Test Bank for Human Resource Management 15th Mathis

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TRUE/FALSE

1 : The strategic planning process begins with an assessment of the current state of the business and the environmental forces that may be important during the planning cycle.
A : true
B : false

Correct Answer : A

2 : The SWOT analysis helps managers in formulating a strategic plan that considers the organization’s ability to deal with the situation at hand.
A : true
B : false

Correct Answer : A

3 : Implementing the strategy is typically the last step in the strategic planning process.
A : true
B : false

Correct Answer : B

4 : Instead of making a choice, a good strategy will try to accommodate many different demands and interests.
A : true
B : false

Correct Answer : B

5 : Good strategies involve an accurate diagnosis of the challenge, an approach to overcome the obstacles, and a focus on coherent actions to make the approach work.
A : true
B : false

Correct Answer : A

6 : Organizational strategy is independent of human resource management.
A : true
B : false

Correct Answer : B

7 : A multinational corporation, sometimes called a transnational corporation, is an organization that has facilities and other assets in at least one country other than its home country.
A : true
B : false

Correct Answer : A

8 : The policy of assigning host-country nationals to key staff positions in offshore organizations is known as the ethnocentric policy of global staffing strategies.
A : true

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B : false

Correct Answer : B

9 : Assigning an international cadre of skilled managers to global subsidiaries regardless of their nationality is known as the polycentric policy of global staffing strategies.
A : true
B : false

Correct Answer : B

10 : The policy of filling key positions with individuals in the region of the subsidiary in offshore organizations is known as the polycentric policy of global staffing strategies.
A : true
B : false

Correct Answer : B

11 : The focus of HR planning is to ensure that the organization has the right number of people with the right capabilities at the right times and in the right places.
A : true
B : false

Correct Answer : A

12 : In the final part of the planning process, HR plans are developed to provide specific direction for the management of HR activities related to employee recruiting, selection, and retention.
A : true
B : false

Correct Answer : A

13 : The internal environment of planning includes economic, political, and competitive forces that will shape the future.
A : true
B : false

Correct Answer : B

14 : The external environment of planning includes the quality and quantity of talent, the organizational culture, and the talent pipeline and leadership bench strength.
A : true
B : false

Correct Answer : B

15 : Short-range forecasts focus on the immediate HR needs of an organization.
A : true
B : false

Correct Answer : A

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16 : Intermediate-range plans usually project one to three years into the future.
A : true
B : false

Correct Answer : A

17 : Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), displaced workers can retain their group medical coverage for up to 18 months for themselves, and up to 36 months for their dependents, if they pay the premium themselves.
A : true
B : false

Correct Answer : A

18 : The Consolidated Omnibus Budget Reconciliation Act (COBRA) requires employers to disclose the ages of both terminated and retained employees in layoff situations, and waiver of rights to sue for age discrimination must meet certain requirements.
A : true
B : false

Correct Answer : B

19 : The Worker Adjustment and Retraining Notification Act (WARN) requires private and commercial organizations that employ 100 or more full-time-workers who have worked more than six months in the previous year to give a 60-day notice before implementing a layoff or facility closing that involves more than 50 people.
A : true
B : false

Correct Answer : A

20 : After a deal for a merger is closed, the focus of HR activity should be on due diligence.
A : true
B : false

Correct Answer : B

21 : The value for HR practices cannot be measured.
A : true
B : false

Correct Answer : B

22 : People-related costs are typically the smallest controllable expense in organizations.
A : true
B : false

Correct Answer : B

23 : “Percentage of employees with career plan” is an example of the development HR metric.
A : true
B : false

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Correct Answer : A

24 : Benchmarking is the process of comparing an organization's business results to industry standards or best practices.
A : true
B : false

Correct Answer : A

25 : The balanced scorecard is a framework organizations use to report on a diverse set of performance measures.
A : true
B : false

Correct Answer : A

26 : Revenue per employee is a basic measure of human capital effectiveness.
A : true
B : false

Correct Answer : A

27 : The formula for calculating the potential ROI for a new HR activity is operating costs for a new or enhanced system for a time period plus one-time cost of acquisition and implementation divided by value of gains from productivity improvements for the time period.
A : true
B : false

Correct Answer : B

28 : The formula for calculating human capital value added is: Revenue – (Operating Expenses [Compensation + Benefit Costs])/Full-Time Head Count.
A : true
B : false

Correct Answer : A

29 : The formula for calculating human capital return on investment is: Revenue (Operating Expense + [Compensation – Benefit Costs])/(Compensation – Benefit Costs).
A : true
B : false

Correct Answer : B

30 : Human Economic Value Added = Net Profit Before Taxes + Cost of Capital/Full-Time Head Count.
A : true
B : false

Correct Answer : B

SHORT RESPONSE

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31 : Define strategic planning.

Correct Answer : Strategic planning is the process of defining organizational strategy, or direction, and allocating resources toward its achievement.

32 : Define organizational mission.

Correct Answer : Organizational mission is the core reason for the existence of the organization and what makes it unique.

33 : Define strategic HR management.

Correct Answer : Strategic HR management refers to the appropriate use of HR management practices to gain or keep a competitive advantage.

34 : Describe how HR professionals can provide their expertise to operating managers during the strategic planning process.

Correct Answer : They can provide their perspectives on expertise by doing the following:Having a seat at the strategic table: Companies must include HR professionals in discussions about strategy and encourage them to provide input.Being knowledgeable about business operations: Understanding how the business works and knowing the need for certain strategies are important components.Focusing on the future: Strategic planning requires leaders to think about the future based on past experiences.Prioritizing business goals: Efforts that have the greatest impact on the business and its objectives are emphasized first.Understanding what to measure: Metrics are a vital part of assessing success, which means identifying the right metrics that are linked to business goals.?

35 : Define Human Resource planning.

Correct Answer : Human Resource planning is the process of analyzing and identifying the need for and availability of people so that the organization can meet its strategic objectives.

36 : Define forecasting.

Correct Answer : Forecasting is using information from the past and the present to predict future conditions.

37 : Define severance benefits.

Correct Answer : Severance benefits are temporary payments made to laid-off employees to ease the financial burden of unemployment.

38 : Define due diligence.

Correct Answer : Die diligence is a comprehensive assessment of all aspects of the business being acquired. Financial, sales and marketing, operations, and human resource staffs can all be involved before the final decision is made to merge or acquire a company.

39 : Describe the four important factors in changing organizational culture.

Correct Answer : The four important factors in changing culture are:Define the desired behaviors: Provide behavioral examples of how people are expected to act and tie these

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behaviors to the performance management system.Deploy role models: Select leaders who exemplify the desired behaviors and make them visible throughout the organization.Provide meaningful incentives: Reward the role models with recognition to reinforce their behavior and to signal to the rest of the organization.Provide clear and consistent messages: Align what you say with what you do and reward.

40 : Describe the characteristics that should be considered when developing HR metrics and analytics.

Correct Answer : The following characteristics should be considered when developing HR metrics and analytics:1. Accurate data can be collected.2. Measures are linked to strategic and operational objectives.3. Calculations can be clearly understood.4. Measures provide information valued by executives.5. Results can be compared both externally and internally.6. Measurement data drives HR management efforts.

41 : Summarize why benchmarking is important to an organization.

Correct Answer : Benchmarking is the process of comparing an organization's business results to industry standards or best practices. An organization compares itself to "best-in-class" organizations that demonstrate excellence for a specific process. Benchmarking is focused on external practices that the organization can use to improve its own processes and practices.

MULTIPLE CHOICE

42 : Which of the following is typically the first step in the strategic planning process for organizations?
A : Organizational mission
B : SWOT analysis
C : Formulating organizational strategy
D : Establishing goals and objectives

Correct Answer : A

43 : Which of the following is typically the last step in the strategic planning process for organizations?
A : Formulating supporting functional strategies
B : Evaluating and reassessing strategy
C : Establishing goals and objectives
D : Stating the organizational mission

Correct Answer : B

44 : Ken, a brand manager at Media Labs LLC., is formulating a strategic plan for his organization. He has identified the organizational mission and formulated a SWOT analysis of the business. Which of the following is most likely to be Ken's next step in the strategic planning process?
A : Evaluate and reassess strategy
B : Implement strategy
C : Establish goals and objectives
D : Formulate supporting functional strategies

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Correct Answer : C

45 : Kurt, a manager at LionShare LLC., is responsible for the strategic planning process in his organization. He is currently at the stage of implementing the strategy. Which of the following stages of strategic planning would have Kurt engaged in just before he moved on to implementation?
A : Stating the organizational mission
B : Conducting a SWOT analysis
C : Establishing goals and objectives
D : Formulating supporting functional strategies

Correct Answer : D

46 : Which of the following best defines multinational corporations?
A : An organization that has facilities and other assets in at least one country other than its home country
B : An organization that imports goods from other countries to its home country
C : An organization that exports goods from its home country to other countries
D : An organization that has facilities and other assets only in its home country

Correct Answer : A

47 : Which of the following is best classified as an ethnocentric policy of strategic approaches to international staffing?
A : Managers from headquarters staff key positions.
B : Host-country nationals staff key positions.
C : An international cadre of skilled managers are assigned to global subsidiaries regardless of nationality.
D : Key positions are filled by individuals in the region of the subsidiary.

Correct Answer : A

48 : Which of the following is best classified as a polycentric policy of strategic approaches to international staffing?
A : Managers from headquarters staff key positions.
B : Host-country nationals staff key positions.
C : An international cadre of skilled managers are assigned to global subsidiaries regardless of nationality.
D : Key positions are filled by individuals in the region of the subsidiary.

Correct Answer : B

49 : Which of the following is best classified as a geocentric policy of strategic approaches to international staffing?
A : Managers from headquarters staff key positions.
B : Host-country nationals staff key positions.
C : An international cadre of skilled managers are assigned to global subsidiaries regardless of nationality.
D : Key positions are filled by individuals in the region of the subsidiary.

Correct Answer : C

50 : Which of the following is best classified as a regiocentric policy of strategic approaches to international staffing?
A : Managers from headquarters staff key positions.
B : Host-country nationals staff key positions.
C : An international cadre of skilled managers are assigned to global subsidiaries regardless of nationality.

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D : Key positions are filled by individuals from the same geographic area as the subsidiary.

Correct Answer : D

51 : Jack, a human resource manager, is starting the HR planning process. Which of the following should be his first step?
A : Review the organization’s environmental analysis/strategic plans
B : Develop HR staffing plans and actions
C : Compile HR planning forecasts
D : Assess external and internal workforce

Correct Answer : A

52 : Jill, an HR manager at Sunny Day, is completing the HR planning process. Which of the following should be her last step?
A : Review the organization’s environmental analysis/strategic plans
B : Develop HR staffing plans and actions
C : Compile HR planning forecasts
D : Assess external and internal workforce

Correct Answer : B

53 : Mark, an HR manager, is responsible for the HR planning process in his organization. He has reviewed the organization’s strategic plans. Which of the following is most likely to be Mark’s next step in the planning process?
A : Develop HR staffing plans and actions
B : Compile HR planning forecasts
C : Implement HR staffing plans and actions
D : Assess external and internal workforce

Correct Answer : D

54 : Which of the following is a factor of the external environment in an organization?
A : Leadership bench strength
B : Organizational culture
C : Quality of talent
D : Competitive forces

Correct Answer : D

55 : Which of the following is a factor of the internal environment in an organization?
A : Quality of talent
B : Economic forces
C : Political forces
D : Competitive forces

Correct Answer : A

56 : The term _____ refers to the process of identifying a plan for the orderly replacement of key employees.
A : attrition
B : succession planning
C : due diligence

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D : benchmarking

Correct Answer : B

57 : Which of the following is a judgmental method of HR forecasting?
A : Simulation models
B : Estimates
C : Staffing ratios
D : Productivity ratios

Correct Answer : B

58 : Which of the following is a mathematical method of HR forecasting?
A : The rule of thumb
B : Estimates
C : Staffing ratios
D : Nominal groups

?

Correct Answer : C

59 : _____ is a mathematical HR forecasting method that involves making a comparison of past relationships among various factors.
A : Statistical regression analysis
B : A productivity ratio
C : A staffing ratio
D : The Delphi technique

Correct Answer : A

60 : _____ refers to the judgmental method of HR forecasting that relies on general guidelines applied to a specific situation within the organization.
A : Statistical regression analysis
B : The rule of thumb
C : The Delphi technique
D : A simulation model

Correct Answer : B

61 : A(n) _____ refers to the judgmental method of HR forecasting that requires experts to meet face to face.
A : simulation model
B : estimate
C : nominal group
D : regression analysis

Correct Answer : C

62 : Internal Supply for Next Year = _____.
A : Current Staffing Level + Projected Outflows This Year + Projected Inflows This Year
B : Current Staffing Level – Projected Outflows This Year – Projected Inflows This Year
C : Current Staffing Level + Projected Outflows This Year – Projected Inflows This Year

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D : Current Staffing Level – Projected Outflows This Year + Projected Inflows This Year

Correct Answer : D

63 : Which of the following is a source of inflow in the current staffing level?
A : Internal transfers
B : Turnover
C : Demotions
D : Retirements

Correct Answer : A

64 : Which of the following is a source of outflows in the current staffing level?
A : External hires
B : Promotions
C : Recalls
D : Internal transfers

Correct Answer : B

65 : Jefferson, the manager at Gold Storage Vaults, Inc., has determined that the company has a talent surplus. Which of the following methods should he use to manage the talent surplus?
A : Outsource to a third party
B : Use contingent workers
C : Hiring freezes
D : Increase employee work hours through overtime

Correct Answer : C

66 : When business improved, Tasha Lind determined that the company had a talent shortage. Which of the following methods should she use for managing the talent shortage?
A : Reduce employee work hours
B : Encourage attrition
C : Implement voluntary separation programs
D : Outsource to a third party

Correct Answer : D

67 : Which of the following is true of the Consolidated Omnibus Budget Reconciliation Act?
A : Displaced workers can retain their group medical coverage for up to 18 months for themselves, and up to 36 months for their dependents, if they pay the premiums themselves.
B : Displaced workers can use the Medicare program sponsored by the government for up to 18 months after the termination of their employment.
C : Displaced workers can use the Medicare program sponsored by the federal government for up to 36 months after the termination of their employment.
D : Displaced workers can retain their group medical coverage for up to 12 months for themselves, and up to 24 months for their dependents, if they pay the premiums themselves.

Correct Answer : A

68 : Which of the following is true of the Older Workers Benefit Protection Act?
A : The act requires employers to disclose the ethnicity and gender of both terminated and retained employees in layoff situations.

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B : The act requires employers to disclose the ages of both terminated and retained employees in layoff situations.
C : The act requires employers to disclose ages of only the terminated employees in layoff situations.
D : The act requires employers to disclose ages of only the retained employees in layoff situations.

Correct Answer : B

69 : Which of the following is true of the Worker Adjustment and Retraining Notification Act?
A : It requires private and commercial organizations that employ 20 or more full-time workers who have worked more than a year with the organization to give a 30-day notice before implementing a layoff or facility closing that involves more than 10 people.
B : It requires private and commercial organizations that employ 50 or more full-time employees who have worked more than three months in the previous year to give a 45-day notice before implementing a layoff or facility closing that involves more than 30 people.
C : It requires private and commercial organizations that employ 100 or more full-time workers who have worked more than six months in the previous year to give a 60-day notice before implementing a layoff or facility closing that involves more than 50 people.
D : It requires private and commercial organizations that employ more than 50 or more full-time workers who have worked more than a year with the organization to give a 30-day notice before implementing a layoff or facility closing that involves more than 20 people.

Correct Answer : C

70 : After violating the WARN Act, Lucas was told that his company would face which of the following consequences?
A : Delisting from the stock exchange
B : Revocation of trade licenses
C : Imposition of trade embargo
D : Incurring of heavy fines

Correct Answer : D

71 : Big Cats is planning to acquire Top Dogs Company. Before the acquisition, which of the following should the HR manager perform?
A : Conduct due diligence
B : Retain key talent
C : Optimize workforce
D : Recognize cultural differences

Correct Answer : A

72 : After the acquisition of Fish Fleet, a chain of small seafood restaurants, which of the following HR activities should Celia, the HR manager for the acquiring company, perform during integration?
A : Assess risks
B : Retain key talent
C : Identify possible conflicts
D : Conduct due diligence

Correct Answer : B

73 : After the integration period when Yum Foods and Clean Plates merged to become Yum Plates, which of the following HR activities should be performed?
A : Assess risks

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B : Retain key talent
C : Identify and establish new culture
D : Conduct due diligence

Correct Answer : C

74 : During mergers and acquisitions, risk must be assessed _____.
A : post integration
B : after making the deal
C : before making the deal
D : during integration

Correct Answer : C

75 : During mergers and acquisitions, the workforce must be optimized _____.
A : post integration
B : pre integration
C : before making the deal
D : during integration

Correct Answer : A

76 : Which of the following best defines the term "effectiveness"?
A : The degree to which operations are done in an economical manner
B : The ability to produce a specific desired effort or result that can be measured
C : The degree to which operations are done in the least possible time
D : The ability to produce a specific desired effort or result that cannot be measured

Correct Answer : B

77 : HR-to-employee ratio is classified as a(n) _____ metric of human resources.
A : training
B : development
C : HR staff and expenses
D : compensation

Correct Answer : C

78 : Cost per hire is classified as a _____ metric of human resources.
A : development
B : training
C : compensation
D : staffing

Correct Answer : D

79 : Annual wages and pay increases are classified as a _____ metric of human resources.
A : compensation
B : training
C : development
D : staffing

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Correct Answer : A

80 : Average tenure of employees is classified as a _____ metric of human resources.
A : compensation
B : training
C : retention and quality
D : development

Correct Answer : C

81 : Positions filled internally is classified as a _____ metric of human resources.
A : compensation
B : training
C : retention and quality
D : development

Correct Answer : D

82 : Which of the following best defines HR analytics?
A : An evidence-based approach to making HR decisions on the basis of quantitative tools and models
B : An assumption-based approach to making HR decisions on the basis of quantitative tools and models
C : An evidence-based approach to making HR decisions on the basis of qualitative tools and models
D : An assumption-based approach to making HR decisions on the basis of qualitative tools and models

Correct Answer : A

83 : In the balanced scorecard framework, operational effectiveness is classified under _____.
A : financial measures
B : internal business processes
C : customer relations
D : learning and growth activities

Correct Answer : B

84 : In the balanced scorecard framework, which of the following factors would be considered most important to ensure that the organization is meeting customer expectations?
A : Profit and loss
B : Institutional knowledge
C : Customer satisfaction
D : Utilization of capital

Correct Answer : C

85 : In the balanced scorecard framework, employee capabilities are classified under _____.
A : financial measures
B : internal business processes
C : customer relations
D : learning and growth activities

Correct Answer : D

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86 : In the balanced scorecard framework, utilization of capital is classified under _____.
A : financial measures
B : internal business processes
C : customer relations
D : learning and growth activities

Correct Answer : A

87 : Which of the following is the function of a compliance audit?
A : Reviews regulatory compliance, benefits administration, and reporting
B : Checks record keeping on state and federal documentation requirements
C : Reviews specific HR subareas such as compensation, EEO, or training
D : Reviews compliance with immigration regulations and the I-9 form requirement

Correct Answer : B

88 : Which of the following is the function of a benefit programs audit?
A : Reviews regulatory compliance, benefits administration, and reporting
B : Checks record keeping on state and federal documentation requirements
C : Reviews specific HR subareas such as compensation, EEO, or training
D : Reviews compliance with immigration regulations and the I-9 form requirement

Correct Answer : A

89 : Which of the following is the function of an I-9 audit?
A : Reviews regulatory compliance, benefits administration, and reporting
B : Checks record keeping on state and federal documentation requirements
C : Reviews specific HR subareas such as compensation, EEO, or training
D : Reviews compliance with immigration regulations

Correct Answer : D

90 : Which of the following is the function of a specific program audit?
A : Reviews regulatory compliance, benefits administration, and reporting
B : Checks record keeping on state and federal documentation requirements
C : Reviews particular HR subareas such as compensation, EEO, or training
D : Reviews compliance with immigration regulations and the I-9 form requirement

Correct Answer : C

ESSAY

91 : Describe the strategic planning process for organizations.

Correct Answer : The strategic planning cycle typically covers a three- to five-year time frame, although some firms conduct long-term planning that can cover up to 10 years or more. When formulating the strategic plan, management often considers both internal and external forces that affect a company, including the conditions that exist in the industry overall. The guiding force behind the strategic planning process is the organizational mission, which is the core reason for the existence of the organization and what makes it unique. The mission statement is usually determined by the organizational founders or leaders and sets the general direction of

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the firm.The planning process begins with an assessment of the current state of the business and the environmental forces that may be important during the strategic planning cycle. Analysis of the strengths, weaknesses, opportunities, and threats (SWOT) is a common starting point because it allows managers to consider both internal and external conditions that the business faces. The SWOT analysis helps managers formulate a strategic plan that considers the organization's ability to deal with the situation at hand based on its own strengths and weaknesses, as well as the external opportunities and threats that exist in the firm's external environment. The planning process requires continuous monitoring and responding to environmental changes and competitive conditions, which means that strategic planning is an ongoing process that is never fully complete and must be constantly revisited.Managers then determine the objectives for the planning cycle and formulate organization-level strategies to accomplish those objectives. Each function within the organization (such as the HR department) then formulates strategies that link to and support the organization-level strategies. The strategic plan is reevaluated periodically because conditions may change and managers must react to a fluid business environment.

92 : Discuss global staffing strategies.

Correct Answer : Staffing for global operations includes a wide variety of alternatives. The optimal solution is to combine the expertise of local employees with organization-specific knowledge of employees from the home country (headquarters). Some countries require that the organization employ a certain percentage of workers from the host country. Each organization will use a staffing model that best fits its culture and strategic goals. An expatriate is a citizen of one country who is working in a second country and employed by an organization headquartered in the first country. Moving an employee to an overseas assignment for an extended period requires careful selection, training, and planning to make the experience a success. The return of an expatriate (called repatriation) must be well planned and executed for the organization to capitalize on the benefits of the overseas assignment when the employee comes back to the home country. Leadership development is especially important for multinational corporations. It is becoming more important for individuals in top management positions to have international experience so that they understand the worldwide marketplace. Effective compensation and selection and processes are also needed to ensure that the right individuals are attracted to and chosen for these international assignments. Leading across cultures requires specific skills, and organizations should provide formal training along with expatriate assignments to develop leaders who can achieve results in this demanding environment. Again, merging of company and HR strategy is required. HR planning is frequently a direct consequence of implementing strategies to move the organization forward. HR planning deals with deciding how many people will be needed to execute specific functions of an organization.

93 : Describe the Human Resource planning process.

Correct Answer : The Human Resource planning process begins with considering the organizational plans and the environmental analysis that went into developing strategies. Strengths, weaknesses, opportunities, and threats are considered. Then the possible available workforce is evaluated by identifying both the external and internal workforce. Once those assessments are complete, forecasts must be developed to determine both the demand for and supply of human resources. Management then formulates HR staffing plans and actions needed to address imbalances, in both the short and the long term. Particular strategies may be developed to fill vacancies or deal with surplus employees. Finally, HR plans are developed to provide specific direction for the management of HR activities related to recruiting, selecting, and retaining employees. The most telling evidence of successful HR planning is consistent alignment of the availabilities and capabilities of human resources with the needs of the

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organization over a considerable period of time.

94 : Discuss environmental analysis.

Correct Answer : Before managers in a company begin strategic planning, they study and assess the dynamics of the environment to better understand how these conditions might affect their plans. The process of environmental scanning involves the assessment of external and internal environmental conditions that affect the organization. The HR department should be involved in this process to make sure that the employee perspective is considered.The external environment includes many economic, political, and competitive forces that will shape the future. From an HR perspective, the internal environment includes the quality and quantity of talent, the organizational culture, and the talent pipeline and leadership bench strength.Opportunities and threats emerge from the external environment and can impact an organization’s outcomes. Many of these forces are not within the organization’s control but must be considered in the scanning process because they can affect the viability of the business. Being able to deal with uncertainty in the external environment is an important skill for planners. The external environmental scan includes an assessment of economic conditions, legislative and political influences, demographic changes, and geographic and competitive issues.

95 : Discuss current and future jobs audit and the key questions that are addressed during internal jobs assessment.

Correct Answer : The starting point for evaluating internal workforce strengths and weaknesses is an audit of the jobs that are expected in the planning period. A comprehensive analysis of all current jobs provides a basis for forecasting what jobs will need to be done in the future. Much of the data required for the audit should be available from existing staffing and organizational databases. The following are key questions that are addressed during the internal jobs assessment:?• What jobs exist now, and how essential is each job?• How many individuals are performing each job?• What are the reporting relationships of jobs?• What are the vital KSAs (knowledge, skills, and abilities) needed in the jobs?• What jobs will be needed to implement future organizational strategies?• What are the characteristics of those anticipated jobs?

96 : Discuss forecasting methods and periods.

Correct Answer : Forecasting methods may be either judgmental or mathematical. Methods for forecasting human resources range from a manager’s best guess to a rigorous and complex computer simulation. Despite the availability of sophisticated judgmental and mathematical models and techniques, forecasting is still a combination of quantitative methods and subjective judgment. The facts must be evaluated and weighed by knowledgeable individuals, who use the mathematical models as tools and make judgments to arrive at decisions. HR forecasting should be done over three planning periods: short range, intermediate range, and long range. The most commonly used planning period of six months to one year focuses on short-range forecasts for the immediate HR needs of an organization. Intermediate- and long-range forecasting are much more difficult processes. Intermediate-range plans usually project one to three years into the future, and long-range plans extend beyond three years.

97 : Discuss forecasting the supply of Human Resources.

Correct Answer : Once HR needs have been forecast, the availability of qualified individuals must be identified. Forecasting availability considers both external and internal supplies. Although the internal supply may be somewhat easier to calculate, it is important to calculate the external supply as accurately as possible.The external supply of potential employees

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available to the organization can be identified. Government estimates of labor force populations, trends in the industry, and many more complex and interrelated factors must be considered. Such information is often available from state or regional economic development offices. The following items may be included:?• Net migration into and out of the area• Individuals entering and leaving the workforce• Individuals graduating from colleges and other schools• Changing workforce composition and patterns• Economic forecasts for the next few years• Technological developments and shifts• Actions of competing employers• Government regulations and pressures• Circumstances affecting persons entering and leaving the workforce?Estimating internal supply considers the number of external hires and the employees who move from their current jobs into others through promotions, lateral moves, and terminations. It also considers that the internal supply is influenced by transfer and promotion policies, and retirement policies, among other factors. In forecasting internal supply, data from replacement charts and succession planning efforts are used to project potential personnel changes, identify possible backup candidates, and keep track of attrition (resignations, retirements, etc.) for each department in an organization.

98 : Discuss the legal considerations for workforce reduction.

Correct Answer : HR must be involved during workforce adjustments to ensure that the organization does not violate any of the nondiscrimination or other laws governing workforce reductions. Selection criteria for determining which employees will be laid off must comply with Title VII of the Civil Rights Act as well as the Age Discrimination in Employment Act and the Americans with Disabilities Act. A careful analysis and disparate impact review should be conducted before final decisions are made.There is no legal requirement to provide severance benefits, and loss of medical benefits is a major problem for laid-off employees. However, under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), displaced workers can retain their group medical coverage for up to 18 months for themselves and for up to 36 months for their dependents, if they pay the premiums themselves.Employers must also comply with the Older Workers Benefit Protection Act (OWBPA) when implementing RIFs. The OWBPA requires employers to disclose the ages of both terminated and retained employees in layoff situations, and a waiver of rights to sue for age discrimination must meet certain requirements. The worker must be given something of value (“consideration”), typically severance benefits, in exchange for waiving the right to sue. When a group of employees is laid off, workers over age 40 in this group must be granted 45 days in which to consider accepting severance benefits and waiving their right to sue.To ensure employees have adequate notice of plant closings or mass layoffs, a federal law was passed—the Worker Adjustment and Retraining Notification (WARN) Act. This law requires private or commercial organizations that employ 100 or more full-time workers who have worked more than six months in the previous year to give a 60-day notice before implementing a layoff or facility closing that involves more than 50 people. However, workers who have been employed less than six months in the prior year, as well as part-time staff members working fewer than 20 hours per week, are not counted toward the total of 50 employees. Despite not being formally counted to determine implementation of the law, these individuals should still be given some form of notice. The WARN Act imposes heavy fines on employers who do not follow the required process and fail to give proper notice.

99 : Discuss the role of HR during the integration stage of mergers and acquisitions.

Correct Answer : After a deal for a merger or acquisition is closed, the focus of HR activity switches to the orderly transition of basic HR processes such as payroll and benefits migration. During the first 60 days after the acquisition, HR must deliver high-quality administrative and operational support to employees and managers. Immediate concerns often focus on basic services needed to run the operations. Frequent communication, employee hotlines, and guidance for managers all contribute to employee retention and loyalty during the chaotic early

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days of the transition. Managers focus on identifying key talent and establishing initiatives to retain needed employees. Attractive compensation and job assignments can be offered to retain employees during integration.Integrating HR information systems is important to provide managers with information about employee capabilities, performance, and potential. The acquiring organization cannot make optimum human resource assessments without access to employees' historical information. An inventory of knowledge, skills, and expertise along with performance information provide the data needed to make suitable assignments for employees from both organizations. Gathering all relevant HR information in a single database helps managers analyze and compare employee skills and make informed decisions about which employees should be retained.As the businesses are merged, culture-based conflicts can emerge. Changing the organizational culture depends on changing behavior in the organization. Following are four important factors in changing culture:?• Define the desired behaviors: Provide behavioral examples of how people are expected to act and tie these behaviors to the performance management system.• Deploy role models: Select leaders who exemplify the desired behaviors and make them visible throughout the organization.• Provide meaningful incentives: Reward the role models with recognition to reinforce their behavior and to signal to the rest of the organization.• Provide clear and consistent messages: Align what you say with what you do and reward.

100 : Discuss the balanced scorecard.

Correct Answer : One effective approach to measuring strategic performance of organizations, including their HR departments, is to use the balanced scorecard. The balanced scorecard is a framework organizations use to report on a diverse set of performance measures. Organizations that did not use a balanced scorecard recognized that focusing strictly on financial measures only limited their view. The balanced scorecard balances financial and nonfinancial measures so that managers focus on long-term drivers of performance and organizational sustainability. The balanced scorecard measures performance in four areas:?• Financial measures: Traditional financial measures such as profit and loss, operating margins, utilization of capital, return on investment, and return on assets are needed to ensure that the organization manages its bottom line effectively.• Internal business processes: Product and service quality, efficiency and productivity, conformance with standards, and cycle times can be measured to ensure that the operation runs smoothly and efficiently.• Customer relations: Customer satisfaction, loyalty, and retention are important to ensure that the organization is meeting customer expectations and can depend on repeat business from its customers.• Learning and growth activities: Employee training and development, mentoring programs, succession planning, and knowledge creation and sharing provide the necessary talent and human capital pool to ensure the future of the organization.?Organizational results in each of these areas determine if the organization is progressing toward its strategic objectives. Using the balanced scorecard requires spending considerable time and effort to identify the appropriate HR measures in each of the four areas mentioned earlier and how they tie to strategic organizational success. The balanced scorecard should also be linked to a company's strategic objectives and focus on results that support these goals.

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