

Chapter 1: Strategic Human Resource Management

TRUE/FALSE

1. An Internet search and advertising giant, Google is known for its unique approach to business, including how it hires, develops, and motivates its talent.

ANS: T PTS: 1 DIF: Difficulty: Easy
REF: p. 3 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: Real World Challenge KEY: Bloom's: Comprehension

2. HRM is critical to any organization because it controls the operating budget.

ANS: F PTS: 1 DIF: Difficulty: Moderate
REF: p. 4 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Is HRM? KEY: Bloom's: Comprehension

3. There are many laws and regulations that affect both HRM practices and the employment relationship.

ANS: T PTS: 1 DIF: Difficulty: Easy
REF: p. 6 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: What Employees Should Do KEY: Bloom's: Knowledge

4. HRM creates the system that acquires, motivates, develops, and retains talent.

ANS: T PTS: 1 DIF: Difficulty: Easy
REF: p. 7 OBJ: LO: 1-2 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

5. Staffing is only concerned with hiring new employees.

ANS: F PTS: 1 DIF: Difficulty: Moderate
REF: p. 8 OBJ: LO: 1-2 NAT: BUSPROG: Analytic
TOP: Staffing KEY: Bloom's: Application

6. HRM is responsible for people-related issues as well as employment-related legal compliance.

ANS: T PTS: 1 DIF: Difficulty: Easy
REF: p. 4 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: What Is HRM? KEY: Bloom's: Knowledge

7. All organizations will maximize their effectiveness without the acquisition, development, deployment, and retention of the right talent.

ANS: F PTS: 1 DIF: Difficulty: Easy
REF: p. 4 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: What Is HRM? KEY: Bloom's: Comprehension

8. Good HRM practices will help you develop your skills and advance in your field.

ANS: T PTS: 1 DIF: Difficulty: Moderate
REF: p. 4 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Is HRM? KEY: Bloom's: Comprehension

9. An organization's HRM choices reflect a lot about its values and what it is like to work there.

ANS: T PTS: 1 DIF: Difficulty: Moderate
REF: p. 4 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: What Is HRM? KEY: Bloom's: Knowledge

10. Investing in developing your HRM skills will not prepare you to be a more effective employee and manager.

ANS: F PTS: 1 DIF: Difficulty: Easy
REF: p. 4 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Is HRM? KEY: Bloom's: Comprehension

11. Factors including organizational strategy, the competitive environment, and legal requirements all influence what an organization's employees *should* do.

ANS: T PTS: 1 DIF: Difficulty: Easy
REF: p. 6 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Employees Should Do KEY: Bloom's: Application

12. HR planning is a low-priority HRM activity that involves designing work that is fairly efficient as well as identifying the amount and types of talents the company will need to execute its business strategy.

ANS: F PTS: 1 DIF: Difficulty: Moderate
REF: p. 6 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Employees Should Do KEY: Bloom's: Comprehension

13. Aligning the HRM strategy, policies, and activities with the business strategy is essential to effective HRM.

ANS: T PTS: 1 DIF: Difficulty: Easy
REF: p. 6 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Employees Should Do KEY: Bloom's: Knowledge

14. Failure to follow the laws and regulations that affect HRM practices and the employment relationship only affects the financial portion of an organization's business.

ANS: F PTS: 1 DIF: Difficulty: Easy
REF: p. 6 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: What Employees Should Do KEY: Bloom's: Application

15. Influencing what employees *can* do is another way HRM influences organizational outcomes.

ANS: T PTS: 1 DIF: Difficulty: Easy
REF: p. 7 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Employees Can Do KEY: Bloom's: Knowledge

16. The HRM function of training and development has no influence on the capabilities of an organization and only influences developing employees' skills to meet changing business needs.

ANS: F PTS: 1 DIF: Difficulty: Moderate
REF: p. 7 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: What Employees Can Do KEY: Bloom's: Application

17. Because staffing and development activities are responsible for the organization's skills base, they are the foundation of effective HRM.

ANS: T PTS: 1 DIF: Difficulty: Easy
REF: p. 7 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Employees Can Do KEY: Bloom's: Knowledge

18. After the nature and requirements of the open job are identified, sourcing identifies potential recruits likely to meet or exceed the job's minimum personal and technical requirements.

ANS: T PTS: 1 DIF: Difficulty: Moderate
REF: p. 8 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: Staffing KEY: Bloom's: Comprehension

19. Staffing practices only impact how a company recruits new employees.

ANS: F PTS: 1 DIF: Difficulty: Moderate
REF: p. 9 OBJ: LO: 1-2 NAT: BUSPROG: Analytic
TOP: Staffing KEY: Bloom's: Comprehension

20. Training is very inexpensive, so if a company fails to hire people able to succeed in the organization's development programs, it is effortless to regroup and start again.

ANS: F PTS: 1 DIF: Difficulty: Moderate
REF: p. 9 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: Training and Development KEY: Bloom's: Application

21. Succession management and career development activities can help to ensure that an organization has people ready to assume leadership positions as soon as those positions become available.

ANS: F PTS: 1 DIF: Difficulty: Easy
REF: p. 9 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: Training and Development KEY: Bloom's: Comprehension

22. Development programs are necessary to improve the skills identified in the performance management process.

ANS: T PTS: 1 DIF: Difficulty: Easy
REF: p. 9 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: Training and Development KEY: Bloom's: Comprehension

23. Total rewards is the sum of all of the rewards employees receive in exchange for their time, efforts, and performance.

ANS: T PTS: 1 DIF: Difficulty: Easy
REF: p. 10 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: Rewards and Benefits KEY: Bloom's: Comprehension

24. The success of incentive pay programs that reward employees for individual, group, or organizational performance is influenced by performance management systems.

ANS: T PTS: 1 DIF: Difficulty: Moderate
REF: p. 11 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: Rewards and Benefits KEY: Bloom's: Comprehension

25. A firm's human resource strategy links the entire human resource function with the firm's business strategy.

ANS: T PTS: 1 DIF: Difficulty: Moderate
REF: p. 16 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

MULTIPLE CHOICE

1. There are more than _____ employers in the United States.
a. 6 thousand c. 3 million
b. 6 million d. 3 trillion

ANS: B PTS: 1 DIF: Difficulty: Easy
REF: p. 8 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: Staffing KEY: Bloom's: Comprehension

2. The sum of all the rewards an employee receives in exchange for their time, efforts, and performance is referred to as _____.
a. indirect financial compensation c. the total rewards
b. direct financial compensation d. the essential rewards

ANS: C PTS: 1 DIF: Difficulty: Moderate
REF: p. 10 OBJ: LO: 1-2 NAT: BUSPROG: Analytic
TOP: Rewards and Benefits KEY: Bloom's: Analysis

3. When evaluating an employer's job offer, it is best to consider the _____.
- | | |
|----------------------|---------------------|
| a. salary level | c. work environment |
| b. training programs | d. total rewards |

ANS: D PTS: 1 DIF: Difficulty: Easy
REF: p. 11 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: Rewards and Benefits KEY: Bloom's: Evaluation

4. Strategically managing human resources helps an organization manage which four types of risk?
- a. Strategic, operational, functional, and compliance
 - b. Strategic, optimal, financial, and compliance
 - c. Situational, operational, financial, and compliance
 - d. Strategic, operational, financial, and compliance

ANS: D PTS: 1 DIF: Difficulty: Challenging
REF: p. 1 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: How Does HRM Influence Operational Performance? KEY: Bloom's: Analysis

5. The consulting firm Watson Wyatt found that good people practices can increase a company's value by as much as _____ percent.
- | | |
|-------|-------|
| a. 25 | c. 20 |
| b. 30 | d. 35 |

ANS: B PTS: 1 DIF: Difficulty: Easy
REF: p. 15 OBJ: LO: 1-1 | LO: 1-4 NAT: BUSPROG: Analytic
TOP: How Does HRM Influence Operational Performance? KEY: Bloom's: Knowledge

6. How a firm will compete in its marketplace is based on the firm's _____ strategy.
- | | |
|----------------|---------------|
| a. performance | c. financial |
| b. business | d. management |

ANS: B PTS: 1 DIF: Difficulty: Moderate
REF: p. 15 OBJ: LO: 1-1 | LO: 1-4 NAT: BUSPROG: Analytic
TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Knowledge

7. Strategic HRM aligns a company's values and goals with the _____, _____, and _____ of employees.
- | | |
|---------------------------------|-----------------------------------|
| a. benefits; performance; goals | c. behaviors; values; goals |
| b. strategies; vision; goals | d. behaviors; performance; values |

ANS: C PTS: 1 DIF: Difficulty: Challenging
REF: p. 16 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Analysis

8. Who is responsible for managing organizational change?
- a. Front line managers
 - b. Executive resource managers
 - c. Executive managers
 - d. Human resource managers

ANS: D PTS: 1 DIF: Difficulty: Easy
REF: p. 20 OBJ: LO: 1-1 | LO: 1-3 NAT: BUSPROG: Analytic
TOP: HRM Professionals KEY: Bloom's: Comprehension

9. Hiring an external vendor rather than doing a particular task internally is called _____.
a. insourcing
b. outsourcing
c. resourcing
d. telesourcing

ANS: B PTS: 1 DIF: Difficulty: Easy
REF: p. 21 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: Outside Vendors KEY: Bloom's: Knowledge

10. What is a professional employer organization?
a. A company that leases employees to companies who need them
b. A company that only hires professional people
c. A company that prefers their employees belong to professional organizations
d. A company that only hires people with advanced degrees

ANS: A PTS: 1 DIF: Difficulty: Easy
REF: p. 24 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: Professional Employer Organizations KEY: Bloom's: Comprehension

11. What is the organizational function of HRM?
a. Attracting, hiring, developing, rewarding, and retaining talent
b. Detaining, hiring, developing, reworking, and retaining talent
c. Detaining, hiring, devising, rewarding, and refreshing talent
d. Attracting, hiring, devising, reworking, and refreshing talent

ANS: A PTS: 1 DIF: Difficulty: Moderate
REF: p. 4 OBJ: LO: 1-2 NAT: BUSPROG: Analytic
TOP: What Is HRM? KEY: Bloom's: Application

12. In order to maximize its effectiveness, an organization must _____ the right talent.
a. apprise, develop, deport, and retain
b. apprise, devalue, deploy, and retain
c. acquire, develop, deploy, and retain
d. acquire, devalue, deport, and retain

ANS: C PTS: 1 DIF: Difficulty: Moderate
REF: p. 5 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: What Is HRM? KEY: Bloom's: Application

13. Understanding how to effectively use HRM tools can help you become a better _____.
a. person
b. manager
c. researcher
d. scholar

ANS: B PTS: 1 DIF: Difficulty: Easy
REF: p. 5 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Is HRM? KEY: Bloom's: Application

14. HRM influences organizational performance through its influence on what employees _____.
a. should do, can do, and will do
b. could do, can't do, and won't do
c. could do, can do, and will do
d. should do, can't do, and won't do

ANS: A PTS: 1 DIF: Difficulty: Easy
REF: p. 6 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: What Is HRM? KEY: Bloom's: Application

15. Many of the laws that affect HRM are necessary because of past employment _____ in the United States.

- a. opposition
- b. opportunities
- c. diversity
- d. discrimination

ANS: D PTS: 1 DIF: Difficulty: Easy
REF: p. 6 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: What Employees Should Do KEY: Bloom's: Knowledge

16. Which HRM function influences the capabilities of an organization's employees by improving employees' skills to meet changing business needs?

- a. Recruiting
- b. Training
- c. Hiring
- d. Managing

ANS: D PTS: 1 DIF: Difficulty: Easy
REF: p. 6 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Employees Can Do KEY: Bloom's: Comprehension

17. People do what they are _____ for.

- a. tested
- b. ready
- c. hired
- d. rewarded

ANS: D PTS: 1 DIF: Difficulty: Moderate
REF: p. 6 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Employees Will Do KEY: Bloom's: Comprehension

18. Rewards include anything _____ by the employee.

- a. tested
- b. established
- c. valued
- d. required

ANS: C PTS: 1 DIF: Difficulty: Moderate
REF: p. 7 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Employees Will Do KEY: Bloom's: Comprehension

19. Staffing, performance management, training and development, rewards and benefits, health and safety, and employee-management relations are all functions of _____.

- a. strategic planning management
- b. employee change management
- c. international relations management
- d. human resource management

ANS: D PTS: 1 DIF: Difficulty: Moderate
REF: p. 8 OBJ: LO: 1-2 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Knowledge

20. Staffing is the process of planning, acquiring, deploying, and retaining employees that enables the organization to meet its talent needs and execute its _____.

- a. business strategy
- b. employee strategy
- c. management strategy
- d. executive strategy

ANS: A PTS: 1 DIF: Difficulty: Easy
REF: p. 8 OBJ: LO: 1-2 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Knowledge

21. Separations due to poor performance, layoffs or restructuring, as well as employees quitting are also part which HRM function?

a. Staffing
b. Recruiting
c. Hiring
d. Performance

ANS: A PTS: 1 DIF: Difficulty: Easy
REF: p. 9 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

22. Caribou Coffee discovered that the most important district manager competency was his or her ability to effectively _____ the store manager position.

a. staff
b. manage
c. assist
d. perform

ANS: A PTS: 1 DIF: Difficulty: Easy
REF: p. 9 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

23. Supervisors must be trained to conduct job interviews and terminations in accordance with _____.

a. organizational guidelines
b. employee handbook
c. state and federal law
d. common law

ANS: C PTS: 1 DIF: Difficulty: Easy
REF: p. 9 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

24. What type of management can help to ensure that an organization has people ready to assume leadership positions as soon as those positions become available?

a. Performance management
b. Strategic management
c. Change management
d. Succession management

ANS: D PTS: 1 DIF: Difficulty: Easy
REF: p. 10 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

25. What type of management involves aligning individual employees' goals and behaviors with organizational goals and strategies, appraising and evaluating past and current behaviors, and providing suggestions for improvement?

a. Performance management
b. Strategic management
c. Change management
d. Succession management

ANS: A PTS: 1 DIF: Difficulty: Easy
REF: p. 10 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

26. Staffing influences the effectiveness of which system by providing the raw talent that the system will manage?

a. Change management
b. Strategic management
c. Performance management
d. Succession management

ANS: C PTS: 1 DIF: Difficulty: Easy
REF: p. 10 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

27. What type of feedback is important in maintaining ethical behavior and communicating organizational expectations?

- a. Constructive
- b. Strategic
- c. Performance
- d. Critical

ANS: C PTS: 1 DIF: Difficulty: Moderate
REF: p. 10 OBJ: LO: 1-3 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

28. Compensation received in the form of salary, wages, commissions, stock options, or bonuses is called _____.

- a. direct financial compensation
- b. secondary financial compensation
- c. nonfinancial compensation
- d. indirect financial compensation

ANS: A PTS: 1 DIF: Difficulty: Easy
REF: p. 10 OBJ: LO: 1-2 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

29. Compensation, including free meals, vacation time, and health insurance is called _____.

- a. direct financial compensation
- b. secondary financial compensation
- c. nonfinancial compensation
- d. indirect financial compensation

ANS: D PTS: 1 DIF: Difficulty: Easy
REF: p. 10 OBJ: LO: 1-2 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

30. Rewards and incentives given to employees that are not financial in nature, including intrinsic rewards received from the job itself or from the work environment, are called _____.

- a. direct financial compensation
- b. secondary financial compensation
- c. nonfinancial compensation
- d. indirect financial compensation

ANS: C PTS: 1 DIF: Difficulty: Easy
REF: p. 10 OBJ: LO: 1-2 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

31. When evaluating an employer's job offer, it is important to consider the _____, not just the salary level.

- a. vacation package
- b. insurance benefits
- c. total rewards
- d. stock options

ANS: C PTS: 1 DIF: Difficulty: Easy
REF: p. 11 OBJ: LO: 1-5 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

32. When is not paying top dollar to hire the highest quality candidates not always the best strategy?
- a. If the company cannot offer a comprehensive total rewards package
 - b. If the company does not need top talent to meet its needs
 - c. If the company is having business-threatening financial problems
 - d. If the company has hired an abundance of top talent

ANS: B PTS: 1 DIF: Difficulty: Moderate
REF: p. 11 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

33. What does workplace health refer to?
- a. Having a doctor on the worksite
 - b. Employees' physical and mental health
 - c. Employee clinic on the worksite
 - d. Providing workers compensation

ANS: B PTS: 1 DIF: Difficulty: Moderate
REF: p. 12 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

34. More than _____ percent of U.S. businesses with 50 or more employees have some form of health promotion program, including exercise, stop-smoking classes, and stress management.
- a. 99
 - b. 67
 - c. 74
 - d. 81

ANS: D PTS: 1 DIF: Difficulty: Moderate
REF: p. 12 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Knowledge

35. Employee-management relations ultimately determine the employment rights of _____.
- a. employees and employers
 - b. only employees
 - c. only employers
 - d. labor unions

ANS: A PTS: 1 DIF: Difficulty: Moderate
REF: p. 12 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Knowledge

36. What percentage of private sector employees are union members?
- a. 6.8
 - b. 5.4
 - c. 7.2
 - d. 8.7

ANS: C PTS: 1 DIF: Difficulty: Moderate
REF: p. 12 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

37. Workers in the public sector are almost _____ more likely to belong to a union than are private sector employees.

- a. five times
- b. ten times
- c. eight times
- d. three times

ANS: A PTS: 1 DIF: Difficulty: Moderate
REF: p. 12 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Comprehension

38. Labor unions and unionization rates have been _____ for years.

- a. rising
- b. steady
- c. intensifying
- d. declining

ANS: D PTS: 1 DIF: Difficulty: Moderate
REF: p. 12 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Knowledge

39. Firms with fewer than 500 workers make up more than 99 percent of the business establishments, employing approximately _____ percent of the total workforce.

- a. 10
- b. 25
- c. 50
- d. 75

ANS: C PTS: 1 DIF: Difficulty: Moderate
REF: p. 13 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Knowledge

40. Numerous studies have indicated that _____ are two of the most important management problems facing small businesses.

- a. communication and stress
- b. employee performance and stress
- c. training and development
- d. recruitment and training

ANS: D PTS: 1 DIF: Difficulty: Moderate
REF: p. 13 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: What Does HRM Do? KEY: Bloom's: Knowledge

41. How HRM initiatives affect business strategy through the overall talent strategy, company culture, ethics, investments in people, and the implementation of change initiatives is an example of _____.

- a. strategic risk
- b. operational risk
- c. financial risk
- d. compliance risk

ANS: A PTS: 1 DIF: Difficulty: Moderate
REF: p. 14 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: How Does HRM Influence Organizational Performance? KEY: Bloom's: Knowledge

42. HRM affects the speed and effectiveness of talent acquisition as well as the development of employees' skills and the identification and retention of top performers. These and other HRM activities that can directly influence the organization's success or failure are examples of _____.
- a. strategic risk
 - b. operational risk
 - c. financial risk
 - d. compliance risk

ANS: B PTS: 1 DIF: Difficulty: Moderate
REF: p. 14 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: How Does HRM Influence Organizational Performance? KEY: Bloom's: Knowledge

43. How HRM performance directly affects the organization's workforce costs and productivity through compensation, benefits, turnover, overtime, and time-to-hire, and indirectly through errors, accidents, delays, and lost production are examples of _____.
- | | |
|---------------------|--------------------|
| a. strategic risk | c. financial risk |
| b. operational risk | d. compliance risk |

ANS: C PTS: 1 DIF: Difficulty: Moderate
REF: p. 15 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: How Does HRM Influence Organizational Performance? KEY: Bloom's: Knowledge

44. Every employment-related decision can have legal ramifications, particularly in the areas of diversity, health and safety, union relations, whistleblowers, and harassment. This is an example of _____.
- a. strategic risk c. financial risk
b. operational risk d. compliance risk

ANS: D PTS: 1 DIF: Difficulty: Moderate
REF: p. 15 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
TOP: How Does HRM Influence Organizational Performance? KEY: Bloom's: Knowledge

45. An organization's _____ is a system of beliefs about how its employees should be treated.

- a. business philosophy
- b. strategic philosophy
- c. employee philosophy
- d. talent philosophy

ANS: D PTS: 1 DIF: Difficulty: Easy
REF: p. 16 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

46. A firm's _____ links the entire human resource function with the firm's business strategy
- | | |
|----------------------------|------------------------|
| a. organizational strategy | c. business philosophy |
| b. strategic philosophy | d. HR strategy |

ANS: A PTS: 1 DIF: Difficulty: Easy
REF: p. 15 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

47. The U.S. workforce is already very diverse and is expected to _____ in coming years.

- a. become less diverse
- b. become more diverse
- c. stay about the same
- d. become the standard

ANS: B PTS: 1 DIF: Difficulty: Easy
REF: p. 16 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

48. Managers in _____ and high power-distance cultures tend not to provide job enrichment and empowerment to employees.

- a. maternalistic
- b. paternalistic
- c. materialistic
- d. fatalistic

ANS: B PTS: 1 DIF: Difficulty: Easy
REF: p. 17 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

49. NGO is an acronym for _____.

- a. national government organization
- b. nonglobal organization
- c. national global orientation
- d. non-government organization

ANS: D PTS: 1 DIF: Difficulty: Easy
REF: p. 17 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

50. According to Michael Porter, to have a competitive advantage a company must ultimately provide a combination of great _____.

- a. quality branding and integrity
- b. ethics, branding, and integrity
- c. quality, service, and price
- d. ethics, service, and price

ANS: C PTS: 1 DIF: Difficulty: Easy
REF: p. 17 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

51. Starbucks is able to command a high price for a cup of coffee because it focuses on _____.

- a. customer relationships
- b. added brand value
- c. competitive advantage
- d. rate of return

ANS: C PTS: 1 DIF: Difficulty: Easy
REF: p. 18 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

52. Organizations pursuing a(n) _____ require development of current talent and the acquisition of additional talent.

- a. growth strategy
- b. performance strategy
- c. aggressive strategy
- d. global strategy

ANS: A PTS: 1 DIF: Difficulty: Easy
REF: p. 18 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

53. The success of a(n) _____ depends on the firm's ability to find and retain the right number and types of employees to sustain its intended growth.

- a. growth strategy
- b. performance strategy
- c. aggressive strategy
- d. global strategy

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 19 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

54. _____ have been a common way for organizations to achieve growth and expand internationally.

- a. Values and achievements
- b. Mergers and acquisitions
- c. Goals and ambiguity
- d. Motivation and performance

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 19 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

55. Mergers and acquisitions often fail because of _____.

- a. culture issues
- b. financial issues
- c. technical issues
- d. procedural issues

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 19 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

56. Retaining high-performing employees and keeping employees engaged helps to create and maintain any type of _____.

- a. competitive advantage
- b. cultural advantage
- c. motivational advantage
- d. financial advantage

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 19 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: The Role of HRM in Executing Business Strategy KEY: Bloom's: Comprehension

57. HRM activities are performed by _____.

- a. HRM professionals
- b. managers
- c. individual employees
- d. All of these statements are correct.

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 20 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Who Is Responsible for HRM? KEY: Bloom's: Comprehension

58. _____ is the world's largest professional association devoted to HRM.

- a. SHRM
- b. HRMO
- c. HRMS
- d. OHRM

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 20 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Who Is Responsible for HRM? KEY: Bloom's: Comprehension

59. _____ between HR and employees is extremely important.
- Communication
 - Cultural differences
 - Clarification
 - Compassion
- ANS: A PTS: 1 DIF: Difficulty: Easy
 REF: p. 21 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
 TOP: Who Is Responsible for HRM? KEY: Bloom's: Comprehension
60. What can prevent redundancies and save money, as well as improve the consistency and efficiency with which HRM tasks are performed?
- A shared reference center
 - Performance management
 - A shared service center
 - Performance targets
- ANS: C PTS: 1 DIF: Difficulty: Easy
 REF: p. 21 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
 TOP: Who Is Responsible for HRM? KEY: Bloom's: Comprehension
61. Hiring an external vendor to do work rather than doing it internally is called _____.
- insourcing
 - outsourcing
 - outsourcing
 - encoring
- ANS: B PTS: 1 DIF: Difficulty: Easy
 REF: p. 21 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
 TOP: Who Is Responsible for HRM? KEY: Bloom's: Comprehension
62. Outsourcing some HRM activities is particularly attractive to _____ companies.
- larger
 - smaller
 - medium size
 - Fortune 500
- ANS: B PTS: 1 DIF: Difficulty: Easy
 REF: p. 21 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
 TOP: Who Is Responsible for HRM? KEY: Bloom's: Comprehension
63. IBM now locates its business functions around the world based on the right mix of _____.
- cost and skills
 - communication and culture
 - performance and communication
 - skills and culture
- ANS: A PTS: 1 DIF: Difficulty: Easy
 REF: p. 24 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
 TOP: Who Is Responsible for HRM? KEY: Bloom's: Comprehension
64. A company that leases employees to other companies is called a _____.
- professional employer opportunity
 - professional employer organization
 - progressive employer opportunity
 - progressive employer organization
- ANS: B PTS: 1 DIF: Difficulty: Easy
 REF: p. 24 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
 TOP: Who Is Responsible for HRM? KEY: Bloom's: Comprehension

65. What does the acronym PEO stand for?

- a. Professional employer opportunity
- b. Professional employer organization
- c. Progressive employer opportunity
- d. Progressive employer organization

ANS: B

PTS: 1

DIF: Difficulty: Easy

REF: p. 24

OBJ: LO: 1-1

NAT: BUSPROG: Analytic

TOP: Who Is Responsible for HRM?

KEY: Bloom's: Comprehension

66. HRM can help you be a more effective manager in _____.

- a. the HR field
- b. the field of finance
- c. the legal field
- d. any field

ANS: D

PTS: 1

DIF: Difficulty: Easy

REF: p. 24

OBJ: LO: 1-1

NAT: BUSPROG: Analytic

TOP: Who Is Responsible for HRM?

KEY: Bloom's: Comprehension

67. Occupational forecasts suggest that the income and opportunity prospects in HRM are _____.

- a. unfavorable
- b. favorable
- c. mediocre
- d. atrocious

ANS: B

PTS: 1

DIF: Difficulty: Easy

REF: p. 25

OBJ: LO: 1-1

NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career?

KEY: Bloom's: Comprehension

68. According to the text, knowledge of _____ skills will give you a competitive advantage in your career.

- a. SHRM
- b. HRM
- c. ASTD
- d. OCD

ANS: B

PTS: 1

DIF: Difficulty: Easy

REF: p. 25

OBJ: LO: 1-1

NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career?

KEY: Bloom's: Comprehension

69. To ensure it hires the best talent, Google hires only one in every _____ applicants.

- a. 1,000
- b. 100
- c. 500
- d. 10

ANS: A

PTS: 1

DIF: Difficulty: Easy

REF: p. 26

OBJ: LO: 1-1

NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career?

KEY: Bloom's: Comprehension

70. The goal of Google's human resource management group, called _____, is to remove everything that might get in an employee's way.

- a. people operations
- b. human resources
- c. human operations
- d. people resources

ANS: A

PTS: 1

DIF: Difficulty: Easy

REF: p. 26

OBJ: LO: 1-1

NAT: BUSPROG: Analytic

TOP: Real World Response

KEY: Bloom's: Comprehension

ANS: D PTS: 1 DIF: Difficulty: Easy
REF: p. 26 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: Real World Response KEY: Bloom's: Comprehension

ANS: C PTS: 1 DIF: Difficulty: Moderate
REF: p. 27 OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: Real World Response KEY: Bloom's: Comprehension

ESSAY

1. How might global issues require flexibility in human resource management to meet the diverse expectations of employees?

ANS:

The workforce in the United States is already very diverse and is expected to become more diverse in time. Employee expectations and values differ around the world and HRM must modify its efforts to be effective in attracting, hiring, motivating, and retaining the best employees. People from different cultures have dissimilar traditions, are motivated by assorted things, and communicate in diverse ways. Motivating employees in a multinational organization can be very complex and requires much elasticity on the part of HRM. The effectiveness of HRM policy is influenced by the role expectations, norms, and traditions of a society. For example, if managers feel that large power differences are legitimate they may feel uncomfortable implementing policy promoting employee development.

PTS: 1 DIF: Difficulty: Moderate REF: p. 24
OBJ: LO: 1-3 NAT: BUSPROG: Analytic TOP: Global Issues
KEY: Bloom's: Analysis

2. What are the advantages of an effective HRM Systems?

ANS:

- Improve organizational efficiency
- Contribute to revenue growth
- Increase employees' understanding of their responsibilities and how they relate to the organization's mission, business strategy, and goals
- Develop and enhance employee capabilities and talents to enable strategic execution and goal attainment
- Equitably link rewards to responsibility level and performance
- Promote the efficient and effective utilization of employees' skills and knowledge

- Increase employee engagement, effort, and performance
- Increase the organization's ability to manage change
- Decrease an organization's legal liability for compliance with employment laws

PTS: 1 DIF: Difficulty: Moderate REF: p. 14
 OBJ: LO: 1-3 NAT: BUSPROG: Analytic TOP: What Does HRM Do?
 KEY: Bloom's: Analysis

3. Identify and explain the four types of risk human resources that help organizations strategically manage.

ANS:

Strategic risk: HRM initiatives can affect business strategy through the overall talent strategy, company culture, ethics, investments in people, and the implementation of change initiatives. *Operational risk:* HRM affects the speed and effectiveness of talent acquisition as well as the development of employees' skills and the identification and retention of top performers. These and other HRM activities can directly influence the organization's success or failure. *Financial risk:* HRM performance affects the organization's workforce costs and productivity directly through compensation, benefits, turnover, overtime, and time to hire, and indirectly through errors, accidents, delays, and lost production. *Compliance risk:* Every employment-related decision can have legal ramifications, particularly in the areas of diversity, health and safety, union relations, whistleblowers, and harassment. SEC regulations mandate the board of directors' responsibility for oversight of risk management policies. Boards must make known any material risks with the potential to affect company earnings. Because the acquisition, retention, and performance of talent have the potential to affect company earnings, it is essential that organizations identify and manage these risks through effective HRM.

PTS: 1 DIF: Difficulty: Moderate REF: p. 15
 OBJ: LO: 1-4 NAT: BUSPROG: Analytic
 TOP: How Does HRM Influence Organizational Performance? KEY: Bloom's: Analysis

4. What is the responsibility of HRM?

ANS:

HRM professionals are not the organization's police. Their role, along with the HRM function, is to align the talent philosophy and HRM strategy with the business strategy and company values, develop supervisors' skills in managing and using HRM effectively, and serve as a resource for supervisors' questions and ongoing needs. Although focused on the "people" side of the business, HRM professionals are responsible for the effective running of the business and need appropriate business acumen. HR professionals must understand how their business makes money, and understand the company's economic and financial capabilities to make sound business decisions. The HRM department is also the warehouse of the firm's expertise in all areas of HRM, including employment law, staffing, compensation, benefits, teamwork, communication, performance management, and employee development. HRM professionals are also responsible for managing organizational change, including business expansion, restructuring, and downsizing. This requires good communication and influence skills as well as problem solving and leadership competencies.

PTS: 1 DIF: Difficulty: Moderate REF: p. 20
OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: Who Is Responsible for HRM? KEY: Bloom's: Analysis

5. Describe outsourcing and why it may be advantageous to some companies.

ANS:

Outsourcing is hiring an external vendor to do work rather than doing it internally. When another company or provider can perform a task or service better, cheaper, or more efficiently it can make sense to outsource work. Payroll processing, time and attendance records, and benefits management are some of the more frequently outsourced HRM tasks. A company can outsource one or many HRM tasks.

Outsourcing some HRM activities is particularly attractive to smaller companies. HR functions including payroll, benefits administration, and new-hire relocation require special knowledge, and full-time employees may not be worth the expense to smaller firms. Because they specialize in human resources, outsourcing companies often know how to get employees the best HR services, including health benefits and retirement plans. They may also be able to provide rewards programs to your company for less than you would pay on your own. Also, if your company needs any kind of HR support in issues like worker's compensation, outside vendors have this expertise and can also help you stay current on the most recent state and federal regulations to help your company stay compliant. It is critical to develop a strong relationship with external vendors to ensure they strongly support your organization's goals, strategies, culture, and philosophies.

PTS: 1 DIF: Difficulty: Moderate REF: p. 21
OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: Who Is Responsible for HRM? KEY: Bloom's: Comprehension

6. What are some of the job titles in HRM?

ANS:

Some of the job titles in the area of HRM include director of human resources, recruitment specialist, compensation analyst, employee benefits manager, work-life manager, training and development specialist, international human resource manager, diversity and inclusion specialist, and human resource generalist. Different skills are needed in the different areas of HRM. For example, strong quantitative and analytical skills are helpful in compensation, and good communication skills are critical in recruiting and training.

PTS: 1

DIF: Difficulty: Easy

REF: p. 25

OBJ: LO: 1-1

NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career?

KEY: Bloom's: Comprehension

7. Explain the concept of performance management.

ANS:

Performance management involves aligning individual employees' goals and behaviors with organizational goals and strategies, appraising and evaluating past and current behaviors and performance, and providing suggestions for improvement. Staffing influences the effectiveness of a performance management system by providing the raw talent that the system will manage. Even the best performance management system cannot replace important capabilities that employees must have to do their jobs well. Similarly, development programs are necessary to improve the skills identified in the performance management process. It doesn't do much good to let an employee know that she needs to improve her leadership skills if no opportunities for improving them are made available. Organizations also frequently tie compensation to performance management ratings. How would you feel if your bonus was determined by a supervisor's biased evaluation of skills and behaviors that weren't really related to your job performance? The authors know that this type of system wouldn't do much to motivate us!

Without performance goals, employees do not know what aspects of their jobs to focus on or the performance levels expected of them. As a result, they will tend to underperform, and some will quit or need to be replaced, potentially bogging down the staffing system. Without feedback, employees cannot adjust their behavior when necessary to reach their goals. Even if highly talented employees are hired, they can't perform at their best if they don't receive performance feedback or if that feedback is inaccurate. If they perceive that the feedback they've been given is unfair, they will not be motivated to contribute as much as they could. Performance feedback is also important to maintaining ethical behavior and communicating organizational expectations.

PTS: 1

DIF: Difficulty: Moderate

REF: p. 10

OBJ: LO: 1-1

NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career?

KEY: Bloom's: Analysis

8. According to the text what are HRM's three main keys in influencing organizational performance? Explain which key you believe is the most influential and why.

ANS:

1. Influencing what employees *should* do
2. Influencing what employees *can* do
3. Influencing what employees *will* do.

PTS: 1 DIF: Difficulty: Moderate
OBJ: LO: 1-1 NAT: BUSPROG: Analytic
TOP: Why Is HRM Important to Your Career?

REF: p. 6

KEY: Bloom's: Analysis