Test Bank for Fundamentals of Human Resource Management 8th Noe

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***Fundamentals of HR Management, 8e* (Noe)**
Chapter 2 Trends in Human Resource Management

1) The members of Generation X are characterized by their comfort with the latest technology, and the need to be noticed, respected, and involved.

Answer: FALSE
Explanation: Members of Generation X (1965–1980) tend to be pragmatic and cynical, and they have well-developed self-management skills. Those born from 1981 to 1995, often called Millennials or Generation Y, are comfortable with the latest technology, and they want to be noticed, respected, and involved.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

2) Individuals who arrive in the United States without meeting the legal requirements for immigration or asylum are referred to as undocumented immigrants.

Answer: TRUE
Explanation: More than 1 million immigrants come to the United States legally each year as relatives of U.S. citizens, on work- or study-related visas, and other means. Other foreign-born workers in the United States arrive in the country without meeting the legal requirements for immigration or asylum. These individuals, known as undocumented or illegal immigrants, likely number in the millions.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Remember
AACSB: Analytical Thinking
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3) A large gap exists between the social system and the technical system in high-performance work systems.

Answer: FALSE
Explanation: High-performance work systems refer to organizations that have the best possible fit between their social system and technical system.
Difficulty: 1 Easy
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

4) Skilled knowledge workers generally do not have job opportunities in a slow economy.

Answer: FALSE
Explanation: Knowledge workers are in a position of power, because they own the knowledge that the company needs to produce its products and services. Skilled knowledge workers have many job opportunities, even in a slow economy. If they choose, they can leave a company and take their knowledge to another employer.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

5) Successful organizations treat all their workers as knowledge workers.

Answer: TRUE
Explanation: The idea that only some of an organization's workers are knowledge workers has come under criticism. To the critics, this definition is no longer realistic in a day of computerized information systems and computer-controlled production processes. For the company to excel, everyone must know how their work contributes to the organization's success. Successful organizations treat all their workers as knowledge workers. They let employees know how well the organization is performing, and they invite ideas about how the organization can do better.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Understand
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6) The use of employee empowerment has shifted the recruiting focus away from general cognitive and interpersonal skills toward technical skills.

Answer: FALSE
Explanation: As with the need for knowledge workers, use of employee empowerment shifts the recruiting focus away from technical skills and toward general cognitive and interpersonal skills.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

7) Virtual teams rely on communications technology such as videoconferences, e-mail, and cell phones to keep in touch and coordinate activities.

Answer: TRUE
Explanation: Virtual teams are teams that rely on communications technology such as videoconferences, e-mail, and cell phones to keep in touch and coordinate activities.
Difficulty: 1 Easy
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

8) Traditional management thinking treated human resource management primarily as a means to support a company's strategy.

Answer: FALSE
Explanation: Traditional management thinking treated human resource management primarily as an administrative function, but managers today are beginning to see a more central role for HRM. They are looking at HRM as a means to support a company's strategy. The HR professionals are expected to use their knowledge in business and of human resources to help the organization develop strategies and to align HRM practices and policies with those strategies.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Remember
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9) When two companies merge, HRM plays an important role that includes preparing employees to resolve conflicts.

Answer: TRUE
Explanation: When two companies merge, or become one, HRM should have a significant role. Differences between the businesses make conflict inevitable. Training efforts should therefore include development of skills in conflict resolution.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

10) InTime Corp., a major watch manufacturer, purchases Antec Inc., a smaller company that makes watch bands. Following this purchase, the watch band operations are performed by the Antec Division of InTime Corp. This scenario is an example of an acquisition.

Answer: TRUE
Explanation: An acquisition happens when one company buys another company. In this scenario, InTime Corp. and Antec Inc. do not become one company. Antec Inc. becomes a part of InTime Corp.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

11) When two firms in one industry join together to hold a greater share of the industry, it represents a consolidation.

Answer: TRUE
Explanation: Some mergers and acquisitions result in consolidation within an industry, meaning that two firms in one industry join to hold a greater share of the industry.
Difficulty: 1 Easy
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Remember
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12) Total quality management is intended to bring about a continuous process of quality improvement.

Answer: TRUE
Explanation: Total quality management refers to a companywide effort to continually improve the ways people, machines, and systems accomplish work.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

13) Total quality management proposes that every employee in the organization receive training in quality.

Answer: TRUE
Explanation: Training in quality for each employee in an organization is a core value of total quality management.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

14) Early retirement programs are one of the most effective approaches to downsizing.

Answer: FALSE
Explanation: Early retirement programs are humane, but they essentially reduce the workforce with a grenade approach—not distinguishing good performers from poor performers, but instead eliminating an entire group of employees.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
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15) A Chicago-based company shifts its warehouses and operations to a low-rent area that is 50 miles away. This is an example of offshoring.

Answer: FALSE
Explanation: Offshoring refers to moving the operations from the country where a company is headquartered to a country where pay rates are lower but the necessary skills are available.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-05 Summarize ways in which human resource management can support organizations expanding internationally.
Bloom's: Apply
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

16) Rajat, an Indian citizen, works for an automobile company in India. Currently, he is in the United States to work on a project at the company's office in Pittsburgh, Pennsylvania. In this scenario, Rajat is regarded as an expatriate.

Answer: TRUE
Explanation: Employees who take assignments in other countries are called expatriates. In this case, Rajat is an expatriate because he is an Indian citizen working on a project at his company's office in Pittsburgh, Pennsylvania.
Difficulty: 3 Hard
Topic: Staffing Issues for International Workers
Learning Objective: 02-05 Summarize ways in which human resource management can support organizations expanding internationally.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

17) The processing and transmission of digitized human resource information is called electronic human resource management.

Answer: TRUE
Explanation: The processing and transmission of digitized human resource information is referred to as electronic human resource management (e-HRM).
Difficulty: 1 Easy
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Remember
AACSB: Analytical Thinking
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18) Under the new type of psychological contract, organizations expect employees to contribute time, effort, skills, abilities, and loyalty in return for job security and opportunities for promotion within the organization.

Answer: FALSE
Explanation: In the traditional version of a psychological contract, organizations expected their employees to contribute time, effort, skills, abilities, and loyalty. In return, the organizations would provide job security and opportunities for promotion. Under the new type of psychological contract, however, companies expect employees to take more responsibility for their own careers, from seeking training to balancing work and family.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

19) Employees' job security has increased as a result of the new psychological contract.

Answer: FALSE
Explanation: Under the new psychological contract, employers expect employees to take more responsibility for their own careers, from seeking training to balancing work and family. These expectations result in less job security for employees.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Bloom's: Understand
AACSB: Analytical Thinking
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20) Parkers Appliances wants to improve the quality of and lower the costs in its service department. A strategy being considered involves directing technicians on exactly how to complete service calls, which should improve customer service in addition to lowering labor costs. In addition, the technicians will work under a contract so the company doesn't have to pay the employer's share of Social Security for those workers. Is this a possible strategy for Parkers Appliances to employ?

Answer: FALSE
Explanation: In general, if employers direct workers in the details of how and when they do their jobs, these workers are legally defined as employees, not contractors. In that case, employers must meet the legal requirements for paying the employer's share of Social Security, Medicare, and unemployment insurance.
Difficulty: 3 Hard
Topic: The Contingent Workforce
Learning Objective: 02-08 Discuss how the need for flexibility affects human resource management.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

21) The external labor market consists of
A) contract workers in the organization.
B) current employees of the organization.
C) individuals who are actively seeking employment.
D) employees who have direct contact with customers.
E) employees of the immediate competitors of the organization.

Answer: C
Explanation: The external labor market consists of individuals who are actively seeking employment. The number and kinds of people in the external labor market determine the kinds of human resources available to an organization (and their cost).
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Remember
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22) Which scenario exemplifies an individual in the external labor market?
A) Sarah, a contract worker, working for a certain period specified in a written contract
B) Drew, a temporary worker, being paid by a company for his services
C) Morgan, an engineering graduate, looking for a job
D) Silas, an employee, going through training
E) Jamaal, an employee, securing his financial services certification

Answer: C
Explanation: The external labor market consists of individuals who are actively seeking employment. The number and kinds of people in the external labor market determine the kinds of human resources available to an organization (and their cost). In this case, the example of Morgan, an individual who is looking for a job, exemplifies a member of the external labor market.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

23) Name the agency that is responsible for tracking changes in the composition of the U.S. labor force and forecasting employment trends.
A) the National Statistics Association
B) the Occupational Outlook Bureau
C) the U.S. Census Bureau
D) the Bureau of Economic Analysis
E) the Bureau of Labor Statistics

Answer: E
Explanation: In the United States, the Bureau of Labor Statistics, an agency of the Department of Labor, tracks changes in the composition of the U.S. labor force and forecasts employment trends.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Remember
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24) Samuel Homes wants to expand rapidly by building homes in major markets throughout the United States. Which forecast by the Bureau of Labor Statistics presents the most significant challenge to rapid expansion?
A) whites continuing to be the largest racial group
B) more women participating in the paid labor force
C) Asian-Americans being the fastest-growing racial group
D) greater racial and ethnic diversity
E) a slowing growth rate for the U.S. civilian labor force

Answer: E
Explanation: The Bureau of Labor Statistics has projected that from 2016 to 2026, the total U.S. civilian labor force will grow from 156 million to 168 million workers. This 6.6 percent increase is noticeably lower than the more than 13.1 percent increase experienced between 1996 and 2006. Slow growth in the labor force means more competition for employers in the labor markets.
Difficulty: 3 Hard
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

25) Identify the correct statement regarding the composition of the U.S. labor force during the projected 2016–2026 period.
A) The labor force is expected to grow at a greater rate than at any other time in U.S. history.
B) The largest proportion of the labor force is expected to be in the 16- to 25-year age group.
C) The segment of the workforce nearing retirement age will hold steady.
D) Despite a small increase in the number of young workers, the overall workforce will be aging.
E) The total workforce of the United States will considerably decrease.

Answer: D
Explanation: It is expected that despite a small increase in the number of young workers, the overall workforce will be aging. Young workers between the ages of 16 and 24 will actually be fewer in number. This combination of trends will cause the overall workforce to age.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Understand
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26) Hadley, a business researcher, believes that organizations will have to spend a lot of money on employee health care in the future. Her colleague Owen argues that organizations will not have to increase their spending on employee health care benefits. Which statement weakens Owen's argument?
A) The labor force is expected to grow at a greater rate by 2026 than at any other time in U.S. history.
B) The largest proportion of the labor force is expected to be in the 16- to 25-year age group.
C) The fastest-growing age group is workers 16–25, who are prone to having accidents.
D) The fastest-growing share of the workforce is at least 55 years old.
E) The total cost of labor in the United States will decrease considerably in the near future.

Answer: D
Explanation: From 2016 to 2026, the fastest-growing age group is expected to be workers 55 and older. The 25- to 44-year-old group will increase its numbers only slightly, so its share of the total workforce will fall. With a growing share of the workforce nearing retirement age, human resource professionals will need to spend much of their time on concerns related to planning retirement, retraining older workers, and motivating workers whose careers have reached a plateau. Organizations will struggle with ways to control the rising costs of health care and other benefits, and many of tomorrow's managers will supervise employees much older than themselves.
Difficulty: 3 Hard
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Analyze
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27) In high-tech industries, such as computer software development, employers press the federal government for immigration laws that allow for a greater supply of foreign-born workers. What is the main reason these companies cite for that effort?
A) There is a lack of adequate technology in the United States.
B) Undocumented immigrants work harder than U.S. citizens.
C) Qualified technical workers are scarce in the United States.
D) U.S. workers do not want this physically demanding work.
E) The size of the U.S. workforce is declining.

Answer: C
Explanation: In industries such as computer software development, employers say they have difficulty finding enough qualified U.S. workers to fill technical jobs. These employers are pressing for immigration laws to allow a greater supply of foreign-born workers.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

28) Managing cultural diversity involves
A) forming different pay structures for various groups.
B) creating separate career tracks for employees with families.
C) avoiding the use of affirmative action policies.
D) reducing cultural diversity by selective hiring.
E) encouraging career development for women and minorities.

Answer: E
Explanation: Managing cultural diversity involves creating an organizational culture that values diversity; ensuring that human resource management systems are bias free; encouraging career development for women and minorities; promoting knowledge and acceptance of cultural differences; ensuring involvement in education both within and outside the organization; and dealing with employees' resistance to diversity.
Difficulty: 1 Easy
Topic: Diversity Management
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Understand
AACSB: Diversity
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29) Given the increasing use of computers to do routine tasks, which skill is most likely to be actively sought by U.S. employers today?
A) physical strength
B) mastery of a particular piece of machinery
C) interpersonal skills
D) ability to perform routine tasks
E) ability to work with a tool

Answer: C
Explanation: The increasing use of computers to do routine tasks has shifted the kinds of skills needed for employees in the U.S. economy. Qualities such as physical strength and mastery of a particular piece of machinery are no longer important for many jobs. More employers are looking for mathematical, verbal, and interpersonal skills, such as the ability to solve math or other problems or reach decisions as part of a team.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

30) Which term refers to organizations that have the best possible fit between their social system and their technical system?
A) workforce analysis systems
B) holistic management systems
C) supply chain systems
D) high-performance work systems
E) total quality management systems

Answer: D
Explanation: High-performance work systems refer to organizations that have the best possible fit between their social system and technical system.
Difficulty: 1 Easy
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Remember
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31) Baker Corp., a financial services company, specializes in customers' preferences and cost-efficient processes. They also encourage self-managing teams that make all decisions regarding business development and the sale of services to their customers. The firm ensures that there is a good fit between its work system and its people. This scenario implies that Baker has a
A) workforce analysis system.
B) high-performance work system.
C) supply chain system.
D) total quality management system.
E) holistic management system.

Answer: B
Explanation: High-performance work systems refer to organizations that have the best possible fit between their social system and technical system. Among the trends that are occurring in today's high-performance work systems are reliance on knowledge workers, empowerment of employees to make decisions, and use of teamwork. In this case, Baker Corp. has a high-performance work system because it consists of empowered employee teams with specialized knowledge of customers' preferences and cost-efficient processes.
Difficulty: 3 Hard
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

32) How has the requirement for creating high-performance work systems changed?
A) There is a drive toward low-cost strategy in the labor market.
B) Employees prefer implementation of a 40-hour workweek.
C) Competitors are looking for ways to standardize prices in their respective industries.
D) Employers are looking for ways to tap people's creativity and interpersonal skills.
E) Customers are demanding standardized products over customized products.

Answer: D
Explanation: As the nature of the workforce and the technology available to organizations changed, so have the requirements for creating a high-performance work system. Customers are demanding high-quality and customized products, employees are seeking flexible work arrangements, and employers are looking for ways to tap people's creativity and interpersonal skills.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Understand
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33) What is a characteristic of current-day high-performance work systems?
A) mismatches in technical system and social system
B) employee empowerment in decision making
C) increase in individual assignments
D) centralized decision making
E) reduced reliance on knowledge workers

Answer: B
Explanation: Among the trends that are occurring in today's high-performance work systems are reliance on knowledge workers, empowerment of employees to make decisions, and the use of teamwork.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

34) The growth in e-commerce and the information economy has led to an increase in the demand for employees in
A) technical jobs.
B) mining and resource extraction.
C) agriculture.
D) service occupations.
E) manufacturing.

Answer: D
Explanation: The growth in e-commerce, plus the shift from a manufacturing to a service and information economy, has changed the nature of employees that are most in demand. The Bureau of Labor Statistics forecasts that between 2016 and 2026, most new jobs will be in service occupations, especially health care.
Difficulty: 1 Easy
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Remember
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35) Which statement is correct regarding skilled knowledge workers?
A) They do not have considerable autonomy to make decisions.
B) They are most likely to experience a lack of opportunities in a slow economy.
C) They are not easily replaced because they own the knowledge that the company requires to produce its products.
D) They are not expected to be technically efficient and are only involved in direct interactions with customers.
E) They do not have a lot of job opportunities because employers can simply order these employees to perform tasks.

Answer: C
Explanation: Knowledge workers are in a position of power because they own the knowledge that the company needs in order to produce its products and services, and they must share their knowledge and collaborate with others in order for their employer to succeed. Replacing these employees is difficult and time consuming. They have many job opportunities even in a slow economy.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Understand
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36) Sean works at Rowen Corp., an environmentally conscious apparel manufacturing company. He primarily focuses on the tastes and needs of the firm's customers. He achieves this by managing a team that regularly interacts with customers through various promotional activities and events. He also provides insights on how to produce eco-friendly outfits through his specialized knowledge of cost-efficient manufacturing processes. This implies that Sean
A) is an HR professional.
B) encourages centralized decision making.
C) is a knowledge worker.
D) encourages a narrow business focus.
E) belongs to the external labor market.

Answer: C
Explanation: Knowledge workers are employees whose main contribution to the organization is specialized knowledge, such as knowledge of customers, a process, or a profession. In this case, Sean is a knowledge worker because he primarily focuses on providing his expertise on both the tastes and needs of the firm's customers, as well as cost-efficient manufacturing processes.
Difficulty: 3 Hard
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Apply
AACSB: Knowledge Application
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37) Which statement is *true* of employee empowerment?
A) Proper training must be provided only to supervisors so that they can exert their wider authority.
B) Managers should ensure that employees are not linked to resources outside the organization, such as customers.
C) Employee empowerment shifts the recruiting focus away from cognitive and interpersonal skills toward general technical skills.
D) Employee empowerment prevents holding employees accountable for the products and services they developed.
E) Jobs must be designed to give employees the necessary latitude for making a variety of decisions.

Answer: E
Explanation: Employee empowerment means giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service. Jobs must be designed to give employees the necessary latitude for making a variety of decisions.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

38) Fred is the project manager. He encourages his team members to have brainstorming sessions before initiating a project to determine the best method to deliver positive results. He provides his team members with complete authority to execute all production tasks independently. This scenario indicates that Fred promotes
A) centralized decision making.
B) risk aversion.
C) downsizing.
D) outsourcing.
E) employee empowerment.

Answer: E
Explanation: Employee empowerment refers to giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service. Employees are then held accountable for products and services. In return, they share the resulting losses and rewards.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

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39) Dino Inc., a marketing firm, has employees who work in different cities in different time zones around the country. They coordinate their work efficiently with the help of technology, such as videoconferencing, mobile phones, and e-mail, for the production of marketing activities. Which statement is true of Dino Inc.?
A) It has a vertical organizational structure.
B) It does not hold employees accountable for products and services.
C) It encourages virtual teams.
D) It encourages centralized decision making.
E) It has self-employed individuals with multiple clients.

Answer: C
Explanation: Teamwork is the assignment of work to groups of employees with various skills who interact to assemble a product or provide a service. In some organizations, technology is enabling teamwork even when workers are at different locations or work at different times. These organizations use virtual teams—teams that rely on communications technology such as videoconferences, mobile phones, and e-mail to keep in touch and coordinate activities.
Difficulty: 2 Medium
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
Bloom's: Apply
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40) Sky Meadows Health Care Systems set up a program that encourages employees to share their ideas for patient satisfaction and cost savings. After a year of collecting these ideas, the HR department conducted an employee survey and learned that its employees did not feel very empowered. What else should Sky Meadows do to improve the sense of empowerment?
A) Hold employees accountable for their results.
B) Train employees to use information resources.
C) Show that management is listening to the ideas and implementing the valuable ones.
D) Train managers to link employees to resources within and outside the organization.
E) Encourage employees to interact with staff throughout the organization.

Answer: C
Explanation: Employee empowerment can extend to innovation. Employees at all levels are encouraged to share their ideas for satisfying customers better and operating more efficiently and safely. This is empowering if management actually listens to the ideas, implements valuable ones, and rewards employees for their innovations.
Difficulty: 3 Hard
Topic: High-Performance Work Systems
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
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41) What is necessary for the success of employee empowerment?
A) The jobs must be designed in such a manner that the managers have complete control over business processes.
B) Employees must be properly trained to exert their wider authority and use information resources such as the Internet.
C) Pay and other rewards should reflect employees' loyalty to the organization and not their authority.
D) Employers should provide feedback only when employees resign and are about to leave the organization.
E) Employers should create jobs that minimize the need for the employees to come up with innovative ideas and solutions.

Answer: B
Explanation: Jobs must be designed to give employees the necessary latitude for making a variety of decisions. Employees must be properly trained to exert their wider authority and use information resources such as the Internet as well as tools for communicating information.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
Bloom's: Understand
AACSB: Analytical Thinking
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42) How has the use of employee empowerment affected the recruitment process in the United States.?
A) It has enhanced the need for people with working knowledge of operating different kinds of machinery.
B) It has substantially increased employment opportunities for workers with less education.
C) It has shifted the focus away from technical skills to general cognitive and interpersonal skills.
D) It has significantly reduced recruitment costs by using low-cost strategies, though it hinders innovation.
E) It has made the recruitment process less time-consuming.

Answer: C
Explanation: Use of employee empowerment shifts the recruiting focus away from technical skills and toward general cognitive and interpersonal skills. Employees who have responsibility for a final product or service must be able to listen to customers, adapt to changing needs, and creatively solve a variety of problems.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
Bloom's: Understand
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43) In what way does teamwork make work more significant?
A) It centralizes authority so workers do not have to make decisions.
B) Team members have less authority, so they can relax.
C) Teams get to work on fast-moving assembly lines.
D) Team members contribute to quality and assume many activities traditionally reserved for managers.
E) Teams spare employees from having to work directly with customers.

Answer: D
Explanation: Work teams often assume many activities traditionally reserved for managers, such as selecting new team members, scheduling work, and coordinating work with customers and other units of the organization. Work teams also contribute to total quality by performing inspection and quality-control activities while the product or service is being completed.
Difficulty: 3 Hard
Topic: High-Performance Work Systems
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
Bloom's: Analyze
AACSB: Analytical Thinking
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44) Brady works at a machine production facility assembling small parts in a specialized division. In addition to his regular job duties, Brady works in tandem with his other coworkers to schedule work, select new team members, and carry out multiple assembly tasks. This style of work is best described as
A) centralized.
B) a virtual team.
C) teamwork.
D) agile development.
E) knowledge work.

Answer: C
Explanation: Teamwork is the assignment of work to groups of employees with various skills who interact to assemble a product or provide a service. Work teams often assume many activities traditionally reserved for managers, such as selecting new team members, scheduling work, and coordinating work with customers and other units of the organization.
Difficulty: 1 Easy
Topic: High-Performance Work Systems
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
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45) Lennon, the branch manager of a local bank, wants to initiate a teamwork system because he believes it will improve the performance of the branch. Which statement provides valid support for Lennon's idea?
A) Teamwork encourages centralized decision making, which will lower costs.
B) Teamwork eliminates the need for quality control.
C) Teamwork makes work motivating for employees and helps reduce labor costs.
D) Teamwork simplifies each job to a few tasks, reducing errors.
E) Teamwork reduces errors because team members must communicate face-to-face.

Answer: C
Explanation: Teamwork can motivate employees by making work more interesting and significant. At organizations that rely on teamwork, labor costs may be lower as well.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
Bloom's: Analyze
AACSB: Analytical Thinking
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46) Hutch Inc., a software company, uses an approach in which software developers and programmers interact directly with customers. The team asks the customers for their requirements, develops a sample, and sends it to them for feedback. The team continues production based on the feedback given by their clients. The firm spends less time on negotiating contracts and documenting processes. This scenario implies that Hutch is using which approach?
A) just-in-time
B) total quality management
C) agile
D) downsizing
E) outsourcing

Answer: C
Explanation: In agile software development, self-directed teams of developers and programmers work directly with those who will use the software, deliver components, and seek feedback. The process is "agile" because the team changes specifications and code as a result of the feedback throughout the development process.
Difficulty: 3 Hard
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
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47) The specific ways in which human resource professionals support an organization's strategy vary according to
A) their level of involvement and the nature of the strategy.
B) the location of the organization's corporate headquarters.
C) the government regulations of the countries in which the organization does business.
D) the mastery of a particular piece of machinery among the employees of the organization.
E) the organization's market share in the industry.

Answer: A
Explanation: The specific ways in which human resource professionals support the organization's strategy vary according to their level of involvement and the nature of the strategy. Strategic issues include emphasis on quality and decisions about growth and efficiency. Human resource management can support these strategies, including efforts such as quality improvement programs, mergers and acquisitions, and restructuring.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
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48) What occurs when two companies join forces and become one entity?
A) an acquisition
B) a merger
C) a takeover
D) a joint venture
E) a strategic alliance

Answer: B
Explanation: A merger occurs when two companies join forces to become one.
Difficulty: 1 Easy
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Remember
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49) Miller Inc. is a large corporation preparing to acquire GrowIt, a start-up business. Miller has many policies and procedures based on years of experience. Employees at GrowIt are used to figuring out the best practices as they go along. How can Miller's HR professionals help the company prepare for the acquisition to succeed in spite of these differences?
A) by replacing GrowIt's employees with new employees who will follow rules
B) by reassuring everyone that any differences will disappear after the acquisition
C) by identifying the differences and developing employees' skills in conflict resolution
D) by planning systems to ensure there are no conflicts following the acquisition
E) by training employees in how to set up new HR systems

Answer: C
Explanation: HRM should have a significant role in carrying out a merger or acquisition. Differences between the businesses involved in the deal make conflict inevitable. Training efforts should therefore include development of skills in conflict resolution. Also, HR professionals have to sort out differences in the two companies' practices with regard to compensation, performance appraisal, and other HR systems.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Analyze
AACSB: Analytical Thinking
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50) Which of the following reflects a core value of total quality management?
A) providing quality training to specific employees
B) detecting errors and correcting them as they appear in an error-prone product or service
C) developing generalized methods and processes that focus only on meeting the needs of external customers
D) encouraging cooperation with vendors, suppliers, and customers to improve quality
E) measuring an employee's progress based on how productive the employee appears

Answer: D
Explanation: Organizations that engage in total quality management promote cooperation with vendors, suppliers, and customers to improve quality and hold down costs. All employees receive training in quality. The managers measure progress of the employees with feedback based on the data.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
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51) Filerton Inc. produces large quantities of products for their customers within tight deadlines. Recently, customers have been returning their products to Filerton, citing errors and defects in the items they have received. Which total quality management core value does Filerton need to employ to correct this issue?
A) Filerton needs to promote cooperation with vendors, suppliers, and customers.
B) Filerton managers need to measure progress.
C) Filerton needs to ensure quality is designed into their products so errors are prevented from occurring.
D) Filerton needs to hold down costs.
E) Filerton needs to employ methods to meet the needs of internal customers.

Answer: C
Explanation: One of the core values of total quality management is that of quality. Quality should be designed into a product or service so that errors are prevented from occurring, rather than being detected and corrected in an error-prone product or service.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Analyze
AACSB: Reflective Thinking
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52) Phineas Corp. has made a name for itself by following long-standing methods to manufacture wooden furniture. Recently, competitors using more modern technology have appeared in the furniture market, and Phineas has found its business suffering as a result. Using a TQM approach, what might help Phineas Corp. improve?
A) Phineas should firmly resist engaging in any risk taking, instead continuing to follow its traditional methods and processes.
B) Phineas management should not involve subordinates when looking to solve the corporation's problems.
C) Phineas should create an atmosphere that promotes innovation.
D) Phineas should ignore its customer needs and requests.
E) Phineas should provide quality training only to those in top management.

Answer: C
Explanation: To promote quality, organizations need an environment that supports innovation, creativity, and risk taking to meet customer demands. Problem solving should bring together managers, employees, and customers. Employees should communicate with managers about customer needs.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Analyze
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53) According to the core values of total quality management,
A) the progress of employees should be measured through self-evaluation.
B) external customers should not be given any importance while developing any process.
C) only key personnel should receive training in quality.
D) errors in a product or service should be prevented before occurrence.
E) internal customers should be valued more than external customers.

Answer: D
Explanation: Total quality management has several core values. One value is that quality is designed into a product or service so that errors are prevented from occurring, rather than being detected and corrected in an error-prone product or service.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
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54) A chemical company buying a medical equipment manufacturing company is an example of
A) an acquisition.
B) a partnership.
C) a consolidation.
D) a joint venture.
E) a strategic alliance.

Answer: A
Explanation: An acquisition happens when one company buys another company.
Difficulty: 1 Easy
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
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55) Clark Corp., an automobile manufacturer, purchases Forward Inc., a company that produces auto parts and accessories. This scenario exemplifies
A) consolidation.
B) a partnership.
C) an acquisition.
D) a joint venture.
E) a strategic alliance.

Answer: C
Explanation: An acquisition happens when one company buys another company.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Apply
AACSB: Knowledge Application
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56) Tasty Treats, a cookie manufacturer, combines with Minty Goodies, a chocolate manufacturer, to form a company called Yummy, Inc. This scenario illustrates a(n)
A) consolidation.
B) partnership.
C) acquisition.
D) merger.
E) strategic alliance.

Answer: D
Explanation: A merger occurs when two companies become one.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
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57) Connor Cell, a large-scale cell phone manufacturer, buys Minnow Inc., a small cell phone manufacturer, to secure a greater share of the cell phone industry. This scenario exemplifies
A) a consolidation.
B) a partnership.
C) downsizing.
D) a merger.
E) a strategic alliance.

Answer: A
Explanation: Some mergers and acquisitions result in consolidation within an industry, meaning that two firms in one industry join to hold a greater share of the industry.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
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58) If two firms in one industry join to hold a greater share of the industry, it will be referred to as
A) a consolidation.
B) a takeover.
C) an acquisition.
D) a conglomerate.
E) assimilation.

Answer: A
Explanation: Some mergers and acquisitions result in consolidation within an industry, meaning that two firms in one industry join to hold a greater share of the industry.
Difficulty: 1 Easy
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
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59) Vinzo Pharmaceuticals and Aurora Medicines combined their businesses to create a new company, Aurora Pharmaceuticals Inc. This is an example of a(n)
A) acquisition.
B) takeover.
C) partnership.
D) strategic alliance.
E) merger.

Answer: E
Explanation: A merger occurs when two companies become one.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Apply
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60) What is a challenge for human resource management during mergers?
A) scrutinizing balance sheets
B) evaluating the financial worth of the new company
C) developing competitively priced products
D) developing conflict resolution skills
E) sustaining the brand image of the company

Answer: D
Explanation: Human resource management should have a significant role in carrying out a merger or acquisition. Differences between the businesses involved in the deal make conflict inevitable. Training efforts should therefore include development of skills in conflict resolution. Also, HR professionals have to sort out differences in the two companies' practices with regard to compensation, performance appraisal, and other HR systems.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
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61) The HRM function during downsizing is to terminate the workers who
A) are performing multiple organizational roles.
B) are less valuable in their performance.
C) are a part of the external labor force.
D) are older than the other employees.
E) are being paid the highest salaries.

Answer: B
Explanation: Downsizing presents a number of challenges and opportunities for HRM. In terms of challenges, the HRM function must surgically reduce the workforce by cutting only the workers who are less valuable in their performance.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
AACSB: Analytical Thinking
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62) During downsizing, the HRM function must "surgically" reduce the workforce by cutting only the workers who are less valuable in their performance. What is a reason for this being difficult to achieve?
A) The definition of "less valuable" is fluid and hard to define.
B) Downsizing companies tend to have a strong, interconnected hierarchy.
C) The best workers may leave before the organization lays off anyone.
D) Voluntary turnover is encouraged for all levels of employees.
E) Decision making has become decentralized, leaving no department with the power to reduce the workforce.

Answer: C
Explanation: Downsizing presents a number of challenges and opportunities for HRM. In terms of challenges, the HRM function must "surgically" reduce the workforce by cutting only the workers who are less valuable in their performance. Achieving this is difficult because the best workers are most able (and often willing) to find alternative employment and may leave voluntarily before the organization lays off anyone.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
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63) A downsizing strategy at City Corp. has resulted in negative stock returns and lower profitability following the layoffs. Which statement best explains the reason for these negative results at City Corp.?
A) Downsizing tends to eliminate good performers instead of poor performers first.
B) Downsizing demands the HR department have a third-party vendor provide services, which results in lower revenues.
C) Downsizing conducts a complete review of the organization's critical work processes, which results in heavy expenditures.
D) The HRM of a firm must provide downsized employees with multiple stock options.
E) When labor costs fall after a downsizing, sales per employee also tend to fall.

Answer: E
Explanation: Contrary to popular belief, research has found that downsizing is associated with negative stock returns and lower profitability following the layoffs. One reason may be that although labor costs fall after a downsizing, sales per employee also tend to fall.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Analyze
AACSB: Reflective Thinking
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64) What is true of early retirement programs that are used as a method of downsizing?
A) They are the most effective.
B) They are linked to greater employee suffering and distress.
C) They offer a better alternative to the "grenade" approach.
D) They help in distinguishing between good and poor performers.
E) They are humane.

Answer: E
Explanation: Early retirement programs are humane, but they essentially reduce the workforce with a "grenade" approach—not distinguishing good performers from poor performers but rather eliminating an entire group of employees.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
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65) Which statement is true about downsizing?
A) HRM cannot, and should not, inform all employees why downsizing is necessary.
B) HRM should withhold information regarding downsizing rather than maintain open communication with remaining employees.
C) Downsizing is associated with positive stock returns.
D) Downsizing results in higher profitability following layoffs.
E) HRM can provide downsized employees with outplacement services to help them find new jobs.

Answer: E
Explanation: HRM can provide downsized employees with outplacement services to help them find new jobs. Such services are ways an organization can show that it cares about its employees, even though it cannot afford to keep all of them on the payroll.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
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66) When an organization undertakes a complete review of its critical work processes to make them more efficient in an effort to deliver higher quality, it is engaging in
A) outsourcing.
B) offshoring.
C) reengineering.
D) greenfield venturing.
E) codetermining.

Answer: C
Explanation: Reengineering refers to a complete review of the organization's critical work processes to make them more efficient and able to deliver higher quality.
Difficulty: 1 Easy
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
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67) Which observation about reengineering is *true*?
A) It is primarily concerned with production processes.
B) Critical processes are not altered during this process.
C) Rapidly changing customer needs and technologies necessitate reengineering.
D) It has no impact on human resource practices and systems.
E) Retaining the current work processes with minimal change requires reengineering.

Answer: C
Explanation: Rapidly changing customer needs and technologies have caused many organizations to rethink the way they get work done. This may lead to a reengineering process. Reengineering involves reviewing all the processes performed by all the organization's major functions, including production, sales, accounting, and human resources.
Difficulty: 2 Medium
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
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68) Mable Textiles, a garment manufacturing company, implements a new technology to improve the speed of its production process. To do this effectively, the company decides to train its employees on how to use this new process. The company also implements new quality checks and efficiency measures, reducing the costs of production while delivering better quality products. This process of making changes to vital company technology to make it more efficient is known as
A) outsourcing.
B) codetermining.
C) downsizing.
D) hedging.
E) reengineering.

Answer: E
Explanation: Reengineering refers to a complete review of the organization's critical work processes to make them more efficient and able to deliver higher quality. In this case, Mable Textiles engages in reengineering as it implements new quality checks and efficiency measures, reducing the cost of production and delivering better quality products.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
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69) Fuller Corporation recently undertook a reengineering strategy to increase the efficiency of its processes. According to your text, will reengineering have any effect on Fuller's HR department?
A) No; the HR department will continue to accomplish its goals as it always has.
B) Yes; the structure of pay and benefits will have to be redesigned.
C) Yes; employees will require training, but only those in the top managerial positions.
D) Yes; new employees with the same skill sets as current workers will need to be hired.
E) No; employee levels will stay the same, with none being hired or laid off.

Answer: B
Explanation: Reengineering affects human resource management. The way the HR department itself accomplishes its goals may change dramatically. Employees may need training for their reengineered jobs. The organization may need to redesign the structure of its pay and benefits to make them more appropriate for its new way of operating. It also may need to recruit employees with a new set of skills. Reengineering often results in employees being laid off or reassigned to new jobs, as the organization's needs change. HR professionals should also help with this transition, as they do for downsizing.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Analyze
AACSB: Reflective Thinking
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70) As part of a company-wide business strategy, Smith Inc. conducts a comprehensive examination of its critical work techniques to increase their efficiency. The results of the examination are used to create a strategy to provide high-quality goods and services to the firm's customers. Which HRM practice is Smith Inc. using?
A) outsourcing
B) reengineering
C) downsizing
D) merger
E) acquisition

Answer: B
Explanation: Rapidly changing customer needs and technology have caused many organizations to rethink the way they get work done. Therefore, many organizations have undertaken reengineering—a complete review of the organization's critical work processes to make them more efficient and able to deliver higher quality.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Apply
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71) Fisher Inc., a cell phone manufacturer, has its assembly operations performed by Morton Corp., a firm that deals exclusively in assembling products for other companies. This scenario indicates that Fisher Inc. engages in the practice of
A) outsourcing.
B) reengineering.
C) downsizing.
D) benchmarking.
E) acquiring.

Answer: A
Explanation: Many organizations are increasingly outsourcing business activities. Outsourcing refers to the practice of having another company (a vendor, third-party provider, or consultant) provide services.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

72) Xeon Inc., a maker of chocolate products, assigns its packaging and labeling to First Choice U.S.A., a firm that specializes in packaging and labeling other companies' products. Which HRM practice is Xeon Inc. using in this scenario?
A) acquiring
B) reengineering
C) downsizing
D) benchmarking
E) outsourcing

Answer: E
Explanation: Many organizations are increasingly outsourcing business activities. Outsourcing refers to the practice of having another company (a vendor, third-party provider, or consultant) provide services.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

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Access Complete Test Bank for Fundamentals of Human Resource Management 8th Noe

73) The practice of having another company provide services is known as
A) benchmarking.
B) downsizing.
C) codetermining.
D) outsourcing.
E) reengineering.

Answer: D
Explanation: The practice of having another company provide services is referred to as outsourcing.
Difficulty: 1 Easy
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

74) At Your Service Inc. is a consumer goods company that provides the option of door-to-door delivery. The company partners with a packaging company for transporting its goods to the customers. This is an example of
A) cause marketing.
B) outsourcing.
C) reengineering.
D) disinvesting.
E) downsizing.

Answer: B
Explanation: The practice of having another company provide services is referred to as outsourcing. In this case, At Your Service Inc. is outsourcing the delivery of its products to customers to a packaging company.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

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75) Companies are finding that to survive they must contend in international markets as well as fend off foreign competitors' attempts to gain ground in the United States. What would help businesses in the United States meet these challenges?
A) They must focus on developing domestic markets rather than on developing global markets.
B) They must hire only from a domestic labor pool.
C) They must prepare employees for global assignments.
D) They must eliminate reshoring—reestablishing operations in North America.
E) They must reduce the workforce with a "grenade" approach—by eliminating an entire group of employees.

Answer: C
Explanation: Companies are finding that to survive they must compete in international markets as well as fend off foreign competitors' attempts to gain ground in the United States. To meet these challenges, U.S. businesses must develop global markets, keep up with competition from overseas, hire from an international labor pool, and prepare employees for global assignments.
Difficulty: 3 Hard
Topic: The Use of HR Initiatives in the Global Marketplace
Learning Objective: 02-05 Summarize ways in which human resource management can support organizations expanding internationally.
Bloom's: Analyze
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

76) What is the most common reason why U.S. organizations hire employees in foreign countries?
A) lack of technology in the United States.
B) lack of demand for their products in the United States.
C) poor quality of labor in the United States.
D) governmental pressure
E) low cost of labor in foreign countries

Answer: E
Explanation: Organizations with international operations hire at least some of their employees in the foreign countries where they operate. In fact, regardless of where their customers are located, organizations are looking overseas to hire talented people willing to work for less pay than the U.S. labor market requires.
Difficulty: 2 Medium
Topic: The Use of HR Initiatives in the Global Marketplace
Learning Objective: 02-05 Summarize ways in which human resource management can support organizations expanding internationally.
Bloom's: Understand
AACSB: Diversity
Accessibility: Keyboard Navigation

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Access Complete Test Bank for Fundamentals of Human Resource Management 8th Noe

77) EnTech Inc., an electronics manufacturer, is headquartered in Florida. The firm shifted its operations from Florida to China due to lower labor costs and the availability of required skills in China. This scenario indicates that EnTech engaged in the practice of
A) downsizing.
B) reengineering.
C) offshoring.
D) benchmarking.
E) acquiring.

Answer: C
Explanation: Offshoring refers to moving operations from the country where a company is headquartered to a country where pay rates are lower but the necessary skills are available.
Difficulty: 3 Hard
Topic: The Use of HR Initiatives in the Global Marketplace
Learning Objective: 02-05 Summarize ways in which human resource management can support organizations expanding internationally.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

78) Which statement best describes offshoring?
A) It is the practice of having another company provide services.
B) It refers to moving operations from the country where a company is headquartered to a country where pay rates are lower but the necessary skills are available.
C) It is a method of staffing other than the traditional hiring of full-time employees.
D) It is a complete review of the organization's critical work processes to make them more efficient and able to deliver higher quality of products and services.
E) It refers to acquiring a new company in a distant location or another country in order to acquire higher market share or growth.

Answer: B
Explanation: Moving operations from the country where a company is headquartered to a country where pay rates are lower but the necessary skills are available is referred to as offshoring.
Difficulty: 1 Easy
Topic: The Use of HR Initiatives in the Global Marketplace
Learning Objective: 02-05 Summarize ways in which human resource management can support organizations expanding internationally.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

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Access Complete Test Bank for Fundamentals of Human Resource Management 8th Noe

79) When large U.S. software companies open facilities in developing countries to take advantage of the highly skilled labor available there at lower pay rates, they are engaging in
A) consolidation.
B) nationalization.
C) crowdsourcing.
D) codetermining.
E) offshoring.

Answer: E
Explanation: Moving operations from the country where a company is headquartered to a country where pay rates are lower but the necessary skills are available is referred to as offshoring.
Difficulty: 2 Medium
Topic: The Use of HR Initiatives in the Global Marketplace
Learning Objective: 02-05 Summarize ways in which human resource management can support organizations expanding internationally.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

80) Employees who take assignments in other countries are called
A) host-country nationals.
B) immigrants.
C) external employees.
D) expatriates.
E) emigrants.

Answer: D
Explanation: Employees who take assignments in other countries are called expatriates.
Difficulty: 1 Easy
Topic: The Use of HR Initiatives in the Global Marketplace
Learning Objective: 02-05 Summarize ways in which human resource management can support organizations expanding internationally.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

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Access Complete Test Bank for Fundamentals of Human Resource Management 8th Noe

81) What is a key advantage of human resource information systems?
A) They can be used to scrutinize balance sheets.
B) They can be used to develop new lines of products.
C) They can ensure that data is kept private and confidential.
D) They help HR professionals think strategically.
E) They can be used to reduce the size of the HR staff.

Answer: D
Explanation: The key advantage of investing in an HRIS is that it helps HR professionals think strategically.
Difficulty: 2 Medium
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

82) Which technology can be used to provide employees access to information about HR issues?
A) intranet portals
B) application services
C) self-service
D) business intelligence systems
E) electronic performance support systems

Answer: C
Explanation: Employees now get information through self-service. This means employees have online access to information about HR issues such as training, benefits, compensation, and contracts; go online to enroll themselves in programs and services; and provide feedback through online surveys.
Difficulty: 1 Easy
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Remember
AACSB: Analytical Thinking
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83) Gamma is a company that develops software to help businesses with data processing. Their software performs multiple business functions, including processing payrolls, generating tax information for employees, and managing performance evaluation reports. The software is hosted on a remote server maintained by Gamma, and client businesses can access it online. Which technology is being used by Gamma to perform the computing tasks for other businesses?
A) intranet portal
B) HR dashboard
C) data mining
D) cloud computing
E) artificial intelligence

Answer: D
Explanation: Cloud computing is an arrangement in which remote server computers do the user's computing tasks.
Difficulty: 3 Hard
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

84) Which technology simulates human thinking?
A) electronic performance support systems
B) intranet portals
C) self-service portals
D) cloud computing
E) artificial intelligence

Answer: E
Explanation: Artificial intelligence is a technology that simulates human thinking. It is programmed to conduct queries that enable the software to learn from data, identifying trends and patterns that enable it to deliver better results over time.
Difficulty: 1 Easy
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Remember
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85) Which statement is *true* of an intranet?
A) It is a system that uses powerful computers to analyze large amounts of data, such as data about employee traits.
B) It is a network that uses Internet tools but limits access to authorized users in the organization.
C) It is a network that is used by a business to reach out to the customers and send them product information.
D) It is a system that is used by outside suppliers to update inventories.
E) It is a network universally used by business organizations to transfer data from one geographical location to another.

Answer: B
Explanation: A great deal of human resource information is confidential and not suitable for posting on a website for everyone to see. One solution is to set up an HRIS on an intranet, which is a network that uses Internet tools but limits access to authorized users in an organization.
Difficulty: 2 Medium
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Understand
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86) Nora is interested in a career in human resource management. She expected her first job to focus on giving employees access to information and enrollment forms for training, benefits, and other programs. However, she has since learned that HR employees spend less time doing that kind of work. Which trend is behind that change?
A) Employees can now get such information through self-service.
B) Benefits have been cut from most company programs.
C) Managers have taken over those HR duties.
D) Lack of voluntary participation has led to the elimination of employee training programs.
E) Due to privacy laws, human resources cannot obtain any sensitive employee information.

Answer: A
Explanation: Information technology is changing the way HR departments handle record keeping and information sharing. Today HR employees use technology to automate much of their work in managing employee records and giving employees access to information and enrollment forms for training, benefits, and other programs. As a result, HR employees play a smaller role in maintaining records, and employees now get information through self-service. This means employees have online access to information about HR issues such as training, benefits, compensation, and contracts; go online to enroll themselves in programs and services; and provide feedback through online surveys.
Difficulty: 3 Hard
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

87) The use of technology by HR departments in business organizations has resulted in
A) organizations becoming more restrictive about information pertaining to workplace policies.
B) the elimination of the self-service approach toward information dissemination.
C) the elimination of face-to-face meetings and training sessions.
D) the collection of employees' opinions through online surveys.
E) HR employees having greater responsibilities for record keeping.

Answer: D
Explanation: Information technology is changing the way human resource departments handle record keeping and information sharing. Through self-service, employees have online access to information about HR issues such as training, benefits, and so on; can go online to enroll themselves in programs and services; and can provide feedback through online surveys.
Difficulty: 3 Hard
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Analyze
AACSB: Reflective Thinking
Accessibility: Keyboard Navigation

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Access Complete Test Bank for Fundamentals of Human Resource Management 8th Noe

88) What is an HR dashboard?
A) a messaging system used by HR managers to communicate with employees
B) a display of how the company is performing on specific HR metrics
C) a tool used to measure the profitability and growth rate of the organization
D) a computer system used to acquire and distribute information about work schedules and job duties
E) a system used to store, analyze, and process the information regarding the levels of demand and inventory

Answer: B
Explanation: An HR dashboard is a display of how the company is performing on specific HR metrics, such as productivity and absenteeism.
Difficulty: 1 Easy
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

89) The relationship between an employer and an employee can be thought of in terms of a(n) _____, a description of what an employee expects to contribute in an employment relationship and what the employer will provide the employee in exchange for those contributions.
A) employee contract
B) offer letter
C) psychological contract
D) legal bond
E) legal agreement

Answer: C
Explanation: A psychological contract between an employer and an employee is a description of what an employee expects to contribute in an employment relationship and what the employer will provide the employee in exchange for those contributions. Unlike a written sales contract, the psychological contract is not formally put into words.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Bloom's: Remember
AACSB: Analytical Thinking
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Access Complete Test Bank for Fundamentals of Human Resource Management 8th Noe

90) Which term refers to the intentional practice of changing jobs frequently?
A) job hopping
B) moonlighting
C) job enlargement
D) job enrichment
E) freelancing

Answer: A
Explanation: Some employees engage in job hopping, the intentional practice of changing jobs frequently—say, every year or two. Job hopping can be appealing to an employee as a way to stave off boredom and win some rapid increases in pay and responsibility.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

91) The management of J&A Homes expects its employees to be enthusiastic about their work by seeking training, putting in long hours of work, initiating better work procedures, and maintaining a sound balance between professional life and personal life. In return, the firm's employees expect management to arrange for better incentives, flexible work schedules, and increased authority to execute their tasks. This scenario is an example of a(n)
A) employee contract.
B) offer letter.
C) legal agreement.
D) legal bond.
E) psychological contract.

Answer: E
Explanation: A psychological contract between an employer and an employee is a description of what an employee expects to contribute in an employment relationship and what the employer will provide the employee in exchange for those contributions. In the traditional version of this psychological contract, organizations expected their employees to contribute time, effort, skills, abilities, and loyalty. In return, the organizations would provide job security and opportunities for promotion.
Difficulty: 3 Hard
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Bloom's: Apply
AACSB: Knowledge Application
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Access Complete Test Bank for Fundamentals of Human Resource Management 8th Noe

92) Which statement is *true* of a psychological contract?
A) A psychological contract describes spoken expectations that are widely held by employers and employees.
B) In the new version of the psychological contract, organizations manage the career paths for their employees.
C) In the traditional version of the psychological contract, organizations expected employees to take more responsibility for their own careers, from seeking training to balancing work and family.
D) A psychological contract is a display of how the company is performing on specific HR metrics, such as productivity and absenteeism.
E) A psychological contract is not formally put into words.

Answer: E
Explanation: Unlike a written sales contract, the psychological contract is not formally put into words. Instead it describes unspoken expectations that are widely held by employers and employees. In the traditional contract, organizations expected their employees to contribute time, effort, skills, abilities, and loyalty. In return, the organizations would provide job security and opportunities for promotion. In the new contract, employees exchange top performance and working longer hours without job security for the company providing flexible work schedules, comfortable working conditions, more control over how the employees accomplish work, training and development opportunities, and financial incentives.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

93) The new type of psychological contract has resulted in reduced
A) creativity.
B) employee compensation.
C) flexibility.
D) training and development opportunities.
E) job security.

Answer: E
Explanation: The new psychological contracts have resulted in reduced job security and longer work hours.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Bloom's: Remember
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94) Employees realize that many companies are no longer able to provide long-term employment security. Instead, the employees now want
A) increased pay.
B) less demanding work.
C) employability.
D) written employment contracts.
E) additional benefits.

Answer: C
Explanation: Employees realize that companies cannot provide employment security, so they want employability. This means they want their company to provide training and job experiences to help ensure that they can find other employment opportunities.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Bloom's: Remember
AACSB: Analytical Thinking
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95) Kasey changes jobs on a regular basis. She does this to secure better career growth opportunities and to decrease boredom. Kasey engages in
A) freelancing.
B) job enrichment.
C) job hopping.
D) benchmarking.
E) moonlighting.

Answer: C
Explanation: Some employees engage in job hopping, the intentional practice of changing jobs frequently—say, every year or two. Job hopping can be appealing to an employee as a way to stave off boredom and win some rapid increases in pay and responsibility.
Difficulty: 3 Hard
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Bloom's: Apply
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96) The use of independent contractors, on-call workers, temporary workers, and contract company workers, collectively constitutes
A) outsourcing.
B) alternative work arrangements.
C) consolidation.
D) high-performance work systems.
E) offshoring.

Answer: B
Explanation: Alternative work arrangements are methods of staffing other than the traditional hiring of full-time employees. Use of independent contractors, on-call workers, temporary workers, and contract company workers are all examples of alternative work arrangements.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-08 Discuss how the need for flexibility affects human resource management.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

97) Independent contractors are
A) usually full-time company employees.
B) self-employed individuals with multiple clients.
C) people employed by a temporary agency.
D) employed directly by a company for a specific time.
E) people employed by a company to work on an independent project.

Answer: B
Explanation: Independent contractors are self-employed individuals with multiple clients.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-08 Discuss how the need for flexibility affects human resource management.
Bloom's: Remember
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98) Mohammed, a financial analyst, is not employed directly by any company. He works for several clients based on their requirements. Mohammed would be classified as a(n)
A) permanent employee.
B) independent contractor.
C) part-time employee.
D) contract company worker.
E) temporary worker.

Answer: B
Explanation: Independent contractors are self-employed individuals with multiple clients.
Difficulty: 3 Hard
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-08 Discuss how the need for flexibility affects human resource management.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

99) Which of the following is a type of person who works for an organization only when they are needed?
A) on-call workers
B) moonlighting employees
C) apprentices
D) part-time employees
E) trainees

Answer: A
Explanation: On-call workers are persons who work for an organization only when they are needed.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-08 Discuss how the need for flexibility affects human resource management.
Bloom's: Remember
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100) A person that is employed directly by a company for a certain amount of time, specified in a formal agreement between the company and the workers, is referred to as a(n)
A) on-call worker.
B) independent contractor.
C) temporary worker.
D) contract company worker.
E) part-time worker.

Answer: D
Explanation: Contract company workers are employed directly by a company for a specific time, specified in a written contract.
Difficulty: 1 Easy
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-08 Discuss how the need for flexibility affects human resource management.
Bloom's: Remember
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

101) List the activities involved in managing cultural diversity.

Answer: Managing cultural diversity includes:

1. Creating an organizational culture that values diversity.

2. Ensuring that human resource management systems are bias free.

3. Encouraging career development for women and minorities.

4. Promoting knowledge and acceptance of cultural differences.

5. Ensuring involvement in education both within and outside the company.

6. Dealing with employees' resistance to diversity.
Difficulty: 2 Medium
Topic: Diversity Management
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Understand
AACSB: Diversity
Accessibility: Keyboard Navigation

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Access Complete Test Bank for Fundamentals of Human Resource Management 8th Noe

102) Explain the problem of skill deficiencies in the U.S. workforce. What are companies doing to address this issue?

Answer: The increasing use of computers to do routine tasks has shifted the kinds of skills needed for employees in the U.S. economy. Such qualities as physical strength and mastery of a particular piece of machinery are no longer important for many jobs. More employers are looking for mathematical, verbal, and interpersonal skills, such as the ability to solve math or other problems or reach decisions as part of a team. Often, when organizations are looking for technical skills, they are looking for skills related to computers and using the Internet. Today's employees must be able to handle a variety of responsibilities, interact with customers, and think creatively.

Competition for qualified college graduates in many fields is intense. Some companies are unable to find qualified employees and instead rely on training to correct skill deficiencies. Other companies team up with universities, community colleges, and high schools to design and teach courses ranging from basic reading to design blueprint reading. Not all the skills employers want require a college education. In some areas, companies and communities have set up apprenticeship and training programs to fix the worker shortage.
Difficulty: 3 Hard
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Analyze
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103) Define the concept of knowledge workers and explain their impact on high-performance work systems.

Answer: As the nature of the workforce and the technology available to organizations have changed, so have the requirements for creating a high-performance work system. Customers are demanding high-quality and customized products, employees are seeking flexible work arrangements, and employers are looking for ways to tap people's creativity and interpersonal skills. Such demands require that organizations make full use of their people's knowledge and skill. This has resulted in increased demand for knowledge workers. Employees whose main contribution to the organization is specialized knowledge, such as knowledge of customers, a process, or a profession are referred to as knowledge workers.

Knowledge workers are in a position of power, because they own the knowledge that the company needs in order to produce its products and services, and they must share their knowledge and collaborate with others in order for their employer to succeed. An employer cannot simply order these employees to perform tasks. Managers depend on the employees' willingness to share information. Furthermore, skilled knowledge workers have many job opportunities, even in a slow economy. If they choose, they can leave a company and take their knowledge to another employer. Replacing them may be difficult and time consuming.

Recently, the idea that only some of an organization's workers are knowledge workers has come under criticism. To the critics, this definition is no longer realistic in a day of computerized information systems and computer-controlled production processes. For the company to excel, everyone must know how their work contributes to the organization's success. At the same time, employees—especially younger generations, which grew up with the Internet—will expect to have wide access to information. From this perspective, successful organizations treat all their workers as knowledge workers. They let employees know how well the organization is performing, and they invite ideas about how the organization can do better.
Difficulty: 3 Hard
Topic: High-Performance Work Systems
Learning Objective: 02-02 Summarize areas in which human resource management can support the goal of creating a high-performance work system.
Bloom's: Analyze
AACSB: Analytical Thinking
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104) List and explain the core values of total quality management.

Answer: The following are several of the core values of TQM:

• Methods and processes are designed to meet the needs of internal and external customers (that is, whomever the process is intended to serve).
• Every employee in the organization receives training in quality.
• Quality is designed into a product or service so that errors are prevented from occurring, rather than being detected and corrected in an error-prone product or service.
• The organization promotes cooperation with vendors, suppliers, and customers to improve quality and hold down costs.
• Managers measure progress with feedback based on data.
Difficulty: 3 Hard
Topic: Techniques in Implementing Strategy
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

105) Explain what a psychological contract is and compare the traditional version to the new type.

Answer: A psychological contract is a description of what an employee expects to contribute in an employment relationship and what the employer will provide the employee in exchange for those contributions. Unlike a written sales contract, the psychological contract is not formally put into words. Instead, it describes unspoken expectations that are widely held by employers and employees.

In the traditional version of this psychological contract, organizations expected their employees to contribute time, effort, skills, abilities, and loyalty. In return, the organizations would provide job security and opportunities for promotion.

However, this arrangement is being replaced with a new type of psychological contract. Companies expect employees to take more responsibility for their own careers, from seeking training to balancing work and family. These expectations result in less job security for employees, who can count on working for several companies. In exchange for top performance and working longer hours without job security, employees want companies to provide flexible work schedules, comfortable working conditions, more control over how they accomplish work, training and development opportunities, and financial incentives based on how the organization performs.
Difficulty: 3 Hard
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-07 Explain how the nature of the employment relationship is changing.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

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106) What is the difference between the internal labor force and the external labor market?

Answer: The internal labor force consists of the organization's workers—its employees and the people who have contracts to work at the organization. The external labor market consists of individuals who are actively seeking employment.
Difficulty: 2 Medium
Topic: Types of Organizational Structures
Learning Objective: 02-01 Describe trends in the labor force composition and how they affect human resource management.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

107) What is employee empowerment?

Answer: Employee empowerment means giving employees the responsibility and authority to make decisions regarding the aspects of product development or customer service under their control. Employees are held accountable for products and services; in return, they share in the resulting rewards and losses.
Difficulty: 2 Medium
Topic: High-Performance Work Systems
Learning Objective: 02-03 Define employee empowerment, and explain its role in the modern organization.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

108) What is outsourcing? What are the trends in human resource outsourcing?

Answer: Outsourcing refers to the practice of having another company (a vendor, third-party provider, or consultant) provide services. Outsourcing gives the company access to in-depth expertise and is often more economical as well. Today's outsourcing for HR departments is moving more into areas that automate process and support decision making. Examples include recruitment process outsourcing and benefits administration. Small companies sometimes outsource most of their HR work.
Difficulty: 2 Medium
Topic: Challenges Facing Human Resources Today
Learning Objective: 02-04 Identify ways HR professionals can support organizational strategies for growth, quality, and efficiency.
Bloom's: Analyze
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

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109) What is a human resource information system (HRIS) and what are its benefits?

Answer: A human resource information system (HRIS) is a computer system used to acquire, store, manipulate, analyze, retrieve, and distribute information related to an organization's human resources. An HRIS can support strategic decision making, help the organization avoid lawsuits, provide data for evaluating programs or policies, and support day-to-day HR decisions.
Difficulty: 2 Medium
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Understand
AACSB: Analytical Thinking
Accessibility: Keyboard Navigation

110) Provide one example of how artificial intelligence can improve decision making or smooth processes in human resource management.

Answer: Any one of the following:

• **Job analysis**. Software by Unitive can take data from meetings, create job descriptions, and review them for unintended bias.

• **Recruiting and selection.** Firstjob has a chatbot that fields questions from job candidates; early results show it handling three-fourths of their questions.

• **Performance management**. At a consumer products company, the HR and sales departments teamed up to create a model that predicts and corrects problems in sales performance, including poor hiring decisions.

• **Employee relations.** IBM has a chatbot that answers employees' HR-related questions, submitted by text, data entry, or voice.
Difficulty: 2 Medium
Topic: How Technology Influences Human Resource Management
Learning Objective: 02-06 Discuss how technological developments are affecting human resource management.
Bloom's: Apply
AACSB: Knowledge Application
Accessibility: Keyboard Navigation

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