

Chapter 01

Human Resource Management: A Strategic Function

True / False Questions

1. Human resource management (HRM) encompasses those activities designed to provide for and coordinate the human resources of an organization.

True False

2. The human resources (HR) of an organization represent one of its largest investments.

True False

3. Human resource development is the HR function that is concerned with designing and implementing compensation and benefit systems for all employees.

True False

4. Human resource management is seen as being much narrower and more clerically oriented than personnel management.

True False

5. One of the human resource functions is to provide assistance to employees with personal problems that influence their work performance.

True False

6. The primary function of a human resource department is to provide support to operating managers on all human resource matters.

True False

7. Talent management involves identifying and developing outstanding performers only in the middle management.

True False

8. Large organizations use operating managers to perform human resource functions instead of maintaining a human resource department.

True False

9. Most human resource certification programs require a person to have specific experience and education.

True False

10. A human resource department normally acts in an advisory capacity and does not have authority over operating managers.
- True False
11. Today human resource management (HRM) is clearly isolated from both the management and the strategic planning process of an organization and occupies a purely administrative role.
- True False
12. The retirement age has been gradually decreasing over the last ten years.
- True False
13. Downsizing involves laying off large numbers of managerial and other employees.
- True False
14. Fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and speed is known as outsourcing.
- True False
15. Telecommuting is becoming popular in today's organizations.
- True False
16. It is desirable for human resource managers to become well-rounded businesspeople.
- True False
17. The level of communication should be determined by the instigator of the communication rather than the receiving audience.
- True False
18. The HR scorecard system uses a mix of quantitative and qualitative measures to evaluate performance.
- True False
19. Information is the raw material from which data is developed.
- True False
20. The web-based human resource systems (eHR) that many organizations have implemented have not really helped to effectively communicate human resource programs.
- True False

Multiple Choice Questions

21. When an organization is sold, the purchase price may be higher than the total value of its physical and financial assets. This difference is sometimes called ____.
- A. social cost
 - B. goodwill
 - C. level price
 - D. potential value
22. Which of the following major human resource functions would include forecasting the human resource requirements of an organization to achieve its objectives?
- A. Compensation and benefits
 - B. Human resource training and development
 - C. Employee and labor relations
 - D. Human resource planning, recruitment, and selection
23. Which of the following major human resource functions would include providing assistance to employees with personal problems that influence their work performance?
- A. Human resource development
 - B. Compensation and benefits
 - C. Human resource research
 - D. Safety and health
24. Which of the following major human resource functions within an organization would include designing discipline and grievance handling systems?
- A. Compensation and benefits
 - B. Employee and labor relations
 - C. Human resource planning, recruitment, and selection
 - D. Human resource development
25. Which of the following major human resource functions would include providing a human resource information base?
- A. Compensation and benefits
 - B. Human resource development
 - C. Employee and labor relations
 - D. Human resource research
26. Which of the following major human resource functions would include building effective teams within an organizational structure?
- A. Human resource development
 - B. Employee and labor relations
 - C. Human resource research
 - D. Safety and health

27. The major functions of human resource management identified by the Society for Human Resource Management (SHRM) include all of the following EXCEPT:
- A. human resource selection.
 - B. financial management.
 - C. compensation and benefit administration.
 - D. safety and health.
28. A human resource generalist is a(n):
- A. human resource professional who works on a freelance basis with several small companies.
 - B. individual who devotes most of his or her time to human resource issues, but does not specialize in any one area.
 - C. person specially trained in one or more areas of human resource management.
 - D. manager who specializes in recruiting and selecting employees for extremely large organizations.
29. ____ refers to the broad spectrum of human resource activities involved in obtaining and managing an organization's human resources.
- A. Enterprise resource planning
 - B. Supply chain management
 - C. Talent management
 - D. Social audit
30. In small organizations, most human resource functions are performed by the owner or by ____.
- A. chief ethical officers
 - B. operating managers
 - C. human resource specialists
 - D. talent managers
31. The primary function of the human resource department within an organization has been identified as that of:
- A. financing the investment activities of the organization.
 - B. defining the mission and vision of the organization.
 - C. providing support to operating managers on all personnel matters.
 - D. designing and administering work processes.
32. The average age of the American workforce is:
- A. decreasing.
 - B. increasing.
 - C. constant.
 - D. impossible to predict.

33. Which of the following is NOT an advantage of an older workforce?
- A. Adaptability
 - B. Experience
 - C. Reliability
 - D. Stability
34. According to a survey published in Monthly Labor Review, January 2012, approximately 45 percent of the new entrants during the 2010-2020 time span will be ____.
- A. men
 - B. women
 - C. white men
 - D. Hispanic women
35. The ____ labor force is the smallest group in the U.S. labor force.
- A. Hispanic
 - B. white
 - C. Asian
 - D. black
36. Which of the following is a disadvantage of increasing organizational diversity?
- A. Increased intolerance toward wider views
 - B. Reduced creativity among employees
 - C. Lack of responsiveness to diverse groups of customers
 - D. Additional time required to deal with special interest groups
37. The laying off of large numbers of managerial and other employees is known as:
- A. downsizing.
 - B. outsourcing.
 - C. rightsizing.
 - D. crowdsourcing.
38. Subcontracting work to an outside company that specializes in that particular type of work is known as ____.
- A. rightsizing
 - B. workshifting
 - C. outsourcing
 - D. reengineering

39. Continuous and proactive assessment of mission-critical work and its staffing requirements is known as ____.

- A. crowdsourcing
- B. rightsizing
- C. downsizing
- D. outsourcing

40. Fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and speed is known as ____.

- A. reverse mentoring
- B. reengineering
- C. rightsizing
- D. outsourcing

41. Empowerment is a management approach which involves:

- A. giving managers the power to fire their subordinates without a valid reason.
- B. giving subordinates substantial authority to make decisions.
- C. subcontracting work to an outside company.
- D. concentrating the power to make decision in the hands of top management.

42. Working at home by using an electronic linkup with a central office is known as ____.

- A. reengineering
- B. outsourcing
- C. crowdsourcing
- D. telecommuting

43. In organizations using self-managed work teams:

- A. employees are not responsible for their actions.
- B. groups of peers are responsible for a particular area or task.
- C. groups of employees report to a single manager.
- D. employees lack the ability to make decisions.

44. In the majority of Fortune 500 companies, the head of the human resource department, usually a vice president, answers to the chief executive officer (CEO) of the company. In many companies, the head of the human resource department sits on the board of directors, the planning committee, or both. These trends are indicative of how human resource managers are:

- A. expected to become more specialized in their specific area of function.
- B. constantly dealing with a shrinking role in most organizations today.
- C. required to possess competencies that are far less sophisticated than their predecessors.
- D. increasingly involved in their organization's strategic and policy-making activities.

45. Spending more time with the line people, keeping a hand on the pulse of the organization, and learning to calculate costs and solutions in hard numbers are all suggestions that help human resource managers:
- A. become more familiar with their businesses.
 - B. focus solely on their functional area.
 - C. play a limited role in strategic and policy-making activities.
 - D. take a moralistic approach when dealing with operating managers.
46. Metrics refers to:
- A. any set of qualitative measures used to evaluate employees' productivity.
 - B. any set of quantitative measures used to assess workforce performance.
 - C. psychological tests used to evaluate the skills of an employee.
 - D. behavioral measures used to assess workforce knowledge.
47. The HR scorecard system:
- A. uses only quantitative measures to assess the profits generated by the human resource department.
 - B. is the predecessor of the balance scorecard system.
 - C. measures the contribution of the human resource function to the well-being of a firm.
 - D. is limited specifically to measures about people in an organization.
48. Which of the following is a measurement and control system that uses a mix of quantitative and qualitative measures to evaluate performance within organizations?
- A. HR metrics
 - B. Gap analysis
 - C. Balanced scorecard
 - D. SWOT analysis
49. Which of the following is a guideline for effectively communicating human resource programs?
- A. Avoid communicating in peer group or "privileged-class" language.
 - B. Disregard the cultural and global aspects of communication.
 - C. Ignore the perceptual and behavioral aspects of communication.
 - D. Transmit data instead of information.
50. ____ can be defined as "the raw material from which information is developed and it is composed of acts that describe people, places, things, or events that have not been interpreted."
- A. Communication
 - B. Data
 - C. Knowledge
 - D. Metrics

Essay Questions

51. What are the six major functions of human resource management as identified by the Society for Human Resource Management (SHRM)?
52. Explain the human resource development function in human resource management.
53. Explain the terms human resource generalist and human resource specialist.

54. Identify the three types of assistance provided by human resource departments with the help of examples.

55. What are the various advantages and disadvantages of diversity in the workforce?

56. MR Systems Inc. has undergone certain structural changes in the recent years. These changes are posing new challenges to the human resource managers of the company. Describe some of the causes that can be attributed to such changes?

57. What is telecommuting?

58. Explain the term empowerment.

59. Serena is a human resource manager at Alta Technologies Inc. What measures should she take to have a direct impact on the organizational performance?

60. List the various guidelines to be followed for communicating human resource programs.

Chapter 01 Human Resource Management: A Strategic Function

Answer Key

True / False Questions

1. Human resource management (HRM) encompasses those activities designed to provide for and coordinate the human resources of an organization.

TRUE

Human resource management (HRM) encompasses those activities designed to provide for and coordinate the human resources of an organization. The human resources (HR) of an organization represent one of its largest investments.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

*Learning Objective: 01-01 Define human resource management.
Level of Difficulty: 1 Easy
Topic: Human Resource Management: A Strategic Function*

2. The human resources (HR) of an organization represent one of its largest investments.

TRUE

The human resources (HR) of an organization represent one of its largest investments. In fact, government reports show that approximately 61 percent of national income is used to compensate employees.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

*Learning Objective: 01-01 Define human resource management.
Level of Difficulty: 1 Easy
Topic: Human Resource Management: A Strategic Function*

3. Human resource development is the HR function that is concerned with designing and implementing compensation and benefit systems for all employees.

FALSE

The human resource development function involves orienting and training employees, designing and implementing management and organizational development programs, building effective teams within the organizational structure, designing systems for appraising the performance of individual employees, assisting employees in developing career plans.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

*Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 1 Easy*

4. Human resource management is seen as being much narrower and more clerically oriented than personnel management.

FALSE

Human resource management is a modern term for what was traditionally referred to as personnel administration or personnel management. However, some experts believe human resource management differs somewhat from traditional personnel management. They see personnel management as being much narrower and more clerically oriented than human resource management.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 01-01 Define human resource management.

Level of Difficulty: 2 Medium

Topic: Human Resource Management: A Strategic Function

5. One of the human resource functions is to provide assistance to employees with personal problems that influence their work performance.

TRUE

Human resource management includes designing and implementing programs to ensure employee health and safety and providing assistance to employees with personal problems that influence their work performance.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 01-02 Describe the functions of human resource management.

Level of Difficulty: 1 Easy

Topic: Human Resource Functions

6. The primary function of a human resource department is to provide support to operating managers on all human resource matters.

TRUE

The primary function of a human resource department is to provide support to operating managers on all human resource matters. Thus, most human resource departments fulfill a traditional staff role and act primarily in an advisory capacity. In addition to advising operating managers, a human resource department customarily organizes and coordinates hiring and training; maintains personnel records; acts as a liaison between management, labor, and government; and coordinates safety programs.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

Blooms: Understand

Learning Objective: 01-02 Describe the functions of human resource management.

Level of Difficulty: 2 Medium

Topic: Human Resource Functions

7. Talent management involves identifying and developing outstanding performers only in the middle management.

FALSE

Talent management is a relatively new and all-encompassing term used in the human resources field. Talent management refers to the broad spectrum of activities involved in obtaining and managing an organization's human resources.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 1 Easy
Topic: Human Resource Functions

8. Large organizations use operating managers to perform human resource functions instead of maintaining a human resource department.

FALSE

In small organizations, most human resource functions are performed by the owner or by operating managers. Large organizations usually have a human resource department that is responsible for directing the human resource functions.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-05 Explain the desired relationship between human resource managers and operating managers.
Level of Difficulty: 2 Medium
Topic: Human Resource Functions

9. Most human resource certification programs require a person to have specific experience and education.

TRUE

HR certification is a "career-long commitment that shows your peers, your employees, and your organization that you have mastered the principles of human resources and that you are dedicated to staying current in your profession." Most certification programs require that an individual have specific experience and education, that he or she stays current through continuing education programs, and that he or she passes certain exams.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-04 List the general requirements for human resource certification.
Level of Difficulty: 1 Easy
Topic: Human Resource Functions

10. A human resource department normally acts in an advisory capacity and does not have authority over operating managers.

TRUE

A human resource department normally acts in an advisory capacity and does not have authority over operating managers. As a result, conflict can occur when operating managers appear to ignore the suggestions and recommendations of the human resource department.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-03 Summarize the types of assistance the human resource department provides.
Level of Difficulty: 2 Medium
Topic: Human Resource Functions

11. Today human resource management (HRM) is clearly isolated from both the management and the strategic planning process of an organization and occupies a purely administrative role.

FALSE

Human resource management has expanded and moved beyond mere administration of the traditional activities of employment, labor relations, compensation, and benefits. Today HRM is much more integrated into both the management and the strategic planning process of the organization.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.
Level of Difficulty: 1 Easy
Topic: Challenges for Today's Human Resource Managers

12. The retirement age has been gradually decreasing over the last ten years.

FALSE

With the aging of the overall U.S. population along with the emergence of the baby boomers, the percentage of older employees in the labor force is also expected to increase. One result of this trend is that the retirement age has already begun to increase.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-07 Outline several potential challenges and contributions that an increasingly diverse workforce presents.
Level of Difficulty: 2 Medium
Topic: Challenges for Today's Human Resource Managers

13. Downsizing involves laying off large numbers of managerial and other employees.

TRUE

Downsizing is laying off large numbers of managerial and other employees. As a result of downsizing and/or attempts to reduce costs, many companies are outsourcing services that the human resource department previously provided.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.

Level of Difficulty: 1 Easy

Topic: Challenges for Today's Human Resource Managers

14. Fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and speed is known as outsourcing.

FALSE

Outsourcing is subcontracting work to an outside company that specializes in that particular type of work. Reengineering is a fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and speed.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.

Level of Difficulty: 1 Easy

Topic: Challenges for Today's Human Resource Managers

15. Telecommuting is becoming popular in today's organizations.

TRUE

More and more frequently, companies are using telecommuting. Options range from allowing employees to work at home one day a week to running entire projects, or even firms, through electronic communication, with employees all over the country or even on different continents working closely together, yet never meeting face to face.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.

Level of Difficulty: 1 Easy

Topic: Challenges for Today's Human Resource Managers

16. It is desirable for human resource managers to become well-rounded businesspeople.

TRUE

Human resource managers should become well-rounded businesspeople. In addition to having a sound background in the basic disciplines of the profession, human resource professionals need to understand business complexities and strategies.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand*

Learning Objective: 01-08 Discuss the role of human resource managers in the future.

Level of Difficulty: 2 Medium

Topic: Human Resource Management in the Future

17. The level of communication should be determined by the instigator of the communication rather than the receiving audience.

FALSE

The level of communication should be determined by the receiving audience and not by the instigator of the communication. Take the common procedure for developing employee benefit information.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand*

Learning Objective: 01-10 Summarize several guidelines to follow when communicating human resource programs.

Level of Difficulty: 2 Medium

Topic: Communicating Human Resource Programs

18. The HR scorecard system uses a mix of quantitative and qualitative measures to evaluate performance.

TRUE

The HR scorecard is basically a modified version of the balance scorecard system applied to the human resources function. The balance scorecard system is a measurement and control system that uses a mix of quantitative and qualitative measures to evaluate performance.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand*

Learning Objective: 01-09 Explain how human resource managers can affect organizational performance.

Level of Difficulty: 2 Medium

Topic: Organizational Performance and the Human Resource Manager

19. Information is the raw material from which data is developed.

FALSE

Data can be defined as "the raw material from which information is developed; it is composed of acts that describe people, places, things, or events that have not been interpreted." Data that have been interpreted and that meet a need of one or more managers are called information.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-10 Summarize several guidelines to follow when communicating human resource programs.
Level of Difficulty: 1 Easy
Topic: Communicating Human Resource Programs

20. The web-based human resource systems (eHR) that many organizations have implemented have not really helped to effectively communicate human resource programs.

FALSE

The web-based human resource systems (e-HRM) that many organizations have implemented have greatly helped to communicate human resource programs.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-10 Summarize several guidelines to follow when communicating human resource programs.
Level of Difficulty: 1 Easy
Topic: Communicating Human Resource Programs

Multiple Choice Questions

21. When an organization is sold, the purchase price may be higher than the total value of its physical and financial assets. This difference is sometimes called ____.

- A. social cost
- B. goodwill**
- C. level price
- D. potential value

The value of an organization's human resources frequently becomes evident when the organization is sold. Often the purchase price is greater than the total value of the physical and financial assets. This difference is sometimes called goodwill.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-01 Define human resource management.
Level of Difficulty: 1 Easy

22. Which of the following major human resource functions would include forecasting the human resource requirements of an organization to achieve its objectives?

A. Compensation and benefits
B. Human resource training and development
C. Employee and labor relations
D. Human resource planning, recruitment, and selection

The activities under human resource planning, recruitment, and selection are conducting job analyses to establish the specific requirements of individual jobs within an organization, forecasting the human resource requirements the organization needs to achieve its objectives, developing and implementing a plan to meet these requirements, recruiting the human resources the organization requires to achieve its objectives, and selecting and hiring human resources to fill specific jobs within the organization.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 2 Medium
Topic: Human Resource Functions

23. Which of the following major human resource functions would include providing assistance to employees with personal problems that influence their work performance?

A. Human resource development
B. Compensation and benefits
C. Human resource research
D. Safety and health

The human resource function safety and health involves designing and implementing programs to ensure employee welfare and providing assistance to employees with personal problems that influence their work performance.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 2 Medium
Topic: Human Resource Functions

24. Which of the following major human resource functions within an organization would include designing discipline and grievance handling systems?

A. Compensation and benefits
B. Employee and labor relations
C. Human resource planning, recruitment, and selection
D. Human resource development

Employee and labor relations involve serving as an intermediary between an organization and its unions and designing discipline and grievance handling systems.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 2 Medium
Topic: Human Resource Functions

25. Which of the following major human resource functions would include providing a human resource information base?

A. Compensation and benefits
B. Human resource development
C. Employee and labor relations
D. Human resource research

The human resource research function involves providing a human resource information base and designing and implementing employee communication systems.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 2 Medium
Topic: Human Resource Functions

26. Which of the following major human resource functions would include building effective teams within an organizational structure?

A. Human resource development
B. Employee and labor relations
C. Human resource research
D. Safety and health

Human resource development involves orienting and training employees, designing and implementing management and organizational development programs, building effective teams within the organizational structure, designing systems for appraising the performance of individual employees, and assisting employees in developing career plans.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

Blooms: Understand
Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 2 Medium
Topic: Human Resource Functions

27. The major functions of human resource management identified by the Society for Human Resource Management (SHRM) include all of the following EXCEPT:

- A. human resource selection.
- B. financial management.**
- C. compensation and benefit administration.
- D. safety and health.

The Society for Human Resource Management (SHRM) has identified six major functions of human resource management:

1. Human resource planning, recruitment, and selection. 2. Human resource development. 3. Compensation and benefits. 4. Safety and health. 5. Employee and labor relations. 6. Human resource research.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 1 Easy
Topic: Human Resource Functions

28. A human resource generalist is a(n):

- A. human resource professional who works on a freelance basis with several small companies.
- B. individual who devotes most of his or her time to human resource issues, but does not specialize in any one area.**
- C. person specially trained in one or more areas of human resource management.
- D. manager who specializes in recruiting and selecting employees for extremely large organizations.

Many medium-size and even some large organizations use human resource generalists. A human resource generalist devotes a majority of his or her working time to human resource issues, but does not specialize in any specific areas of human resource management.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 1 Easy
Topic: Human Resource Functions

29. _____ refers to the broad spectrum of human resource activities involved in obtaining and managing an organization's human resources.

- A. Enterprise resource planning
- B. Supply chain management
- C. Talent management**
- D. Social audit

Talent management refers to the broad spectrum of HR activities involved in obtaining and managing an organization's human resources. This includes everything from crafting a job advertisement to tracking an employee's progress up the career ladder to separation of the employee from the organization.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

*Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 1 Easy
Topic: Human Resource Functions*

30. In small organizations, most human resource functions are performed by the owner or by _____.

- A. chief ethical officers
- B. operating managers**
- C. human resource specialists
- D. talent managers

In small organizations, most human resource functions are performed by the owner or by operating managers. These managers perform the human resource functions in addition to their normal managerial activities.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

*Learning Objective: 01-03 Summarize the types of assistance the human resource department provides.
Level of Difficulty: 1 Easy
Topic: Human Resource Functions*

31. The primary function of the human resource department within an organization has been identified as that of:

- A. financing the investment activities of the organization.
- B. defining the mission and vision of the organization.
- C.** providing support to operating managers on all personnel matters.
- D. designing and administering work processes.

The primary function of a human resource department is to provide support to operating managers on all human resource matters. Thus, most human resource departments fulfill a traditional staff role and act primarily in an advisory capacity. In addition to advising operating managers, a human resource department customarily organizes and coordinates hiring and training; maintains personnel records; acts as a liaison between management, labor, and government; and coordinates safety programs.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand*

*Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 2 Medium
Topic: Human Resource Functions*

32. The average age of the American workforce is:

- A. decreasing.
- B.** increasing.
- C. constant.
- D. impossible to predict.

By the year 2020, the average age of employees will climb to 42.8 from 41.7 in 2010 and from 34.6 in 1980. With the aging of the overall U.S. population along with the emergence of the baby boomers, the percentage of older employees in the labor force is also expected to increase.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand*

*Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.
Level of Difficulty: 2 Medium
Topic: Challenges for Today's Human Resource Managers*

33. Which of the following is NOT an advantage of an older workforce?

- A.** Adaptability
- B. Experience
- C. Reliability
- D. Stability

The increase in the percentage of older employees will have a mixed effect. The older workforce will likely be more experienced, reliable, and stable, but possibly less adaptable to change and retraining and less into technology and computers.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-07 Outline several potential challenges and contributions that an increasingly diverse workforce presents.

Level of Difficulty: 2 Medium
Topic: Challenges for Today's Human Resource Managers

34. According to a survey published in Monthly Labor Review, January 2012, approximately 45 percent of the new entrants during the 2010-2020 time span will be ____.

- A. men
- B.** women
- C. white men
- D. Hispanic women

Approximately 45 percent of the new entrants during the 2010-2020 time span will be women. This one dimension of diversity has many ramifications for organizations in the areas of child care, spouse relocation assistance programs, pregnancy leave programs, flexible hours, and stay-at-home jobs.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-07 Outline several potential challenges and contributions that an increasingly diverse workforce presents.

Level of Difficulty: 2 Medium
Topic: Challenges for Today's Human Resource Managers

35. The ____ labor force is the smallest group in the U.S. labor force.

- A. Hispanic
- B. white
- C. Asian**
- D. black

The Asian labor force, which is the smallest group in the U.S. labor force, is expected to have the second highest (behind Hispanics) annual rate of growth from 4.7 percent of the total U.S. work force in 2010 to 5.7 percent by 2020.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-07 Outline several potential challenges and contributions that an increasingly diverse workforce presents.

Level of Difficulty: 2 Medium

Topic: Challenges for Today's Human Resource Managers

36. Which of the following is a disadvantage of increasing organizational diversity?

- A. Increased intolerance toward wider views
- B. Reduced creativity among employees
- C. Lack of responsiveness to diverse groups of customers
- D. Additional time required to deal with special interest groups**

An increase in organizational factionalism will require dedicating increasing amounts of time to dealing with special interest and advocacy groups.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-07 Outline several potential challenges and contributions that an increasingly diverse workforce presents.

Level of Difficulty: 2 Medium

Topic: Challenges for Today's Human Resource Managers

37. The laying off of large numbers of managerial and other employees is known as:

- A. downsizing.**
- B. outsourcing.
- C. rightsizing.
- D. crowdsourcing.

Downsizing is laying off large numbers of managerial and other employees. As a result of downsizing and/or attempts to reduce costs, many companies are outsourcing services that the human resource department previously provided.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.

Level of Difficulty: 1 Easy

Topic: Challenges for Today's Human Resource Managers

38. Subcontracting work to an outside company that specializes in that particular type of work is known as ____.

A. rightsizing
B. workshifting
C. outsourcing
D. reengineering

Outsourcing is subcontracting work to an outside company that specializes in that particular type of work. Some examples of human resource services being outsourced include retirement plan administration, payroll, training, and management development programs.

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.

Level of Difficulty: 1 Easy

Topic: Challenges for Today's Human Resource Managers

39. Continuous and proactive assessment of mission-critical work and its staffing requirements is known as ____.

A. crowdsourcing
B. rightsizing
C. downsizing
D. outsourcing

Rightsizing is the continuous and proactive assessment of mission-critical work and its staffing requirements. Rightsizing differs from downsizing in that it is an ongoing planning process to determine the optimal number of employees in every area of the organization.

AACSB: Analytical Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.

Level of Difficulty: 1 Easy

Topic: Challenges for Today's Human Resource Managers

40. Fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and speed is known as ____.

A. reverse mentoring
B. reengineering
C. rightsizing
D. outsourcing

Reengineering is a fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and speed. In essence, reengineering usually results in sweeping changes in management and organizational structures.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.
Level of Difficulty: 1 Easy
Topic: Challenges for Today's Human Resource Managers

41. Empowerment is a management approach which involves:

A. giving managers the power to fire their subordinates without a valid reason.
B. giving subordinates substantial authority to make decisions.
C. subcontracting work to an outside company.
D. concentrating the power to make decision in the hands of top management.

Empowerment is a form of decentralization that involves giving subordinates substantial authority to make decisions. Under empowerment, managers express confidence in the ability of employees to perform at high levels. Employees are also encouraged to accept personal responsibility for their work.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.
Level of Difficulty: 2 Medium
Topic: Challenges for Today's Human Resource Managers

42. Working at home by using an electronic linkup with a central office is known as ____.

- A. reengineering
- B. outsourcing
- C. crowdsourcing
- D. telecommuting**

More and more frequently, companies are using telecommuting. Options range from allowing employees to work at home one day a week to running entire projects, or even firms, through electronic communication, with employees all over the country or even on different continents working closely together, yet never meeting face to face.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.
Level of Difficulty: 1 Easy
Topic: Challenges for Today's Human Resource Managers

43. In organizations using self-managed work teams:

- A. employees are not responsible for their actions.
- B. groups of peers are responsible for a particular area or task.**
- C. groups of employees report to a single manager.
- D. employees lack the ability to make decisions.

In organizations using self-managed work teams, groups of employees do not report to a single manager; rather, groups of peers are responsible for a particular area or task.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.
Level of Difficulty: 2 Medium
Topic: Challenges for Today's Human Resource Managers

44. In the majority of Fortune 500 companies, the head of the human resource department, usually a vice president, answers to the chief executive officer (CEO) of the company. In many companies, the head of the human resource department sits on the board of directors, the planning committee, or both. These trends are indicative of how human resource managers are:

- A. expected to become more specialized in their specific area of function.
- B. constantly dealing with a shrinking role in most organizations today.
- C. required to possess competencies that are far less sophisticated than their predecessors.
- D. increasingly involved in their organization's strategic and policy-making activities.**

To meet the challenges of the future, tomorrow's human resource departments must possess different competencies and be much more sophisticated than their predecessors. Given the more sophisticated role human resource departments must fill, it is essential that human resource managers be integrally involved in the organization's strategic and policy-making activities.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-08 Discuss the role of human resource managers in the future.
Level of Difficulty: 2 Medium

Topic: Human Resource Management in the Future

45. Spending more time with the line people, keeping a hand on the pulse of the organization, and learning to calculate costs and solutions in hard numbers are all suggestions that help human resource managers:

- A. become more familiar with their businesses.**
- B. focus solely on their functional area.
- C. play a limited role in strategic and policy-making activities.
- D. take a moralistic approach when dealing with operating managers.

The following suggestions can help human resource managers become more familiar with their businesses: • Know the company strategy and business plan. • Know the industry. • Support business needs. • Spend more time with the line people. • Keep your hand on the pulse of the organization. • Learn to calculate costs and solutions in hard numbers.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-08 Discuss the role of human resource managers in the future.
Level of Difficulty: 2 Medium

Topic: Human Resource Management in the Future

46. Metrics refers to:

- A. any set of qualitative measures used to evaluate employees' productivity.
- B.** any set of quantitative measures used to assess workforce performance.
- C. psychological tests used to evaluate the skills of an employee.
- D. behavioral measures used to assess workforce knowledge.

Metrics refers to any set of quantitative measures used to assess workforce performance. Examples of metrics that HR might use include such things as analysis of the cost per hire, average length of time to fill a position, training cost per employee, turnover cost per employee, and new-hire performance by recruiting strategy.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-09 Explain how human resource managers can affect organizational performance.
Level of Difficulty: 2 Medium
Topic: Organizational Performance and the Human Resource Manager

47. The HR scorecard system:

- A. uses only quantitative measures to assess the profits generated by the human resource department.
- B. is the predecessor of the balance scorecard system.
- C.** measures the contribution of the human resource function to the well-being of a firm.
- D. is limited specifically to measures about people in an organization.

There is a need to measure the overall contribution of the HR function to the well-being of the organizations. The HR scorecard is one method used to do this. The HR scorecard is basically a modified version of the balance scorecard system applied to the human resources function. The balance scorecard system is a measurement and control system that uses a mix of quantitative and qualitative measures to evaluate performance.

AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand

Learning Objective: 01-09 Explain how human resource managers can affect organizational performance.
Level of Difficulty: 2 Medium
Topic: Organizational Performance and the Human Resource Manager

48. Which of the following is a measurement and control system that uses a mix of quantitative and qualitative measures to evaluate performance within organizations?

A. HR metrics
B. Gap analysis
C. Balanced scorecard
D. SWOT analysis

The balance scorecard system is a measurement and control system that uses a mix of quantitative and qualitative measures to evaluate performance.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

*Learning Objective: 01-09 Explain how human resource managers can affect organizational performance.
Level of Difficulty: 1 Easy
Topic: Organizational Performance and the Human Resource Manager*

49. Which of the following is a guideline for effectively communicating human resource programs?

A. Avoid communicating in peer group or "privileged-class" language.
B. Disregard the cultural and global aspects of communication.
C. Ignore the perceptual and behavioral aspects of communication.
D. Transmit data instead of information.

When communicating human resource programs, managers should avoid communicating in peer group or "privileged-class" language. The level of communication should be determined by the receiving audience and not by the instigator of the communication. The key is to consciously remember for whom the communication is intended.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Understand*

*Learning Objective: 01-10 Summarize several guidelines to follow when communicating human resource programs.
Level of Difficulty: 2 Medium
Topic: Communicating Human Resource Programs*

50. _____ can be defined as "the raw material from which information is developed and it is composed of acts that describe people, places, things, or events that have not been interpreted."

- A. Communication
- B. Data**
- C. Knowledge
- D. Metrics

Data can be defined as "the raw material from which information is developed; it is composed of acts that describe people, places, things, or events that have not been interpreted." Data that have been interpreted and that meet a need of one or more managers are called information.

*AACSB: Analytical Thinking
Accessibility: Keyboard Navigation
Blooms: Remember*

*Learning Objective: 01-10 Summarize several guidelines to follow when communicating human resource programs.
Level of Difficulty: 1 Easy
Topic: Communicating Human Resource Programs*

Essay Questions

51. What are the six major functions of human resource management as identified by the Society for Human Resource Management (SHRM)?

The six major functions of human resource management as identified by the Society for Human Resource Management (SHRM) are:

- 1) Human resource planning, recruitment, and selection.
- 2) Human resource development.
- 3) Compensation and benefits.
- 4) Safety and health.
- 5) Employee and labor relations.
- 6) Human resource research.

*AACSB: Analytical Thinking
Blooms: Understand
Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 2 Medium
Topic: Human Resource Functions*

52. Explain the human resource development function in human resource management.

The human resource development function involves the following activities:

- Orienting and training employees.
- Designing and implementing management and organizational development programs.
- Building effective teams within the organizational structure.
- Designing systems for appraising the performance of individual employees.
- Assisting employees in developing career plans.

*AACSB: Analytical Thinking
Blooms: Remember*

*Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 1 Easy
Topic: Human Resource Functions*

53. Explain the terms human resource generalist and human resource specialist.

A human resource generalist is a person who devotes a majority of working time to human resource issues, but does not specialize in any specific areas of human resource management. A human resource specialist is a person specially trained in one or more areas of human resource management (e.g., labor relations specialist, wage and salary specialist).

*AACSB: Analytical Thinking
Blooms: Remember*

*Learning Objective: 01-02 Describe the functions of human resource management.
Level of Difficulty: 1 Easy
Topic: Human Resource Functions*

54. Identify the three types of assistance provided by human resource departments with the help of examples.

The human resource department can be seen as providing three types of assistance:

- 1) specific services, like maintaining employee records and handling initial phases of employee orientation;
- 2) advice, as in disciplinary matters and equal employment opportunity matters; and
- 3) coordination with regard to performance appraisals and compensation matters.

*AACSB: Analytical Thinking
Blooms: Understand*

*Learning Objective: 01-03 Summarize the types of assistance the human resource department provides.
Level of Difficulty: 2 Medium
Topic: Human Resource Functions*

55. What are the various advantages and disadvantages of diversity in the workforce?

Diversity in the workforce encompasses many different dimensions, including sex, race, national origin, religion, age, sexual orientation, and disability. Greater diversity will not only create certain specific challenges but also make some important contributions. Communication problems are certain to occur, including misunderstandings among employees and managers as well as the need to translate verbal and written materials into several languages. Solutions to these problems will necessitate additional training involving work in basic skills such as writing and problem solving. An increase in organizational factionalism will require dedicating increasing amounts of time to dealing with special interest and advocacy groups. In addition to creating the above challenges, greater diversity presents new opportunities. Diversity contributes to creating an organizational culture that is more tolerant of different behavioral styles and wider views. This often leads to better business decisions. Another potential payoff is a greater responsiveness to diverse groups of customers.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 01-07 Outline several potential challenges and contributions that an increasingly diverse workforce presents.

Level of Difficulty: 2 Medium

Topic: Challenges for Today's Human Resource Managers

56. MR Systems Inc. has undergone certain structural changes in the recent years. These changes are posing new challenges to the human resource managers of the company. Describe some of the causes that can be attributed to such changes?

Structural changes within MR Systems Inc. or other organizations can be caused by downsizing, outsourcing, rightsizing, or reengineering. Downsizing involves laying off large numbers of managerial and other employees. As a result of downsizing and/or attempts to reduce costs, many companies are outsourcing services that the human resource department previously provided. Outsourcing entails subcontracting work to an outside company that specializes in that particular type of work. Rightsizing is the continuous and proactive assessment of mission-critical work and its staffing requirements. Rightsizing differs from downsizing in that it is an ongoing planning process to determine the optimal number of employees in every area of the organization. Reengineering is a fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in cost, quality, service, and speed. In essence, reengineering usually results in sweeping changes in management and organizational structures.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.

Level of Difficulty: 3 Hard

Topic: Challenges for Today's Human Resource Managers

57. What is telecommuting?

Telecommuting refers to working at home by using an electronic linkup with a central office. More and more frequently, companies are using telecommuting. Options range from allowing employees to work at home one day a week to running entire projects, or even firms, through electronic communication, with employees all over the country or even on different continents working closely together, yet never meeting face to face.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.

Level of Difficulty: 1 Easy

Topic: Challenges for Today's Human Resource Managers

58. Explain the term empowerment.

Empowerment is a form of decentralization that involves giving subordinates substantial authority to make decisions. Under empowerment, managers express confidence in the ability of employees to perform at high levels. Employees are also encouraged to accept personal responsibility for their work.

AACSB: Analytical Thinking

Blooms: Remember

Learning Objective: 01-06 Identify several challenges today's human resource managers currently face.

Level of Difficulty: 1 Easy

Topic: Challenges for Today's Human Resource Managers

59. Serena is a human resource manager at Alta Technologies Inc. What measures should she take to have a direct impact on the organizational performance?

The measures Serena needs to take involve:

- Reducing unnecessary overtime expenses by increasing productivity during a normal day.
- Staying on top of absenteeism and instituting programs designed to reduce money spent for time not worked.
- Eliminating wasted time by employees through sound job design.
- Minimizing employee turnover and unemployment benefit costs by practicing sound human relations and creating a work atmosphere that promotes job satisfaction.
- Installing and monitoring effective safety and health programs to reduce lost-time, accidents and keep medical and workers' compensation costs low.
- Properly training and developing all employees so they can improve their value to the company and do a better job of producing and selling high-quality products and services at the lowest possible cost.
- Decreasing costly material waste by eliminating bad work habits and attitudes and poor working conditions that lead to carelessness and mistakes.
- Hiring the best people available at every level and avoiding overstaffing.
- Maintaining competitive pay practices and benefit programs to foster a motivational climate for employees.
- Encouraging employees, who probably know more about the nuts and bolts of their jobs than anyone else, to submit ideas for increasing productivity and reducing costs.
- Installing electronic human resource systems (e-HR and e-HRM) to streamline and automate many human resource functions.

AACSB: Reflective Thinking

Blooms: Apply

Learning Objective: 01-09 Explain how human resource managers can affect organizational performance.

Level of Difficulty: 3 Hard

Topic: Organizational Performance and the Human Resource Manager

60. List the various guidelines to be followed for communicating human resource programs.

The following are some of the guidelines human resource (HR) managers can follow to effectively communicate human resource programs:

- Avoid communicating in peer group or "privileged-class" language.
- Don't ignore the cultural and global aspects of communication.
- Back up communications with management action.
- Periodically reinforce employee communications.
- Transmit information and not just data.
- Don't ignore the perceptual and behavioral aspects of communication.

AACSB: Analytical Thinking

Blooms: Understand

Learning Objective: 01-10 Summarize several guidelines to follow when communicating human resource programs.

Level of Difficulty: 2 Medium

Topic: Communicating Human Resource Programs