

Chapter 1—HR's Role, Strategy, and Planning

MULTIPLE CHOICE

1. Which of the following statements is true of the functions of human resource management?
- It is a clerical operation in large companies concerned with payroll and employee records.
 - It refers to a department which looks into the legal ramifications of policies and procedures that affect only the employees in an organization.
 - It is a function concerned with costs, planning, and the implications of various strategies for organizations.
 - It refers to a design of formal systems in an organization to manage human talent for accomplishing organizational goals.

ANS: D PTS: 1 DIF: Moderate
NAT: BUSPROG: Analytic TOP: What is Human Resource Management?
KEY: Bloom's: Comprehension PAGE: 02

2. A useful way to measure the productivity of a workforce is:
- to determine the total cost of people required for each unit of output.
 - to determine the total cost of people required for an output of 100 units.
 - to determine the total cost of people required to complete a day's worth of work.
 - to determine the total cost of people required to complete a year's worth of work.

ANS: A PTS: 1 DIF: Moderate
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Comprehension PAGE: 04

3. _____, a method to increase employee productivity, involves eliminating layers of management and changing reporting relationships, as well as cutting staff through downsizing, layoffs, and early retirement buyout programs.
- Organizational restructuring
 - Redesigning work
 - Aligning human resource activity
 - Outsourcing

ANS: A PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Knowledge PAGE: 04

4. _____, a method to increase employee productivity, involves having fewer employees who perform multiple job tasks.
- Organizational restructuring
 - Aligning HR activity
 - Outsourcing
 - Redesigning work

ANS: D PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Knowledge PAGE: 04

5. _____, a method to increase employee productivity, includes ensuring that staffing, training and development, performance management, and compensation are not working to offset productivity.
- Outsourcing
 - Redesigning work

- c. Aligning human resource activity
- d. Organizational restructuring

ANS: C PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Knowledge PAGE: 04

6. Which of the following is a part of the process of redesigning work?
- a. Reshaping jobs because of technology changes
 - b. Revising organizational structures
 - c. Training, developing, and evaluating employees
 - d. Outsourcing operations internationally

ANS: A PTS: 1 DIF: Moderate
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Comprehension PAGE: 04

7. Which of the following is a part of the process of aligning human resource activities?
- a. Changing workloads and combining jobs
 - b. Revising organizational structure
 - c. Using domestic vendors instead of employees
 - d. Training, developing, and staffing

ANS: D PTS: 1 DIF: Moderate
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Comprehension PAGE: 04

8. Which of the following is true of organizational culture?
- a. It increases the diversity of an organization.
 - b. It decreases the diversity of an organization.
 - c. It provides employees with rules for behavior.
 - d. It does not take a very long time to evolve.

ANS: C PTS: 1 DIF: Moderate
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Comprehension PAGE: 05

9. Which of the following is a part of the process of outsourcing analyses?
- a. Revising organizational structure
 - b. Using vendors instead of employees
 - c. Changing workloads and combining jobs
 - d. Attracting and retaining employees

ANS: B PTS: 1 DIF: Moderate
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Comprehension PAGE:

10. Which of the following is true of the administrative role of human resource departments?
- a. It involves managing most human resource activities in keeping with strategies and operations that have been identified by management.
 - b. It involves helping to define the strategy relative to human capital and its contribution to organizational results.
 - c. It involves identifying possible strategies to attract and retain talent with a focus on organizational growth.
 - d. It focuses on record keeping, including essential legal paperwork and policy

implementation.

ANS: D PTS: 1
NAT: BUSPROG: Analytic
KEY: Bloom's: Comprehension

DIF: Moderate
TOP: Roles for Human Resource Departments
PAGE: 06

11. Which of the following is true of the operational role of human resource departments?
- It involves focusing on clerical administration and recordkeeping, including essential legal paperwork and policy implementation.
 - It involves identifying possible strategies to attract and retain talent with a focus on organizational growth.
 - It involves managing most human resource activities in keeping with the strategies that have been identified by management.
 - It involves helping to define the strategy relative to human capital and its contribution to organizational results.

ANS: C PTS: 1
NAT: BUSPROG: Analytic
KEY: Bloom's: Comprehension

DIF: Moderate
TOP: Roles for Human Resource Departments
PAGE: 06

12. Which of the following has traditionally been the dominant role for human resources?
- Operational role
 - Employee advocate role
 - Administrative role
 - Strategic role

ANS: C PTS: 1
NAT: BUSPROG: Analytic
KEY: Bloom's: Knowledge

DIF: Easy
TOP: Roles for Human Resource Departments
PAGE: 07

13. Sara, a human resource manager at Comp Inc., is moving from an administrative role in the human resource department to an operational role. Which of the following best describes Sara's change of role?
- Moving from processing legal paperwork to serving as a "champion" of employee concerns.
 - Moving from processing legal paperwork to helping define the strategy to manage human capital
 - Moving from helping define the strategy to manage human capital to serving as a "champion" of employee concerns
 - Moving from helping define the strategy to manage human capital to processing legal paperwork

ANS: A PTS: 1
NAT: BUSPROG: Reflective Thinking
KEY: Bloom's: Application

DIF: Moderate
TOP: Roles for Human Resource Departments
PAGE: 07

14. Bob, a human resources executive at Axis Inc., is moving from an operational role in the human resources department to a strategic role. Which of the following best describes Bob's change of role?
- Moving from serving as a "champion" of employee concerns to helping define the strategy to manage human capital
 - Moving from helping define the strategy to manage human capital to processing legal paperwork
 - Moving from processing legal paperwork to serving as a "champion" of employee concerns
 - Moving from processing legal paperwork to helping define the strategy to manage human

capital

ANS: A PTS: 1 DIF: Moderate
NAT: BUSPROG: Reflective Thinking TOP: Roles for Human Resource Departments
KEY: Bloom's: Application PAGE: 07

15. David, a human resources manager at RedWall Inc., is moving from an administrative role in the human resource department to a strategic role. Which of the following best describes David's change of role?
- a. Moving from serving as a "champion" of employee concerns to processing legal paperwork
 - b. Moving from helping define the strategy to manage human capital to serving as a "champion" of employee concerns
 - c. Moving from processing legal paperwork to helping define the strategy to manage human capital
 - d. Moving from helping define the strategy to manage human capital to processing legal paperwork

ANS: C PTS: 1 DIF: Moderate
NAT: BUSPROG: Reflective Thinking TOP: Roles for Human Resource Departments
KEY: Bloom's: Application PAGE: 07

16. Mike, a human resources executive at Oyster Studios, is moving from an operational role in the human resources department to an administrative role. Which of the following best describes Mike's change of role?
- a. Moving from processing legal paperwork to serving as a "champion" of employee concerns
 - b. Moving from serving as a "champion" of employee concerns to helping define the strategy to manage human capital
 - c. Moving from processing legal paperwork to helping define the strategy to manage human capital
 - d. Moving from serving as a "champion" of employee concerns to processing legal paperwork

ANS: D PTS: 1 DIF: Moderate
NAT: BUSPROG: Reflective Thinking TOP: Roles for Human Resource Departments
KEY: Bloom's: Application PAGE: 07

17. Donna, a human resources manager at Loch Inc., is moving from a strategic role in the human resources department to an operational role. Which of the following best describes Donna's change of role?
- a. Moving from helping define the strategy to manage human capital to serving as a "champion" of employee concerns
 - b. Moving from helping define the strategy to manage human capital to processing legal paperwork
 - c. Moving from processing legal paperwork to helping define the strategy to manage human capital
 - d. Moving from serving as a "champion" of employee concerns to processing legal paperwork

ANS: A PTS: 1 DIF: Moderate
NAT: BUSPROG: Reflective Thinking TOP: Roles for Human Resource Departments
KEY: Bloom's: Application PAGE: 07

18. Sunny, a human resources executive at FlyHi Inc. is moving from a strategic role in the human resources department to an administrative role. Which of the following best describes Sunny’s change of role?
 - a. Moving from processing legal paperwork to serving as a “champion” of employee concerns
 - b. Moving from serving as a “champion” of employee concerns to helping define the strategy to manage human capital
 - c. Moving from helping define the strategy to manage human capital to serving as a “champion” of employee concerns
 - d. Moving from helping define the strategy to manage human capital to processing legal paperwork

ANS: D

PTS: 1

DIF: Moderate

NAT: BUSPROG: Reflective Thinking

TOP: Roles for Human Resource Departments

KEY: Bloom's: Application

PAGE: 07

19. Which of the following is a disadvantage of an aging workforce in economically developed countries?
- a. Having to provide retirement benefits
 - b. Having to decrease the span of control
 - c. Having to provide flexible work arrangements
 - d. Having to replace experience and talent

ANS: D

PTS: 1

DIF: Easy

NAT: BUSPROG: Analytic

TOP: Human Resources Management Challenges

KEY: Bloom's: Knowledge

PAGE: 09

20. Which of the following is an advantage of using a contingent workforce?
- a. Committed employees
 - b. No training needed
 - c. Lower cost
 - d. Wider span of control

ANS: C

PTS: 1

DIF: Easy

NAT: BUSPROG: Analytic

TOP: Human Resources Management Challenges

KEY: Bloom's: Comprehension

PAGE: 09

21. A person who is responsible for performing a variety of human resource activities is known as a _____.
- a. human resource specialist
 - b. human resource planner
 - c. human resource strategist
 - d. human resource generalist

ANS: D

PTS: 1

DIF: Easy

NAT: BUSPROG: Analytic

TOP: Human Resource Management Competencies and

Careers

KEY: Bloom's: Knowledge

PAGE: 11

22. Which of the following is a specialized human resource organization?
- a. World at Work Association
 - b. Organization for Economic Cooperation
 - c. Ethics Resource Center
 - d. U.S. Small Business Association

ANS: A

PTS: 1

DIF: Easy

NAT: BUSPROG: Analytic
Careers

KEY: Bloom's: Knowledge

TOP: Human Resources Management Competencies and

PAGE: 12

23. Josh, a human resource manager, used to handle employee recruitment and compensation for his organization. After a promotion, he was responsible for handling employee recruitment, compensation, and benefits. Which of the following is true of Josh?
- Both the roles played by Josh are generalist roles.
 - Both the roles played by Josh are specialist roles.
 - Josh moved from a generalist role to a specialist role.
 - Josh moved from a specialist role to a generalist role.

ANS: A

PTS: 1

DIF: Moderate

NAT: BUSPROG: Reflective Thinking
Careers

TOP: Human Resources Management Competencies and

KEY: Bloom's: Application

PAGE: 11

24. Suzie, a human resource executive, works with ZedNet Inc. She was responsible for employee recruitment and compensation. After a promotion, she was made responsible only for recruitment. Which of the following is true of Suzie?
- Both the roles that Suzie played were generalist roles.
 - Both the roles that Suzie played were specialist roles.
 - Suzie moved from a specialist role to a generalist role.
 - Suzie moved from a generalist role to a specialist role.

ANS: D

PTS: 1

DIF: Moderate

NAT: BUSPROG: Reflective Thinking
Careers

TOP: Human Resources Management Competencies and

KEY: Bloom's: Application

PAGE: 11

25. Ramone, a human resource manager, works for TelVille Inc. Initially, he was responsible only for recruitment. After a promotion, he was made responsible exclusively for employee benefits. Which of the following is true of Ramone?
- Both the roles that Ramone played were generalist roles.
 - Both the roles that Ramone played were specialist roles.
 - Ramone moved from a specialist role to a generalist role.
 - Ramone moved from a generalist role to a specialist role.

ANS: B

PTS: 1

DIF: Moderate

NAT: BUSPROG: Reflective Thinking
Careers

TOP: Human Resources Management Competencies and

KEY: Bloom's: Application

PAGE: 11

26. Max, a human resource executive, works at Axis Inc. Initially, he was responsible only for recruitment, but after his promotion, he was responsible for recruitment, compensation, and benefits. Which of the following best describes Max?
- Both the roles played by Max were generalist roles.
 - Both the roles played by Max were specialist roles.
 - Max moved from a specialist role to a generalist role.
 - Max moved from a generalist role to a specialist role.

ANS: C

PTS: 1

DIF: Moderate

NAT: BUSPROG: Reflective Thinking
Careers

TOP: Human Resources Management Competencies and

KEY: Bloom's: Application

PAGE: 11

27. Which of the following is typically the first step in the strategic planning process for organizations?
- Organizational mission
 - SWOT analysis
 - Formulating organizational strategy
 - Establishing goals and objectives

ANS: A PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Organizational Strategic Planning
KEY: Bloom's: Knowledge PAGE: 12

28. Which of the following is typically the last step in the strategic planning process for organizations?
- Formulating supporting functional strategies
 - Evaluating and reassessing strategy
 - Establishing goals and objectives
 - Stating the organizational mission

ANS: B PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Organizational Strategic Planning
KEY: Bloom's: Knowledge PAGE: 13

29. Ken, a brand manager at Media Labs LLC., is formulating a strategic plan for his organization. He has identified the organizational mission and formulated a SWOT analysis of the business. Which of the following is most likely to be Ken's next step in the strategic planning process?
- Evaluate and reassess strategy
 - Implement strategy
 - Establish goals and objectives
 - Formulate organization-level strategies

ANS: D PTS: 1 DIF: Easy
NAT: BUSPROG: Reflective Thinking TOP: Organizational Strategic Planning
KEY: Bloom's: Application PAGE: 13

30. Which of the following is typically the first step in the HR planning process?
- Review organization's environmental analysis/strategic plans
 - Develop HR staffing plans and actions
 - Compile HR planning forecasts
 - Assess external and internal workforce

ANS: A PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Human Resource Planning
KEY: Bloom's: Knowledge PAGE: 15

31. Which of the following is typically the last step in the HR planning process?
- Review organization's environmental analysis/strategic plans
 - Develop HR staffing plans and actions
 - Compile HR planning forecasts
 - Assess external and internal workforce

ANS: B PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Human Resource Planning
KEY: Bloom's: Knowledge PAGE: 15

32. Mark, an HR manager, is responsible for the HR planning process in his organization. He has reviewed the organization's strategic plans. Which of the following is most likely to be Mark's next step in the planning process?
- a. Develop HR staffing plans and actions
 - b. Compile HR planning forecasts
 - c. Implement HR staffing plans and actions
 - d. Assess external and internal workforce

ANS: D PTS: 1 DIF: Easy
NAT: BUSPROG: Reflective Thinking TOP: Human Resource Planning
KEY: Bloom's: Application PAGE: 15

33. Which of the following is a factor of the external environment in an organization?
- a. Leadership bench strength
 - b. Organizational culture
 - c. Quality of talent
 - d. Competitive forces

ANS: D PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Human Resource Planning
KEY: Bloom's: Knowledge PAGE: 15

34. Which of the following is an effective method of managing a talent surplus?
- a. Outsourcing to a third party
 - b. Using contingent workers
 - c. Freezing hiring
 - d. Increasing employee work hours through overtime

ANS: C PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Workforce Supply = Demand
KEY: Bloom's: Comprehension PAGE: 18

35. Which of the following is an effective method for managing a talent shortage?
- a. Reducing employee work hours
 - b. Encouraging attrition
 - c. Implementing voluntary separation programs
 - d. Outsourcing to a third party

ANS: D PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Workforce Supply Demand
KEY: Bloom's: Comprehension PAGE: 18

36. Which of the following is true of the Consolidated Omnibus Budget Reconciliation Act?
- a. Displaced workers can retain their group medical coverage for up to 18 months for themselves, and up to 36 months for their dependents, if they pay the premiums themselves.
 - b. Displaced workers can use the Medicare program sponsored by the government for up to 18 months after the termination of their employment.
 - c. Displaced workers can use the Medicare program sponsored by the federal government for up to 36 months after the termination of their employment.
 - d. Displaced workers can retain their group medical coverage for up to 12 months for themselves, and up to 24 months for their dependents, if they pay the premiums themselves.

ANS: A PTS: 1 DIF: Moderate

NAT: BUSPROG: Analytic
KEY: Bloom's: Comprehension

TOP: Workforce Supply Demand
PAGE:

37. Which of the following best defines the term 'effectiveness'?
- a. The degree to which operations are done in an economical manner
 - b. The ability to produce a specific desired effort or result that can be measured
 - c. The degree to which operations are done in the least possible time
 - d. The ability to produce a specific desired effort or result that cannot be measured

ANS: B PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resource and
Human Capital
KEY: Bloom's: Comprehension PAGE: 19

38. Which of the following best defines HR analytics?
- a. An evidence-based approach to making HR decisions on the basis of quantitative tools and models
 - b. An assumption-based approach to making HR decisions on the basis of quantitative tools and models
 - c. An evidence-based approach to making HR decisions on the basis of qualitative tools and models
 - d. An assumption-based approach to making HR decisions on the basis of qualitative tools and models

ANS: A PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resource and
Human Capital
KEY: Bloom's: Comprehension PAGE: 20

39. Which of the following is the function of compliance audits?
- a. Reviewing regulatory compliance, benefits administration and reporting
 - b. Checking record keeping on state and federal paperwork requirement
 - c. Reviewing specific HR areas such as compensation, training, and so on
 - d. Reviewing compliance with immigration regulations and the I-9 form requirement

ANS: B PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resources and
Human Capital
KEY: Bloom's: Comprehension PAGE: 22

40. Which of the following is a part of the strategy and planning function of human resource management?
- a. Diversity
 - b. Human resource retention
 - c. Job analysis
 - d. Compensation

ANS: B PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: HR Management Functions
KEY: Bloom's: Knowledge PAGE: 06

41. Which of the following is the function of benefit programs audit?
- a. Reviewing regulatory compliance, benefits administration and reporting
 - b. Checking record keeping on state and federal paperwork requirement

- c. Reviewing specific HR areas such as compensation, training, and so on
- d. Reviewing compliance with immigration regulations and the I-9 form requirement

ANS: A PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resources and Human Capital
KEY: Bloom's: Comprehension PAGE: 22

42. Which of the following is the function of I-9 audit?
- a. Reviewing regulatory compliance, benefits administration and reporting
 - b. Checking record keeping on state and federal paperwork requirement
 - c. Reviewing specific HR areas such as compensation, training, and so on
 - d. Reviewing compliance with immigration regulations

ANS: D PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resources and Human Capital
KEY: Bloom's: Comprehension PAGE: 22

43. Which of the following is the function of specific program audit?
- a. Reviewing regulatory compliance, benefits administration and reporting
 - b. Checking record keeping on state and federal paperwork requirement
 - c. Reviewing particular HR subareas such as compensation, training, and so on
 - d. Reviewing compliance with immigration regulations and the I-9 form requirement

ANS: C PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resources and Human Capital
KEY: Bloom's: Comprehension PAGE: 22

44. Which of the following is a part of the staffing function of human resource management?
- a. Recruiting
 - b. Training
 - c. Orientation
 - d. Career planning

ANS: A PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: HR Management Functions
KEY: Bloom's: Knowledge PAGE: 06

45. Which of the following is a part of the human resource function of employee and labor relations?
- a. Human resource policies
 - b. Health and wellness
 - c. Human resource effectiveness
 - d. Affirmative action

ANS: A PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: HR Management Functions
KEY: Bloom's: Knowledge PAGE: 06

TRUE/FALSE

1. Human resources operations in some companies have been involved with mergers, acquisitions, and outsourcing.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: What is Human Resource Management?
KEY: Bloom's: Knowledge PAGE: 02

2. Human resource management is the design of formal systems in an organization to manage human talent for accomplishing organizational goals.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: What is Human Resource Management?
KEY: Bloom's: Knowledge PAGE: 02

3. Intellectual property is the collective value of the capabilities, knowledge, skills, life experiences, and motivation of an organizational workforce.

ANS: F PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: What is Human Resource Management?
KEY: Bloom's: Knowledge PAGE: 03

4. A core competency is a unique capability that creates high value in which an organization excels.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: What is Human Resource Management?
KEY: Bloom's: Knowledge PAGE: 03

5. A useful way to measure the productivity of a workforce is to determine the total cost of people against the annual sales of the organization.

ANS: F PTS: 1 DIF: Moderate
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Knowledge PAGE: 04

6. Some of the major ways of increasing employee productivity are organizational restructuring, redesigning work, and aligning human resource activities.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Knowledge PAGE: 04

7. Organizational culture consists of the shared values and beliefs that give members of an organization meaning and provide them with rules for behavior.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Knowledge PAGE: 05

8. Even if an organization does not have a history in which people have shared experiences for years, the organizational culture will stabilize.

ANS: F PTS: 1 DIF: Moderate
NAT: BUSPROG: Analytic TOP: Where Employees Can Be a Core Competency
KEY: Bloom's: Knowledge PAGE: 05

9. The operational role of human resource involves focusing on clerical administration and recordkeeping, including essential legal paperwork and policy implementation.

NAT: BUSPROG: Analytic
Careers
KEY: Bloom's: Knowledge

TOP: Human Resources Management Competencies and
PAGE: 11

17. A person with the responsibility of performing a variety of human resource activities is known as a human resource specialist.

ANS: F PTS: 1
NAT: BUSPROG: Analytic
Careers
KEY: Bloom's: Knowledge

DIF: Easy
TOP: Human Resources Management Competencies and
PAGE: 11

18. For human resource generalists, the largest organization is the Society for Human Resource Management.

ANS: T PTS: 1
NAT: BUSPROG: Analytic
Careers
KEY: Bloom's: Knowledge

DIF: Moderate
TOP: Human Resources Management Competencies and
PAGE: 11

19. Professional in Human Resources (PHR) is sponsored by the WorldatWork Association.

ANS: F PTS: 1
NAT: BUSPROG: Analytic
Careers
KEY: Bloom's: Comprehension

DIF: Moderate
TOP: Human Resources Management Competencies and
PAGE: 12

20. Senior Professional in Human Resources (SPHR), a human resource certification, is sponsored by the Human Resource Certification Institute.

ANS: T PTS: 1
NAT: BUSPROG: Analytic
Careers
KEY: Bloom's: Comprehension

DIF: Moderate
TOP: Human Resources Management Competencies and
PAGE: 12

21. Global Professional in Human Resource (GPHR), a human resource certification, is sponsored by the American Society for Training and Development.

ANS: F PTS: 1
NAT: BUSPROG: Analytic
Careers
KEY: Bloom's: Comprehension

DIF: Moderate
TOP: Human Resources Management Competencies and
PAGE: 12

22. Certified Compensation Professional (CCP), a human resource certification, is sponsored by the World at Work Association.

ANS: T PTS: 1
NAT: BUSPROG: Analytic
Careers
KEY: Bloom's: Comprehension

DIF: Moderate
TOP: Human Resources Management Competencies and
PAGE: 12

23. The strategic planning process begins with an assessment of the current state of the business and the environmental forces that may be important during the planning cycle.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Reflective Thinking TOP: Organizational Strategic Planning
KEY: Bloom's: Knowledge PAGE: 12

24. The SWOT analysis helps managers in formulating a strategic plan that considers the organization's ability to deal with the situation at hand.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Reflective Thinking TOP: Organizational Strategic Planning
KEY: Bloom's: Comprehension PAGE: 13

25. Implementing the strategy is typically the last step in the strategic planning process.

ANS: F PTS: 1 DIF: Easy
NAT: BUSPROG: Reflective Thinking TOP: Organizational Strategic Planning
KEY: Bloom's: Knowledge PAGE: 13

26. Instead of making a choice, a good strategy will try to accommodate many different demands and interests.

ANS: F PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Organizational Strategic Planning
KEY: Bloom's: Comprehension PAGE: 13

27. Organizational strategy is independent of Human Resource management.

ANS: F PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Human Resources and Strategy
KEY: Bloom's: Comprehension PAGE: 13

28. The focus of HR planning is to ensure that the organization has the right number of human resources, with the right capabilities, at the right times, and in the right places.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Human Resource Planning
KEY: Bloom's: Knowledge PAGE: 14

29. In the final part of the planning process, HR plans are developed to provide specific direction for the management of HR activities related to employee recruiting, selection, and retention.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Human Resource Planning
KEY: Bloom's: Knowledge PAGE: 15

30. Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), displaced workers can retain their group medical coverage for up to 18 months for themselves, and up to 36 months for their dependents, if they pay the premium themselves.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Workforce Supply Demand
KEY: Bloom's: Knowledge PAGE:

31. The Consolidated Omnibus Budget Reconciliation Act (COBRA) requires employers to disclose the ages of both terminated and retained employees in layoff situations, and waiver of rights to sue for age discrimination must meet certain requirements.

ANS: F PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Workforce Supply Demand
KEY: Bloom's: Knowledge PAGE:

32. The value for HR practices cannot be measured.

ANS: F PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resources and
Human Capital
KEY: Bloom's: Knowledge PAGE: 20

33. People-related costs are typically the smallest controllable expense in organizations.

ANS: F PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resources and
Human Capital
KEY: Bloom's: Knowledge PAGE: 20

34. Benchmarking is the process of comparing business processes and outcomes to an industry standard or best practice.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resources and
Human Capital
KEY: Bloom's: Knowledge PAGE: 21

35. The balanced scorecard is a framework organizations use to report on a diverse set of performance measures.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resources and
Human Capital
KEY: Bloom's: Knowledge PAGE: 21

36. Revenue per employee is a basic measure of human capital effectiveness.

ANS: T PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resources and
Human Capital
KEY: Bloom's: Knowledge PAGE: 21

37. The formula for calculating the potential ROI for a new HR activity = operating cost for a new or enhanced system for a time period + one-time cost of acquisition and implementation/value of gains from productivity improvements for the time period.

ANS: F PTS: 1 DIF: Easy
NAT: BUSPROG: Analytic TOP: Measuring Effectiveness of Human Resources and
Human Capital
KEY: Bloom's: Knowledge PAGE: 21

38. The formula for calculating human capital return on investment = $\text{Revenue} + (\text{Operating Expense} + (\text{Compensation} - \text{Benefits Cost})) / (\text{Compensation} - \text{Benefit Cost})$

ANS: F PTS: 1

DIF: Easy

NAT: BUSPROG: Analytic
Human Capital

TOP: Measuring Effectiveness of Human Resources and

KEY: Bloom's: Knowledge

PAGE: 21

39. Human economic value added = $\text{Net profit before taxes} + \text{Cost of capital} / \text{Full-time head count}$

ANS: F PTS: 1

DIF: Easy

NAT: BUSPROG: Analytic
Human Capital

TOP: Measuring Effectiveness of Human Resources and

KEY: Bloom's: Knowledge

PAGE: 32

SHORT ANSWER

1. Define human resource management.

ANS:

Human resource management is the design of formal systems in an organization to manage human talent for accomplishing organizational goals.

PTS: 1

DIF: Easy

NAT: BUSPROG: Analytic

TOP: What is Human Resource Management?

KEY: Bloom's: Knowledge

PAGE: 02

2. Define human capital.

ANS:

Human capital is the collective value of the capabilities, knowledge, skills, life experiences, and motivation of an organizational workforce.

PTS: 1

DIF: Easy

NAT: BUSPROG: Analytic

TOP: What is Human Resource Management?

KEY: Bloom's: Knowledge

PAGE: 03

3. What is core competency?

ANS:

The development and implementation of specific strategies must be based on the areas of strength in an organization. Referred to as core competencies, those strengths are the foundation for creating a competitive advantage for an organization. A core competency is a unique capability that creates high value in which an organization excels.

PTS: 1

DIF: Easy

NAT: BUSPROG: Analytic

TOP: What is Human Resource Management?

KEY: Bloom's: Knowledge

PAGE: 03

4. Define productivity.

ANS:

Productivity is defined as a measure of the quantity and quality of work done, considering the cost of the resources used.

PTS: 1
NAT: BUSPROG: Analytic
Competency
KEY: Bloom's: Knowledge

DIF: Easy
TOP: Where Employees Can Be a Core
PAGE: 04

5. List the elements of ethics programs whose existence is most likely to lead to ethical behavior.

ANS:

When the following four elements of ethics programs exist, ethical behavior is more likely to occur:

- (1) A written code of ethics and standards of conduct
- (2) Training on ethical behavior for all executives, managers, and employees
- (3) Advice to employees on ethical situations they face, often made by human resource

PTS: 1
NAT: BUSPROG: Analytic
Management
KEY: Bloom's: Comprehension

DIF: Moderate
TOP: Organizational Ethics and Human Resource
PAGE: 11

6. Briefly describe the role of a human resources specialist.

ANS:

The human resource (HR) specialist is a person who has in-depth knowledge and expertise in a limited area of HR. The most common areas of HR specialty, in order of frequency, are benefits, employment and recruitment, and compensation.

PTS: 1
NAT: BUSPROG: Analytic
Competencies and Careers
KEY: Bloom's: Knowledge

DIF: Easy
TOP: Human Resources Management
PAGE: 11

7. List the seven categories of human resources functions.

ANS:

The seven categories of human resources functions are:

- (1) Strategy and Planning
- (2) Employee and Labor Relations
- (3) Risk Management and Worker Protection
- (4) Rewards
- (5) Talent Management
- (6) Staffing
- (7) Equal Employment Opportunity

PTS: 1
NAT: BUSPROG: Analytic
KEY: Bloom's: Knowledge

DIF: Easy
TOP: HR Management Functions
PAGE: 06

8. Define strategic planning.

ANS:

Strategic planning is the process of defining a strategy, or direction, and making decisions on how to allocate the resources of the organization (capital and people) to pursue this strategy.

PTS: 1
NAT: BUSPROG: Analytic
KEY: Bloom's: Knowledge

DIF: Easy
TOP: Organizational Strategic Planning
PAGE: 12

9. Define organizational mission.

ANS:
Organizational mission is the core reason for the existence of the organization and what makes it unique.

PTS: 1
NAT: BUSPROG: Analytic
KEY: Bloom's: Knowledge

DIF: Easy
TOP: Organizational Strategic Planning
PAGE: 12

10. Define strategic HR management.

ANS:
Strategic HR management refers to the use of Human Resource management practices to gain or keep a competitive advantage.

PTS: 1
NAT: BUSPROG: Analytic
KEY: Bloom's: Knowledge

DIF: Easy
TOP: Human Resources and Strategy
PAGE: 13

11. Describe how HR professionals can contribute to the strategic planning process.

ANS:
To contribute to the strategic planning process, HR professionals provide their perspective and expertise to operating managers by the following:

Understand the business: Knowing the financials and key drivers of business success is important to understanding the need for certain strategies.

Focus on the key business goals: Programs that have the greatest relevance to business objectives should get priority.

Know what to measure: Metrics are a vital part of assessing success, which means picking those measures that directly relate to the business goals.

Prepare for the future: Strategic thinking requires preparing for the future, not focusing on the past—except as a predictor of the future.

PTS: 1
NAT: BUSPROG: Analytic
KEY: Bloom's: Knowledge

DIF: Moderate
TOP: Human Resources and Strategy
PAGE: 13

12. Define Human Resource planning.

ANS:
Human Resource planning is the process of analyzing and identifying the need for and availability of people so that the organization can meet its strategic objectives.

PTS: 1

DIF: Easy

NAT: BUSPROG: Analytic
KEY: Bloom's: Knowledge

TOP: Human Resource Planning
PAGE: 13

13. Define forecasting.

ANS:

Forecasting uses information from the past and the present to identify expected future conditions.

PTS: 1
NAT: BUSPROG: Analytic
Availability
KEY: Bloom's: Knowledge

DIF: Easy
TOP: Planning for Internal Workforce
PAGE: 17

ESSAY

1. Describe the major ways of increasing employee productivity.

ANS:

The major ways to increase employee productivity are:

- (1) Organizational restructuring: It involves eliminating layers of management and changing reporting relationships, as well as cutting staff through downsizing, layoffs, and early retirement buyout programs.
- (2) Redesigning work: This often involves having fewer employees who perform multiple job tasks. It may also involve replacing workers with capital equipment or making them more efficient by use of technology or new processes.
- (3) Aligning HR activities: This means making human resource (HR) efforts consistent with organizational efforts to improve productivity. This alignment includes ensuring that staffing, training and development, performance management, compensation, and other HR activities are not working to offset productivity.

PTS: 1
NAT: BUSPROG: Analytic
Competency
KEY: Bloom's: Knowledge

DIF: Moderate
TOP: Where Employees Can Be a Core
PAGE: 04

2. Describe the different roles played by the human resource department in an organization.

ANS:

If an organization has a formal human resource (HR) group there are typically three different roles that the group might play in the organization. Which of the roles predominates or whether all three roles are performed depends on what management wants HR to do and what competencies the HR staff have demonstrated. The roles are:

- (1) Administrative: Focusing on clerical administration and recordkeeping, including essential legal paperwork and policy implementation
- (2) Operational and employee advocate: Managing most HR activities in keeping with the strategies and operations that have been identified by management and serving as employee "champion" for employee issues and concerns
- (3) Strategic: Helping to define the business strategy relative to human capital and its contribution to organizational results

While the administrative role traditionally has been the dominant role for HR, the emphasis on the operational and employee advocate role is growing in most organizations. The strategic role requires the ability and orientation to contribute to strategic decisions and a recognition by upper management of those skills. This practice is less common but growing.

PTS: 1
NAT: BUSPROG: Analytic
KEY: Bloom's: Comprehension

DIF: Moderate
TOP: Roles for Human Resource Departments
PAGE: 06-07

3. What are the two major purposes of human resource technology in organizations?

ANS:

Using technology to support HR activities can increase the efficiency of the administrative HR functions and reduces costs. Managers benefit from the availability of relevant information about employees. Properly designed systems provide historical information on performance, pay, training, career progress, and disciplinary actions. On the basis of this information, managers can make better HR-related decisions. To maximize the value of technology, systems should be integrated into the overall IT plan and enterprise software of the organization.

Technology can be used to support every function within human resource management. Recruiting and selection processes have changed perhaps the most dramatically with web-based job boards, online applications, and even online interviewing. Training is now conducted with the aid of videos, podcasts, web-enabled training programs, and virtual classrooms. Employee self-service has simplified benefit enrollment and administration by allowing employees to find health care providers and file claims online. Succession planning and career development are enhanced with real-time information on all employees and their potential career progression. One of the most important ways in which technology can contribute to organizational performance is through the collection and analysis of HR-related data. Identifying trends and modeling future conditions help managers to plan and optimize human resources.

PTS: 1
NAT: BUSPROG: Analytic
KEY: Bloom's: Comprehension

DIF: Moderate
TOP: Human Resources Management Challenges
PAGE: 09-10

4. Describe human resource management as a career field.

ANS:

A variety of jobs exists within the human resource (HR) career field, ranging from executive to clerical. As an organization grows large enough to need someone to focus primarily on HR activities, the role of the HR generalist emerges—that is, a person who has responsibility for performing a variety of HR activities. Further growth leads to the addition of HR specialists, or individuals who have in-depth knowledge and expertise in limited areas of HR. The most common areas of HR specialty, in order of frequency, are benefits, employment and recruitment, and compensation.

PTS: 1
NAT: BUSPROG: Analytic
Competencies and Careers
KEY: Bloom's: Comprehension

DIF: Moderate
TOP: Human Resources Management
PAGE: 11

5. Describe the Human Resource Certification Institute (HRCI) certification.

ANS:

The most well-known certification programs for HR generalists are administered by the Human Resource Certification Institute (HRCI), which is affiliated with SHRM. More than 100,000 professionals have an HRCI certification. The most widely known human resource certifications are the Professional in Human Resources (PHR) and the Senior Professional in Human Resources

(SPHR), both sponsored by the Human Resource Certification Institute (HRCI). Annually, thousands of individuals take the certification exams.

PTS: 1

NAT: BUSPROG: Analytic
Competencies and Careers

KEY: Bloom's: Comprehension

DIF: Moderate

TOP: Human Resources Management

PAGE: 12

6. Describe the strategic planning process for organizations.

ANS:

The strategic planning cycle typically covers a three- to five-year time frame, and management considers both internal and external forces when formulating the strategic plan. The guiding force behind the strategic planning process is the organizational mission, which is the core reason for the existence of the organization and what makes it unique. The mission statement is usually determined by the organizational founders or leaders and sets the general direction of the organization.

The planning process begins with an assessment of the current state of the business and the environmental forces that may be important during the planning cycle. Analysis of the strengths, weaknesses, opportunities, and threats (SWOT) is a typical starting point because it allows managers to consider both internal and external conditions. The SWOT analysis helps managers to formulate a strategic plan that considers the organization's ability to deal with the situation at hand.

Managers then determine the objectives for the planning cycle and formulate organization-level strategies to accomplish those objectives. Each function (such as HR) within the organization then formulates strategies that will link to and support the organization-level strategies. The strategic plan is re-evaluated periodically because conditions may change and managers must react to the ever-changing business environment.

Bad strategy abounds perhaps because it ignores the difficult path of focusing and making choices among alternatives. Instead of making a choice, a strategy may try to accommodate many conflicting demands and interests.

Regardless of which specific strategies are adopted for guiding an organization, having the right people will be necessary to make the overall strategies work. If a strategy requires worker skills that are currently not available in the company, it will take time to find and hire people with those skills. Strategic HR management provides input for organizational strategic planning and develops specific HR initiatives to help achieve the organizational goals.

PTS: 1

NAT: BUSPROG: Analytic
KEY: Bloom's: Knowledge

DIF: Moderate

TOP: Organizational Strategic Planning

PAGE: 12–13

7. Describe the Human Resource planning process.

ANS:

The Human Resource planning process begins with considering the organizational plans and the environmental analysis that went into developing strategies. Strengths, weaknesses, opportunities, and threats are considered. Then the possible available workforce is evaluated by identifying both the external and internal workforce. Once those assessments are complete, forecasts must be developed to identify both the demand for and supply of human resources. Management then formulates HR staffing plans and actions to address imbalances, both short-term and long-term. Specific strategies may be developed to fill vacancies or deal with surplus employees. Finally, HR plans are developed to provide specific direction for the management of HR activities related to employee recruiting, selection, and retention. The most telling evidence of successful HR planning is a consistent alignment of the availabilities and capabilities of human resources with the needs of the organization over time.

PTS: 1

DIF: Moderate

NAT: BUSPROG: Analytic

TOP: Human Resource Planning

KEY: Bloom's: Knowledge

PAGE: 15

8. Discuss current and future jobs audit and the key questions that are addressed during internal jobs assessment.

ANS:

The starting point for evaluating internal workforce strengths and weaknesses is an audit of the jobs that need to be done in the organization. A comprehensive analysis of all current jobs provides a basis for forecasting what jobs will need to be done in the future. Much of the data required for the audit should be available from existing staffing and organizational databases. The following are key questions that are addressed during the internal jobs assessment:

- What jobs exist now and how essential is each job?
- How many individuals are performing each job?
- What are the reporting relationships of jobs?
- What are the vital KSAs (knowledge, skills, and abilities) needed in the jobs?
- What jobs will be needed to implement future organizational strategies?
- What are the characteristics of those anticipated jobs?

PTS: 1

DIF: Moderate

NAT: BUSPROG: Analytic

TOP: Planning for Internal Workforce

Availability

KEY: Bloom's: Knowledge

PAGE: 16

9. Discuss forecasting the supply of Human Resources.

ANS:

Once human resources needs have been forecast, then availability of qualified individuals must be identified. Forecasting availability considers both external and internal supplies. Although the internal supply may be somewhat easier to calculate, it is important to calculate the external supply as accurately as possible.

External Supply: The external supply of potential employees available to the organization can be identified. Government estimates of labor force populations, trends in the industry, and many more complex and interrelated factors must be considered. Such information is often available from state or regional economic development offices. The following items may be included:

- Net migration into and out of the area
- Individuals entering and leaving the workforce
- Individuals graduating from schools and colleges
- Changing workforce composition and patterns

- Economic forecasts for the next few years
- Technological developments and shifts
- Actions of competing employers
- Government regulations and pressures
- Circumstances affecting persons entering and leaving the workforce

Internal Supply: Estimating internal supply considers the number of external hires and the employees who move from their current jobs into others through promotions, lateral moves, and terminations. It also considers that the internal supply is influenced by training and development programs, transfer and promotion policies, and retirement policies, among other factors. In forecasting the internal supply, data from the replacement charts and succession planning efforts are used to project potential personnel changes, identify possible backup candidates, and keep track of attrition (resignations, retirements, etc.) for each department in an organization.

PTS: 1

DIF: Moderate

NAT: BUSPROG: Analytic
Availability

TOP: Planning for Internal Workforce

KEY: Bloom's: Knowledge

PAGE: 17

10. Discuss a legal consideration for workforce reduction.

ANS:

Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), displaced workers can retain their group medical coverage for up to 18 months for themselves, and for up to 36 months for their dependents, if they pay the premiums themselves.

PTS: 1

DIF: Moderate

NAT: BUSPROG: Analytic
KEY: Bloom's: Knowledge

TOP: Workforce Supply Demand
PAGE:

11. Discuss balanced scorecard.

ANS:

One effective approach to measuring strategic performance of organizations, including their HR departments, is to use the balanced scorecard. The balanced scorecard is a framework organizations use to report on a diverse set of performance measures. The balanced scorecard balances financial and nonfinancial measures so that managers focus on long-term drivers of performance and organizational sustainability. Organizational results in these areas determine if the organization is progressing toward its strategic objectives. For example, some firms have noticed that when survey results show a decline in employee satisfaction, several months later there are declines in customer loyalty and repeat customer sales. Further, investing money in employee leadership development training can be linked to lower employee turnover and reduced time to hire managers from outside the organization.

PTS: 1

DIF: Moderate

NAT: BUSPROG: Analytic
Resources and Human Capital
KEY: Bloom's: Knowledge

TOP: Measuring Effectiveness of Human

PAGE: 21