

Chapter 01: The Rewards and Challenges of Human Resources Management

1. Technology—and automation in particular—has reduced the number of jobs that require routine tasks and little skill and has increased the number of jobs that require considerable skill.

a. True
b. False

ANSWER: True

2. Knowledge workers are employees whose responsibilities include only problem-solving.

a. True
b. False

ANSWER: False

3. In order to get the current and accurate HR-related data that she needs for control and decision making, Steph uses a human resources information system (HRIS).

a. True
b. False

ANSWER: True

4. To proactively manage change, organizations should wait to see how external forces impact an organization's performance, and then develop a plan to address those changes.

a. True
b. False

ANSWER: False

5. A job candidate who has experience working abroad or knows more than one language may have an advantage in the hiring process because the strategies companies are pursuing today increasingly involve one or more elements of globalization.

a. True
b. False

ANSWER: True

6. A firm's ability to compete through people depends on its ability to manage human capital.

a. True
b. False

ANSWER: True

7. Human capital is owned by an organization and is part of its core competencies.

a. True
b. False

ANSWER: False

Chapter 01: The Rewards and Challenges of Human Resources Management

8. A company saw a drop in sales after negative publicity around a scandal involving safety reports. The strategic changes the company makes to deal with this situation are reactive changes.

- a. True
- b. False

ANSWER: True

9. One way that XLT Corp. could accomplish its goal of giving all managers exposure to different areas of the organization is by rotating non-human resource (HR) managers into HR positions and vice versa.

- a. True
- b. False

ANSWER: True

10. Human capital is intangible, but can still be managed the way organizations manage jobs, products, and technologies.

- a. True
- b. False

ANSWER: False

11. The United States is the world's most productive nation in terms of the total value of all goods and services it produces, even when it comes to manufacturing.

- a. True
- b. False

ANSWER: True

12. Because it is a service-intensive firm, Spago's Spa should expect labor costs to be among the smallest expenditures the company makes.

- a. True
- b. False

ANSWER: False

13. A firm has required some of its employees to take time off but is still providing them with full pay and benefits. In this situation, those employees have been furloughed.

- a. True
- b. False

ANSWER: False

14. Nearshoring occurs when a firm relocates jobs abroad to nations closer to its domestic market.

- a. True
- b. False

ANSWER: True

Chapter 01: The Rewards and Challenges of Human Resources Management

15. Downsizing is often used by organizations for the planned elimination of jobs.

- a. True
- b. False

ANSWER: True

16. *Knowledge base* is a buzzword that describes the massive amounts of data available online and offline today that can be “crunched” to make decisions.

- a. True
- b. False

ANSWER: False

17. XLT Corp. wants to employ workers who work out of their homes rather than in the traditional office environment. XLT Corp. is considering outsourcing.

- a. True
- b. False

ANSWER: False

18. Corporate social responsibility is the responsibility of an organization to act in the best interests of the people and communities affected by its activities.

- a. True
- b. False

ANSWER: True

19. Older workers are generally undependable and prefer to operate like free agents.

- a. True
- b. False

ANSWER: False

20. Juan, who does not work in HR but supervises the work of other employees, is a line manager.

- a. True
- b. False

ANSWER: True

21. The U.S. Department of Education has found that less than half of all high school seniors in the U.S. are able to handle basic math involving fractions, decimals, and simple algebra.

- a. True
- b. False

ANSWER: True

Chapter 01: The Rewards and Challenges of Human Resources Management

22. Pat is in a demographic group that currently accounts for slightly more than half of the American workforce. Pat is most likely female.

- a. True
- b. False

ANSWER: False

23. By 2050, Hispanics are projected to make up about one-half of the U.S. labor force.

- a. True
- b. False

ANSWER: False

24. Malcom is enthusiastic about his work and is very committed to it. Malcom has a high level of employee engagement.

- a. True
- b. False

ANSWER: True

25. Employees today are less likely to define their personal success only in terms of financial gain.

- a. True
- b. False

ANSWER: True

26. A firm that offers employees options such as flexible hours, job sharing, and telecommuting is engaging in family-friendly practices.

- a. True
- b. False

ANSWER: True

27. One of the responsibilities of HR managers is to provide strategic advice and counsel to supervisors.

- a. True
- b. False

ANSWER: True

28. Organizational culture refers to the shared values, beliefs, and assumptions people in an organization have.

- a. True
- b. False

ANSWER: True

Chapter 01: The Rewards and Challenges of Human Resources Management

29. HR policies are generally proposed by the senior executives of an organization and then submitted to the HR managers, who actually issue them.

- a. True
- b. False

ANSWER: False

30. A firm monitored its employees' emails and Internet use while on the job. That firm is in violation of the Electronic Communications Privacy Act of 1986.

- a. True
- b. False

ANSWER: False

31. HR managers can establish personal credibility by developing good relationships with people both internal and external to the firm.

- a. True
- b. False

ANSWER: True

32. A firm that has an agreement with a professional employer organization that takes over the firm's HR-related activities and becomes a coemployer of the employees is using employee leasing.

- a. True
- b. False

ANSWER: True

33. Which of the following is NOT a competitive challenge within the human resources management framework?

- a. Changes in the marketplace
- b. Globalization
- c. Technology
- d. Employee rights

ANSWER: d

34. The _____ was the first major trade agreement of the twentieth century to establish rules and guidelines for global commerce.

- a. North American Free Trade Agreement (NAFTA)
- b. General Agreement on Tariffs and Trade (GATT)
- c. Free Trade Area of the Americas (FTAA)
- d. Asia Pacific Economic Cooperation (APEC)

ANSWER: b

Chapter 01: The Rewards and Challenges of Human Resources Management

35. Offshoring is also referred to as

- a. global staffing.
- b. strategic staffing.
- c. global sourcing.
- d. employees leasing.

ANSWER: c

36. Which of the following is a human resource issue that firms have to balance because of globalization?

- a. Training foreign managers abroad
- b. Gauging the knowledge and skill base of workers
- c. Figuring out how to best hire and train workers
- d. All of these are correct.

ANSWER: d

37. One of the first steps in choosing an HRIS is for the HR personnel to

- a. evaluate the most time-consuming tasks.
- b. examine the user-friendliness of the software.
- c. calculate the cost savings in using an HRIS.
- d. calculate the time required to train the HR staff.

ANSWER: a

38. _____ is closely related to corporate social responsibility.

- a. Downsizing
- b. Furloughing
- c. Sustainability
- d. Offshoring

ANSWER: c

39. When external forces have already affected an organization's performance, the strategic changes made by the organization to combat those forces are said to be

- a. proactive.
- b. intentional.
- c. reactive.
- d. negative.

ANSWER: c

Chapter 01: The Rewards and Challenges of Human Resources Management

40. A manager who initiates change to take advantage of targeted opportunities, such as expanding into a new geographic region, is making a _____ change.
- a. proactive
 - b. turnover
 - c. reactive
 - d. reflective

ANSWER: a

41. XLT Corp. used _____ when it moved jobs from India to Mexico, which is closer to its domestic market in the United States.
- a. nearshoring
 - b. outsourcing
 - c. homeshoring
 - d. furloughing

ANSWER: a

42. Millennials are also known as
- a. baby boomers.
 - b. Generation X.
 - c. Generation Y.
 - d. screenagers.

ANSWER: c

43. The knowledge, skills, and capabilities of individuals that have a tremendous impact on an organization's performance but do not show up directly on its balance sheet are known as _____ capital.
- a. intellectual
 - b. human
 - c. core
 - d. employee

ANSWER: b

44. Women who are employed full-time today make about _____ percent of what men employed full-time make.
- a. 58
 - b. 70
 - c. 83
 - d. 91

ANSWER: c

Chapter 01: The Rewards and Challenges of Human Resources Management

45. Oftentimes, knowledge goes unshared and unused in organizations because
- a. employees lack motivation.
 - b. of an ineffective human resources information system.
 - c. of the organizational culture.
 - d. employees lack proper training.

ANSWER: c

46. A firm that is able to make quick changes in order to gain a competitive advantage is demonstrating its
- a. leverage.
 - b. analytics.
 - c. sustainability.
 - d. agility.

ANSWER: d

47. Firms are increasingly trying to expand their exports to what country because it has the world's second-largest population and a growing middle class?
- a. China
 - b. Japan
 - c. India
 - d. South Korea

ANSWER: c

48. The national identities of products are blurring due to the effects of
- a. globalization.
 - b. nearshoring.
 - c. downsizing.
 - d. furloughing.

ANSWER: a

49. The _____ paved the way for the formation of many major trade agreements and institutions.
- a. General Agreement on Tariffs and Trade (GATT)
 - b. International Monetary Fund (IMF)
 - c. North American Free Trade Agreement (NAFTA)
 - d. European Union (EU)

ANSWER: a

Chapter 01: The Rewards and Challenges of Human Resources Management

50. What is one way that organizations can increase their productivity?

- a. Increase inputs
- b. Reduce human capital
- c. Reduce outputs
- d. Increase physical capital

ANSWER: d

51. When planning their budget, the managers of a knowledge-intensive firm should realize that their largest expenditures will most likely be in what area?

- a. Production costs
- b. Marketing costs
- c. Labor costs
- d. Distribution costs

ANSWER: c

52. As part of its initiative to streamline operations, XLT Corp. is planning to eliminate a number of jobs. Which strategy is XLT Corp. using?

- a. Downsizing
- b. Outsourcing
- c. Nearshoring
- d. Reengineering

ANSWER: a

53. XLT Corp. needs to take some steps to manage the size of its workforce. All of the following options could help achieve that goal EXCEPT

- a. furloughing.
- b. homeshoring.
- c. employee leasing.
- d. outsourcing.

ANSWER: c

54. Hiring someone outside the company to perform tasks that were formerly done internally is known as

- a. outplacement.
- b. contracting.
- c. outsourcing.
- d. employee leasing.

ANSWER: c

Chapter 01: The Rewards and Challenges of Human Resources Management

55. The business practice of sending jobs to other countries is referred to as
- a. nearshoring.
 - b. offshoring.
 - c. outsourcing.
 - d. employee leasing.

ANSWER: b

56. A method of containing costs that allows a professional employer organization (PEO), typically a larger company, to take over the management of a smaller company's HR tasks and become a coemployer to its employees is known as
- a. outsourcing.
 - b. employee leasing.
 - c. furloughing.
 - d. nearshoring.

ANSWER: b

57. It is anticipated that in the future, the U.S. workforce will exhibit
- a. about the same demographic mix as it does today.
 - b. an increase in ethnic diversity.
 - c. a decrease in ethnic diversity.
 - d. a decrease in the number of older workers.

ANSWER: b

58. Nikolas is currently in an age group whose labor force participation rate is projected to increase between now and 2050 according to the U.S. Bureau of Labor Statistics. Given the following choices, how old is Nikolas?
- a. 15
 - b. 27
 - c. 38
 - d. 58

ANSWER: d

59. One workplace diversity challenge is that Blacks and Hispanics have been
- a. fairly well represented in fast-growing occupations.
 - b. heavily concentrated in slow-growth occupations.
 - c. underrepresented in declining occupations.
 - d. overrepresented in fast-growing occupations.

ANSWER: b

Chapter 01: The Rewards and Challenges of Human Resources Management

60. In which of the following ways are the labor force and its demographics expected to change?
- a. Minorities will make up a smaller share of the U.S. labor force than they did in the past.
 - b. The number of women joining the labor force is expected to increase.
 - c. By 2050, the labor force participation rate will be only about 60 percent.
 - d. The demand for temporary workers will triple by 2050.

ANSWER: c

61. Older workers
- a. operate more like free agents.
 - b. prefer having younger supervisors.
 - c. are often willing to work flexible hours.
 - d. learn new behaviors more quickly because of their experience.

ANSWER: c

62. Over the years, the educational attainment of the U.S. labor force has
- a. risen dramatically.
 - b. fallen dramatically.
 - c. remained at about the same level.
 - d. had little influence on HRM.

ANSWER: a

63. Approximately _____ percent of mothers with school-age children are employed.
- a. 10
 - b. 30
 - c. 50
 - d. 70

ANSWER: d

64. The use and disclosure of personal medical information is protected by the
- a. Privacy Act of 1974.
 - b. Health Insurance Portability and Accountability Act of 1996.
 - c. Electronic Communications Privacy Act of 1986.
 - d. Public Health Service Act of 1944.

ANSWER: b

Chapter 01: The Rewards and Challenges of Human Resources Management

65. Which of the following does NOT represent a cultural change emerging in organizations?

- a. An increased concern for privacy
- b. Changing attitudes toward work
- c. Balancing work and family demands
- d. Accommodating unemployed workers

ANSWER: d

66. Employee rights include all of the following EXCEPT

- a. company funded pension plans.
- b. equal employment opportunities.
- c. union representation if desired.
- d. equal pay for equal work.

ANSWER: a

67. A company that wants to offer family-friendly work options to its employees might adopt any of the following EXCEPT

- a. day care.
- b. spousal benefits.
- c. parental leave.
- d. job sharing.

ANSWER: b

68. Which of the following statements regarding employees today is accurate?

- a. The majority of employees have children under 18.
- b. Most people still enjoy work and want to excel at it.
- c. Remaining with a single employer is a top priority.
- d. Personal success is defined only in terms of financial gains.

ANSWER: b

69. XLT Corp. does not want to change the size of its workforce, but it does need a better way to manage benefits. Which of the following might XLT Corp. want to consider?

- a. Furloughing
- b. Homeshoring
- c. Employee leasing
- d. Outsourcing

ANSWER: c

Chapter 01: The Rewards and Challenges of Human Resources Management

70. Steve demonstrates understanding of his organization's customers and economic and financial capabilities. He uses this understanding to help his firm achieve its strategic direction. Steve has _____ mastery.
- a. change
 - b. HR
 - c. business
 - d. personal

ANSWER: c

71. As an employee advocate, HR managers
- a. formulate and issue policy revisions for employees.
 - b. listen to employees and represent their needs to management.
 - c. provide individual orientation and training to every employee.
 - d. assist employees with labor negotiations.

ANSWER: b

72. Which of the following is NOT a general responsibility of the HR manager?
- a. Employee supervision
 - b. Strategic advice and counsel
 - c. Policy formulation and implementation
 - d. Employee advocacy

ANSWER: a

73. Ella, an HR manager, has developed personal relationships with people both internal and external to the firm. She demonstrates the values of the firm while standing up for her own beliefs and dealing with all parties equitably. Which competency is Ella demonstrating?
- a. Change mastery
 - b. HR mastery
 - c. Business mastery
 - d. Personal credibility

ANSWER: d

74. Fuller Foods sets rigorous standards for its suppliers that minimize the negative impact of fish farming, deforestation, and antibiotic use while promoting practices such as maintaining water quality and limited the spread of disease. This represents an emphasis on
- a. agility.
 - b. offshoring.
 - c. furloughing.
 - d. sustainability.

ANSWER: d

Chapter 01: The Rewards and Challenges of Human Resources Management

75. Globalization stirs fierce debate, especially when it comes to
- a. equal pay for women.
 - b. jobs.
 - c. proprietary technology.
 - d. information exchange.

ANSWER: b

76. Globalization has led to
- a. a new focus on corporate social responsibility.
 - b. older workers behaving more like free agents.
 - c. a reduction in the number of offshoring options.
 - d. a reduction in the number of nearshoring options.

ANSWER: a

77. Renata is the go-to person at her company for issues related to staffing, development, appraisals, rewards, and team building. She has good interpersonal skills and has expert knowledge in the areas of performance measurement and communication. In the context of the competencies required of HR managers, Renata has developed
- a. personal credibility.
 - b. HR mastery.
 - c. business mastery.
 - d. change mastery.

ANSWER: b

78. Human capital is _____ and _____ be managed the way organizations manage jobs, products, and technologies.
- a. tangible; cannot
 - b. tangible; can
 - c. intangible; cannot
 - d. intangible; can

ANSWER: c

79. Gene uses HR data such as employee demographic information, performance ratings, and employee surveys to try to predict which employees are most likely to quit. Gene is making use of
- a. big (HR) data.
 - b. workforce (HR) analytics.
 - c. HR data crunching.
 - d. HRIS analysis.

ANSWER: b

Chapter 01: The Rewards and Challenges of Human Resources Management

80. Today about _____ percent of women aged 16 years and older participate in the workforce in the U.S.
- 40
 - 80
 - 30
 - 60

ANSWER: d

81. List six competitive challenges facing human resources management departments.

ANSWER: Competitive challenges facing HRM departments include:

1. Responding strategically to changes in the marketplace
2. Competing, recruiting and, staffing globally
3. Setting and achieving corporate social responsibility and sustainability goals
4. Technology
5. Containing costs while retaining top talent and maximizing productivity
6. Employee challenges

82. Explain the major activities for which an HR manager is typically responsible.

ANSWER:

1. *Strategic advice and counsel:* HR managers often serve as in-house consultants to supervisors, managers, and executives. Given their knowledge of internal employment information and productivity metrics as well as their awareness of external trends such as economic and unemployment data and new legal and regulatory issues, HR managers are an invaluable resource for making decisions. In some companies, generally larger ones, the top HR manager acts as the chief compliance or ethics officer to help employees wade through gray areas when it comes to right and wrong and ensure personnel comply with the laws and regulations that affect their industries. HR managers are also being relied on more heavily to advise compensation committees.
2. *Service:* HR managers perform such services as recruiting, selecting, testing, and planning and conducting training programs. Technical expertise in these areas is essential for HR managers as they design and implement talent-management programs.
3. *Policy formation and implementation:* HR managers generally propose and draft new policies or policy revisions to cover recurring problems or to prevent anticipated problems. HR managers also monitor the firm's managers and employees to ensure they follow established HR policies, procedures, and practices. Perhaps more important, they are a resource to whom managers can turn for policy interpretation.
4. *Employee advocacy:* HR managers listen to employee concerns and represent their needs. The HR manager must ensure that the interests of the employee align with the interests of the organization.

Chapter 01: The Rewards and Challenges of Human Resources Management

83. Discuss the age distribution of today's workforce.

The newest generation entering the workplace is Generation Z. The members of Generation Z were born in the mid-1990s and early 2000s. It's been estimated that by 2020, they will make up 20 percent of the workforce. These workers have never known life without smartphones and social media, and they expect to be trained and managed with digital tools. They are also more comfortable with racial, cultural, and sexual diversity than other generations and want to change the world for the better. A large number of members of this generation say that they want to start their own businesses. Others want to go straight to work rather than incurring the cost of college.

The millennial generation (Generation Y) is 75 to 80 million people strong, making it the largest generation ever. Millennials are generally regarded as having good technological knowhow and initiative, especially when it comes to starting their own businesses. Like Generation Z, they are also interested in meaningful work that will improve the world around them and want a good work-life balance. Neither generation wants to be pigeonholed into jobs. They want to try new jobs and new tasks, and they are quite willing to job hop to do so.

People in Generation X were born between 1964 and 1979. Generation Xers value job security. The members of Generation X are also independent. They like challenging work rather than repetitive work and dislike supervisors who look over their shoulders.

A relatively large number of people were born after World War II (between 1946 and 1964). These people are members of the babyboom generation. A significant proportion of babyboomers have hit retirement age. Not all babyboomers are retiring, though. Due to advances in medicine, people are staying healthier as they age, and many are remaining in the labor force longer. Other factors—including an increase in the official retirement age in the United States from 65 to 67—are also keeping babyboomers working. So are economic factors: Many babyboomers have not saved enough to retire, or their 401(k) retirement accounts have not grown as expected. Older workers tend to be dependable and remain on the job longer than younger workers, who operate more like free agents. Older workers are often willing to work flexible hours.

Older Americans—those hitting the 55-and-over age bracket—are the fastest growing segment of the workforce and will be for decades as the U.S. workforce continues to age. By contrast, the average annual growth rate of 16- to 24-year-olds in the labor force is projected to decline.

ANSWER:

Chapter 01: The Rewards and Challenges of Human Resources Management

84. What are some of the key competencies needed by HR Managers to become full business partners?

ANSWER: As top executives expect HR managers to assume a broader role in overall organizational strategy, many of these managers will have to acquire a complementary set of competencies. These competencies are business mastery, HR mastery, and personal credibility.

1. *Business mastery.* HR professionals need to know the business of the organizations and their strategies thoroughly. This requires an understanding of an organization's customers and economic and financial capabilities to help a firm shape and achieve its strategic direction and adjust it as needed. Human resource managers who have good problem-solving skills and are also innovative and creative are a strategic asset to their firms.
2. *HR mastery.* HR professionals are the organization's behavioral science experts. They should develop expert knowledge in the areas of staffing, development, appraisals, rewards, team building, performance measurement, and communication.
3. *Personal credibility.* Credibility and trust are earned by developing good relationships with people both internal and external to the firm, demonstrating the values of the firm, standing up for one's own beliefs, and dealing with all parties equitably.

85. Describe the role of a line manager.

ANSWER: Line managers are non-HR managers who are responsible for overseeing the work of other employees. Successful organizations combine the experience of line managers with the expertise of HR managers to develop and utilize the talents of employees to their greatest potential. HR programs in particular tend to more successful if they are "owned" by line managers *and* HR. When employees see HR as the sole owner of a program, they sometimes interpret it as an administrative or back-office rather than a strategic initiative.