Test Bank for Human Resource Management 16th Valentine

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TRUE/FALSE

1 : The strategic planning process begins with establishing an organization's goals and objectives.
A : true
B : false

Correct Answer : B

2 : A SWOT analysis helps the managers of an organization formulate 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 a strategy is typically the last step in the strategic planning process.
A : true
B : false

Correct Answer : B

4 : HR can foster a triple bottom approach through incentive plans that focus on achieving comprehensive results rather than solely on profit incentives.
A : true
B : false

Correct Answer : A

5 : When assessing the external environment of an organization, managers should evaluate the quantity and quality of employees, HR practices, and the organizational culture.
A : true
B : false

Correct Answer : B

6 : An organization can manage a talent surplus by having its existing employees work overtime.
A : true
B : false

Correct Answer : B

7 : Voluntary separation programs can significantly increase payroll costs over time.
A : true
B : false

Correct Answer : B

8 : Across-the-board pay cuts can reduce labor costs while retaining some skilled employees.
A : true
B : false

Correct Answer : A

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9 : Like financial reporting, there is a standard for the implementation and reporting of HR measures.
A : true
B : false

Correct Answer : B

10 : In the balanced scorecard framework, conformance to standards is classified under financial measures.
A : true
B : false

Correct Answer : B

11 : The focus of HR planning is to ensure that an 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 step of the HR planning process, HR plans are developed to provide specific direction for managing HR activities related to recruiting, selecting, and retaining employees.
A : true
B : false

Correct Answer : A

13 : The internal environment of an organization includes economic, political, and competitive forces that shape the organization's future.
A : true
B : false

Correct Answer : B

14 : The external environment of an organization 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

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

Correct Answer : B

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17 : Under the federal Consolidated Omnibus Budget Reconciliation Act, displaced workers can retain their group medical coverage for up to 24 months for themselves and for up to 18 months for their dependents, if they pay the premiums themselves.
A : true
B : false

Correct Answer : B

18 : The Consolidated Omnibus Budget Reconciliation Act (COBRA) requires employers to disclose the ages and ethnicities of both terminated and retained employees in layoff situations, and a 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 50 or more full-time workers who have worked more than three months in the previous year to give an 80-day notice before implementing a layoff or facility closing that involves more than 30 people.
A : true
B : false

Correct Answer : B

20 : HR should conduct due diligence after the integration process.
A : true
B : false

Correct Answer : B

21 : The financial impact of 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 : The percentage of employees in an organization with a career plan is classified as a development metric of human resources.
A : true
B : false

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

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Correct Answer : A

25 : The balanced scorecard is a framework that 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 : Return on investment (ROI) is a calculation that shows the value of investments in human capital, but it cannot be used to show how long it will take for different activities to show results.
A : true
B : false

Correct Answer : B

28 : The formula for calculating human capital value added is as follows: {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 as follows: {revenue (operating expenses + [compensation – benefit costs])} / (compensation – benefit costs).
A : true
B : false

Correct Answer : B

30 : The formula for calculating human economic value added is as follows: (net profit before taxes + cost of capital) / full-time head count.
A : true
B : false

Correct Answer : B

SHORT RESPONSE

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.

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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 leaders can provide their perspectives and expertise to operating managers during the strategic planning process.

Correct Answer : HR leaders can provide their perspectives and expertise to operating managers 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: HR professionals must understand how the business works and know why 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 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 an organization can meet its strategic objectives.

36 : In the context of human resource management, define forecasting.

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

37 : In the context of human resources planning, define due diligence.

Correct Answer : Due 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 with or acquire a company.

38 : Define severance benefits.

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

39 : During the integration phase of mergers and acquisitions, what are four important factors in changing the organizational culture?

Correct Answer : Four important factors in changing the organizational culture include the following: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.

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

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

41 : Briefly discuss the significance of benchmarking.

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 the guiding force behind the strategic planning process for an organization?
A : The organizational mission
B : The organizational design
C : The organizational hierarchy
D : The organizational culture

Correct Answer : A

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

Correct Answer : B

44 : Maria, a Brand Manager at MediaDay Inc., is formulating a strategic plan for her organization. She has identified the organizational mission and conducted a SWOT analysis of the business. Which of the following is most likely to be Maria's next step in the strategic planning process?
A : Evaluating and reassessing strategies
B : Implementing strategies
C : Establishing goals and objectives
D : Formulating supporting functional strategies

Correct Answer : C

45 : Jantee, a Senior Manager at LionShare Inc., is responsible for the strategic planning process in his organization. He is currently implementing a strategy. Which of the following stages of the strategic planning process is Jantee most likely to have completed immediately before the implementation stage?
A : Stating the organizational mission
B : Conducting a SWOT analysis
C : Establishing goals and objectives
D : Formulating supporting functional strategies

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Correct Answer : D

46 : Which of the following best defines a multinational corporation?
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 outsources at least one of its functions or operations to another company

Correct Answer : A

47 : Which of the following scenarios best illustrates offshoring?
A : Octagon Inc., an American smartphone company, has moved its manufacturing operations to China.
B : Hexagon Inc. entices its employees to volunteer to leave the organization by offering severance benefits.
C : Crimson Inc., an American HR consulting company, processes payroll for the employees of Oasis Inc., an American publishing company.
D : Eagle Inc. rehires retirees on a part-time or temporary basis to fill talent gaps in the organization.

Correct Answer : A

48 : Which of the following scenarios best illustrates outsourcing?
A : Octagon Inc., an American smartphone company, exports its products to different countries in Europe and North America.
B : Hexagon Corp. entices its employees to volunteer to leave the organization by offering severance benefits.
C : Oasis Inc., an American publishing company, transfers the task of payroll processing to Crimson Inc., an American HR consulting company.
D : Eagle Inc. rehires retirees on a part-time or temporary basis to fill talent gaps in the organization.

Correct Answer : C

49 : Trevor, an HR Manager at Maple Inc., wants to use the balanced scorecard to assess whether the organization is managing its bottom line effectively. In this scenario, which of the following is a financial measure that Trevor should consider?
A : The companys succession planning
B : The companys conformance with standards
C : The companys operating margins
D : The companys training and development programs

Correct Answer : C

50 : Sadie, an HR manager at Olive Inc., is measuring the wealth created by each employee of the company. She uses an approach that requires that all policies, procedures, measures, and methods use cost of capital as a benchmark against which their return is judged. Which of the following financial measures is Sadie using in this scenario?
A : Human capital return on investment (HCROI)
B : Human economic value added (HEVA)
C : Human capital value added (HCVA)
D : Return on investment (ROI)

Correct Answer : B

51 : Jack, an HR Manager at Helium Inc., is starting the HR planning process. Which of the following should be his first step?
A : Reviewing the organizations strategic plans

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B : Developing HR staffing plans and actions
C : Compiling HR planning forecasts
D : Assessing the external and the internal workforce

Correct Answer : A

52 : LuChen, an HR Manager at Sunny Day, is completing the HR planning process. Which of the following should be her last step?
A : Reviewing the organizations strategic plans
B : Developing HR staffing plans and actions
C : Compiling HR planning forecasts
D : Assessing the external and the internal workforce

Correct Answer : B

53 : Mark, an HR Manager at Pyramid Inc., 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 : Developing HR staffing plans and actions
B : Compiling HR planning forecasts
C : Implementing HR staffing plans and actions
D : Assessing the external and the internal workforce

Correct Answer : D

54 : Which of the following is a factor of the external environment of an organization?
A : The organizations technological capabilities
B : The organizations objectives
C : The organizations human resources
D : The organizations competitors

Correct Answer : D

55 : Which of the following is a factor of the internal environment of an organization?
A : The quality of talent in the organization
B : The companys customers
C : The political forces affecting the organization
D : The companys competitors

Correct Answer : A

56 : The term _____ refers to the process of identifying a plan for the orderly replacement of key employees in an organization.
A : *outplacement*
B : *succession planning*
C : *job enrichment*
D : *benchmarking*

Correct Answer : B

57 : Which of the following is a qualitative method of HR forecasting?
A : Simulation models
B : Estimates

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C : Staffing ratios
D : Productivity ratios

Correct Answer : B

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

?

Correct Answer : C

59 : _____ is a quantitative HR forecasting method that involves making a comparison of past relationships among various factors.
A : Statistical regression analysis
B : The rule of thumb method
C : Ratio analysis
D : The Delphi technique

Correct Answer : A

60 : _____ is a qualitative method of HR forecasting that relies on general guidelines applied to a specific situation within an organization.
A : Statistical regression analysis
B : The rule of thumb method
C : The Delphi technique
D : Ratio analysis

Correct Answer : B

61 : In the context of qualitative methods of HR forecasting, _____ requires experts to meet face-to-face.
A : a simulation model
B : the Delphi technique
C : a nominal group
D : statistical regression analysis

Correct Answer : C

62 : Which of the following equations represents how internal supply can be calculated for a specific employer?
A : Internal Supply for Next Year = Current Staffing Level + Projected Outflows This Year + Projected Inflows This Year
B : Internal Supply for Next Year = Current Staffing Level – Projected Outflows This Year – Projected Inflows This Year
C : Internal Supply for Next Year = Current Staffing Level + Projected Outflows This Year – Projected Inflows This Year
D : Internal Supply for Next Year = Current Staffing Level – Projected Outflows This Year + Projected Inflows This Year

Correct Answer : D

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63 : In the context of estimating the internal labor supply for a given unit, which of the following is a source of inflows?
A : Demotions
B : Layoffs
C : Terminations
D : Retirements

Correct Answer : A

64 : In the context of estimating the internal labor supply for a given unit, which of the following is a source of outflows?
A : External hires
B : Layoffs
C : Recalls
D : Internal transfers

Correct Answer : B

65 : Jefferson, a Senior 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 : He should outsource work to a third party.
B : He should use contingent workers.
C : He should reduce employee work hours.
D : He should reduce employee turnover.

Correct Answer : C

66 : When Retronics Inc. began to grow and its business improved, Tasha, a Senior Manager, determined that the company had a talent shortage. Which of the following methods should she use to manage the talent shortage?
A : She should reduce employee work hours.
B : She should encourage attrition.
C : She should implement voluntary separation programs.
D : She should outsource work to a third party.

Correct Answer : D

67 : Under the Consolidated Omnibus Budget Reconciliation Act, _____.
A : 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
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 for 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 : It requires employers to disclose the ethnicities of both terminated and retained employees in layoff situations.
B : It requires employers to disclose the ages of both terminated and retained employees in layoff situations.
C : It requires that laid-off employees over age 60 be granted 45 days in which to consider accepting severance benefits.

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D : It requires that employers provide an 80-day notice to all employees before implementing a layoff.

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 an 80-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 60-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 50 or more full-time workers who have worked more than a year with the organization to give an 80-day notice before implementing a layoff or facility closing that involves more than 20 people.

Correct Answer : C

70 : Olive Inc. failed to give adequate notice to its employees before closing one of its facilities. In this scenario, Olive Inc. has most likely _____.
A : violated the Consolidated Omnibus Budget Reconciliation Act and will be delisted from the stock exchange
B : violated the Worker Adjustment and Retraining Notification Act and will have its trade licenses revoked
C : violated the Consolidated Omnibus Budget Reconciliation Act and will have to face a trade embargo
D : violated the Worker Adjustment and Retraining Notification Act and will have to pay heavy fines

Correct Answer : D

71 : Herald Inc. is planning to acquire Pyramid Inc. Before the acquisition, the HR manager of Herald Inc. should:
A : conduct due diligence.
B : retain key talent.
C : optimize the workforce of Pyramid Inc.
D : recognize the cultural differences between the two companies.

Correct Answer : A

72 : Fish Fleet, a chain of small seafood restaurants, is being acquired by Savoranc Inc. Which of the following activities should Celia, Savoranc's HR Manager, perform during the integration process?
A : She should assess the risks involved with the acquisition.
B : She should retain key talent.
C : She should identify possible conflicts.
D : She should conduct due diligence.

Correct Answer : B

73 : Yum Foods recently merged with Clean Plates. Which of the following activities should HR perform after the integration process?
A : It should assess the risks involved with the merger.
B : It should retain key talent.
C : It should identify and establish a new culture.
D : It should conduct due diligence.

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Correct Answer : C

74 : In the context of mergers and acquisitions, risks must be assessed _____.
A : after the integration process
B : after making the deal
C : before making the deal
D : during the integration process

Correct Answer : C

75 : In the context of mergers and acquisitions, the workforces of two merging companies must be optimized _____.
A : after integration
B : before 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 carried out in an economical manner
B : The ability of a program, project, or task to produce a specific desired effect or result that can be measured
C : The degree to which operations are carried out in the least possible time
D : The ability of a program, project, or task to withstand and overcome harsh or unforeseen conditions

Correct Answer : B

77 : Benefit costs as a percentage of payroll are classified as a _____ of human resources.
A : training metric
B : development metric
C : staffing metric
D : compensation metric

Correct Answer : D

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

Correct Answer : D

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

Correct Answer : A

80 : The average tenure of employees is classified as a(n) _____ of human resources.
A : compensation metric

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B : HR staff and expenses metric
C : retention and quality metric
D : development metric

Correct Answer : C

81 : Which of the following key HR metrics includes positions filled internally?
A : Compensation
B : Training
C : Retention and quality
D : Development

Correct Answer : D

82 : Which of the following best defines the term 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 context of the balanced scorecard framework, which of the following would most likely be used by an organization to ensure that its operations run smoothly and efficiently?
A : Profit and loss
B : Product and service quality
C : Customer satisfaction
D : Utilization of capital

Correct Answer : B

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

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

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Correct Answer : A

87 : Which of the following is a function of a compliance audit?
A : To review regulatory compliance, benefits administration, and reporting
B : To check recordkeeping on state and federal documentation requirements
C : To check specific HR subareas such as compensation, equal employment opportunity, or training
D : To review compliance with immigration regulations and the I-9 form requirement

Correct Answer : B

88 : Which of the following is a function of a benefit programs audit?
A : To review regulatory compliance and reporting
B : To check recordkeeping on state and federal documentation requirements
C : To review specific HR subareas such as compensation and training
D : To review compliance with immigration regulations and the I-9 form requirement

Correct Answer : A

89 : Which of the following is a function of an I-9 audit?
A : To review regulatory compliance, benefits administration, and reporting
B : To check recordkeeping on state and federal documentation requirements
C : To review specific HR subareas such as compensation and training
D : To review compliance with immigration regulations

Correct Answer : D

90 : Which of the following is a function of a specific program audit?
A : To review regulatory compliance, benefits administration, and reporting
B : To check recordkeeping on state and federal documentation requirements
C : To review particular HR subareas such as compensation, equal employment opportunity, or training
D : To review 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 horizon, with updates and revisions during that time in response to changing conditions. When formulating the strategic plan, management 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 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 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 planning process requires continuous monitoring and responding to environmental changes and competitive conditions, which means that strategic planning is an ongoing process that is

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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 the economic and governmental factors that affect the external pool of potential employees for organizations.

Correct Answer : The general economic cycles of recession and boom affect HR planning. Factors such as interest rates, inflation, and economic decline or growth affect the availability of workers and should be considered when organizational and HR plans and objectives are formulated. There is a considerable difference between finding qualified applicants in a 4 percent unemployment market compared to a 9 percent unemployment market. As the unemployment rate rises, the number of qualified people looking for work increases, which often makes it easier for companies to fill some jobs. However, the people who are hired may receive lower pay and benefits because companies have more hiring options and leverage. As the unemployment rate decreases, there are fewer potential employees who are available, meaning that companies must provide more attractive compensation to recruit qualified employees.A broad array of government regulations affects the labor supply and, therefore, HR planning. As a result, HR planning must be done by individuals who understand the legal requirements of various government regulations. In the United States and other countries, tax legislation at local, state, and federal levels affects HR planning. Pension provisions and Social Security legislation may change retirement patterns and funding options. Varying minimum wage requirements are in place in many cities and states, making these locations more or less attractive to employers. Changes in federal immigration policies may impact the number of individuals available for employment. In summary, an organization must consider a variety of economic factors and government policies, regulations, and laws during the HR planning process, focusing on those that specifically affect the company.

93 : Describe the HR planning process.

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

94 : Discuss environmental analysis in the context of HR planning.

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 evaluating how external and internal environmental conditions may affect the organization. The HR department should be involved in this process to make sure that the employee perspective is considered.The external

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environment includes many economic, political, and competitive forces that 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 company'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 audits and key questions that are addressed during the internal jobs assessment.

Correct Answer : The starting point for evaluating internal workforce readiness 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 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 critical knowledge, skills, abilities (KSAs) 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 are often categorized as either qualitative (subjective judgment) or quantitative (mathematical). Methods for forecasting human resources range from a manager's best guess to rigorous and complex computer simulation. Despite the availability of sophisticated judgmental and mathematical models and techniques, forecasting is still a combination of mathematical 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 the process involved in forecasting the supply of human resources.

Correct Answer : Once HR demand has been determined, the availability of qualified individuals must be calculated. 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 available to an organization can be ascertained. 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 workforceEstimating internal supply considers the number of external hires and the employees who move from their current jobs into others through promotions, lateral moves, and

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demotions. 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 reduction in force (RIF). 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.The Worker Adjustment and Retraining Notification (WARN) Act ensures that employees have adequate notice of plant closings or mass layoffs. This law 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. While workers with less service are not counted to determine applicability of the law, these individuals should still be given some form of notice. The WARN Act imposes heavy fines on employers that do not follow the required process and fail to give proper notice.

99 : Discuss the role of HR during the integration phase 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 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:

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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.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 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 and 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.

100 : Discuss the balanced scorecard.

Correct Answer : One way companies can effectively measure their strategic performance and HR practices involves using the balanced scorecard. The balanced scorecard is a framework organizations use to report on a diverse set of performance measures. This method 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.Results in each of these four areas determine if the organization is progressing toward its strategic objectives.

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