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Chapter 1: Strategic Human Resource Management

MULTIPLE CHOICE

1. How can HRM create value within an organization?
   a. By leasing employees to save money
   b. By making the company better at executing its strategy
   c. By keeping pay as low as possible
   d. By only hiring people with advanced degrees

   ANSWER: B TOPIC: What is HRM?
   TAXONOMY: Bloom's: Understand

2. The sum of all the rewards an employee receives in exchange for their time, efforts, and performance is referred to as _____.
   a. indirect financial compensation
   b. direct financial compensation
   c. total rewards
   d. essential rewards

   ANSWER: C TOPIC: What Does HRM Do?
   TAXONOMY: Bloom's: Analyze

3. When evaluating an employer's job offer, it is <u>best</u> to consider the _____.
   a. salary level
   b. training programs
   c. work environment
   d. total rewards

   ANSWER: D TOPIC: What Does HRM Do?
   TAXONOMY: Bloom's: Remember

4. Managing human resources strategically helps an organization manage which types of risk?
   a. Strategic, operational, functional, and compliance
   b. Strategic, optimal, financial, and compliance
   c. Situational, operational, financial, and compliance
   d. Strategic, operational, financial, and compliance

   ANSWER: D TOPIC: How Does HRM Influence Operational Performance? TAXONOMY: Bloom's: Analyze

6. A firm's _____ strategy determines how it will compete in its marketplace.
   a. Performance
   b. Business
   c. financial
   d. management

   ANSWER: B TOPIC: The Role of HRM in Executing Business Strateg
   TAXONOMY: Bloom's: Remember

7. Strategic HRM aligns a company's values and goals with the _____, _____, and _____ of employees.
   a. benefits; performance; goals
   b. strategies; vision; goals
   c. behaviors; values; goals
   d. behaviors; performance; values

   ANSWER: C TOPIC: The Role of HRM in Executing

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Business Strategy
TAXONOMY: Bloom's: Analyze

8. _____ are responsible for managing organizational change.
   a. Front line managers
   b. Executive resource managers
   c. Executive managers
   d. Human resource managers

   ANSWER: D TOPIC: Who is Responsible for HRM?
   TAXONOMY: Bloom's: Understand

9. Hiring an external vendor rather than doing a particular task internally is called _____.
   a. Insourcing
   b. Outsourcing
   c. resourcing
   d. telesourcing

   ANSWER: B TOPIC: Who is Responsible for HRM?

   TAXONOMY: Bloom's: Remember

10. What is a professional employer organization?
    a. A company that leases employees to companies who need them
    b. A company that only hires professional people
    c. A company that prefers their employees belong to professional organizations
    d. A company that only hires people with advanced degrees

    ANSWER: A TOPIC: Who is Responsible for HRM?

    TAXONOMY: Bloom's: Understand

11. The purpose of the organizational function of HRM is to _____
    a. attract, hire, develop, reward, and retain talent
    b. detain, hire, develop, rework, and retain talent
    c. detain, hire, devise, reward, and refresh talent
    d. attract, hire devise, rework, and refresh talent

    ANSWER: A TOPIC: What Is HRM?
    TAXONOMY: Bloom's: Apply

12. In order to maximize its effectiveness, an organization must _____ the right talent.
    a. apprise, develop, deport, and retain
    b. apprise, devalue, deploy, and retain
    c. acquire, develop, deploy, and retain
    d. acquire, devalue, deport, and retain

    ANSWER: C TOPIC: What Is HRM?
    TAXONOMY: Bloom's: Apply

13. Taking workplace health and safety seriously helps to reduce _____ risk.
    a. compliance
    b. financial
    c. operational
    d. strategic

    ANSWER: A TOPIC: How Does HRM Influence Organizational Performance? TAXONOMY: Bloom's: Apply

14. HRM influences organizational performance through its influence on what employees _____.
    a. should do, can do, and will do
    b. could do, can't do, and won't do
    c. could do, can do, and will do
    d. should do, can't do, and won't do

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ANSWER: A TOPIC: What Is HRM?
TAXONOMY: Bloom's: Apply

15. Past employment _____ has made many of the laws that affect HRM necessary in the United States.
    a. Opposition
    b. opportunities
    c. diversity
    d. discrimination

ANSWER: D TOPIC: What Is HRM?
TAXONOMY: Bloom's: Remember

16. When an organization adopts a new manufacturing process, which HRM function is responsible for improving employees' skills to meet its new talent needs?
    a. Recruiting
    b. Training
    c. Hiring
    d. Managing

ANSWER: B TOPIC: What Is HRM?
TAXONOMY: Bloom's: Understand

17. People do what they are _____ for.
    a. Tested
    b. Ready
    c. hired
    d. rewarded

ANSWER: D TOPIC: What Is HRM?
TAXONOMY: Bloom's: Understand

18. Rewards include anything _____by the employee.
    a. Tested
    b. Established
    c. valued
    d. required

ANSWER: C TOPIC: What Is HRM
TAXONOMY: Bloom's: Understand

19. Health and safety and employee-management relations are all functions of _____.
    a. strategic planning management
    b. diversity management
    c. employee management
    d. human resource management

ANSWER: D TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Remember

20. Staffing is the process of planning, acquiring, deploying, and retaining employees that enables the organization to meet its talent needs and execute its _____.
    a. business strategy
    b. employee strategy
    c. management strategy
    d. executive strategy

ANSWER: A TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Remember

21. Separations due to poor performance, layoffs or restructuring are part which HRM function?
    a. Staffing
    b. Recruiting
    c. Hiring
    d. Performance

ANSWER: A TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

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23. Supervisors must be trained to conduct job interviews and terminations in accordance with _____.
    a. organizational guidelines
    b. employee handbook
    c. state and federal law
    d. common law

    ANSWER: C TOPIC: What Does HRM Do?
    TAXONOMY: Bloom's: Understand

24. _____ planning can help to ensure that an organization has people ready to assume leadership positions as soon as those positions become available?
    a. Performance
    b. Strategic
    c. Change
    d. Succession

    ANSWER: D TOPIC: What Does HRM Do?
    TAXONOMY: Bloom's: Understand

25. What type of management involves aligning individual employees' goals and behaviors with organizational goals and strategies?
    a. Performance management
    b. Strategic management
    c. Change management
    d. Succession management

    ANSWER: A TOPIC: What Does HRM Do?
    TAXONOMY: Bloom's: Understand

26. By providing the raw talent that the system will manage, staffing influences the effectiveness of which system?
    a. Change management
    b. Strategic management
    c. Performance management
    d. Succession management

    ANSWER: C TOPIC: What Does HRM Do?
    TAXONOMY: Bloom's: Understand

27. To promote and maintain ethical behavior managers need to provide _____ feedback.
    a. constructive
    b. strategic
    c. performance
    d. critical

    ANSWER: C TOPIC: What Does HRM Do?
    TAXONOMY: Bloom's: Understand

28. Compensation received in the form of salary, wages, commissions, stock options, or bonuses is called_____.
    a. direct financial compensation
    b. secondary financial compensation
    c. nonfinancial compensation
    d. indirect financial compensation

    ANSWER: A TOPIC: What Does HRM Do?
    TAXONOMY: Bloom's: Understand

29. Compensation, including free meals, vacation time, and health insurance is called _____.
    a. direct financial compensation
    b. secondary financial compensation
    c. nonfinancial compensation
    d. indirect financial compensation

    ANSWER: D TOPIC: What Does HRM Do?
    TAXONOMY: Bloom's: Understand

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30. Rewards and incentives given to employees that are not financial in nature, including intrinsic rewards received from the job itself or from the work environment, are called _____.

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

ANSWER: C TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

31. When evaluating an employer's job offer, it is important to consider the _____, not just the salary level.

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

ANSWER: C TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

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

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

ANSWER: B TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

33. Which of the following is NOT a workplace health and safety topic?

a. Labor unions
b. Disaster preparedness
c. Ergonomics
d. Employees' mental health

ANSWER: A TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

34. Because most employees' knowledge of HRM is minimal, to ensure that employees have the HR knowledge they need companies create _____.

a. union contracts
b. values statements
c. codes of ethics
d. employee handbooks

ANSWER: D TOPIC: Who is Responsible for HRM?

TAXONOMY: Bloom's: Remember

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

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

ANSWER: A TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Remember

36. When an organization decides to invest in employee development and retention rather than treating them as assets to be managed this reflects the firm's _____.

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a. agenda
b. business strategy
c. talent philosophy
d. succession plan

ANSWER: C TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Understand

37. Workers in the public sector are _____ likely to belong to a union than are private sector employees.
a. more
b. less
c. about as
d. The answer is not yet known

ANSWER: A TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

38. Labor unions and unionization rates have been _____for years.
a. Rising
b. Steady
c. intensifying
d. declining

ANSWER: D TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Remember

39. Firms with fewer than 500 workers make up more than 99 percent of the business establishments, employing approximately _____ percent of the total workforce.
a. 10
b. 25
c. 50
d. 75

ANSWER: C TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Remember

40. Each of the functional areas of HRM must be consistent _____.
a. in what they cost
b. over time
c. in what they reinforce
d. across cultures

ANSWER: C TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

41. When a company creates new HRM initiatives to strengthen employees' ethical awareness and company culture to enhance its competitive advantage it is managing _____.
a. strategic risk
b. operational risk
c. financial risk
d. compliance risk

ANSWER: A TOPIC: How Does HRM Influence Organizational Performance?
TAXONOMY: Bloom's: Remember

42. HRM affects the speed and effectiveness of talent acquisition as well as the development of employees' skills and the identification and retention of top performers. These and other HRM activities that can directly influence the organization's success or failure are examples of _____.
a. strategic risk
b. operational risk
c. financial risk
d. compliance risk

ANSWER: B TOPIC: How Does HRM Influence Organizational Performance?
TAXONOMY: Bloom's: Remember

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43. When new HRM processes reduce the cost of hiring employees, they have reduced its _____.
    a. strategic risk
    b. operational risk
    c. financial risk
    d. compliance risk

    ANSWER: C TOPIC: How Does HRM Influence Organizational Performance?
    TAXONOMY: Bloom's: Remember

44. Thinking through the ramifications of an employment-related decision in terms of legal risk, particularly in the areas of diversity, health and safety, union relations, whistleblowers, and harassment is an example of managing _____.
    a. strategic risk
    b. operational risk
    c. financial risk
    d. compliance risk

    ANSWER: D TOPIC: How Does HRM Influence Organizational Performance?
    TAXONOMY: Bloom's: Remember

45. An organization's _____is a system of beliefs about how its employees should be treated.
    a. business philosophy
    b. strategic philosophy
    c. employee philosophy
    d. talent philosophy

    ANSWER: D TOPIC: The Role of HRM in Executing Business Strategy
    TAXONOMY: Bloom's: Understand

46. _____ are two of the most important management problems facing small businesses.
    a. Stress and feedback
    b. Performance management and rewards
    c. Compensation and training
    d. Recruitment and training

    ANSWER: D TOPIC: What Does HRM Do?
    TAXONOMY: Bloom's: Understand

47. Which of the following is true?
    a. What employees can do directly influences organizational performance.
    b. What employees will do directly influences organizational performance.
    c. A firm's competitive advantage influences its performance.
    d. A firm's performance influences the laws it must follow.

    ANSWER: C TOPIC: What is HRM?
    TAXONOMY: Bloom's: Understand

48. Managers in _____ and high power-distance cultures tend not to provide job enrichment and empowerment to employees.
    a. Maternalistic
    b. Paternalistic
    c. materialistic
    d. fatalistic

    ANSWER: B TOPIC: The Role of HRM in Executing Business Strategy
    TAXONOMY: Bloom's: Understand

49. Which of the following is true about managing global volunteers?
    a. Financial incentives are useful motivators
    b. All of the volunteers are highly motivated and highly productive
    c. They are equally motivated to perform any role and are happy to help out

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d. One of the key challenges is managing diversity and conflict

ANSWER: D TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Understand

50. According to Michael Porter, to have a competitive advantage a company must ultimately provide a combination of great _____.
a. quality branding and integrity
b. ethics, branding, and integrity
c. quality, service, and price
d. ethics, service, and price

ANSWER: C TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Understand

52. To effectively execute a(n) _____ an organization must both develop current talent and acquire additional talent.
a. growth strategy
b. performance strategy
c. aggressive strategy
d. global strategy

ANSWER: A TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Understand

53. The success of a(n) _____ depends on the firm's ability to find and retain the right number and types of employees to sustain its intended growth.
a. growth strategy
b. performance strategy
c. aggressive strategy
d. global strategy

ANSWER: A TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Understand

54. To expand internationally, _____ have been a common organizational strategy.
a. values and achievements
b. mergers and acquisitions
c. goals and ambiguity
d. motivation and performance

ANSWER: B TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Understand

55. Mergers and acquisitions often fail because of _____.
a. culture issues
b. financial issues
c. technical issues
d. procedural issues

ANSWER: A TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Understand

56. Retaining high-performing employees and keeping employees engaged helps to create and maintain any type of _____.
a. competitive advantage
b. cultural advantage
c. motivational advantage
d. financial advantage

ANSWER: A TOPIC: The Role of HRM in Executing Business Strategy

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TAXONOMY: Bloom's: Understand

57. HRM activities are performed by _____.
a. HRM professionals
b. Managers
c. individual employees
d. All of these statements are correct.

ANSWER: D TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Understand

58. _____is the world's largest professional association devoted to HRM.
a. SHRM
b. HRMO
c. HRMS
d. OHRM

ANSWER: A TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Understand

59. _____between HR and employees is extremely important.
a. Communication
b. Cultural differences
c. Clarification
d. Compassion

ANSWER: A TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Understand

60. _____ can prevent redundancies and save money, as well as improve the consistency with which HRM tasks are performed.
a. A shared reference center
b. Performance management
c. A shared service center
d. Performance targets

ANSWER: C TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Understand

61. Hiring a consultant to source executive job candidates rather than doing it internally is called _____.
a. Insourcing
b. Outsourcing
c. outscoring
d. encoring

ANSWER: B TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Understand

62. Outsourcing some HRM activities is particularly attractive to _____ companies.
a. Larger
b. Smaller
c. medium size
d. Fortune 500

ANSWER: B TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Understand

63. To keep employee data accurate, current, and private, organizations rely on _____.
a. human resource management systems
b. performance management
c. Excel spreadsheets
d. the honor system

ANSWER: A TOPIC: Human Resource Management Systems TAXONOMY: Bloom's: Understand

64. A company that leases employees to other companies is called a _____.
a. professional employer opportunity
c. progressive employer opportunity

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b. professional employer organization
d. progressive employer organization

ANSWER: B TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Understand

65. What does the acronym PEO stand for?
a. Professional employer opportunity
b. Professional employer organization
c. Progressive employer opportunity
d. Progressive employer organization

ANSWER: B TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Understand

66. HRM can help you be a more effective manager in _____.
a. the HR field
b. the field of finance
c. the legal field
d. any field

ANSWER: D TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Understand

67. Occupational forecasts suggest that the income and opportunity prospects in HRM are _____.
a. Unfavorable
b. Favorable
c. mediocre
d. atrocious

ANSWER: B TOPIC: Human Resource Management Systems
TAXONOMY: Bloom's: Understand

68. According to the text, knowledge of _____ skills will give you a competitive advantage in your career.
a. SHRM
b. HRM
c. ASTD
d. OCD

ANSWER: B TOPIC: Human Resource Management Systems?
TAXONOMY: Bloom's: Understand

69. Human resource management platforms support _____.
a. continuous performance feedback
b. employee turnover
c. annual reviews
d. employee surveys

ANSWER: A TOPIC: Human Resource Management Systems
TAXONOMY: Bloom's: Understand

TRUE/FALSE

1. Effective work processes are influenced by aligning what employees should do, what they can do, and what they will do.

ANSWER: T TOPIC: What Is HRM?``
TAXONOMY: Bloom's: Understand

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

ANSWER: F TOPIC: What Is HRM?
TAXONOMY: Bloom's: Understand

3. HRM practices and the employment relationship are relatively unaffected by laws and regulations.

ANSWER: T TOPIC: What is HRM?
TAXONOMY: Bloom's: Remember

4. HRM invents a firm's products and services.

ANSWER: F TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

5. Staffing is only concerned with hiring new employees.

ANSWER: F TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Apply

6. HRM links the entire human resource function with the firm's business strategy.

ANSWER: T TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Remember

7. All organizations will maximize their effectiveness without acquiring, developing, deploying, and retaining the right talent.

ANSWER: F TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

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

ANSWER: T TOPIC: Why is HRM Important to Your Career?
TAXONOMY: Bloom's: Understand

9. A global mindset is a is a set of individual attributes that enable you to influence individuals, groups, and organizations from diverse socio/cultural/institutional systems.

ANSWER: T TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Remember

10. Hiring a recruiting firm to help hire hard to find talent is an example of a company using a professional employer organization.

ANSWER: F TOPIC: Who is Responsible for HRM?
TAXONOMY: Bloom's: Application

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11. Factors including organizational strategy, the competitive environment, and legal requirements all influence what an organization's employees *should* do.

ANSWER: T TOPIC: What is HRM?
TAXONOMY: Bloom's: Comprehension

12. HR planning is a low-priority HRM activity that involves designing work that is fairly efficient as well as identifying the amount and types of talents the company will need to execute its business strategy.

ANSWER: F TOPIC: What is HRM?
TAXONOMY: Bloom's: Understand

13. Employee benefits administration is an example of a shared service center.

ANSWER: T TOPIC: Who is Responsible for HRM?
TAXONOMY: Bloom's: Comprehension

14. Failure to follow the laws and regulations that affect HRM practices and the employment relationship only affects the financial portion of an organization's business.

ANSWER: F TOPIC: What is HRM?
TAXONOMY: Bloom's: Apply

15. If employees do not tend to stay with their employer very long, putting new hires through an expensive training program is a good investment.

ANSWER: F TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Remember

16. The HRM function of training and development influences both individual employees' skills and the capabilities of the organization as a while.

ANSWER: T TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Apply

17. When evaluating a potential employer's job offer, it is best to consider the value of the total rewards package being offered, not just the base salary.

ANSWER: T TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Remember

18. After the nature and requirements of the open job are identified, sourcing identifies potential recruits likely to meet or exceed the job's minimum personal and technical requirements.

ANSWER: T TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

19. Staffing provides the talent foundation for an organization's effectiveness and competitive advantage.

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ANSWER: T TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

20. Training is very inexpensive, so if a company fails to hire people able to succeed in the organization's development programs, training can still have a high return on investment.

ANSWER: F TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Apply

21. Total rewards activities can help to ensure that an organization has people ready to assume leadership positions as soon as those positions become available.

ANSWER: F TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

22. People from different cultures are motivated by similar things and communicate in similar ways.

ANSWER: F TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Understand

23. Total rewards is the sum of all of the rewards employees receive in exchange for their time, efforts, and performance.

ANSWER: T TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

24. The success of incentive pay programs that reward employees for individual, group, or organizational performance is influenced by performance management systems.

ANSWER: T TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Understand

25. How an organization positions itself to compete determines the HRM strategies it needs to pursue to acquire, motivate, and retain the appropriate talent to succeed.

ANSWER: T TOPIC: The Role of HRM in Executing Business Strategy TAXONOMY: Bloom's: Understand

26. Human resource management is responsible for attracting, hiring, developing, rewarding, and retaining talent.

ANSWER: T TOPIC: What is HRM?
TAXONOMY: Bloom's: Understand

ESSAY

1. How might global issues require flexibility in human resource management to meet the diverse expectations of employees?

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ANSWER:

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

TOPIC: The Role of HRM in Executing Business Strategy
TAXONOMY: Bloom's: Analyze

2. What are the advantages of effective HRM System?

ANSWER:

- Improve organizational efficiency
- Contribute to revenue growth
- Increase employees' understanding of their responsibilities and how they relate to the organization's mission, business strategy, and goals
- Develop and enhance employee capabilities and talents to enable strategic execution and goal attainment
- Equitably link rewards to responsibility level and performance
- Promote the efficient and effective utilization of employees' skills and knowledge
- Increase employee engagement, effort, and performance
- Increase the organization's ability to manage change
- Decrease an organization's legal liability for compliance with employment laws

TOPIC: How Does HRM Influence Organizational Performance?
TAXONOMY: Bloom's: Analyze

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

ANSWER:

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

TOPIC: How Does HRM Influence Organizational Performance?
TAXONOMY: Bloom's: Analyze

4. What is the responsibility of HRM professionals?

ANSWER:

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

TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Analyze

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

ANSWER:

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

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

TOPIC: Who Is Responsible for HRM?
TAXONOMY: Bloom's: Understand

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

ANSWER:

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

TOPIC: Who is Responsible for HRM?
TAXONOMY: Bloom's: Understand

7. Explain the concept of performance management.

ANSWER:

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

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

TOPIC: What Does HRM Do?
TAXONOMY: Bloom's: Analyze

8. According to the text what are HRM's three main keys in influencing organizational performance? Explain which key you believe is the most influential and why.

ANSWER:

1. Influencing what employees *should* do
2. Influencing what employees *can* do
3. Influencing what employees *will* do

TOPIC: What Is HRM?
TAXONOMY: Bloom's: Remember

9. According to the text what are the six primary HRM functions?

ANSWER:

1. Staffing
2. Training and development
3. Performance management
4. Rewards and benefits
5. Employee-management relations
6. Health and safety

TOPIC: What Is HRM?
TAXONOMY: Bloom's: Remember

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