

Chapter 02

Workforce Analytics: The Financial Impact of HRM Activities

True / False Questions

1. In business settings, it is hard to be convincing without data.

True False

2. The letters in LAMP stand for logic, assessment, metrics, and potential.

True False

3. If employees have employers who invest in training programs that promote job challenge and learning, autonomy, supervisor task support, a climate of respect and trust, work-life fit, and economic security then they should be highly engaged, satisfied with their jobs, and intend to stay.

True False

4. Talent is not a key constraint to growth in many organizations.

True False

5. Application of the LAMP process creates a powerful tool for educating leaders outside of HR, and for embedding HR measures into mental frameworks that provide the basis for meaningful people related business decisions.

True False

6. At the level of the individual work unit, highly engaged employees cooperate with each other, they devote extra effort to innovation, but they don't adapt effectively to change.

True False

7. The real payoff from determining the cost of employee behaviors lies in being able to demonstrate a financial gain from the wise application of human resource management methods.

True False

8. Attitudes are internal states that focus on particular aspects of or objects in the environment.

True False

9. Winston is totally dissatisfied with his job as an accounts executive. Martha, his manager, need not worry about his performance because available evidence indicates that there is no correlation between job dissatisfaction and productivity.

True False

10. In retailing, there has not been a link demonstrated between employee behavior, customer behavior, and profits.

True False

11. The behavior-costing approach to employee attitude valuation is based on the assumption that measures and attitudes are indicators of subsequent employee behaviors.

True False

12. From a business standpoint, absenteeism is any failure of an employee to report for or to remain at work as scheduled, regardless of reason.

True False

13. The most dominant cause of absenteeism in the United States is family-related issues.

True False

14. Lost supervisory hours must be considered when determining the cost of absenteeism.

True False

15. The purpose of the process component of the LAMP model is to make the insights gained as a result of costing employee absenteeism actionable.

True False

16. Total pay is synonymous with the fixed costs, variable costs, or opportunity costs of employee time.

True False

17. The objective in costing human resources is not just to measure the relevant costs, but also to develop methods and programs to reduce the costs of human resources by managing the more controllable aspects of those costs.

True False

18. A state bases unemployment tax rates on each company's turnover rate. Companies operating in this state will find that a lower turnover will lead a higher unemployment tax rate.

True False

19. All activities associated with in-processing new employees is classified under training costs related to turnover.

True False

20. Informational literature; instruction in a formal training program; and instruction by employee assignment are the three training costs associated with turnover.

True False

21. The major cost associated with employee turnover is reduced productivity during the learning period of replacement.

True False

22. The purpose of measuring turnover costs is to build a case to present to stockholders.

True False

23. The time coworkers spend guiding a new employee does not need to be included when considering the fully loaded cost of turnover.

True False

24. The term Work-Life recognizes the fact that employees at every level in an organization face personal or family issues that can affect their performance on the job.

True False

25. Despite the popular perception of flexibility as a powerful business tool that can improve important human capital outcomes and boost operational performance, studies have shown that flexibility has to be essentially positioned as a "perk," employee-friendly benefit, or advocacy cause.

True False

26. Global competition and the rapidly changing financial environment are driving the need to innovate constantly and effectively.

True False

27. The ability to develop and share insights around the globe has become an increasingly important element of competitive advantage.

True False

28. The best managers identify the best talents available and then create appropriate positions for the talent.

True False

29. The best managers establish very clear objectives and define the steps for their employees.

True False

30. Rather than identifying workers' weaknesses and attempting to fix them, where the gains will be short-lived, the best managers focus on strengths.

True False

Multiple Choice Questions

31. The LAMP model includes all of the following EXCEPT:

- A. logic.
- B. analytics.
- C. measures.
- D. probability.

32. Information, design, and statistics pertain to which component of the LAMP model?

- A. Probability
- B. Analytics
- C. Logic
- D. Measures

33. Having a rational talent strategy including competitive advantage and talent pivot points pertains to which component of the LAMP measurement system?

- A. Logic
- B. Process
- C. Measures
- D. Analytics

34. _____ transform(s) HR logic and measures into rigorous, relevant insights.

- A. Process
- B. Benchmarks
- C. Analytics
- D. ABC costing

35. The _____ component of the LAMP model begins with the assumption that employee turnover is not equally important everywhere.

- A. probability
- B. analytics
- C. process
- D. logic

36. _____ is the process of using data to influence key decision makers.

- A. Logic
- B. Analytics
- C. Probability
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37. _____ is also a core element of any change process.

- A. Money
- B. Education
- C. Benefits
- D. Measurability

38. _____ are internal states that focus on particular aspects of or objects in the environment.

- A. Attitudes
- B. Job Satisfaction
- C. Organizational Commitment
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39. _____ is a multidimensional attitude; it is made up of attitudes toward pay, promotions, coworkers, supervision, the work itself, and so on.

- A. Attitudes
- B. Job Satisfaction
- C. Organizational Commitment
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40. _____ an emotional bond or linking of an individual to the organization that makes it difficult to leave.

- A. Attitudes
- B. Job Satisfaction
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41. Effective Management practices drive:

- A. Employee Satisfaction
- B. Customer Satisfaction
- C. Long-term Profitability
- D. Long-term Growth

42. _____ is(are) the emotional engagement that people feel toward and organization.

- A. Values
- B. Employee engagement
- C. Abilities
- D. Concepts

43. Engagement fuels which of the following:

- A. identification with the success of the company.
- B. discretionary efforts.
- C. concern for quality.
- D. all of the above.

44. Which of the following is NOT an element of attitudes?

- A. Satisfaction
- B. Cognition
- C. Action
- D. Emotion

45. In retailing, there is a chain of cause and effect running from employee behavior to customer behavior to:

- A. manager attitudes.
- B. profits.
- C. job satisfaction.
- D. behavior costing.

46. SYSCO developed a work climate/employee engagement survey built around the:

- A. organizational goals
- B. training and development
- C. 5-STAR principles
- D. organizational mission

47. What led SYSCO executives to pay attention to the human capital indices?

- A. A correlation between work climate/employee engagement scores, productivity, retention, and pretax earnings.
- B. A causation that higher sales lead to higher employee engagement.
- C. The LAMP model.
- D. The downturn in the economy.

48. Any failure of an employee to report for or to remain at work as scheduled regardless of reason is:
- A. protected under FMLA.
 - B. absenteeism.
 - C. turnover.
 - D. allowed in work-life programs.
49. _____ is a good example where the employee is absent and is simply not available to perform his or her job; that absence will cost money.
- A. Vacation
 - B. Holiday
 - C. Medically verified illness
 - D. Jury Duty
50. The leading cause of absenteeism in the United States is:
- A. entitlement mentality.
 - B. stress.
 - C. family-related issues.
 - D. personal illness.
51. In the context of absenteeism, _____ refers to formulas and to comparisons to industry averages and adjustments for seasonality.
- A. measures
 - B. analytics
 - C. logic
 - D. process
52. What is the purpose of the process component of the LAMP model?
- A. To make the insights gained as a result of costing employee absenteeism actionable.
 - B. To measure the effectiveness of the HR department.
 - C. To show how to assess the costs and benefits of people-related business activities.
 - D. To improve management decision-making.

53. Costs of employee absenteeism vary depending on the type of firm, the industry, and the:
- A. distribution of corporate resources.
 - B. state unemployment tax rate.
 - C. established absenteeism baseline.
 - D. level of employee that is absent.
54. The average employee in the United States has about _____ unscheduled absences per year.
- A. 1.8
 - B. 3.2
 - C. 5.4
 - D. 10
55. _____ occurs when an employee leaves an organization permanently.
- A. Transfer
 - B. Turnover
 - C. Temporary layoff
 - D. Downsizing
56. What is the numerator used in the formula used to calculate turnover over any period?
- A. Average workforce size for the period
 - B. Number of turnover incidents per period
 - C. Previous period's turnover
 - D. Percentage of new employees
57. High performers who are difficult to replace represent _____ turnovers.
- A. functional
 - B. voluntary
 - C. involuntary
 - D. dysfunctional

58. What is the crucial issue in analyzing turnover?
- A. The number of transfers within an organization.
 - B. The number of employees that leave the organization.
 - C. The performance and replaceability of employees who leave versus those who stay, and the criticality of their skills.
 - D. Determining the total cost of all turnovers and estimating the percentage of that amount that represents controllable turnover.
59. Which of the following is NOT one of the broad categories of costs in the basic costing turnover model?
- A. Benefit costs
 - B. Separation costs
 - C. Training costs
 - D. Replacement costs
60. In the costing of employee turnover, the category of _____ costs includes the cost of the interviewer's time and the cost of the terminating employee's time.
- A. training
 - B. separation
 - C. replacement
 - D. vacancy
61. Which of the following is NOT a cost element associated with replacing employees?
- A. Medical examinations
 - B. Communicating job availability
 - C. Informational literature
 - D. Travel and moving expenses
62. Activities associated with in-processing new employees pertain to which of the following replacement cost elements?
- A. Travel and moving expenses
 - B. Communicating job availability
 - C. Pre-employment administrative functions
 - D. Postemployment acquisition and dissemination of information

63. The three pronged strategy for obtaining buy in from managers on work-life programs includes:

- A. Instruction in on-line benefits
- B. Making decisions based on research, data, and evidence
- C. Instruction by employee assignment
- D. Staff meetings

64. According to the text, the major cost associated with employee turnover is probably:

- A. reduced productivity during the learning period.
- B. the per-person costs associated with replacements for those who left.
- C. the total cost of a formal orientation program.
- D. reaching final hiring decisions.

65. What is the purpose of measuring turnover costs?

- A. To show how to measure the effectiveness of the HR department.
- B. To realize the financial impact of human resource management activities.
- C. To improve management decision-making.
- D. To show how to assess the costs and benefits of people-related business activities.

66. A work-life program span broad areas except:

- A. Information services and HR policies
- B. leave options
- C. rigid working conditions
- D. child and dependent care benefits

67. The combined effect of all costs associated with turnover can easily cost _____ percent or more of the departing person's salary.

- A. 25
- B. 50
- C. 80
- D. 150

68. _____ issues address the fact that employees at every organizational level face personal or family issues that can affect their performance on the job.
- A. Pay and benefit
 - B. Work-Life
 - C. Training and development
 - D. Family-life
69. Nearly _____ percent of employees who are caregivers of an older relative also have children under the age of 18.
- A. 60
 - B. 25
 - C. 75
 - D. 10
70. Most organizations assume that they cannot:
- A. quantify the value of collaboration
 - B. share knowledge
 - C. A & B
 - D. Neither A nor B

Essay Questions

71. Explain the four critical components of the LAMP model.

72. Workforce analytics is a set of quantitative approaches that answer two simple questions.

73. Define employee attitudes and describe the elements that make up an individual's attitude.

74. What are three broad categories of costs in the basic turnover costing model?

75. The very best managers seem to share four key behaviors that help to trigger the 12 worker beliefs that underlie a profitable, productive workplace. Identify the four behaviors.

Short Answer Questions

76. Describe the benefits of employee engagement.

77. Describe the concept of behavior costing.

78. Name at least two of the four elements in separation costs.

79. What is the primary purpose of measuring turnover costs?

80. What is a work-life program?

Chapter 02 Workforce Analytics: The Financial Impact of HRM Activities

Answer Key

True / False Questions

1. In business settings, it is hard to be convincing without data.

(p. 36)

TRUE

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-01 How can HR measures improve talent-related decisions in organizations?

2. The letters in LAMP stand for logic, assessment, metrics, and potential.

(p. 38)

FALSE

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

3. If employees have employers who invest in training programs that promote job challenge and learning, autonomy, supervisor task support, a climate of respect and trust, work-life fit, and economic security then they should be highly engaged, satisfied with their jobs, and intend to stay.

(p. 42)

FALSE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

4. Talent is not a key constraint to growth in many organizations.

(p. 41)

FALSE

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

5. Application of the LAMP process creates a powerful tool for educating leaders outside of HR, and for embedding HR measures into mental frameworks that provide the basis for meaningful people related business decisions.

(p. 40)

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Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 1 Easy

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Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

6. At the level of the individual work unit, highly engaged employees cooperate with each other, they devote extra effort to innovation, but they don't adapt effectively to change.

(p. 41)

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AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

7. The real payoff from determining the cost of employee behaviors lies in being able to demonstrate a financial gain from the wise application of human resource management methods.

(p. 65)

TRUE

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: 2 Medium

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8. Attitudes are internal states that focus on particular aspects of or objects in the environment.

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9. Winston is totally dissatisfied with his job as an accounts executive. Martha, his manager, need not worry about his performance because available evidence indicates that there is no correlation between job dissatisfaction and productivity.

FALSE

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10. In retailing, there has not been a link demonstrated between employee behavior, customer behavior, and profits.

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11. The behavior-costing approach to employee attitude valuation is based on the assumption that measures and attitudes are indicators of subsequent employee behaviors.

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12. From a business standpoint, absenteeism is any failure of an employee to report for or to remain at work as scheduled, regardless of reason.

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Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

13. The most dominant cause of absenteeism in the United States is family-related issues.
(p. 47)

FALSE

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
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Difficulty: 2 Medium
Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

14. Lost supervisory hours must be considered when determining the cost of absenteeism.
(p. 48)

TRUE

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium
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15. The purpose of the process component of the LAMP model is to make the insights gained as a result of costing employee absenteeism actionable.
(p. 49)

TRUE

AACSB: Reflective Thinking
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Blooms: Remember
Difficulty: 2 Medium
Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

16. Total pay is synonymous with the fixed costs, variable costs, or opportunity costs of employee time.
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Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

17. The objective in costing human resources is not just to measure the relevant costs, but also to develop methods and programs to reduce the costs of human resources by managing the more controllable aspects of those costs.
(p. 49-50)

TRUE

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
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Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

18. A state bases unemployment tax rates on each company's turnover rate. Companies operating in this state will find that a lower turnover will lead a higher unemployment tax rate.
(p. 55)

FALSE

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Apply
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Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

19. All activities associated with in-processing new employees is classified under training costs related to turnover.
(p. 51)

FALSE

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Blooms: Remember
Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

20. Informational literature; instruction in a formal training program; and instruction by employee assignment are the three training costs associated with turnover.
(p. 52)

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Accessibility: Keyboard Navigation
Blooms: Remember
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Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

21. The major cost associated with employee turnover is reduced productivity during the learning
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Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

Learning Objective: 02-04 What's the business case for work-life programs?

25. (p. 58) Despite the popular perception of flexibility as a powerful business tool that can improve important human capital outcomes and boost operational performance, studies have shown that flexibility has to be essentially positioned as a "perk," employee-friendly benefit, or advocacy cause.

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Learning Objective: 02-04 What's the business case for work-life programs?

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27. (p. 59) The ability to develop and share insights around the globe has become an increasingly important element of competitive advantage.

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28. (p. 63) The best managers identify the best talents available and then create appropriate positions for the talent.

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Learning Objective: 02-01 How can HR measures improve talent-related decisions in organizations?

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Accessibility: Keyboard Navigation

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Accessibility: Keyboard Navigation

Blooms: Remember

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Accessibility: Keyboard Navigation

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(p. 42)

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- B. Job Satisfaction
- C. Organizational Commitment
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Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

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41. Effective Management practices drive:
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- B. Customer Satisfaction
- C. Long-term Profitability
- D. Long-term Growth

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Blooms: Remember

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Difficulty: 2 Medium

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction, and employee retention?
Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

43. Engagement fuels which of the following:
(p. 43)

- A. identification with the success of the company.
- B. discretionary efforts.
- C. concern for quality.
- D. all of the above.**

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction, and employee retention?
Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

44. Which of the following is NOT an element of attitudes?
(p. 42)

- A. Satisfaction**
- B. Cognition
- C. Action
- D. Emotion

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction, and employee retention?
Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

45. In retailing, there is a chain of cause and effect running from employee behavior to customer behavior to:

(p. 43)

- A. manager attitudes.
- B. profits.**
- C. job satisfaction.
- D. behavior costing.

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction, and employee retention?

46. SYSCO developed a work climate/employee engagement survey built around the:

(p. 44)

- A. organizational goals
- B. training and development
- C. 5-STAR principles**
- D. organizational mission

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium
Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction, and employee retention?

47. What led SYSCO executives to pay attention to the human capital indices?

(p. 44)

- A. A correlation between work climate/employee engagement scores, productivity, retention, and pretax earnings.**
- B. A causation that higher sales lead to higher employee engagement.
- C. The LAMP model.
- D. The downturn in the economy.

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium
Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction, and employee retention?
Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

48. Any failure of an employee to report for or to remain at work as scheduled regardless of reason is:

(p. 46)

- A. protected under FMLA.
- B. absenteeism.**
- C. turnover.
- D. allowed in work-life programs.

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

49. _____ is a good example where the employee is absent and is simply not available to perform his or her job; that absence will cost money.

(p. 46)

- A. Vacation
- B. Holiday
- C. Medically verified illness**
- D. Jury Duty

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 1 Easy

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

50. The leading cause of absenteeism in the United States is:

(p. 47)

- A. entitlement mentality.
- B. stress.
- C. family-related issues.
- D. personal illness.**

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

51. In the context of absenteeism, _____ refers to formulas and to comparisons to industry averages and adjustments for seasonality.
(p. 48)

- A. measures
- B. analytics**
- C. logic
- D. process

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

52. What is the purpose of the process component of the LAMP model?
(p. 49)

- A. To make the insights gained as a result of costing employee absenteeism actionable.**
- B. To measure the effectiveness of the HR department.
- C. To show how to assess the costs and benefits of people-related business activities.
- D. To improve management decision-making.

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

53. Costs of employee absenteeism vary depending on the type of firm, the industry, and the:
(p. 49)

- A. distribution of corporate resources.
- B. state unemployment tax rate.
- C. established absenteeism baseline.
- D. level of employee that is absent.**

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

54. The average employee in the United States has about _____ unscheduled absences per year.
(p. 49)

- A. 1.8
- B. 3.2
- C. 5.4**
- D. 10

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

55. _____ occurs when an employee leaves an organization permanently.
(p. 50)

- A. Transfer
- B. Turnover**
- C. Temporary layoff
- D. Downsizing

Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 1 Easy

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

56. What is the numerator used in the formula used to calculate turnover over any period?
(p. 50)

- A. Average workforce size for the period
- B. Number of turnover incidents per period**
- C. Previous period's turnover
- D. Percentage of new employees

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

57. High performers who are difficult to replace represent _____ turnovers.
(p. 50)

- A. functional
- B. voluntary
- C. involuntary
- D. dysfunctional**

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

58. What is the crucial issue in analyzing turnover?
(p. 50)

- A. The number of transfers within an organization.
- B. The number of employees that leave the organization.
- C. The performance and replaceability of employees who leave versus those who stay, and the criticality of their skills.**
- D. Determining the total cost of all turnovers and estimating the percentage of that amount that represents controllable turnover.

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

59. Which of the following is NOT one of the broad categories of costs in the basic costing turnover model?
(p. 51)

- A. Benefit costs**
- B. Separation costs
- C. Training costs
- D. Replacement costs

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

60. In the costing of employee turnover, the category of _____ costs includes the cost of the interviewer's time and the cost of the terminating employee's time.
(p. 51)

- A. training
- B. separation**
- C. replacement
- D. vacancy

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

61. Which of the following is NOT a cost element associated with replacing employees?
(p. 51)

- A. Medical examinations
- B. Communicating job availability
- C. Informational literature**
- D. Travel and moving expenses

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

62. Activities associated with in-processing new employees pertain to which of the following replacement cost elements?
(p. 51)

- A. Travel and moving expenses
- B. Communicating job availability
- C. Pre-employment administrative functions
- D. Postemployment acquisition and dissemination of information**

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

63. The three pronged strategy for obtaining buy in from managers on work-life programs
(p. 58) includes:

- A. Instruction in on-line benefits
- B. Making decisions based on research, data, and evidence**
- C. Instruction by employee assignment
- D. Staff meetings

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

64. According to the text, the major cost associated with employee turnover is probably:
(p. 52)

- A. reduced productivity during the learning period.**
- B. the per-person costs associated with replacements for those who left.
- C. the total cost of a formal orientation program.
- D. reaching final hiring decisions.

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

65. What is the purpose of measuring turnover costs?
(p. 53)

- A. To show how to measure the effectiveness of the HR department.
- B. To realize the financial impact of human resource management activities.
- C. To improve management decision-making.**
- D. To show how to assess the costs and benefits of people-related business activities.

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Understand

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

66. A work-life program span broad areas except:
(p. 54)

- A. Information services and HR policies
- B. leave options
- C. rigid working conditions**
- D. child and dependent care benefits

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

67. The combined effect of all costs associated with turnover can easily cost _____ percent or more of the departing person's salary.
(p. 53)

- A. 25
- B. 50
- C. 80
- D. 150**

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Remember
Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

68. _____ issues address the fact that employees at every organizational level face personal or family issues that can affect their performance on the job.
(p. 54)

- A. Pay and benefit
- B. Work-Life**
- C. Training and development
- D. Family-life

AACSB: Reflective Thinking
Accessibility: Keyboard Navigation
Blooms: Understand
Difficulty: 2 Medium

Learning Objective: 02-04 What's the business case for work-life programs?

69. Nearly ____ percent of employees who are caregivers of an older relative also have children under the age of 18.
(p. 56)

- A. 60
- B. 25
- C. 75**
- D. 10

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-04 What's the business case for work-life programs?

70. Most organizations assume that they cannot:
(p. 62)

- A. quantify the value of collaboration
- B. share knowledge
- C. A & B**
- D. Neither A nor B

AACSB: Reflective Thinking

Accessibility: Keyboard Navigation

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Essay Questions

71. Explain the four critical components of the LAMP model.
(p. 39-40)

The letters in LAMP stand for logic, analytics, measures, and process, four critical components of a measurement system that drives strategic change and organizational effectiveness. Without a compelling logic, it is just not clear where to look for insights about what the numbers mean. Conversely, with well-grounded logic, it is easier to help leaders outside of HR to understand and use the measurement systems to enhance the talent-related decisions they make. Analytics transforms HR logic and measures into rigorous, relevant insights. While statistics and research design are analytical strategies for drawing correct conclusions from data, measures comprise the numbers that populate the statistical formulas. Process is the final element of the LAMP framework. Measurement affects decisions and behavior, but decisions and behavior unfold within a complex social system. Hence effective measurement systems must fit within a change-management process that begins by influencing key decision makers.

*AACSB: Reflective Thinking
Blooms: Understand
Difficulty: 3 Hard*

Learning Objective: 02-01 How can HR measures improve talent-related decisions in organizations?

72. Workforce analytics is a set of quantitative approaches that answer two simple questions.
(p. 41)

- 1) "What do we need to know about our organization and workforce to run the company more effectively?"
- 2) "How do we turn that knowledge into action?"

*AACSB: Application
Blooms: Understand
Difficulty: 2 Medium*

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

73. Define employee attitudes and describe the elements that make up an individual's attitude.
(p. 42)

Attitudes are internal states that focus on particular aspects of or objects in the environment. They include three elements: cognition, the knowledge an individual has about the focal object of the attitude; the emotion an individual feels toward the focal object; and an action tendency, a readiness to respond in a predetermined manner to the focal object.

*AACSB: Reflective Thinking
Blooms: Understand*

Difficulty: 2 Medium

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction, and employee retention?

74. What are three broad categories of costs in the basic turnover costing model?
(p. 50)

The three categories are: separation costs, replacement costs, and training costs.

Blooms: Remember
Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

75. The very best managers seem to share four key behaviors that help to trigger the 12 worker beliefs that underlie a profitable, productive workplace. Identify the four behaviors.
(p. 63)

Select for talent: The best managers identify talents that are needed for a particular position and then find people who fit the role.

Define the right outcomes: Managers who do this best establish very clear objectives; they make sure that employees have the resources to do their jobs well; and then they allow employees to pave their own paths.

Focus on strengths: Rather than identifying workers' weaknesses and attempting to fix them, where the gains will be short-lived, the best managers focus on strengths.

Find the right fit: The best managers continually encourage their employees to look in the mirror and assess themselves in order to find the kind of work that will bring out their best talents.

AACSB: Reflective Thinking
Blooms: Remember
Difficulty: 3 Hard

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

Learning Objective: 02-04 What's the business case for work-life programs?

Short Answer Questions

76. Describe the benefits of employee engagement.
(p. 43)

Engagement is a positive, fulfilling, work related state of mind that creates dedication and allows engages employees in positive, discretionary efforts and an increased concern for quality. It prompts the employee to identify with the success of their company, and the follow through to make sure problems get identified and solved.

AACSB: Reflective Thinking

Blooms: Understand

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

77. Describe the concept of behavior costing.
(p. 43)

Behavior costing is based on the assumption that measures of attitudes are indicators of subsequent employee behaviors. These behaviors can be assessed using cost-accounting behaviors.

Blooms: Remember

Difficulty: 3 Hard

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction, and employee retention?

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

78. Name at least two of the four elements in separation costs.
(p. 51)

1) Exit interview, 2) administrative functions related to termination, 3) separation pay, if applicable, and 4) increased unemployment tax.

AACSB: Reflective Thinking

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-02 If I want to know how much money employee turnover is costing us each year, what factors should I consider?

79. What is the primary purpose of measuring turnover costs?
(p. 53)

The purpose of measuring turnover costs is to improve management decision-making. Once turnover figures are known, particularly among segments of the workforce deemed "pivotal," managers have a sound basis for choosing between current turnover costs and instituting some type of turnover-reduction strategy.

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

Learning Objective: 02-04 What's the business case for work-life programs?

80. What is a work-life program?
(p. 54)

A work-life program includes any employer-sponsored benefit or working condition that helps an employee to balance work and non-work demands.

Blooms: Remember

Difficulty: 2 Medium

Learning Objective: 02-03 How do employees' attitudes relate to their engagement at work, customer satisfaction; and employee retention?

Learning Objective: 02-04 What's the business case for work-life programs?