

Chapter 01

The Role of Human Resources

True/False Questions

Section One

1. In the past, human resources played more of an administrative role as opposed to a strategic one.
True; Easy
2. HR typically discourages multiculturalism to bring in uniformity in the workforce.
False; Easy
3. Selection and recruitment are identical processes.
False; Easy
4. When determining compensation, pay systems must reward all employees uniformly irrespective of the number of years in the organization, experience, and educational qualification.
False; Easy
5. Sick leave is considered a type of compensation.
True; Easy
6. Managers are correct in believing that most people leave an organization because of pay-related matters.
False; Easy
7. Union contracts are the sole determinants of worker safety regulations.
False; Easy
8. Increased use of social networking to assimilate information to employees is an internal factor affecting the human resources in an organization.
False; Easy

Section Two

9. The Senior Professional in Human Resources is a certification open to HR professionals with two to four years of experience.
False; Easy
10. An HR employee requires good understanding of specialized job areas like employment laws to be successful.
True; Easy

11. The ability to see and understand how one's area of work fits into the bigger picture of the business is a sign of a strategic person.

True; Easy

12. PHR, or Professional in Human Resources, is a certification exam open to HR professionals with at least two years of experience.

True; Easy

Section Three

13. Healthcare is an employee benefit that may be altered to cut costs.

True; Easy

14. Cafeteria plans provide more flexible benefits that the employee can use as required.

True; Easy

15. Training employees maximizes the legal exposure of the organization.

False; Easy

16. Effective communication can help reduce the loss of revenue in organizations.

True; Easy

17. Smartphones and social networking are popular and acceptable ways to disseminate information among employees.

True; Easy

18. Telecommuting refers to lost productivity as a result of an employee using a work computer for personal reasons.

False; Easy

19. The Affordable Health Care Act requires companies with twenty-five or more employees to provide health care to their workers.

False; Easy

20. A Code of Ethics is noted to be sufficient to ensure positive and ethical behavior in all organizations.

False; Easy

Multiple Choice Questions

Section One

21. _____ involves the entire hiring process from posting a job to negotiating a salary package.

- a. Compensation
- b. Retention
- c. Training
- d. Worker protection
- e. Staffing

e; Easy

22. Details of how many people should be hired based on revenue expectation are presented in the _____ plans.
- a. staffing
 - b. retention
 - c. compensation
 - d. layoff
 - e. expansion
- a; Easy**
23. In the staffing function, _____ is the stage where HR officers find people to fill open positions.
- a. selection
 - b. development of a staffing plan
 - c. recruitment
 - d. development of a retention plan
 - e. compensation
- c; Easy**
24. In the staffing function, _____ is the stage where HR candidates are interviewed and finalized, and a proper compensation package is negotiated with them.
- a. compensation
 - b. development of a staffing plan
 - c. recruitment
 - d. selection
 - e. development of a retention plan
- d; Easy**
25. Which of the following statements is true with regard to development of workplace policies and HR?
- a. All organizations have the identical policies to ensure fairness and continuity within the organization.
 - b. Workplace policies, once established, are permanent and cannot be amended.
 - c. Developing the verbiage surrounding workplace policies is the job of the HR department.
 - d. HR departments autonomously develop policies that apply to the whole organization.
 - e. Dress code and Internet usage at work do not come under the purview of workplace policies.
- c; Easy**
26. _____ includes anything the employee receives for his or her work.
- a. Debt
 - b. Capital
 - c. Exemption
 - d. Compensation
 - e. Taxation
- d; Easy**
27. An ideal compensation package is expected to:
- a. exempt all employees from taxation on their income.
 - b. reward all employees uniformly irrespective of experience and education.

- c. reward employees for the days of actual work and penalize vacations and sick leave.
- d. consider what other people performing similar jobs are being paid.
- e. negate the influence of the industry's standard pay for the job.

d; Easy

28. _____ involves keeping and motivating employees to stay with the organization.

- a. Selection
- b. Recruitment
- c. Retention
- d. Worker protection
- e. Training

c; Easy

29. Training and development of employees is likely to result in increased _____ of those employees in the organization.

- a. attrition
- b. retention
- c. selection
- d. recruitment
- e. stagnation

b; Easy

30. Which of the following is an internal factor influencing the organization?

- a. Globalization and offshoring
- b. Changes to employment laws
- c. Health-care costs
- d. Aging baby boomers
- e. Compensation and benefits administration

e; Easy

31. Which of the following is an external factor influencing the organization?

- a. Training and development
- b. Development of workplace policies
- c. Worker protection
- d. Workforce diversity
- e. Dealing with laws affecting employment

d; Easy

32. The impact of the retirement of baby boomers reflects the role of _____ as an external factor influencing the organization.

- a. globalization and offshoring
- b. social networking
- c. a highly educated workforce
- d. technology
- e. changing workforce demographics

e; Easy

33. Allowing employees to set their own schedules results in the creation of _____ schedules.

- a. fixed
- b. standardized
- c. flexible

- d. autonomous
- e. uniform

c; Easy

34. _____ allows employees to work from home or a remote location for a specified period of time.
- a. Offshoring
 - b. Telecommuting
 - c. Multitasking
 - d. Hotdesking
 - e. Cyberloafing

b; Easy

Section Two

35. Which of the following is true with regard to the Professional in Human Resources certification exam?
- a. To take this exam, an HR professional must have at least five years' experience.
 - b. This exam is designed for HR professionals who focus on designing and planning, rather than actual implementation.
 - c. In this test, the greater focus is on the strategic aspect of HRM.
 - d. This test has an international perspective.
 - e. Workforce planning, human resource development, risk management, and labor relations are some of its components.

e; Easy

36. The Senior Professional in Human Resources primarily focuses on:
- a. designing and planning HR functions.
 - b. implementing the strategic plans.
 - c. developing competencies that are most suited to a global HR professional.
 - d. understanding labor relations and workforce planning.
 - e. studying the administrative aspect of HR functions.

a; Easy

37. Global Professional in Human Resources is a certification test that:
- a. can be taken by a HR professional with at least six to eight years of experience.
 - b. would be best suited to someone whose company works across borders.
 - c. can help only those who prefer the administrative HR functions.
 - d. helps HR professionals specialize directly in labor relations.
 - e. would enable mastery only in niche areas like rewards or risk management.

b; Easy

38. _____ is a concept that examines the moral rights and wrongs of a certain situation.
- a. Ethics
 - b. Goals
 - c. Beliefs
 - d. Biases
 - e. Ideas

a; Easy

Section Three

39. A _____ plan gives all employees a minimum level of benefits and a set amount to spend on flexible benefits, such as additional healthcare or vacation time.
- a. fixed
 - b. cafeteria
 - c. 401(k)
 - d. golden parachute
 - e. profit-sharing
- b; Easy**
40. _____ refers to the number of employees who leave a company in a particular period of time.
- a. Turnover
 - b. Retention rate
 - c. Yield ratio
 - d. Staffing plan
 - e. Capital
- a; Easy**
41. _____ refers to the concept of moving jobs overseas in order to contain costs.
- a. Greenfield venturing
 - b. Licensing
 - c. Franchising
 - d. Offshoring
 - e. Insourcing
- d; Easy**
42. _____ organizations are characterized by their lack of physical locations such that all employees work from home or a location of their choice to help in cost containment.
- a. Formal
 - b. Traditional
 - c. Centralized
 - d. Hierarchical
 - e. Virtual
- e; Easy**
43. _____, a term used to describe lost productivity as a result of an employee using a work computer for personal reasons, is certainly another concern technology can create.
- a. Hotdesking
 - b. Telecommuting
 - c. Cyberloafing
 - d. Coworking
 - e. Offshoring
- c; Easy**
44. Gina Rogers, CEO of Atwood Academic Publishing Inc., has asked Malcolm Mendez, her HR manager, to conduct a discreet and careful study of how much time of the work day her employees use the Internet for personal use. After this study, she and her HR department prepared and implemented an Internet usage policy that has caused much resentment among her employees. The Internet usage policy was necessitated because of _____ on the part of the employees.

- a. coworking
- b. telecommuting
- c. cyberloafing
- d. absenteeism
- e. safety violations

c; Moderate

45. Which of the following is an implication of the retirement of baby boomers?
- a. The current workforce will adequately compensate the manpower shortage left behind by baby boomers.
 - b. The baby boomers' knowledge and expertise will be transferred to the current workforce because it is formalized.
 - c. Baby boomers will live longer, resulting in higher health-care costs for the current workforce.
 - d. Baby boomers will survive in sufficient comfort owing to the abundant savings they collected over decades.
 - e. The current workforce will pay less toward the Social Security needs than those of the baby boomer generation.

c; Easy

46. A _____ is an outline that explains the expected ethical behavior of employees.
- a. Code of Ethics
 - b. Mission Statement
 - c. Statement of Interest
 - d. Statement of regulations
 - e. Guiding Principle

a; Easy

Short Answer/ Essay Questions

Section One

47. What are the four steps in the staffing function of the HR department?

Staffing involves the entire hiring process from posting a job to negotiating a salary package. Within the staffing function, there are four main steps:

- Development of a staffing plan
- Multiculturalism in the workplace
- Recruitment
- Selection

Easy

48. What is the role of HR in increasing retention?

Retention involves keeping and motivating employees to stay within the organization. Compensation is a major factor to employee retention, but other factors include:

- Issues around the job they are performing
- Challenges with their manager
- Poor fit with organizational culture
- Poor workplace environment

HR creates some strategies to retain the best employees based on these four factors. Additionally, HR takes other measures like conducting training programs so employees feel that they are developing new skills and stay motivated in their present job.

Easy

49. How does the external environment impact the human resources of an organization?

An HR manager also needs to consider the outside forces at play that may affect the organization. Outside forces, or external factors, are those things the company has no direct control over; however, they may be things that could positively or negatively impact human resources. Some factors of the external environment that the HR department needs to be aware of are:

- Globalization and offshoring
- Changes to employment law
- Health-care costs
- Employee expectations
- Diversity of the workforce
- Changing workforce demographics
- A more highly educated workforce
- Layoffs, downsizing
- Technology used, such as HR databases
- Increased use of social networking to assimilate information to employees

Moderate

Section Two

50. Describe the various skills required to be a successful HR manager.

An HR manager requires an array of skills to deal with a variety of situations. They need good skills at being organized as they handle a lot of data and paperwork. This would help them manage time well. Multitasking, the ability to work on more than one task at a time, is important for an HR manager who has to shift between multiple duties and tasks on any given day. They also need sound people skills to manage a variety of personalities, work with conflict management, and coach others. Apart from their knowledge of HR, an understanding of specific job areas—such as managing the employee database or understanding employment laws—is imperative. Lastly, a sense of ethics and fairness is important as they deal with information that is often personal for employees and critical for the organization.

Moderate

51. What are the three certification exams that an HR professional may take?

There are a number of certification exams that can be taken to make you more marketable in the field of HRM. These certifications are offered by the HR Certification Institute (HRCI). These exams are:

- PHR: Professional in Human Resources for a HR professional with at least two years' experience.
- SPHR: Senior Professional in Human Resources for HR professionals who would like to focus on designing and planning, rather than actual implementation.

- GPHR: Global Professional in Human Resources for HR professionals who perform much of their tasks on a global level and whose companies often work across borders.

Easy

52. Define ethics. How does it relate to HRM?

Ethics is a concept that examines the moral rights and wrongs of situations. Not only does the HR manager need to be ethical, but often he or she is responsible for development of policies related to ethics within the organization.

Easy

Section Three

53. What are the various cost-containment strategies used in organizations?

Costs are a major factor in the success or failure of a business, and the people part of the business is the most likely place for cuts when the economy is not doing well. Cost-containment strategies could involve reducing the amount spent on healthcare for employees, offering relevant training so employees function within the realm of legalities, and hiring the right candidate for the job to reduce the costs associated with turnovers. Additionally, companies may move jobs overseas in order to contain costs.

Easy

54. What is a cafeteria plan?

Cafeteria plans represent one possible strategy for containment of health-care costs. Cafeteria plans started becoming popular in the 1980s and have become standard in many organizations. This type of plan gives all employees a minimum level of benefits and a set amount to spend on flexible benefits, such as additional healthcare or vacation time. It creates more flexible benefits where the employee, based on his or her family situation, can choose which benefits are right for them.

Easy

55. Does technology create additional stress on workers?

Technology creates additional stress because tools like e-mail and cell phones make employees more readily available. The fact that the employee is reachable beyond office hours or while he/she is at some remote location can no longer hinder an employee from completing work. Working for long hours using computers and the excessive use of other gadgets is known to have adverse health consequences. Technology helps employees too; with the advent of computers, many jobs can be executed much easier and quicker than when executed manually. Technology has provided us with the means to engage in clearer, quicker, and cheaper communication as well.

Easy

56. What are the implications of the baby boomer generation for HRM?

The implications of the baby boomer generation for Human Resource professionals are significant. First, the retirement of baby boomers results in a loss of a major part of the working population, and there are not enough people to fill those jobs which are left

vacant. Second, the baby boomers' knowledge upon retirement is lost. Much of this knowledge is not formalized or written down but contributes to the success of the business. Third, elderly people are living longer and this results in higher health-care costs for all currently in the workforce.

Easy

Fill in the Blanks

Section One

57. _____ is the process of employing people, training them, compensating, developing policies relating to the workplace, and developing strategies to retain employees.
Human resource management; Easy
58. _____ refers to the entire hiring process from the first step of posting a job to the actual hiring of an employee.
Staffing; Easy
59. _____ involves the process and strategies of keeping and motivating employees to stay with the organization.
Retention; Easy
60. _____ represent a policy which allows employees to set their own work schedules to work around family and personal needs.
Flexible work schedules; Easy

Section Two

61. _____ is a concept that examines the moral rights and wrongs of a certain situation.
Ethics; Easy
62. HR professionals who perform much of their tasks on a global level and whose companies often work across borders require the certification of _____.
Global Professional in Human Resources; Easy
63. A person with a _____ mindset can plan far in advance and look at trends which could affect the environment in which the business is operating.
strategic; Easy

Section Three

64. _____ refers to the number of employees who leave a company in a particular period of time.
Turnover; Easy
65. The term _____ is used to describe lost productivity as a result of an employee using a work computer for personal reasons.
cyberloafing; Easy
66. A _____ outlines the expected ethical behavior of employees.
Code of Ethics; Easy