment* (state-of-the-art robotics used in manufacturing) and human capital.Employees represent a specific type of capital called human capital. *Human capital*, as defined by economists, refers to sets of collective skills, knowledge, and ability that employees can apply to create value for their employers. Companies purchase the use of human capital by paying employees an hourly wage, salary, or bonuses and providing benefits such as paid vacation and health insurance. Also, companies help develop human capital to their advantage by offering training programs aimed at further boosting employee productivity.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 4

95) Every company relies on different combinations of capital.

Answer: TRUE

Explanation: Every organization relies on capital to create value, but, the combination of capital used to create value differs from company to company. For example, Frito Lay uses state-of-the-art manufacturing equipment, and the American Red Cross does not. However, every organization shares in common the employment of individuals and the necessity of managing employees to successfully create value. Indeed, HRM is the business function of managing employees to facilitate an organization's efforts to create value.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 4

96) What embodies the values and standards that guide people's behavior?

A) societal trends

B) employer brands

C) organizational policies

D) corporate mission statements

Answer: B

Explanation: B) An employer brand embodies the values and standards that guide people's behavior. Through employer branding, people get to know what the company stands for, the people it hires, the fit between jobs and people, and the results it recognizes and rewards.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

97) Which of the following is NOT an environment factor?

A) competition

B) customers

C) mission

D) shareholders

Answer: C

Explanation: C) Factors outside an organization's boundaries make up the environment. These factors include the legal considerations, labor market, society, political parties, unions, shareholders, competition, customers, technology, the economy, and unanticipated events. Each factor, either separately or in combination with others, can create constraints or opportunities for HRM. Mission refers to the objectives of the company, and it may be shaped, in part, by environmental factors.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

98) Which term refers to potential employees located within a specific geographic area?

A) forecasted allocation

B) labor market

C) labor union

D) employee relations

Answer: B

Explanation: B) Potential employees located within the geographic area from which employees are normally recruited comprise the labor market. The capabilities of a firm's employees determine, to a large extent, how well the organization can perform its mission.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

99) Which of the following is the discipline of dealing with what is right and wrong?

A) corporate social responsibility

B) sociology

C) cultural norms

D) ethics

Answer: D

Explanation: D) Ethics is the discipline dealing with what is good and bad, or right and wrong, or with moral duty and obligation. Corporate social responsibility is closely related to ethics. Corporate social responsibility is the implied, enforced, or felt obligation of managers, acting in their official capacity, to serve or protect the interests of groups other than themselves.

Difficulty: Easy

Skill: Concept

AACSB: Ethical understanding and reasoning

Learning Obj.: 5

100) The implied obligation of managers, acting in their official capacities, to serve or protect the interests of groups other than themselves is referred to as \_\_\_\_\_\_\_\_.

A) ethics

B) managerial values

C) political activism

D) corporate social responsibility

Answer: D

Explanation: D) Corporate social responsibility is the implied, enforced, or felt obligation of managers, acting in their official capacity, to serve or protect the interests of groups other than themselves. Corporate social responsibility is closely related to ethics, which involves making decisions of right and wrong.

Difficulty: Easy

Skill: Concept

AACSB: Ethical understanding and reasoning

Learning Obj.: 5

101) Which of the following is the discipline most closely related to corporate social responsibility?

A) sociology

B) psychology

C) ethics

D) philosophy

Answer: C

Explanation: C) Ethics is the discipline dealing with what is good and bad, or right and wrong, or with moral duty and obligation. Corporate social responsibility is the implied, enforced, or felt obligation of managers, acting in their official capacity, to serve or protect the interests of groups other than themselves.

Difficulty: Easy

Skill: Concept

AACSB: Ethical understanding and reasoning

Learning Obj.: 5

102) Unions are treated as an environmental factor because they act as a \_\_\_\_\_\_\_\_ when dealing with a firm.

A) supervisor

B) political party

C) third party

D) shareholder

Answer: C

Explanation: C) Unions are treated as an environmental factor because, essentially, they become a third party when dealing with the company. In a unionized organization, the union rather than the individual employee negotiates an agreement with management.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

103) The pilots of various U.S. airlines are threatening to strike unless they receive wage increases. The pilots belong to a union. Which of the following would most likely negotiate an agreement with airline management?

A) union representatives

B) employee supervisors

C) government agencies

D) individual employees

Answer: A

Explanation: A) In a unionized organization, the union rather than the individual employee negotiates an agreement with management. In this case, the union would represent the pilots when negotiating with the airlines.

Difficulty: Challenging

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 5

104) Which term refers to the owners of a corporation?

A) managers

B) executives

C) presidents

D) shareholders

Answer: D

Explanation: D) The owners of a corporation are called shareholders. Because shareholders, or stockholders, have invested money in the firm, they may at times challenge programs considered by management to be beneficial to the organization.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

105) Which of the following is a FALSE statement about environmental factors?

A) Stockholders influence managerial decisions in a corporation.

B) Customer satisfaction plays a role in human resource decisions.

C) Unions negotiate with management on behalf of individual employees.

D) The labor market rarely changes because population remains relatively stable.

Answer: D

Explanation: D) The labor market is always changing, and these shifts inevitably cause changes in the workforce of an organization. In turn, changes in individuals within an organization affect the way management must deal with its workforce. Stockholders and customers affect HR decisions, and unions serve as negotiators for members.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

106) What are the people who actually use a firm's goods and services called?

A) managers

B) shareholders

C) customers

D) employers

Answer: C

Explanation: C) Customers use a firm's goods and services, and they are part of the external environment. Because sales are crucial to the firm's survival, management has the task of ensuring that its employment practices do not antagonize the customers it serves.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

107) Customers are considered an environmental factor because they \_\_\_\_\_\_\_\_.

A) use the Internet to research products

B) generate employer branding

C) expect quality products and after-purchase service

D) invest in corporations

Answer: C

Explanation: C) Customers constantly demand high-quality products and after-purchase service. Therefore, a firm's workforce should be capable of providing top-quality goods and services. These conditions relate directly to the skills, qualifications, and motivations of the organization's employees.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

108) According to your textbook, cloud computing \_\_\_\_\_\_\_\_.

A) has done little to enhance HR mobility

B) requires expensive, time-consuming upgrades for HR staff

C) allows HR professionals to access applications from virtually anywhere

D) has largely been ignored by HR professionals

Answer: C

Explanation: C) A major factor contributing to HR mobility is cloud computing. Cloud computing permits businesses to buy what they need, when they need it. HR professionals can be virtually anywhere and access the cloud, all through any standard Web.

Difficulty: Moderate

Skill: Concept

AACSB: Information technology

Learning Obj.: 5

109) Which of the following terms refers to any organized approach for obtaining relevant and timely information on which to base HR decisions?

A) HR strategic planning system

B) HR information system

C) HR core function

D) HR development

Answer: B

Explanation: B) With the increased sophistication of technology has come the ability to design more useful human resource information systems (HRIS). An HRIS is any organized approach for obtaining relevant and timely information on which to base human resource decisions.

Difficulty: Easy

Skill: Concept

AACSB: Information technology

Learning Obj.: 5

110) In most cases, when the economy is booming, recruiting qualified workers is \_\_\_\_\_\_\_\_.

A) easier

B) dynamic

C) more difficult

D) more systematic

Answer: C

Explanation: C) As a generalization, when the economy is booming, it is more difficult to recruit qualified workers. On the other hand, when a downturn is experienced, as with the recession of 2008/10, more applicants are typically available.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

111) According to the text, which of the following would most likely be categorized as an unanticipated event in the HRM environment?

A) recessions

B) hurricanes

C) employee retirements

D) stock and bond market losses

Answer: B

Explanation: B) Unanticipated events are occurrences in the environment that cannot be foreseen, such as hurricanes, oil spills, and earthquakes. Recessions, staff changes, and economic shifts are more predictable than natural disasters.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

112) Which of the following can help employees influence various terms of employment such as wages and work hours?

A) voluntary employee benefit association

B) union

C) management cooperative

D) all of the above

Answer: B

Explanation: B) A *union* consists of employees who have joined together for the purpose of negotiating terms of employment such as wages and work hours. The United Auto Workers is an example of a large labor union. Unions are treated as an environmental factor because, essentially, they become a third party when dealing with the company.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

113) Which of the following are the two dominant political parties in the United States?

A) Democrats and Socialist

B) Democratic and Republicans

C) Republicans and Socialist

D) Democrat and Communist

Answer: B

Explanation: B) The Democratic and Republican parties are the two major political parties in the United States. These parties often have differing opinions on how HRM should be accomplished. For example, Democrats tend to favor government regulation that protects the rights of virtually all employees to receive at least a minimum wage (the Fair Labor Standards Act) and health insurance (Patient Protection Affordability and Accountability Act). Republicans, on the other hand, tend not to favor government regulation, believing that businesses should have as much flexibility as possible to operate successfully.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

114) Society pressures a firm's HRM by expecting corporate social responsibility and ethical decision-making.

Answer: TRUE

Explanation: Society may also exert pressure on HRM. The public is no longer content to accept, without question, the actions of business. To remain acceptable to the general public, a firm must accomplish its purpose while complying with societal norms. Corporate social responsibility is the implied, enforced, or felt obligation of managers, acting in their official capacity, to serve or protect the interests of groups other than themselves.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

115) Although shareholders invest money in a firm, they have very little influence on management.

Answer: FALSE

Explanation: Because shareholders, or stockholders, have invested money in the firm, they may at times challenge programs considered by management to be beneficial to the organization. Stockholders are wielding increasing influence, and management may be forced to justify the merits of a particular program in terms of how it will affect future projects, costs, revenues, profits, and even benefits to society as a whole.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 5

116) Although most large firms use HR information systems to handle benefits administration, recruitment and legal compliance tasks have not yet been automated.

Answer: FALSE

Explanation: Today, mainstay HR responsibilities such as recruitment, selection, oversight of legal and regulatory compliance, benefits administration, and the safeguarding of confidential employee information cannot be carried out effectively without HRIS.

Difficulty: Moderate

Skill: Concept

AACSB: Information technology

Learning Obj.: 5

117) What is strategic planning? What role can HR professionals play in strategic planning?

Answer: Strategic planning is an ongoing process that is constantly changing in order to find a competitive advantage. Strategic planning attempts to position the organization in terms of the external environment. Companies always need to look for ways to stay competitive, gain market share, and be the first to innovate a new product or service.

Today, HR professions are increasingly taking on the role of being a strategic partner with upper management. In this role, HR professionals are able to focus on matters that are truly important to the company as a whole. They can help the CEO and CFO understand the role human capital plays in the organization and the way it combines with business processes to expand or shrink shareholder value. HR professionals are integrating the goals of HR with the goals of the organization and focusing on expanding its strategic and high-level corporate participation with an emphasis on adding value.

Difficulty: Challenging

Skill: Synthesis

AACSB: Reflective thinking

Learning Obj.: 5

118) How do society, politics, and culture affect HRM? As an HR professional, why is it important to be aware of these factors?

Answer: Society, politics, and culture exert pressure on HRM. To remain acceptable to the general public, a firm must accomplish its purpose while complying with societal norms. Closely related to society, but not the same, are political parties. The two major political parties in the United States often have differing opinions on human resource topics. On a global perspective, countries change governments from time to time, which may affect how human resource management is practiced. Recognizing the cultural differences present in a workplace can also help managers achieve maximum effectiveness. Cultural differences between countries influence global business. This borderless world adds dramatically to the difficulty of managing human capital. Cultural differences reveal themselves in everything from the workplace environments to very divergent concepts of time, space, and social interaction.

Difficulty: Challenging

Skill: Critical thinking

AACSB: Diverse and multicultural work environments

Learning Obj.: 5, 9

119) The way in which employees may judge culture differently could lead to \_\_\_\_\_\_\_\_.

A) a change in a company's mission

B) employee turnover

C) the implementation of pay-for-performance plans

D) profitability

Answer: B

Explanation: B) The assessment of how desirable the organization's culture is may differ for each employee. One person may perceive the environment as bad, and another may see the same environment as positive. An employee may actually leave an organization in the hope of finding a more compatible culture.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 6

120) The \_\_\_\_\_\_\_\_ signifies the system of shared values, beliefs, and habits within an organization that interacts with the formal structure to produce behavioral norms.

A) motivation model

B) network system

C) corporate culture

D) behavioral paradigm

Answer: C

Explanation: C) Corporate culture is the system of shared values, beliefs, and habits within an organization that interacts with the formal structure to produce behavioral norms.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 6

121) Management's perception of the degree to which the prospective employee will fit in with the firm's culture and value system is known as \_\_\_\_\_\_\_\_.

A) discrimination

B) stereotyping

C) employer branding

D) organizational fit

Answer: D

Explanation: D) Organizational fit is management's perception of the degree to which the prospective employee will fit into the firm's culture and value system.

Difficulty: Moderate

Skill: Concept

AACSB: Information technology

Learning Obj.: 6

122) Which activity is engaged to create an inclusive corporate culture?

A) diversity management

B) corporate social responsibility

C) equal employment opportunity

D) affirmative action

Answer: A

Explanation: A) Diversity managment is the implied, enforced, or felt obligation of managers, acting in their official capacity, to serve or protect the interests of groups other than themselves. Equal employment opportunity refers to a variety of federal laws and executive orders that prohibit companies from discriminating against individuals on the basis of personal characteristics or religious beliefs. For example, the Age Discrimination in Employment Act prohibits taking adverse action against individuals on the basis of age. Affirmative action is a requirement of companies that conduct business with the federal government. Companies must take proactive steps to employ individuals from underrepresented minority groups such as based on race or sex.

Difficulty: Moderate

Skill: Synthesis

AACSB: Analytical thinking

Learning Obj.: 6

123) *Organizational fit* refers to a corporate image or culture, which attracts and retains the type of employees the firm is seeking.

Answer: FALSE

Explanation: Organizational fit refers to management's perception of the degree to which a prospective employee will fit in with the firm's culture and system of values.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 6

124) What is a "corporate culture"? Why is it a major factor in a company's internal environment?

Answer: Corporate culture is the system of shared values, beliefs, and habits within an organization that interacts with the formal structure to produce behavioral norms.

As an environmental factor affecting human resource management, corporate culture refers to the firm's social and psychological climate. Culture gives people a sense of how to behave and what they ought to be doing. Each individual gradually forms such perceptions over time, as the person performs assigned activities under the general guidance of a superior and a set of organizational policies. The culture existing within a firm influences employees' degree of satisfaction with the job, as well as the level and quality of their performance. The assessment of how desirable the organization's culture is may differ for each employee. One person may perceive the environment as bad, and another may see the same environment as positive. An employee may actually leave an organization in the hope of finding a more compatible culture.

Difficulty: Challenging

Skill: Critical thinking

AACSB: Reflective thinking

Learning Obj.: 6

125) The firm's corporate image or culture that attracts and retains ideal employees is best known as \_\_\_\_\_\_\_\_.

A) job branding

B) brand culture

C) HR branding

D) employer branding

Answer: D

Explanation: D) Employer branding is the firm's corporate image or culture created to attract and retain the type of employees the firm is seeking. Through employer branding, people get to know what the company stands for, the people it hires, the fit between jobs and people, and the results it recognizes and rewards.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 7

126) The primary purpose of employer branding is to \_\_\_\_\_\_\_\_.

A) promote employee benefits

B) sell consumer products

C) attract quality employees

D) encourage media mentions

Answer: C

Explanation: C) Employer branding is the firm's corporate image or culture created to attract and retain the type of employees the firm is seeking. Through employer branding, people get to know what the company stands for, the people it hires, the fit between jobs and people, and the results it recognizes and rewards.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 7

127) Being on which list of "100 best" is so desirable that some organizations try to change their culture and philosophies to get on the list?

A) *Working Mother* list of 100 best companies

B) *Fortune* magazine's 100 Best Companies to Work For

C) *Business Ethics* magazine list of 100 Best Corporate Citizens

D) *Computerworld* list of Best Places to Work

Answer: B

Explanation: B) Achieving acknowledgment by an external source is a good way for a brand to be recognized. Being listed on *Fortune* magazine's 100 Best Companies to Work For is so desirable that some organizations try to change their culture and philosophies to get on the list. Inclusion on another magazine's list is less helpful than being on *Fortune*'s.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 7

128) Employer brandingrefers to the firm's corporate image or culture.

Answer: TRUE

Explanation: Employer branding is the firm's corporate image or culture created to attract and retain the type of employees the firm is seeking.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 7

129) Employment branding is an extension of the marketing department and has limited impact on recruitment and retention.

Answer: FALSE

Explanation: Employer branding has become a major recruitment and retention strategy. With employer branding, everyone in the company works to promote the image of the firm, not just one department.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 7

130) Only large well-known firms have employer branding; small businesses do not.

Answer: FALSE

Explanation: All companies have a brand, which is the firm's image or culture that attracts and retains employees.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 7

131) *Employer branding* is about pursuing an inclusive corporate culture in which newcomers feel welcome and everyone sees the value of his or her job.

Answer: FALSE

Explanation: Employer branding is the firm's corporate image and culture. It is what the company stands for in the public eye.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 7

132) According to the Small Business Administration, all of the following EXCEPT \_\_\_\_\_\_\_\_ are part of the definition of a small business.

A) limited to a local marketplace

B) independently owned and operated

C) organized for profit

D) not dominant in its field

Answer: A

Explanation: A) The SBA defines a small business as one that is independently owned and operated, is organized for profit, and is not dominant in its field.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 8

133) In a typical small business, HR functions are often handled by \_\_\_\_\_\_\_\_.

A) outside vendors

B) compensation analysts

C) HRM specialists

D) line managers

Answer: D

Explanation: D) Small businesses often do not have a formal HR unit or HRM specialist. Rather line managers often handle the HR functions. The focus of their activities is generally on hiring and retaining capable employees.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 8

134) The cultural norms of Japan promote \_\_\_\_\_\_\_\_.

A) competition between employees

B) unionization

C) competency-based pay

D) loyalty and teamwork

Answer: D

Explanation: D) The cultural norms of Japan promote loyalty and teamwork. The work culture there is one in which honesty and hard work are prized assets. In Japan, most managers tend to remain with the same company for life. In the United States, senior executives often change companies, but the Japanese believe strongly that leaving a job is to be avoided out of respect for the business team. In Japan, if a boss gives detailed instructions to a subordinate, it is like saying the person is incompetent.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 9

135) Provide a brief definition of a country's culture. How does the culture of a country affect global business?

Answer: A country's culture is the set of values, symbols, beliefs, languages, and norms that guide human behavior within the country. It is learned behavior that develops as individuals grow from childhood to adulthood. As one goes from one side of this country to the other, a wide range of cultural differences will be experienced. The same can be said in traveling from north to south. Cultural differences are intensified when going from one country to another. These cultural differences exert a major influence on global business. Cultural differences reveal themselves in everything from the workplace environments to differences in the concept of time, space, and social interaction. Companies operating in the global environment must understand that cultural differences add dramatically to the difficulty of managing human capital.

Difficulty: Challenging

Skill: Synthesis

AACSB: Analytical thinking

Learning Obj.: 9

136) About how many times greater is the median annual compensation for HR managers compared to the median annual earnings for all jobs?

A) 3 times as much

B) 10 times as much

C) 2 times as much

D) 5 times as much

Answer: A

Explanation: A) The median annual compensation for HR managers was $99,720, which is nearly three times the median annual earnings for all jobs.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 10

137) What is the best term for a top-level manager who reports directly to the corporation's chief executive officer (CEO) or to the head of a major division?

A) executive

B) generalist

C) specialist

D) contractor

Answer: A

Explanation: A) An executive is a top-level manager who reports directly to the corporation's chief executive officer (CEO) or to the head of a major division. A generalist, who may be an executive, performs tasks in a variety of HR-related areas. A specialist may be an HR executive, manager, or nonmanager who is typically concerned with only one of the five functional areas of HRM.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 10

138) A human resource generalist normally performs tasks \_\_\_\_\_\_\_\_.

A) for only entry level positions and employees

B) for either compensation or labor relations

C) in fewer than three functional areas

D) in a variety of HR-related areas

Answer: D

Explanation: D) A generalist, who may be an executive, performs tasks in a variety of HR-related areas. A specialist is typically concerned with only one of the five functional areas of HRM.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 10

139) A person who may be an executive and performs tasks in a variety of HR-related areas is best known as a \_\_\_\_\_\_\_\_.

A) specialist

B) manager

C) generalist

D) supervisor

Answer: C

Explanation: C) A generalist, who may be an executive, performs tasks in a variety of HR-related areas. A specialist may be an HR executive, manager, or nonmanager who is typically concerned with only one of the five functional areas of HRM.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 10

140) Which of the following positions would be considered a human resource specialist?

A) human resource manager

B) compensation manager

C) vice president human resources

D) marketing manager

Answer: B

Explanation: B) A specialist is typically concerned with only one of the five functional areas of HRM. A compensation manager focuses only on compensation, while HR managers and executives are involved in multiple HR functions.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 10

141) Erin is a benefits analyst with a large accounting firm. Erin is most likely which type of employee?

A) executive

B) generalist

C) specialist

D) contractor

Answer: C

Explanation: C) A specialist is typically concerned with only one of the five functional areas of HRM. Erin focuses exclusively on benefits, so she is a specialist.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 10

142) Joanna is the vice president of industrial relations at Reese Enterprises. Which two HR designations best categorize Joanna?

A) generalist and specialist

B) executive and generalist

C) executive and specialist

D) manager and generalist

Answer: C

Explanation: C) A specialist may be an HR executive, manager, or nonmanager who is typically concerned with only one of the five functional areas of HRM. In this case, Joanna focuses on industrial relations, which means she is a specialist, but she is also a vice president, which makes her an executive.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 10

143) Rob is the Vice President of Human Resources at Roswell Manufacturing. Which two HR designations best categorize Rob?

A) specialist and generalist

B) executive and generalist

C) executive and specialist

D) manager and specialist

Answer: B

Explanation: B) A generalist, who may be an executive, performs tasks in a variety of HR-related areas. A specialist is typically concerned with only one of the five functional areas of HRM. As vice president of HR, Rob is both an executive and a generalist.

Difficulty: Moderate

Skill: Concept

AACSB: Application of knowledge

Learning Obj.: 10

144) A profession is characterized by the existence of a common body of knowledge and a \_\_\_\_\_\_\_\_.

A) procedure for certifying members

B) specified educational requirement

C) requirement for periodic re-accreditation

D) functional procedure for designated activities

Answer: A

Explanation: A) A profession is a vocation characterized by the existence of a common body of knowledge and a procedure for certifying members. Performance standards are established by members of the profession rather than by outsiders.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 10

145) Which of the following is not a prominent professional organization in the field of human resources?

A) ASTD

B) SHRM

C) HRCI

D) OSHA

Answer: D

Explanation: D) The following are prominent HR organizations: the Society for Human Resource Management (SHRM), the Human Resource Certification Institute (HRCI), and the American Society for Training and Development (ASTD). The Occupational Safety & Health Administration (OSHA) was established in 1970 as a part of the United States Department of Labor to ensure the health and safety of U.S. workers. OSHA is not an organization established to promote the HR profession or development of HR professionals.

Difficulty: Easy

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 10

146) According to the U.S. Bureau of Labor Statistics, opportunities for employment in the HR profession remain steady.

Answer: FALSE

Explanation: To the contrary, employment of human resources managers is projected to grow 13 percent from 2012 to 2022, about as fast as the average for all occupations.

Difficulty: Moderate

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 10

147) Richard works as an HR generalist at a furniture manufacturing firm, so he focuses on a single functional area of human resources.

Answer: FALSE

Explanation: A generalist performs tasks in a variety of HR-related areas and is involved in several, or all, of the five HRM functions. A specialist is typically concerned with only one of the five functional areas of HRM, so Richard is a specialist rather than a generalist.

Difficulty: Moderate

Skill: Application

AACSB: Application of knowledge

Learning Obj.: 10

148) The performance standards of a *profession* are established by outside accreditation agencies.

Answer: FALSE

Explanation: A profession is a vocation that is characterized by a common body of knowledge and a procedure for certifying members. Performance standards are established by members, rather than by outsiders; that is, the profession is self-regulated.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 10

149) The median annual compensation for HR managers is half as much as the median annual earnings for all jobs.

Answer: FALSE

Explanation: The median annual compensation for HR managers was $99,720, which is nearly three times the median annual earnings for all jobs.

Difficulty: Challenging

Skill: Concept

AACSB: Analytical thinking

Learning Obj.: 10

150) Describe some of the reasons for the expected growth in employment opportunities in HR.

Answer: Employment growth largely depends on the performance and growth of individual companies. However, as new companies form and organizations expand their operations, they will need more human resources managers to oversee and administer their programs. Managers will also be needed to ensure that firms adhere to changing, complex employment laws regarding occupational safety and health, equal employment opportunity, healthcare, wages, and retirement plans. For example, adoption of the Affordable Care Act may spur the need to hire more managers to help implement this program. Although job opportunities are expected to vary based on the staffing needs of individual companies, very strong competition can be expected for most positions. Job opportunities should be best in the management of companies and enterprises industry as organizations continue to use outside firms to assist with some of their human resources functions. Candidates with certification or a master's degree-particularly those with a concentration in human resources management-should have the best job prospects. Those with a solid background in human resources programs, policies, and employment law should also have better job opportunities.

Difficulty: Challenging

Skill: Synthesis

AACSB: Analytical thinking

Learning Obj.: 10