

Chapter: Chapter 01: Creating Value through Human Resources

True/False

1. Interestingly, good human resource practices create more satisfied employees, however, there is no research supporting that satisfied employees work any harder or more effectively.

Answer: False

Difficulty: Easy

Ref: How Can Human Resource Management Make an Organization Effective?

2. As an organization grows, measures of organizational and human resource success change.

Answer: True

Difficulty: Medium

Ref: How Is Organizational Success Determined?

3. The entrepreneurial stage, the communal stage, the formalization stage and the elaboration stage are the four common stages in an organization life cycle.

Answer: True

Difficulty: Easy

Ref: How Is Organizational Success Determined?

4. It is critical that human resource practices, during the entrepreneurial stage of an organization's life cycle, focus on the development of compensation and benefit programs that increase employee retention.

Answer: False

Difficulty: Medium

Ref: How Is Organizational Success Determined?

5. During the communal stage of an organization expansion, innovation and cooperation are important. The most critical human resource activity is to find and hire employees.

Answer: False

Difficulty: Medium

Ref: How Is Organizational Success Determined?

6. The stakeholder perspective focuses on people who affect and are affected by an organization.

Answer: True

Difficulty: Easy

Ref: How Is Organizational Success Determined?

7. An organization strives to move from the formalization stage in the organizational life cycle to the elaboration stage.

Answer: True

Difficulty: Medium

Ref: How Is Organizational Success Determined?

8. Employees, customers and owners are the only stakeholders considered by successful organizations.

Answer: False

Difficulty: Easy

Ref: How Is Organizational Success Determined?

9. Low turnover is a sign that employee needs are being met.

Answer: True

Difficulty: Easy

Ref: How Is Organizational Success Determined?

10. Employees satisfied with their jobs tend to have more satisfied customers.

Answer: True

Difficulty: Easy

Ref: How Is Organizational Success Determined?

11. Research demonstrates that employees who have better skills, are well paid, and feel their jobs are secure have higher individual performance which translates into desirable organizational improvements.

Answer: True

Difficulty: Easy

Ref: How Is Organizational Success Determined?

12. Research finds that organizations are more profitable if they do not expend resources to deal with societal or community concerns.

Answer: False

Difficulty: Easy

Ref: How Is Organizational Success Determined?

13. Organizations can effectively reduce unethical corporate behavior through effective human resource management that creates open channels of communication.

Answer: True

Difficulty: Easy

Ref: How Is Organizational Success Determined?

14. The needs of stakeholder groups are not mutually exclusive; meeting the needs of one stakeholder group can sometimes help meet the needs of others.

Answer: True

Difficulty: Medium

Ref: How Is Organizational Success Determined?

15. Organizations, according to research, are more profitable when they treat employees well.

Answer: True

Difficulty: Easy

Ref: How Is Organizational Success Determined?

16. Learning and development is not a core human resource function; rather it is the responsibility of top-level management.

Answer: False

Difficulty: Medium

Ref: What Does Human Resource Management Provide to an Organization?

17. Successful companies need human resources to only be involved in hiring processes because involvement by human resources in other functions reduces efficiency and increases costs.

Answer: False

Difficulty: Easy

Ref: What Does Human Resource Management Provide to an Organization?

18. The learning and development function of human resources ensures that employees learn the knowledge, skills, and abilities required for current and future performance.

Answer: True

Difficulty: Easy

Ref: What Does Human Resource Management Provide to an Organization?

19. When unions are present the human resource department must work directly with managers to ensure fair treatment of workers.

Answer: False

Difficulty: Medium

Ref: What Does Human Resource Management Provide to an Organization?

20. Successful organizations understand that good human resource practices are “common sense” and are all about one’s ability to hire the best person.

Answer: False

Difficulty: Medium

Ref: What Does Human Resource Management Provide to an Organization?

21. The business management function of a human resource professional provides valuable assistance that guides organizations as they adapt their policies and practices to fit with local cultures and laws.

Answer: True

Difficulty: Easy

Ref: What does Human Resource Management Provide to an Organization?

22. The most important work of human resources is to deal with people, so those who work well with others are automatically highly qualified to work in human resource roles.

Answer: False

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

23. Effective human resource functional experts can give an organization a competitive advantage over its competitors.

Answer: True

Difficulty: Easy

Ref: What Do Human Resource Specialists Do?

24. Knowing the business; carrying out human resource practices; and change management are the three broad categories of human resource competencies.

Answer: False

Difficulty: Easy

Ref: What Do Human Resource Specialists Do?

25. Successful human resource professionals should have competencies related to finance, strategy, globalization, communication and change management.

Answer: True

Difficulty: Easy

Ref: What Do Human Resource Specialists Do?

26. Credible activists competency focuses on knowing an organization's strengths and weaknesses.

Answer: False

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

27. Change champion competencies deal primarily with risk management and how a manager must be willing to change his/her management style based upon the influx of new employees.

Answer: False

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

28. By 2024, the number of people between the ages of 16 and 34 will increase dramatically.

Answer: False

Difficulty: Medium

Ref: How Will Current Trends Affect Human Resource Management?

29. According to labor force trends, in order to be effective, new entrants to the workforce will have to be able to work effectively with older workers.

Answer: True

Difficulty: Medium

Ref: How Will Current Trends Affect Human Resource Management?

30. In the next decade the number of non-Hispanic white employees is expected to increase significantly.

Answer: False

Difficulty: Easy

Ref: How Will Current Trends Affect Human Resource Management?

31. The number of male employees in the workforce, in the next decade, is expected to continue growing faster than the number of female employees.

Answer: False

Difficulty: Medium

Ref: How Will Current Trends Affect Human Resource Management?

32. Employment opportunity trends focus on the number and characteristics of people who will be working or looking for work.

Answer: False

Difficulty: Medium

Ref: How Will Current Trends Affect Human Resource Management?

33. Companies on average are more profitable when greater proportions of their sales, assets, and employees are foreign.

Answer: True

Difficulty: Medium

Ref: How Will Current Trends Affect Human Resource Management?

34. To be an effective global organization, the same practices and policies used in U.S. operations should be consistently applied to overseas operations.

Answer: False

Difficulty: Easy

Ref: How Will Current Trends Affect Human Resource Management?

Multiple Choice

35. What are some of the reasons to develop human resource skills?

- a) Human resource skills will ensure that you advance to the highest levels of management
- b) Human resource skills will ensure you avoid layoff during tough economic times
- c) Human resource skills will help you better understand how to hire, manage, and motivate employees more effectively
- d) Human resource jobs are expected to triple in number in the next five years

Answer: c

Difficulty: Medium

Ref: How can Human Resource Management Make an Organization Effective?

36. Main human resource goals during the entrepreneurial stage of the organization life cycle are:

- a) to enhance employee commitment and attachment
- b) to focus on improving efficiency and to develop employee skills
- c) to enhance employee motivation and skills
- d) to find and hire quality employees and develop basic plans for measuring performance and paying employees

Answer: d

Difficulty: Medium

Ref: How Is Organizational Success Determined?

37. During the communal stage in the organizational life cycle, it is important that the organization:

- a) continue to hire good employees
- b) focus on survival
- c) continue to hire quality employees, provide training, and develop effective communications
- c) focus on benefits and employee retention

Answer: c

Difficulty: Hard

Ref: How Is Organizational Success Determined?

38. Employee turnover:

- a) is an expected cost of operations that cannot be changed
- b) can be reduced if an employer pays higher than average salaries
- c) is generally less in organizations with high levels of job satisfaction
- d) can be reduced if an employer keeps employees satisfied with their jobs

Answer: d

Difficulty: Medium

Ref: How Is Organizational Success Determined?

39. Which of the following is NOT an outcome of effective human resource practices?

- a) A stable workforce with fewer turnovers
- b) Improved productivity
- c) Improved customer satisfaction
- d) Decreased costs in human resource operations

Answer: d

Difficulty: Hard

Ref: How Is Organizational Success Determined?

40. The formalization stage in the organizational life cycle focuses on:

- a) adapting and renewing
- b) survival and growth in new areas
- c) establishing a unique identity and overcoming internal conflict
- d) establishing clear practices and procedures for carrying out work

Answer: d

Difficulty: Medium

Ref: How Is Organizational Success Determined?

41. During the elaboration stage, the main goals of an organization are:

- a) to adapt and renew, redefine objectives and identify new opportunities
- b) survival and growth
- c) for the organization to gain a unique identity and overcome internal conflict
- d) to improve efficiency and find better ways to accomplish tasks

Answer: a

Difficulty: Medium

Ref: How Is Organizational Success Determined?

42. During the elaboration stage of an organization:

- a) change management is the most important skill that human resource personnel contribute
- b) functional knowledge is critical for all human resource personnel
- c) employee advocacy is the most important role of human resources
- d) employee compensation can be highly competitive

Answer: a

Difficulty: Medium

Ref: How Is Organizational Success Determined?

43. Which of the following is most likely to positively influence organizational profits?

- a) The level of employee education
- b) A commission-based compensation system
- c) Motivating employees through effective performance management
- d) Regular cost of living increases

Answer: c

Difficulty: Medium

Ref: How Is Organizational Success Determined?

44. Which of the following is most likely to reduce instances of unethical corporate behavior?

- a) Effective compensation and benefit practices
- b) High levels of occupational commitment
- c) When the organization is a good community citizen
- d) Open channels of communication

Answer: d

Difficulty: Easy

Ref: How Is Organizational Success Determined?

45. Effective human resource management:

- a) represents the interests of management in all employee actions
- b) involves hiring the right people in the right job and keeping them motivated
- c) ensures that employees will not join a union
- d) involves hiring quality employees, motivating employees to maximize performance and helps meet employee psychological and social needs

Answer: d

Difficulty: Medium

Ref: How Is Organizational Success Determined?

46. Companies identified by Fortune as “The 100 Best Companies to Work for in America”:

- a) tend to be more profitable than their competitors
- b) spend more on benefits
- c) tend to have stock returns lower than other companies
- d) pay employees significantly higher salaries

Answer: a

Difficulty: Medium

Ref: How Is Organizational Success Determined?

47. The business management core human resource function:

- a) is intangible and cannot be measured
- b) focuses on planning how the organization will produce and market goods and services
- c) can be measured through reduced costs of goods and services
- d) suggests the use of written assessments

Answer: b

Difficulty: Medium

Ref: What Does Human Resource Management Provide to an Organization?

48. Which of the following is NOT a core human resource function?

- a) Business management
- b) Learning and development
- c) Talent planning and acquisition
- d) Risk management

Answer: d

Difficulty: Medium

Ref: What Does Human Resource Management Provide to an Organization?

49. The human resource core function most concerned with employee learning related to effective current and future performance is:

- a) total performance measurement and compensation
- b) learning and development
- c) concerned with labor force and education trends
- d) business management

Answer: b

Difficulty: Medium

Ref: What Does Human Resource Management Provide to an Organization?

50. The employee and labor relations function is:

- a) most concerned with preparing and distributing employee paychecks
- b) concerned with the health and welfare of employees
- c) concerned with building and maintaining effective working conditions and relationships
- d) concerned with defining work rules and pay levels

Answer: c

Difficulty: Easy

Ref: What Does Human Resource Management Provide to an Organization?

51. The functional area of total rewards is:

- a) concerned with paying employees fairly
- b) involved in managing employee insurance plans
- c) a part of stakeholder analysis
- d) most important for an organization in the entrepreneurial stage of its life cycle

Answer: a

Difficulty: Medium

Ref: What Does Human Resource Management Provide to an Organization?

52. It is important for human resources:

- a) to help managers learn what are the functional areas of human resources
- b) to help managers understand that much of good human resources is “common sense”
- c) to train managers so they know when to contact their human resources personnel
- d) to help managers learn and improve methods for hiring employees, assessing training needs and making pay decisions

Answer: d

Difficulty: Medium

Ref: What Does Human Resource Management Provide to an Organization?

53. Which of these is NOT a human resource role?

- a) The strategic partner
- b) The discipline driver
- c) The functional expert
- d) The human capital developer,

Answer: b

Difficulty: Easy

Ref: What Do Human Resource Specialists Do?

54. Managers are more likely to believe and act based upon information from human resources:

- a) when they feel that the human resource staff has functional expertise
- b) when the human resource staff is certified human resource professionals
- c) when managers see evidence that human resources helps them and their unit
- d) when human resource staff advice confirms what a manager already knows

Answer: c

Difficulty: Easy

Ref: What Does Human Resource Management Provide to an Organization?

55. One way to break down critical roles for human resource professionals is:

- a) the functional expert, the caretaker, the management developer and the human capital developer
- b) the strategic partner, the human capital developer, the functional expert, and the employee advocate
- c) the strategic partner, the discipline driver, the functional expert, and the employee advocate
- d) the strategic partner, the stakeholder, the functional expert and the employee advocate

Answer: b

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

56. The functional expert role for human resource professionals:

- a) is concerned with looking out for the interests of management
- b) is concerned with providing inputs that help an organization put its competitive strategy into action
- c) is concerned with risk management for the human resources function
- d) is concerned with providing technical expertise related to human resource functions such as hiring, training and compensating employees

Answer: d

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

57. Providing managers with guidance concerning improving interactions with employees would be an example of which critical role for human resource professionals?

- a) Functional expert
- b) Counselor
- c) Employee advocate
- d) Management advocate

Answer: a

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

58. Making sure the interests of employees are recognized when decisions are made is an important part of which human resource role?

- a) Counselor
- b) Employee advocate
- c) Strategic partner
- d) Functional expert

Answer: b

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

59. Effective performance in the strategic partner role:

- a) requires human resource professionals to know about the organization's products and services
- b) requires that human resource professionals are functional experts
- c) requires that human resource professionals are skilled in counseling
- d) requires that the human resource professionals be certified

Answer: a

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

60. The human capital developer role focuses on:

- a) adding value to the organization through new employee orientation
- b) adding value to the organization by helping employees advance their formal education
- c) adding value to the organization by helping employees build and maintain cutting-edge skills
- d) adding value by developing metrics to measure the return on investment for human capital

Answer: c

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

61. Human resource competencies are a core set of competencies that:

- a) relate to human capital development
- b) include knowledge and skills that make a company profitable
- c) HR professionals need to succeed in their work assignments
- d) are required for organizational strategic planning

Answer: c

Difficulty: Easy

Ref: What Do Human Resource Specialists Do?

62. Strategic Positioner competencies are particularly important for which human resource role?

- a) Management developer
- b) Employee advocate
- c) Strategic partner
- d) Functional expert

Answer: c

Difficulty: Easy

Ref: What Do Human Resource Specialists Do?

63. Change management requires:

- a) functional expert with strategic role
- b) strategic managers with no employee advocacy role
- c) true leadership
- d) technology edge

Answer: c

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

64. A first step in proactive _____ is helping develop a sense of dissatisfaction with the status quo.

- a) capability building
- b) strategic partnership
- c) employee retention
- d) change leadership

Answer: d

Difficulty: Medium

Ref: What Do Human Resource Specialists Do?

65. U.S. population trends are:

- a) the number of people who will be working or looking for work
- b) general movements over time in the number and characteristics of people living in the United States.
- c) the characteristics of people who will be working or looking for work
- d) specific information about individuals living in the United States

Answer: b

Difficulty: Medium

Ref: How Will Current Trends Affect Human Resource Management?

66. Over the next decade, which U.S. group will be increasing?

- a) Non-Hispanic white employees
- b) People between the ages of 16 and 24
- c) People over the age of 55
- d) People between the ages of 45 and 54

Answer: c

Difficulty: Hard

Ref: How Will Current Trends Affect Human Resource Management

67. Data concerning the number and gender of people currently and projected to be working in the health care industry is an example of:

- a) population trends
- b) labor force trends
- c) census trends
- d) affirmative action data

Answer: b

Difficulty: Medium

Ref: How Will Current Trends Affect Human Resource Management

68. Which of the following influence an organization's choice of human resource strategy?

- a) An organization's competitive business strategy, legal and safety issues
- b) An organizations external environment and internal strengths and weaknesses
- c) The economic and business climate
- d) An organization's vision and mission statement

Answer: a

Difficulty: Medium

How Do Strategic and Functional Perspectives Combine to direct Human Resource Practices?

69. Human resource activities that do NOT relate to motivating workers include:

- a) career development
- b) performance management
- c) training initiatives
- d) retention initiatives

Answer: d

Difficulty: Medium

Ref: How Do Strategic and Functional Perspectives Combine to Direct Human Resource Practices?

Short Answer

70. The _____ approach to success suggests that measures of effectiveness change as an organization grows.

Answer: organizational life cycle

Difficulty: Easy

Ref: How Is Organizational Success Determined?

71. _____ consist of individuals or groups who can affect or who are affected by an organization.

Answer: Stakeholders

Difficulty: Easy

Ref: How Is Organizational Success Determined?

72. The human resource function concerned with helping employees learn knowledge and skills is _____.

Answer: learning and development

Difficulty: Medium

Ref: What Does Human Resource Management Provide to an Organization?

73. The human resource role of providing technical expertise related to hiring and motivating employees is the _____ role.

Answer: functional expert

Difficulty: Easy

Ref: What Do Human Resource Specialists Do?

74. _____ represent characteristics and capabilities that human resource professionals need to succeed in their work assignments.

Answer: Competencies

Difficulty: Easy

Ref: What Do Human Resource Specialists Do?

75. Trends concerning the process in which companies move from doing business within one country to doing business in many countries are _____.

Answer: globalization trends

Difficulty: Easy

Ref: How Will Current Trends Affect Human Resource Management

76. General movements over time in the number and characteristics of people living in the United States are _____.

Answer: U.S. population trends

Difficulty: Medium

Ref: How Will Current Trends Affect Human Resource Management?

Essays

77. What are stakeholders? List and discuss three of the most important stakeholder groups for a company. In your discussion, include how each stakeholder group affects organizational success.

Answer:

A. Stakeholders are individuals or groups of people who can affect or who are affected by an organization

B. Important stakeholder groups:

i. Employees – they influence the organization's ability to achieve its objectives and they are influenced by the organization's success

ii. Customers – whether a company meets the needs of customers will influence company success and what the organization produces can positively and negatively influence customers

iii. Owners – includes stockholders. Owners influence an organization by deciding who leads and makes decisions; their chief concern is the organization's profits.

iv. Society – the broader community in which an organization operates. Organizations affect society through their environmental practices, as well as their support of community charities and other such activities and society can influence organizations through political and social actions.

Difficulty: Medium

Ref: How Is Organizational Success Determined?

78. List and describe each of the core human resource functions.

- A. Business Management - The human resource function concerned with the application of business knowledge to reinforce expectations and influence organizational decision making.
- B. Talent planning and acquisition -the human resource function concerned with designing jobs and placing people in those jobs.
- C. Learning and development -the human resource function concerned with helping employees learn knowledge and skills.
- D. Total rewards - The human resource function concerned with managing employee pay and benefits
- E. Employee and labor relations-the human resource function concerned with building and maintaining good relationships with employees and labor unions.

Difficulty: Medium

Ref: What does Human Resource Management Provide to an Organization?