**Chapter 1: Strategic Human Resource Management**

**TRUE/FALSE**

1. An Internet search and advertising giant, Google is known for its unique approach to

business, including how it hires, develops, and motivates its talent.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 3 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Real World Challenge KEY: Bloom's: Comprehension

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

ANS: F PTS: 1 DIF: Difficulty: Moderate

REF: p. 4 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Is HRM? KEY: Bloom's: Comprehension

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

relationship.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 6 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: What Employees Should Do KEY: Bloom's: Knowledge

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 7 OBJ: LO: 1-2 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

5. Staffing is only concerned with hiring new employees.

ANS: F PTS: 1 DIF: Difficulty: Moderate

REF: p. 8 OBJ: LO: 1-2 NAT: BUSPROG: Analytic

TOP: Staffing KEY: Bloom's: Application

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

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 4 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: What Is HRM? KEY: Bloom's: Knowledge

7. All organizations will maximize their effectiveness without the acquisition, development,

deployment, and retention of the right talent.

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 4 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: What Is HRM? KEY: Bloom's: Comprehension

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

ANS: T PTS: 1 DIF: Difficulty: Moderate

REF: p. 4 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Is HRM? KEY: Bloom's: Comprehension

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

work there.

ANS: T PTS: 1 DIF: Difficulty: Moderate

REF: p. 4 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: What Is HRM? KEY: Bloom's: Knowledge

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

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 4 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Is HRM? KEY: Bloom's: Comprehension

11. Factors including organizational strategy, the competitive environment, and legal

requirements all influence what an organization’s employees *should* do.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 6 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Employees Should Do KEY: Bloom's: Application

12. HR planning is a low-priority HRM activity that involves designing work that is fairly

efficient as well as identifying the amount and types of talents the company will need to

execute its business strategy.

ANS: F PTS: 1 DIF: Difficulty: Moderate

REF: p. 6 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Employees Should Do KEY: Bloom's: Comprehension

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

essential to effective HRM.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 6 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Employees Should Do KEY: Bloom's: Knowledge

14. Failure to follow the laws and regulations that affect HRM practices and the

employment relationship only affects the financial portion of an organization’s business.

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 6 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: What Employees Should Do KEY: Bloom's: Application

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

outcomes.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 7 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Employees Can Do KEY: Bloom's: Knowledge

16. The HRM function of training and development has no influence on the

capabilities of an organization and only influences developing employees’

skills to meet changing business needs.

ANS: F PTS: 1 DIF: Difficulty: Moderate

REF: p. 7 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: What Employees Can Do KEY: Bloom's: Application

17. Because staffing and development activities are responsible for the organization’s skills

base, they are the foundation of effective HRM.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 7 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Employees Can Do KEY: Bloom's: Knowledge

18. After the nature and requirements of the open job are identified, sourcing identifies

potential recruits likely to meet or exceed the job’s minimum personal and technical

requirements.

ANS: T PTS: 1 DIF: Difficulty: Moderate

REF: p. 8 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Staffing KEY: Bloom's: Comprehension

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

ANS: F PTS: 1 DIF: Difficulty: Moderate

REF: p. 9 OBJ: LO: 1-2 NAT: BUSPROG: Analytic

TOP: Staffing KEY: Bloom's: Comprehension

20. Training is very inexpensive, so if a company fails to hire people able to succeed in the

organization’s development programs, it is effortless to regroup and start again.

ANS: F PTS: 1 DIF: Difficulty: Moderate

REF: p. 9 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Training and Development KEY: Bloom's: Application

21. Succession management and career development activities can help to ensure that an

organization has people ready to assume leadership positions as soon as those positions

become available.

ANS: F PTS: 1 DIF: Difficulty: Easy

REF: p. 9 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: Training and Development KEY: Bloom's: Comprehension

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

management process.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 9 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: Training and Development KEY: Bloom's: Comprehension

23. Total rewards is the sum of all of the rewards employees receive in exchange for their

time, efforts, and performance.

ANS: T PTS: 1 DIF: Difficulty: Easy

REF: p. 10 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: Rewards and Benefits KEY: Bloom's: Comprehension

24. The success of incentive pay programs that reward employees for individual, group, or

organizational performance is influenced by performance management systems.

ANS: T PTS: 1 DIF: Difficulty: Moderate

REF: p. 11 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: Rewards and Benefits KEY: Bloom's: Comprehension

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

business strategy.

ANS: T PTS: 1 DIF: Difficulty: Moderate

REF: p. 16 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

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

**MULTIPLE CHOICE**

1. There are more than \_\_\_\_\_\_\_\_\_\_ employers in the United States.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | 6 thousand | c. | 3 million |
| b. | 6 million | d. | 3 trillion |

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 8 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Staffing KEY: Bloom's: Comprehension

2. The sum of all the rewards an employee receives in exchange for their time, efforts, and

performance is referred to as \_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | indirect financial compensation | c. | the total rewards |
| b. | direct financial compensation | d. | the essential rewards |

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 10 OBJ: LO: 1-2 NAT: BUSPROG: Analytic

TOP: Rewards and Benefits KEY: Bloom's: Analysis

3. When evaluating an employer’s job offer, it is best to consider the \_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | salary level | c. | work environment |
| b. | training programs | d. | total rewards |

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 11 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: Rewards and Benefits KEY: Bloom's: Evaluation

4. Strategically managing human resources helps an organization manage which four types

of risk?

|  |  |
| --- | --- |
| a. | Strategic, operational, functional, and compliance |
| b. | Strategic, optimal, financial, and compliance |
| c. | Situational, operational, financial, and compliance |
| d. | Strategic, operational, financial, and compliance |

ANS: D PTS: 1 DIF: Difficulty: Challenging

REF: p. 1 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: How Does HRM Influence Operational Performance? KEY: Bloom's: Analysis

5. The consulting firm Watson Wyatt found that good people practices can increase a company’s value by as much as \_\_\_\_\_\_\_\_\_\_ percent.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | 25 | c. | 20 |
| b. | 30 | d. | 35 |

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 15 OBJ: LO: 1-1 | LO: 1-4 NAT: BUSPROG: Analytic

TOP: How Does HRM Influence Operational Performance? KEY: Bloom's: Knowledge

6. How a firm will compete in its marketplace is based on the firm’s \_\_\_\_\_\_\_\_\_\_

strategy.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | performance | c. | financial |
| b. | business | d. | management |

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 15 OBJ: LO: 1-1 | LO: 1-4 NAT: BUSPROG: Analytic

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

7. Strategic HRM aligns a company’s values and goals with the \_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_,

and \_\_\_\_\_\_\_\_\_ of employees.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | benefits; performance; goals | c. | behaviors; values; goals |
| b. | strategies; vision; goals | d. | behaviors; performance; values |

ANS: C PTS: 1 DIF: Difficulty: Challenging

REF: p. 16 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

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

8. Who is responsible for managing organizational change?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | Front line managers | c. | Executive managers |
| b. | Executive resource managers | d. | Human resource managers |

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 20 OBJ: LO: 1-1 | LO: 1-3 NAT: BUSPROG: Analytic

TOP: HRM Professionals KEY: Bloom's: Comprehension

9. Hiring an external vendor rather than doing a particular task internally is called \_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | insourcing | c. | resourcing |
| b. | outsourcing | d. | telesourcing |

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 21 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: Outside Vendors KEY: Bloom's: Knowledge

10. What is a professional employer organization?

|  |  |
| --- | --- |
| a. | A company that leases employees to companies who need them |
| b. | A company that only hires professional people |
| c. | A company that prefers their employees belong to professional organizations |
| d. | A company that only hires people with advanced degrees |

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 24 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: Professional Employer Organizations KEY: Bloom's: Comprehension

11. What is the organizational function of HRM?

|  |  |
| --- | --- |
| a. | Attracting, hiring, developing, rewarding, and retaining talent |
| b. | Detaining, hiring, developing, reworking, and retaining talent |
| c. | Detaining, hiring, devising, rewarding, and refreshing talent |
| d. | Attracting, hiring, devising, reworking, and refreshing talent |

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 4 OBJ: LO: 1-2 NAT: BUSPROG: Analytic

TOP: What Is HRM? KEY: Bloom's: Application

12. In order to maximize its effectiveness, an organization must \_\_\_\_\_\_\_\_\_\_ the right talent.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | apprise, develop, deport, and retain | c. | acquire, develop, deploy, and retain |
| b. | apprise, devalue, deploy, and retain | d. | acquire, devalue, deport, and retain |

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 5 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: What Is HRM? KEY: Bloom's: Application

13. Understanding how to effectively use HRM tools can help you become a better

\_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | person | c. | researcher |
| b. | manager | d. | scholar |

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 5 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Is HRM? KEY: Bloom's: Application

14. HRM influences organizational performance through its influence on what employees

\_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | should do, can do, and will do | c. | could do, can do, and will do |
| b. | could do, can’t do, and won’t do | d. | should do, can’t do, and won’t do |

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 6 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: What Is HRM? KEY: Bloom's: Application

15. Many of the laws that affect HRM are necessary because of past employment

\_\_\_\_\_\_\_\_\_\_ in the United States.

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 6 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: What Employees Should Do KEY: Bloom's: Knowledge

16. Which HRM function influences the capabilities of an organization’s employees by

improving employees’ skills to meet changing business needs?

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 6 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Employees Can Do KEY: Bloom's: Comprehension

17. People do what they are \_\_\_\_\_\_\_\_\_\_ for.

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 6 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Employees Will Do KEY: Bloom's: Comprehension

18. Rewards include anything \_\_\_\_\_\_\_\_\_\_by the employee.

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

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 7 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Employees Will Do KEY: Bloom's: Comprehension

19. Staffing, performance management, training and development, rewards and benefits,

health and safety, and employee-management relations are all functions of \_\_\_\_\_\_\_\_\_\_.

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 8 OBJ: LO: 1-2 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Knowledge

20. Staffing is the process of planning, acquiring, deploying, and retaining employees that

enables the organization to meet its talent needs and execute its \_\_\_\_\_\_\_\_\_\_.

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 8 OBJ: LO: 1-2 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Knowledge

21. Separations due to poor performance, layoffs or restructuring, as well as employees

quitting are also part which HRM function?

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 9 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

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

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 9 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

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

with \_\_\_\_\_\_\_\_\_\_.

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 9 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

24. What type of management can help to ensure that an organization has people ready to

assume leadership positions as soon as those positions become available?

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 10 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

25. What type of management involves aligning individual employees’ goals and behaviors

with organizational goals and strategies, appraising and evaluating past and current

behaviors, and providing suggestions for improvement?

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 10 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

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

system will manage?

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 10 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

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

organizational expectations?

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

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 10 OBJ: LO: 1-3 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

28. Compensation received in the form of salary, wages, commissions, stock options, or

bonuses is called\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 10 OBJ: LO: 1-2 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 10 OBJ: LO: 1-2 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

30. Rewards and incentives given to employees that are not financial in nature, including

intrinsic rewards received from the job itself or from the work environment, are called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ .

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 10 OBJ: LO: 1-2 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

31. When evaluating an employer’s job offer, it is important to consider the \_\_\_\_\_\_\_\_\_\_,

not just the salary level.

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 11 OBJ: LO: 1-5 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

32. When is not paying top dollar to hire the highest quality candidates not always the best

strategy?

|  |  |
| --- | --- |
| a. | If the company cannot offer a comprehensive total rewards package |
| b. | If the company does not need top talent to meet its needs |
| c. | If the company is having business-threatening financial problems |
| d. | If the company has hired an abundance of top talent |

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 11 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

33. What does workplace health refer to?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | Having a doctor on the worksite | c. | Employee clinic on the worksite |
| b. | Employees’ physical and mental health | d. | Providing workers compensation |

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 12 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

34. More than \_\_\_\_\_\_\_\_\_\_ percent of U.S. businesses with 50 or more

employees have some form of health promotion program, including exercise,

stop-smoking classes, and stress management.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | 99 | c. | 74 |
| b. | 67 | d. | 81 |

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 12 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Knowledge

35. Employee-management relations ultimately determine the employment rights of

\_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | employees and employers | c. | only employers |
| b. | only employees | d. | labor unions |

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 12 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Knowledge

36. What percentage of private sector employees are union members?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | 6.8 | c. | 7.2 |
| b. | 5.4 | d. | 8.7 |

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 12 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

37. Workers in the public sector are almost \_\_\_\_\_\_\_\_\_\_ more likely to belong to a

union than are private sector employees.

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 12 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Comprehension

38. Labor unions and unionization rates have been \_\_\_\_\_\_\_\_\_\_for years.

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 12 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Knowledge

39. Firms with fewer than 500 workers make up more than 99 percent of the business

establishments, employing approximately \_\_\_\_\_\_\_\_\_\_ percent of the total

workforce.

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

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 13 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Knowledge

40. Numerous studies have indicated that \_\_\_\_\_\_\_\_\_\_ are two of the most important

management problems facing small businesses.

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 13 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: What Does HRM Do? KEY: Bloom's: Knowledge

41. How HRM initiatives affect business strategy through the overall talent strategy,

company culture, ethics, investments in people, and the implementation of change

initiatives is an example of \_\_\_\_\_\_\_\_\_\_.

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

ANS: A PTS: 1 DIF: Difficulty: Moderate

REF: p. 14 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: How Does HRM Influence Organizational Performance? KEY: Bloom's: Knowledge

42. HRM affects the speed and effectiveness of talent acquisition as well as the

development of employees’ skills and the identification and retention of top performers.

These and other HRM activities that can directly influence the organization’s success or

failure are examples of \_\_\_\_\_\_\_\_\_\_.

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

ANS: B PTS: 1 DIF: Difficulty: Moderate

REF: p. 14 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: How Does HRM Influence Organizational Performance? KEY: Bloom's: Knowledge

43. How HRM performance directly affects the organization’s workforce costs and productivity

through compensation, benefits, turnover, overtime, and time-to-hire, and indirectly

through errors, accidents, delays, and lost production are examples of \_\_\_\_\_\_\_\_\_\_.

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

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 15 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: How Does HRM Influence Organizational Performance? KEY: Bloom's: Knowledge

44. Every employment-related decision can have legal ramifications, particularly in the areas

of diversity, health and safety, union relations, whistleblowers, and harassment. This is an

example of \_\_\_\_\_\_\_\_\_\_.

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

ANS: D PTS: 1 DIF: Difficulty: Moderate

REF: p. 15 OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: How Does HRM Influence Organizational Performance? KEY: Bloom's: Knowledge

45. An organization’s \_\_\_\_\_\_\_\_\_\_is a system of beliefs about how its employees

should be treated.

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 16 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

46. A firm’s \_\_\_\_\_\_\_\_\_\_ links the entire human resource function with the firm’s business strategy

|  |  |  |  |
| --- | --- | --- | --- |
| a. | organizational strategy | c. | business philosophy |
| b. | strategic philosophy | d. | HR strategy |

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 15 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

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

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 16 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

48. Managers in \_\_\_\_\_\_\_\_\_\_ and high power-distance cultures tend not to provide

job enrichment and empowerment to employees.

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 17 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

49. NGO is an acronym for \_\_\_\_\_\_\_\_\_\_.

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 17 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

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

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 17 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

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

\_\_\_\_\_\_\_\_\_\_.

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

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 18 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

52. Organizations pursuing a(n) \_\_\_\_\_\_\_\_\_\_ require development of current talent

and the acquisition of additional talent.

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 18 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

53. The success of a(n) \_\_\_\_\_\_\_\_\_\_ depends on the firm’s ability to find and retain the

right number and types of employees to sustain its intended growth.

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

ANS: A PTS: 1 DIF: Difficulty: Easy

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

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

54. \_\_\_\_\_\_\_\_\_\_\_\_ have been a common way for organizations to achieve

growth and expand internationally.

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

ANS: B PTS: 1 DIF: Difficulty: Easy

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

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

55. Mergers and acquisitions often fail because of \_\_\_\_\_\_\_\_\_\_.

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

ANS: A PTS: 1 DIF: Difficulty: Easy

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

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

56. Retaining high-performing employees and keeping employees engaged helps to create

and maintain any type of \_\_\_\_\_\_\_\_\_\_.

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

ANS: A PTS: 1 DIF: Difficulty: Easy

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

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

57. HRM activities are performed by \_\_\_\_\_\_\_\_\_\_.

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

ANS: D PTS: 1 DIF: Difficulty: Easy

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

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

58. \_\_\_\_\_\_\_\_\_\_is the world’s largest professional association devoted to HRM.

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

ANS: A PTS: 1 DIF: Difficulty: Easy

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

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

59. \_\_\_\_\_\_\_\_\_\_between HR and employees is extremely important.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | Communication | c. | Clarification |
| b. | Cultural differences | d. | Compassion |

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 21 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

60. What can prevent redundancies and save money, as well as improve the consistency

and efficiency with which HRM tasks are performed?

|  |  |  |  |
| --- | --- | --- | --- |
| a. | A shared reference center | c. | A shared service center |
| b. | Performance management | d. | Performance targets |

ANS: C PTS: 1 DIF: Difficulty: Easy

REF: p. 21 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

61. Hiring an external vendor to do work rather than doing it internally is called \_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | insourcing | c. | outscoring |
| b. | outsourcing | d. | encoring |

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 21 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

62. Outsourcing some HRM activities is particularly attractive to \_\_\_\_\_\_\_ companies.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | larger | c. | medium size |
| b. | smaller | d. | Fortune 500 |

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 21 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

63. IBM now locates its business functions around the world based on the right mix of

\_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | cost and skills | c. | performance and communication |
| b. | communication and culture | d. | skills and culture |

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 24 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

64. A company that leases employees to other companies is called a

\_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | professional employer opportunity | c. | progressive employer opportunity |
| b. | professional employer organization | d. | progressive employer organization |

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 24 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

65. What does the acronym PEO stand for?

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 24 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

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

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

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 24 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

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

\_\_\_\_\_\_\_\_\_\_.

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 25 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career? KEY: Bloom's: Comprehension

68. According to the text, knowledge of \_\_\_\_\_\_\_\_\_ skills will give you a competitive

advantage in your career.

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

ANS: B PTS: 1 DIF: Difficulty: Easy

REF: p. 25 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career? KEY: Bloom's: Comprehension

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

\_\_\_\_\_\_\_\_\_\_ applicants.

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 26 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career? KEY: Bloom's: Comprehension

70. The goal of Google’s human resource management group, called \_\_\_\_\_\_\_\_\_\_, is

to remove everything that might get in an employee’s way.

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

ANS: A PTS: 1 DIF: Difficulty: Easy

REF: p. 26 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Real World Response KEY: Bloom's: Comprehension

71. Google offers their employees extensive benefits such as \_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | free gourmet meals | c. | laundry service |
| b. | game rooms | d. | All of the above are correct. |

ANS: D PTS: 1 DIF: Difficulty: Easy

REF: p. 26 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Real World Response KEY: Bloom's: Comprehension

72. Google motivates its talent through its \_\_\_\_\_\_\_\_\_\_ approach to experimentation.

|  |  |  |  |
| --- | --- | --- | --- |
| a. | “fail to learn” | c. | “learn fast, fail fast” |
| b. | “fail and try again” | d. | “fail, learn, earn” |

ANS: C PTS: 1 DIF: Difficulty: Moderate

REF: p. 27 OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Real World Response KEY: Bloom's: Comprehension

**ESSAY**

1. How might global issues require flexibility in human resource management to meet the

diverse expectations of employees?

ANS:

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 24

OBJ: LO: 1-3 NAT: BUSPROG: Analytic TOP: Global Issues

KEY: Bloom's: Analysis

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

ANS:

 Improve organizational efficiency

 Contribute to revenue growth

 Increase employees’ understanding of their responsibilities and how they relate to the organization’s mission, business strategy, and goals

 Develop and enhance employee capabilities and talents to enable strategic execution and goal attainment

 Equitably link rewards to responsibility level and performance

 Promote the efficient and effective utilization of employees’ skills and knowledge

 Increase employee engagement, effort, and performance

 Increase the organization’s ability to manage change

 Decrease an organization’s legal liability for compliance with employment laws

PTS: 1 DIF: Difficulty: Moderate REF: p. 14

OBJ: LO: 1-3 NAT: BUSPROG: Analytic TOP: What Does HRM Do?

KEY: Bloom's: Analysis

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

organizations strategically manage.

ANS:

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 15

OBJ: LO: 1-4 NAT: BUSPROG: Analytic

TOP: How Does HRM Influence Organizational Performance? KEY: Bloom's: Analysis

4. What is the responsibility of HRM?

ANS:

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 20

OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

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

ANS:

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 21

OBJ: LO: 1-1 NAT: BUSPROG: Analytic

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

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

ANS:

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

PTS: 1 DIF: Difficulty: Easy REF: p. 25

OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career? KEY: Bloom's: Comprehension

7. Explain the concept of performance management.

ANS:

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

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

PTS: 1 DIF: Difficulty: Moderate REF: p. 10

OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career? KEY: Bloom's: Analysis

8. According to the text what are HRM’s three main keys in influencing organizational

performance? Explain which key you believe is the most influential and why.

ANS:

1. Influencing what employees *should* do

2. Influencing what employees *can* do

3. Influencing what employees *will* do.

PTS: 1 DIF: Difficulty: Moderate REF: p. 6

OBJ: LO: 1-1 NAT: BUSPROG: Analytic

TOP: Why Is HRM Important to Your Career? KEY: Bloom's: Analysis