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True / False

1. The realization that human resource management was an important field was spearheaded by the passing of the Rollins-Robinson Act.
   a. True
   b. False

   ANSWER: False

2. In modern organizations, the human resource function is viewed as a key activity that can enhance the bottom line.
   a. True
   b. False

   ANSWER: True

3. Outsourcing has caused a dramatic increase in the size of human resource departments.
   a. True
   b. False

   ANSWER: False

4. Scientific management focused on increasing efficiency and productivity.
   a. True
   b. False

   ANSWER: True

5. Theory X and Theory Y were principles developed by Elton Mayo.
   a. True
   b. False

   ANSWER: False

6. The widespread use of the Internet has affected the basic approach to how human resources are managed.
   a. True
   b. False

   ANSWER: False

7. Scientists and lawyers are considered to be knowledge workers.
   a. True
   b. False

   ANSWER: True
8. Designing jobs that are more challenging and satisfying serves to fulfill the human resource management goal of complying with legal obligations.
   a. True
   b. False

   **ANSWER:** False

9. Utility analysis attempts to measure the effectiveness of different human resource management approaches.
   a. True
   b. False

   **ANSWER:** True

10. A human resource professional must have at least 10 years of professional experience to take the core certifications exams offered by the Human Resource Certification Institute.
   a. True
   b. False

   **ANSWER:** False

Multiple Choice

11. The material resources of an organization constitute:
   a. business partners, competitors, and market analysts.
   b. strategies employed to meet organizational goals.
   c. ownership investments, sales revenue, and bank loans.
   d. people that it employs to carry out various jobs.
   e. factories, equipment, raw materials, computers, and offices.

   **ANSWER:** e

12. One of the first factors that increased the importance of human resource management was the _____.
   a. Civil Rights Act of 1964
   b. workers' revolution
   c. technological advances in computers
   d. Taft-Hartley Act of 1947
   e. growth in the service sector

   **ANSWER:** a
13. Rockslide Inc., a manufacturer of sports equipment, hires an external agency to manage its payroll functions. This measure helps Rockslide limit the number of HR staff and ensure specialist service. Which of the following concepts does this scenario illustrate?
   a. Maslow's hierarchy of needs
   b. McGregor's Theory X
   c. Corporate social responsibility
   d. Psychological contract
   e. Outsourcing

   ANSWER: e

14. TechUp Inc., a manufacturer of computer chips, hires an external specialist agency to perform background checks of its new employees. By doing this, TechUp ensures quality service and saves both time and labor costs. This scenario illustrates the concept of _____.
   a. Theory Y
   b. Theory X
   c. Organizational culture
   d. Formal mentoring
   e. Outsourcing

   ANSWER: e

15. The management of Wrapp Kitchen Inc., a chain of restaurants, plans to implement certain strategies to increase worker productivity and improve efficiency. It restructures the kitchen space and redesigns the jobs of waiters, cooks and, cleaning staff to maximize output and service delivery. This scenario illustrates the concept of _____.
   a. Psychological contract
   b. Outsourcing
   c. Theory X
   d. Scientific management
   e. Theory Y

   ANSWER: d

16. Which of the following supplanted scientific management as the dominant approach to management during the 1930s?
   a. The finance function
   b. The Great Depression period
   c. The human relations era
   d. The systems approach
   e. The Civil Rights Act

   ANSWER: c
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17. The recognition that individual and group behavior is important to organizations was facilitated by the _____.
   a. Hawthorne studies
   b. scientific management approach
   c. systems approach to management
   d. Industrial Revolution
   e. Theory X framework

   **ANSWER:**  a

18. The basic premise of the human relations movement was that:
   a. employees had to be intimidated to be motivated.
   b. individual jobs should be structured to maximize productivity.
   c. satisfied employees would work harder for a company.
   d. union activities were harmful for an organization.
   e. teamwork must be avoided in large companies.

   **ANSWER:**  c

19. Which of the following developments did NOT occur in the field of human resource management during the 1950s and 1960s?
   a. Selection tests from World War II were adapted for use in private industry.
   b. Reward and incentive systems became more sophisticated.
   c. Government legislation expanded, adding more complexity to human resource management.
   d. Labor unions became more powerful and demanded more benefits for their members.
   e. Personnel management began to be recognized as being critically important to organizational success.

   **ANSWER:**  e

20. Which of the following is true of human resource management in modern organizations?
   a. It has grown into a source of competitive advantage.
   b. It does little beyond ensuring compliance with labor regulations.
   c. It is uninfluenced by an organization's strategy.
   d. It dominates the other functional areas and designs the strategy of organizations.
   e. It is organized and managed the same way it was in the last century.

   **ANSWER:**  a
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21. Which of the following is NOT a challenge to human resource functions in the contemporary electronic age?
   a. Availability of specialized employees
   b. Concerns about ethics and privacy
   c. Storage of large amounts of data
   d. Availability of online job analysis information
   e. Changing government regulations

   **ANSWER:** d

22. Which of the following is true of the Civil Rights Act of 1964?
   a. It outlawed labor unions in the United States.
   b. It required firms to fully understand the legal context in which they functioned.
   c. It prompted organizations to hire managers to represent their interests to organized labor.
   d. It resulted in an increased focus on employee behavior.
   e. It reduced the role of government in organizations' hiring decisions.

   **ANSWER:** b

23. Which of the following specialized employees contribute to their organization by the nature of what they know and how well they can apply what they know?
   a. Retail clerks
   b. Senior managers
   c. Sales representatives
   d. Knowledge workers
   e. Supervisors

   **ANSWER:** d

24. _____ refers to the notion of treating social outcomes and financial outcomes as complementary, rather than competing outcomes.
   a. Personnel management
   b. Utility analysis
   c. Scientific management
   d. Psychological contract
   e. Conscious capitalism

   **ANSWER:** e
25. Which of the following activities most directly relates to the basic human resource management goal of facilitating organizational competitiveness?
   a. Developing a strategic perspective that satisfies goals and objectives of an organization
   b. Assuming a greater degree of social obligation to the society in which an organization operates
   c. Complying with government regulations
   d. Designing outreach programs to attract minority job applicants
   e. Developing formal mentoring programs to help women and minorities advance in an organization

   **ANSWER:** a

26. Which of the following is NOT one of the four basic goals of the human resource management function?
   a. Improving the global economy
   b. Promoting individual growth and development
   c. Complying with legal and social obligations
   d. Enhancing productivity and quality
   e. Facilitating organizational competitiveness

   **ANSWER:** a

27. Which of the following activities aligns with the human resource management function of enhancing productivity and quality?
   a. Maintaining transparency in all business operations
   b. Communicating the latest market regulations to employees
   c. Arranging self-defense training for employees
   d. Undertaking corporate social responsibility initiatives
   e. Revising rewards and incentives to maintain motivation

   **ANSWER:** e

28. Jim Lee, a human resource department staff, is responsible for ensuring that his organization follows the existing market regulations and standards. He is also in charge of the employee grievance committee to which employees can report their concerns or complaints. Given this information, which of the following goals of human resource management is fulfilled by Jim Lee's activities?
   a. Facilitating organizational competitiveness
   b. Complying with legal and social obligations
   c. Promoting individual growth and development
   d. Enhancing productivity and quality
   e. Recruiting sufficient workers to meet demand

   **ANSWER:** b
29. Abigail, a human resource executive in a company, plans and implements a wide range of employee engagement activities for improving the mental and physical health of the employees. These include personality enhancement sessions, career development lectures, and annual office trips. She also works with the management to provide employees with a creative space where they can share their innovative ideas. In this scenario, Abigail's initiatives fulfill the human resource management goal of:
  a. complying with legal and social obligations.
  b. controlling costs.
  c. facilitating organizational competitiveness.
  d. enhancing productivity and quality.
  e. promoting individual growth and development.

  **ANSWER:** e

30. A _____ refers to the overall set of expectations held by an employee with regard to what he or she will contribute to an organization.
  a. job analysis
  b. cost-benefit analysis
  c. systems approach
  d. utility analysis
  e. psychological contract

  **ANSWER:** e

31. Fulfilling the psychological contract between employers and employees aligns with the human resource management goal of _____.
  a. facilitating organizational competitiveness
  b. enhancing productivity and quality
  c. promoting individual growth and development
  d. complying with legal and social obligations
  e. regulating labor costs

  **ANSWER:** c

32. Which of the following is true of human resource management in modern organizations?
  a. It is exclusively concerned with structuring jobs to maximize efficiency.
  b. It is accorded a secondary status when compared to other operative units.
  c. Modern organizations outsource all human resource functions.
  d. Both line and staff managers handle human resource operations.
  e. It is uninfluenced by an organization's strategic goals.

  **ANSWER:** d
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33. Which of the following departments was usually thought of as a staff function?
   a. Human resource  
   b. Operations  
   c. Finance  
   d. Marketing  
   e. Sales  

   **ANSWER:** a

34. Line managers are best defined as:
   a. those who are responsible for an indirect or support function.  
   b. those who run the personnel department.  
   c. those who contribute to an organization with their knowledge.  
   d. those who are directly involved in creating goods and services.  
   e. those who conduct job analysis in an organization.  

   **ANSWER:** d

35. Who among the following people is most likely to handle human resource activities in a small, independent business?
   a. The human resource manager  
   b. The owner or general manager  
   c. The marketing manager  
   d. The sales manager  
   e. The administrative assistant  

   **ANSWER:** b

36. The _____ approach to management recognizes how the human resource management subunit both affects and is affected by the other functional subunits throughout an organization.
   a. line function  
   b. functional  
   c. scientific  
   d. systems  
   e. subjective  

   **ANSWER:** d
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37. Which of the following is NOT true of successful human resource managers?
   a. They are accorded equal status with managers of other operative units.
   b. They possess solid educational background and professional experience.
   c. They fully understand the role of human resource function for their organizations.
   d. Their entry-level employment is limited to human resource departments.
   e. Their expertise covers different specialized disciplines.

   **ANSWER:** d

38. Which of the following bodies created the Human Resource Certification Institute?
   a. The U.S. Department of Labor
   b. The National Human Resources Association
   c. The Society for Human Resource Management
   d. The National Labor Relations Board
   e. The National Human Resources Association

   **ANSWER:** c

39. The _____ is the field's largest professional human resources association.
   a. Human Resource Professionals' Association
   b. National Labor Relations Board
   c. National Human Resource Management Association
   d. Society for Human Resource Management
   e. Human Resource Certification Institute

   **ANSWER:** d

**Scenario 1.1**
The management of a multinational corporation establishes an efficient, specialized human resource (HR) department to manage its human resources effectively. The newly established HR department decides to recommend to its top management the need for revising incentives and compensation in such a way so as to attract the best talents available in the market. It also recommends the setting up of fitness centers and career planning sessions to enhance overall progress of its employees.

40. Refer to Scenario 1.1. The management decides to lighten the responsibilities of the HR department by hiring an external agency to manage the legal affairs of the company. Which of the following concepts does this decision illustrate?
   a. Utility analysis
   b. Corporate social responsibility
   c. Job analysis
   d. Scientific management
   e. Outsourcing

   **ANSWER:** e
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41. Refer to Scenario 1.1. Which of the following concepts explains the company's decision to establish an efficient human resource department?
   a. Utility analysis
   b. Job analysis
   c. Personnel management
   d. Scientific management
   e. Outsourcing

   ANSWER: c

42. Refer to Scenario 1.1. Organizing career planning sessions and establishing the fitness center aligns with the human resource management goal of _____.
   a. complying with legal obligations
   b. complying with social obligations
   c. enhancing productivity and quality
   d. promoting individual growth and development
   e. facilitating organizational competitiveness

   ANSWER: d

43. Refer to Scenario 1.1. The newly formed human resource department organizes charity events and fundraiser programs through which employees can contribute a share of their salaries to various causes. Which of the following goals of human resource management is fulfilled through these activities?
   a. Complying with legal and social obligations
   b. Promoting individual growth and productivity
   c. Facilitating organizational competitiveness
   d. Enhancing productivity and quality
   e. Hiring talented employees

   ANSWER: a

44. Refer to Scenario 1.1. Which of the following approaches to human resource management explains the management's recognition that selection, training, and compensation are interrelated and that together, they affect the performance of an employee?
   a. The systems approach
   b. The scientific management approach
   c. The line function approach
   d. The personnel management approach
   e. The functional approach

   ANSWER: a
45. Undertaking initiatives that help an organization assume an enhanced citizenship role aligns with the human resource management goal of:
   a. complying with legal and social norms.
   b. facilitating organizational effectiveness.
   c. enhancing productivity and quality.
   d. promoting individual growth and development.
   e. recruiting efficient employees.

   ANSWER: a

Subjective Short Answer

46. Contrast the scientific management approach and the human relations movement in terms of their focus on employees and their behaviors.

   ANSWER: The Scientific management approach was concerned with how to structure individual jobs to maximize efficiency and productivity. It, for example, examined every motion a worker made in order to find how changes in movement or in equipment could increase productivity. No attention was given to worker behaviors other than overt physical behaviors. The human relations movement, in response to the Hawthorne studies, began focusing on understanding the human character of employees. Research began to reveal that individual and group behavior, in terms of attitudes, group norms, and motivation, played an important role in organizations.

47. What are the important goals of human resource management? For each goal, give two examples of specific HR actions or techniques that organizations can use to obtain that goal.

   ANSWER: (1) Facilitating organizational competitiveness involves providing support to help an organization achieve its strategic goals. Human resource managers will ensure that the organization hires the right number and type of workers, and they will help to control compensation costs, as part of achieving this goal. (2) Enhancing productivity and quality can be accomplished through effective training and appropriate motivational rewards. Both of these are the responsibilities of the HR function. (3) Complying with legal and social obligations is effective when HR departments monitor work hours and overtime pay and when they ensure that an organization's hiring is nondiscriminatory. (4) Promoting individual growth and development could take the form of broad-based training such as teaching fundamental math skills to operating employees, or it could consist of wellness and other programs to enhance the quality of work life.

48. What is the difference between a line manager and a staff manager, and how would a human resource manager typically be classified?

   ANSWER: Line managers are those directly responsible for creating goods and services, and their contributions to an organization can be directly assessed in terms of their actual contributions and costs to the organization's bottom line. Operations managers, financial managers, and marketing managers, for example, are considered line managers. Staff managers are those responsible for an indirect or support function that has costs, but the bottom-line contributions are less direct. Their role is to support line management's efforts to achieve organizational goals and objectives. Human resources, legal, and accounting departments are usually considered staff functions.
49. What is meant by a "human resource management system," and how does this relate to the concept of an organization as a system?

**ANSWER:** A human resource management system is an integrated and interrelated approach to managing human resources that fully recognizes the interdependence among the various tasks and functions that must be performed. Every element of the human resource management system must be designed and implemented with full knowledge and understanding of, and integration with, the various other elements in an organization. The human resource management system may be seen as a subsystem of the complete organizational system. The human resource management subsystem both affects and is affected by the other functional subsystems throughout the organization.

Essay

50. Briefly describe the Society for Human Resource Management (SHRM) and the Human Resource Certification Institute (HRCI).

**ANSWER:** Many human resource managers today belong to the Society for Human Resource Management (SHRM), the field’s largest professional human resource (HR) association. SHRM publishes professional journals that help members stay abreast of the newest developments in the field, sponsor workshops and conferences, and so forth. SHRM has created the Human Resource Certification Institute (HRCI). The HRCI is the recognized symbol of HR certification in much the same way that the accounting profession uses the certified public accountant exam and credential to designate those individuals who have formally achieved basic minimal competencies in prescribed areas.