

# NETA ASSESSMENT Test Bank *to accompany*



*Seventh Canadian Edition prepared by*  
Parbudyal Singh  
York University



## **NETA Assessment: Test Bank to accompany *Managing Human Resources*, Seventh Canadian Edition**

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## PREFACE



In most post-secondary courses, a large percentage of student assessment is based on multiple-choice testing. Many instructors use multiple-choice reluctantly, believing that it is a methodology best used for testing what a student *remembers* rather than what she or he has *learned*.

Nelson Education Ltd. understands that a good quality multiple-choice test bank can provide the means to measure ***higher-level thinking*** skills as well as recall. Recognizing the importance of multiple-choice testing in today's classroom, we have created **NETA**—the **Nelson Education Teaching Advantage** program—to ensure the value of our high quality test banks.

The NETA program was created in partnership with David DiBattista, a 3M National Teaching Fellow, professor of psychology at Brock University, and researcher in the area of multiple-choice testing. NETA ensures that subject-matter experts who author test banks have had training in two areas: avoiding common errors in test construction, and developing multiple-choice test questions that “get beyond remembering” to assess higher-level thinking.

All NETA test banks include David DiBattista's guide for instructors, “Multiple Choice Tests: Getting Beyond Remembering.” This guide has been designed to assist you in using Nelson test banks to achieve your desired outcomes in your course.

The Test Bank for Belcourt/Singh/Bohlander/Snell, *Managing Human Resources*, Seventh Canadian Edition has been revised for Canadian students by Parbudyal Singh. The multiple-choice questions were written and edited to conform to NETA guidelines, which emphasize the development of higher-order thinking and the effective construction of questions. NETA principles of question construction help eliminate ambiguity, arguable answers, guesswork, and unconscious cues to test-savvy students, resulting in a test that accurately reflects student understanding. The Test Bank offers over 1600 questions, including about 800 multiple choice, 770 true/false, and 52 essay questions.

In addition to providing a variety of questions related to each chapter objective, this test bank also employs a series of tags that can help design effective, balanced tests by the measure of course outcomes. All of the tags are included with the question in the test bank. These tags include:

- ANS: The correct answer. (Suggested answers are provided for the essay questions.)
- BLM: The category from Bloom's taxonomy for learning (Remember or Higher Order). This category is included to assist instructors in assessing student's higher-order cognitive skills.
- OBJ: The related learning objective (or objectives) in the text.
- REF: The related text page number that the question applies to.

## **The Computerized Test Bank**

All items from this Test Bank are also available in ExamView<sup>®</sup>, a computerized testing package with online capabilities. ExamView<sup>®</sup> helps you create, customize and deliver both print and online tests in minutes. Its “what you see is what you get” interface and easy-to-use test wizard guide you step-by-step through the test creation process. The ExamView<sup>®</sup> Test Bank files and software are included on the Instructor's Resource CD in Windows PC and Macintosh platforms (ISBN 0176617299).

## Chapter 1 The World of Human Resources Management

### MULTIPLE CHOICE

1. To build human capital in organizations, managers should rely upon staffing programs that focus on which of the following?
- identifying cheap sources of qualified labour
  - identifying and hiring the best and brightest talent available
  - identifying college graduates with the requisite skills
  - identifying individuals with communication skills

ANS: B                      PTS: 1                      REF: 4                      OBJ: 1  
BLM: Higher Order

2. To build human capital in organizations, managers should rely upon staffing programs that focus on which of the following?
- identifying and hiring cheap sources of qualified labour in order to fill front-line positions quickly
  - identifying and hiring the best and brightest without regard to cost
  - identifying college graduates with the requisite skills who can be promoted to management positions quickly
  - identifying and hiring individuals with highly specialized skills who can train others in the organization

ANS: B                      PTS: 1                      REF: 4                      OBJ: 1  
BLM: Higher Order

3. An organization's success increasingly depends most on which of the following?
- the knowledge, skills, and abilities of its top executives
  - the knowledge, skills, and abilities of HR professionals
  - the proper management of the knowledge, skills, and abilities of its employees
  - the knowledge, skills, and abilities of its employees

ANS: D                      PTS: 1                      REF: 4                      OBJ: 1  
BLM: Higher Order

4. Research suggests that the value, skills, and capabilities of employees can have a tremendous impact on an organization's performance. What is the term used to refer to the value, skills, and capabilities of employees?
- intellectual capital
  - human capital
  - core competencies
  - employee capital

ANS: B                      PTS: 1                      REF: 4                      OBJ: 1  
BLM: Higher Order

## Chapter 1 The World of Human Resources Management

5. Why have managers had to find ways to empower employees and encourage their participation and involvement to more fully utilize human capital?
- because these empowering methods are figured as part of training costs
  - because firms are moving away from team-based structures
  - because employee skills often go unused
  - because knowledge exchange is the best method of human capital development

ANS: C                      PTS: 1                      REF: 4                      OBJ: 1  
BLM: Higher Order

6. Many prospective employees are interested in obtaining a job where they can learn new skills and improve existing skills. Which organization would be the most attractive to such candidates?
- an organization that provides many formal training programs that are not easily transferable to other organizations
  - an organization that provides many formal training programs that are very easily transferred to any job the applicant might want to apply for later in his or her career
  - an organization that provides mentorship programs where employees attempt challenging situations under the guidance of experienced senior staffers
  - an organization that provides “grow and learn” sessions where classroom sessions are backed up by on-the-job training

ANS: C                      PTS: 1                      REF: 4-5                      OBJ: 1  
BLM: Higher Order

7. What is the most important outcome of such practices as job enrichment, promotions, coaching, feedback, and rewards?
- increased ability of staff
  - increased motivation of staff
  - decreased turnover of staff
  - decreased absenteeism of staff

ANS: B                      PTS: 1                      REF: 4-5                      OBJ: 1  
BLM: Higher Order

8. HRM plays an important role in organizations by balancing the sometimes competing demands of which of the following?
- competitive challenges and international challenges
  - international challenges and employee concerns
  - employee concerns and HRM challenges
  - competitive challenges and employee concerns

ANS: D                      PTS: 1                      REF: 5                      OBJ: 1  
BLM: Higher Order

9. According to a survey by the Human Resource Planning Society, what percentage of responding companies believed that their HR groups play a key role in developing human capital?
- 20 percent
  - 65 percent
  - 50 percent
  - 40 percent

ANS: B                      PTS: 1                      REF: 5                      OBJ: 1  
BLM: Remember

## Chapter 1 The World of Human Resources Management

10. In highly competitive environments, managing organizational change has become which of the following?
- a proactive method of downsizing
  - the preferred method of reacting to a decrease in organizational performance
  - a core competency of the organization
  - a product of globalization

ANS: C                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Higher Order

11. Methods that firms use to align their processes with their essential need to meet customer expectations include all of the following **EXCEPT** which one?
- total quality management
  - Six Sigma
  - cost containment through outsourcing
  - process reengineering

ANS: C                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Higher Order

12. What is the term for the practice of hiring someone outside the company to perform tasks that could be done internally?
- outplacement
  - contracting
  - outsourcing
  - employee leasing

ANS: C                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Key Terms

13. Which organization has the BEST chance of implementing a successful change initiative?
- one that has been very positive and relaxed throughout, ensuring not to establish a sense of urgency and always reporting positive effects
  - one that has ensured the employees are not overburdened with work relating to the change and have time to focus on their jobs
  - one that has ensured the changes are aligned with the organizational culture in important ways
  - one that has ensured good news is shared and the change victory is celebrated as soon as some indicators appear positive

ANS: C                      PTS: 1                      REF: 6-7                      OBJ: 2  
BLM: Higher Order

14. The importance of Six Sigma to HR extends to all of the following **EXCEPT** which one?
- employee benefits
  - performance management
  - communication
  - training

ANS: A                      PTS: 1                      REF: 6-7                      OBJ: 2  
BLM: Key Terms | Understanding

## Chapter 1 The World of Human Resources Management

15. Reengineering often requires that managers start from scratch in rethinking all of the following EXCEPT which one?
- how work should be done
  - how technology and people should interact
  - how the entire organization should be structured
  - how organizations should compete

ANS: D                      PTS: 1                      REF: 6-7                      OBJ: 2  
BLM: Higher Order

16. Organization B is attempting to foster proactive change within the organization. In order to do so, it is implementing some new programs to train employees to be more in tune with customer needs, allowing the employees to find the right solution to issues and problems by doing it right the first time. Organization B is also implementing systems that will hopefully help its processes and services to constantly improve. What is Organization B implementing?
- Six Sigma
  - continuous improvement
  - reengineering
  - best quality management

ANS: A                      PTS: 1                      REF: 6-7                      OBJ: 2  
BLM: Higher Order

17. Organization A is attempting to foster proactive change within the firm. This organization is forming teams and extending its processes to include training, performance management, communication, culture, and even rewards. The organization hopes to improve its ability to catch mistakes before they happen. What is Organization A implementing?
- Six Sigma
  - continuous improvement
  - reengineering
  - total quality management

ANS: A                      PTS: 1                      REF: 6-7                      OBJ: 2  
BLM: Higher Order

18. Organization C is attempting to manage reactive change within the organization. This organization is radically changing every process through redesigning and rethinking from the ground up. The firm needs a dramatic change in order to survive. What is Organization C implementing?
- Six Sigma
  - continuous improvement
  - reengineering
  - total quality management

ANS: C                      PTS: 1                      REF: 6-7                      OBJ: 2  
BLM: Higher Order

## Chapter 1 The World of Human Resources Management

19. If an organization fosters commitment to organizational change in its employees, but fails to foster commitment to communication about the change, which of the following is the most likely result?
- The organization will not be successful with change because the employees will resist.
  - The organization will be successful with change because it planned a key element.
  - The organization will fail because it did not communicate a clear change plan.
  - The organization may be successful but only if it does not force a sense of urgency.

ANS: B                      PTS: 1                      REF: 6-8                      OBJ: 2  
BLM: Higher Order

20. Microsoft laid off 5,000 employees due to poorer-than-anticipated financial performance. What is this an example of?
- proactive change
  - reactive change
  - managing change
  - transformational change

ANS: B                      PTS: 1                      REF: 7                      OBJ: 2  
BLM: Higher Order

21. In an effort to take advantage of a market opportunity, Apple created the iPhone in open-source format so that anyone can develop and sell an iPhone application. What is this an example of?
- proactive change
  - reactive change
  - managing change
  - transformational change

ANS: A                      PTS: 1                      REF: 7                      OBJ: 4  
BLM: Higher Order

22. Which of the following is the best example of how globalization presents challenges for HR professionals?
- HR information programs are now written in multiple languages.
  - Job candidates are from diverse and international backgrounds.
  - International travel is inconsistent with corporate social responsibility initiatives.
  - Organizations worldwide are changing the way they do business.

ANS: B                      PTS: 1                      REF: 8                      OBJ: 2  
BLM: Higher Order

23. Which of the following is an example of corporate social responsibility?
- providing speed-reading courses for front-line staff to improve their abilities in absorbing new information
  - sharing knowledge freely throughout the organization to improve employee efficiency and workflow
  - installing noise-reduction baffling in plants to decrease anticipated community complaints
  - providing career counselling to outsourced employees to increase their ability to find work

ANS: C                      PTS: 1                      REF: 10                      OBJ: 3  
BLM: Higher Order

## Chapter 1 The World of Human Resources Management

24. Which type of work would a knowledge worker most likely engage in?
- deciding which type of fertilizer to buy wholesale for a landscaping business
  - counting the number of grocery items in carts leaving a wholesale store
  - monitoring children on new daycare playground equipment
  - installing new ink cartridges in colour photocopiers in an office environment

ANS: A                      PTS: 1                      REF: 11                      OBJ: 4  
BLM: Higher Order

25. What is an example of an important impact of information technology on HRM?
- Paper waste from employee files is drastically decreased.
  - Many HR functions can now be considered “self-serve.”
  - Employee recording of all types is carried out much faster.
  - Convenience in general has increased.

ANS: B                      PTS: 1                      REF: 12                      OBJ: 3  
BLM: Higher Order

26. What is the first step for HR personnel in choosing an HRIS?
- evaluate the most time-consuming tasks
  - examine the user-friendliness of the software
  - calculate the cost savings in using an HRIS
  - calculate the time required to train the HR staff

ANS: A                      PTS: 1                      REF: 12                      OBJ: 4  
BLM: Higher Order

27. Which of the following is NOT a primary impact that technology has had on HRM?
- It has altered the methods of collecting employment information.
  - It has speeded up the processing of employment data.
  - It has diminished the role of supervisors in managing employees.
  - It has improved the processes of internal and external communications.

ANS: C                      PTS: 1                      REF: 12-13                      OBJ: 4  
BLM: Higher Order

28. To manage employees in a manner that allows human capital to develop as a source of competitive advantage, managers need to be sure to do all of the following EXCEPT which one?
- provide training programs that provide skill enhancement
  - identify, recruit, and hire the best talent available
  - attach pay to productivity
  - provide opportunities for development on the job

ANS: C                      PTS: 1                      REF: 13                      OBJ: 5  
BLM: Higher Order

## Chapter 1 The World of Human Resources Management

29. "Layoffs improve efficiency and lower costs." How would you best describe this statement?
- It's true. Smart cost reductions save companies in trouble.
  - It's false, although downsizing was highly regarded at first.
  - It's false. Downsizing does not have positive benefits for the organization.
  - It's true, but only for some organizations; others do better by offering a strong commitment to job security.

ANS: D                      PTS: 1                      REF: 14                      OBJ: 5  
BLM: Higher Order

30. What is NOT an approach used by organizations to try to lower labour costs?
- productivity enhancements
  - outsourcing
  - employee leasing
  - employee development

ANS: D                      PTS: 1                      REF: 14-18                      OBJ: 5  
BLM: Higher Order

31. Which of the following is one of the largest expenditures of service companies?
- production costs
  - marketing costs
  - labour costs
  - distribution costs

ANS: C                      PTS: 1                      REF: 14-18                      OBJ: 5  
BLM: Higher Order

32. In an effort to prevent downsizing its employees, ABC Inc. has asked its staff to accept reduced pay. What strategy is ABC Inc. using?
- furloughing
  - employee leasing
  - reduced downsizing
  - outsourcing

ANS: A                      PTS: 1                      REF: 15                      OBJ: 5  
BLM: Higher Order

33. Which statement best reflects the current view on the efficacy of offshoring as a cost reduction measure?
- While organizations can save with this practice, hidden costs, such as productivity loss during the transition, can chew up much of the financial gains.
  - The practice of offshoring has been one of the most positive HR trends of the last ten years.
  - The continuous shifting of global economies makes offshoring a necessary function for organizations to survive.
  - Offshoring only works if top managers begin early in the process to plan their key strategies, such as alternative talent pools and workforce training.

ANS: A                      PTS: 1                      REF: 16                      OBJ: 5  
BLM: Higher Order

## Chapter 1 The World of Human Resources Management

34. What is the term for the method of containing costs that allows firms to maintain working relationships while shifting administrative costs to another firm?
- outsourcing
  - employee leasing
  - gainsourcing
  - professional employer organization

ANS: B                      PTS: 1                      REF: 17                      OBJ: 5  
BLM: Key Terms

35. What is a major strength of employee leasing?
- With employee leasing, the PEO can manage employee issues.
  - With employee leasing, the PEO allows organizations to increase their productivity.
  - Employee leasing allows organizations to offer better job security through the strength of the PEO.
  - Employee leasing shifts employment costs to the PEO.

ANS: D                      PTS: 1                      REF: 17                      OBJ: 5  
BLM: Higher Order

36. It is anticipated that in the future, the Canadian workforce will exhibit which of the following?
- about the same demographic mix as it does today
  - an increase in ethnic diversity
  - a decrease in ethnic diversity
  - a decrease in the number of older workers

ANS: B                      PTS: 1                      REF: 18                      OBJ: 6  
BLM: Higher Order

37. Why are managers most concerned that the expertise of employees will be rapidly drained from their companies?
- because recruitment of lower-skilled immigrant workers is increasing
  - because large proportions of some workforces are nearing retirement
  - because generation nexus is thus far not demonstrating a dedication to training and education
  - because of the increase of uneducated women entering the workforce

ANS: B                      PTS: 1                      REF: 18-19                      OBJ: 6  
BLM: Higher Order

38. Which of the following best captures the list of modern social issues in HRM?
- changing work structures, attitudes toward work and family, and increasing labour costs
  - corporate social responsibility, organizational citizenship behaviour, and changing work structures
  - changing demographics, increasing labour costs, and global economic pressures
  - changing demographics, employer/employee rights, and attitudes toward work and family

ANS: D                      PTS: 1                      REF: 18-25                      OBJ: 6-8  
BLM: Higher Order

## Chapter 1 The World of Human Resources Management

39. Which statement best describes the relationship among gender, education, and pay?
- Women generally earn less than men do; however, when they have an advanced degree they earn the same amount as men.
  - Men and women generally earn the same amount except when neither group has any higher education.
  - Women consistently and in every category earn less than men with an equivalent amount of education.
  - Men with a university degree earn approximately the same as women with an advanced degree.

ANS: C                      PTS: 1                      REF: 22                      OBJ: 7  
BLM: Higher Order

40. Which statement best captures how attitudes toward work are changing?
- Employees today define their success less in terms of their job and pay and more in terms of their life in general.
  - Employees today value work–life balance but still list pay as their primary concern.
  - Employees today value satisfying and interesting work that pays well.
  - Employees today are concerned about global financial changes and list job security as most valuable to them.

ANS: A                      PTS: 1                      REF: 24                      OBJ: 7  
BLM: Higher Order

41. Which of the following groups is responsible for building an organization's skilled and motivated workforce?
- HR managers
  - line managers
  - HR and line managers
  - department managers

ANS: C                      PTS: 1                      REF: 25                      OBJ: 1  
BLM: Higher Order

42. What is one responsibility of the human resources manager?
- giving advice and counsel
  - balancing the organization's accounts
  - ensuring the credit rating of the organization
  - securing new markets

ANS: A                      PTS: 1                      REF: 26                      OBJ: 8  
BLM: Key Terms

43. What are the competencies of the human resources manager?
- business mastery, HR mastery, and personal credibility
  - business mastery, HR mastery, and executive mastery
  - change mastery, personal credibility, union mastery, and HR mastery
  - business mastery, HR mastery, personal credibility, and change mastery

ANS: D                      PTS: 1                      REF: 27                      OBJ: 8  
BLM: Key Terms | Understanding

## Chapter 1 The World of Human Resources Management

44. The changing nature of the HR manager's role is increasingly focused on which of the following?
- policy formulation
  - international issues
  - basic services like selection, but also policy development, employee advocacy, and advice
  - privacy issues, global management issues, HR planning, and downsizing issues

ANS: C                      PTS: 1                      REF: 27                      OBJ: 8  
BLM: Higher Order

45. Which of the following best summarizes the competency model for HR professionals?
- HR professionals require change mastery, HR mastery, personal credibility, and business mastery.
  - HR professionals require HR mastery, business mastery, global acumen, and change mastery.
  - HR professionals require IT mastery, HR mastery, business mastery, and ethics.
  - HR professionals require IT mastery, HR mastery, global acumen, and change mastery.

ANS: A                      PTS: 1                      REF: 28                      OBJ: 8  
BLM: Higher Order

### Scenario 1.1

Canada Proud is a small food processing company located in northern British Columbia. Recently, it has faced pressures from competitors who have been able to produce similar products cheaper. The owners of Canada Proud are looking into the possibility of starting a branch of the company in Mexico. Trade agreements among countries around the globe help companies like Canada Proud in becoming globally competitive. However, the company is aware that there may be opposition to such a move, especially if it affects the future viability of its current operations.

46. Refer to Scenario 1.1. Which trade agreement would be applicable in Canada Proud's case?
- General Agreement on Tariffs and Trade (GATT)
  - North American Free Trade Agreement (NAFTA)
  - North American Economic Cooperation (NAEC)
  - Canada-Mexico Free Trade Agreement (CMFTA)

ANS: B                      PTS: 1                      REF: 8-9                      OBJ: 2  
BLM: Higher Order

47. Refer to Scenario 1.1. How can locating a new division in Mexico help the company become more competitive?
- it can reduce labour costs
  - it will help the image of the company
  - it will help the company become larger and better able to challenge competitors
  - it will ensure access to Latin American markets for its products

ANS: A                      PTS: 1                      REF: 8-9                      OBJ: 2  
BLM: Higher Order

## Chapter 1 The World of Human Resources Management

48. Refer to Scenario 1.1. What would be a big challenge for Canada Proud's HRM professionals if the company decides to open a division in Mexico?
- to convince the Canadian government that it would be better to do business in Mexico
  - to acquire the physical facilities in Mexico
  - to lay off workers in its current operations
  - to hire employees in Mexico with the relevant skills

ANS: D                      PTS: 1                      REF: 8-9                      OBJ: 2  
BLM: Higher Order

49. Refer to Scenario 1.1. One way to avoid or reduce criticism of potential exploitation of Mexican workers through the use of sweatshops and low wages would be to practise "good citizenship." What is the term used to describe such "good citizenship"?
- corporate social responsibility
  - corporate good citizenship
  - organizational citizenship
  - corporate philanthropy

ANS: A                      PTS: 1                      REF: 8-10                      OBJ: 2/3  
BLM: Remember

50. Refer to Scenario 1.1. How can setting up a branch in Mexico affect the future viability of Canada Proud's current operations?
- Trade agreements do not allow companies to run exactly the same operations in two countries.
  - Public pressure in Canada would force the closure of the current operations.
  - The cost advantages in Mexico may lead the company to close its operations in British Columbia.
  - The pressure to manage more than one set of operations is always too much for a single company.

ANS: C                      PTS: 1                      REF: 8-9                      OBJ: 2  
BLM: Higher Order

### Scenario 1.2

The leadership at ABS Inc. has been pondering on the use of higher levels and intensity of technology in their operations. The organization has a close knit group of about 200 employees and a strong organizational culture. It is worried that its employees could become dependent on technology and this would affect the culture. The firm is also worried about the costs to implement the technology and whether the employees can be trained.

51. Refer to Scenario 1.2. While ABS is worried about technology's effect on its culture, there is another potentially negative effect for some workers. What is it?
- there would be less need for unskilled workers
  - the organization would become more inefficient
  - the image of the firm would be adversely affected
  - there would be pay cuts

ANS: A                      PTS: 1                      REF: 11                      OBJ: 4  
BLM: Higher Order

## Chapter 1 The World of Human Resources Management

52. Refer to Scenario 1.2. What is a key advantage for ABS Inc. if they install better HRIS systems?
- they will outperform all competitors
  - HR personnel can concentrate on strategic issues versus routine
  - employees will be better paid
  - application rates will increase

ANS: B                      PTS: 1                      REF: 13                      OBJ: 4

BLM: Higher Order

### TRUE/FALSE

1. To achieve sustainable competitive advantage through people, an organization's employees' skills, knowledge, and abilities must be widely available in the labour market.

ANS: F                      PTS: 1                      REF: 4                      OBJ: 1

BLM: Higher Order

2. The knowledge, skills, and capabilities that impact a company's performance but do not necessarily show up on its balance sheet are known as human capital.

ANS: T                      PTS: 1                      REF: 4                      OBJ: 1

BLM: Higher Order

3. Organizations own their human capital, including investments made in training and development.

ANS: F                      PTS: 1                      REF: 4                      OBJ: 1

BLM: Higher Order

4. HR programs and assignments are often the primary method by which knowledge is transferred among employees.

ANS: T                      PTS: 1                      REF: 5                      OBJ: 1

BLM: Remember

5. HR professionals do not need to fully understand the economic and financial matters pertaining to their organization.

ANS: F                      PTS: 1                      REF: 5                      OBJ: 1

BLM: Higher Order

6. One of the main reasons change efforts fail is that organizations do not create a sense of urgency.

ANS: T                      PTS: 1                      REF: 5-7                      OBJ: 2

BLM: Remember

7. Reallocation of resources and assets is most often the reason for failed change management.

ANS: F                      PTS: 1                      REF: 5-7                      OBJ: 2

BLM: Higher Order

## Chapter 1 The World of Human Resources Management

8. The extent to which organizations are successful in focusing on internal management issues often separates the winners from the losers in today's competitive world.

ANS: F                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Remember

9. To be successful, organizations should seek to align their processes with customer needs.

ANS: T                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Higher Order

10. "Six Sigma" refers to the six criteria for the Malcolm Baldrige National Quality Award.

ANS: F                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Higher Order

11. Organizations known for product and service quality recognize the importance of employees in fostering quality improvements.

ANS: T                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Remember

12. Employee motivation, teamwork, corporate culture, employee education, performance management, and rewards are the six aspects in the quality improvement program known as "Six Sigma."

ANS: F                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Remember

13. Reengineering is a statistical method of translating customer needs into separate tasks and defining the best way to perform each task.

ANS: F                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Higher Order

14. To launch a successful reengineering effort, it is important that managers build on existing processes.

ANS: F                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Higher Order

15. To successfully manage change, organizations, particularly in fast-growing industries, should wait to see how external forces impact performance, and then develop a plan to react to those changes.

ANS: F                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Higher Order

16. In a recent survey, only about two-thirds of companies reported having a formal change management program to support their change initiatives.

ANS: T                      PTS: 1                      REF: 6                      OBJ: 2  
BLM: Remember

## Chapter 1 The World of Human Resources Management

17. A recent study suggests that about 55 percent of Canada's workforce will be impacted by globalization, with knowledge workers and manufacturing jobs taking the brunt of the impact of the competition by lower-wage countries.
- ANS: F                      PTS: 1                      REF: 8                      OBJ: 2  
BLM: Remember
18. Employees and the public at large are demanding that employers demonstrate greater social responsibility.
- ANS: T                      PTS: 1                      REF: 10                      OBJ: 3  
BLM: Higher Order
19. The introduction of advanced technology tends to increase the number of jobs that require basic skills.
- ANS: F                      PTS: 1                      REF: 11                      OBJ: 4  
BLM: Key Terms
20. Because of the "dot-com bust," the initial explosive success of Internet business declined drastically and is still in a moderate decline.
- ANS: F                      PTS: 1                      REF: 11                      OBJ: 3  
BLM: Higher Order
21. In general, many companies are realizing diminished demand for "touch labour" and an increasing demand for "knowledge workers."
- ANS: T                      PTS: 1                      REF: 11                      OBJ: 3  
BLM: Remember
22. A Human Resource Information System (HRIS) provides current and accurate data for control and decision making by managers.
- ANS: T                      PTS: 1                      REF: 12                      OBJ: 3  
BLM: Remember
23. Because of its importance, HR managers in progressive organizations are frequently assuming sole responsibility for the implementation of information technology.
- ANS: F                      PTS: 1                      REF: 12-13                      OBJ: 3  
BLM: Higher Order
24. An important hidden cost of layoffs is a loss of institutional memory and trust in management.
- ANS: T                      PTS: 1                      REF: 14                      OBJ: 5  
BLM: Higher Order
25. Labour costs are one of the largest expenditures of any organization.
- ANS: T                      PTS: 1                      REF: 14                      OBJ: 5  
BLM: Remember

## Chapter 1 The World of Human Resources Management

26. Rather than simply laying off people in downsizing efforts, companies such as L. L. Bean rely upon voluntary separation programs to provide an incentive for employees to leave on their own accord.
- ANS: T                      PTS: 1                      REF: 14                      OBJ: 5  
BLM: Higher Order
27. Almost all Canadian employers have engaged in some type of downsizing.
- ANS: F                      PTS: 1                      REF: 14                      OBJ: 5  
BLM: Higher Order
28. Methods of reducing labour costs include downsizing, outsourcing, and employee leasing.
- ANS: T                      PTS: 1                      REF: 14-17                      OBJ: 5  
BLM: Remember
29. Outsourcing is positively related to improving key competencies of the firm.
- ANS: T                      PTS: 1                      REF: 16                      OBJ: 5  
BLM: Higher Order
30. An increased reliance on outsourcing is likely to increase the morale and productivity of the employees that remain on the job.
- ANS: F                      PTS: 1                      REF: 16                      OBJ: 5  
BLM: Higher Order
31. Employee leasing refers to employing workers in their homes rather than within the traditional office environment.
- ANS: F                      PTS: 1                      REF: 17                      OBJ: 5  
BLM: Higher Order
32. Employee leasing shifts administrative costs from the company to a professional employer organization.
- ANS: T                      PTS: 1                      REF: 17                      OBJ: 5  
BLM: Higher Order
33. Employee productivity is the result of a combination of employees' abilities, motivation, and work environment, and the technology they have to work with.
- ANS: T                      PTS: 1                      REF: 17                      OBJ: 5  
BLM: Remember
34. It is quite possible that when managers increase costs productivity often rises.
- ANS: F                      PTS: 1                      REF: 17                      OBJ: 5  
BLM: Higher Order

## Chapter 1 The World of Human Resources Management

35. Older workers now are choosing to work longer.

ANS: T                      PTS: 1                      REF: 19                      OBJ: 6  
BLM: Remember

36. Currently, the percentage of women in the labour force is 35 percent.

ANS: F                      PTS: 1                      REF: 20                      OBJ: 6  
BLM: Higher Order

37. Women are heavily concentrated in managerial occupations.

ANS: F                      PTS: 1                      REF: 20                      OBJ: 6  
BLM: Higher Order

38. Due to increases in education, the gap between the educated and the non-educated is decreasing.

ANS: F                      PTS: 1                      REF: 21                      OBJ: 7  
BLM: Remember

39. Managing diversity means ensuring all employees are treated equally.

ANS: F                      PTS: 1                      REF: 21                      OBJ: 6  
BLM: Higher Order

40. Managers in general and HR managers in particular should be concerned with the makeup and expectations of their employees.

ANS: T                      PTS: 1                      REF: 23                      OBJ: 7  
BLM: Remember

41. Employees today are less likely to define success only in terms of financial gain.

ANS: T                      PTS: 1                      REF: 24                      OBJ: 7  
BLM: Remember

42. Family-friendly companies may risk alienating those employees who cannot utilize benefits provided.

ANS: T                      PTS: 1                      REF: 24                      OBJ: 8  
BLM: Higher Order

43. Most human resources issues have little relevance for line managers.

ANS: F                      PTS: 1                      REF: 25                      OBJ: 8  
BLM: Higher Order

44. Some companies report that offering family-friendly benefits is so successful there are virtually no drawbacks.

ANS: F                      PTS: 1                      REF: 25                      OBJ: 7  
BLM: Remember

## Chapter 1 The World of Human Resources Management

45. One of the responsibilities of HR managers is to provide advice and counsel to line managers.

ANS: T                      PTS: 1                      REF: 25                      OBJ: 8  
BLM: Higher Order

46. An HR manager is typically expected to function as an in-house consultant to supervisors, managers, and executives.

ANS: T                      PTS: 1                      REF: 25-26                      OBJ: 8  
BLM: Remember

47. Because HR managers function in an advisory role, they are responsible for issuing policy revisions and implementing them.

ANS: F                      PTS: 1                      REF: 26-27                      OBJ: 8  
BLM: Higher Order

48. Top management increasingly expects HR managers to reduce their level of involvement in the overall strategy of the organization and concentrate on improving administrative efficiency.

ANS: F                      PTS: 1                      REF: 27                      OBJ: 8  
BLM: Higher Order

49. One of the roles of HR managers is to act as employee advocates despite their positions as managers.

ANS: T                      PTS: 1                      REF: 27                      OBJ: 8  
BLM: Higher Order

50. According to the diagram in the text, courage is an important aspect of being an HR professional.

ANS: T                      PTS: 1                      REF: 28                      OBJ: 8  
BLM: Remember

## Chapter 1 The World of Human Resources Management

### ESSAY

1. What are the six competitive challenges facing human resources management departments?

ANS:

The six competitive challenges facing human resources departments are (1) globalization, (2) embracing new technology, (3) managing change, (4) developing human capital, (5) responding to the market, and (6) containing costs.

(1) First, in order to grow and prosper, many companies are seeking business opportunities in global markets. HR issues underlie concerns related to managing diverse cultures, geographies, laws, and business practices.

(2) Second, the introduction of advanced technology has created a shift from touch labour to knowledge workers, impacting the way in which workers are managed. In addition, technology has altered the methods of collecting employment information, speeding up the processing of that data, and improving the process of internal and external communication.

(3) Third, to become faster and more adaptable, many organizations are seeking ways to manage change. Programs such as TQM, downsizing, reengineering, outsourcing, and the like are examples of changes that organizations are making to modify the way they operate to be more successful. Each of these change efforts depends heavily on the adjustment of HR practices to facilitate and manage evolving issues related to an organization's workforce.

(4) Fourth, organizational success is increasingly recognized as resting upon a firm's ability to manage human capital. HR practices are the fundamental tools by which organizations build, enhance, and maintain their stock of human capital.

(5) Fifth, meeting the demands of the market is an important criterion for organizational success. Management innovations such as TQM and reengineering represent two prominent approaches to responding to customer demands.

(6) Finally, containing costs, especially labour costs, is an important component of organizational success. As a result, many firms have engaged in initiatives such as downsizing, outsourcing, and employee leasing as a means to realize greater cost controls. Each of these practices has significant implications for HR practices. For example, during a downsizing initiative, HR has an obligation to help maintain a healthy relationship between a company and its employees through services such as outplacement.

PTS: 1

REF: 5-25

OBJ: 2-7

BLM: Remember|Higher Order

2. What implications do the anticipated changes in demographics have for the management of human resources?

ANS:

Demographically, the labour force is expected to age (with the aging of the baby boomers), creating a larger number of older workers and a shrinking pool of young workers. HRM implications for aging workers include (1) increases in the competition for entry-level workers; (2) increased costs of compensation, health care, and retirement benefits; (3) career plateau and related motivational concerns; and (4) training techniques that help senior workers "unlearn" old behaviours while acquiring new ones.

Diversity in the workplace will continue, with a higher proportion of women and minorities in the workforce. HRM efforts that will be required to accommodate the needs of these workers include (1) flexible schedules, parental leave, and daycare options for dual-career families; and (2) training for supervisors in the management of a diverse workforce.

## Chapter 1 The World of Human Resources Management

Educational levels are expected to rise, but functional and technological illiteracy will continue to be a problem for employers. HR managers will need to plan training programs to assist employees in attaining basic and developmental skills and overcoming these deficiencies.

Managing diversity involves managing employees as individuals while maintaining awareness of characteristics common to all employees.

PTS: 1

REF: 18-21

OBJ: 6

BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

### MULTIPLE CHOICE

1. What is human resources planning?
  - a. a technique that identifies the critical aspects of a job
  - b. the process of anticipating and making provisions for movement of people into, within, and out of an organization
  - c. the process of setting major organizational objectives and developing comprehensive plans to achieve these objectives
  - d. the process of determining the primary direction of the firm

ANS: B                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Remember

2. Kramer Athletic Equipment is planning the future of the organization. In this process, the firm is making decisions such as whether to maintain its current path as industry leader in the running shoe business, or branch out to include casual footwear. In addition, the company is also discussing the various needs it will have for new staff if it does choose to go in a new direction. What is Kramer Athletic Equipment doing?
  - a. strategic planning
  - b. human resources planning
  - c. applying principles of strategic human resources management
  - d. planning both its business needs and its HR needs

ANS: C                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Higher Order

3. Organization Z is planning its future. In the process, the firm is making decisions such as what type of market it wants to be the leader in and what path to take to achieve this goal. What is Organization Z doing?
  - a. strategic planning
  - b. human resources planning
  - c. performing a Markov analysis
  - d. applying principles of strategic human resources management

ANS: A                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Higher Order

4. Eldorado Electronics wants to move from the stagnant calculator industry into the smart phone industry. To do so, however, it would have to make significant changes to its approach to product development in order to gain an edge in this competitive industry. What is the smartest next step for Eldorado Electronics?
  - a. It should consider how its strategic plans will affect its HR needs.
  - b. It should engage in human resources planning.
  - c. It should apply principles of strategic human resources management.
  - d. It should consider how its strategic plans will affect HR needs and also how its current HR status will affect its strategic plans.

ANS: D                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

5. HR managers must be concerned with aligning HR planning and which of the following?
- the organization's strategic plan
  - the organization's marketing position
  - the organization's return on its human assets
  - the competitive environment

ANS: A                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Remember | Higher Order

6. On the entrance to Mac Pencils' factory are the words "to provide the world with high-quality and dependable pencils." What is this an example of?
- mission
  - strategic vision
  - core values
  - strategic mission

ANS: A                      PTS: 1                      REF: 40|42                      OBJ: 1  
BLM: Higher Order

7. One way human resource planning links to strategic planning is by providing a set of inputs into which of the following?
- the strategy formulation process
  - the strategy implementation process
  - the strategic analysis process
  - the source of competitive advantage

ANS: C                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Remember | Higher Order

8. Which of the following best describes the core values of a company?
- they encompass the systematic monitoring of external opportunities
  - they are the basic purpose of the organization
  - they are the strong enduring beliefs and principles used by the company to make decisions
  - they provide a perspective on where the company is headed

ANS: C                      PTS: 1                      REF: 42                      OBJ: 1  
BLM: Remember

9. When an organization monitors demographic and labour market trends as well as technological and IT changes, it is most likely performing which of the following?
- a competitive environment scan
  - an environment scan
  - a strategic plan
  - a labour market scan

ANS: B                      PTS: 1                      REF: 43                      OBJ: 2  
BLM: Remember

## Chapter 2 Strategy and Human Resources Planning

10. Which term refers to the systematic, regular monitoring of major external forces influencing the organization?
- demand forecasting
  - environmental scanning
  - exception reporting
  - influence analysis

ANS: B                      PTS: 1                      REF: 43                      OBJ: 2  
BLM: Remember

11. What are the most important factors to consider when scanning the environment in strategic planning?
- the competition, customers, rival firms, new entrants, substitutes, suppliers, and external labour supply
  - the competition, the global landscape, rival firms, new entrants, substitutes, suppliers, and external labour supply
  - the competition, the global landscape, rival firms, new entrants, the business context, suppliers, and external labour supply
  - the competition, customers, rival firms, the workforce, substitutes, suppliers, and external labour supply

ANS: A                      PTS: 1                      REF: 43-44                      OBJ: 2  
BLM: Higher Order

12. Which of the following organizations is most likely to gain a sustained competitive advantage through its people?
- one in which employee talent is organized, difficult to imitate, rare, and valuable
  - one in which employees are motivated through training initiatives, pay, and fair practices
  - one in which employees are empowered, have promotion opportunities, and have a high morale level
  - one in which employees are empowered, have talent that is rare and valuable, and are motivated through training

ANS: A                      PTS: 1                      REF: 47                      OBJ: 3  
BLM: Higher Order

13. Which term refers to the integrated knowledge sets within an organization that distinguish it from its competitors and deliver value to customers?
- individual competencies
  - core capabilities
  - human capital
  - organizational competencies

ANS: B                      PTS: 1                      REF: 47                      OBJ: 3  
BLM: Remember

## Chapter 2 Strategy and Human Resources Planning

14. Which of the following can be used to classify different skill groups in an organization by the degree to which they create strategic value and are unique?
- internal environmental scanning
  - a human capital architecture map
  - a skills inventory
  - strategic planning

ANS: B                      PTS: 1                      REF: 48                      OBJ: 3  
BLM: Remember

15. What does a human capital architecture map classify employees according to?
- exempt and non-exempt status
  - employee function and wage rate
  - employee function and skill level
  - strategic value and unique skills

ANS: D                      PTS: 1                      REF: 49                      OBJ: 3  
BLM: Higher Order

16. Which statement best describes strategic knowledge workers?
- They have unique skills directly linked to the company's strategy.
  - They have firm-specific skills directly related to company strategy.
  - They have skills that are valuable but not unique.
  - They have skills available to all firms.

ANS: A                      PTS: 1                      REF: 49                      OBJ: 3  
BLM: Higher Order

17. Which statement best describes the skills of contract labour workers?
- Their skills are not directly related to company strategy.
  - They have firm-specific skills directly related to company strategy.
  - They have skills that are valuable but not unique.
  - Their skills are available to all firms.

ANS: D                      PTS: 1                      REF: 51                      OBJ: 3  
BLM: Remember

18. What is an important shortcoming of an organization's having to rely on part-time employees?
- limited benefits
  - no job security
  - lack of training
  - no organizational loyalty

ANS: D                      PTS: 1                      REF: 51                      OBJ: 3  
BLM: Higher Order

19. Which term refers to the examination of the attitudes and activities of a company's workforce?
- environmental scanning
  - trend analysis
  - a cultural audit
  - behavioural modelling

ANS: C                      PTS: 1                      REF: 51                      OBJ: 3  
BLM: Remember

## Chapter 2 Strategy and Human Resources Planning

20. Smith Frozen Foods performs a yearly employee survey to assess how its employees feel about safety on the job, the comfort of the working conditions, and their general level of satisfaction with their work, managers, and coworkers. What is Smith Frozen Foods most likely performing?
- a job satisfaction survey
  - an environmental analysis
  - a cultural audit
  - an engagement measure

ANS: C                      PTS: 1                      REF: 52                      OBJ: 3  
BLM: Higher Order

21. Which process refers to the examination of the attitudes and activities of a company's workforce?
- environmental scanning
  - trend analysis
  - a cultural audit
  - behavioural modelling

ANS: C                      PTS: 1                      REF: 52                      OBJ: 3  
BLM: Remember

22. Which of the following best describes forecasting human resources needs?
- It is scientific and relatively error-free.
  - It is difficult and should only be done on rare occasions.
  - It should rely strictly on quantitative approaches, which utilize sophisticated analytical models.
  - It estimates the number and type of people that are needed to meet organizational objectives.

ANS: D                      PTS: 1                      REF: 52                      OBJ: 4  
BLM: Higher Order

23. What should you take into account when forecasting demand?
- product/service demand
  - the number of part-time employees needed
  - unemployment rate
  - labour mobility

ANS: A                      PTS: 1                      REF: 52                      OBJ: 4  
BLM: Higher Order

24. Kappa Technology is a firm in the high-technology sector. It needs to hire individuals with very specific knowledge and abilities, and it needs to do so quickly. Which aspect of employee forecasting will be most important for this company?
- skills inventories
  - staffing tables
  - Markov analysis
  - succession planning

ANS: A                      PTS: 1                      REF: 52                      OBJ: 4  
BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

25. What are the three Cs in strategic planning?

- a. culture, capabilities, and composition
- b. culture, clarity, and composure
- c. culture, competition, and clarity
- d. culture, creativity, and composition

ANS: A                      PTS: 1                      REF: 52                      OBJ: 4  
BLM: Remember

26. Manning Logistics laid off 9 employees from data-entry positions in its finance division. Two weeks later it hired 15 employees into data-entry positions in the inventory division. What mistake has the company committed?

- a. faulty human resources planning
- b. not forecasting
- c. faulty strategic planning
- d. not analyzing the internal labour force

ANS: B                      PTS: 1                      REF: 53                      OBJ: 4  
BLM: Higher Order

27. What is the difference between trend analysis and management forecasts?

- a. Trend analysis is used to analyze the business environment and management forecasts predict labour needs.
- b. Trend analysis uses organizational indexes and management forecasts utilize statistical techniques.
- c. Trend analysis is quantitative and management forecasts are qualitative.
- d. Trend analysis has proven success and management forecasts have major shortcomings.

ANS: C                      PTS: 1                      REF: 55                      OBJ: 4  
BLM: Higher Order

28. Which of the following is a graphical representation of all organizational jobs along with the numbers of employees currently occupying those jobs and future employment requirements?

- a. a staffing table
- b. an organization chart
- c. a skills inventory
- d. career planning

ANS: A                      PTS: 1                      REF: 56                      OBJ: 4  
BLM: Remember

29. What is the most important information obtained from a Markov analysis?

- a. human capital readiness
- b. what types of employees work in each department
- c. how many individuals are in each job in each department
- d. what positions are going to be coming open and will require a new hire

ANS: D                      PTS: 1                      REF: 56                      OBJ: 4  
BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

30. Which of the following lists current jobholders and identifies possible replacements?
- a staffing table
  - a replacement chart
  - a trend model
  - Markov analysis

ANS: B                      PTS: 1                      REF: 57                      OBJ: 4  
BLM: Remember

31. Which of the following is the process of identifying, developing, and tracking key individuals so that they may eventually assume top-level positions?
- target forecasting
  - predicted change
  - succession planning
  - replacement selection

ANS: C                      PTS: 1                      REF: 57                      OBJ: 4  
BLM: Higher Order

32. Which of the following is an important step in human resources planning?
- assessing the organizational strategic plan
  - formulating strategy
  - developing global awareness
  - surveying employees

ANS: B                      PTS: 1                      REF: 60                      OBJ: 5  
BLM: Higher Order

33. Vindal Fabrics has determined that its organizational strength is being an industry leader in producing upholstery fabrics for automobiles. The company believes its weakness is its performance in Southeast Asia. It has also determined that it is missing an opportunity by not yet branching into upholstery for public transit seats. In order to complete a SWOT analysis, what piece of information does Vindal Fabrics need to figure out next?
- It needs to see that its major threat is the economic downturn of the auto industry.
  - Its HR department needs to address the company's major weakness.
  - It needs to perform a revenue analysis in order to see what chances it can take.
  - Its HR department needs to address the company's missed opportunity.

ANS: A                      PTS: 1                      REF: 60                      OBJ: 5  
BLM: Higher Order

34. What is a major reason why many mergers do not go well?
- strategic planning failures
  - failures in context analysis
  - cultural inconsistencies and conflicts
  - a competitive business environment

ANS: C                      PTS: 1                      REF: 61                      OBJ: 5  
BLM: Remember

## Chapter 2 Strategy and Human Resources Planning

35. In what way can HR best help ensure that a strategic alliance or joint venture goes smoothly in the beginning?
- plan labour supply needs for both organizations
  - systematically monitor employee morale for both organizations
  - teach employees about the other organization
  - assess the compatibility of the two organizational cultures

ANS: D                      PTS: 1                      REF: 62                      OBJ: 5  
BLM: Higher Order

36. What is at the centre of the 7-S model?
- shared values
  - strategy
  - style
  - systems

ANS: A                      PTS: 1                      REF: 65                      OBJ: 6  
BLM: Higher Order

37. Which term refers to reducing the workforce through the departure of employees who resign or retire?
- a hiring freeze
  - a worker loan-out program
  - attrition
  - termination

ANS: C                      PTS: 1                      REF: 66                      OBJ: 6  
BLM: Remember

38. Organization Y is a unionized textiles manufacturing company that is downsizing. What will Organization Y most likely use when deciding whom to lay off first?
- seniority
  - the payroll
  - what skills and abilities the company needs to thrive
  - talent

ANS: A                      PTS: 1                      REF: 66                      OBJ: 6  
BLM: Higher Order

39. Severance pay is usually calculated based on which of the following?
- the employee's years of service and salary
  - complex formulas administered by the federal government
  - the employee's skills and abilities
  - the employee's education and performance

ANS: A                      PTS: 1                      REF: 67                      OBJ: 6  
BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

40. Which statement best describes a hiring freeze?
- It is usually only successful during times of economic crisis.
  - It is a workforce attrition strategy.
  - It discourages competent employees.
  - It leaves more talented labour for the competition.

ANS: B                      PTS: 1                      REF: 67                      OBJ: 6  
BLM: Higher Order

41. What is benchmarking?
- the practice of identifying employees with promotion potential
  - the practice of identifying performance differences with competing firms
  - the process of identifying the best practices of a firm in a given area and comparing your practices to their practices
  - the process of establishing performance standards through HRP

ANS: C                      PTS: 1                      REF: 68                      OBJ: 7  
BLM: Remember

42. Which of the following is a method for measuring a firm's strategic alignment?
- Markov analysis
  - SWOT analysis
  - benchmarking
  - using a balanced scorecard

ANS: D                      PTS: 1                      REF: 69                      OBJ: 7  
BLM: Remember

43. Which term refers to an enthusiastically adopted tool for mapping a firm's strategy in order to ensure strategic alignment?
- target forecasting
  - predicted focus
  - balanced scorecard
  - replacement selection

ANS: C                      PTS: 1                      REF: 69                      OBJ: 7  
BLM: Remember

44. What is an important difference between small and large businesses in terms of alignment between organization and people strategies?
- Large businesses are constrained by existing internal processes; small businesses have less bureaucracy and can change faster.
  - Large businesses have more strategy to align; small businesses keep it simple.
  - Large businesses have more competitors; small businesses can keep a closer eye on fewer rivals.
  - Large businesses have more overhead and constraints; small businesses are leaner and meaner.

ANS: A                      PTS: 1                      REF: 71                      OBJ: 7  
BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

45. An organization states that teamwork and working together are important in its strategy but gives bonuses to individuals who excel independently. What is this an example of?
- a misalignment of functional strategy
  - a misalignment of external fit
  - a misalignment of internal fit
  - a misalignment of strategy and HR

ANS: C                      PTS: 1                      REF: 71                      OBJ: 7  
BLM: Higher Order

### Scenario 2.1

Blockbuster Canada was the first of its kind in Canada in the movie and games rental business and operated for more than 21 years. However, with the advent of more modern technology accessible mainly through Netflix and Rogers On Demand, Blockbuster struggled to stay relevant in a tech-savvy environment where videos and games could now be rented conveniently from the comfort of one's couch via computer or TV. Despite efforts to try to stay relevant they did not leverage technology that had become an important part of their consumer base's daily lives. As a result, Blockbuster was not able to fight off the competition.

46. Refer to Scenario 2.1. To remain competitive Blockbuster Canada needed to systematically monitor the major external forces influencing the movie/game rental business. Which of the following would be important to its success?
- analysis of the internal environment
  - environmental scanning
  - changes in demographics
  - changes in its mission, vision, and values

ANS: B                      PTS: 1                      REF: 43                      OBJ: 2  
BLM: Higher Order

47. Refer to Scenario 2.1. Blockbuster Canada managers could have successfully advanced the company and remained relevant by focusing on which of the following?
- an environmental analysis
  - what they do best, traditional rentals
  - technological changes including information technology and innovations
  - incentives to keep consumers coming back

ANS: C                      PTS: 1                      REF: 43                      OBJ: 2  
BLM: Higher Order

48. Refer to Scenario 2.1. What is one of the most important assessments a firm like Blockbuster could have made in order to stay relevant?
- identifying the needs of its customers
  - identifying the needs of its producers
  - identifying the needs of its employees
  - teaming up with the competition

ANS: A                      PTS: 1                      REF: 43-44                      OBJ: 2  
BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

49. Refer to Scenario 2.1. Blockbuster's competitive environment includes which of the following?
- its customers, HR strategy, new entrants, core capabilities
  - its environmental scanning and analysis
  - its environmental analysis, strategic planning, and HR strategy
  - its customers, rival firms, new entrants, substitutes, and suppliers

ANS: D                      PTS: 1                      REF: 43                      OBJ: 2

BLM: Higher Order

50. Refer to Scenario 2.1. For years, Blockbuster survived as a successful entity with various competitors until Netflix and Rogers On Demand began making movies and games available online. Which of the following most likely contributed to Blockbuster going out of business?
- economic, global, political, and environmental factors
  - technological, psychological, and physical factors
  - technological changes, social concerns, and demographic and labour market trends
  - the lack of knowledge workers

ANS: C                      PTS: 1                      REF: 43                      OBJ: 2

BLM: Higher Order

### Scenario 2.2

Avie Products Inc. is planning to add a third shift to its production schedule. It currently has 450 workers involved in all aspects of its fertilizer business, best done in Canada. A recent surge in demand from its global customers is driving the need for more workers; however, Simi Meher, the CEO, is concerned that the surge may be temporary, especially in light of the recent economic downturns in the global environment where Avie does business.

51. Refer to Scenario 2.2. Which approach could Avie use to forecast demand for its products?
- staffing tables
  - Markov analysis
  - skill inventories
  - trend analysis

ANS: D                      PTS: 1                      REF: 53                      OBJ: 4

BLM: Higher Order

52. Refer to Scenario 2.2. What would assist Avie in determining how many additional workers it would need for the third shift?
- reconciling supply and demand
  - Markov analysis
  - replacement charting
  - trend analysis

ANS: A                      PTS: 1                      REF: 65                      OBJ: 6

BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

53. Refer to Scenario 2.2. What is the best strategy for Avie to follow with respect to workers on the third shift?
- hire full-time employees to get their commitment
  - hire part-time staff
  - get management to do the extra work
  - outsource the work to India

ANS: B                      PTS: 1                      REF: 65                      OBJ: 6  
BLM: Higher Order

54. Refer to Scenario 2.2. Assume that Avie goes ahead with the third shift. What can the company use to evaluate the effectiveness of this strategy in a year's time?
- Markov analysis
  - trend analysis
  - skill inventories
  - benchmarking

ANS: D                      PTS: 1                      REF: 68                      OBJ: 7  
BLM: Higher Order

### TRUE/FALSE

1. HR planning is the process of setting major organizational objectives and developing comprehensive plans to achieve those objectives.

ANS: F                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Key Terms

2. Increased emphasis on HR issues becomes especially critical when organizations consider global strategies, relocation of plants, product innovation plans, and so forth.

ANS: T                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Understanding

3. Human resources planning plays a key role in organizational strategy implementation because organizational leaders must make decisions regarding resource allocations to human capital, among other things.

ANS: T                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Higher Order

4. Strategic plans have a strong external orientation that covers major portions of the organization, focusing mainly on how the organization will position itself globally.

ANS: F                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Higher Order

5. Human resources planning (HRP) is the conducting of recruitment and selection methods according to a strategic plan.

ANS: F                      PTS: 1                      REF: 40                      OBJ: 1  
BLM: Key Terms

## Chapter 2 Strategy and Human Resources Planning

6. The mission statement of an organization is a description of the organization's vision and values.

ANS: F                      PTS: 1                      REF: 41                      OBJ: 1  
BLM: Key Terms

7. Organizational core values are the strong enduring beliefs and principles that a company uses as a foundation for its decisions.

ANS: T                      PTS: 1                      REF: 42                      OBJ: 1  
BLM: Higher Order

8. Environmental scanning involves the systematic monitoring of internal factors influencing the organization.

ANS: F                      PTS: 1                      REF: 43                      OBJ: 2  
BLM: Key Terms | Understanding

9. Economic factors in environmental scanning include general and global conditions.

ANS: T                      PTS: 1                      REF: 43                      OBJ: 2  
BLM: Key Terms

10. The number of hours that Canadians work per week has been trending downward and now hovers around 33 hours a week.

ANS: T                      PTS: 1                      REF: 45                      OBJ: 2  
BLM: Higher Order

11. Nearly one-fifth of the workforce is made up of part-time, temporary, and self-employed workers.

ANS: T                      PTS: 1                      REF: 45                      OBJ: 2  
BLM: Key Terms

12. National and regional unemployment rates are often considered a general barometer of labour supply.

ANS: T                      PTS: 1                      REF: 45                      OBJ: 2  
BLM: Key Terms

13. Human Resources and Skills Development Canada (HRSDC) analyzes labour markets to determine the supply and demand for labour.

ANS: T                      PTS: 1                      REF: 45                      OBJ: 2  
BLM: Key Terms

14. External supply of labour is central to strategic planning.

ANS: F                      PTS: 1                      REF: 45                      OBJ: 2  
BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

15. Internal analysis provides strategic decision makers with an inventory of organizational skills and resources.

ANS: T                      PTS: 1                      REF: 46                      OBJ: 3  
BLM: Higher Order

16. A cultural audit asks questions such as “How do employees spend their time?”

ANS: T                      PTS: 1                      REF: 47                      OBJ: 3  
BLM: Higher Order

17. Core capabilities are integrated skills and knowledge sets within an organization that distinguish it from its competitors and deliver value to customers.

ANS: T                      PTS: 1                      REF: 47                      OBJ: 3  
BLM: Higher Order

18. Core capabilities provide a long-term basis for technological innovation, product development, and service delivery.

ANS: T                      PTS: 1                      REF: 47                      OBJ: 3  
BLM: Key Terms

19. In general, contract labour possesses skills and knowledge of less strategic value to the organization than core knowledge workers.

ANS: T                      PTS: 1                      REF: 50                      OBJ: 3  
BLM: Understanding

20. Organizations such as Canadian Tire and CIBC conduct cultural audits to examine the attitudes and activities of the external workforce.

ANS: F                      PTS: 1                      REF: 51                      OBJ: 3  
BLM: Key Terms

21. A cultural audit may examine how people are empowered.

ANS: T                      PTS: 1                      REF: 51                      OBJ: 3  
BLM: Higher Order

22. A cultural audit asks questions such as “What is the ethnic make-up of my workforce?”

ANS: F                      PTS: 1                      REF: 51-52                      OBJ: 3  
BLM: Higher Order

23. There are two approaches to HR forecasting: quantitative and qualitative.

ANS: T                      PTS: 1                      REF: 53                      OBJ: 4  
BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

24. Trend analysis is a qualitative approach to labour demand forecasting.

ANS: F                      PTS: 1                      REF: 53                      OBJ: 4  
BLM: Key Terms

25. Trend analysis relies on a single business factor.

ANS: T                      PTS: 1                      REF: 54                      OBJ: 4  
BLM: Key Terms

26. Forecasting may be as informal as having one person familiar with the organization anticipate HR needs.

ANS: T                      PTS: 1                      REF: 55                      OBJ: 4  
BLM: Key Terms

27. Management forecasts are quantitative measurements of future employment needs.

ANS: F                      PTS: 1                      REF: 55                      OBJ: 4  
BLM: Higher Order

28. The Delphi technique works best in organizations where dynamic technological changes affect staffing levels.

ANS: T                      PTS: 1                      REF: 55                      OBJ: 4  
BLM: Higher Order

29. Staffing tables provide data on external labour supply sources.

ANS: F                      PTS: 1                      REF: 56                      OBJ: 4  
BLM: Higher Order

30. Markov analysis is a systematic monitoring of the major external forces influencing an organization.

ANS: F                      PTS: 1                      REF: 56                      OBJ: 4  
BLM: Key Terms

31. Markov analysis focuses on the number of employees in particular jobs and their skill levels, compensation, and job tenure.

ANS: F                      PTS: 1                      REF: 56                      OBJ: 4  
BLM: Higher Order

32. Succession planning is the process of identifying, developing, and tracking key individuals so that they may eventually assume top-level positions.

ANS: T                      PTS: 1                      REF: 57                      OBJ: 4  
BLM: Key Terms

## Chapter 2 Strategy and Human Resources Planning

33. Replacement charts are listings of current jobholders who are potential replacements if an opening occurs.

ANS: T                      PTS: 1                      REF: 57                      OBJ: 4  
BLM: Key Terms

34. SWOT analysis includes the strengths only for strategy formulation purposes.

ANS: F                      PTS: 1                      REF: 60                      OBJ: 5  
BLM: Key Terms

35. The stages of HR activity associated with a merger are (1) precombination, (2) combination, and (3) solidification and assessment.

ANS: T                      PTS: 1                      REF: 61-62                      OBJ: 5  
BLM: Higher Order

36. Value creation is what the firm adds to a product or service by virtue of making it; it's the amount of benefits provided by the product or service once the costs of making it are subtracted.

ANS: T                      PTS: 1                      REF: 62                      OBJ: 6  
BLM: Higher Order

37. Through human resources planning, organizations strive for a proper balance between demand considerations and supply considerations.

ANS: T                      PTS: 1                      REF: 65                      OBJ: 4  
BLM: Higher Order

38. Decisions about employee layoffs are usually based on seniority and/or performance.

ANS: T                      PTS: 1                      REF: 66                      OBJ: 6  
BLM: Key Terms

39. A disadvantage of overemphasizing seniority is that less competent employees receive the same rewards and security as more competent employees.

ANS: T                      PTS: 1                      REF: 66                      OBJ: 6  
BLM: Higher Order

40. Attrition is the fastest way to achieve workforce reduction.

ANS: F                      PTS: 1                      REF: 66                      OBJ: 6  
BLM: Higher Order

41. In unionized firms, layoffs are typically based on performance.

ANS: F                      PTS: 1                      REF: 66                      OBJ: 6  
BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

42. Attrition and early retirement are means for organizations to reduce excess labour.

ANS: T                      PTS: 1                      REF: 67                      OBJ: 6  
BLM: Higher Order

43. Under the umbrella of layoff strategies are several work reduction options:                      reduced workweek, reduced shifts, transfers to related companies, and so on.

ANS: T                      PTS: 1                      REF: 67                      OBJ: 6  
BLM: Higher Order

44. The use of part-time employees creates a problem of labour costs at fast-food restaurants.

ANS: F                      PTS: 1                      REF: 67                      OBJ: 5  
BLM: Higher Order

45. Over time, organizations may try to reduce their workforce by relying on attrition.

ANS: F                      PTS: 1                      REF: 67                      OBJ: 6  
BLM: Higher Order

46. Severance pay is a lump-sum payment given to terminated employees.

ANS: T                      PTS: 1                      REF: 67                      OBJ: 6  
BLM: Key Terms

47. Benchmarking is the process of comparing the organization's processes and practices with those of other companies.

ANS: T                      PTS: 1                      REF: 68                      OBJ: 5  
BLM: Higher Order

48. Internal fit (or alignment) means that HR practices are aligned with one another in a mutually reinforcing configuration.

ANS: T                      PTS: 1                      REF: 71                      OBJ: 5  
BLM: Key Terms

## Chapter 2 Strategy and Human Resources Planning

### ESSAY

1. Describe how human resources planning is integrated with strategic planning.

ANS:

Through strategic planning, organizations set major objectives and develop plans to achieve those objectives. HRP provides a set of inputs that determine what is or is likely to be possible, given the number of available people, training needs, and other people-related issues. HR strategies and action plans are developed according to the overall strategic goals that evolve from the strategy formulation process. During the strategy implementation phase, HRP must make resource allocation decisions, and implement policy, practices, and training that support the decisions and outcomes of the strategic planning process.

PTS: 1

REF: 40

OBJ: 1-6

BLM: Higher Order

2. Describe the three key elements of the HRP model.

ANS:

The three key elements in the HR planning process are (1) forecasting demand, (2) forecasting supply, and (3) balancing supply and demand considerations.

Forecasting demand involves estimating in advance the number and type of people needed to meet organizational objectives. It may involve a quantitative approach using statistical analysis and mathematical models or a qualitative approach focusing on employee performance and promotability.

Forecasting supply determines if there are sufficient numbers and types of employees available to staff anticipated openings. Sources of supply can be external or internal.

HR planning should strive for a proper balance between the emphasis placed on demand considerations and that placed on supply considerations. Demand considerations are based on the forecast of trends in business activity. Supply considerations involve the determination of where and how candidates with the required qualifications are to be found to fill vacancies.

PTS: 1

REF: 52

OBJ: 4

BLM: Remember

3. Identify and briefly describe three strategies that managers frequently use to cope with a labour shortage.

ANS:

(1) Overtime (i.e., asking employees to work extra hours) is a strategy used by most firms during peak periods. (2) Increasingly, organizations are using part-time employees to increase flexibility in scheduling and reducing payroll costs. Many organizations use part-time or contract employees to cover the absences of regular, full-time employees. (3) In addition, nine out of ten Canadian companies—both large and small—make some use of temporary employees. “Temps” are typically used for short-term assignments, vacation fill-ins, for peak work periods, or to cover for employees taking sick leave, pregnancy leave, and so forth.

PTS: 1

REF: 65-66

OBJ: 6

BLM: Higher Order

## Chapter 2 Strategy and Human Resources Planning

4. What are the advantages and disadvantages of using attrition as a downsizing strategy?

ANS:

The primary advantage of using attrition (combined with a hiring freeze) is the ability to control and predict compensation expenses that go beyond the salaries and benefits redeemed from departing employees. When the organization does not replace departing employees, the reduction in recruitment, orientation and training, office space costs, and so forth, can result in substantial savings.

However, the disadvantages of attrition are significant. Current employees may be overburdened with the work of departing employees; their skills may not match the skill sets of the departed workers; and no new skills or ideas are infiltrating the organization. In addition, the organization is unable to control who leaves and who stays, which may result in valuable employees leaving, while less needed ones remain. Attrition also poses the disadvantage of taking a long time, compared to processes that can be accomplished rapidly, such as layoffs.

PTS: 1

REF: 67

OBJ: 6

BLM: Higher Order

## Chapter 3 Equity and Diversity in Human Resources Management

### MULTIPLE CHOICE

1. Which statement best describes employment equity?
- It impacts all aspects of the employment relationship.
  - It is referred to as “affirmative action” in provincial legislation.
  - It is an outdated term, which has been replaced by “diversity management.”
  - It has been declining in importance in recent years.

ANS: A                      PTS: 1                      REF: 84                      OBJ: 1  
BLM: Higher Order

2. Organization Z is about to undertake an organization-wide process of ensuring equitable representation in terms of designated groups, *including* an analysis and redressing of past discriminations. What is Organization Z undertaking?
- affirmative action policy implementation
  - employment equity policy implementation
  - pay equity policy implementation
  - an employment systems review

ANS: B                      PTS: 1                      REF: 84                      OBJ: 1  
BLM: Higher Order

3. Which group would **NOT** fall under the broad definition of a designated group?
- individuals who are 40 years of age or older
  - visible minorities
  - women
  - disabled persons

ANS: A                      PTS: 1                      REF: 84                      OBJ: 1  
BLM: Remember

4. A large accounting firm has only 35 percent female UFE-certified accountants on staff. Women make up approximately 50 percent of the population and UFE-certified women make up approximately 15 percent of the labour force. What is the best description of the situation for women at this large accounting firm?
- they are underrepresented
  - they are concentrated
  - they are underutilized
  - they require reasonable accommodation

ANS: B                      PTS: 1                      REF: 84                      OBJ: 5  
BLM: Higher Order

5. Aboriginals face major employment barriers, which may be compounded by which of the following?
- language and culture
  - illiteracy
  - reluctance to leave the area in which they grew up
  - negative past employment experience

ANS: A                      PTS: 1                      REF: 85                      OBJ: 1  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

6. What is the most important thing an organization can implement if it wants to retain women?
- a. policies that focus on the family
  - b. employment equity policies
  - c. pay equity policies
  - d. mentoring

ANS: A                      PTS: 1                      REF: 85                      OBJ: 1  
BLM: Higher Order

7. According to the text, which group is most likely to view the *Canadian Charter of Rights and Freedoms* as a disappointment?
- a. unions
  - b. women
  - c. designated groups in general
  - d. religious groups

ANS: B                      PTS: 1                      REF: 88|89                      OBJ: 2  
BLM: Higher Order

8. As a result of the Supreme Court of Canada ruling regarding the right to bargain collectively and to strike, governments can weaken the collective bargaining process through which of the following?
- a. limiting salary increases
  - b. imposing compulsory layoffs
  - c. dismissing union leaders
  - d. upholding discrimination complaints

ANS: A                      PTS: 1                      REF: 89                      OBJ: 2  
BLM: Higher Order

9. If a religious organization insists on hiring a member from its own faith, it is probably safe to do so legally if it claims which legal defence?
- a. adverse impact
  - b. adverse effect
  - c. reasonable accommodation
  - d. bona fide occupation qualification

ANS: D                      PTS: 1                      REF: 90                      OBJ: 2  
BLM: Higher Order

10. Which statement best describes bona fide occupational qualifications?
- a. They are used to identify adverse impact.
  - b. They are based on employer preference.
  - c. They can permit discrimination by an employer.
  - d. They require reasonable accommodation on the part of the employer.

ANS: C                      PTS: 1                      REF: 90                      OBJ: 2  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

11. “Phil’s Antique Superstore” is hiring ten new customer service agents. All three of Phil’s stores are housed in historic landmark buildings that are “heritage” sites and do not have wheelchair ramp access. Phil, the owner, has indicated that city bylaws will not allow him to renovate and add a wheelchair ramp to his buildings because of their heritage status. This fact makes the ability to go up stairs which of the following in relation to working at Phil’s?
- an undue hardship
  - a reasonable accommodation
  - a bona fide occupational qualification
  - a system barrier

ANS: C                      PTS: 1                      REF: 90-91                      OBJ: 2  
BLM: Higher Order

12. Which of the following is a possible outcome of a human rights complaint filed by an individual?
- it is deemed as trivial by the CHRC and refused
  - a settlement may be arranged, even if the complaint is unsubstantiated
  - the Equal Rights Compliance Agency (ERCA) may become involved
  - it can be waitlisted for years depending on how busy the CHRC is

ANS: A                      PTS: 1                      REF: 94                      OBJ: 2  
BLM: Higher Order

13. Which statement best describes the enforcement of provincial human rights laws?
- Provincial laws are enforced in a similar manner except there is no court prosecution permitted.
  - Provincially regulated employers tend to be larger and more sophisticated.
  - HR professionals in provincially regulated firms tend to be very knowledgeable about human rights legislation.
  - Independent boards of inquiry have similar powers as a federal tribunal.

ANS: D                      PTS: 1                      REF: 94                      OBJ: 2  
BLM: Remember

14. How is the *Canadian Human Rights Act* typically enforced?
- by specially designated RCMP officers
  - through complaints from individuals
  - by specially designated CSIS agents
  - by human rights tribunals

ANS: B                      PTS: 1                      REF: 94                      OBJ: 2  
BLM: Remember|Higher Order

15. What is the most serious possible occurrence if an HR professional is dishonest in a human rights investigation?
- The HR professional could be imprisoned.
  - The organization could be fined up to \$50,000.
  - The HRP would remove certification, or disallow future certification.
  - There could be a major investigation of the organization and the HR professional.

ANS: A                      PTS: 1                      REF: 94                      OBJ: 2  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

16. Green Grass Hospital pays its hallway painters/technicians nearly twice the hourly rate that it pays the nurses. This fact is likely to cause further investigation in a pay equity program implementation under which of the following circumstances?
- if the nurses have more seniority
  - if the painters have more training
  - if the nurses are predominantly women and the painters are predominantly men
  - if the painters' union becomes involved in the process

ANS: C                      PTS: 1                      REF: 95                      OBJ: 3  
BLM: Higher Order

17. Employers that pay men and women performing the same job a different salary are violating the *Pay Equity Act* only if the differences are based on which of the following?
- seniority
  - merit
  - gender
  - incentive plans

ANS: C                      PTS: 1                      REF: 95                      OBJ: 3  
BLM: Higher Order

18. What is the difference between pay *equity* and pay *equality*?
- Equity is equal pay for work of comparable worth; equality is equal pay for equal work.
  - Equality is equal pay for work of comparable worth; equity is equal pay for equal work.
  - Equity is about fair pay for individual women employees; pay equality is required of all federally regulated employers.
  - Equality is about fair pay for entire occupations; equity is required by law in every jurisdiction in Canada.

ANS: A                      PTS: 1                      REF: 95                      OBJ: 3  
BLM: Higher Order

19. Which of the following is **NOT** true of the *Employment Equity Act* (1995)?
- Employers that have more than 100 employees must implement employment equity.
  - Organizations with employment equity must prepare an annual report on its data and activities relating to equity.
  - All Canadian organizations must have some form of employment equity program.
  - Organizations with employment equity programs must give their employees questionnaires to indicate whether they belong to a designated group.

ANS: C                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Higher Order

20. What requires large firms bidding on federal government contracts worth \$200,000 or more to have an employment equity plan?
- the Canada Labour Code
  - the Canadian Human Rights Act
  - the Abella Commission
  - the Federal Contractors Program

ANS: D                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Remember

### Chapter 3 Equity and Diversity in Human Resources Management

21. What is the first step in the employment equity implementation process?
- data collection and analysis
  - establishment of a workplan
  - senior management commitment
  - employment systems review

ANS: C                      PTS: 1                      REF: 97                      OBJ: 5  
BLM: Remember

22. What are the six main steps to developing an employment equity program?
- senior management commitment; data collection/analysis; establish a workplan; HR systems review; evaluation; monitoring
  - senior management commitment; HR systems review; data collection/analysis; establish a workplan; implementation; follow-up
  - senior management commitment; data collection/analysis; establish a workplan; implementation; follow-up; monitoring and evaluation
  - senior management commitment; data collection/analysis; employment systems review; workplan; implementation; follow-up with monitoring and revision

ANS: D                      PTS: 1                      REF: 97                      OBJ: 5  
BLM: Higher Order

23. What is the best example of how an organization's leadership can demonstrate its commitment to an employment equity plan?
- allowing employees to fill out the employment equity survey on company time
  - offering a full explanation of the employment equity policy to top managers
  - offering a guarantee of confidentiality
  - publicly describing the organization's commitment to employment equity

ANS: D                      PTS: 1                      REF: 97                      OBJ: 5  
BLM: Higher Order

24. Which of the following people would be the best choice for an organizational employment equity representative?
- Bill has belonged to the organization for 15 years, beginning on the shop floor, and is now a manager. He is well known and respected within the organization. Bill's sister, who lives with him, is disabled and uses a wheelchair.
  - Sandeep is a member of a designated group, is new to the organization, and works in management. He is an active member of his religious group.
  - Candy is a member of designated group and has been with the organization for 25 years as a telephone receptionist. She knows everyone and is very popular due to her friendliness and great memory.
  - Antonia, who has been with the organization for 15 years, is very interested in becoming the employment equity representative because she is very organized and wants an opportunity to demonstrate this to management so she can be considered for a promotion.

ANS: A                      PTS: 1                      REF: 98                      OBJ: 5  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

25. Which term refers to a snapshot of the organization that includes where members of designated groups are employed, their salaries, and their status?
- a. flow data
  - b. self-identification
  - c. stock data
  - d. profile data

ANS: C                      PTS: 1                      REF: 99                      OBJ: 5  
BLM: Remember

26. Which of the following is an important tool in employment equity planning?
- a. employment systems review
  - b. internal workforce profile
  - c. family-friendly policy
  - d. external workforce profile

ANS: B                      PTS: 1                      REF: 99                      OBJ: 5  
BLM: Higher Order

27. What does data collection for employment equity purposes involve?
- a. surveys of supervisors
  - b. a mandatory self-identification process
  - c. surveys of family members
  - d. a voluntary self-identification process

ANS: D                      PTS: 1                      REF: 99                      OBJ: 5  
BLM: Higher Order

28. Which of the following presents the most important roadblock to successful administration of a self-identification questionnaire?
- a. training and development
  - b. terms that are not clearly defined, such as “Aboriginal” and “racial minority”
  - c. respondents not understanding the form
  - d. a sense of “futility” expressed by members of designated groups in organizations where bias and racism are rampant

ANS: B                      PTS: 1                      REF: 99                      OBJ: 5  
BLM: Higher Order

29. Phil’s Antique Superstore is hiring ten new customer service agents. All three of Phil’s stores are housed in historic landmark buildings that are “heritage” sites and do not have wheelchair ramp access. What is this an example of?
- a. a systemic barrier
  - b. the need for special measures
  - c. lack of reasonable accommodation
  - d. the duty to accommodate

ANS: A                      PTS: 1                      REF: 101                      OBJ: 5  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

30. What is an example of targeted recruitment to correct past discrimination?
- a. reasonable accommodation
  - b. a special measure
  - c. an employment equity goal
  - d. a workplan

ANS: B                      PTS: 1                      REF: 103                      OBJ: 5  
BLM: Higher Order

31. Implementing a flexible work schedule is an example of which of the following?
- a. reasonable accommodation
  - b. a special measure
  - c. an employment equity goal
  - d. a workplan

ANS: A                      PTS: 1                      REF: 103                      OBJ: 5  
BLM: Higher Order

32. Which organizational situation best represents the principle of the duty to accommodate?
- a. renovating so that the building has wheelchair access, even if it is through a rear-entrance loading dock.
  - b. equipping washrooms with lower mirrors and faucets, and wider doors
  - c. having regular employee surveys for disabled employees to ensure their needs are met
  - d. following the uniform guidelines for accommodation

ANS: B                      PTS: 1                      REF: 103                      OBJ: 5  
BLM: Higher Order

33. An organization's workforce is "representative" in which situation?
- a. when it reflects the demographic composition of the external workforce
  - b. when numerical goals have been established
  - c. when it reflects an improvement from the previous year's results
  - d. when men and women are employed in equal numbers

ANS: A                      PTS: 1                      REF: 104                      OBJ: 5  
BLM: Higher Order

34. What is the first step for the establishment of a workplan for the development of an employment equity program?
- a. examining the workforce analysis
  - b. making sure upper management is on board
  - c. outlining monitoring and evaluation
  - d. setting numerical goals

ANS: A                      PTS: 1                      REF: 104                      OBJ: 5  
BLM: Remember

### Chapter 3 Equity and Diversity in Human Resources Management

35. Which of the following is essential for an employer to determine whether goals are being attained and problems resolved, and whether strategies have been effective?
- implementation
  - monitoring
  - an employment systems review
  - establishing goals and timetables

ANS: B                      PTS: 1                      REF: 105                      OBJ: 5  
BLM: Remember

36. Once an employment equity program has been implemented, what is the most important thing to do?
- evaluate and monitor it closely
  - keep up to date on new developments and laws in employment equity
  - inform the CHRA of progress
  - limit revisions to the program to one per year

ANS: A                      PTS: 1                      REF: 105                      OBJ: 5  
BLM: Remember

37. Which of the following is NOT an example of sexual harassment?
- paying a man more than a woman for doing the same job
  - promoting a female employee after she agrees to an after-work date
  - permitting male employees to tell sexist jokes that female staff find offensive
  - allowing a customer to demand sexual favours from an employee

ANS: A                      PTS: 1                      REF: 105-107                      OBJ: 6  
BLM: Higher Order

38. Which of the following is true of sexual harassment in Canadian workplaces?
- a majority of women report that they experience same-sex sexual harassment
  - a majority of working men report that they experience sexual harassment
  - sexual harassment is under control today
  - a majority of working women say they have experienced some form of sexual harassment throughout their careers

ANS: D                      PTS: 1                      REF: 106                      OBJ: 6  
BLM: Higher Order

39. An effective sexual harassment policy includes all of the following EXCEPT which one?
- a comprehensive, well-publicized, organization-wide policy on sexual harassment
  - a formal complaint procedure that spells out the methods used to investigate charges
  - emphasis on follow-up and discipline for supported charges
  - a policy to dismiss any employee accused of sexual harassment

ANS: D                      PTS: 1                      REF: 107                      OBJ: 6  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

40. The concepts of harassment in the workplace are being broadened to include which one of the following?
- a. compensation decisions
  - b. psychological harassment such as bullying
  - c. privacy
  - d. evaluation and monitoring

ANS: B                      PTS: 1                      REF: 107                      OBJ: 6  
BLM: Remember

41. Organization Z is planning a formal process of examining its workforce in terms of religion, personality, lifestyle, and education. The company plans to gain a strategic advantage by harnessing the differences that exist within the organization. What is Organization Z planning to do?
- a. implement an employment equity program
  - b. implement a pay equity program
  - c. initiate a cultural assessment
  - d. employ diversity management

ANS: D                      PTS: 1                      REF: 107                      OBJ: 7  
BLM: Higher Order

42. Employment equity and employment diversity were initially founded on moral grounds. Which of the following represents how diversity management is sustained in today's organizations?
- a. as a strategic part of succession planning
  - b. by being strategically linked to compensation
  - c. on business grounds
  - d. by being embedded in all hiring practices

ANS: C                      PTS: 1                      REF: 108                      OBJ: 7  
BLM: Higher Order

43. Which of the following is an important reason behind implementing a diversity initiative?
- a. to expand the organization's global perspective
  - b. to avoid human rights complaints
  - c. to capitalize on emerging markets around the world
  - d. to comply with Canadian legal requirements

ANS: C                      PTS: 1                      REF: 109                      OBJ: 7  
BLM: Higher Order

44. Which of the following is NOT recommended as a strategy for creating an environment in which diversity is embraced?
- a. ensuring the initiative is seen as an important human resource program
  - b. providing diversity training
  - c. reviewing policies and practices
  - d. monitoring progress and providing qualitative and quantitative evidence of change

ANS: A                      PTS: 1                      REF: 109                      OBJ: 7  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

45. What are the primary business reasons for diversity management?
- acting in accordance with CHRA legislation; better utilization of talent; better teamwork; better marketplace understanding; better leadership
  - enhanced creativity; better synergy; better utilization of talent; better leadership; better teamwork
  - acting in accordance with CHRA legislation; better utilization of talent; better leadership; better work ethic; better marketplace understanding
  - better utilization of talent; better marketplace understanding; enhanced creativity; better leadership; better teamwork

ANS: D                      PTS: 1                      REF: 111                      OBJ: 7  
BLM: Higher Order

#### Scenario 3.1

The Furniture Emporium Inc. is a Canadian-based international manufacturer and distributor of high-end furniture for offices and homes. Since 2010, it has been expanding into the emerging markets across the globe. The company's workforce is representative of the population. As well, women make up 58 percent of the company's workforce. However, while these groups are well represented in the organization, they are not seen in the same percentage as a part of the senior management structure of the organization. While Furniture Emporium hires for diversity, it does not use its employees' diverse skills and abilities to enhance its global potential, given the international nature of its business.

46. Refer to Scenario 3.1. Which of the following is a good way for Furniture Emporium to gain a strategic and competitive advantage, through its employees, in the international furniture market?
- hire for diversity
  - ensure pay equity is implemented
  - manage diversity effectively
  - promote employees from the designated groups

ANS: C                      PTS: 1                      REF: 107                      OBJ: 7  
BLM: Higher Order

47. Refer to Scenario 3.1. Which of the following accurately represents diversity management if Furniture Emporium were to use it as a strategic tool?
- it is required by law in Canada
  - it is a big part of managing human resources
  - it is relatively simple and requires little time to implement
  - it can be a complex and lengthy process to embark on

ANS: D                      PTS: 1                      REF: 107                      OBJ: 7  
BLM: Higher Order

48. Refer to Scenario 3.1. Why can the ethnic groups help Furniture Emporium leverage its diverse workforce to gain competitive advantage?
- they are easier to work with
  - they possess knowledge of foreign cultures and business practices
  - they are time-oriented
  - they are performance driven

ANS: B                      PTS: 1                      REF: 108                      OBJ: 7  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

49. Refer to Scenario 3.1. By strategically incorporating a diverse workforce into all levels of the organization, what can Furniture Emporium benefit from?
- increased profitability and share prices
  - employee loyalty and retention
  - the spending power of these groups
  - the diverse educational background of these groups

ANS: C                      PTS: 1                      REF: 108                      OBJ: 7  
BLM: Higher Order

50. Refer to Scenario 3.1. If Furniture Emporium wants to create an environment for success in the international furniture market by leveraging their employees, what do they need to fully understand?
- the need for a systematic approach to managing diversity
  - how to reward their executives for success
  - how to incorporate short-term diversity initiatives
  - employment equity legislation

ANS: A                      PTS: 1                      REF: 109                      OBJ: 7  
BLM: Higher Order

#### Scenario 3.2

Metro Business is a growing firm located in Calgary, Alberta. The CEO, Niri Malo, has noticed that most of the recent applications for positions in the organization are self-identified persons from the four designated groups covered by employment equity legislation in Canada. Ms. Malo has heard of the benefits of a diversity workforce and wants to implement an employment equity plan. She understands, however, that there may be challenges in implementing it.

51. Refer to Scenario 3.2. What is one reason for Metro Business to have an employment equity plan?
- they would like access to the Federal Contractors Program
  - it is required for all firms in Canada
  - it will address pay equity problems
  - it will prevent racism in the organization

ANS: A                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Higher Order

52. Refer to Scenario 3.2. What is the first step in establishing the employment equity plan at Metro Business?
- collecting data on Metro's demographics
  - ensuring senior management commitment
  - ensuring reasonable accommodation
  - getting the government's approval

ANS: A                      PTS: 1                      REF: 97-105                      OBJ: 5  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

53. Refer to Scenario 3.2. Which of the following is NOT one of the four designated groups covered by the federal Employment Equity Act?
- a. **Aboriginals**
  - b. persons with disabilities
  - c. women
  - d. war veterans

ANS: A                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Higher Order

#### TRUE/FALSE

1. In Canada, the four designated groups that have not received equitable treatment in employment are women, Aboriginal people, people with disabilities, and visible minorities.

ANS: T                      PTS: 1                      REF: 84                      OBJ: 1  
BLM: Remember

2. Women are underrepresented as technicians and semi-skilled professionals.

ANS: T                      PTS: 1                      REF: 84                      OBJ: 1  
BLM: Remember

3. The four traditionally disadvantaged groups could be brought into the mainstream of Canada's labour force through employment equity.

ANS: T                      PTS: 1                      REF: 84                      OBJ: 1  
BLM: Remember

4. Recent statistics indicate that visible minorities are lacking in educational qualifications, which has resulted in their high unemployment rates.

ANS: F                      PTS: 1                      REF: 86                      OBJ: 1  
BLM: Higher Order

5. Employment equity makes good business sense since it contributes to the bottom line.

ANS: T                      PTS: 1                      REF: 86                      OBJ: 1  
BLM: Higher Order

6. Human rights legislation is the cornerstone of equity legislation.

ANS: T                      PTS: 1                      REF: 88                      OBJ: 2  
BLM: Higher Order

7. The *Charter of Rights and Freedoms* guarantees the right to bargain collectively and to strike.

ANS: F                      PTS: 1                      REF: 88                      OBJ: 2  
BLM: Remember

### Chapter 3 Equity and Diversity in Human Resources Management

8. Federal law prohibits discrimination based on sexual orientation.

ANS: T                      PTS: 1                      REF: 88                      OBJ: 2  
BLM: Remember

9. Every workplace in Canada is covered by human rights legislation.

ANS: T                      PTS: 1                      REF: 89                      OBJ: 2  
BLM: Higher Order

10. The only difference between federal and provincial human rights laws is that the former cover federally regulated industries and the latter cover provincially regulated industries.

ANS: F                      PTS: 1                      REF: 89                      OBJ: 2  
BLM: Higher Order

11. Prohibited grounds of discrimination in employment vary between provinces.

ANS: T                      PTS: 1                      REF: 89                      OBJ: 2  
BLM: Higher Order

12. Prohibited grounds of discrimination in employment include race, religion, sex, age, national or ethnic origin, disability, and marital status.

ANS: T                      PTS: 1                      REF: 89                      OBJ: 2  
BLM: Remember

13. Employers are permitted to discriminate if there is a bona fide occupational qualification.

ANS: T                      PTS: 1                      REF: 90                      OBJ: 2  
BLM: Remember

14. A religious organization is permitted to discriminate on the basis of religion.

ANS: T                      PTS: 1                      REF: 90                      OBJ: 2  
BLM: Higher Order

15. An example of a BFOQ for age is the argument that a younger employee will project a better, more energetic image to the public.

ANS: F                      PTS: 1                      REF: 90                      OBJ: 2  
BLM: Higher Order

16. The Canadian Human Rights Commission (CHRC) may choose to act on its own if it feels there are sufficient grounds for a finding of discrimination.

ANS: T                      PTS: 1                      REF: 94                      OBJ: 2  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

17. The Canadian Human Rights Commission (CHRC) must accept all complaints except those not filed within a prescribed period of time.
- ANS: F                      PTS: 1                      REF: 94                      OBJ: 2  
BLM: Remember
18. Once a complaint has been accepted by the Canadian Human Rights Commission (CHRC), an investigator is assigned the task of fact finding from both the complainant and the accused.
- ANS: T                      PTS: 1                      REF: 94                      OBJ: 2  
BLM: Remember
19. As an HR professional, if you lie or are otherwise involved in obstructing an investigation by the Canadian Human Rights Commission, you can serve jail time.
- ANS: T                      PTS: 1                      REF: 94                      OBJ: 2  
BLM: Remember
20. Pay equity law makes it illegal for employers to discriminate against individuals on the basis of job content.
- ANS: T                      PTS: 1                      REF: 95                      OBJ: 3  
BLM: Higher Order
21. In 2002, women aged 15 and over who had employment income made 55 cents for every \$1 earned by their male counterparts.
- ANS: F                      PTS: 1                      REF: 95                      OBJ: 3  
BLM: Remember
22. Pay equity is based on the principles of equal pay for equal work and equal pay for work of comparable worth.
- ANS: T                      PTS: 1                      REF: 95                      OBJ: 3  
BLM: Higher Order
23. Implementation of pay equity is based on comparing the work of female and male employees doing the same job.
- ANS: F                      PTS: 1                      REF: 95                      OBJ: 3  
BLM: Higher Order
24. The federal pay equity legislation applies to all employees in Canada.
- ANS: F                      PTS: 1                      REF: 95                      OBJ: 3  
BLM: Higher Order
25. The Employment Equity Act of 1995 only affects employers under federal jurisdiction.
- ANS: T                      PTS: 1                      REF: 95                      OBJ: 3  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

26. The Employment Equity Act stipulates that employers and Crown corporations with 200 employees or more, who are regulated under the Canada Labour Code, must implement employment equity and report on results attained.
- ANS: F                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Remember
27. The concept of employment equity is rooted in the federal *Charter of Rights and Freedoms*, and in federal and provincial human rights codes.
- ANS: T                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Remember
28. Employment equity involves the identification and removal of systemic barriers to employment opportunities that adversely affect the four designated groups.
- ANS: T                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Higher Order
29. Employment equity involves the implementation of special measures and reasonable accommodation.
- ANS: T                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Higher Order
30. Federally regulated employers are required to conduct a workforce analysis to identify underrepresentation of members of designated groups.
- ANS: T                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Remember
31. Firms under provincial jurisdiction with 100 or more employees, wishing to bid for goods and services contracts with the federal government valued at \$200,000 or more, must implement an employment equity plan.
- ANS: T                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Higher Order
32. Under the *Canadian Human Rights Act*, the Canadian Human Rights Commission is authorized to prohibit discrimination against members of the designated groups in the establishment of federally regulated businesses.
- ANS: T                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Remember
33. Employment equity involves changing the composition of an organization's workforce to better reflect the workforce.
- ANS: T                      PTS: 1                      REF: 96                      OBJ: 4  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

34. An employment equity program is a process requiring senior management commitment and involvement.
- ANS: T                      PTS: 1                      REF: 97                      OBJ: 5  
BLM: Higher Order
35. Employers covered by the federal *Employment Equity Act* are required to consult with designated employees' representatives or, in a unionized setting, with bargaining agents.
- ANS: T                      PTS: 1                      REF: 98                      OBJ: 5  
BLM: Remember
36. The labour movement in Canada has generally been opposed to the concept of employment equity.
- ANS: F                      PTS: 1                      REF: 98                      OBJ: 5  
BLM: Remember
37. The first step in the implementation of employment equity is data collection and analysis.
- ANS: F                      PTS: 1                      REF: 99                      OBJ: 5  
BLM: Remember
38. The development of an external workforce profile is an important tool in employment equity planning.
- ANS: F                      PTS: 1                      REF: 99                      OBJ: 5  
BLM: Remember
39. Concentration occurs when the numbers of a protected class in a particular occupation or level are high relative to their numbers in the labour market.
- ANS: T                      PTS: 1                      REF: 100                      OBJ: 5  
BLM: Remember
40. An employer should try to eliminate unintentional discrimination, but is not legally accountable for such discrimination.
- ANS: F                      PTS: 1                      REF: 101                      OBJ: 5  
BLM: Higher Order
41. Reasonable accommodation involves making changes to the workplace so that no individual is disadvantaged with respect to employment.
- ANS: T                      PTS: 1                      REF: 103                      OBJ: 5  
BLM: Remember
42. Targeted recruitment aimed primarily at correcting employment inequities is an example of a special measure designed to accelerate the entry and promotion of members of designated groups discriminated against in the past.
- ANS: T                      PTS: 1                      REF: 103                      OBJ: 5  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

43. Reasonable accommodation benefits all employees.

ANS: T                      PTS: 1                      REF: 103                      OBJ: 5  
BLM: Higher Order

44. The overall goal for an organization with respect to employment equity is to achieve a workforce representative of the demographic composition of the external workforce.

ANS: T                      PTS: 1                      REF: 104                      OBJ: 5  
BLM: Higher Order

45. According to one study, only one of every ten Canadian women who suffer sexual harassment at work takes any formal action.

ANS: F                      PTS: 1                      REF: 105                      OBJ: 6  
BLM: Remember

46. An example of sexual harassment is having to listen to comments made by coworkers about their sexual conquests every Monday morning even when you have told them that their remarks make you extremely uncomfortable.

ANS: T                      PTS: 1                      REF: 105                      OBJ: 6  
BLM: Higher Order

47. Employers are guilty of sexual harassment if they permit their customers to sexually harass their employees.

ANS: T                      PTS: 1                      REF: 105                      OBJ: 6  
BLM: Higher Order

48. The main cost of sexual harassment in the workplace is legal settlements

ANS: F                      PTS: 1                      REF: 106                      OBJ: 6  
BLM: Higher Order

49. The concept of harassment has been broadened to include bullying in at least one provincial jurisdiction.

ANS: T                      PTS: 1                      REF: 107                      OBJ: 6  
BLM: Remember

50. The optimization of an organization's multicultural workforce in order to reach business objectives is known as diversity management.

ANS: T                      PTS: 1                      REF: 107                      OBJ: 7  
BLM: Remember

51. Managing diversity is primarily a moral issue.

ANS: F                      PTS: 1                      REF: 108                      OBJ: 7  
BLM: Higher Order

### Chapter 3 Equity and Diversity in Human Resources Management

52. Transforming an organizational culture into a culture that embraces diversity is relatively simple and can be done in a relatively short period of time.

ANS: F                      PTS: 1                      REF: 109                      OBJ: 7  
BLM: Higher Order

53. Diversity initiatives should be directly linked to the business objectives of top management.

ANS: T                      PTS: 1                      REF: 109                      OBJ: 7  
BLM: Higher Order

54. Leadership is one of the key variables in a firm's ability to incorporate the value of diversity into its business strategy.

ANS: T                      PTS: 1                      REF: 109                      OBJ: 7  
BLM: Higher Order

55. Diversity initiatives are most successful when they are perceived to be human resources programs.

ANS: F                      PTS: 1                      REF: 109                      OBJ: 7  
BLM: Higher Order

56. A crucial element of any diversity management initiative is proper training across the organization.

ANS: T                      PTS: 1                      REF: 110                      OBJ: 7  
BLM: Higher Order

#### ESSAY

1. What are some of the disadvantages in employment faced by the four designated groups in Canada?

ANS:

There are four designated groups in Canada that have not received equitable treatment in employment: (1) women, (2) Aboriginal peoples, (3) people with disabilities, and (4) visible minorities.

(1) Women tend to be concentrated in occupations that are accorded lower status and pay.

(2) Many Aboriginal workers are concentrated in low-paying, unstable employment.

(3) The unemployment rate for employable people with disabilities is much higher than the national unemployment rate. People with disabilities face attitudinal barriers, physical demands that are unrelated to actual job requirements, and inadequate access to technical- and human-support systems that would make productive employment possible.

(4) Visible minority groups vary in their labour force profiles; however, studies have shown that Latin Americans and Southeast Asians experience lower-than-average incomes, higher rates of unemployment, and reduced access to job interviews, even when they have the same qualifications as other candidates. Culturally biased aptitude tests, lack of recognition of foreign credentials, and excessively high language requirements pose systemic barriers for visible minority groups.

PTS: 1                      REF: 84-86                      OBJ: 1                      BLM: Higher Order

## Chapter 3 Equity and Diversity in Human Resources Management

2. What are the steps involved in filing and investigating a human rights complaint?

ANS:

Individuals under federal jurisdiction have the right to file a complaint with the Canadian Human Rights Commission (CHRC) if they feel they have been discriminated against on any of the prohibited grounds. The complainant must first complete a written report describing the discriminatory action. A CHRC representative reviews the facts and determines if the claim is legitimate. Once a complaint has been accepted by the CHRC, an investigator is assigned to the case in order to gather more facts, from both the complainant and the accused. The investigator submits a report to the CHRC, recommending a finding of either substantiation or non-substantiation of the allegation. If the allegation is substantiated, a settlement may be arranged in the course of the investigation. If the parties are unable to reach agreement, a human rights tribunal consisting of up to three members may be appointed to further investigate the complaint. If the tribunal finds that a discriminatory practice did take place, it may order the person or organization responsible to compensate the victim. Any person who obstructs an investigation or a tribunal, or fails to comply with the terms of a settlement, can be fined and/or jailed.

Provincial human rights laws are enforced in a very similar manner. Individuals who feel they have been discriminated against on any of the prohibited grounds file a written complaint with the applicable human rights commission, which then investigates the claim. The majority of cases are resolved at the investigation stage. If agreement cannot be reached, the case is presented to the province's human rights commission. The members of the commission study the evidence and then submit a report to the minister in charge of administering the human rights legislation. The minister may appoint an independent board of inquiry, which has similar powers to a federal tribunal. Failure to comply with the remedies prescribed by the board of inquiry may result in prosecution in provincial court.

PTS: 1

REF: 94-95

OBJ: 2

BLM: Higher Order

3. What can employers do to deter sexual harassment?

ANS:

Employers must develop an effective sexual harassment policy if they wish to deter sexual harassment. The policy should be clear and comprehensive, publicizing to all organizational members that sexual harassment will not be tolerated. Supervisors and managers should be trained to understand human rights legislative requirements and their role in providing an environment free from harassment. A formal complaint procedure should be established that allows employees to report harassment occurrences without fear of retaliation. All charges should be investigated immediately and, if warranted, discipline should be administered. Cases should be followed up to ensure a satisfactory resolution of the problem.

PTS: 1

REF: 105-107

OBJ: 6

BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

### MULTIPLE CHOICE

1. What is a job?
- a group of related activities and duties
  - the different duties and responsibilities performed by one employee
  - a statement of the knowledge, skills, and abilities required to perform work
  - a statement of the tasks, duties, and responsibilities associated with work

ANS: A                      PTS: 1                      REF: 122                      OBJ: 1  
BLM: Remember

2. What is a position?
- a group of related activities and duties
  - the different duties and responsibilities performed by one employee
  - a statement of the knowledge, skills, and abilities required to perform work
  - a statement of the tasks, duties, and responsibilities associated with work

ANS: B                      PTS: 1                      REF: 122                      OBJ: 1  
BLM: Remember

3. What is a job specification?
- a group of related activities and duties
  - the different duties and responsibilities performed by one employee
  - a statement of the knowledge, skills, and abilities required to perform the job
  - a statement of the tasks, duties, and responsibilities associated with the job

ANS: C                      PTS: 1                      REF: 122                      OBJ: 1  
BLM: Remember

4. Which of the following is an example of a job specification?
- To be a grocery store cashier, you need to know how to work a cash register, know the rules of the store, and know basic math.
  - To be a grocery store cashier, you have to deal with the public and be able to stand on your feet for long hours.
  - A grocery store cashier assists customers in paying for their grocery items and answering questions about products.
  - A grocery store cashier is responsible for making sure items are bagged or tagged, and that all customers pay for their items.

ANS: A                      PTS: 1                      REF: 122                      OBJ: 1  
BLM: Higher Order

5. What is “appropriate university degree, five years of corporate experience, working knowledge of statistical analysis and software” an example of?
- a job analysis
  - a job description
  - a job specification
  - a position

ANS: C                      PTS: 1                      REF: 122                      OBJ: 1  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

6. “The IT specialist is responsible for the smooth running of all staff computers” is most likely an excerpt from which of the following?
- a job position
  - a job specification
  - a job analysis
  - a job description

ANS: D                      PTS: 1                      REF: 122                      OBJ: 1  
BLM: Higher Order

7. Which of the following can remedy discrepancies between the knowledge, skills, and abilities of the jobholder and the KSAs required for the job?
- training
  - discipline
  - cooperation
  - corporate leadership

ANS: A                      PTS: 1                      REF: 123                      OBJ: 1  
BLM: Higher Order

8. If the criteria used to evaluate employee performance are vague and not job related, what is the most likely result?
- the organization can be charged with unfair discrimination
  - the organization can suffer productivity losses
  - the organization can suffer from bad publicity
  - the organization can suffer from lack of trust and commitment from employees

ANS: A                      PTS: 1                      REF: 123                      OBJ: 2  
BLM: Higher Order

9. Human rights legislation requires that the specific performance requirements of a job be based on which of the following?
- common practices in industry
  - past practices
  - valid job-related criteria
  - the National Occupational Classification

ANS: C                      PTS: 1                      REF: 123                      OBJ: 1|2|3  
BLM: Higher Order

10. What is the most important reason that job analysis is considered the cornerstone of HRM?
- the information comes from job incumbents who know the job the best
  - it is done in a scientifically sound and valid way
  - the information it collects serves so many HRM functions
  - it is required by law

ANS: C                      PTS: 1                      REF: 124                      OBJ: 2  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

11. Which term refers to systematically investigating jobs by following a number of predetermined steps specified in advance?
- job design
  - job evaluation
  - job analysis
  - job examination

ANS: C                      PTS: 1                      REF: 124                      OBJ: 2  
BLM: Remember

12. What is the ultimate purpose of job analysis?
- to make sure HR systems are valid
  - to organize work in a meaningful way
  - to have a sense of what employees should be or are doing in their jobs
  - to increase performance and productivity of the organization

ANS: D                      PTS: 1                      REF: 124                      OBJ: 2  
BLM: Higher Order

13. Which of the following is most correct when it comes to job analysis?
- artificial inflation of job duties must always be double-checked against the NOC
  - a job analyst must weigh information obtained from the NOC above incumbent data
  - a job analyst must weigh manager information more heavily than job incumbent data
  - more information about the job is always better

ANS: D                      PTS: 1                      REF: 124-125                      OBJ: 2  
BLM: Remember|Higher Order

14. Which of the following refers to a volume compiled by the Canadian federal government that contains standardized and comprehensive descriptions of approximately 25,000 occupational titles?
- the National Occupational Classification
  - the Dictionary of Careers
  - the Job Classification Guide
  - the Job Description and Occupational Guide

ANS: A                      PTS: 1                      REF: 126                      OBJ: 2  
BLM: Remember

15. What is the job analysis technique that is worker-oriented and covers 194 different tasks?
- task inventory development
  - the critical incident method
  - the position analysis questionnaire
  - functional job analysis

ANS: C                      PTS: 1                      REF: 127                      OBJ: 2  
BLM: Remember

## Chapter 4 Job Analysis and Work Design

16. What is the objective of the critical incident method of job analysis?
- to challenge the employees with their false statements
  - to provide information for job evaluation based on the “critical” value of the job
  - to prioritize job duties and responsibilities
  - to identify critical job tasks
- ANS: D                      PTS: 1                      REF: 127                      OBJ: 2  
BLM: Higher Order
17. Sally is interviewing an employee, asking him to describe his job, how it is performed, what work is done, and what tools and equipment are used. What style of job analysis is Sally performing?
- the critical incidents style of job analysis
  - the task analysis style of job analysis
  - the PAQ style of job analysis
  - the occupation classification style of job analysis
- ANS: A                      PTS: 1                      REF: 127                      OBJ: 2  
BLM: Higher Order
18. Which of the following job analysis methods utilize “interviews”?
- critical incidents, PAQ, and competency-based analysis
  - critical incidents and competency based analysis
  - task analysis and competency-based analysis
  - PAQ, task analysis, and critical incidents
- ANS: B                      PTS: 1                      REF: 127-129                      OBJ: 2  
BLM: Remember
19. Which term refers to an analysis in which the emphasis is placed on characteristics of successful performers rather than standard duties?
- dynamic job analysis
  - team-based analysis
  - strategic analysis of jobs
  - competency-based analysis
- ANS: D                      PTS: 1                      REF: 129                      OBJ: 2  
BLM: Higher Order
20. What is the most important difference between competency-based analysis and all other forms of job analysis discussed in the text?
- Competency-based analysis is better at keeping pace with the quickly changing nature of work.
  - Competency-based analysis relies solely on information obtained from job incumbents.
  - Competency-based analysis focuses on how the job is currently done.
  - Competency-based analysis requires a very high degree of training on the part of the analyst.
- ANS: A                      PTS: 1                      REF: 129                      OBJ: 2  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

21. What can result from generically written job descriptions?

- a. role ambiguity
- b. continuous improvement
- c. restructuring
- d. self-motivation

ANS: A                      PTS: 1                      REF: 130                      OBJ: 3  
BLM: Higher Order

22. Kirk is learning a new job by watching his coworkers and asking questions. He notices that some of his coworkers stress the importance of certain tasks, while others don't do these tasks at all. This has left Kirk somewhat stressed by what he should and should not be doing in his new role. What does Kirk need?

- a. a job description
- b. a job analysis
- c. information from the NOC
- d. job specifications

ANS: A                      PTS: 1                      REF: 130                      OBJ: 3  
BLM: Higher Order

23. What is an important limitation of relying on job descriptions?

- a. they tend to narrow the scope of activities of the jobholder
- b. they may be misunderstood by the jobholder
- c. they may include illegal specifications
- d. they are associated with poor employee morale

ANS: A                      PTS: 1                      REF: 132                      OBJ: 3  
BLM: Higher Order

24. What is the main difference between job analysis and job design?

- a. Job analysis looks at jobs as they currently are; job design is about reorganizing work.
- b. Job analysis is required to ensure that HR functions are based on sound and valid data; job design is focused on compensation and the financial worth of the work.
- c. Job analysis is a process; job design is a function.
- d. Job analysis is the study of jobs as currently performed; job design is concerned with changing job structures to improve efficiency.

ANS: D                      PTS: 1                      REF: 133                      OBJ: 4  
BLM: Higher Order

25. In which situation would a job design be recommended?

- a. New technology has drastically changed the way that work is done in a manufacturing plant shop floor and employees are finding there is a lot more spare time.
- b. Due to a recent change in upper management and benefit policies, several hundred highly skilled employees have recently left the organization and moved to a competitor.
- c. The culture of the organization is deemed by an external consultant to be "stagnant" and in need of a change.
- d. Members of the organization are trying to form a union.

ANS: A                      PTS: 1                      REF: 133                      OBJ: 4  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

26. Which term refers to any effort that makes work more rewarding or satisfying by adding more meaningful tasks to an employee's job?
- a. job enlargement
  - b. a job characteristic
  - c. job enrichment
  - d. job rotation

ANS: C                      PTS: 1                      REF: 134                      OBJ: 4  
BLM: Remember

27. An owner of a mall-based retail shop chain has asked front-line sales associates to attend a twice-yearly all-day meeting where they share ideas about possible new products, innovations, and ideas about improving work flow. What is the owner most likely attempting to implement?
- a. job involvement
  - b. job enrichment
  - c. brainstorming
  - d. a culture audit

ANS: B                      PTS: 1                      REF: 134                      OBJ: 4  
BLM: Higher Order

28. Which of the following is an accurate description of the five core job dimensions of Hackman and Oldham's job characteristics model?
- a. skill variety, task identity, task significance, autonomy, and feedback
  - b. feedback, task identity, job identity, skill variety, and autonomy
  - c. autonomy, feedback, job security, task identity, and skill variety
  - d. skill variety, task identity, job security, autonomy, and feedback

ANS: A                      PTS: 1                      REF: 134                      OBJ: 5  
BLM: Remember

29. What factors does Herzberg describe as key to enriching jobs?
- a. pay, promotion, pension, purpose, and perks
  - b. achievement, recognition, growth, responsibility, and performance of the whole job
  - c. safety needs, social needs, self-esteem needs, and self-actualization
  - d. skill variety, task identity, task significance, autonomy, and feedback

ANS: B                      PTS: 1                      REF: 134                      OBJ: 4  
BLM: Remember

30. According to the work of Herzberg, through which method can managers enrich the jobs of employees?
- a. adding more responsibility to jobs
  - b. increasing benefits
  - c. improving the quality of employee supervision
  - d. removing safety hazards

ANS: A                      PTS: 1                      REF: 134                      OBJ: 4  
BLM: Remember|Higher Order

## Chapter 4 Job Analysis and Work Design

31. Vertical job enrichment can be best accomplished through which of the following?
- assigning less work to each employee
  - providing performance results to employees
  - forming teams that have greater authority for self-management
  - increasing salaries and benefits for employees

ANS: C                      PTS: 1                      REF: 134                      OBJ: 4  
BLM: Remember

32. According to the job characteristics model, what three psychological states of a jobholder result in motivated, satisfied, and productive employees?
- meaningfulness of work, task significance, and autonomy
  - meaningfulness of work, responsibility for completion of a whole identifiable piece of work, and knowledge of work results
  - meaningfulness of work, responsibility for outcomes, and knowledge of work results
  - meaningfulness of work, responsibility for outcomes, and fair compensation

ANS: C                      PTS: 1                      REF: 134                      OBJ: 5  
BLM: Remember|Higher Order

33. What is the core job dimension that describes the degree to which a job has a substantial impact on the lives or work of other people?
- skill variety
  - task identity
  - task significance
  - autonomy

ANS: C                      PTS: 1                      REF: 134                      OBJ: 5  
BLM: Remember

34. Which term refers to the degree to which a job has substantial freedom, independence, and discretion for an individual in determining work schedules and procedures?
- autonomy
  - skill variety
  - task identity
  - feedback

ANS: A                      PTS: 1                      REF: 134                      OBJ: 5  
BLM: Remember

35. Employee empowerment is a technique of involving employees in their work through which of the following processes?
- development
  - administration
  - combination
  - inclusion

ANS: D                      PTS: 1                      REF: 135                      OBJ: 5  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

36. Which organizational situation is most likely to result in employees who feel empowered?
- The employees are allowed to set their own work schedules so they can have better work-life balance.
  - The employees are allowed to spend a few minutes every day coming up with creative ideas for the suggestion box.
  - The employees have access to sensitive information so they can make more informed decisions about their work.
  - The employees have a large training budget and they are allowed to spend their training dollars on courses they choose and as they see fit.

ANS: C                      PTS: 1                      REF: 135                      OBJ: 5  
BLM: Higher Order

37. What is the goal of ergonomics?
- to fit the job to the work environment
  - to fit the job to the equipment
  - to fit the job to the person
  - to fit the job to the work schedule

ANS: C                      PTS: 1                      REF: 136                      OBJ: 5  
BLM: Remember

38. What two characteristics do group/team techniques have in common?
- enhancing collaboration and increasing synergy
  - enhancing collaboration and improving morale
  - improving morale and increasing synergy
  - enhancing communication and increasing synergy

ANS: A                      PTS: 1                      REF: 137                      OBJ: 6  
BLM: Remember

39. Which of the following is an example of an employee involvement group?
- a group of employees who meet after work hours to discuss their interest in hiking and other outdoor activities
  - a group of employees who come together once a year to brainstorm new workflow ideas
  - a group of employees who meet weekly to brainstorm a sequel to a popular product line
  - a group of employees who are allowed to take specialized training courses in statistical analysis and cause-and-effect diagrams

ANS: C                      PTS: 1                      REF: 138                      OBJ: 6  
BLM: Higher Order

40. What is the main reason for organizing employee involvement groups?
- to identify safety concerns
  - to recognize and correct discrimination issues
  - to have employees use their knowledge to identify and solve organizational problems
  - to reduce employee complaints, thereby fostering organizational success

ANS: C                      PTS: 1                      REF: 138                      OBJ: 6  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

41. What is crucial in effective employee involvement groups?
- the group membership must change regularly
  - group members must not be rewarded; participation must be completely voluntary
  - managers must evaluate group recommendations before implementation
  - all recommendations must be implemented in at least some small way in order not to lose the sense of empowerment

ANS: C                      PTS: 1                      REF: 138                      OBJ: 6  
BLM: Higher Order

42. In addition to creating synergy within an organization, group techniques can also do which of the following?
- increase employee commitment to the organization's goals
  - increase job and pay satisfaction
  - increase employee engagement
  - decrease employee absenteeism

ANS: A                      PTS: 1                      REF: 139-141                      OBJ: 6  
BLM: Remember

43. Team synergy is heightened when team members engage in behaviours such as support, active listening, consensus decision making, and which of the following?
- unanimity
  - prioritizing options
  - regular meeting times
  - disagreement

ANS: D                      PTS: 1                      REF: 140                      OBJ: 6  
BLM: Remember

44. Which is the best advice for “virtual teams” to be successful?
- Team members should NOT meet in person.
  - Team members should meet in person at least occasionally.
  - All team members should understand advanced computer and telecommunications technology so that breakdowns in communication do not occur frequently.
  - Team members should be selected based on certain personal characteristics such as a collaborative mindset.

ANS: D                      PTS: 1                      REF: 141                      OBJ: 6  
BLM: Higher Order

45. What kind of team uses advanced computer and telecommunications technology to link team members who are geographically dispersed?
- a content team
  - a whole team
  - an advanced team
  - a virtual team

ANS: D                      PTS: 1                      REF: 141                      OBJ: 6  
BLM: Remember

## Chapter 4 Job Analysis and Work Design

46. What is an organizational benefit of job sharing?

- a. less absenteeism
- b. less turnover
- c. higher productivity
- d. better performance

ANS: A                      PTS: 1                      REF: 143                      OBJ: 7  
BLM: Remember

47. What is the term for the type of work schedule in which employees can adjust their daily starting and quitting times provided that they work a certain number of hours per day or week?

- a. a compressed workweek
- b. a shorter workweek
- c. a flextime arrangement
- d. an adaptable schedule

ANS: C                      PTS: 1                      REF: 143                      OBJ: 7  
BLM: Remember

48. What is an organizational benefit of job sharing?

- a. reduced labour costs
- b. reduced turnover
- c. reduced training costs
- d. reduced employee appraisals

ANS: B                      PTS: 1                      REF: 143                      OBJ: 7  
BLM: Remember

49. What is an important drawback of allowing employees to telecommute?

- a. lower performance due to distractions at home
- b. dishonesty about hours worked
- c. less creativity due to loss of workplace synergies
- d. increased absenteeism

ANS: C                      PTS: 1                      REF: 144                      OBJ: 7  
BLM: Higher Order

50. Which of the following is most likely to result in a successful telecommuting situation?

- a. The telecommuters have to check in frequently throughout the day to let their managers know exactly what they are working on and how it is going.
- b. The managers who are trained in formalized telecommuting procedures make random calls to the telecommuters at home to ensure all is going well and work is getting done.
- c. The telecommuters are expected to attend regular on-site meetings and are trained in technical aspects of telecommuting.
- d. Telecommuting is only allowed when the work at hand does not involve interaction of any kind.

ANS: C                      PTS: 1                      REF: 144                      OBJ: 7  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

### Scenario 4.1

Mike Brassington is the CEO of Canada Steel, a firm that produces steel products for a global market. To improve on one of its products which has received some criticisms on its quality, Canada Steel wants to put together a team that will involve different people in the organization, across different departments, so as to utilize their skills in a manner that would be more productive than if they worked separately. Mike has two ideas on how to design these teams. First, he can put together a group of experienced people from different departments (e.g., marketing, engineering, etc.) to solve the problem (Team 1). Second, he can allow interested employees to have online discussions voluntarily (Team 2). He also has to decide on how to measure the success of the team's efforts.

51. Refer to Scenario 4.1. Which of the following occurs when the interaction and outcome of team members is greater than the sum of their individual parts?
- job sharing
  - synergy
  - cooperation
  - team enrichment

ANS: B                      PTS: 1                      REF: 139                      OBJ: 6  
BLM: Remember

52. Refer to Scenario 4.1. What is the term for the first type of team Mike is considering, where he will put together different people from different units (Team 1)?
- process improvement team
  - self-directed team
  - virtual team
  - quality improvement team

ANS: A                      PTS: 1                      REF: 140                      OBJ: 6  
BLM: Remember

53. Refer to Scenario 4.1. According to the text, what is a potential challenge for Team 1?
- different cultures among group members
  - leadership support
  - Web/Internet support
  - determining compensation for team accomplishments

ANS: D                      PTS: 1                      REF: 139-140                      OBJ: 6  
BLM: Higher Order

54. Refer to Scenario 4.1. What does research demonstrate as key to ensuring the success of the team?
- establishing a fair pay system
  - establishing ground rules to guide the team's work
  - ensuring cultural cohesion among team members
  - ensuring a common workplace "language" for team members

ANS: B                      PTS: 1                      REF: 139-140                      OBJ: 6  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

55. Refer to Scenario 4.1. Which of the following is NOT a way for Mike to measure the success of the team?
- through the level of cooperation and trust of team members
  - through whether the goals of the team are achieved
  - through the pay increases of the team
  - through the way in which conflicts are resolved

ANS: C                      PTS: 1                      REF: 141                      OBJ: 6  
BLM: Higher Order

### Scenario 4.2

CanBank is a new financial institution with a workforce that values work–life balance. The CEO, Aren Ami, wants to experiment with different work schedules so as to address the needs of the employees. He is considering several options: a 4-day, 40-hour workweek; allowing employees to choose start and end times for the workday provided they work a certain number of hours per week; allowing two or more employees to perform a job normally done by one person; and allowing some employees to do work from home that is normally done in the office. The CEO knows that there are pros and cons of each option that he has to weigh.

56. Refer to Scenario 4.2. What is the term for the option where employees choose start and end times for their workdays provided they work a specified number of hours in the week?
- job sharing
  - telecommuting
  - shortened workweek
  - flextime

ANS: D                      PTS: 1                      REF: 141-144                      OBJ: 7  
BLM: Remember

57. Refer to Scenario 4.2. What is the term for the option where employees work 4-day, 40-hour workweeks?
- flextime
  - telecommuting
  - job sharing
  - compressed workweek

ANS: D                      PTS: 1                      REF: 141-144                      OBJ: 7  
BLM: Remember

58. Refer to Scenario 4.2. Which of the following is NOT a reason cited for flextime?
- improving organizational culture
  - meeting the challenges of age diversity
  - improving customer service by extending operating hours
  - improving quality of employees' work

ANS: A                      PTS: 1                      REF: 143                      OBJ: 7  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

### TRUE/FALSE

1. A job consists of different duties and responsibilities performed by one person.

ANS: F                      PTS: 1                      REF: 122                      OBJ: 1  
BLM: Remember

2. A statement of the different duties, tasks, and responsibilities of a job is known as a job description.

ANS: T                      PTS: 1                      REF: 122                      OBJ: 1  
BLM: Remember

3. An example of a job-related specification might be to require three to five years' experience for a job as senior compensation analyst.

ANS: T                      PTS: 1                      REF: 122                      OBJ: 1  
BLM: Higher Order

4. Discrepancies between knowledge, skills, and abilities (KSAs) and job requirements provide clues to training needs.

ANS: T                      PTS: 1                      REF: 123                      OBJ: 1  
BLM: Higher Order

5. Job analysis is the process of obtaining information about jobs by determining what the duties, tasks, or activities of those jobs are.

ANS: T                      PTS: 1                      REF: 124                      OBJ: 2  
BLM: Remember

6. Ultimately, the purpose of job analysis is to value a job and establish its pay rate.

ANS: F                      PTS: 1                      REF: 124                      OBJ: 2  
BLM: Remember

7. Job analysis is now considered outdated because it can't keep up with the current state of change in today's fast-paced work world.

ANS: F                      PTS: 1                      REF: 124                      OBJ: 2  
BLM: Remember

8. Job analysis is an important step toward ensuring an organization's HR practices are valid and job-related.

ANS: T                      PTS: 1                      REF: 124                      OBJ: 2  
BLM: Higher Order

9. To promote uniformity across organizations, the National Occupational Classification should be used as the sole source for classifying jobs.

ANS: F                      PTS: 1                      REF: 127                      OBJ: 2  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

10. The critical incident method focuses on employee behaviours critical to job success.  
ANS: T                      PTS: 1                      REF: 127                      OBJ: 2  
BLM: Higher Order
11. The critical incidents method of job analysis is based on interviewing the job incumbent/employee.  
ANS: T                      PTS: 1                      REF: 127                      OBJ: 2  
BLM: Higher Order
12. Common methods of analyzing jobs include interviews, questionnaires, observation, and diaries.  
ANS: T                      PTS: 1                      REF: 127-129                      OBJ: 2  
BLM: Remember
13. There are many methods of job analysis and many different ways of compiling the data, but all of the methods rely on some form of employee/job incumbent interview.  
ANS: F                      PTS: 1                      REF: 127-129                      OBJ: 2  
BLM: Remember
14. Employee interviewing is the most accurate method of job analysis because the employee is least likely to exaggerate essential job functions.  
ANS: F                      PTS: 1                      REF: 127-129                      OBJ: 2  
BLM: Higher Order
15. The competency-based approach to job analysis focuses on standard job duties, tasks, and the like.  
ANS: F                      PTS: 1                      REF: 129                      OBJ: 2  
BLM: Remember
16. Human resource information systems have limited potential to impact the job analysis process.  
ANS: F                      PTS: 1                      REF: 130                      OBJ: 2  
BLM: Higher Order
17. The job title is of psychological importance as well as descriptive.  
ANS: T                      PTS: 1                      REF: 130                      OBJ: 3  
BLM: Remember
18. The standard format for job descriptions is contained in the *Dictionary of Occupational Titles*.  
ANS: F                      PTS: 1                      REF: 130                      OBJ: 4  
BLM: Higher Order
19. Relying on generic job descriptions tends to reduce role ambiguity.  
ANS: F                      PTS: 1                      REF: 130-132                      OBJ: 3  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

20. Most job descriptions include a job title, a job identification section, and a job duties section.
- ANS: T                      PTS: 1                      REF: 131                      OBJ: 3  
BLM: Key Terms
21. Job specifications usually cover two areas: (1) the skill required to perform the job and (2) the level of autonomy inherent in the position.
- ANS: F                      PTS: 1                      REF: 132                      OBJ: 3  
BLM: Remember
22. A problem with job descriptions is that they tend to broaden the scope of activities performed by a jobholder.
- ANS: F                      PTS: 1                      REF: 132                      OBJ: 3  
BLM: Higher Order
23. When writing a job description, it is essential to use statements that are terse, direct, and simply worded.
- ANS: T                      PTS: 1                      REF: 132                      OBJ: 3  
BLM: Higher Order
24. Job specifications describe the duties, tasks, and responsibilities performed on the job and therefore play a key role in performance appraisal.
- ANS: F                      PTS: 1                      REF: 132                      OBJ: 1  
BLM: Higher Order
25. Job design is concerned with changing, modifying, and enriching jobs in order to capture the talents of employees while improving performance.
- ANS: T                      PTS: 1                      REF: 133                      OBJ: 4  
BLM: Higher Order
26. Job design should facilitate the achievement of organizational goals while recognizing the capabilities and needs of those who are to perform it.
- ANS: T                      PTS: 1                      REF: 133                      OBJ: 4  
BLM: Higher Order
27. Job design considers organizational objectives, industrial engineering considerations, ergonomic concerns, and job descriptions.
- ANS: F                      PTS: 1                      REF: 133                      OBJ: 4  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

28. Job design is concerned with changing, modifying, and enriching jobs in order to capture the talents of employees while improving performance.

ANS: T                      PTS: 1                      REF: 133                      OBJ: 4  
BLM: Remember

29. Job enrichment is a way of increasing employee empowerment.

ANS: T                      PTS: 1                      REF: 134                      OBJ: 4  
BLM: Remember

30. Job enrichment can improve employee performance in cases of dissatisfaction with pay and benefits.

ANS: F                      PTS: 1                      REF: 134                      OBJ: 4  
BLM: Higher Order

31. Job enrichment incorporates the behavioural needs of employees into their jobs.

ANS: T                      PTS: 1                      REF: 134                      OBJ: 4  
BLM: Remember

32. The real advantage of job enrichment is that it applies to all employees.

ANS: F                      PTS: 1                      REF: 134                      OBJ: 4  
BLM: Higher Order

33. The job characteristics model suggests that the motivated, satisfied, and productive employee is one who (1) experiences meaningful work; (2) experiences responsibility for work outcomes; and (3) has knowledge of the results of his or her work activities.

ANS: T                      PTS: 1                      REF: 134                      OBJ: 5  
BLM: Remember

34. In the job characteristics model, skill variety refers to the amount of freedom held by the employee to schedule work and perform activities.

ANS: F                      PTS: 1                      REF: 134                      OBJ: 5  
BLM: Higher Order

35. As a manager, if you designed a job so that an employee could perform the job from beginning to end according to the job characteristics model, you would be creating task identity.

ANS: T                      PTS: 1                      REF: 134                      OBJ: 5  
BLM: Higher Order

36. Adding more meaningful tasks to an employee's job in an effort to make it more rewarding is an example of job enrichment.

ANS: T                      PTS: 1                      REF: 134                      OBJ: 4  
BLM: Remember

## Chapter 4 Job Analysis and Work Design

37. Empowerment encourages employees to become innovators and managers of their own work.

ANS: T                      PTS: 1                      REF: 135                      OBJ: 5  
BLM: Remember

38. Employee empowerment grows in an organizational culture that promotes satisfaction, support, and recognition.

ANS: T                      PTS: 1                      REF: 135                      OBJ: 5  
BLM: Remember

39. Industrial engineering is a technique of job design that is concerned with efficiency and behavioural considerations of a job.

ANS: F                      PTS: 1                      REF: 136                      OBJ: 5  
BLM: Higher Order

40. All group-based work techniques have two things in common: enhancing communication and increasing synergy.

ANS: F                      PTS: 1                      REF: 137                      OBJ: 6  
BLM: Remember

41. Employee involvement groups (EIs) are groups of highly trained individuals using consensus decision making to perform independent job tasks and solve problems.

ANS: F                      PTS: 1                      REF: 138                      OBJ: 6  
BLM: Higher Order

42. Inherent in the concept of work teams is that employees, not managers, are in the best position to contribute to work performance.

ANS: T                      PTS: 1                      REF: 138-140                      OBJ: 6  
BLM: Higher Order

43. At Eastman Kodak Company, teams are responsible for manufacturing entire product lines. This type of team is referred to as a "task force."

ANS: F                      PTS: 1                      REF: 140                      OBJ: 6  
BLM: Higher Order

44. Adjustments in work schedules are considered to be a part of job analysis and job design.

ANS: F                      PTS: 1                      REF: 141                      OBJ: 7  
BLM: Higher Order

45. Managers cite one of the reasons for implementing compressed workweek schedules as that it can improve employee job satisfaction and morale.

ANS: T                      PTS: 1                      REF: 143                      OBJ: 7  
BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

46. Employees participate in flextime when they do entirely different jobs on a rotating schedule.

ANS: F                      PTS: 1                      REF: 143                      OBJ: 7  
BLM: Higher Order

47. Job sharing is effective for employees who desire to phase in to retirement.

ANS: T                      PTS: 1                      REF: 143                      OBJ: 7  
BLM: Higher Order

48. Telecommuting is the use of personal computers, networks, and other communications technology to do work in the home that is traditionally done in the workplace.

ANS: T                      PTS: 1                      REF: 144                      OBJ: 7  
BLM: Remember

### ESSAY

1. What is the role of job analysis in HRM, and how does it relate to other HRM functions?

ANS:

Job analysis involves a systematic process of obtaining information about jobs to determine the duties, tasks, and activities involved in the job. This information is useful in a variety of HRM functions including recruitment, selection, training, development, performance appraisal, compensation, and labour relations.

Job analysis permits HR managers to identify job specifications or qualifications required by the job. This information enables recruiters to target sources that are most likely to generate qualified candidates. It also allows HR managers to design appropriate selection programs.

Information provided by job analysis may identify discrepancies between the knowledge, skills, and abilities of the jobholder and the requirements contained in the specifications for the job. This can provide clues about training and development needs.

Job analysis reveals the requirements of a job and can serve as a basis for developing criteria to be used in performance evaluation and determining the relative worth of a job. Job descriptions generated by job analysis also allow the organization to identify those jobs subject to union jurisdiction.

PTS: 1                      REF: 122-123                      OBJ: 2                      BLM: Higher Order

2. What factors should be considered in designing a job?

ANS:

Job design is concerned with structuring jobs to improve organizational efficiency and employee job satisfaction. Considerations should include (1) the organizational objectives the job was created to fulfill; (2) industrial engineering considerations, including ways to make the job technologically efficient; (3) ergonomic concerns, including workers' physical and mental capabilities; and (4) employee contributions reflected in the participation of employees in making job improvements or enhanced operational decisions.

PTS: 1                      REF: 133                      OBJ: 4                      BLM: Higher Order

## Chapter 4 Job Analysis and Work Design

3. Discuss the job characteristics that motivate employees.

ANS:

The job characteristics model proposes that three psychological states—(1) meaningfulness of work, (2) responsibility for work outcomes, and (3) knowledge of results—result in improved performance and motivation of workers. The five characteristics that produce these states are:

- Skill Variety: The degree to which a job entails a variety of activities and the use of different skills or talents by the jobholder.
- Task Identity: The degree to which the job requires the completion of a whole, identifiable piece of work.
- Task Significance: The degree to which the job has an impact on the lives or work of other people.
- Autonomy: The degree to which the job provides freedom, independence, and discretion to the jobholder in scheduling and completing the work.
- Feedback: the degree to which the jobholder is given clear information about the effectiveness of his or her performance.

PTS: 1

REF: 134-135

OBJ: 5

BLM: Higher Order

4. What are the advantages and disadvantages of flextime or flexible working hours?

ANS:

Advantages of flextime or flexible working hours include:

- Employers reduce some of the traditional causes of tardiness and absenteeism.
- Employees gain greater job satisfaction through the ability to adjust their work to accommodate their lifestyle.
- Employees can schedule their working hours for the time of day they are most productive.
- Traffic congestion may be reduced by variations in arrival and departure times.
- Flexible schedules can be helpful in recruiting and retaining personnel.
- They are invaluable to organizations that wish to improve service to customers or clients by extending operating hours.

Disadvantages of flextime or flexible working hours include:

- Flexible schedules are not suited to some jobs, such as those where specific workstations must be staffed at all times.
- They can create problems for managers in communicating with and instructing employees.
- They can force managers to extend their workweek to work directly with employees.

PTS: 1

REF: 142-143

OBJ: 7

BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

### MULTIPLE CHOICE

1. What is the primary purpose of the organizational practice of promoting from within?
  - a. to reward employees for past performance
  - b. to protect the organization from internal discrimination suits
  - c. to reduce long-term compensation budgets
  - d. to alleviate some of the need for HR planning

ANS: A                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

2. What is the most likely outcome of recruiting from within?
  - a. It would increase recruiting costs.
  - b. It would reduce employee motivation.
  - c. It would inhibit creativity.
  - d. It would increase an organization's technology.

ANS: C                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

3. What is the most likely outcome of hiring someone from outside the organization?
  - a. It would lead to revitalization of the organization.
  - b. It would increase morale among executives.
  - c. It would lead to an increase in information about a rival's competitive advantage.
  - d. It would limit your labour market.

ANS: A                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

4. Which of the following occurs in a tight labour market?
  - a. unemployment is high
  - b. the numbers of job applicants and job openings are about equal
  - c. compensation rates decline
  - d. the demand for labour exceeds the labour supply

ANS: D                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

5. Which of the following is a factor in determining the choice of outside sources from which to recruit applicants?
  - a. legal requirements
  - b. the cost-per-hire of the firm's job posting system
  - c. the job identification
  - d. the firm's success in achieving its employment diversity program

ANS: D                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

6. What is an important advantage of external recruitment, especially for higher level jobs?
- It helps to promote inbreeding.
  - It helps the organization maintain a rich organizational culture.
  - It helps the organization gain access to knowledge from previous employers.
  - It helps to lower initial pay, thus saving on compensation costs.

ANS: C                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

7. What is the term for a tool used to examine current performance data and future potential within an organization?
- a managerial matrix
  - a potential assessment centre
  - a 9-box grid
  - a performance analysis

ANS: C                      PTS: 1                      REF: 158                      OBJ: 2  
BLM: Higher Order

8. What does the value of a computerized record system (SAP and PeopleSoft) for locating qualified internal job candidates largely depend on?
- the experience of the employees
  - the extent to which data in the system is kept up-to-date
  - the extent to which the system is “user-friendly”
  - the availability of the system to line personnel

ANS: B                      PTS: 1                      REF: 159                      OBJ: 2  
BLM: Higher Order

9. Organization W has had an opening in a key managerial role for three weeks, which is viewed as a long time. In situations like this in the past, Organization W has had to resort to hiring external to the organization, which is less preferable to the company, in order to fill the position in question. What is Organization W likely suffering from?
- poor HR planning
  - a weak training and development program in the organization
  - a weak talent bench
  - a lack of value for promotions in the organization

ANS: C                      PTS: 1                      REF: 159                      OBJ: 3  
BLM: Higher Order

10. For each vacant position, how many résumés do HR staff and managers typically review?
- 20 to 100
  - 15 to 50
  - 10 to 20
  - 1 to 8

ANS: A                      PTS: 1                      REF: 160                      OBJ: 3  
BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

11. What is correlated with the recruitment success of the organization?
- formal vs. informal recruitment sources
  - the accuracy and completeness of advertisements
  - employment equity programs
  - unsolicited applications and résumés

ANS: B                      PTS: 1                      REF: 160                      OBJ: 3  
BLM: Remember

12. Learning in Development (LID) is a high-tech firm that specializes in applications for hand-held devices. It is looking for a cheap, fast, and effective way of recruiting new candidates. Which strategy would best suit LID?
- Internet recruiting
  - executive search firms
  - labour unions
  - walk-in job applicants

ANS: A                      PTS: 1                      REF: 161                      OBJ: 3  
BLM: Higher Order

13. Which of the following is true with respect to the use of the Internet for recruiting?
- it is popular with job seekers, but not recruiters
  - it is popular with recruiters, but not job seekers
  - it is cheaper and easier, but less effective than other methods
  - it is the most commonly used search tactic by job seekers

ANS: D                      PTS: 1                      REF: 161                      OBJ: 3  
BLM: Higher Order

14. According to a recent survey, which of the following recruitment sources was identified as the most effective?
- executive search firms
  - help-wanted advertisements
  - employee referrals
  - private employment agencies

ANS: C                      PTS: 1                      REF: 162                      OBJ: 3  
BLM: Remember

15. Which external recruiting source normally provides applicants who stay with the organization the longest?
- educational institutions
  - newspaper ads
  - employee referrals
  - job postings

ANS: C                      PTS: 1                      REF: 162                      OBJ: 3  
BLM: Remember

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

16. Which recruitment method is most likely to result in discrimination against members of protected groups?
- Internet recruiting
  - employee referrals
  - unsolicited applications and résumés
  - executive search firms

ANS: B                      PTS: 1                      REF: 162                      OBJ: 3  
BLM: Higher Order

17. According to a recent study, which factor is most important to executives in determining what company to work for?
- job security
  - prestige of title
  - a talented workforce to work with
  - values and culture

ANS: D                      PTS: 1                      REF: 162                      OBJ: 3  
BLM: Higher Order

18. Which of the following is the most important disadvantage of using employee referrals for recruitment?
- It makes human resource planning near impossible due to the unpredictable nature of the talent pool.
  - Training recruiters to recognize potential in candidates in this way is difficult and costly.
  - Discrimination may result because people tend to refer others from similar backgrounds.
  - It is likely that individuals will refer weak candidates in order to lessen internal competition for promotions.

ANS: C                      PTS: 1                      REF: 162                      OBJ: 3  
BLM: Higher Order

19. What is key to the success of any employee referral program?
- paying employees well for good referrals
  - increasing the visibility of the program
  - widening the scope of the program
  - measuring results

ANS: D                      PTS: 1                      REF: 163                      OBJ: 3  
BLM: Higher Order

20. If an executive search firm found a successful candidate for the role of a senior executive where the annual salary is \$200,000 per year, what would be the most likely fee charged by the search firm?
- \$80,000
  - \$35,000
  - \$120,000
  - \$100,000

ANS: A                      PTS: 1                      REF: 164                      OBJ: 3  
BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

21. If you are to offer advice to an employer for an effective newspaper advertisement, which is NOT something that you should advise?
- try to be too creative
  - overlook community newspapers or classified publications that target a specific market segment
  - encourage impulse applicants with weekend telephone numbers
  - highlight the major assets of the position

ANS: B                      PTS: 1                      REF: 164                      OBJ: 3  
BLM: Higher Order

22. What is the most important drawback of using educational institutions for recruitment?
- that HR still has to perform a host of selection tests
  - that the candidates usually have no full-time job experience
  - that the type of recruitment is limited to sales and retail
  - that basing recruitment of candidates on grade transcripts is not a valid selection tool

ANS: B                      PTS: 1                      REF: 164                      OBJ: 3  
BLM: Higher Order

23. How is it possible to find out which sources produce qualified applicants?
- by calculating and comparing yield ratios for each recruitment source
  - by using Markov analysis
  - by training recruiters more effectively
  - by advertising only in specialized media

ANS: A                      PTS: 1                      REF: 164                      OBJ: 4  
BLM: Remember

24. Which organizations help employers find the right person for the job instead of helping jobseekers find the right job?
- public employment agencies
  - labour unions
  - private employment agencies
  - executive search firms

ANS: D                      PTS: 1                      REF: 164                      OBJ: 3  
BLM: Remember

25. Which of the following best describes private employment agencies?
- They are managed and directed by Human Resources and Skills Development Canada.
  - They do not charge job seekers a fee.
  - They commonly specialize in providing services for a specific occupational area.
  - They commonly provide services only to college graduates.

ANS: C                      PTS: 1                      REF: 166                      OBJ: 3  
BLM: Remember

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

26. Public employment agencies may help employers by providing all of the following services EXCEPT which one?
- employment testing
  - human resource planning
  - job analysis
  - community wage surveys

ANS: B                      PTS: 1                      REF: 166                      OBJ: 3  
BLM: Higher Order

27. Which approach to recruitment informs applicants about all aspects of the job, including both desirable and undesirable facets?
- honesty recruiting
  - the realistic job preview
  - balance recruiting
  - negative/positive job assessment

ANS: B                      PTS: 1                      REF: 167                      OBJ: 4  
BLM: Remember

28. Which organizational situation is most likely to benefit from using realistic job previews?
- in the financial industry where there are few jobs but the training is arduous and jobs are not very lucrative despite the promise of wealth in the long run
  - in creative organizations, such as symphony orchestras, where the work is not well paid and the training is intense
  - in a high-tech organization where despite being in a very competitive industry engineers are allowed to explore their creative side and are motivated financially to suggest innovative products
  - in a meat-processing plant where the work is very messy, the smell is strong and unpleasant, and a lot of expensive training is needed to do the job well

ANS: D                      PTS: 1                      REF: 167                      OBJ: 4  
BLM: Higher Order

29. If 50 applicants came from a recruiting source, and 14 were invited for interviews, what would the yield ratio for that source be?
- 14 percent
  - 24 percent
  - 28 percent
  - 7 percent

ANS: C                      PTS: 1                      REF: 169                      OBJ: 4  
BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

30. In order to identify qualified candidates for the job of “tennis teaching professional,” Canmay Tennis Clubs have job candidates face a series of situations while they are observed, such as dealing with a series of emails from an unhappy club client in a difficult situation, role-playing a lesson, and a behavioural interview. Which method of identifying qualified candidates is Canmay using?
- in-basket exercises
  - interviewing
  - a work sample
  - an assessment centre

ANS: D                      PTS: 1                      REF: 170                      OBJ: 5  
BLM: Higher Order

31. In which of the following processes are individuals evaluated as they participate in a series of situations that resemble what they will likely experience on the job?
- performance appraisal
  - assessment centre
  - management talent inventory
  - job postings and biddings

ANS: B                      PTS: 1                      REF: 170                      OBJ: 5  
BLM: Remember

32. What is the first step in HR’s role in career management?
- identify career opportunities and requirements
  - match individual and organizational needs
  - gauge employee potential
  - institute career development initiatives

ANS: B                      PTS: 1                      REF: 171                      OBJ: 5  
BLM: Remember

33. In identifying career opportunities and requirements within an organization, what is the vital first step?
- preparing a competency or job analysis
  - preparing performance appraisals of existing staff in those positions
  - ensuring the job progressions within the organization are clear
  - identifying career paths

ANS: A                      PTS: 1                      REF: 172                      OBJ: 5  
BLM: Higher Order

34. What is the term for the lines of advancement for an individual within an organization?
- career paths
  - job progressions
  - career lines
  - job paths

ANS: A                      PTS: 1                      REF: 173                      OBJ: 5  
BLM: Remember

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

35. Which of the following best describes outplacement services?
- They are useful methods of attracting individuals into a career.
  - They are designed to help terminated employees find a job elsewhere.
  - They are rarely given to executive employees.
  - They are vital parts of any career management system.
- ANS: B                      PTS: 1                      REF: 175                      OBJ: 5  
BLM: Remember
36. What does employability refer to?
- the skills and support needed to find a job
  - access to outplacement services
  - individual achievements gained through completing assessment centre activities
  - organizational benefit from developing a training program
- ANS: A                      PTS: 1                      REF: 175                      OBJ: 5  
BLM: Higher Order
37. Which of the following best captures the “Peter Principle”?
- Through natural selection, incompetent employees tend to turn over.
  - When promoting based on past performance and seniority, employees will be promoted regularly until they are promoted to a position where they cannot perform well.
  - Incompetence breeds incompetence.
  - Managers who are incompetent tend to produce situations where there are more grievances, more voluntary turnover, more absenteeism, and more harassment.
- ANS: B                      PTS: 1                      REF: 175                      OBJ: 5  
BLM: Remember
38. Sandeep has been fired from his managerial position. His organization provides services to help him become employable and find a suitable position elsewhere. What are these services called?
- coaching
  - mentoring
  - relocation
  - outplacement
- ANS: D                      PTS: 1                      REF: 175                      OBJ: 5  
BLM: Higher Order
39. Which of the following is the best example of a person with a boundaryless career?
- When Deborah become pregnant with her third child, she decided that working less would be best for her family. She now shares her job with another person who also works part-time.
  - Yusef quit his job of 10 years to open his own business and work from home. He has the freedom of being his own boss and being flexible with his schedule.
  - Bill works in a creative role within an organization with a flat structure. In such an organization there are opportunities to contribute at all levels.
  - Sally has worked for three different organizations in five years. Each time she moves to a new organization, and usually a higher position, she takes with her the skills and abilities she learned in her previous role.
- ANS: D                      PTS: 1                      REF: 176                      OBJ: 5  
BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

40. Sukhi is an excellent engineer and has been promoted three times within her current organization—she is now at the top level of engineering. She loves being an engineer, but the organization has now offered her a very lucrative position as a manager. If she wants to continue to be promoted, the only way is to move into management, since there are no higher engineering jobs for her. Which of the following programs would benefit Sukhi?
- a boundaryless career
  - competency analysis
  - dual career tracking
  - a structural career plateau

ANS: C                      PTS: 1                      REF: 176                      OBJ: 5  
BLM: Higher Order

41. Which of the following refers to those artificial barriers based on attitudinal or organizational bias that prevent qualified individuals from advancing upward in their organizations into management positions?
- labour barriers
  - the glass ceiling
  - barriers to entry
  - trade barriers

ANS: B                      PTS: 1                      REF: 177                      OBJ: 5  
BLM: Remember

42. Which of the following is the **LEAST** significant factor in career counselling?
- the employee's current job activities and performance
  - the employee's past career decisions
  - the employee's personal and career interests and goals
  - the employee's personal skills

ANS: B                      PTS: 1                      REF: 178                      OBJ: 5  
BLM: Remember

43. Luba is developing a mentoring program for her organization. She has put a great deal of effort into making sure that all protégés are matched demographically with their mentor (gender, race, etc.), educating participants about facts such as the reciprocal nature of the relationship, and that the relationship can be used for personal and professional development. In her plans, which myth about mentors has Luba fallen victim to?
- A mentor has to be the same gender and race as the protégé.
  - Mentoring should focus on the professional and not the personal.
  - Although mentoring can be reciprocal, that is just a by-product. The focus should be on the protégé.
  - Highly profiled people make the best mentors.

ANS: A                      PTS: 1                      REF: 180                      OBJ: 5  
BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

44. Which of the following is NOT a factor included in a self-evaluation for successful career development?
- your interests
  - organizational opportunities for advancement
  - academic aptitude
  - academic achievement

ANS: B                      PTS: 1                      REF: 190                      OBJ: 1  
BLM: Higher Order

### Scenario 5.1

Beloitte Industries Inc. (BI Inc.) has been one of Canada's leading financial advisory firms for over 50 years. Staffed by roughly 4,000 employees in most major cities across the country, BI Inc. prides itself on hiring recent graduates from renowned business schools and offering them competitive salaries, excellent benefits and perks, and limitless training and development opportunities. Employees also have the opportunity to work from home a couple days a week. Over the years, the company realized that while it has no problems recruiting top candidates to the firm, it is having a harder time retaining them. Exit surveys reveal that while employees appreciate all the perks, benefits, and top salaries that attracted them to the organization, they are not able to enjoy them due to six-day workweeks and 14-hour days, leaving very little time for friends and family. They did not know of these work situations when they were hired.

45. Refer to Scenario 5.1. BI Inc.'s problems stem from which of the following?
- not providing all the realities of the job when hiring
  - lack of flexibility for employees
  - too many unexpected surprises
  - providing unrealistic rewards

ANS: A                      PTS: 1                      REF: 167                      OBJ: 4  
BLM: Higher Order

46. Refer to Scenario 5.1. Which of the following is helpful in achieving retention at BI Inc.?
- highlighting only the positive aspects of the job when hiring
  - not providing a tour of the working facility during the recruitment process
  - providing a recruitment package that covers desirable and undesirable attributes
  - discussion of how to compensate for any negative consideration

ANS: C                      PTS: 1                      REF: 167                      OBJ: 4  
BLM: Higher Order

47. Refer to Scenario 5.1. Adopting a realistic job preview at BI Inc. can lead to which of the following?
- turnover of employees who are more driven by the money
  - better job satisfaction and lower turnover
  - inaccurately reflecting the culture for which the candidate is signing up
  - negative effect on the socialization process

ANS: B                      PTS: 1                      REF: 167                      OBJ: 4  
BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

### Scenario 5.2

Star Bright Consulting, a Canadian private employment agency specializing in IT staffing, has been successfully providing qualified IT employees to various firms in the Greater Toronto Area. Recently, the agency has been experiencing problems with its selection process. Primarily, the agency's clients are not happy with the length of time it takes to fill positions that become available. Even though Star Bright has been successful over the years, it is not fully leveraging technology to aid in its recruitment and selection efforts.

48. Refer to Scenario 5.2. Which of the following can be used to speed up the recruitment process while providing valuable information such as time and costs related to hiring?

- a. quality of fill statistics
- b. online software application
- c. leveraging technology
- d. applicant tracking system

ANS: D                      PTS: 1                      REF: 170                      OBJ: 4  
BLM: Higher Order

49. Refer to Scenario 5.2. Which of the following is not useful in assisting Star Bright with efforts to improve its recruitment and selection process?

- a. yield ratio
- b. time to fill a position
- c. hiring metrics
- d. cost per hire

ANS: C                      PTS: 1                      REF: 168                      OBJ: 4  
BLM: Higher Order

50. Refer to Scenario 5.2. Star Bright can use which of the following tools to promote the IT careers it offers?

- a. blogs and articles in industry publications
- b. chat lines in cyberspace
- c. an intranet where positions can be quickly viewed and applied for
- d. links to current employees' Facebook profiles

ANS: A                      PTS: 1                      REF: 156                      OBJ: 1  
BLM: Higher Order

### TRUE/FALSE

1. Recruiting is the process of attempting to locate and encourage potential applicants to apply for existing or anticipated job openings.

ANS: T                      PTS: 1                      REF: 153                      OBJ: 1  
BLM: Remember

2. The effectiveness and attractiveness of recruiters is often a main reason why applicants select one organization over another.

ANS: T                      PTS: 1                      REF: 154                      OBJ: 1  
BLM: Remember

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

3. In addition to the positive morale benefits, recruiting from within the organization also attempts to capitalize on HR and human capital investments.

ANS: T                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

4. Excessive reliance upon internal sources can create the risk of employee cloning.

ANS: T                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

5. In many cases, hiring someone from outside is seen as essential for revitalizing the organization.

ANS: T                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

6. The best source for recruitment will vary depending on the industry.

ANS: T                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

7. When unemployment levels are low, employers may need to use more sources of recruitment.

ANS: T                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Higher Order

8. Organizations tend to integrate their promotion-from-within policy and their employment equity programs.

ANS: T                      PTS: 1                      REF: 155                      OBJ: 1  
BLM: Remember

9. Job posting and bidding can be done via electronic bulletin boards or on regular bulletin boards, employee publications, special handouts, direct mail, and public address messages.

ANS: T                      PTS: 1                      REF: 156                      OBJ: 1  
BLM: Remember

10. Recruiters usually have minimal influence on an applicant's decision to work for one organization or another.

ANS: F                      PTS: 1                      REF: 156                      OBJ: 1  
BLM: Higher Order

11. A recruiter's job is to "sell" applicants on the organization, but they have no influence on their decision.

ANS: F                      PTS: 1                      REF: 156                      OBJ: 1  
BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

12. At least one research study has found that managers often hire external candidates rather than promote their current employees because they have a tendency to overvalue unfamiliar candidates and undervalue known ones.

ANS: T                      PTS: 1                      REF: 159                      OBJ: 2  
BLM: Remember

13. Human resources information systems can be used to predict the career paths of employees.

ANS: T                      PTS: 1                      REF: 159                      OBJ: 3  
BLM: Remember

14. The most common method used by job searchers is responding to printed advertisements.

ANS: F                      PTS: 1                      REF: 159                      OBJ: 2  
BLM: Higher Order

15. Skill inventories are an important tool for succession planning.

ANS: T                      PTS: 1                      REF: 159                      OBJ: 2  
BLM: Remember

16. Placement is the process of attempting to locate and encourage potential applicants to apply for existing or anticipated job openings.

ANS: F                      PTS: 1                      REF: 159                      OBJ: 2  
BLM: Remember

17. Advertisements can allow selectivity in attracting applicants.

ANS: T                      PTS: 1                      REF: 160                      OBJ: 2  
BLM: Remember

18. There is a correlation between the accuracy and completeness of an advertisement and recruitment success.

ANS: T                      PTS: 1                      REF: 160                      OBJ: 3  
BLM: Remember

19. Often, applicants will respond to an advertisement even if they don't meet the job requirements.

ANS: T                      PTS: 1                      REF: 160                      OBJ: 3  
BLM: Remember

20. The most commonly used search tactic for job seekers is Internet recruiting.

ANS: T                      PTS: 1                      REF: 161                      OBJ: 3  
BLM: Remember

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

21. Applicants who find employment through an employee referral tend to be a problem because they tend to quit more often.
- ANS: F                      PTS: 1                      REF: 162                      OBJ: 3  
BLM: Remember
22. Nepotism is a problem with executive search firms.
- ANS: F                      PTS: 1                      REF: 163                      OBJ: 3  
BLM: Higher Order
23. Educational institutions are typically a source of young applicants with formal training but relatively little full-time work experience.
- ANS: T                      PTS: 1                      REF: 164                      OBJ: 3  
BLM: Remember
24. Recruiters sent to university and college campuses must be properly trained and prepared to talk to candidates about their company and job requirements of specific openings.
- ANS: T                      PTS: 1                      REF: 164                      OBJ: 3  
BLM: Remember
25. For technical and managerial positions, community colleges are generally the primary source of recruitment.
- ANS: F                      PTS: 1                      REF: 164                      OBJ: 3  
BLM: Remember
26. Public employment agencies work closely with private employment agencies.
- ANS: F                      PTS: 1                      REF: 166                      OBJ: 3  
BLM: Higher Order
27. Private employment agencies often specialize in particular occupations or professions.
- ANS: T                      PTS: 1                      REF: 166                      OBJ: 3  
BLM: Higher Order
28. Labour unions can be a recruiting source for some professional job openings.
- ANS: T                      PTS: 1                      REF: 166                      OBJ: 3  
BLM: Remember
29. The realistic job preview informs applicants about all aspects of the job, including both its desirable and its undesirable facets.
- ANS: T                      PTS: 1                      REF: 167                      OBJ: 4  
BLM: Remember

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

30. Realistic job previews reduce turnover, but also reduce job acceptance rates.
- ANS: T                      PTS: 1                      REF: 167                      OBJ: 4  
BLM: Remember
31. Yield ratios can help indicate which recruitment sources are most effective at producing qualified job candidates.
- ANS: T                      PTS: 1                      REF: 169                      OBJ: 4  
BLM: Remember
32. Yield ratios should be calculated for each recruiting source.
- ANS: T                      PTS: 1                      REF: 169                      OBJ: 4  
BLM: Higher Order
33. An assessment centre is a place where people are evaluated.
- ANS: F                      PTS: 1                      REF: 170                      OBJ: 5  
BLM: Higher Order
34. It is the responsibility of the organization to supply information about its mission, policies, and plans for providing support for employee self-assessment, training, and development.
- ANS: T                      PTS: 1                      REF: 170                      OBJ: 5  
BLM: Remember
35. Career management involves a good deal of analysis and planning.
- ANS: T                      PTS: 1                      REF: 170                      OBJ: 5  
BLM: Remember
36. It is the responsibility of the employee to identify his or her own knowledge, skills, abilities, interests, and values and to seek out information about career options in order to set goals and develop career plans.
- ANS: T                      PTS: 1                      REF: 171                      OBJ: 5  
BLM: Higher Order
37. If career development is to succeed, it must receive the complete support of top management.
- ANS: T                      PTS: 1                      REF: 171                      OBJ: 5  
BLM: Higher Order
38. A common approach to establishing a career development program is to integrate it with the existing HR functions and structures in the organization.
- ANS: T                      PTS: 1                      REF: 172                      OBJ: 5  
BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

39. Some career development paths provide new assignments that increase skill areas and assignments in different functional areas.
- ANS: T                      PTS: 1                      REF: 173                      OBJ: 5  
BLM: Higher Order
40. The lines of advancement for an individual within an organization are known as job paths.
- ANS: F                      PTS: 1                      REF: 173                      OBJ: 5  
BLM: Remember
41. Employability refers to the skills and support needed to find a job.
- ANS: T                      PTS: 1                      REF: 173                      OBJ: 5  
BLM: Remember
42. Transfers usually provide the same motivational value as promotions.
- ANS: F                      PTS: 1                      REF: 175                      OBJ: 5  
BLM: Higher Order
43. Outplacement services help terminated employees find a job elsewhere.
- ANS: T                      PTS: 1                      REF: 175                      OBJ: 5  
BLM: Remember
44. The placement of an employee in another job at a higher level in the organization with an increase in pay and status is known as a job rotation.
- ANS: F                      PTS: 1                      REF: 175                      OBJ: 5  
BLM: Higher Order
45. A dual career path is for couples who are both working professionals in the same field.
- ANS: F                      PTS: 1                      REF: 176                      OBJ: 5  
BLM: Remember
46. Career planning workbooks are popular means of helping employees identify their potential.
- ANS: T                      PTS: 1                      REF: 177                      OBJ: 5  
BLM: Higher Order
47. Fast-track programs were initiated in some organizations as a way to retain young managers with high potential.
- ANS: T                      PTS: 1                      REF: 178                      OBJ: 5  
BLM: Remember

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

48. Mentoring functions can be divided into two broad categories: (1) technical development and (2) career planning.

ANS: F                      PTS: 1                      REF: 179                      OBJ: 5  
BLM: Remember

49. Mentoring is one important indicator of management support in career development.

ANS: T                      PTS: 1                      REF: 179                      OBJ: 5  
BLM: Remember

50. Mentoring programs develop over time and on an informal basis.

ANS: T                      PTS: 1                      REF: 179                      OBJ: 5  
BLM: Higher Order

### ESSAY

1. What are the advantages and disadvantages of internal recruitment?

ANS:

The use of internal source applicants provides motivation and enhances the morale of the current workforce by linking performance to rewards. Also, internal applicants are well known to management and require less training than external applicants. Disadvantages or limitations of internal recruitment include the inability to be able to fill certain jobs (e.g., jobs that require specialized training or experience). Internal recruitment may also perpetuate inbreeding of ideas and attitudes. Excessive reliance on internal sources can create the risk of “employee cloning” and may limit the organization from gaining knowledge. External source applicants often bring new and innovative ideas to the workplace. They are less likely to think in the same old ways as current employees. Also, external candidates can be used to provide knowledge, skills, and abilities that are lacking in the current workforce.

PTS: 1                      REF: 155                      OBJ: 1                      BLM: Remember

2. What can managers do to improve the effectiveness of external recruitment?

ANS:

There are several things that managers can do to maximize the probability of successful external recruiting. First, managers may calculate yield ratios to help indicate which recruitment sources are most effective at producing qualified job candidates. Second, the cost of various recruiting procedures can be computed using a fairly simple set of calculations. Third, managers can take steps to ensure that their recruiters have a good understanding of the knowledge, skills, abilities, experiences, and other characteristics required for the job. In addition, it is important to remember that recruiters have an influence on an applicant’s job decision. Because recruiters can often enhance the perceived attractiveness of a job and an organization, they are often a main reason why applicants select one organization over another. Another way organizations may be able to increase the effectiveness of their recruitment efforts is to provide job applicants with a realistic job preview. A realistic job preview informs applicants about all aspects of the job, including both its desirable and undesirable facets.

PTS: 1                      REF: 155|159-167                      OBJ: 1|3                      BLM: Higher Order

## Chapter 5 Branding the Talent Pool: Recruitment and Careers

3. Describe the five stages of career development, particularly stages one and two, and briefly describe what stages three through five have in common.

ANS:

The first stage, preparation for work, encompasses the period prior to entering an organization, often extending until age 25. It is a period in which individuals must acquire the knowledge, skills, and abilities they will need to compete in the marketplace. Careful planning based on sound information should be the focus.

The second stage, organizational entry, typically from age 18 to 25, is devoted to soliciting job offers and selecting an appropriate job. During this period, one may also be involved in preparing for work.

The next three stages—early career, midcareer, and late career—entail fitting into a chosen occupation and organization, modifying goals, making choices, remaining productive, and finally, preparing for retirement.

PTS: 1

REF: 173-174

OBJ: 5

BLM: Higher Order

## Chapter 6 Employee Selection

### MULTIPLE CHOICE

1. When an organization does not hire a person who is described as low in predicted success and low in job performance, what is the term for that situation?
- the goal of selection
  - a miss
  - a hit
  - a successful selection system

ANS: C                      PTS: 1                      REF: 198                      OBJ: 1  
BLM: Remember

2. Which term refers to the use of selection tests to measure applicant KSAOs against competencies for the job?
- employment equity compliance
  - person–job fit
  - person–organization fit
  - indirect expense

ANS: B                      PTS: 1                      REF: 198                      OBJ: 1  
BLM: Remember

3. Which of the following most accurately represents the typical steps in the selection process?
- candidates participate in employment testing before being interviewed
  - supervisors interview candidates followed by individual interviews with the HR department
  - candidates are interviewed in the initial stages and again the late stages of the process
  - background investigations are carried out near the beginning of the process

ANS: C                      PTS: 1                      REF: 199                      OBJ: 1  
BLM: Remember

4. Organization B is using an interview format that requires a panel of three interviewers. The company has found that about half of the time, the interviewers disagree in their ratings such that some members of the panel give the candidate a high rating, while others give the same candidate a low rating. What is the best way to describe the interview format that Organization B is using?
- it is not content valid
  - it is lacking predictive validity
  - it is not valid
  - it is not reliable

ANS: D                      PTS: 1                      REF: 199                      OBJ: 2  
BLM: Higher Order

5. When would an applicant be rejected during the selection process?
- after the preliminary interview
  - after completing the application blank
  - after selection test results are received
  - at any step in the procedure

ANS: D                      PTS: 1                      REF: 199                      OBJ: 1  
BLM: Higher Order

## Chapter 6 Employee Selection

6. Which term refers to the degree to which selection procedures yield comparable data over a period of time?
- a. consistency
  - b. reliability
  - c. validity
  - d. conformity

ANS: B                      PTS: 1                      REF: 199                      OBJ: 2  
BLM: Remember

7. Which term refers to the degree to which inferences drawn from interviews, test scores, and other selection procedures are supported by evidence (such as good job performance)?
- a. evidential
  - b. accuracy
  - c. reliability
  - d. validity

ANS: D                      PTS: 1                      REF: 199                      OBJ: 2  
BLM: Remember

8. Which of the following represents an essential factor in the selection procedure, regardless of the selection methods used?
- a. lengthy and thorough
  - b. quick and efficient
  - c. reliable and valid
  - d. a positive experience for applicants

ANS: C                      PTS: 1                      REF: 199-200                      OBJ: 2  
BLM: Higher Order

9. Which of the following is appropriate to ask on an application form?
- a. whether the applicant has prior arrests
  - b. whether the applicant is eligible to be bonded
  - c. whether the applicant has ever been in jail
  - d. whether the applicant has ever been caught stealing

ANS: B                      PTS: 1                      REF: 203                      OBJ: 2  
BLM: Higher Order

10. Which of the following is **NOT** a reason why interviews are popular as a selection method?
- a. Interviews are the most valid method of selection.
  - b. Interviews are practical for dealing with a small number of applicants.
  - c. Interviews function as a public relations tool.
  - d. Interviewers have faith in their ability to make selection judgments.

ANS: A                      PTS: 1                      REF: 203                      OBJ: 3  
BLM: Remember

## Chapter 6 Employee Selection

11. Organization Beta is hiring 20 new staff for front-line positions. The interview the company is using involves giving the applicant hypothetical incidents and asking how he or she would respond. What is this type of interview called?
- a behavioural description interview
  - a panel interview
  - a situational interview
  - a structured interview

ANS: C                      PTS: 1                      REF: 204                      OBJ: 3  
BLM: Higher Order

12. Which type of interview provides the greatest consistency or standardization with respect to the questions asked?
- a nondirective interview
  - a situational interview
  - a structured interview
  - an unstructured interview

ANS: C                      PTS: 1                      REF: 204                      OBJ: 3  
BLM: Remember

13. Which type of interview allows the applicant the maximum amount of freedom in determining the course of discussion?
- a nondirective interview
  - a depth interview
  - a situational interview
  - a structured interview

ANS: A                      PTS: 1                      REF: 204                      OBJ: 3  
BLM: Higher Order

14. Questions contained in structured job interviews should be based on which of the following?
- job analysis
  - job design
  - job specialization
  - job utilization

ANS: A                      PTS: 1                      REF: 204                      OBJ: 3  
BLM: Higher Order

15. Which of the following refers to an interview in which an applicant is given a hypothetical incident and is asked how he or she would respond to it?
- a computer interview
  - a panel interview
  - a situational interview
  - a nondirective interview

ANS: C                      PTS: 1                      REF: 204                      OBJ: 3  
BLM: Remember

## Chapter 6 Employee Selection

16. "Tell me about the last time you disciplined an employee" is an example of which of the following?
- a behavioural description interview question
  - a panel interview question
  - a computer interview question
  - a closed response interview question

ANS: A                      PTS: 1                      REF: 205                      OBJ: 3  
BLM: Higher Order

17. Organization Omega is hiring 20 new front-line employees. The company is using an interview that involves three people taking turns asking questions and then pooling their scores of the responses. What is this type of interview called?
- a behavioural description interview
  - a panel interview
  - a situational interview
  - a structured interview

ANS: B                      PTS: 1                      REF: 206                      OBJ: 3  
BLM: Higher Order

18. Which of the following best describes the use of reference checks?
- They are no longer used because organizations won't share information about previous employees for fear of litigation.
  - Their usefulness is limited because most managers will not share performance data.
  - Some organizations have detailed forms for previous employers to fill out in order to get the best information.
  - New human rights laws prohibit their use.

ANS: C                      PTS: 1                      REF: 212                      OBJ: 3  
BLM: Higher Order

19. Which of the following best describes credit reports?
- Organizations must advise and receive written consent from the applicant when they request a credit report.
  - Organizations can request a report on any employee at any time without consent.
  - Organizations do not have to inform applicants if adverse decisions are made based on information in the report.
  - Organizations cannot make adverse decisions based on information in such a report.

ANS: A                      PTS: 1                      REF: 214                      OBJ: 3  
BLM: Remember

20. Which of the following types of test is increasingly being aided by computer simulations?
- personality tests
  - physical ability tests
  - cognitive ability tests
  - work sample tests

ANS: D                      PTS: 1                      REF: 215                      OBJ: 4  
BLM: Remember

## Chapter 6 Employee Selection

21. Asking a candidate for an auto mechanic position to disassemble and reassemble a carburetor is an example of which of the following?
- a. a work sample test
  - b. a job knowledge test
  - c. a physical ability test
  - d. an interest inventory

ANS: A                      PTS: 1                      REF: 215                      OBJ: 4  
BLM: Higher Order

22. Which of the following measures mental capabilities such as general intelligence, verbal fluency, numerical ability, or reasoning ability?
- a. a personality and interest inventory
  - b. a physical ability test
  - c. a cognitive ability test
  - d. a job sample

ANS: C                      PTS: 1                      REF: 216                      OBJ: 4  
BLM: Higher Order

23. Which of the following types of test is the Scholastic Aptitude Test (SAT)?
- a. a cognitive ability test
  - b. a personality test
  - c. a physical ability test
  - d. an interest inventory

ANS: A                      PTS: 1                      REF: 216                      OBJ: 4  
BLM: Remember

24. Why are biographical information blanks difficult for applicants to fake?
- a. they require detailed answers
  - b. they rarely have obviously right or wrong answers
  - c. they are administered by extremely knowledgeable interviewers
  - d. they require applicants to respond quickly

ANS: B                      PTS: 1                      REF: 217                      OBJ: 4  
BLM: Higher Order

25. Which of the following best captures the current state of thinking on the use of biographical information blanks?
- a. Personal questions are viewed as inappropriate in a selection setting.
  - b. It is very time consuming to score them, but they are considered valid in particular industries, such as health care.
  - c. They are not considered valid.
  - d. They are a very valid method of predicting job success.

ANS: D                      PTS: 1                      REF: 217                      OBJ: 4  
BLM: Higher Order

## Chapter 6 Employee Selection

26. Which of the following types of test measures dispositional characteristics such as extroversion, inquisitiveness, and dependability?
- a. personality tests
  - b. cognitive ability tests
  - c. physical ability tests
  - d. supervisory and managerial ability tests

ANS: A                      PTS: 1                      REF: 217                      OBJ: 4  
BLM: Remember

27. Which of the following best describes personality tests?
- a. They easily demonstrate job-relatedness.
  - b. They can inadvertently discriminate against individuals who would otherwise perform effectively.
  - c. They measure intelligence.
  - d. They measure an applicant's preference for certain activities over others.

ANS: B                      PTS: 1                      REF: 217                      OBJ: 4  
BLM: Remember

28. Why would an organization use an integrity test?
- a. because even though such tests are not correlated with reduced disruptive behaviours, they have been correlated with reduced turnover
  - b. because such tests are designed to identify thieves
  - c. because these tests not only reduce theft, but also have been shown to have a relationship with performance on the job
  - d. because in using an integrity test, you can avoid the use of most other selection tests, since it has been shown that these are good stand-alone predictors

ANS: C                      PTS: 1                      REF: 218                      OBJ: 4  
BLM: Higher Order

29. What is currently the most effective way to assess a person's honesty during the selection process?
- a. polygraph testing
  - b. graphology testing
  - c. background tests
  - d. integrity testing

ANS: D                      PTS: 1                      REF: 218                      OBJ: 4  
BLM: Higher Order

30. Which of the following is a legal means of screening out applicants who pose a security risk?
- a. polygraph testing
  - b. a pencil-and-paper honesty test
  - c. a voice stress analyzer
  - d. deceptograph testing

ANS: B                      PTS: 1                      REF: 218                      OBJ: 4  
BLM: Higher Order

## Chapter 6 Employee Selection

31. Which of the following best describes drug testing in the selection process?
- It is conducted in most Canadian workplaces.
  - It is illegal in Canada.
  - It is conducted more frequently in Canada than in the United States.
  - It is conducted by very few Canadian organizations.

ANS: D                      PTS: 1                      REF: 219                      OBJ: 4  
BLM: Higher Order

32. Six months ago, Organization A used a new selection system to hire 100 front-line staff members. With six months of performance data in hand, Organization A is interested in determining if its new selection system predicts performance on the job. What is the best way to describe this process?
- assessing concurrent validity through a cross-validation study
  - assessing concurrent validity through a criterion-related validity study
  - assessing predictive validity through a criterion-related validity study
  - assessing predictive validity through a cross-validation study

ANS: C                      PTS: 1                      REF: 220                      OBJ: 4  
BLM: Higher Order

33. Organization C has developed a new selection system. The company is interested in determining if the system predicts performance on the job, so Organization C gave the selection tests to 100 existing employees. What is the best way to describe this process?
- assessing concurrent validity through a cross-validation study
  - assessing concurrent validity through a criterion-related validity study
  - assessing predictive validity through a criterion-related validity study
  - assessing predictive validity through a cross-validation study

ANS: B                      PTS: 1                      REF: 220                      OBJ: 4  
BLM: Higher Order

34. Which of the following terms refers to the extent to which good performance on a test correlates with high marks on a performance review?
- criterion-related validity
  - content validity
  - construct validity
  - cross-validation

ANS: A                      PTS: 1                      REF: 220                      OBJ: 4  
BLM: Remember

35. Giving applicants a clerical aptitude test and then tracking their performance six months later is an example of which of the following?
- predictive validity
  - concurrent validity
  - content validity
  - correlational validity

ANS: A                      PTS: 1                      REF: 220                      OBJ: 4  
BLM: Higher Order

## Chapter 6 Employee Selection

36. What is one of the most important processes in establishing validity?
- criterion-related validation
  - correlation
  - cross-validation
  - content validation

ANS: C                      PTS: 1                      REF: 220                      OBJ: 4  
BLM: Higher Order

37. In which process is a test or test battery administered to a different sample (drawn from the same population) for the purpose of verifying the results obtained from the original validation study?
- redundancy validation
  - repeat validation
  - cross-validation
  - inferential validation

ANS: C                      PTS: 1                      REF: 220                      OBJ: 4  
BLM: Remember

38. The “can do” factors of an applicant include which of the following?
- knowledge, skills, and abilities
  - personality, values, and motivation
  - honesty and integrity
  - motivation

ANS: A                      PTS: 1                      REF: 221                      OBJ: 5  
BLM: Remember

39. Which of the following conditions represents a test that could be described as “construct valid”?
- A professor puts one essay question on the final exam, and that essay question is drawn from the chapter that she feels is the most important.
  - A manager uses a work sample test used for selection that has facets that tap in to every major aspect of the job.
  - A researcher gives a test of “job satisfaction” to a group of participants and checks to make sure that his results correlate with other measures of satisfaction.
  - A manager assesses how effective his selection test is by checking the performance of successful candidates months after they are hired.

ANS: C                      PTS: 1                      REF: 221                      OBJ: 4  
BLM: Higher Order

40. Intelligence, mechanical comprehension, and anxiety are examples of which of the following?
- job requirements
  - job characteristics
  - theories
  - constructs

ANS: D                      PTS: 1                      REF: 221                      OBJ: 4  
BLM: Higher Order

## Chapter 6 Employee Selection

41. Which of the following should the selection decision focus on?
- the strategic objectives of the organization's competition
  - the personality match of the applicant and the supervisor
  - the motivation of the applicant
  - both "can-do" and "will-do" factors of the applicant

ANS: D                      PTS: 1                      REF: 221                      OBJ: 5

BLM: Higher Order

42. Organization T uses a decision-making model in which an applicant is allowed to score poorly in one area of the selection tests, as long as he or she scores very high in another area. What is this type of decision-making model called?
- a statistical model
  - a multiple hurdle model
  - a compensatory model
  - a multiple cutoff model

ANS: C                      PTS: 1                      REF: 224                      OBJ: 5

BLM: Higher Order

43. Why has interest in person-organization fit been increasing?
- because of organizations' increased need for teamwork and flexibility
  - because of the movement toward union-free hiring
  - because job descriptions are becoming more rigid
  - because of advances in selection tools

ANS: A                      PTS: 1                      REF: 225                      OBJ: 5

BLM: Higher Order

44. A manager is examining the number of applicants for a job compared to the number of people needed to be hired. What is this figure called?
- the yield ratio
  - the selection ratio
  - the base ratio
  - the validity coefficient

ANS: B                      PTS: 1                      REF: 225                      OBJ: 5

BLM: Remember

45. What does a selection ratio of .9 mean?
- It means 90 percent of the applicants applying to the position will be hired.
  - It means 10 percent of the applicants applying to the position will be hired.
  - It means 9 percent of the applicants applying to the position will be hired.
  - It means 1 percent of the applicants applying to the position will be hired.

ANS: A                      PTS: 1                      REF: 225                      OBJ: 5

BLM: Higher Order

## Chapter 6 Employee Selection

### Scenario 6.1

Canadian Fasteners is an Ottawa-based packing firm that packages nuts, bolts, and screws for various Canadian furniture companies. The firm started operations in 2003 with 13 employees and has grown to over 150 employees today. Employees are paid hourly rates with benefits similar to other packing firms across Ontario. The work does not need previous experience. Canadian Fasteners has been struggling to recruit and hire the right employees to take the company into the new millennium. Part of the problem is that workers, especially floor workers, are hired by word of mouth with no formal application process or even an interview. As a result, the company faces a high turnover rate and spends valuable time training new employees who may not have the prerequisite skills to effectively do the job in the first place.

46. Refer to Scenario 6.1. Canadian Fasteners needs to do which of the following to gather information about its candidates?
- administer a lie detector test
  - run background and credit checks on all employees
  - gather résumés and applications and conduct interviews
  - continue as it is currently doing things

ANS: C                      PTS: 1                      REF: 199                      OBJ: 1  
BLM: Higher Order

47. Refer to Scenario 6.1. Canadian Fasteners is trying to implement a process to recruit and hire workers. Which of the following would work best in this type of organization?
- a non-directive style
  - a structured interview
  - a behavioural description interview
  - a contextual interview

ANS: B                      PTS: 1                      REF: 204                      OBJ: 3  
BLM: Higher Order

48. Refer to Scenario 6.1. Assume Canadian Fasteners designates a person to review the applications and conduct the interviews. Which of the following is NOT helpful to the interviewer?
- non-standardized questions
  - understanding the job
  - establishing an interview plan
  - controlling the course of the interview

ANS: A                      PTS: 1                      REF: 209-210                      OBJ: 3  
BLM: Higher Order

## Chapter 6 Employee Selection

### Scenario 6.2

Computer Direct Inc. is a mid-sized technology firm that specializes in designing, manufacturing, and selling computers. The organization staff complement is very diverse, and most of the company's employees are in the development and design, sales, and marketing departments. Computer Direct has been using only one method to make recruitment decisions for all of its employees, from managerial to technical to clerical. Data is gathered on each candidate, and a committee assigns scores to candidates based on its understanding of the job. Candidates, however, are not given the opportunity to be tested and hired based on their respective scores. Essentially, decisions are made based on personal judgments.

49. Refer to Scenario 6.2. Which approach best reflects how decisions about recruiting are made at Computer Direct?
- a. psychological approach
  - b. clinical approach
  - c. statistical approach
  - d. behavioural approach

ANS: B                      PTS: 1                      REF: 224                      OBJ: 5  
BLM: Higher Order

50. Refer to Scenario 6.2. If Computer Direct wants to use more objective methods of decision making, which of the following is the best approach?
- a. demonstrated approach
  - b. compensatory approach
  - c. subjective iterative approach
  - d. statistical approach

ANS: D                      PTS: 1                      REF: 224                      OBJ: 5  
BLM: Higher Order

51. Refer to Scenario 6.2. Which approach is considered superior and would best serve the needs of Computer Direct?
- a. objective approach
  - b. clinical approach
  - c. statistical approach
  - d. personal judgment approach

ANS: C                      PTS: 1                      REF: 224                      OBJ: 5  
BLM: Higher Order

## Chapter 6 Employee Selection

### TRUE/FALSE

1. Reliability refers to the extent to which two methods yield similar results, but not to the agreement between two or more raters.

ANS: F                      PTS: 1                      REF: 199                      OBJ: 2  
BLM: Higher Order

2. If an organization's selection procedures yield comparable data over a period of time, the procedures are valid.

ANS: F                      PTS: 1                      REF: 199                      OBJ: 2  
BLM: Higher Order

3. Validity refers to what a selection procedure measures and how well it measures it.

ANS: T                      PTS: 1                      REF: 199-200                      OBJ: 2  
BLM: Remember

4. Most organizations require application forms to be completed because they provide a fairly quick and systematic means of obtaining a variety of information about the applicant.

ANS: T                      PTS: 1                      REF: 201                      OBJ: 2  
BLM: Remember

5. Application forms should always require relevant dates, including date of birth.

ANS: F                      PTS: 1                      REF: 201-202                      OBJ: 2  
BLM: Higher Order

6. It is estimated that at least 30 percent of applicants stretch the truth on their résumés.

ANS: T                      PTS: 1                      REF: 202                      OBJ: 2  
BLM: Remember

7. Although many organizations are encouraging applicants to apply for jobs online, this practice slows down the application process.

ANS: F                      PTS: 1                      REF: 203                      OBJ: 2  
BLM: Higher Order

8. Online applications can speed up the selection process, combine information, and disseminate promising leads to hiring managers more efficiently.

ANS: T                      PTS: 1                      REF: 203                      OBJ: 2  
BLM: Remember

9. Although widely used, employment interviews pose potential concerns about validity.

ANS: T                      PTS: 1                      REF: 203                      OBJ: 2  
BLM: Higher Order

## Chapter 6 Employee Selection

10. Data obtained from nondirective interviews are difficult to validate.

ANS: T                      PTS: 1                      REF: 204                      OBJ: 3  
BLM: Remember

11. The situational interview is a variation of the unstructured interview.

ANS: F                      PTS: 1                      REF: 204                      OBJ: 3  
BLM: Remember

12. A situational interview asks the applicant what he or she actually did in a given situation.

ANS: F                      PTS: 1                      REF: 204                      OBJ: 3  
BLM: Higher Order

13. Situational interviews ask applicants how they would respond, while behavioural description interviews ask applicants how they did respond

ANS: F                      PTS: 1                      REF: 204-205                      OBJ: 3  
BLM: Higher Order

14. Behavioural description interviews are based on hypothetical situations.

ANS: F                      PTS: 1                      REF: 205                      OBJ: 3  
BLM: Higher Order

15. "Tell me about the last time you disciplined an employee" could be a behavioural description interview question.

ANS: T                      PTS: 1                      REF: 205                      OBJ: 3  
BLM: Higher Order

16. "Tell me more about your experiences on your last job" is an example of a nondirective interview question.

ANS: T                      PTS: 1                      REF: 206                      OBJ: 3  
BLM: Higher Order

17. The premise of a behavioural interview is that "past performance is the best predictor of future performance."

ANS: T                      PTS: 1                      REF: 206                      OBJ: 3  
BLM: Higher Order

18. Behavioural description interviews appear to be more effective than situational interviews, especially for higher-level positions.

ANS: T                      PTS: 1                      REF: 206                      OBJ: 3  
BLM: Remember

## Chapter 6 Employee Selection

19. HRM specialists have found that panel interviews lead to higher reliability and faster decision times than one-to-one interviews.
- ANS: T                      PTS: 1                      REF: 206                      OBJ: 3  
BLM: Higher Order
20. Video interviews have the advantages of speed and cost-effectiveness.
- ANS: T                      PTS: 1                      REF: 208                      OBJ: 3  
BLM: Higher Order
21. Typically, a computer interview requires candidates to answer a series (75–125) of multiple-choice questions tailored to the job.
- ANS: T                      PTS: 1                      REF: 208                      OBJ: 3  
BLM: Remember
22. Employers are required by law to provide references for former employees.
- ANS: F                      PTS: 1                      REF: 212                      OBJ: 3  
BLM: Higher Order
23. Written letters of reference are very valid in the selection of employees.
- ANS: F                      PTS: 1                      REF: 212                      OBJ: 3  
BLM: Higher Order
24. Credit checks are the most common form of reference check.
- ANS: F                      PTS: 1                      REF: 214                      OBJ: 4  
BLM: Remember
25. The federal government relies extensively on employment testing in the selection process.
- ANS: T                      PTS: 1                      REF: 214                      OBJ: 4  
BLM: Higher Order
26. Aptitude tests measure what a person knows or can do right now.
- ANS: F                      PTS: 1                      REF: 216                      OBJ: 4  
BLM: Higher Order
27. The Scholastic Aptitude Test (SAT) is an example of a cognitive ability test.
- ANS: T                      PTS: 1                      REF: 216                      OBJ: 4  
BLM: Higher Order
28. Since biographical information blanks rarely have obviously right or wrong answers, they are difficult to fake.
- ANS: T                      PTS: 1                      REF: 217                      OBJ: 4  
BLM: Higher Order

## Chapter 6 Employee Selection

29. Studies have shown that an objective scoring of biographical information blanks and application forms is one of the most potentially valid methods that can be used to predict job success.
- ANS: T                      PTS: 1                      REF: 217                      OBJ: 4  
BLM: Remember
30. Personality tests measure such things as agreeableness, extroversion, and openness to experience.
- ANS: T                      PTS: 1                      REF: 217                      OBJ: 4  
BLM: Remember
31. Conscientiousness refers to the degree to which someone is trusting, amiable, cooperative, and flexible.
- ANS: F                      PTS: 1                      REF: 217                      OBJ: 4  
BLM: Remember
32. In most instances, employers can legally use polygraph tests to screen applicants.
- ANS: F                      PTS: 1                      REF: 218                      OBJ: 4  
BLM: Remember
33. A comprehensive analysis of honesty tests reveals that they are valid for predicting theft, disciplinary problems, absenteeism, and job performance.
- ANS: T                      PTS: 1                      REF: 218                      OBJ: 4  
BLM: Remember
34. Human rights legislation severely limits the types of medical inquiries and examinations that employers may use.
- ANS: T                      PTS: 1                      REF: 219                      OBJ: 4  
BLM: Remember
35. Medical examinations are usually conducted before an offer of employment is made.
- ANS: F                      PTS: 1                      REF: 219                      OBJ: 4  
BLM: Remember
36. Drug testing is used much more frequently in Canada than in the United States.
- ANS: F                      PTS: 1                      REF: 219                      OBJ: 4  
BLM: Higher Order
37. Because of the physical differences between the genders, physical ability tests should be carefully validated on the basis on the essential functions of the job.
- ANS: T                      PTS: 1                      REF: 219                      OBJ: 4  
BLM: Higher Order

## Chapter 6 Employee Selection

38. Predictive validity is assessed when the test scores of job applicants are held against the performance data for existing employees.
- ANS: F                      PTS: 1                      REF: 220                      OBJ: 5  
BLM: Remember
39. In general, a criterion-related method of assessing selection test validity is preferred over other methods because it is based on empirical data.
- ANS: T                      PTS: 1                      REF: 220                      OBJ: 5  
BLM: Higher Order
40. Criterion-related validity is the extent to which a selection tool predicts or correlates with important elements of work behaviour.
- ANS: T                      PTS: 1                      REF: 220                      OBJ: 5  
BLM: Remember
41. Concurrent validity involves testing applicants and obtaining criterion data after they have been on the job for some indefinite period.
- ANS: F                      PTS: 1                      REF: 220                      OBJ: 5  
BLM: Remember
42. Predictive and concurrent validity are determined by comparing test scores with supervisor performance ratings.
- ANS: T                      PTS: 1                      REF: 220                      OBJ: 5  
BLM: Higher Order
43. If a work sample test includes major job functions and predicts job success, it has content validity.
- ANS: T                      PTS: 1                      REF: 220-221                      OBJ: 6  
BLM: Higher Order
44. The closer the content of the selection instrument to actual work samples or behaviours, the higher the content validity.
- ANS: T                      PTS: 1                      REF: 221                      OBJ: 5  
BLM: Higher Order
45. Content validity is the most direct and least complicated type of validity to assess.
- ANS: T                      PTS: 1                      REF: 221                      OBJ: 5  
BLM: Higher Order
46. Asking an applicant for an accounting position to solve accounting problems similar to those encountered on the job is an example of construct validity.
- ANS: F                      PTS: 1                      REF: 221                      OBJ: 5  
BLM: Higher Order

## Chapter 6 Employee Selection

47. Measuring construct validity requires linking a psychological test to job performance.
- ANS: T                      PTS: 1                      REF: 221                      OBJ: 5  
BLM: Higher Order
48. It is much easier to measure what individuals can do than what they will do.
- ANS: T                      PTS: 1                      REF: 221                      OBJ: 5  
BLM: Higher Order
49. Strategies for selecting managerial and technical people are relatively similar.
- ANS: F                      PTS: 1                      REF: 222                      OBJ: 5  
BLM: Higher Order
50. Measuring KSAOs of an applicant against the competencies required for the job is called person–organization fit.
- ANS: F                      PTS: 1                      REF: 225                      OBJ: 1|5  
BLM: Remember
51. When trying to achieve person–organization fit, managers will pass up potential employees who don't embrace the values of the company even if they have excellent job skills.
- ANS: T                      PTS: 1                      REF: 225                      OBJ: 5  
BLM: Higher Order
52. Person–organization fit has become more of a focus in firms that need teamwork and flexibility.
- ANS: T                      PTS: 1                      REF: 225                      OBJ: 5  
BLM: Remember
53. In large organizations, supervisors are usually responsible for making job offers and notifying applicants of selection decisions.
- ANS: F                      PTS: 1                      REF: 225                      OBJ: 5  
BLM: Higher Order

## Chapter 6 Employee Selection

### ESSAY

1. Define the concepts of reliability and validity.

ANS:

Reliability describes the degree to which interviews, tests, and other selection procedures yield comparable data over a period of time. For example, if an interviewer judges the capabilities of a group of applicants differently today than yesterday, his or her judgment is unreliable. Reliability can also be determined by interrater reliability, or agreement between two or more raters. Selection decision data that are unreliable cannot be used as predictors of job success.

Validity refers to what a selection procedure measures and how well it measures it. For personnel selection, validity indicates the extent to which data from a selection procedure are predictive of job performance or other relevant criteria. In order for a test to be valid, it must also be reliable. However, reliability does not assure validity.

PTS: 1

REF: 199-200

OBJ: 2

BLM: Higher Order

2. Compare and contrast the following four interview approaches: (1) nondirective interview, (2) structured interview, (3) situational interview, and (3) behavioural description interview.

ANS:

In a nondirective interview, the interviewer allows the applicant the maximum amount of freedom in determining the course of the discussion. The interviewer asks broad, general questions, but permits the applicant to talk freely with little interruption. The greater freedom afforded to the applicant in the nondirective interview is particularly valuable in bringing to the interviewer's attention any information, attitudes, or feelings that may be concealed by a more structured approach. However, the unstructured nature of this approach limits the consistency of information provided and makes it difficult to cross-check agreement with other interviewers. Thus, the reliability and validity of the nondirective approach is suspect.

The structured interview has a number of standard questions asked of each job applicant. Questions are job-related based upon job analysis. Since applicants are asked identical questions, the structured interview provides a more consistent basis for evaluating job candidates. This interview strives to maximize the validity of selection decisions.

With the situational interview, the applicant is given a hypothetical incident and asked to respond how he or she would handle it. Responses are evaluated relative to pre-established standards.

Behavioural description interviews focus on actual work experiences in the applicant's past. The behavioural questions ask the applicant what he or she actually did in a given situation. This interviewing approach assumes that past performance is the best predictor of future performance.

PTS: 1

REF: 204-208

OBJ: 3

BLM: Higher Order

## Chapter 6 Employee Selection

3. Identify and explain the five primary types of employment tests.

ANS:

- Cognitive ability tests measure mental capabilities such as general intelligence, verbal fluency, numerical ability, and reasoning ability.
- Personality and interest inventories measure dispositional characteristics such as extroversion, inquisitiveness, and dependability.
- Physical ability tests assess a job candidate's physical abilities such as strength and endurance.
- Job knowledge tests are a type of achievement test designed to measure a person's level of understanding about a particular job.
- Work sample tests, or job sample tests, require the job applicant to perform tasks that are actually part of the work required on the job.

PTS: 1

REF: 214-220

OBJ: 4

BLM: Higher Order

## Chapter 7 Training and Development

### MULTIPLE CHOICE

1. What is the main difference between training and development?
  - a. development is more future-oriented and broadly focused
  - b. development is a broader term used to describe learning processes in an organization
  - c. development is a term that is used to capture coaching, mentoring, and training
  - d. development is more narrowly focused

ANS: A                      PTS: 1                      REF: 236                      OBJ: 1  
BLM: Remember

2. What is the primary reason why organizations train new employees?
  - a. to increase their knowledge, skill, and ability level
  - b. to help trainees achieve personal career goals
  - c. to comply with federal regulations
  - d. to improve the work environment

ANS: A                      PTS: 1                      REF: 236                      OBJ: 1  
BLM: Remember

3. Which statement best captures the effects of forcing employers to provide training to employees?
  - a. unclear because the mixed results of studies in instances where employers are forced to offer training
  - b. helps employees to gain valuable skills that can be transferable to other organizations
  - c. causes emotional stress on the part of employees
  - d. causes undue hardship for the employer

ANS: A                      PTS: 1                      REF: 237                      OBJ: 1  
BLM: Higher Order

4. Organization W has adopted a new training strategy that it learned about because its very successful main competitor is also using this training strategy. Which of the following statements best captures this situation?
  - a. this is very unusual; most organizations link training directly to their organizational goals
  - b. this is very unusual; data show that most organizations do not consider the training initiatives of others in their decisions
  - c. this is not significantly unusual; many organizations copy training strategy used by competitors
  - d. this is unusual; most organizations at least make attempts to link their training initiatives to their own organizational strategy

ANS: C                      PTS: 1                      REF: 238                      OBJ: 1  
BLM: Higher Order

5. What are the phases of the systems model of training?
  - a. planning, design, needs assessment, and evaluation
  - b. needs assessment, design, implementation, and evaluation
  - c. design, needs assessment, implementation, and evaluation
  - d. design, needs assessment, management, and evaluation

ANS: B                      PTS: 1                      REF: 238                      OBJ: 1  
BLM: Remember

## Chapter 7 Training and Development

6. Which of the following best describes the systems approach to training?
- it is the most cost-effective approach
  - it ensures that training investments have maximum impact on performance
  - it is called development
  - it includes the process of job analysis

ANS: B                      PTS: 1                      REF: 238                      OBJ: 1  
BLM: Remember

7. In which process are the strategies, environment, and resources of an organization examined to determine where training emphasis should be placed?
- task analysis
  - environmental scanning
  - needs assessment
  - organization analysis

ANS: D                      PTS: 1                      REF: 239                      OBJ: 2  
BLM: Remember

8. If you were responsible for developing a training program, what should your first step be?
- create a suitable training environment
  - select the proper training method
  - conduct a needs assessment
  - determine the specific instructional objectives

ANS: C                      PTS: 1                      REF: 239                      OBJ: 2  
BLM: Higher Order

9. Organization analysis, task analysis, and person analysis are all part of which phase of the system model?
- the training and development phase
  - the analysis phase
  - the needs assessment phase
  - the evaluation phase

ANS: C                      PTS: 1                      REF: 239-243                      OBJ: 2  
BLM: Higher Order

10. Conducting an organizational needs analysis is likely to yield which of the following types of training-relevant information?
- strategy
  - what the competition is up to
  - technological changes and financial resources
  - functional requirements of various positions

ANS: C                      PTS: 1                      REF: 241                      OBJ: 2  
BLM: Higher Order

## Chapter 7 Training and Development

11. Omega Organization is going through a very detailed process of looking at all the tasks or duties included in a job. It will then list all the steps performed by the employee to complete each task, and then look to examine the skills and knowledge necessary for the job. Which process is Omega Organization performing?

- a. task analysis
- b. job analysis
- c. person analysis
- d. competency analysis

ANS: A                      PTS: 1                      REF: 241                      OBJ: 2  
BLM: Higher Order

12. Which term refers to determining what the content of a training program should be, based on a study of the job duties?

- a. task analysis
- b. individual analysis
- c. job analysis
- d. organization analysis

ANS: A                      PTS: 1                      REF: 241                      OBJ: 2  
BLM: Remember

13. Which term refers to assessing the sets of skills and knowledge employees need to be successful, particularly for decision-oriented and knowledge-intensive jobs?

- a. individual assessment
- b. competency assessment
- c. organizational assessment
- d. job assessment

ANS: B                      PTS: 1                      REF: 241-242                      OBJ: 2  
BLM: Remember

14. Which statement best describes person analysis?

- a. It has shifted from a fixed sequence of tasks to a set of competencies.
- b. It helps organizations avoid the mistake of putting all employees through training when some do not need it.
- c. It involves self-improvement and self-directed training.
- d. It examines the external labour market for needed skills.

ANS: B                      PTS: 1                      REF: 243                      OBJ: 2  
BLM: Remember

15. Instructional objectives might include all of the following phrases **EXCEPT** which of the following?

- a. "to repair leaking valves"
- b. "to appreciate diversity in the workplace"
- c. "to assemble components in the proper order"
- d. "to calculate the percentage of waste"

ANS: B                      PTS: 1                      REF: 244                      OBJ: 2  
BLM: Higher Order

## Chapter 7 Training and Development

16. Organization A is grouping its employees before beginning a training program. The company will group them according to capability. What is this process called?
- trainee motivation
  - trainee capacity
  - trainee readiness
  - trainee participation

ANS: C                      PTS: 1                      REF: 244                      OBJ: 2  
BLM: Higher Order

17. What is the relationship of goal-setting to feedback and reinforcement?
- Goal-setting and feedback are symbiotic.
  - Goal setting and feedback are reciprocal in nature.
  - Goal setting and feedback are both important principles of learning.
  - Goal setting is useless unless employees know how they performed through constant feedback.

ANS: C                      PTS: 1                      REF: 245                      OBJ: 3  
BLM: Higher Order

18. Which technique for training managers emphasizes handling real-life employee problems and receiving immediate feedback?
- the leaderless group
  - the management game
  - the case study
  - behaviour modelling

ANS: D                      PTS: 1                      REF: 246                      OBJ: 4  
BLM: Higher Order

19. Which of the following tasks would be most conducive to whole-versus-part learning?
- for a tennis professional: teaching a tennis lesson
  - for a cake decorator: putting a customer's name on a birthday cake
  - for a shoe salesperson: finding a certain pair of shoes in the stockroom
  - for a grocery store cashier: looking up the register code for a grocery item

ANS: A                      PTS: 1                      REF: 247                      OBJ: 3  
BLM: Higher Order

20. Who is most likely to be a successful trainer?
- Carlos is an enthusiastic, risk-taking, assertive person who loves teaching.
  - Jonas is flexible and can adapt his instructions to suit the individual student's needs.
  - Natalia is good at clarifying instructions and adding humour to the situation.
  - Claire is charming and intuitive and loves the subject she teaches.

ANS: B                      PTS: 1                      REF: 248                      OBJ: 3  
BLM: Higher Order

## Chapter 7 Training and Development

21. The absence of well-defined performance criteria is a particular problem for which training method?
- programmed instruction
  - internship training
  - apprenticeship training
  - on-the-job training

ANS: D                      PTS: 1                      REF: 249                      OBJ: 4  
BLM: Higher Order

22. Which training method is the most poorly implemented?
- on-the-job training
  - distributed learning
  - mass learning
  - active learning

ANS: A                      PTS: 1                      REF: 249                      OBJ: 4  
BLM: Remember

23. What is the most common method used for training non-managerial employees?
- vestibule training
  - computer-based instruction
  - on-the-job training
  - apprenticeships

ANS: C                      PTS: 1                      REF: 249                      OBJ: 4  
BLM: Remember

24. Organization Z is attempting to initiate an on-the-job training program. Like many organizations, the company is aware that it suffers from a lack of well-defined job performance criteria. Which of the following is the best suggestion for Organization Z to overcome this problem and have a successful program?
- develop realistic goals, a training schedule, and periodic evaluations
  - hire trainers who have been in a similar situation and have been successful
  - wait until proper job and organizational analysis can be done before implementing the training program
  - use a different type of training

ANS: A                      PTS: 1                      REF: 249                      OBJ: 4  
BLM: Higher Order

25. Which learning method would be best for a situation where the typical student has an unpredictable schedule and needs to be able to learn independently and at his or her own pace?
- the simulation method
  - programmed instruction
  - audiovisual learning
  - on-the-job training

ANS: B                      PTS: 1                      REF: 252                      OBJ: 4  
BLM: Higher Order

## Chapter 7 Training and Development

26. Programmed instruction allows individuals to learn at their own pace. What is another term for programmed learning?
- a. vestibule training
  - b. e-learning
  - c. simulated training
  - d. self-directed learning

ANS: D                      PTS: 1                      REF: 252                      OBJ: 4  
BLM: Remember

27. Which learning method would be well-suited to teach air-traffic controllers how use the radar display?
- a. the simulation method
  - b. programmed instruction
  - c. audiovisual learning
  - d. on-the-job training

ANS: A                      PTS: 1                      REF: 253                      OBJ: 4  
BLM: Higher Order

28. Which training method is used to train personnel to operate aircraft, spacecraft, and other highly technical and expensive equipment?
- a. the simulation method
  - b. the classroom method
  - c. the vestibule method
  - d. the apprenticeship method

ANS: A                      PTS: 1                      REF: 253                      OBJ: 4  
BLM: Higher Order

29. What term is used for grooming an employee to take over the supervisor's job through gaining experience in handling important functions of the job?
- a. caretaking
  - b. coaching
  - c. understudy assignment
  - d. role modelling

ANS: C                      PTS: 1                      REF: 255                      OBJ: 4  
BLM: Higher Order

30. A combination of on-the-job training, seminars, and role-playing would be a good assortment of learning methods for which group of employees?
- a. new employees at all levels
  - b. experienced front-line staff
  - c. managers
  - d. interns

ANS: C                      PTS: 1                      REF: 255-258                      OBJ: 4  
BLM: Higher Order

## Chapter 7 Training and Development

31. Which training method consists of having the trainee assume the attitudes and behaviour of others?
- job rotation
  - case study
  - simulation study
  - role-playing

ANS: D                      PTS: 1                      REF: 258                      OBJ: 4  
BLM: Remember

32. What are the steps in behaviour modelling?
- learning points, implementation, role-play, and feedback
  - design, learning points, reinforcement, and feedback
  - learning points, modelling, role-play, and feedback
  - design, implementation, role-play, and feedback

ANS: C                      PTS: 1                      REF: 258-259                      OBJ: 4  
BLM: Higher Order

33. Do most organizations evaluate their training programs?
- Yes, this is a vital part of any HR manager's role in an organization.
  - Currently, only progressive organizations evaluate their training.
  - Yes and no. It used to be that most did not, but this is changing due to the pressure that HR managers are under to demonstrate results.
  - No, most organizations don't find it worth the effort.

ANS: C                      PTS: 1                      REF: 259                      OBJ: 5  
BLM: Higher Order

34. What is the main issue with organizations putting too much weight on the "reactions" aspect of training evaluation?
- Unless the training is linked to organizational strategy, it is not informative that reactions were good.
  - Positive reaction data may not mean the training was effective.
  - This information has to be integrated into an analysis with the other four phases of evaluation.
  - This aspect of training is not measurable.

ANS: B                      PTS: 1                      REF: 260                      OBJ: 5  
BLM: Higher Order

35. Which of the following is the best example of an assessment of the "learning" criterion in a training evaluation?
- testing grocery store clerks on training program knowledge before and after the training program
  - having trainees fill in forms that describe their learning experience and whether or not the information is transferring to the workplace
  - having employees fill out a training effectiveness index
  - evaluating scores on training tests

ANS: A                      PTS: 1                      REF: 260                      OBJ: 5  
BLM: Higher Order

## Chapter 7 Training and Development

36. Organization B is very keen to get the most benefit out of its training budgets and efforts. Which plan is most likely to help Organization B's employees utilize their new training when they are back at their desks?
- have employees hand in summaries of how they have used their training in their job
  - devote a large part of the budget to vestibule training
  - have the training mimic the actual work situation as closely as possible; train employees on how to implement their new training even when they are faced with roadblocks
  - have employees exposed to both massed and distributed practice

ANS: C                    PTS: 1                    REF: 261                    OBJ: 4  
BLM: Higher Order

37. Which of the following is useful information for an HR manager to use when demonstrating the utility of a training program?
- how many employees signed up for it
  - how it helped to reduce wasted materials
  - the average employee reaction to it
  - how much transfer-of-training occurred

ANS: B                    PTS: 1                    REF: 261                    OBJ: 4  
BLM: Higher Order

38. When designers of training programs attempt to make conditions in the training program come as close as possible to those on the job, they are attempting to improve which of the following?
- motivation
  - transfer
  - readiness
  - reactions

ANS: B                    PTS: 1                    REF: 261                    OBJ: 5  
BLM: Higher Order

39. Utility refers to which of the following?
- the usefulness of a training program
  - the costs incurred for a training program
  - training effectiveness in terms of increased outcomes
  - the benefits derived from training relative to the costs incurred

ANS: D                    PTS: 1                    REF: 261                    OBJ: 5  
BLM: Remember

40. What is the term for the process of measuring one's own services and practices against recognized leaders in order to identify areas for improvement?
- industry analysis
  - trend analysis
  - benchmarking
  - environmental analysis

ANS: C                    PTS: 1                    REF: 263                    OBJ: 5  
BLM: Remember

## Chapter 7 Training and Development

41. Which of the following best represents the benefits of orientation programs?
- reduced theft and disruptive behaviours, lower turnover, and improved morale
  - better teamwork, improved morale, and lower turnover
  - higher performance, decreased waste, and improved morale
  - lower turnover, increased productivity, improved morale, and reduction of anxiety

ANS: D                      PTS: 1                      REF: 264                      OBJ: 6

BLM: Higher Order

42. Which statement best describes orientation programs?
- The impact of an orientation program on new employees does not last a long time.
  - There is no need for coordination between line and staff managers when it comes to orientation programs.
  - Careful planning of orientation activities is essential.
  - The most popular approach to orientation involves allowing new employees to be oriented by their peers.

ANS: C                      PTS: 1                      REF: 265                      OBJ: 6

BLM: Remember

43. Which of the following is **NOT** one of the things a manager should do to implement a successful program in basic and remedial training?
- explain to employees why training will help them in their jobs
  - use a classroom-oriented approach so employees learn by lectures
  - provide feedback on employee progress
  - relate the training to the employees' goals

ANS: B                      PTS: 1                      REF: 267                      OBJ: 6

BLM: Higher Order

44. Which of the following organizations would be well-suited and likely to benefit from the implementation of "cross-training" of teams?
- a document delivery company that has drivers and pilots who operate various trucks and aircraft
  - a robotics company that needs each employee to have specific and high level skills and training
  - an auto parts manufacturing company that has an assembly line where employees are likely to get bored
  - a photocopy shop where there are various tasks to be performed all with one machine

ANS: C                      PTS: 1                      REF: 268                      OBJ: 6

BLM: Higher Order

45. What position is most likely to benefit from implementing an ethics training program?
- a buyer of leather goods for a leading national retailer
  - a medical professional
  - an air traffic controller
  - an HR manager

ANS: A                      PTS: 1                      REF: 269                      OBJ: 6

BLM: Higher Order

## Chapter 7 Training and Development

### Scenario 7.1

Accounting Power Inc. is a Canadian employment agency that provides professional accounting services to various businesses across the country. In the last couple of years, the firm has been slowly losing clients, which is impacting its bottom line. Interviews done with some clients revealed that Accounting Power Inc. employees are not as sharp as they used to be and, lately, there have been too many inconsistencies and errors with their work. In the last recession, managers could not justify how the training was adding value to the agency. These programs were not viewed as strategic imperatives and most of them were cut.

46. Refer to Scenario 7.1. Accounting Power Inc. is losing its clients because it did not accurately do which of the following?
- design the right training programs to help its employees succeed
  - hire the right trainers to run the programs
  - assess the extent to which training programs improve learning and behaviour on the job and eventually impact their performance
  - evaluate participants' reactions

ANS: C                      PTS: 1                      REF: 259                      OBJ: 5  
BLM: Higher Order

47. Refer to Scenario 7.1. If Accounting Power Inc. wanted to evaluate its training programs, what are the four basic criteria for such an evaluation?
- reactions, learning, behaviour, and results
  - trainee readiness, aptitude to learn, feedback, and return on investment
  - reactions, behaviour, feedback, and trainee readiness
  - behaviour, trainee readiness, ability to learn, and attitude about learning

ANS: A                      PTS: 1                      REF: 259                      OBJ: 5  
BLM: Higher Order

48. Refer to Scenario 7.1. The combination of these four criteria can give a total picture of the training program to help managers decide all of the following **EXCEPT**?
- where problem areas lie
  - what to change about the program
  - whether to continue with a program
  - the method by which to evaluate the program

ANS: D                      PTS: 1                      REF: 259                      OBJ: 5  
BLM: Higher Order

## Chapter 7 Training and Development

### Scenario 7.2

Blake Windows & Doors Inc. installs and repairs doors and windows for Green Park Homes. When the firm started back in the 1980s, its operations were based only in Vancouver. Today, Blake is the main contractor for Green Park Homes across British Columbia. Employees with Blake work long hours, especially when new subdivisions are being built. The company now wants to increase its staff complement to help deal with increasing demands while maintaining some work–life balance. Blake found that employees from agencies tend to need too much hands-on training, which is costly, and if they do have some experience it is very costly to hire them due to the specific set of skills required.

49. Refer to Scenario 7.2. Which of the following is the most appropriate method for developing workers who can effectively help Blake Windows & Doors deal with its increasing commitments while keeping payroll and training costs down?
- internship programs
  - agency recruitment with more in-house training
  - apprenticeship programs
  - mentorship programs

ANS: B                      PTS: 1                      REF: 249                      OBJ: 4  
BLM: Higher Order

50. Refer to Scenario 7.2. Assume that on-the-job-training is the best option to help Blake increase its employee base. Which of the following is NOT a drawback of on-the-job-training?
- the lack of a well-structured environment
  - poor training skills on the part of the managers
  - the absence of well-defined job performance criteria
  - hands-on experience and opportunities for trainers to build good relationships with new employees

ANS: D                      PTS: 1                      REF: 249                      OBJ: 4  
BLM: Higher Order

51. Refer to Scenario 7.2. If Blake adopts an apprenticeship program, which of the following is NOT true about how trainees are developed?
- off-the-job-training
  - on-the-job-training
  - development gained through instruction and training
  - an internship program

ANS: D                      PTS: 1                      REF: 250                      OBJ: 4  
BLM: Higher Order

## Chapter 7 Training and Development

### TRUE/FALSE

1. Training plays a central role in strengthening the competencies that give organizations their competitive advantage.  
ANS: T                      PTS: 1                      REF: 235                      OBJ: 1  
BLM: Remember
2. Training is oriented towards broadening employees' individual skills for future responsibility.  
ANS: F                      PTS: 1                      REF: 236                      OBJ: 6  
BLM: Remember
3. The primary purpose in training employees is to help them get socialized to the organization.  
ANS: F                      PTS: 1                      REF: 237                      OBJ: 1  
BLM: Remember
4. Behaviour modelling is an approach that demonstrates desired behaviour and gives trainees the chance to practise and role-play those behaviours and receive feedback.  
ANS: T                      PTS: 1                      REF: 238                      OBJ: 1  
BLM: Remember
5. Most organizations choose and implement training programs based on their overall strategic objectives.  
ANS: F                      PTS: 1                      REF: 238                      OBJ: 1  
BLM: Higher Order
6. The systems approach to training involves (1) needs assessment, (2) program design, (3) implementation, and (4) evaluation.  
ANS: T                      PTS: 1                      REF: 238                      OBJ: 1  
BLM: Remember
7. The systems approach to training includes four phases: job analysis, job design, implementation, and evaluation.  
ANS: F                      PTS: 1                      REF: 238                      OBJ: 1  
BLM: Remember
8. Although important in determining training program success, organizations conduct a needs assessment less than half the time before initiating a training program.  
ANS: T                      PTS: 1                      REF: 239                      OBJ: 2  
BLM: Remember
9. A solid training program should begin with effective design.  
ANS: F                      PTS: 1                      REF: 239                      OBJ: 2  
BLM: Remember

## Chapter 7 Training and Development

10. Organization analysis includes broad forces that impact the effectiveness of employees, such as mergers and acquisitions, technological change, and globalization.  
  
ANS: T                      PTS: 1                      REF: 239                      OBJ: 2  
BLM: Higher Order
11. The three different types of training needs analysis are organizational analysis, job knowledge analysis, and person analysis.  
  
ANS: F                      PTS: 1                      REF: 240                      OBJ: 2  
BLM: Remember
12. Data such as direct and indirect labour costs and unemployment rates determine an organization's training needs.  
  
ANS: F                      PTS: 1                      REF: 240                      OBJ: 2  
BLM: Remember
13. The task analysis portion of organization analysis is shifting from emphasis on a fixed schedule of tasks to a flexible set of competencies needed for performance.  
  
ANS: T                      PTS: 1                      REF: 241                      OBJ: 2  
BLM: Higher Order
14. Person analysis involves determining what the content of the training program should be, based on a study of the tasks or duties involved in the job.  
  
ANS: F                      PTS: 1                      REF: 243                      OBJ: 2  
BLM: Remember
15. Performance-centred objectives are not widely used due to concerns about the potential for biased evaluation of results.  
  
ANS: F                      PTS: 1                      REF: 244                      OBJ: 2  
BLM: Higher Order
16. Trainee readiness refers to both maturity and experience factors in a trainee's background.  
  
ANS: T                      PTS: 1                      REF: 244                      OBJ: 2  
BLM: Remember
17. Managers should focus considerable efforts on the training topic, rather than the individual learning needs of the trainee, to create an optimal training environment that is conducive to learning.  
  
ANS: F                      PTS: 1                      REF: 244                      OBJ: 2  
BLM: Higher Order
18. Employees in similar jobs usually have similar levels of motivation with respect to learning.  
  
ANS: F                      PTS: 1                      REF: 244                      OBJ: 2  
BLM: Higher Order

## Chapter 7 Training and Development

19. Psychological principles of learning refer to the characteristics of training programs that help employees grasp new material, make sense of it in their own lives, and transfer it back to the job.

ANS: T                      PTS: 1                      REF: 245                      OBJ: 3  
BLM: Remember

20. Trainees are better able to learn if they can connect the new material with things that are already familiar to them.

ANS: T                      PTS: 1                      REF: 246                      OBJ: 3  
BLM: Higher Order

21. “We learn best by watching” summarizes the learning principle known as “modelling.”

ANS: T                      PTS: 1                      REF: 246                      OBJ: 3  
BLM: Remember

22. Practising job tasks enables the trainee to forget about distinct behaviours and become proficient on the subtleties of how they are used.

ANS: T                      PTS: 1                      REF: 246                      OBJ: 3  
BLM: Remember

23. Feedback to trainees is important for motivational purposes as well as knowledge of results.

ANS: T                      PTS: 1                      REF: 247                      OBJ: 3  
BLM: Higher Order

24. Behaviour modification seeks to gradually shape trainee behaviour using reinforcement.

ANS: T                      PTS: 1                      REF: 248                      OBJ: 3  
BLM: Remember

25. The success of any training effort depends more upon the content of the program than on the teaching skills and personal characteristics of those conducting the training.

ANS: F                      PTS: 1                      REF: 248                      OBJ: 3  
BLM: Higher Order

26. Training methods all tend to utilize similar learning principles.

ANS: F                      PTS: 1                      REF: 249                      OBJ: 3  
BLM: Higher Order

27. Knowledge of the subject is the most critical characteristic that determines instructor effectiveness.

ANS: F                      PTS: 1                      REF: 249                      OBJ: 3  
BLM: Higher Order

## Chapter 7 Training and Development

28. Although on-the-job training (OJT) is generally regarded as the most effective means of facilitating learning at the workplace, it is often the most poorly implemented.
- ANS: T                      PTS: 1                      REF: 249                      OBJ: 4  
BLM: Remember
29. Apprenticeship programs are an extension of OJT that provide on- and off-the-job instruction.
- ANS: T                      PTS: 1                      REF: 249                      OBJ: 4  
BLM: Remember
30. Internship programs benefit students, but rarely benefit employers.
- ANS: F                      PTS: 1                      REF: 251                      OBJ: 4  
BLM: Remember
31. Classroom instruction is cost-effective because it allows the maximum number of trainees to be handled by the minimum number of instructors.
- ANS: T                      PTS: 1                      REF: 252                      OBJ: 4  
BLM: Higher Order
32. Depending on the activities involved, classroom instruction is often referred to as “self-directed learning.”
- ANS: F                      PTS: 1                      REF: 252                      OBJ: 4  
BLM: Remember
33. Most employees prefer the freedom and flexibility of e-learning to traditional classroom training.
- ANS: F                      PTS: 1                      REF: 252                      OBJ: 4  
BLM: Higher Order
34. The distinction between simulation and simple computer-based training is blurring due to advances in information technology.
- ANS: T                      PTS: 1                      REF: 253                      OBJ: 4  
BLM: Higher Order
35. Case studies are a useful method of giving participants experience at analyzing and synthesizing facts.
- ANS: T                      PTS: 1                      REF: 257                      OBJ: 4  
BLM: Higher Order
36. Role-playing consists of assuming the attitudes and behaviour of others, often a supervisor and a subordinate.
- ANS: T                      PTS: 1                      REF: 258                      OBJ: 4  
BLM: Remember

## Chapter 7 Training and Development

37. Behaviour modelling appears to work in helping managers to interact with employees, introduce change, and handle discipline.
- ANS: T                      PTS: 1                      REF: 259                      OBJ: 4  
BLM: Remember
38. Due to its importance to planning future training initiatives, most organizations go to great lengths to accurately evaluate training programs.
- ANS: F                      PTS: 1                      REF: 259                      OBJ: 5  
BLM: Remember
39. Using participant reaction to evaluate training is the best way to determine training effectiveness.
- ANS: F                      PTS: 1                      REF: 260                      OBJ: 5  
BLM: Higher Order
40. "Transfer of training" relates to the training evaluation criterion "behaviour."
- ANS: T                      PTS: 1                      REF: 261                      OBJ: 5  
BLM: Remember
41. Benchmarking is concerned with measuring employee retention of training materials at specific points in time.
- ANS: F                      PTS: 1                      REF: 263                      OBJ: 5  
BLM: Higher Order
42. Orientation is an ongoing process.
- ANS: T                      PTS: 1                      REF: 264                      OBJ: 6  
BLM: Higher Order
43. Orientation is the formal process of familiarizing new employees with the organization, their job, and their work unit.
- ANS: T                      PTS: 1                      REF: 264                      OBJ: 6  
BLM: Remember
44. Orientation programs stress the "why" rather than the "what," including the philosophy behind the organization's rules.
- ANS: T                      PTS: 1                      REF: 264                      OBJ: 6  
BLM: Higher Order
45. Contrary to common thought, progressive organizations allow the supervisor to play a minor role in the new employee orientation process, since orientation is primarily the responsibility of the HR department.
- ANS: F                      PTS: 1                      REF: 264                      OBJ: 6  
BLM: Remember

## Chapter 7 Training and Development

46. By increasing the anxiety of new employees, orientation efforts are more likely to be successful due to the effort/anxiety curve.

ANS: F                      PTS: 1                      REF: 264                      OBJ: 6  
BLM: Higher Order

47. Most executives believe that formal orientation programs are effective in helping to retain and motivate employees.

ANS: T                      PTS: 1                      REF: 264                      OBJ: 4  
BLM: Higher Order

48. The benefits of an orientation program include lower turnover, improved morale, and facilitation of learning.

ANS: T                      PTS: 1                      REF: 265                      OBJ: 6  
BLM: Higher Order

49. The HR department has the most important role in the orientation program because it is the centre of the organization–employee interface.

ANS: F                      PTS: 1                      REF: 265                      OBJ: 6  
BLM: Higher Order

50. The use of orientation checklists compels a supervisor to be more attentive to each employee.

ANS: T                      PTS: 1                      REF: 265                      OBJ: 6  
BLM: Remember

51. Team building is a relatively simple process.

ANS: F                      PTS: 1                      REF: 267-268                      OBJ: 6  
BLM: Higher Order

52. Behavioural and process skills needed for team training need to be acquired through participative exercises.

ANS: T                      PTS: 1                      REF: 268                      OBJ: 6  
BLM: Higher Order

## Chapter 7 Training and Development

### ESSAY

1. Explain the strategic approach to training.

ANS:

The strategic approach to training makes the critical connection between strategic objectives and training programs. The systems approach involves four phases: needs assessment, program design, implementation, and evaluation.

Needs assessment involves (1) organization analysis, by which managers decide where training is needed, how it connects with goals, and what resources will be used; (2) task analysis, by which managers identify the KSAOs that are needed; and (3) person analysis, which is identifying who needs training and who does not.

Program design involves determining program objectives, preparing the readiness and motivation of trainees, and choosing instructors.

Implementation involves delivery of the training and can be done in a number of ways, or a combination of them. Possible delivery methods include on-the-job training, apprenticeships, internships, programmed instruction, computer-based instruction, simulations, seminars, case studies, management games, and behaviour modelling.

Evaluation consists of reactions, learning, behaviour change, and results. Reactions involve assessing the trainees' comments and feedback about the program. Learning involves assessing whether participants actually learned anything from the program. Behaviour refers to application of principles from the training onto the job. Results refer to bottom-line utility and productivity improvements achieved by conducting the program.

PTS: 1

REF: 237-264

OBJ: 1-5

BLM: Higher Order

2. On-the-job training (OJT) has three drawbacks. Briefly discuss these and the possible solutions suggested by experts in the field.

ANS:

Although all types of organizations use it, OJT is often one of the most poorly implemented training methods. Three common drawbacks are the lack of a well-structured training environment, poor training skills of supervisors, and the absence of well-defined job performance criteria. To overcome these problems, training experts suggest the following: develop realistic goals and/or measures for each OJT area; plan a specific training schedule for each trainee, including setting periods for evaluation and feedback; help supervisors to establish a nonthreatening atmosphere that is conducive to learning; and conduct periodic evaluations, after training is completed, to prevent regression.

PTS: 1

REF: 255-259

OBJ: 4

BLM: Higher Order

## Chapter 7 Training and Development

3. Identify and briefly describe the four criteria available to evaluate training.

ANS:

(1) *Reactions*: One of the simplest and most common approaches to training evaluation is assessing participant reactions. Satisfied trainees will be more likely to want to focus on training principles and to utilize the information on the job. Potential questions include: Did you like this program? What suggestions do you have for improving the program? (2) *Learning*: Involves testing knowledge and skills before a training program and then using this information as a baseline after training to determine improvement. It is also important to uncover “why” learning took place by revisiting the learning principles utilized. (3) *Behaviour*: Assesses transfer of training—that is, whether the principles learned are transferred back to the job. There are several methods for assessing transfer of learned skills back to the job—such as observations of trainees once they return to their regular positions, interviews with the trainees’ managers, and so forth. (4) *Results*: Involves assessing the “bottom-line” results achieved as a result of the training, such as increased productivity, fewer employee complaints, decreased costs, and profitability.

PTS: 1

REF: 259-263

OBJ: 5

BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

### MULTIPLE CHOICE

1. What are performance appraisals most often used for?
  - a. making compensation decisions
  - b. creating a team environment
  - c. tracking down ineffective employees
  - d. creating distance between managers and employees

ANS: A                      PTS: 1                      REF: 282                      OBJ: 1  
BLM: Remember

2. How often should performance feedback be delivered?
  - a. It should be done at least annually.
  - b. It depends on the organizational culture, industry, and supervisor's style.
  - c. It should be done at regular intervals—the more frequent the better.
  - d. It should be an ongoing, regular part of supervisor-subordinate interactions.

ANS: D                      PTS: 1                      REF: 283                      OBJ: 1  
BLM: Higher Order

3. Which of the following is **NOT** a developmental purpose of performance appraisal?
  - a. recognizing individual performance
  - b. validating selection procedures
  - c. improving communication
  - d. identifying an individual's strengths and weaknesses

ANS: B                      PTS: 1                      REF: 284                      OBJ: 2  
BLM: Higher Order

4. Which of the following are the two primary purposes of performance appraisals?
  - a. informative and developmental purposes
  - b. managerial and administrative purposes
  - c. managerial and informative purposes
  - d. administrative and developmental purposes

ANS: D                      PTS: 1                      REF: 284                      OBJ: 2  
BLM: Remember

5. Why is performance appraisal important?
  - a. because it is key to the validation of selection procedures, which are the foundation of all HR practices
  - b. because all organizations need to weed out lower-performing individuals at a rate of about 10 percent of employees per annum
  - c. because employees need to know that they are being evaluated in order to perform at an appropriate level
  - d. because the success of the entire HR program depends on knowing how the performance of employees compares with the goals established for them

ANS: D                      PTS: 1                      REF: 285                      OBJ: 2  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

6. Which of the following is a typical reason that performance appraisal programs fail?
- Managers rely on their knowledge of the job instead of proper appraisal procedures.
  - There is too much employee input into the development of the appraisal program.
  - The program is usually based on a job analysis rather than a competency analysis.
  - Managers often lack adequate appraisal skills.
- ANS: D                      PTS: 1                      REF: 285                      OBJ: 2  
BLM: Higher Order
7. Which of the following is exemplified by a manager rating an employee higher than he or she deserves in order to look good as a manager in the eyes of the manager's own superiors?
- criterion deficiency
  - organizational politics
  - criterion contamination
  - administrative appraisal purpose
- ANS: B                      PTS: 1                      REF: 286-287                      OBJ: 2  
BLM: Higher Order
8. Which of the following represents why employees are concerned with the fairness of the performance appraisal system?
- the process is central to many HRM decisions
  - they usually disagree with their ratings
  - their input is what makes it fair
  - a formal grievance process is required by law
- ANS: A                      PTS: 1                      REF: 287                      OBJ: 2  
BLM: Higher Order
9. How does the strategic relevance of performance appraisal impact HR managers?
- It allows them to more clearly justify training expenses.
  - It makes their job easier in that everyone is clear on objectives.
  - It puts the onus on them to establish the strategic relevance of all their HR activities.
  - It makes performance criteria much more useful, not just to HR managers but to the entire organization.
- ANS: A                      PTS: 1                      REF: 288                      OBJ: 2  
BLM: Higher Order
10. The strategic relevance of performance appraisals refers to which of the following?
- the extent to which standards relate to the overall objectives of the organization
  - the extent to which standards capture the entire range of an employee's responsibilities
  - the extent to which individuals tend to maintain a certain level of performance over time
  - the extent to which factors outside the employee's control can influence performance
- ANS: A                      PTS: 1                      REF: 288                      OBJ: 2  
BLM: Remember

## Chapter 8 Performance Management and the Employee Appraisal Process

11. Suppose the performance appraisals that salespeople receive are based solely on sales revenue to the exclusion of other important factors. Which of the following would these performance evaluations suffer from?
- criteria contamination
  - lack of reliability
  - criteria deficiency
  - lack of criteria relevance

ANS: C                      PTS: 1                      REF: 288                      OBJ: 2  
BLM: Higher Order

12. Jay is a polite, helpful, conscientious employee who often helps his fellow auto sales representatives make sales and is popular with customers due to his customer service orientation. Based on his performance appraisal, which is focused on sales, Jay is being fired because he has not sold enough cars this month. What is the problem at the root of his poor performance appraisal?
- criteria contamination
  - lack of reliability
  - criteria deficiency
  - lack of relevance

ANS: C                      PTS: 1                      REF: 288                      OBJ: 2  
BLM: Higher Order

13. If a performance standard is found to be stable or consistent over time, it is said to be which of the following?
- free from contamination
  - relevant
  - reliable
  - valid

ANS: C                      PTS: 1                      REF: 289                      OBJ: 2  
BLM: Higher Order

14. A waitress's performance is appraised on the basis of the quality of the food she delivers to the table. What is this an example of?
- criteria deficiency
  - criteria contamination
  - problems with the criteria
  - criteria reliability

ANS: B                      PTS: 1                      REF: 289                      OBJ: 2  
BLM: Higher Order

15. Suppose the performance evaluations that delivery drivers receive are partially influenced by the fact that some drivers operate in areas where there are major traffic problems while others operate in areas with few traffic problems. Which of the following would these performance evaluations suffer from?
- criteria contamination
  - lack of relevance
  - lack of reliability
  - rater bias

ANS: A                      PTS: 1                      REF: 289                      OBJ: 2  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

16. How is reliability in performance appraisal measured?

- a. by correlating ratings made by different raters
- b. by determining validity of performance standards
- c. by linking performance standards to organizational goals
- d. by quantifying performance standards

ANS: A                      PTS: 1                      REF: 289                      OBJ: 2  
BLM: Higher Order

17. Which of the following processes would be most helpful to an organization that was suffering from lack of interrater reliability in appraising employee performance?

- a. rater training
- b. calibration
- c. job analysis
- d. performance appraisals of managers

ANS: B                      PTS: 1                      REF: 289                      OBJ: 2  
BLM: Higher Order

18. In developing a new performance appraisal system, Organization C made an appraisal plan, decided who would be doing the appraising and how it would be done, and even included appraisal training. Which one of the following is an important step that Organization C missed?

- a. clearly communicating in advance the company's plans for employees who do not meet standards.
- b. gaining support from top management, which should occur near the beginning of the process
- c. informing employees how the process would go to alleviate anxiety
- d. examining the performance standards through job analysis

ANS: D                      PTS: 1                      REF: 290                      OBJ: 2  
BLM: Higher Order

19. Which of the following has been shown to be true in court?

- a. Vague performance standards can be acceptable when clearly written.
- b. Organizations should have carefully defined and measurable performance standards.
- c. While performance standards should be somewhat specific, there should be room for individual interpretation.
- d. Descriptions of traits such as attitude and cooperation are acceptable performance standards.

ANS: B                      PTS: 1                      REF: 290                      OBJ: 2  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

20. What is the most important thing an organization can do to ensure that a performance appraisal process can withstand legal scrutiny?
- Base the standards on a sound job analysis and make sure all involved know what the standards are.
  - Make sure managers are not biased in their delivery of appraisal feedback.
  - Use calibration and train the managers on how to deliver feedback.
  - Make sure the tool is reliable.

ANS: A                      PTS: 1                      REF: 290                      OBJ: 2  
BLM: Higher Order

21. In most instances, who is in the best position to perform the function of appraising an employee's performance?
- someone from the HR department
  - a coworker
  - the employee
  - the employee's supervisor

ANS: D                      PTS: 1                      REF: 291                      OBJ: 3  
BLM: Remember

22. Self-appraisals are best for which of the following?
- administrative purposes
  - developmental purposes
  - promotional purposes
  - regulatory purposes

ANS: B                      PTS: 1                      REF: 291                      OBJ: 3  
BLM: Remember

23. Which of the following appraisal sources is most useful when the manager and the employee jointly establish future performance goals for each employee?
- team appraisal
  - peer appraisal
  - subordinate appraisal
  - self-appraisal

ANS: D                      PTS: 1                      REF: 291                      OBJ: 3  
BLM: Higher Order

24. What advantage do peer appraisals have over other types of appraisals?
- Peers know the job better than most managers do.
  - Peers do not have a conflict of interest over honestly appraising a fellow employee.
  - Peers may have a more intimate view of the performance of fellow employees.
  - Peers don't have to worry about meeting standards for distributions.

ANS: C                      PTS: 1                      REF: 292                      OBJ: 3  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

25. TQM concerns have led to the increased use of which of the following?

- a. manager/supervisor appraisals
- b. team and customer performance appraisals
- c. self-appraisals
- d. subordinate appraisals

ANS: B                      PTS: 1                      REF: 292-293                      OBJ: 3

BLM: Higher Order

26. Which of the following is an important weakness of 360-degree feedback?

- a. In cases where feedback is not positive, it has been shown to increase voluntary turnover.
- b. It is hard to know what to conclude if the appraisal results in conflicting opinions.
- c. The quality of information is not as good as other types of appraisal systems.
- d. The training can be demoralizing because it is so intense.

ANS: B                      PTS: 1                      REF: 294                      OBJ: 3

BLM: Higher Order

27. Some organizations ask managers to place a percentage of their employees in the bottom performance category on every performance evaluation exercise, which in some cases may mean they are fired.

Which type of performance appraisal method does this exemplify?

- a. forced-distribution system
- b. checklist method
- c. percent method
- d. forced-choice method

ANS: A                      PTS: 1                      REF: 298                      OBJ: 3

BLM: Higher Order

28. Which appraisal method helps guard against recency error?

- a. critical incident method
- b. forced-choice method
- c. graphic rating scales
- d. mixed-standard scale

ANS: A                      PTS: 1                      REF: 298                      OBJ: 3

BLM: Higher Order

29. Performance appraisal methods can be broadly classified as which of the following approaches?

- a. trait, behavioural, and judgmental
- b. trait, behavioural, and results
- c. behavioural, judgmental, and results
- d. behavioural, judgmental, and attitudinal

ANS: B                      PTS: 1                      REF: 300                      OBJ: 4

BLM: Remember

## Chapter 8 Performance Management and the Employee Appraisal Process

30. Which rating format uses three specific behavioural descriptions relevant to each trait and then asks supervisors to evaluate whether an employee's behaviour is better than, equal to, or worse than the standard for each behaviour?

- a. mixed-standard scale
- b. forced-choice method
- c. behaviourally anchored rating scale
- d. behaviour observation scale

ANS: A                      PTS: 1                      REF: 302                      OBJ: 4  
BLM: Remember

31. Every time Sandy makes a mistake at work, her manager writes it down in detail in her employee record. Sandy thinks this is a form of harassment. More likely, what is the manager trying to do?

- a. collect information in order to build a BARS
- b. substantiate her termination in case Sandy files a complaint
- c. evaluate her performance
- d. collect critical incidents

ANS: D                      PTS: 1                      REF: 303                      OBJ: 4  
BLM: Higher Order

32. Which of the following is the primary limitation of the forced-choice method of appraisal?

- a. It is expensive to initially develop.
- b. Only highly trained raters can use the format.
- c. It does not lend itself to peer and self-ratings.
- d. It is expensive to establish and maintain its validity.

ANS: D                      PTS: 1                      REF: 303                      OBJ: 4  
BLM: Higher Order

33. If your primary objective for a performance appraisal is to give employees developmental feedback, which of the following appraisal methods should you use?

- a. behavioural methods
- b. results methods
- c. trait methods
- d. attitudinal methods

ANS: A                      PTS: 1                      REF: 303                      OBJ: 4  
BLM: Higher Order

34. Which of the following uses critical incidents as examples of different points along the scale?

- a. the mixed-standard scale
- b. the global rating
- c. the behaviourally anchored rating scale
- d. dimensional rating

ANS: C                      PTS: 1                      REF: 304                      OBJ: 4  
BLM: Remember

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35. Which of the following is a major weakness of the behaviourally anchored rating scale (BARS)?
- Ratees are often offended by the anchors.
  - It takes a long time and a lot of effort to develop.
  - The anchors become outdated quickly because they are so specific.
  - It takes a long time to fill out.

ANS: B                      PTS: 1                      REF: 305                      OBJ: 4  
BLM: Higher Order

36. Which of the following is a major advantage of a behaviourally anchored rating scale?
- It requires a great deal of employee participation, which leads to acceptance.
  - The rating scale can be used across many jobs.
  - It takes a relatively short time to develop.
  - It allows the appraiser to observe rather than judge.

ANS: A                      PTS: 1                      REF: 305                      OBJ: 4  
BLM: Higher Order

37. Which of the following best describes a behaviourally anchored rating scale?
- It typically has construct validity.
  - It typically has content validity.
  - It can be used to rate employees across many different jobs.
  - It costs the least to develop.

ANS: B                      PTS: 1                      REF: 305                      OBJ: 4  
BLM: Remember

38. With which type of appraisal method would supervisors most likely be inclined to forgo needed maintenance on their equipment?
- results methods
  - 360-degree appraisal
  - subordinate appraisal
  - trait methods

ANS: A                      PTS: 1                      REF: 306                      OBJ: 4  
BLM: Higher Order

39. Which of the following performance appraisal methods involves a mutual agreement of goals and metrics between supervisor and subordinate?
- all behavioural methods
  - productivity measures
  - forced distribution
  - management by objectives

ANS: D                      PTS: 1                      REF: 306                      OBJ: 4  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

40. The HR managers at Organization M are very keen to tie all their HR practices in with organizational strategy, and performance appraisal is no exception. They would like to make clear the link between individual performance and organizational performance. Which of the following is the best type of appraisal method for the HR managers at Organization M?
- a. trait-based methods
  - b. results-based methods
  - c. behaviour-based methods
  - d. performance-based methods

ANS: B                      PTS: 1                      REF: 306                      OBJ: 4  
BLM: Higher Order

41. Which of the following appraisal systems is based on the concept that learning helps organizations improve their internal processes and allows individuals to see how their performance ties in with the firm?
- a. balanced scorecard approach
  - b. 360-degree appraisal
  - c. customer-oriented approach
  - d. management by objectives

ANS: A                      PTS: 1                      REF: 308                      OBJ: 4  
BLM: Remember

42. The appraisal interview should be divided into two sessions. Which of the following best describes what those two sessions should contain?
- a. positive comments and negative comments
  - b. performance review and developmental planning
  - c. performance review and compensation discussion
  - d. establishing performance standards and reviewing performance

ANS: B                      PTS: 1                      REF: 310                      OBJ: 5  
BLM: Remember

43. Which of the following is an essential component of an appraisal interview?
- a. It should take place in one session in order to give the employee a complete view of his or her performance.
  - b. It can be divided into two sections, though this is not advisable.
  - c. It is a time for the supervisor to give feedback on past performance and should not be used for developmental purposes.
  - d. It should be held in two segments because the rater must perform the role of both evaluator and counsellor.

ANS: D                      PTS: 1                      REF: 310                      OBJ: 5  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

44. In delivering a performance appraisal interview, Manuel is attempting to convince his direct report that she needs to be more communicative with her peers about her work. The other aspects of her performance are excellent, so he is willing to provide incentives for her if she can improve in this aspect of her performance. What type of performance appraisal interview is Manuel delivering?
- tell-and-listen
  - tell-and-sell
  - tell-and-train
  - problem-solving

ANS: B                      PTS: 1                      REF: 311                      OBJ: 5  
BLM: Higher Order

45. In delivering a performance appraisal interview, Jacqui is taking a listening perspective. She wants to stimulate growth and development by discussing the problems, needs, satisfactions, and dissatisfactions the employee has encountered on the job. What type of performance appraisal interview is Jacqui delivering?
- tell-and-listen
  - tell-and-sell
  - tell-and-train
  - problem-solving

ANS: D                      PTS: 1                      REF: 311                      OBJ: 5  
BLM: Higher Order

46. Why would a manager ask an employee to do a self-appraisal before meeting for the performance appraisal interview?
- It makes the employee feel like he or she is involved in some small way.
  - It ensures the employee knows evaluation criteria.
  - It increases employee satisfaction.
  - It is expected in certain industries through convention.

ANS: B                      PTS: 1                      REF: 312                      OBJ: 5  
BLM: Higher Order

47. Which of the following is the most accurate description of the possible facets of an appraisal interview?
- minimize criticism, change the person not the behaviour, and encourage feedback
  - change the person not the behaviour, minimize criticism, express appreciation, and invite participation
  - ask for a self-assessment, invite participation, express appreciation, and minimize criticism
  - ask for a self-assessment, change the person not the behaviour, and encourage feedback

ANS: C                      PTS: 1                      REF: 312-313                      OBJ: 5  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

48. Which of the following is a major issue surrounding “stretch goals”?
- They demoralize the employee.
  - They increase voluntary turnover.
  - They could be considered unethical for several reasons.
  - They cause disruptive behaviours to the point that they are more costly to the organization than they are financially advantageous.

ANS: C                      PTS: 1                      REF: 314                      OBJ: 5  
BLM: Remember

49. Which of the following is an accurate listing of the factors that affect performance?
- motivation, environment, and ability
  - motivation, organizational culture, and traits
  - organizational culture, motivation, and ability
  - ability, job design, and motivation

ANS: A                      PTS: 1                      REF: 316                      OBJ: 5  
BLM: Remember

50. Which of the following is **NOT** an ability factor that may be a source of ineffective performance?
- interpersonal skill
  - career ambition
  - technical skill
  - physical limitation

ANS: B                      PTS: 1                      REF: 316                      OBJ: 4|5  
BLM: Remember

51. Which of the following is **NOT** an environmental factor that may be a source of ineffective performance?
- rules and policies
  - economic conditions
  - boredom and lack of ability
  - laws and regulations

ANS: C                      PTS: 1                      REF: 316                      OBJ: 5  
BLM: Remember

52. Managers often first assume poor performance of subordinates is due to which of the following?
- inadequate training
  - poor motivation
  - external constraints
  - lack of ability

ANS: D                      PTS: 1                      REF: 316                      OBJ: 5  
BLM: Remember

## Chapter 8 Performance Management and the Employee Appraisal Process

### Scenario 8.1

Med Supplies Ltd. is a manufacturer and distributor of over-the-counter medical devices such as blood pressure monitors. Med Supplies relies heavily on its sales team to push these products to pharmacies and medical clinics across Canada. Sales reps are paid a yearly bonus based on the team's performance, coupled with annual performance appraisals done by managers. Over the last three years, they have been paid bonuses based on the previous year's performance if it is similar in dollar figure despite losing shelf space in stores or declining individual performances. The managers claim that they do not have the time to do the appraisals, but their superiors think these appraisals are key and need to be the link between employees' goals and the organization's objectives.

53. Refer to Scenario 8.1. The VP Sales suggests the use of peer appraisals to ensure that each member of the team pulls his/her weight. Which of the following is **NOT** a reason why peer appraisals are not frequently used?
- those receiving low ratings might retaliate against their peers
  - peer ratings are simply a popularity contest
  - managers want to give up control over the appraisal process
  - peers rely on stereotypes in ratings

ANS: C                      PTS: 1                      REF: 292                      OBJ: 3  
BLM: Higher Order

54. Refer to Scenario 8.1. Med Supplies should consider using team appraisals to evaluate the team as a whole. Which of the following is true about team appraisals?
- can help break down barriers and encourage joint effort
  - make it easier to separate individual contributions
  - readily identify leadership and interpersonal skills
  - provide 360-degree feedback

ANS: A                      PTS: 1                      REF: 292                      OBJ: 3  
BLM: Higher Order

### Scenario 8.2

Jane is manager to 10 direct reports. She is currently concerned that she is perceived as a softy and so she has decided not to give out very many high ratings on this year's performance appraisal exercise. However, she doesn't want anyone to be fired, either, so she has also decided not to give out any very low ratings.

55. Refer to Scenario 8.2. Which of the following will Jane's ratings suffer from?
- similar-to-self bias
  - leniency error
  - forced distribution
  - central tendency error

ANS: D                      PTS: 1                      REF: 298                      OBJ: 3  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

56. Refer to Scenario 8.2. How can Jane correct for this error?
- by rating the reports highly if they displayed characteristics similar to her own
  - by rating everyone leniently
  - by collecting critical incidents
  - by rating everyone highly

ANS: C                      PTS: 1                      REF: 303                      OBJ: 3  
BLM: Higher Order

### Scenario 8.3

Canadian Fasteners Inc. has recently implemented a Human Resource (HR) system that assists with the recruitment and selection process, as well as administering a pension and benefits program. Included with these programs are training and development programs as well as yearly performance appraisals for both managers and agents who are jointly responsible for bringing in new accounts and maintaining existing ones. While these performance appraisals are done each year, managers and agents do not receive feedback unless they are unhappy with their salary increases or bonuses. However, HR is now pushing the need for ongoing feedback as it is a key component of its compensation process.

57. Refer to Scenario 8.3. Canadian Fasteners wants to embark on feedback sessions. Which of the following is **NOT** one of the key points to address?
- direct the feedback toward behaviour the employee can control
  - give specific examples of desirable and undesirable behaviours
  - provide timely feedback
  - focus feedback on the person, not behaviour

ANS: D                      PTS: 1                      REF: 283                      OBJ: 1  
BLM: Higher Order

58. Refer to Scenario 8.3. According to research, which of the following is **TRUE** about providing feedback?
- employees who receive no feedback from their supervisors exhibit the least amount of engagement
  - feedback is least useful when it is immediate
  - only provide positive feedback to employees
  - feedback should not be specific to a particular situation

ANS: A                      PTS: 1                      REF: 284                      OBJ: 2  
BLM: Higher Order

59. Refer to Scenario 8.3. If Canadian Fasteners were to provide ongoing performance feedback to its employees, this would be a key step in which of the following?
- strategic and managerial process
  - performance management process
  - compensation rating process
  - promotion process

ANS: B                      PTS: 1                      REF: 282                      OBJ: 1  
BLM: Higher Order

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### TRUE/FALSE

1. Feedback is most useful when it is immediate and general in nature.

ANS: F                      PTS: 1                      REF: 283                      OBJ: 1  
BLM: Higher Order

2. Depending on the industry, managers should provide performance feedback on an annual basis.

ANS: F                      PTS: 1                      REF: 283                      OBJ: 1  
BLM: Higher Order

3. In general, performance appraisal can be classified as either administrative or developmental.

ANS: T                      PTS: 1                      REF: 284                      OBJ: 2  
BLM: Remember

4. Developmental purposes for performance appraisal include validating selection criteria and meeting legal requirements.

ANS: F                      PTS: 1                      REF: 284                      OBJ: 2  
BLM: Remember

5. Administrative purposes for performance appraisal include documenting personnel decisions and identifying individual training needs.

ANS: F                      PTS: 1                      REF: 284                      OBJ: 2  
BLM: Remember

6. Most performance appraisals focus on long-term improvement, rather than short-term achievements.

ANS: F                      PTS: 1                      REF: 285                      OBJ: 2  
BLM: Remember

7. A performance appraisals program can be used for many purposes, including salary recommendations and the retention and termination of employees.

ANS: T                      PTS: 1                      REF: 285                      OBJ: 2  
BLM: Higher Order

8. If an appraisal program is used to provide a written appraisal for salary action and at the same time used as a means of motivating employees to improve upon their performance, the administrative and developmental purposes may be in conflict.

ANS: T                      PTS: 1                      REF: 285                      OBJ: 2  
BLM: Higher Order

9. Developmental approaches to performance appraisal recognize that a manager's purpose is to improve job behaviours, not just evaluate past performance.

ANS: T                      PTS: 1                      REF: 285                      OBJ: 2  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

10. Organizational politics can introduce bias into even the most fairly administered performance appraisals.  
ANS: T                      PTS: 1                      REF: 286-287                      OBJ: 2  
BLM: Higher Order
11. Ideally, performance appraisals should be linked to the strategic objectives of the organization.  
ANS: T                      PTS: 1                      REF: 288                      OBJ: 2  
BLM: Higher Order
12. Criterion deficiency occurs when performance standards focus on a single criterion to the exclusion of other important but less quantifiable performance dimensions.  
ANS: T                      PTS: 1                      REF: 288                      OBJ: 2  
BLM: Higher Order
13. Criterion contamination occurs when correlations between two raters of an employee are inconsistent.  
ANS: F                      PTS: 1                      REF: 289                      OBJ: 2  
BLM: Higher Order
14. Criterion contamination occurs when factors outside an employee's control influence his or her performance.  
ANS: T                      PTS: 1                      REF: 289                      OBJ: 2  
BLM: Higher Order
15. Reliability refers to measures that are consistent across raters and over time.  
ANS: T                      PTS: 1                      REF: 289                      OBJ: 2  
BLM: Remember
16. In order to increase employee motivation levels, written performance standards should be objective but not defined in quantifiable and measurable terms.  
ANS: F                      PTS: 1                      REF: 289                      OBJ: 2  
BLM: Higher Order
17. Ineffective handling of performance appraisal may result in court cases or other legal action.  
ANS: T                      PTS: 1                      REF: 289                      OBJ: 2  
BLM: Higher Order
18. In most instances, one person can easily observe and evaluate an employee's performance.  
ANS: F                      PTS: 1                      REF: 291                      OBJ: 3  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

19. Surprisingly, self-appraisals are typically equal to or lower than the traditional approach to appraisals where a manager fills them out.
- ANS: F                      PTS: 1                      REF: 291                      OBJ: 3  
BLM: Higher Order
20. Self-appraisals should be used primarily for developmental purposes.
- ANS: T                      PTS: 1                      REF: 291                      OBJ: 2|3  
BLM: Higher Order
21. Peer appraisals should be used primarily for developmental purposes.
- ANS: T                      PTS: 1                      REF: 292                      OBJ: 3  
BLM: Higher Order
22. Peer appraisals are useful for ratings on dimensions such as leadership and interpersonal skills.
- ANS: T                      PTS: 1                      REF: 292                      OBJ: 3  
BLM: Higher Order
23. One disadvantage of peer appraisals is that they furnish less valid information than appraisals by superiors.
- ANS: F                      PTS: 1                      REF: 292                      OBJ: 2  
BLM: Higher Order
24. A team appraisal approach is well suited for a company advocating a total-quality management philosophy.
- ANS: T                      PTS: 1                      REF: 293                      OBJ: 2  
BLM: Higher Order
25. Team appraisals are a collection of the individual appraisals of a work unit.
- ANS: F                      PTS: 1                      REF: 293                      OBJ: 2  
BLM: Remember
26. Internal customers are the most important source of valuable performance information for both developmental and administrative purposes.
- ANS: T                      PTS: 1                      REF: 293                      OBJ: 2  
BLM: Higher Order
27. Most organizations that implement 360-degree appraisal start with an exclusive focus on development.
- ANS: T                      PTS: 1                      REF: 294                      OBJ: 2  
BLM: Remember

## Chapter 8 Performance Management and the Employee Appraisal Process

28. A significant weakness of 360-degree appraisal is the complexity associated with combining all the responses.
- ANS: T                      PTS: 1                      REF: 294                      OBJ: 3  
BLM: Higher Order
29. One weakness of many performance appraisal programs is that supervisors are not adequately trained; consequently, they provide little meaningful feedback to subordinates.
- ANS: T                      PTS: 1                      REF: 297                      OBJ: 3  
BLM: Remember
30. Using the appraisal system for compensation decisions rather than developmental purposes may affect how the rater evaluates the employee.
- ANS: T                      PTS: 1                      REF: 297                      OBJ: 3  
BLM: Higher Order
31. An error of central tendency is a performance-rating error in which all employees are more or less rated as average.
- ANS: T                      PTS: 1                      REF: 298                      OBJ: 3  
BLM: Remember
32. Requiring raters to use a forced distribution reduces the chance of leniency or strictness errors.
- ANS: T                      PTS: 1                      REF: 298                      OBJ: 3  
BLM: Higher Order
33. Contrast errors are most likely when raters are required to rank employees in order from the best to the poorest.
- ANS: T                      PTS: 1                      REF: 298                      OBJ: 3  
BLM: Remember
34. The similar-to-me error occurs when appraisers inflate the evaluations of people with whom they have something in common.
- ANS: T                      PTS: 1                      REF: 299                      OBJ: 3  
BLM: Higher Order
35. The similar-to-me error, like contrast, results in less-than-accurate performance ratings, but would not be considered discriminatory.
- ANS: F                      PTS: 1                      REF: 299                      OBJ: 3  
BLM: Higher Order
36. Feedback training for raters should include communicating effectively, diagnosing causes of performance problems, and setting goals.
- ANS: T                      PTS: 1                      REF: 300                      OBJ: 3  
BLM: Remember

## Chapter 8 Performance Management and the Employee Appraisal Process

37. Results-oriented approaches are the most widely used, despite their subjectivity.

ANS: F                      PTS: 1                      REF: 300                      OBJ: 4  
BLM: Remember

38. Trait appraisal approaches continue to be the most popular systems despite their inherent subjectivity.

ANS: T                      PTS: 1                      REF: 301                      OBJ: 4  
BLM: Remember

39. Graphic rating scales include sets of statements between which the rater must choose, such as “works hard” vs. “works quickly.”

ANS: F                      PTS: 1                      REF: 301                      OBJ: 4  
BLM: Higher Order

40. A potential drawback of a trait-oriented performance appraisal is that it may be biased and subjective.

ANS: T                      PTS: 1                      REF: 303                      OBJ: 4  
BLM: Remember

41. One of the benefits of the forced-choice method is the relatively small cost of establishing and maintaining its validity.

ANS: F                      PTS: 1                      REF: 303                      OBJ: 4  
BLM: Higher Order

42. A major drawback of the essay method is that composing an essay that attempts to cover all of an employee’s essential characteristics is very time-consuming.

ANS: T                      PTS: 1                      REF: 303                      OBJ: 4  
BLM: Higher Order

43. Behavioural methods are often useful for providing employees with developmental feedback.

ANS: T                      PTS: 1                      REF: 303                      OBJ: 4  
BLM: Remember

44. One of the disadvantages of the critical incident method is that it tends to lead to recency error.

ANS: F                      PTS: 1                      REF: 303                      OBJ: 4  
BLM: Higher Order

45. The critical incident method facilitates employee feedback and development.

ANS: T                      PTS: 1                      REF: 303-304                      OBJ: 4  
BLM: Higher Order

## Chapter 8 Performance Management and the Employee Appraisal Process

46. The main advantage of a BARS is that it requires minimal time and effort to develop.
- ANS: F                      PTS: 1                      REF: 305                      OBJ: 4  
BLM: Higher Order
47. Results appraisals give employees more responsibility for outcomes and discretion over how to accomplish them.
- ANS: T                      PTS: 1                      REF: 306                      OBJ: 4  
BLM: Remember
48. One of the primary strengths of results appraisals is that they are not likely to suffer from contamination by external factors that employees cannot influence.
- ANS: F                      PTS: 1                      REF: 306                      OBJ: 4  
BLM: Higher Order
49. Measurable and quantifiable performance objectives are requirements for a successful MBO program.
- ANS: T                      PTS: 1                      REF: 306                      OBJ: 4  
BLM: Higher Order
50. One of the primary strengths of results appraisals is that they encourage employees to focus on long-term performance indicators.
- ANS: F                      PTS: 1                      REF: 306                      OBJ: 4  
BLM: Higher Order
51. "Management-by-objectives" is one of the best performance appraisal approaches to use if a company's production system is surrounded by uncertainty and variability.
- ANS: F                      PTS: 1                      REF: 306-307                      OBJ: 4  
BLM: Higher Order
52. The balanced scorecard approach integrates four categories:                      financial, customer, processes, and outcomes.
- ANS: F                      PTS: 1                      REF: 308                      OBJ: 4  
BLM: Remember
53. The balanced scorecard approach translates broad goals into increasingly specific goals, so that individuals can see how their performance relates to the overall performance of the firm.
- ANS: T                      PTS: 1                      REF: 308                      OBJ: 4  
BLM: Remember
54. The best appraisal method to use depends upon the purpose of the appraisal.
- ANS: T                      PTS: 1                      REF: 309                      OBJ: 4  
BLM: Remember

## Chapter 8 Performance Management and the Employee Appraisal Process

55. Dividing the appraisal interview into two sessions, one for the performance review and the other for the employee's growth plans, is a good strategy to improve communication between the parties.

ANS: T                      PTS: 1                      REF: 310                      OBJ: 5  
BLM: Remember

56. Three types of appraisal interviews are tell-and-sell, tell-and-listen, and problem-solving.

ANS: T                      PTS: 1                      REF: 310                      OBJ: 5  
BLM: Remember

57. Because the appraisal interview is for developmental purposes, the interviewer rather than the employee should spend the majority of the time sharing information.

ANS: F                      PTS: 1                      REF: 311                      OBJ: 5  
BLM: Remember

58. Self-assessment is useful to ensure the employee knows against what criteria he or she is evaluated, thus eliminating surprises.

ANS: T                      PTS: 1                      REF: 312                      OBJ: 5  
BLM: Higher Order

59. Performance is a function of ability, motivation, and environment.

ANS: T                      PTS: 1                      REF: 315                      OBJ: 5  
BLM: Remember

## Chapter 8 Performance Management and the Employee Appraisal Process

### ESSAY

1. Identify and discuss the two general purposes of performance appraisal.

ANS:

Performance appraisal programs serve many purposes, which in general terms fall into two categories: administrative and developmental. Administrative purposes relate to who will be promoted, transferred, or laid off, and compensation decisions. Developmental purposes relate to improving and enhancing an individual's capabilities (e.g., identifying a person's strengths and weaknesses, eliminating external performance obstacles, and establishing training needs). These two purposes of performance appraisal reflect HRM's larger role, which is to integrate the individual with the organization.

PTS: 1

REF: 284-285

OBJ: 1

BLM: Higher Order

2. Why do employee appraisal programs sometimes fail?

ANS:

In many organizations, performance appraisals are seen as a necessary evil. Managers frequently avoid conducting appraisals because they dislike playing the role of judge. Further, if managers are not adequately trained, subjectivity and politics can distort the reviews. This situation tends to be self-defeating in that such managers frequently do not develop good feedback skills and are often not prepared to conduct an appraisal. As a consequence, the appraisal is done once a year and then forgotten about.

PTS: 1

REF: 285-287

OBJ: 1

BLM: Higher Order

3. What are the four basic considerations for establishing performance standards?

ANS:

Before any appraisal is conducted, the standards by which performance is to be evaluated should be clearly defined and communicated to the employee. These standards should be based on job-related requirements derived from job analysis and reflected in the job descriptions and job specifications. In establishing performance standards, there are four basic considerations.

First, performance standards should have strategic relevance. Strategic relevance refers to the extent to which performance standards relate to the strategic objectives of the organization. A second consideration in establishing performance standards is the extent to which the standards capture the entire range of an employee's responsibilities. When performance standards focus on a single criterion to the exclusion of other important performance dimensions, then the appraisal system is said to suffer from criterion deficiency. Third, performance standards can also be contaminated. When performance standards include factors outside an employee's control that can influence his or her performance, then the appraisal system is said to suffer from criterion contamination. Fourth, performance standards should be reliable. Reliability refers to the stability or consistency of a performance standard, or the extent to which individuals tend to maintain a certain level of performance over time.

PTS: 1

REF: 288-289

OBJ: 1

BLM: Remember

## Chapter 8 Performance Management and the Employee Appraisal Process

4. Why are appraisal interviews important? What are some guidelines for effectiveness?

ANS:

The degree to which the performance appraisal program benefits the organization and its members is directly related to the quality of the appraisal interviews that are conducted. Interviewing skills are best developed through instruction and supervised practice. Although there are various approaches to the interview, research suggests that employee participation and goal setting lead to higher satisfaction and improved performance. Discussing problems, showing support, minimizing criticism, and rewarding effective performance are also beneficial practices. In the interview, deficiencies in employee performance can be discussed and plans for improvement can be made.

PTS: 1

REF: 297-300

OBJ: 4

BLM: Higher Order

## Chapter 9 Managing Compensation

### MULTIPLE CHOICE

1. Some organizations can choose a strategy to pay higher than market wages and salaries. Which of the following will this **NOT** help them do?
- be more selective in their employee hiring
  - reduce training costs
  - retain valuable employees
  - develop more advanced performance appraisals

ANS: D                      PTS: 1                      REF: 330                      OBJ: 1  
BLM: Higher Order

2. Which of the following is an example of nonfinancial compensation?
- bonuses
  - commissions
  - health insurance
  - employee recognition programs

ANS: D                      PTS: 1                      REF: 330                      OBJ: 1  
BLM: Higher Order

3. Which of the following is **NOT** a common goal of compensation policy?
- to punish employees for poor performance
  - to reward employees' past performance
  - to maintain the budget
  - to attract new employees

ANS: A                      PTS: 1                      REF: 331                      OBJ: 1  
BLM: Higher Order

4. Assume Microsoft wants to link its overall organizational strategy to its wage and benefit policies in the strategic plan. How can the company best do this?
- through the development of better performance standards
  - through following federal strategic planning legislation
  - through adhering to Harvard University's Professor Porter model
  - through formalized compensation goals

ANS: D                      PTS: 1                      REF: 331                      OBJ: 1  
BLM: Higher Order

5. Both Sam and Samantha work as cashiers at Modelo Hot Dogs. They do work of equal value to the firm, yet Sam receives less pay than Samantha. Sam is not happy because he perceives the system as being unfair to him. Which theory can you use to explain Sam's perceptions?
- reverse discrimination theory
  - pay equity theory
  - expectancy theory
  - equity theory

ANS: D                      PTS: 1                      REF: 331                      OBJ: 1  
BLM: Higher Order

## Chapter 9 Managing Compensation

6. Which term refers to paying wages that are relatively equal to the value of the work being performed?
- comparable worth
  - pay equity
  - compensable factors
  - equal pay

ANS: B                      PTS: 1                      REF: 332                      OBJ: 1  
BLM: Remember

7. One's level of motivation depends on the attractiveness of the rewards sought. Which of the following refers to the probability of obtaining those rewards?
- expectancy theory
  - equity theory
  - instrumentality
  - internal equity

ANS: A                      PTS: 1                      REF: 332                      OBJ: 1  
BLM: Higher Order

8. One theory is based on the theoretical concept that employees should exert greater work effort if they have reason to expect it will result in a valued reward. What is this theory?
- expectancy theory
  - equity theory
  - instrumentality theory
  - internal equity theory

ANS: A                      PTS: 1                      REF: 333                      OBJ: 1  
BLM: Higher Order

9. What is the classification for employees whose compensation is calculated on the basis of weekly, biweekly, or monthly periods?
- salaried employees
  - hourly employees
  - management employees
  - white-collar employees

ANS: A                      PTS: 1                      REF: 333                      OBJ: 1  
BLM: Higher Order

10. What is a key implication of expectancy theory when applied to pay systems?
- Employees must get pay raises to cover increased living costs.
  - Employees expect their managers to be competent.
  - Employers expect their employees to be competent.
  - Rewards must be valuable for motivation to occur.

ANS: D                      PTS: 1                      REF: 333                      OBJ: 1  
BLM: Higher Order

## Chapter 9 Managing Compensation

11. Vidya works at Paymore Shoes and is paid for time she works in the store. How would you classify Vidya?
- a salaried employee
  - an hourly employee
  - an exploited employee
  - a white-collar employee

ANS: B                    PTS: 1                    REF: 333                    OBJ: 1  
BLM: Higher Order

12. Which of the following is an internal factor that can influence the rates at which employees are paid?
- labour market conditions
  - collective bargaining
  - the employer's ability to pay
  - the cost of living

ANS: C                    PTS: 1                    REF: 334                    OBJ: 2  
BLM: Higher Order

13. Which of the following is an external factor that can influence the rates at which employees are paid?
- the worth of the job
  - the employees' relative worth
  - the employer's ability to pay
  - the cost of living

ANS: D                    PTS: 1                    REF: 334                    OBJ: 2  
BLM: Higher Order

14. In a unionized environment, how is pay for employees in the bargaining unit normally determined?
- through escalator clauses
  - through collective bargaining
  - through pay equity
  - through market evaluations with other all unions

ANS: B                    PTS: 1                    REF: 336                    OBJ: 2  
BLM: Higher Order

15. What is the measure of the average change in prices over time in a fixed "market basket" of goods and services?
- a cost of living allowance
  - a cost of living adjustment
  - the consumer price index
  - the inflation index

ANS: C                    PTS: 1                    REF: 337                    OBJ: 2  
BLM: Remember

## Chapter 9 Managing Compensation

16. Which of the following clauses are found in some labour agreements that periodically adjust compensation rates to reflect increases in cost of living?
- maintenance clauses
  - escalator clauses
  - roll-up clauses
  - guarantee clauses

ANS: B                      PTS: 1                      REF: 338                      OBJ: 2  
BLM: Remember

17. For real wages to increase, what is necessary?
- An employee's wage increase must be greater than the increase in the CPI.
  - An employee must receive a lump-sum wage increase equal to the increase in the CPI.
  - An employee's wage must simply increase.
  - The CPI must increase at least as much as the employee's wage.

ANS: A                      PTS: 1                      REF: 338                      OBJ: 2  
BLM: Higher Order

18. How far do the impacts of collective bargaining extend?
- to hourly employees only
  - to both hourly and management employees
  - beyond the segment of the labour force that is unionized
  - to both exempt and non-exempt employees

ANS: C                      PTS: 1                      REF: 338                      OBJ: 2  
BLM: Remember

19. Job evaluation helps to address issues dealing with which of the following?
- employees' need for pay that reflects cost of living increases
  - employees' perceptions of equity
  - employers' need to match the market pay
  - employers' perceptions of unfair jobs

ANS: B                      PTS: 1                      REF: 338                      OBJ: 3  
BLM: Higher Order

20. Which of the following is **NOT** a disadvantage of the job ranking system?
- It does not provide a very refined measure of the job's worth, since the comparisons are made on the basis of the whole job.
  - The final rankings of jobs do not indicate the relative importance of the jobs.
  - Its simplicity makes it suitable for smaller employers.
  - It should only be used with non-exempt jobs.

ANS: C                      PTS: 1                      REF: 338                      OBJ: 3  
BLM: Remember

## Chapter 9 Managing Compensation

21. Which of the following is **NOT** a method of comparison used in job evaluation?
- a. job worth system
  - b. job ranking system
  - c. job classification system
  - d. point system

ANS: A                      PTS: 1                      REF: 339                      OBJ: 3  
BLM: Remember

22. What is job classification often used to help determine pay for?
- a. merit bonuses
  - b. the company's CEO
  - c. classified university professors' jobs
  - d. government jobs

ANS: D                      PTS: 1                      REF: 339                      OBJ: 3  
BLM: Higher Order

23. Which of the following is a quantitative job evaluation procedure that determines a job's relative value on the basis of quantitative assessments of specific job elements?
- a. the point system
  - b. job ranking
  - c. the factor comparison method
  - d. the job grade system

ANS: A                      PTS: 1                      REF: 339                      OBJ: 3  
BLM: Higher Order

24. To help achieve internal equity, factors such as skills, effort, responsibilities, and working conditions may be used to assess jobs. Which term refers to these factors?
- a. job specifications
  - b. job classification factors
  - c. compensable factors
  - d. factor comparisons

ANS: C                      PTS: 1                      REF: 339                      OBJ: 3  
BLM: Higher Order

25. According to the text, which job evaluation method is considered the most valid?
- a. job ranking
  - b. the point method
  - c. the classification method
  - d. the factor comparison method

ANS: B                      PTS: 1                      REF: 339                      OBJ: 3  
BLM: Higher Order

## Chapter 9 Managing Compensation

26. Using the point manual, how is the relative worth of a job determined?
- by benchmarking jobs contained in the point manual
  - through the wage mix
  - by the number of steps within the pay grade
  - by the total points that have been assigned to that job

ANS: D                      PTS: 1                      REF: 339-340                      OBJ: 3  
BLM: Higher Order

27. In the development of a factor comparison scale, key jobs are **NOT** normally ranked against which of the following factors?
- skill
  - performance
  - mental effort
  - responsibility

ANS: B                      PTS: 1                      REF: 340                      OBJ: 3  
BLM: Higher Order

28. Which three factors does the Hay profile method use for evaluating jobs?
- knowledge, skill, and responsibility
  - responsibility, mental activity, and skill
  - responsibility, knowledge, and mental activity
  - knowledge, accountability, and mental activity

ANS: D                      PTS: 1                      REF: 341                      OBJ: 3  
BLM: Remember

29. Crystal Ball Inc. is a large information technology firm with many levels of management. The company would like to compensate its managers on factors such as knowledge and accountability. Which system would you recommend?
- market pricing
  - the Hay profile method
  - job classification as implemented in Microsoft
  - work valuation

ANS: B                      PTS: 1                      REF: 341                      OBJ: 3  
BLM: Higher Order

30. In geography, the water catchment area or watershed refers to the area that channels or supplies a specific area with its water. Catchment areas divide drainage basins. In wage surveys, what is this catchment area similar to?
- the labour market
  - the region
  - the recruiting area
  - the supply region

ANS: A                      PTS: 1                      REF: 341                      OBJ: 4  
BLM: Higher Order

## Chapter 9 Managing Compensation

31. Ontario Hydro is seeking a top-level engineer to help with its operations. What is the relevant labour market to be surveyed?
- regional
  - local
  - national
  - internal

ANS: C                      PTS: 1                      REF: 342                      OBJ: 4  
BLM: Higher Order

32. What type of equity do wage and salary surveys permit an organization to maintain?
- internal
  - distributive
  - external
  - salary

ANS: C                      PTS: 1                      REF: 342                      OBJ: 4  
BLM: Higher Order

33. What type of jobs do companies normally use to collect wage survey data?
- key jobs
  - low-rated jobs
  - high-rated jobs
  - strategic jobs

ANS: A                      PTS: 1                      REF: 343                      OBJ: 4  
BLM: Higher Order

34. In developing a wage curve, what are market wage rates plotted against?
- market survey data
  - employee benefits
  - the size of a firm
  - the point value of jobs

ANS: D                      PTS: 1                      REF: 344                      OBJ: 5  
BLM: Higher Order

35. Accounting clerks, pay clerks, and junior secretaries are all classed in Grade 2 at Metroland Inc. Which of the following should apply to all these jobs?
- They should all receive the same wage rate in order to achieve equality.
  - They should be paid within the same pay range.
  - They should be paid similar to Grade 2 jobs at McDonald's.
  - They should be paid at different wage rates because the worth of these jobs to the organization may differ.

ANS: B                      PTS: 1                      REF: 344-345                      OBJ: 5  
BLM: Higher Order

## Chapter 9 Managing Compensation

36. What should employers do if they wish to encourage employees to accept a promotion to a job in a higher grade?
- increase the size of successive rate ranges
  - increase the point spread of pay grades
  - decrease the size of successive rate ranges
  - decrease the point spread of pay grades

ANS: A                      PTS: 1                      REF: 344-345                      OBJ: 5  
BLM: Higher Order

37. When can red circle rates lead to results above the maximum for the pay range?
- promotional opportunities are plentiful
  - the relevant jobs may have been evaluated too high previously
  - employees are demoted
  - grades are added to the range

ANS: B                      PTS: 1                      REF: 345                      OBJ: 5  
BLM: Higher Order

38. Tiffany works as an IT specialist at Nortel. She is compensated based on such skills as programming and service to clients. It is likely that she is paid under which of the following pay plans?
- a competence-based pay plan
  - a performance-based pay plan
  - a merit-based pay plan
  - a seniority-based pay plan

ANS: A                      PTS: 1                      REF: 346                      OBJ: 5  
BLM: Higher Order

39. According to the text, what is the predominant approach to employee compensation?
- pay-for-performance
  - competence-based pay
  - job-based pay
  - individual contract

ANS: C                      PTS: 1                      REF: 346                      OBJ: 5  
BLM: Remember

40. Which of the following pay systems would an organization wishing to establish greater job-staffing flexibility most likely use?
- straight pay
  - competence-based pay
  - incentive pay
  - two-tier pay

ANS: B                      PTS: 1                      REF: 346                      OBJ: 5  
BLM: Higher Order

## Chapter 9 Managing Compensation

41. Which of the following is the most likely outcome of collapsing many salary grades into a few wide salary bands through broadbanding?
- reduction of pay levels
  - encouragement of lateral skill building
  - reduction of the number of employees needed
  - the collapse of broadbands

ANS: B                      PTS: 1                      REF: 346                      OBJ: 5  
BLM: Higher Order

42. Which of the following is **NOT** a potential challenge to competence-based pay?
- limits by organizations to how much employees can earn despite their competencies
  - reluctance by employees to participate in relevant training
  - the development of appropriate measures of skills and competencies
  - staff flexibility

ANS: D                      PTS: 1                      REF: 347                      OBJ: 5  
BLM: Higher Order

43. Woolite Fabrics is located in Vancouver, British Columbia. Which laws regulate its compensation?
- federal and international laws
  - municipal and federal laws
  - provincial and federal laws
  - international laws

ANS: C                      PTS: 1                      REF: 347                      OBJ: 6  
BLM: Higher Order

44. Jambrone Foods and CUPE Local 5000 have a collective agreement in place that allows for wages to be paid at more than the minimum wage set by the Employment Standards Act. Which of the following describes this agreement?
- illegal
  - legal
  - legal but ill-advised
  - acceptable under the Employment Standards Act but illegal under the *Canada Labour Code*

ANS: B                      PTS: 1                      REF: 347                      OBJ: 6  
BLM: Higher Order

45. Which legislation is concerned with minimum wage rates and overtime payments?
- Equal Pay Act
  - Employment Equity Act
  - Employment Standards Act
  - Pay Equity Act

ANS: C                      PTS: 1                      REF: 347                      OBJ: 6  
BLM: Remember

## Chapter 9 Managing Compensation

46. Desirée is a female receptionist employed by York University in Toronto. John is a male janitor with the same employer. Both jobs are evaluated as having 500 points, yet Desirée is paid less than John. She has decided to legally challenge the employer. Which of the following is relevant in this case?
- the Peter principle
  - market matching
  - equal pay for work of equal value
  - equal pay for equal work

ANS: C                      PTS: 1                      REF: 348                      OBJ: 7  
BLM: Higher Order

47. How can organizations dodge comparable worth issues?
- by paying female and male secretaries the same wage
  - by having an employment equity program in place
  - by using one job evaluation system for clerical jobs and another system for other jobs
  - by having a valid performance appraisal system

ANS: B                      PTS: 1                      REF: 348                      OBJ: 7  
BLM: Higher Order

48. As the year 2000 approached, many organizations hired “young” and “inexperienced” information technology (IT) specialists to help address the Y2K problem. Many of these new hires were paid high compensation that brought them very close to the compensation earned by experienced IT specialists working with these companies. Which of the following can such a practice lead to?
- wage inversion
  - pay equity
  - wage-rate compression
  - high turnover across the board

ANS: C                      PTS: 1                      REF: 350                      OBJ: 7  
BLM: Higher Order

49. What is **NOT** an outcome of wage-rate compression?
- increased employee performance
  - low employee morale
  - delinquent employee behaviour
  - increased absenteeism

ANS: A                      PTS: 1                      REF: 350                      OBJ: 7  
BLM: Remember

50. Which of the following is **NOT** an idea that organizations may incorporate in an attempt to minimize the problem of wage-rate compression?
- giving larger increases to more-senior employees
  - emphasizing pay-for-performance
  - providing equity adjustments for employees hardest hit by pay compression
  - linking all employees' pay more tightly to the CPI

ANS: D                      PTS: 1                      REF: 350                      OBJ: 7  
BLM: Higher Order

## Chapter 9 Managing Compensation

### Scenario 9.1

Denton and Denton Inc. (D&D Inc.) is a small graphic design firm that designs tray liners for various small food chains across Canada and a major chain in the USA. D&D currently has 20 employees who are paid hourly rates for time worked, not projects completed. These workers consider themselves valuable, knowledge-based workers, and now that the company is expanding its client base they are not happy with the current pay structure. Management claims that this pay structure, ranging from \$20 to \$65 per hour, is based on collapsing the pay ranges for four job bands.

51. Refer to Scenario 9.1. Given that these employees are skilled-based/knowledge workers, which of the following is a more effective way to compensate them?

- a. piece rate pay system
- b. hourly rate based on task completed
- c. salaried employee system
- d. competence-based pay system

ANS: D                      PTS: 1                      REF: 345                      OBJ: 5  
BLM: Higher Order

52. Refer to Scenario 9.1. What type of pay system is D&D Inc. currently using to compensate its employees?

- a. broadbanding
- b. competence-based
- c. red circle rates
- d. piece rate

ANS: A                      PTS: 1                      REF: 346                      OBJ: 5  
BLM: Higher Order

53. Refer to Scenario 9.1. Which of the following is **NOT** a benefit of competence-based pay system?

- a. greater productivity
- b. decreased compensation costs
- c. improved staffing flexibility to meet production or service demands
- d. reduced effects of absenteeism and turnover

ANS: B                      PTS: 1                      REF: 346-347                      OBJ: 5  
BLM: Higher Order

## Chapter 9 Managing Compensation

### Scenario 9.2

Calendar “R” Us Ltd. is a small firm that manufactures yearly calendars with a specific focus on middle and high schools in Alberta. They started operations back in 2006 with just 12 employees, two machines, and a small warehouse that served as an office and production and storage facilities. Today, Calendar “R” Us has roughly 60 employees and supplies its calendars to most middle and high schools in Alberta. When employees join they are paid based on their relationship with the owners. Given the rapid growth in its staff complement, and the arbitrary way in which it normally compensates employees, payroll has proven to be quite a challenge for the company as management looks to expand into other provinces.

54. Refer to Scenario 9.2. Calendar “R” Us wants to develop a set of compensation policies that are internally fair. Which of the following is helpful in making this decision?
- job evaluation
  - external competition
  - global comparisons of pay
  - market surveys

ANS: D                      PTS: 1                      REF: 335                      OBJ: 2  
BLM: Higher Order

55. Refer to Scenario 9.2. Calendar “R” Us jobs range from management to administrative, to clerical to production to packing to delivering. Which of the following would be key to evaluating the worth of each job category?
- avoiding the use of job evaluation to establish wage structure
  - evaluating the job based on market price
  - evaluating the job based on total value delivered to the organization
  - comparing each job with a competitor in the market

ANS: C                      PTS: 1                      REF: 336                      OBJ: 2  
BLM: Higher Order

56. Refer to Scenario 9.2. Setting pay levels at Calendar “R” Us can be limited by all **EXCEPT** which one of the following factors?
- employee expectations and motivation
  - profitability of the firm
  - productivity of employees
  - economic condition and competition

ANS: A                      PTS: 1                      REF: 336                      OBJ: 2  
BLM: Higher Order

57. Refer to Scenario 9.2. Which of the following is a useful and cost-effective way for Calendar “R” Us to find information on wage and salary trends in similar industries?
- develop in-house surveys
  - use surveys done by provincial governments and boards of trade
  - purchase surveys done with global organizations
  - set wages based on ability to pay only

ANS: B                      PTS: 1                      REF: 342                      OBJ: 4  
BLM: Higher Order

## Chapter 9 Managing Compensation

### TRUE/FALSE

1. Indirect compensation includes bonuses and commissions.

ANS: F                      PTS: 1                      REF: 330                      OBJ: 1  
BLM: Remember

2. Strategic compensation is the compensation of employees in ways that enhance motivation and growth while concurrently aligning their efforts with the goals of the organization.

ANS: T                      PTS: 1                      REF: 330                      OBJ: 1  
BLM: Remember

3. Rewarding an employee's past performance is a goal of strategic compensation policy.

ANS: T                      PTS: 1                      REF: 331                      OBJ: 1  
BLM: Remember

4. Among the goals of strategic compensation policy are rewarding past performance, attracting new employees, and reducing turnover.

ANS: T                      PTS: 1                      REF: 331                      OBJ: 1  
BLM: Key Terms

5. Pay equity is achieved when employees' compensation is equal to the value of the work they perform.

ANS: T                      PTS: 1                      REF: 332                      OBJ: 1  
BLM: Remember

6. Expectancy theory predicts that people expect to be paid as much or more than individuals in a similar job class.

ANS: F                      PTS: 1                      REF: 332                      OBJ: 1  
BLM: Higher Order

7. When time off is given in exchange for overtime work, it must be given hour-for-hour to the number of hours worked overtime.

ANS: F                      PTS: 1                      REF: 333                      OBJ: 1  
BLM: Higher Order

8. Employees who earn pay for hourly work are referred to as salaried employees.

ANS: F                      PTS: 1                      REF: 333                      OBJ: 1  
BLM: Remember

9. The expectancy theory of motivation predicts that one's level of motivation depends on the attractiveness of the rewards sought by employees and the probability of obtaining those rewards.

ANS: T                      PTS: 1                      REF: 333                      OBJ: 1  
BLM: Remember

## Chapter 9 Managing Compensation

10. Internal factors that influence wage rates include the worth of a job, and the employer's ability to pay.
- ANS: T                      PTS: 1                      REF: 335                      OBJ: 2  
BLM: Remember
11. The use of job evaluation is widespread in the private sector but is rarely used in the public sector.
- ANS: F                      PTS: 1                      REF: 336                      OBJ: 2  
BLM: Higher Order
12. Pay levels are limited in part by profitability of the firm and productivity of employees.
- ANS: T                      PTS: 1                      REF: 336                      OBJ: 2  
BLM: Higher Order
13. Labour market conditions have little impact on wage rates paid to employees.
- ANS: F                      PTS: 1                      REF: 337                      OBJ: 2  
BLM: Higher Order
14. Wage survey data can be obtained from government sources, trade associations, or professional groups, or organizations can conduct their own surveys.
- ANS: T                      PTS: 1                      REF: 337                      OBJ: 2  
BLM: Remember
15. The consumer price index tracks the change in price over time of a "market basket" of goods and services.
- ANS: T                      PTS: 1                      REF: 337                      OBJ: 2  
BLM: Remember
16. Wage compression can be avoided by granting wage increases solely on the basis of the CPI.
- ANS: F                      PTS: 1                      REF: 337                      OBJ: 2  
BLM: Higher Order
17. Granting wage increases solely on the basis of the CPI helps compress pay rates within a pay structure, thereby ensuring equity among those who receive the wage increase.
- ANS: F                      PTS: 1                      REF: 337                      OBJ: 2  
BLM: Higher Order
18. Real wages represent the difference between wage increases and cost-of-living increases.
- ANS: T                      PTS: 1                      REF: 338                      OBJ: 2  
BLM: Higher Order

## Chapter 9 Managing Compensation

19. Job evaluation is a non-systematic, qualitative process of determining the relative worth of jobs in order to establish a comparison with the prevailing market and regional value of a job within a job family.

ANS: F                      PTS: 1                      REF: 338                      OBJ: 3  
BLM: Remember

20. Job ranking is a simple method that provides a precise measure of each job's worth.

ANS: F                      PTS: 1                      REF: 338                      OBJ: 3  
BLM: Higher Order

21. HR professionals establish predetermined wage grades as a basis for evaluating jobs in the job classification system of job evaluation.

ANS: T                      PTS: 1                      REF: 338                      OBJ: 3  
BLM: Higher Order

22. The job classification system is commonly used by smaller employers.

ANS: F                      PTS: 1                      REF: 339                      OBJ: 3  
BLM: Higher Order

23. The point system of job evaluation permits jobs to be evaluated quantitatively based on compensable factors.

ANS: T                      PTS: 1                      REF: 339                      OBJ: 3  
BLM: Remember

24. Compensable factors include skills, effort, responsibilities, and working conditions.

ANS: T                      PTS: 1                      REF: 339                      OBJ: 3  
BLM: Remember

25. A point manual can be used to determine the external equity of a job.

ANS: F                      PTS: 1                      REF: 339                      OBJ: 3  
BLM: Higher Order

26. The Hay profile method is useful for evaluating jobs of all types and levels.

ANS: F                      PTS: 1                      REF: 341                      OBJ: 3  
BLM: Remember

27. Using job evaluation and wage survey data jointly improves the likelihood of both internal and external equity.

ANS: T                      PTS: 1                      REF: 342                      OBJ: 4  
BLM: Remember

## Chapter 9 Managing Compensation

28. The jobs that are included in wage and salary surveys are referred to as “key jobs.”
- ANS: T                      PTS: 1                      REF: 343                      OBJ: 4  
BLM: Remember
29. An advantage of published wage surveys is compatibility with the organization’s jobs.
- ANS: F                      PTS: 1                      REF: 343                      OBJ: 4  
BLM: Remember
30. To provide compensation estimates and ranges for jobs in an organization, all jobs should be surveyed.
- ANS: F                      PTS: 1                      REF: 343                      OBJ: 4  
BLM: Higher Order
31. A wage curve represents the relationship between the relative worth of jobs and their wage rates.
- ANS: T                      PTS: 1                      REF: 343                      OBJ: 5  
BLM: Remember
32. Managers will group similar jobs into a pay grade in order to help with the setting of wages for all jobs.
- ANS: T                      PTS: 1                      REF: 344                      OBJ: 5  
BLM: Higher Order
33. Wages paid above the range maximum are called blue square rates.
- ANS: F                      PTS: 1                      REF: 345                      OBJ: 5  
BLM: Remember
34. Steps within a rate range allow pay increases based on merit or seniority or a combination of the two.
- ANS: T                      PTS: 1                      REF: 345                      OBJ: 5  
BLM: Remember
35. When employees are paid according to the skills and knowledge they have rather than the specific jobs they perform, they are paid according to competence-based compensation.
- ANS: T                      PTS: 1                      REF: 346                      OBJ: 5  
BLM: Higher Order
36. Competence-based pay systems compensate employees for the different skills or knowledge they possess rather than for the job they hold in a designated job category.
- ANS: T                      PTS: 1                      REF: 346                      OBJ: 5  
BLM: Remember

## Chapter 9 Managing Compensation

37. Competence-based pay systems represent a fundamental change in the attitude of management regarding how work should be organized and how employees should be paid for their work efforts.
- ANS: T                      PTS: 1                      REF: 346                      OBJ: 5  
BLM: Higher Order
38. Broadbanding refers to collapsing many traditional salary grades into a few wide salary bands.
- ANS: T                      PTS: 1                      REF: 346                      OBJ: 5  
BLM: Remember
39. Broadbands create more concern by employees with pay grades and steps.
- ANS: F                      PTS: 1                      REF: 346                      OBJ: 5  
BLM: Remember
40. An advantage of competence-based pay from the employee's perspective is that there is no limit to what they can earn by learning new skills.
- ANS: F                      PTS: 1                      REF: 347                      OBJ: 5  
BLM: Higher Order
41. The employment standards acts set minimum requirements with respect to wages, hours of work, and overtime.
- ANS: T                      PTS: 1                      REF: 347                      OBJ: 6  
BLM: Remember
42. When an employer operates in more than one province, it has to apply only the employment requirements of one province of its choosing.
- ANS: F                      PTS: 1                      REF: 347                      OBJ: 6  
BLM: Higher Order
43. Executives, administrators, and professional employees are exempt from overtime payments identified in employment standards acts.
- ANS: T                      PTS: 1                      REF: 347                      OBJ: 6  
BLM: Higher Order
44. Pay equity is covered only under federal jurisdiction.
- ANS: F                      PTS: 1                      REF: 347                      OBJ: 6  
BLM: Higher Order
45. Equal pay for work of equal value involves providing equal pay to women when they perform work historically performed by men.
- ANS: F                      PTS: 1                      REF: 348                      OBJ: 7  
BLM: Higher Order

## Chapter 9 Managing Compensation

46. Organizations may dodge the comparable worth issue by using one job evaluation system for clerical jobs frequently held by women, and another system for other jobs.

ANS: T                      PTS: 1                      REF: 348                      OBJ: 7  
BLM: Remember

47. Wage-rate compression refers to the situation where employees perceive that there is too large a difference between their compensation and that of colleagues in higher-rated jobs.

ANS: F                      PTS: 1                      REF: 350                      OBJ: 7  
BLM: Higher Order

48. Wage-rate compression commonly occurs when organizations grant pay adjustments to lower-rated jobs but do not extend the adjustments up the hierarchy.

ANS: T                      PTS: 1                      REF: 350                      OBJ: 7  
BLM: Remember

### ESSAY

1. How are the wages for jobs typically determined? Why is this process important?

ANS:

The basis on which compensation payments are determined, and the way they are administered, can significantly affect employee productivity and the achievement of organizational goals. Internal influences include the employer's compensation policy, the worth of the job, the performance of the employee, and the employer's ability to pay. External factors influencing wage rates include labour market conditions, area wage rates, cost of living, the outcomes of collective bargaining, and legal requirements.

PTS: 1                      REF: 334-338                      OBJ: 2                      BLM: Higher Order

2. Briefly explain the different job evaluation systems.

ANS:

Organizations use four basic job evaluation techniques to determine the relative worth of jobs. The *job ranking system* arranges jobs in numerical order on the basis of the importance of the job's duties and responsibilities to the organization. The *job classification system* slots jobs into pre-established grades. Higher-rated grades will require more responsibilities, working conditions, and job duties. The *point system* of job evaluation uses a point scheme based upon the compensable job factors of skill, effort, responsibility, and working conditions. The more compensable factors a job possesses, the more points are assigned to it. Jobs with higher accumulated points are considered more valuable to the organization. The *factor comparison system* evaluates jobs on a factor-by-factor basis against key jobs in the organization.

PTS: 1                      REF: 338-341                      OBJ: 3                      BLM: Higher Order

## Chapter 9 Managing Compensation

3. Explain competence-based pay, including its advantages and disadvantages. Include in your discussion the practice of broadbanding.

ANS:

Competence-based pay, also known as knowledge-based pay, pay-for-knowledge, or multi-skill-based pay, compensates employees for the different skills or increased knowledge they possess rather than for the job they hold in a designated job category. There are several advantages that stem from the use of competency-based pay plans. The most frequently cited benefits of competency-based pay include greater productivity, increased employee learning and commitment to work, improved staffing flexibility to meet production or service demands, and the reduced effects of absenteeism and turnover. Unfortunately, some competency-based pay plans limit the amount of compensation employees can earn, regardless of the new skills or competencies they acquire. Further, employees can become discouraged when they acquire new abilities but find there are no higher-rated jobs to which they can transfer.

Organizations that adopt a competency-based pay plan frequently use broadbanding. Broadbanding simply collapses many traditional salary grades into a few wide salary bands. This is done by organizations in an attempt to structure their compensation payments to employees, to encourage lateral skill building, and to address the need to pay employees performing multiple jobs with different skill level requirements. By broadbanding, organizations can consider job responsibilities, individual skills, and career mobility patterns in assigning employees to bands.

PTS: 1                      REF: 346-347                      OBJ: 5                      BLM: Higher Order

4. Briefly discuss the provisions of the employment standards acts pertaining to employee compensation.

ANS:

Each of the provinces and territories has employment standards legislation, which establishes minimum standards with a view to protecting employees and employers in certain work-related situations. Each province's Employment Standards Act specifies minimum wage rates and stipulates that an overtime rate of 1.5 times the base rate must be paid for all hours worked in excess of a set number of hours, which varies by jurisdiction. Particular groups, including lawyers, doctors, engineers, and managers, are exempt from overtime requirements.

PTS: 1                      REF: 347                      OBJ: 6                      BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

### MULTIPLE CHOICE

1. Why are some compensation plans referred to as variable pay?
  - a. because employee pay varies with market pay
  - b. because employee pay is comprised of varying components
  - c. because employee pay is linked to performance
  - d. because employer costs vary with the incentives offered

ANS: C                      PTS: 1                      REF: 360                      OBJ: 1  
BLM: Higher Order

2. According to research, which of the following best describes incentive plans?
  - a. they can contribute to organizational performance if certain conditions are met
  - b. they usually improve organizational performance by at least 10 percent
  - c. they usually lead to negative outcomes such as confusion and competition
  - d. they tend to drive up organizational costs and decrease profits because more pay has to be given to employees

ANS: A                      PTS: 1                      REF: 360                      OBJ: 1  
BLM: Higher Order

3. Which of the following is **NOT** a reason given by organizations for implementing incentive plans?
  - a. to improve or maintain high levels of productivity
  - b. to focus employee efforts on specific performance targets
  - c. to link compensation rewards to the achievement of results
  - d. to increase employee benefits

ANS: D                      PTS: 1                      REF: 360                      OBJ: 1  
BLM: Higher Order

4. Which of the following is **NOT** likely to help an incentive plan succeed in an organization?
  - a. identifying important organizational metrics that encourage employee behaviour
  - b. involving employees; incentive programs should seem fair to employees
  - c. finding the right incentive payout
  - d. ensuring that employees believe that performance standards are unachievable

ANS: D                      PTS: 1                      REF: 361                      OBJ: 1  
BLM: Higher Order

5. Why are performance measures vital in incentive plans?
  - a. because they communicate the importance of the organizational goals
  - b. because they ensure fair pay for women
  - c. because they drive profitability
  - d. because they are fair and equitable

ANS: A                      PTS: 1                      REF: 362                      OBJ: 1  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

6. When setting performance measures for incentive systems, what can we say about the best measures?
- They are quantitative, simple to understand, and show a clear relationship to improved performance.
  - They are qualitative, flexible, and create competition between employees.
  - They are those measures that allow employers to “ratchet up” standards and base rewards on qualitative standards.
  - They are unattainable in order to inspire increased levels of performance.

ANS: A                      PTS: 1                      REF: 362                      OBJ: 1  
BLM: Higher Order

7. When employees receive a higher rate of pay for all of their work if production exceeds a standard level of output, which incentive plans are they are working with?
- differential piece rate
  - standard piece rate
  - exception bonus rate
  - individual rate pay

ANS: A                      PTS: 1                      REF: 363                      OBJ: 2  
BLM: Remember

8. At Steelcase, an office furniture maker, employees can earn more than their base pay if they produce more units, such as upholstering more chairs. This part of their pay is determined on units produced. Which of the following plans is being used here?
- piece rate plan
  - completion pay plan
  - time division plan
  - standard hour plan

ANS: A                      PTS: 1                      REF: 363                      OBJ: 2  
BLM: Higher Order

9. A new start-up firm wants to encourage team behaviours and a “culture of ownership” among all employees in the organization. Which of the following pay plans would you advise against?
- profit sharing
  - stock options
  - differential piece rates
  - employee stock ownership plans

ANS: C                      PTS: 1                      REF: 363                      OBJ: 6  
BLM: Higher Order

10. If the standard time for producing one unit of work in a job paying \$5.00 per hour were set at 6 minutes, what would the piece rate be?
- \$1.00 per unit
  - \$1.50 per unit
  - \$0.50 per unit
  - \$0.75 per unit

ANS: B                      PTS: 1                      REF: 364                      OBJ: 2  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

11. Which of the following is an advantage of piece rate pay systems?
- they allow for teamwork
  - they have a direct link to performance
  - they help to groom better managers
  - they allow employees to break down their work piece by piece

ANS: B                      PTS: 1                      REF: 364                      OBJ: 2

BLM: Higher Order

12. What does rate busting refer to?
- increased productivity
  - an increase in output that results in the disapproval of fellow employees
  - setting incentive performance standards
  - decreased productivity

ANS: B                      PTS: 1                      REF: 364                      OBJ: 2

BLM: Remember

13. Under what condition is piecework appropriate?
- technology changes are frequent
  - quality is more important than quantity
  - productivity standards are difficult to develop
  - the job is fairly standardized

ANS: D                      PTS: 1                      REF: 364                      OBJ: 2

BLM: Higher Order

14. Several organizations have an incentive that managers can give to their employees for outstanding singular effort not tied to any planned performance standard. What is such an incentive usually called?
- a stock option
  - a spot bonus
  - merit pay
  - a differential piece rate

ANS: B                      PTS: 1                      REF: 365                      OBJ: 2

BLM: Higher Order

15. Which of the following would NOT be the basis for a merit raise?
- achieving an objective performance standard
  - a superior's subjective evaluation
  - a gainsharing decision
  - successfully performing the job

ANS: C                      PTS: 1                      REF: 365                      OBJ: 2

BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

16. What is the term for an incentive given for a special employee contribution not directly tied to a performance standard?
- a piece rate plan
  - a differential piece rate
  - merit pay
  - a spot bonus

ANS: D                      PTS: 1                      REF: 365                      OBJ: 2  
BLM: Remember

17. Which of the following is NOT a problem with merit raises?
- Employees expect the raise even when performance declines.
  - Employees do not trust management.
  - The raise may be based on favouritism.
  - The raise may be based on achieving an objective standard.

ANS: D                      PTS: 1                      REF: 365                      OBJ: 3  
BLM: Higher Order

18. Many potential errors, as well as discrimination, can occur in the performance appraisal process. Which of the following can such errors lead to?
- problematic stock options
  - problematic merit pay
  - problematic job evaluations
  - problematic market pay rates

ANS: B                      PTS: 1                      REF: 365                      OBJ: 3  
BLM: Higher Order

19. Which of the following would NOT be a problem with merit raises?
- if they are based upon objective, measurable criteria
  - if they are based upon the rise in the cost of living
  - if they are based on subjective performance appraisals
  - if they are tied to the length of service of the employee

ANS: A                      PTS: 1                      REF: 365-366                      OBJ: 3  
BLM: Higher Order

20. Which of the following is NOT a reason that merit raises may fail to achieve their intended purpose?
- the performance appraisal system is deficient
  - merit raises may be based on seniority or favouritism
  - incentive rewards are linked to organizational goals
  - employees are unable to differentiate between merit and other pay increases

ANS: C                      PTS: 1                      REF: 366                      OBJ: 3  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

21. Aren received a \$500 pay bonus as a result of his job performance last year; however, this extra money was not added to his base pay. This is an example of which of the following?
- annual merit raise
  - group incentive plan
  - lump-sum merit pay
  - percentage wage increase

ANS: C                      PTS: 1                      REF: 366                      OBJ: 3  
BLM: Higher Order

22. Amelia received a stellar performance appraisal in 2012, which translated to a 10 percent pay raise for the next year. Her 2010 base pay was \$50,000. Which of the following applies to 2013?
- her employer would give her a bonus of \$5,000
  - her pay would remain \$50,000 but she would most likely get a promotion
  - her employer would add 10 percent to all her 2010 compensation components—base pay, incentives, benefits, and perks
  - \$5,000 would be added to her 2010 base pay

ANS: D                      PTS: 1                      REF: 366                      OBJ: 3  
BLM: Higher Order

23. Which of the following is an advantage of merit increases on a lump-sum basis?
- they do not contribute to escalating base salary levels
  - they add a permanent sum to the base salary
  - they are done in conjunction with promotions
  - they reflect annual adjustments in base salary

ANS: A                      PTS: 1                      REF: 366                      OBJ: 3  
BLM: Higher Order

24. Navin works as a sales representative for Rogers Pet Foods. He is on a commission plan. His individual performance has been steady over the past few months but he has noticed a decline in his pay. Which of the following is NOT a likely cause for Naveen's pay decline?
- changes in the economy
  - increased competition from rival pet food suppliers
  - his intrinsic motivation
  - seasonal fluctuations in the demand for pet food

ANS: C                      PTS: 1                      REF: 368                      OBJ: 4  
BLM: Higher Order

25. Saturn, the auto firm, has a sales incentive plan that permits salespeople to be paid for performing various duties not reflected immediately in their sales volume. What type of pay plan does this exemplify?
- a merit plan
  - a straight salary plan
  - lump-sum merit pay
  - a standard hour plan

ANS: B                      PTS: 1                      REF: 368                      OBJ: 4  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

26. Which of the following is a pay plan that only compensates sales employees based on a percentage of sales?
- straight ratio plan
  - straight salary plan
  - straight commission plan
  - straight bonus plan

ANS: C                      PTS: 1                      REF: 368                      OBJ: 4  
BLM: Remember

27. Which of the following is the most widely used sales incentive program?
- straight salary
  - straight commission
  - combined salary and commission
  - commission plus bonus

ANS: C                      PTS: 1                      REF: 369                      OBJ: 3  
BLM: Remember

28. Which of the following often applies to professional employees?
- They cannot advance in salary beyond a point without taking on administrative duties.
  - They cannot participate in profit-sharing plans.
  - They cannot own stock due to conflict of interest.
  - They can fully utilize their professional skills only after being promoted.

ANS: A                      PTS: 1                      REF: 370                      OBJ: 4  
BLM: Remember

29. Given that the CEO is the chief executive and decides on most, if not all, major decisions of the firm, who usually sets his or her pay?
- the vice-presidents or the second level of executives under the CEOs
  - the shareholders of the firm
  - the unions through collective bargaining
  - a compensation committee

ANS: D                      PTS: 1                      REF: 371                      OBJ: 4  
BLM: Higher Order

30. Last year, many CEOs of Canada's largest companies earned less than \$300,000 base pay, yet their overall compensation was on average more than \$10 million. What was the major reason for the huge overall pay?
- executive perquisites
  - stock options
  - bonuses
  - benefits

ANS: B                      PTS: 1                      REF: 371                      OBJ: 4  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

31. Where does the emphasis on stock options and executive stock ownership come from?
- executives' desire for deferred bonuses
  - shareholders' desire for dilution
  - competitive pressures to find creative ways to compensate executives
  - the desire of the company and investors for senior managers to have a stake in the success of the business

ANS: D                      PTS: 1                      REF: 371-372                      OBJ: 4  
BLM: Higher Order

32. It was revealed in the press that the former CEO of a Fortune 100 firm enjoyed special use of the company plane and a country club membership as a part of his reward package. Which of the following best describes these benefits?
- they are illegal, but executives usually get away without being caught
  - they are known as perquisites
  - they are known as golden parachutes
  - they are unusual for top executives

ANS: B                      PTS: 1                      REF: 373                      OBJ: 4  
BLM: Higher Order

33. Which of the following is a major concern about executive compensation?
- the timing of the bonus
  - the growing gap between leaders and the company's lowest-paid employees
  - the lack of perquisites
  - the lack of objective market data

ANS: B                      PTS: 1                      REF: 374                      OBJ: 4  
BLM: Remember

34. Peter Drucker, the management expert, has argued that CEO pay should not be more than 20 times that of the rank-and-file employee. What did his concern focus on?
- the pay gap between CEOs and employees
  - the perks that CEOs enjoy
  - the need to raise the minimum wage for workers
  - the relative basic education of executives versus the increasing sophistication of employees' knowledge

ANS: A                      PTS: 1                      REF: 374                      OBJ: 5  
BLM: Higher Order

35. Which of the following is NOT a reason that team incentive plans have grown more popular?
- there is emphasis on cost-reduction
  - teamwork is important
  - coordination among workers is important
  - unions have demanded team incentive plans

ANS: D                      PTS: 1                      REF: 374-375                      OBJ: 5  
BLM: Remember

## Chapter 10 Pay for Performance: Incentive Rewards

36. Which of the following is a problem with creating team incentive plans?
- they encourage cooperative rather than individualistic behaviour
  - not all teams are alike
  - they enable employees to share efficiency gains
  - they pay only when agreed-upon standards are met or exceeded

ANS: B                      PTS: 1                      REF: 375                      OBJ: 5  
BLM: Higher Order

37. Which of the following pay plans can be plagued by the “free rider” effect?
- piece rates
  - team incentives
  - base pay
  - retirement plans

ANS: B                      PTS: 1                      REF: 375                      OBJ: 5  
BLM: Higher Order

38. Which of the following is NOT an important component of a meaningful gainsharing plan?
- establishing fair and precise measurement standards
  - ensuring that bonus payout formulas are easy to calculate
  - ensuring that bonus payouts are large enough to encourage future employee effort
  - registering the plan with appropriate federal authorities

ANS: D                      PTS: 1                      REF: 376                      OBJ: 5  
BLM: Remember

39. What is the philosophy behind the Scanlon Plan?
- Rewards are shared with employees based on improved profits.
  - Employees should offer ideas and suggestions to improve productivity and, in turn, be rewarded for their constructive efforts.
  - Organizational profits should improve through sales efforts.
  - Managers and employees should establish quality and quantity goals for optimum organizational performance.

ANS: B                      PTS: 1                      REF: 376                      OBJ: 5  
BLM: Higher Order

40. How does the bonus given to employees under Improshare differ from that given under the Scanlon Plan?
- It is based on individual merit.
  - It is based on productivity gains resulting from a reduction in production time.
  - It is based on dollar savings.
  - The organization does not share in the gains.

ANS: B                      PTS: 1                      REF: 376                      OBJ: 5  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

41. Which of the following best describes profit sharing?
- a. The employer pays employees an incentive based on their merit.
  - b. The employer pays employees an incentive based on labour cost savings.
  - c. The employer pays employees a bonus based on the overall productivity of their particular work group.
  - d. The employer pays employees a special current or deferred sum based on the profits of the enterprise.

ANS: D                      PTS: 1                      REF: 376                      OBJ: 6  
BLM: Higher Order

42. What is the purpose of a profit-sharing plan?
- a. to allow workers to contribute ideas and suggestions
  - b. to motivate a total commitment to the organization as a whole
  - c. to enable workers to share in labour cost savings
  - d. to instil commitment to the employee's immediate work group

ANS: B                      PTS: 1                      REF: 376                      OBJ: 6  
BLM: Higher Order

43. Which of the following is NOT a weakness of profit-sharing plans?
- a. They cause intense competition at the individual employee level.
  - b. Profits shared may be affected by external economic factors.
  - c. The line of sight between reward and individual performance is weak.
  - d. The performance of other firms on the stock market may affect profits.

ANS: A                      PTS: 1                      REF: 377                      OBJ: 6  
BLM: Higher Order

44. Profit-sharing plans represent one way that wealth can be redistributed at which of the following levels?
- a. the firm level
  - b. the regional level
  - c. the national level
  - d. the international level

ANS: A                      PTS: 1                      REF: 377                      OBJ: 6  
BLM: Higher Order

45. Recently, stock options have been strongly criticized in the press following controversies at several companies. What has this criticism focused on?
- a. the comparative low executive base pay
  - b. the amount of the options granted and exercised
  - c. the fact that mainly males are CEOs and that they get these options
  - d. the stock prices in competitive firms

ANS: B                      PTS: 1                      REF: 379                      OBJ: 6  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

46. Which of the following is NOT an advantage of ESOPs?
- a. Firms can reward employees with shares.
  - b. The employees' pensions are less vulnerable due to diversification.
  - c. ESOPs can increase employees' pride of ownership.
  - d. ESOPs can provide an incentive for employees to increase productivity.

ANS: B                      PTS: 1                      REF: 379-380                      OBJ: 7  
BLM: Higher Order

47. Which of the following is a major problem of ESOPs?
- a. Employees may become demotivated and frustrated if the share price falls, even though they have worked productively.
  - b. ESOPs place employees' pensions at risk because they are tied to the market performance of the organization.
  - c. Because of the cash involved, ESOPs can be damaging to the financial well-being of the organization.
  - d. Employees view the ESOP as a form of management control.

ANS: A                      PTS: 1                      REF: 380                      OBJ: 7  
BLM: Higher Order

### Scenario 10.1

BioMetrics Imaging Ltd. is a small Saskatoon-based firm that designs and produces one-of-a-kind machines that are capable of capturing medical imaging similar to that of MRI machines but with a higher percentage of accuracy. So far, the company has been able to sell various units to privately-owned medical clinics and a few hospitals in the United States. The problem currently facing BioMetrics Imaging is finding salespeople with the appropriate experience who not only understand the equipment but are also trustworthy and willing to work extremely hard to bring the product to the marketplace. It takes roughly six months to convince potential clients to purchase the machines. Sales agents receive a hefty paycheque when a unit is sold based on a percentage of the unit price, and all travel expenses are covered. Still, the company is not able to retain its employees because the time lag between beginning to sell machines and getting paid is too long.

48. Refer to Scenario 10.1. What type of compensation plan is BioMetrics utilizing for its salespeople?
- a. a straight commission plan
  - b. a straight salary plan
  - c. a combination salary and commission plan
  - d. a sales plus bonus plan

ANS: A                      PTS: 1                      REF: 368                      OBJ: 4  
BLM: Higher Order

49. Refer to Scenario 10.1. Which of the following factors is LEAST likely to affect sales for this equipment?
- a. economic and seasonal fluctuations
  - b. sales competition and changes in demand
  - c. producing the machines in a timely manner
  - d. the nature of the sales territory

ANS: C                      PTS: 1                      REF: 368                      OBJ: 4  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

50. Refer to Scenario 10.1. One way to address the turnover problem that is driven by the frequency of payout would be to have some form of guaranteed pay. Which pay method for sales employees addresses this issue?
- straight commission
  - salary and commission
  - bonuses
  - gainsharing

ANS: B                      PTS: 1                      REF: 368                      OBJ: 4  
BLM: Higher Order

### Scenario 10.2

Meritas Financial Ltd. is a financial advisory firm located in downtown Toronto. Most of the firm's senior employees (referred to as partners) are paid top dollar for bringing in huge accounts regardless of whether these accounts bring in the appropriate amount of business to justify the incentives paid. The partners are compensated on the net worth of the companies that sign on to use Meritas as their financial advisor. The owner is now concerned about this pay arrangement and wants to make changes to the way he compensates his employees. However, he is worried that with a potential reduction of salary and short-term incentives, he might lose some of his most valuable employees and the accounts that they brought on board.

51. Refer to Scenario 10.2. Meritas may be able to increase short-term incentives and retain its most valuable employees by embarking on which of the following?
- an employee stock bonus plan
  - an employee stock purchase plan
  - profit-sharing plans
  - employee stock option plans

ANS: C                      PTS: 1                      REF: 376-377                      OBJ: 6  
BLM: Higher Order

52. Refer to Scenario 10.2. Meritas wants to keep these employees happy and motivated. Which of the following is NOT a positive impact of implementing profit sharing?
- having an adverse effect on productivity and employee morale
  - helping stimulate employees to think and feel more like partners
  - encouraging a total commitment from employees
  - contributing to the growth of the organization's profit

ANS: A                      PTS: 1                      REF: 377                      OBJ: 6  
BLM: Higher Order

53. Refer to Scenario 10.2. In implementing a new profit sharing plan, Meritas has various options by which payouts can be made to its employees. Which of the following is the best way for Meritas to distribute profits?
- deferred payment added to pension
  - bonus payments added to yearly salaries
  - disbursements in cash paid monthly
  - a combination of deferred and cash payouts

ANS: D                      PTS: 1                      REF: 377                      OBJ: 6  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

### TRUE/FALSE

1. One clear trend in strategic compensation management is the growth of incentive programs for employees throughout the organization.

ANS: T                      PTS: 1                      REF: 360                      OBJ: 1  
BLM: Remember

2. Approximately 50 percent of Canadian companies offer some form of variable pay.

ANS: F                      PTS: 1                      REF: 360                      OBJ: 1  
BLM: Higher Order

3. Incentive plans can create an organizational environment of “shared commitment,” since individuals contribute to organizational success.

ANS: T                      PTS: 1                      REF: 360                      OBJ: 1  
BLM: Higher Order

4. Meshing compensation and organizational objectives helps employees assume ownership of their jobs, improve effort, and improve performance.

ANS: T                      PTS: 1                      REF: 360                      OBJ: 1  
BLM: Higher Order

5. One philosophy of incentive systems is that tying compensation to employee effort will improve employee performance.

ANS: T                      PTS: 1                      REF: 361                      OBJ: 1  
BLM: Higher Order

6. Incentive plans are not effective in service and government organizations because of the difficulty in measuring productivity.

ANS: F                      PTS: 1                      REF: 361                      OBJ: 1  
BLM: Remember

7. A key advantage of incentive plans is that they represent variable costs that are linked to the realization of goals as opposed to a fixed cost such as salary that may be largely unrelated to true performance (i.e., output).

ANS: T                      PTS: 1                      REF: 361                      OBJ: 1  
BLM: Higher Order

8. Management must be careful to ensure that incentive payments are viewed as both a reward and an entitlement.

ANS: F                      PTS: 1                      REF: 361                      OBJ: 1  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

9. For incentive plans to be successful, one of the most critical requirements is that managers be willing to grant incentives based on differences in individuals, teams, or organizational criteria.

ANS: T                      PTS: 1                      REF: 363                      OBJ: 1  
BLM: Higher Order

10. Incentive plans based on productivity can reduce labour costs.

ANS: T                      PTS: 1                      REF: 363                      OBJ: 1  
BLM: Remember

11. Employees receive a specified payment for each unit produced under a straight piecework program.

ANS: T                      PTS: 1                      REF: 363                      OBJ: 2  
BLM: Remember

12. Differential piece rate plans guarantee employees at least a base pay.

ANS: F                      PTS: 1                      REF: 363                      OBJ: 2  
BLM: Higher Order

13. Under a differential piece rate plan, employees whose performance (i.e., production) exceeds the standard amount of output receive a higher rate for all of their work than the rate paid to those who have not exceeded the standard amount.

ANS: T                      PTS: 1                      REF: 363                      OBJ: 1  
BLM: Higher Order

14. Under a straight piecework plan, five minutes is the standard time to produce one unit. The employee's hourly rate is \$7.50. The piece rate is \$1.50 per unit.

ANS: F                      PTS: 1                      REF: 364                      OBJ: 2  
BLM: Higher Order

15. Piecework is inappropriate where technology changes are frequent.

ANS: T                      PTS: 1                      REF: 364                      OBJ: 2  
BLM: Remember

16. Employees working under a standard hour plan are paid on the basis of a predetermined time allowed to finish the job.

ANS: T                      PTS: 1                      REF: 364                      OBJ: 2  
BLM: Remember

17. Standard hour plans are popular in service departments in automobile dealerships.

ANS: T                      PTS: 1                      REF: 364                      OBJ: 2  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

18. A bonus is supplemental to base wages.

ANS: T                      PTS: 1                      REF: 365                      OBJ: 2  
BLM: Remember

19. Spot bonuses are usually provided for some employee effort that is not directly tied to an established performance standard.

ANS: T                      PTS: 1                      REF: 365                      OBJ: 2  
BLM: Remember

20. A merit raise is a form of bonus that is given to an employee beyond their base wage.

ANS: F                      PTS: 1                      REF: 365                      OBJ: 2  
BLM: Remember

21. Merit raises may be perpetuated year after year even if performance declines.

ANS: T                      PTS: 1                      REF: 365                      OBJ: 3  
BLM: Remember

22. Under the merit pay system, employees who have better political connections within the company may bear a threat to their supervisor and therefore may end up with a larger share of the “merit pie” than their performance would warrant.

ANS: T                      PTS: 1                      REF: 365                      OBJ: 3  
BLM: Higher Order

23. Merit pay plans have been criticized because the merit increase may not be sufficient to raise the employee’s base pay.

ANS: T                      PTS: 1                      REF: 366                      OBJ: 3  
BLM: Higher Order

24. The operation of a merit pay plan depends on the effectiveness of the performance appraisal system.

ANS: T                      PTS: 1                      REF: 366                      OBJ: 3  
BLM: Higher Order

25. Employers using a lump-sum merit program will need to periodically increase base salaries in order for employees to keep pace with the cost of living or general market wages.

ANS: T                      PTS: 1                      REF: 366                      OBJ: 3  
BLM: Higher Order

26. Lump-sum merit pay does not contribute to escalating base salary levels.

ANS: T                      PTS: 1                      REF: 366                      OBJ: 3  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

27. Financial incentives for salespeople are widely used.

ANS: T                      PTS: 1                      REF: 367                      OBJ: 4  
BLM: Higher Order

28. Performance measures are rather simple to develop and standardize, as sales volume is an objective measure of performance that is not dependent upon external factors.

ANS: F                      PTS: 1                      REF: 367                      OBJ: 4  
BLM: Higher Order

29. Sales incentives can be affected by external factors beyond the salesperson's control.

ANS: T                      PTS: 1                      REF: 368                      OBJ: 4  
BLM: Remember

30. Under a straight commission plan, compensation is based entirely on a percentage of sales.

ANS: T                      PTS: 1                      REF: 368                      OBJ: 4  
BLM: Remember

31. A salesperson with a sales volume of \$275,000 earning a straight commission of 3 percent would receive \$8,250.

ANS: T                      PTS: 1                      REF: 368                      OBJ: 4  
BLM: Higher Order

32. A straight salary plan is the most frequently used type of sales incentive plan.

ANS: F                      PTS: 1                      REF: 368                      OBJ: 4  
BLM: Higher Order

33. Straight commission plans may induce salespeople to grant price concessions.

ANS: T                      PTS: 1                      REF: 369                      OBJ: 4  
BLM: Higher Order

34. Professional employees are difficult to develop incentive plans for only because their outputs are difficult to measure.

ANS: F                      PTS: 1                      REF: 369                      OBJ: 4  
BLM: Higher Order

35. The level of incentives given to executives may depend on their level in the firm.

ANS: T                      PTS: 1                      REF: 371                      OBJ: 4  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

36. Balanced scorecards refer to the use of operational yardsticks as well as traditional financial measures as a basis for computing executive pay.
- ANS: T                      PTS: 1                      REF: 371                      OBJ: 4  
BLM: Remember
37. Stock options are rights attached to the achievement of specific organizational objectives.
- ANS: F                      PTS: 1                      REF: 371                      OBJ: 4  
BLM: Remember
38. A potential difficulty with pay-for-performance programs is how to measure employee performance.
- ANS: T                      PTS: 1                      REF: 372                      OBJ: 1  
BLM: Higher Order
39. Perquisites are special benefits given to executive employees.
- ANS: T                      PTS: 1                      REF: 373                      OBJ: 4  
BLM: Remember
40. Team incentive plans reward team members when performance standards are met or exceeded; however, they tend to foster a psychological climate that negatively impacts team cooperation.
- ANS: F                      PTS: 1                      REF: 374                      OBJ: 5  
BLM: Higher Order
41. Gainsharing plans are designed to improve productivity through more effective use of organizational resources.
- ANS: F                      PTS: 1                      REF: 375                      OBJ: 5  
BLM: Remember
42. The idea behind the Scanlon Plan is that employees not only should offer ideas to improve productivity, but also should be rewarded for those ideas.
- ANS: T                      PTS: 1                      REF: 376                      OBJ: 5  
BLM: Higher Order
43. The most important lesson learned from Scanlon and Improshare plans is that if management wants to gain the cooperation of its employees in improving efficiency, they must permit the employees to become involved psychologically as well as financially in the organization.
- ANS: T                      PTS: 1                      REF: 376                      OBJ: 5  
BLM: Remember
44. Enterprise incentive plans allow all organizational members to participate in the plan's payout.
- ANS: T                      PTS: 1                      REF: 376                      OBJ: 6  
BLM: Remember

## Chapter 10 Pay for Performance: Incentive Rewards

45. In most profit-sharing plans, about 20 to 25 percent of net profits are shared with employees.

ANS: T                      PTS: 1                      REF: 377                      OBJ: 6  
BLM: Higher Order

46. A weakness of profit-sharing plans is that employees do not have total control over the profitability of the organization.

ANS: T                      PTS: 1                      REF: 377                      OBJ: 6  
BLM: Higher Order

47. Because profit-sharing plans often fail to pay off for several years in a row, they can have limited motivational value.

ANS: T                      PTS: 1                      REF: 377                      OBJ: 6  
BLM: Higher Order

48. Because of failing popularity and media scandals, the number of Canadian companies granting stock options to nonexecutive personnel has been decreasing in recent years.

ANS: F                      PTS: 1                      REF: 378                      OBJ: 6  
BLM: Higher Order

49. Employers use stock ownership incentive plans to increase employee "ownership" in the company.

ANS: T                      PTS: 1                      REF: 379                      OBJ: 7  
BLM: Higher Order

50. ESOPs can increase employees' pride of ownership in the organization, providing an incentive for them to increase productivity and help the organization prosper and grow.

ANS: T                      PTS: 1                      REF: 379                      OBJ: 7  
BLM: Higher Order

51. ESOPs have been criticized because of potential inability to pay back the stock of employees when they retire.

ANS: T                      PTS: 1                      REF: 380                      OBJ: 7  
BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

### ESSAY

1. Briefly discuss three individual incentive plans. (Students should discuss three of the four following plans.)

ANS:

Piecework is one of the oldest incentive plans. When piecework is used, employees receive a certain rate for each unit they produce. Their compensation is then determined by the total number of units they produce during a given pay period. The piecework system is easier to implement and is more likely to succeed when output can be easily measured, the quality of the product is less critical, the job is fairly standardized, and a constant flow of work can be maintained. Piecework has the advantage of motivating employees who want to increase their earnings. Although piecework has advantages, it is limited in that it cannot be used for certain types of jobs, such as where individual contributions are difficult to distinguish or where employees have little control over output as a result of mechanization. In addition to this limitation, piecework may not be an effective motivator at all times. For example, employees may not exert maximum effort if they feel it will lead to disapproval from coworkers.

The standard hour plan is an incentive technique that sets incentive rates based on a predetermined "standard time" for completing a job. If employees finish the work in less time than expected, they are still paid based on the standard time for the job multiplied by their hourly rate. Standard hour plans are easily suited to operations with a long cycle or to jobs that are nonrepetitive and require a variety of skills. While standard hour plans motivate employees to produce more, quality may suffer if employees become careless and do their work too fast.

A bonus is an incentive that is given to an employee beyond one's normal base wage. Bonuses do not become part of base pay. They can be paid out on the basis of cost reduction, quality improvements, or other performance criteria.

Merit pay is normally given on the basis of an employee having achieved some objective performance standard. In order to provide motivational value, merit pay plans should distinguish between an increase in base pay and the merit increase. Merit increases are normally granted yearly in conjunction with an employee's annual performance review. They can, however, be given out at any desired time period. Organizations may award lump-sum merit bonuses when they do not wish to raise an employee's base pay.

PTS: 1

REF: 410-413

OBJ: 2

BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

2. Discuss the problems identified with merit raises. As a manager, what would you do to ensure that merit raises fulfilled their intended value?

ANS:

There are number of problems identified with merit raises. First, unlike a bonus, a merit raise may be perpetuated year after year even when performance declines. When this happens, employees come to expect the increase and see it as being unrelated to their performance. Second, employees in some organizations are opposed to merit raises because, among other reasons, they do not really trust management. What are referred to as merit raises often turn out to be increases based on seniority, organizational politics, favouritism, or raises to accommodate increases in cost of living or area wage rates. Third, money available for merit increases may be inadequate to satisfactorily raise employees' base pay. Fourth, managers may have no guidance in how to define and measure performance, resulting in vagueness regarding merit award criteria. Fifth, employees may be unable to differentiate between merit pay (i.e., compensation tied to effort and performance) and other types of pay increases. Sixth, there may be a lack of honesty and cooperation between management and employees. Finally, it has been shown that "overall" merit pay plans do not motivate higher levels of employee performance.

There are no easy solutions to these problems. However, organizations may establish a merit pay guidelines chart that functions as a "look-up" table for awarding merit increases on the basis of (1) employee performance, (2) position in the pay range, and in a few cases, (3) time since the last pay increase. In addition, organizations should strive to ensure that their performance appraisal system is reliable and valid. Any deficiencies in the performance appraisal system (as discussed in Chapter 8) can impair the operation of a merit pay plan. A third tactic that organizations may use is to implement a lump-sum merit pay plan. Under this type of plan, employees receive a single lump-sum increase at the time of their review, an increase that is not added to their base salary. This innovative approach provides financial control by maintaining annual salary expenses and helps to provide a clear link between pay and performance.

PTS: 1

REF: 413

OBJ: 3

BLM: Higher Order

3. Identify the principal methods for compensating salespeople and the advantages of each method.

ANS:

Compensation plans for sales personnel may consist of a straight salary plan, a straight commission plan, or a combination salary and commission plan. The straight salary plan allows salespeople to be paid for performing duties not reflected immediately in their sales volume. It enables them to devote time to providing services and building customer goodwill without jeopardizing their income. A limitation of this plan is that employees may not be motivated to maximize their sales volume.

The straight commission plan bases compensation on a percentage of sales. This plan provides maximum incentive and is relatively easy to compute and understand. However, disadvantages of this type of plan include an emphasis on sales volume instead of profits. In addition, customer service after the sale is likely to be a lower priority.

When a combination salary and commission plan is used, the percentage of cash compensation paid out in commissions is called leverage. Leverage is a ratio of base salary to commission. The amount of leverage is determined after considering the constraining factors affecting performance. The combination plan has the advantages of both the straight salary and the straight commission plans, with few disadvantages.

PTS: 1

REF: 416-417

OBJ: 4

BLM: Higher Order

## Chapter 10 Pay for Performance: Incentive Rewards

4. Identify and briefly describe one gainsharing plan that encourages maximum effort and cooperation but is not tied to profit fluctuations, as are profit-sharing plans.

ANS:

Scanlon Plan. The Scanlon Plan enables employees who offer ideas and suggestions that improve productivity to be rewarded for these suggestions. The plan allows for employee participation primarily through shop committees established in each department. These committees consider production problems and make suggestions for improvement within their respective departments to an organization-wide screening committee. Both of these committees are composed of employees and managers. The screening committee reviews the data that serve as the basis for monthly bonuses, in addition to acting on suggestions received from the shop committees and advising top management. An established formula, based on increases in employee productivity as determined by a norm that has been established for labour costs, serves as the basis for financial incentives.

PTS: 1

REF: 424-425

OBJ: 5

BLM: Higher Order

## Chapter 11 Employee Benefits

### MULTIPLE CHOICE

1. For which key reason do employers need to communicate the extent and value of the benefits they provide?
  - a. It is required by the law.
  - b. Employees generally underestimate the value of the benefits offered.
  - c. It immediately reduces the overall costs.
  - d. The HR department needs this information for its newsletters.

ANS: B                      PTS: 1                      REF: 389                      OBJ: 1  
BLM: Higher Order

2. Which would **NOT** be considered a primary objective of most benefits programs?
  - a. reducing turnover
  - b. improving employee satisfaction
  - c. retaining top-performing employees
  - d. attracting and motivating employees

ANS: A                      PTS: 1                      REF: 390                      OBJ: 1  
BLM: Higher Order

3. Ideally, which of the following should apply to an organization's benefits system?
  - a. It should mirror that of the competition, so as to attract top applicants.
  - b. It should be restricted to mandatory benefits.
  - c. It should be aligned to the overall strategy of the organization.
  - d. It should be more than 50 percent of payroll costs, so as to be competitive.

ANS: C                      PTS: 1                      REF: 390                      OBJ: 1  
BLM: Higher Order

4. What is the approximate cost of benefits as a percentage of total payroll cost in Canadian organizations?
  - a. 28 percent
  - b. 20–25 percent
  - c. 30–35 percent
  - d. 66 percent

ANS: B                      PTS: 1                      REF: 390                      OBJ: 1  
BLM: Remember

5. Which of the following do employers often use to obtain employee input regarding benefits packages?
  - a. performance appraisals
  - b. opinion surveys
  - c. union reports
  - d. psychological tests

ANS: B                      PTS: 1                      REF: 391                      OBJ: 1  
BLM: Higher Order

## Chapter 11 Employee Benefits

6. Susie Jones has definite preferences in terms of the benefits offered by her employer. Susie will be able to select the benefits she values highly and avoid those she does not need or want if her employer offers which benefit format?
- an employee selection plan
  - a flexible benefits plan
  - a benefit pool
  - a modified benefits system

ANS: B                      PTS: 1                      REF: 391                      OBJ: 1  
BLM: Higher Order

7. How has the diverse workforce impacted benefits programs?
- by requiring benefit programs to consider family-friendly options
  - by requiring lower out-of-pocket costs for employees
  - by requiring greater pension contributions by employers
  - by requiring benefits packages to cover part-time as well as full-time employees

ANS: A                      PTS: 1                      REF: 391                      OBJ: 1  
BLM: Higher Order

8. Which statement best describes flexible benefit plans?
- They are offered to employees who then must purchase each benefit they select.
  - They are favoured by employers because they reduce administration costs.
  - They are offered as a bonus to executives.
  - They allow employees to choose benefits suited to their needs.

ANS: D                      PTS: 1                      REF: 391                      OBJ: 1  
BLM: Higher Order

9. Management at ABC Inc. wants to introduce a new benefit that is not required by law. What should it do first?
- develop an HRIS system to help with its administration
  - establish that there is a need for it
  - lobby the government to make it mandatory
  - hire a consulting firm to roll it out

ANS: B                      PTS: 1                      REF: 391                      OBJ: 1  
BLM: Higher Order

10. Many organizations use the services of professional benefits vendors to administer their benefits. What is this practice a form of?
- freelancing
  - merger
  - outsourcing
  - employee empowerment

ANS: C                      PTS: 1                      REF: 392                      OBJ: 1  
BLM: Higher Order

## Chapter 11 Employee Benefits

11. Which of the following is a fast, convenient, and interactive way employees can learn about or change their benefits?
- a benefits information packet
  - personal benefit profiles
  - infrequent information stations
  - employee self-service (ESS) systems

ANS: D                      PTS: 1                      REF: 393                      OBJ: 1  
BLM: Higher Order

12. Great Parcel Inc. has numerous office locations across Canada, including isolated areas with no access to the Internet. What would be the most efficient way for the company to communicate a new benefit to all its employees?
- online modules
  - a meeting in a central location
  - trips by the organization's top executive team to all the locations
  - payroll inserts

ANS: D                      PTS: 1                      REF: 393                      OBJ: 1  
BLM: Higher Order

13. A large portion of an organization's total payroll is devoted to employee benefits and this figure has risen over the past few decades. Which of the following has **NOT** contributed to this increasing cost?
- additional benefits offered voluntarily by organizations
  - legislation forcing employers to establish some benefits
  - the use of online, interactive benefits programs
  - employers trying to match the competition

ANS: C                      PTS: 1                      REF: 394                      OBJ: 1  
BLM: Higher Order

14. Which of the following statements does **NOT** describe management concerns about benefits?
- Management is concerned with union demands.
  - Management is concerned with tax consequences.
  - Management is concerned with the escalating cost of health care benefits.
  - Management is concerned with promoting a shift in mindset from self-responsibility to entitlement.

ANS: D                      PTS: 1                      REF: 395                      OBJ: 2  
BLM: Remember

15. Which of the following is **NOT** necessary for an organization to consider when developing its benefits program?
- the associated costs
  - tax consequences
  - benefits other employers offer
  - the globalization of benefits

ANS: D                      PTS: 1                      REF: 395                      OBJ: 2  
BLM: Higher Order

## Chapter 11 Employee Benefits

16. Legally required employee benefits amount to about 12 percent of the benefits packages that Canadian employers provide. Which benefit is not required?
- employer contributions
  - employment insurance
  - workers' compensation insurance
  - retirement savings

ANS: D                      PTS: 1                      REF: 398                      OBJ: 3  
BLM: Remember

17. Which of the following is **NOT** a benefit provided under CPP/QPP?
- retirement pensions
  - sick leave benefits
  - survivors' benefits
  - disability benefits

ANS: B                      PTS: 1                      REF: 398                      OBJ: 3  
BLM: Higher Order

18. The Meat Shop, one of Canada's best employers according to a recent survey, is considering ways to contain its rising benefits costs. What is **NOT** a wise option for the Meat Shop?
- making contribution changes, such as deductibles
  - putting dollar limits on some benefits
  - instituting flexible benefits
  - making cuts to mandatory benefits

ANS: D                      PTS: 1                      REF: 398                      OBJ: 2  
BLM: Higher Order

19. Workers' compensation covers certain work-related examples of which of the following?
- lawsuits
  - misunderstandings
  - pay inequities
  - illnesses

ANS: D                      PTS: 1                      REF: 399                      OBJ: 3  
BLM: Higher Order

20. Which statement does **NOT** describe workers' compensation?
- All employers pay the same premium rate to be eligible for workers' compensation.
  - Employers share collective liability, though contributions may vary among employers in the same industry.
  - Workers' compensation is based on loss of earnings.
  - The system is no-fault and nonadversarial, and thus offers no recourse to the courts.

ANS: A                      PTS: 1                      REF: 399                      OBJ: 3  
BLM: Higher Order

## Chapter 11 Employee Benefits

21. Which of the following is based on the theory that work-related accidents and illnesses should be considered a cost of doing business and that employees should not bear the costs of their treatment?
- workers' compensation insurance
  - paid sick time
  - medical care benefits
  - unpaid leave

ANS: A                      PTS: 1                      REF: 399                      OBJ: 3  
BLM: Higher Order

22. The growth in health care costs can be attributed to a number of factors. Which of the following is NOT one of those factors?
- an aging population
  - costs associated with technological advances in medicine
  - overuse of costly health care services
  - the mandatory retirement age

ANS: D                      PTS: 1                      REF: 400                      OBJ: 4  
BLM: Higher Order

23. What are holiday pay, sick leave, and vacation pay examples of?
- payment for time not worked
  - benefits required by law
  - categories of health care benefits
  - unearned benefits

ANS: A                      PTS: 1                      REF: 402                      OBJ: 5  
BLM: Higher Order

24. Bob Jones has just been permanently laid off from his present position. His company, ACME Manufacturing, has issued Bob a cheque that represents one month's pay for every year Bob worked at ACME. What does this cheque represent?
- Bob's unused vacation pay
  - Bob's unused holiday pay
  - Bob's severance pay
  - Bob's unused sick leave

ANS: C                      PTS: 1                      REF: 402                      OBJ: 5  
BLM: Higher Order

25. A key issue in the 2009 Toronto municipal workers' strike related to the use of banked sick days. How is the accumulation of sick days generally regarded in the literature?
- as part of an incentive plan
  - as pay for time not worked
  - as a mandatory benefit
  - as a form of pension

ANS: B                      PTS: 1                      REF: 402                      OBJ: 5  
BLM: Higher Order

## Chapter 11 Employee Benefits

26. Omar Morales, an older employee, is considering an early retirement package that his employer has offered; it includes improved benefits and cash bonuses. What is the term for this type of inducement?
- a. silver handshake
  - b. golden parachute
  - c. platinum cushion
  - d. severance pay

ANS: A                      PTS: 1                      REF: 403                      OBJ: 6  
BLM: Remember

27. What is **NOT** a common reason why employees take early retirement?
- a. health
  - b. personal finances
  - c. job satisfaction
  - d. executive perquisites

ANS: D                      PTS: 1                      REF: 403                      OBJ: 6  
BLM: Higher Order

28. Polaroid allows employees the opportunity to try out retirement with a leave program, or gradually reduce their work hours as they approach retirement age. What is this an example of?
- a. severance leave
  - b. a preretirement program
  - c. family-friendly benefits
  - d. CPP/QPP

ANS: B                      PTS: 1                      REF: 403                      OBJ: 6  
BLM: Higher Order

29. Most pension plans are now viewed as providing deferred income that employees accumulate during their working life and that belongs to them after a specified number of years of service. What view is this based on?
- a. provincial law
  - b. a pay-as-you-go philosophy
  - c. a reward philosophy
  - d. an earnings philosophy

ANS: D                      PTS: 1                      REF: 404                      OBJ: 6  
BLM: Higher Order

30. Bob Jindal works for RAY Vision Inc. The employer deducts money every month from Bob's paycheque for his pension plan. RAY Vision matches this amount for his pension. What type of plan is this?
- a. a defined-benefit plan
  - b. a defined-contribution plan
  - c. a contributory plan
  - d. a noncontributory plan

ANS: C                      PTS: 1                      REF: 404                      OBJ: 7  
BLM: Higher Order

## Chapter 11 Employee Benefits

31. Tommy Lee remembers his grandfather telling him how working in the coal mines was a tough job and that if you left the employer before retirement age you did not get your pension. Which of the following applies to this type of pension?
- It is a form of reverse discrimination.
  - It is based on a reward philosophy.
  - It is a defined-benefit plan.
  - It is based on an earnings philosophy.

ANS: B                      PTS: 1                      REF: 404                      OBJ: 6  
BLM: Higher Order

32. Stella Vickram will receive a pension of \$2,500 per month if she continues to work with ABC Media until she retires. She is now 45 years old. What type of plan is this?
- a contributory plan
  - a noncontributory plan
  - a defined-contribution plan
  - a defined-benefit plan

ANS: D                      PTS: 1                      REF: 404                      OBJ: 7  
BLM: Higher Order

33. In Canada, registered retirement savings plans (RRSPs) have grown significantly over the past few years. What is a key reason for this growth?
- Minimum wage earners now have more disposable income and they are contributing.
  - The funds accumulate tax-free until they are withdrawn.
  - The rich-poor gap is narrowing, thus people have more money to invest.
  - RRSPs are a part of stock plans, which are growing.

ANS: B                      PTS: 1                      REF: 404                      OBJ: 7  
BLM: Remember

34. Which type of pension plan with fixed payouts is falling out of use?
- contributory plan
  - registered retirement savings plan (RRSP)
  - defined-benefit plan
  - defined-contribution plan

ANS: C                      PTS: 1                      REF: 404                      OBJ: 7  
BLM: Higher Order

35. James Callaghan has worked full-time for BC Metals for four years. He has learned from the HR manager that his earned pension benefits cannot be revoked by the employer. Why is this so?
- because the employer expects him to work until retirement
  - because the benefits are vested
  - because the union would strike if they are revoked
  - because the benefits are defined

ANS: B                      PTS: 1                      REF: 405                      OBJ: 7  
BLM: Higher Order

## Chapter 11 Employee Benefits

36. From a pension perspective, what is a key issue concerning the aging of baby boomers in Canada?
- There are more demands for dental benefits.
  - Baby boomers are leaving management, thus there is a loss to the HR managers who oversee this benefit.
  - There are fewer contributions to the pension fund by younger generations and more withdrawals for funding pensions for baby boomers, thus putting the fund at risk of depletion.
  - Younger generations are demanding reduced pensions for those leaving the workforce.

ANS: C                      PTS: 1                      REF: 405                      OBJ: 7  
BLM: Higher Order

37. What does vesting guarantee?
- withdrawal of benefits at any time
  - accrued pension benefits at retirement age
  - automatic funding of pension plans
  - selection of pension options

ANS: B                      PTS: 1                      REF: 405                      OBJ: 7  
BLM: Higher Order

38. Employer-sponsored employee assistance programs (EAPs) are created to help workers overcome hurdles in their personal lives. Which employee is the most likely to receive help under a typical EAP?
- John Jones, who needs assistance to overcome a chemical dependency problem.
  - Steve Brown, who needs legal help in a personal bankruptcy proceeding.
  - Cindy Savage, who needs a list of qualified daycare facilities near the office.
  - Kate Johnson, who needs help choosing an appropriate M.B.A. program.

ANS: A                      PTS: 1                      REF: 406                      OBJ: 8  
BLM: Higher Order

39. Which of the following is NOT a potential advantage of family-friendly benefits?
- they help to attract valuable employees
  - they provide higher base pay, which helps with family budgets
  - they allow employees to manage their time better
  - they help to reduce workplace interruptions that affect productivity

ANS: B                      PTS: 1                      REF: 406                      OBJ: 8  
BLM: Higher Order

40. Which of the following is NOT an example of family-friendly benefits?
- employer-provided childcare services
  - flexible work hours
  - subsidized dependant care
  - increased overtime requirements

ANS: D                      PTS: 1                      REF: 407                      OBJ: 8  
BLM: Higher Order

## Chapter 11 Employee Benefits

41. Which of the following is NOT a benefit of family-friendly programs?
- a. increasing the risk of unionization
  - b. reducing tardiness
  - c. improving productivity
  - d. reducing employee absenteeism

ANS: A                      PTS: 1                      REF: 407                      OBJ: 8  
BLM: Higher Order

42. What do mildly ill childcare facilities provide?
- a. tax benefits
  - b. medical supervision
  - c. a negative investment
  - d. telecommuting facilities for working parents with ill children

ANS: B                      PTS: 1                      REF: 408                      OBJ: 8  
BLM: Remember

43. How are childcare programs and eldercare programs similar?
- a. Under both programs, most of the caregivers are men.
  - b. Both types of programs typically offer on-site care facilities.
  - c. Both programs try to maintain or increase productivity by assisting employees with their responsibilities outside the workplace.
  - d. Both programs offer substantial income tax benefits to employees.

ANS: C                      PTS: 1                      REF: 408                      OBJ: 8  
BLM: Remember

44. The collective bargaining agreement between ACME Inc. and the union CUPA 1003 Local requires the employer to provide a limited vision care package. Workers are demanding more. Who will determine any new package?
- a. the union and the government
  - b. the government
  - c. the employer and the union
  - d. the employer

ANS: C                      PTS: 1                      REF: Entire chapter  
OBJ: 3                      BLM: Higher Order

45. Canada has experienced a growth in the proportion of part-time workers (versus full-time) over the past decade. What is a key reason for this growth?
- a. Many full-time jobs are outsourced overseas.
  - b. The government is forcing firms to hire on a part-time basis.
  - c. Unions prefer workers to have part-time jobs.
  - d. Employers tend to save on compensation costs as many part-time workers do not receive voluntary benefits.

ANS: D                      PTS: 1                      REF: Entire chapter  
OBJ: 4                      BLM: Higher Order

## Chapter 11 Employee Benefits

### Scenario 11.1

Canadian Fasteners is a Mississauga-based packing firm that packages nuts, bolts, and screws for various Canadian furniture companies across the country. The company has been growing at a rapid rate in the past couple of years. Previously, all HR-related functions were extremely informal or almost nonexistent. With the rising turnover, and a constant struggle to retain employees during the company's rapid growth, Canadian Fasteners has decided to implement an HR system that not only will assist with the recruitment and selection process, but also will help to administer a pension and benefit program. The newly promoted HR manager is excited about the company's future and is looking forward to the new challenges, but hopes efforts to more effectively capture and retain the right talent will be worth it, as turnover has caused the firm to lose one of its biggest clients.

46. Refer to Scenario 11.1. Canadian Fasteners wants to take into consideration changes in the diversity and lifestyles of its workforce. Which of the following would be the best option for the company?
- implementing a defined-benefit program
  - tailoring its benefits programs to be family friendly
  - paying employees money in lieu of benefits
  - continuing with the way it is currently doing things

ANS: B                      PTS: 1                      REF: 381                      OBJ: 1  
BLM: Higher Order

47. Refer to Scenario 11.1. Canadian Fasteners is a small-size firm that still needs to monitor its costs. Which of the following would be most cost-effective for the company?
- setting up its own in-house system to be administered by the new HR manager and new staff
  - hiring a full-time benefits specialist
  - hiring a professional benefits vendor to administer the plan
  - declining to provide pension and benefits to its employees

ANS: C                      PTS: 1                      REF: 392                      OBJ: 1  
BLM: Higher Order

48. Refer to Scenario 11.1. Canadian Fasteners must ensure that the benefits it offers employees are fulfilling the legal requirements. Which of the following is not legally required?
- survivor benefits
  - employer contributions to the Canada and Quebec pension plans
  - employment insurance
  - workers' compensation insurance

ANS: A                      PTS: 1                      REF: 398                      OBJ: 3  
BLM: Higher Order

49. Refer to Scenario 11.1. Some of Canadian Fasteners' employees have been around since its inception and are well into their late 40s. Which of the following pension plans would be most effective in allowing employees to have a decent pension when they retire?
- a non-contributory plan
  - a contributory plan
  - a registered retirement savings plan with only the employee contributing
  - a defined non-contributory plan

ANS: B                      PTS: 1                      REF: 404                      OBJ: 7  
BLM: Higher Order

## Chapter 11 Employee Benefits

### Scenario 11.2

Bradshaw, Petrilli & Blake Inc. (BPBI) is a Canadian financial planning firm that provides financial advice for companies across Canada and the United States. The firm offers employees great benefits and excellent salaries. Its workforce is composed of predominantly “generation Y” employees. These employees are very tech-savvy, achievement focused, and, most importantly, family centric (they value flexible schedules and work–life balance). While they understand the demands of the job, they often get caught between the needs of the organization’s clients and their family responsibilities, especially as related to their children. Currently, there is little flexibility if employees want to attend to family needs during work hours. BPBI is now looking into ways of helping its employees better meet these dual needs.

50. Refer to Scenario 11.2. Which of the following is NOT a family-friendly benefit that will help BPBI develop and maintain work–life balance?
- allowing employees to work from home
  - allowing flexible scheduling of work hours
  - facilitating employer-paid on-site or near-site childcare facilities
  - allowing time off for children’s school activities

ANS: A                      PTS: 1                      REF: 406                      OBJ: 8  
BLM: Higher Order

51. Refer to Scenario 11.2. BPBI would like to also set up an employee assistance program (EAP) to help employees solve their personal problems, or at least prevent those problems from turning into crises that are likely to affect their ability to work productively. Which of the following are programs offered by EAP in today’s organizations?
- seminars and workshops to help prepare for retirement
  - counselling and referral services for alcohol or drug problems, emotional problems, or financial or family crises
  - increased pension benefits or cash bonuses
  - salary continuance programs, sick leave credits, and weekly indemnity plans

ANS: B                      PTS: 1                      REF: 406                      OBJ: 8  
BLM: Higher Order

52. Refer to Scenario 11.2. In order to promote work–life balance at BPBI, management has decided to adopt more creative and unusual benefits as a way to deter turnover. Which of the following would be most welcomed by “generation Y” employees?
- on-site restaurants where employees can have dinner together
  - extended childcare when employees work later hours
  - free baseball tickets for families and friends
  - pay increases to offset the extra overtime hours worked each day

ANS: C                      PTS: 1                      REF: 410                      OBJ: 8  
BLM: Higher Order

## Chapter 11 Employee Benefits

### TRUE/FALSE

1. Employee benefits typically represent 40 percent of total payroll costs to employers.

ANS: F                      PTS: 1                      REF: 390                      OBJ: 1  
BLM: Remember

2. Some benefits are now considered rights to which employees are entitled, rather than a gift of the employer.

ANS: T                      PTS: 1                      REF: 390                      OBJ: 1  
BLM: Remember

3. Benefits programs should be based on specific objectives in line with the organization's strategic compensation plan.

ANS: T                      PTS: 1                      REF: 390                      OBJ: 1  
BLM: Remember

4. A primary objective of most benefits programs is to increase turnover.

ANS: F                      PTS: 1                      REF: 390                      OBJ: 1  
BLM: Higher Order

5. Employee benefits are a form of indirect compensation.

ANS: T                      PTS: 1                      REF: 390                      OBJ: 1  
BLM: Remember

6. It would be desirable for employers to enlist employee participation in modifying a benefits program.

ANS: T                      PTS: 1                      REF: 391                      OBJ: 1  
BLM: Application

7. Many employers provide unneeded and unwanted types of medical benefits to their employees.

ANS: T                      PTS: 1                      REF: 391                      OBJ: 1  
BLM: Remember

8. Benefit packages of any kind still help employers attract and retain quality employees.

ANS: F                      PTS: 1                      REF: 391                      OBJ: 1  
BLM: Higher Order

9. To reflect the social changes Canada is facing, employers are increasingly tailoring their benefits programs to be family friendly.

ANS: T                      PTS: 1                      REF: 391                      OBJ: 1  
BLM: Remember

## Chapter 11 Employee Benefits

10. Flexible benefits plans are also known as “cafeteria” plans.
- ANS: T                      PTS: 1                      REF: 391                      OBJ: 1  
BLM: Remember
11. Many firms outsource their cafeteria plans to a professional vendor because of the complexity of administering the system.
- ANS: T                      PTS: 1                      REF: 392                      OBJ: 1  
BLM: Higher Order
12. It is primarily the responsibility of the employee to remain informed about the benefits he or she receives.
- ANS: F                      PTS: 1                      REF: 393                      OBJ: 1  
BLM: Understanding
13. Online benefits programs allow employees self-service freedom and availability virtually any time.
- ANS: T                      PTS: 1                      REF: 394                      OBJ: 1  
BLM: Higher Order
14. The declining cost of health care benefits provides Canadian organizations opportunities to reduce employee benefit costs.
- ANS: F                      PTS: 1                      REF: 395                      OBJ: 2  
BLM: Higher Order
15. The Conference Board of Canada has concluded that it is not possible to contain the cost of employee benefit programs.
- ANS: F                      PTS: 1                      REF: 398                      OBJ: 2  
BLM: Understanding
16. Legally required benefits amount to 50 percent of the benefits packages that Canadian employers provide.
- ANS: F                      PTS: 1                      REF: 398                      OBJ: 3  
BLM: Higher Order
17. The Canada and Quebec Pension Plans both require employer and employee contributions.
- ANS: T                      PTS: 1                      REF: 398                      OBJ: 3  
BLM: Remember
18. CPP and QPP have universal portability—that is, an employee has the right to claim benefit credits wherever they are employed in Canada.
- ANS: T                      PTS: 1                      REF: 398                      OBJ: 3  
BLM: Remember

## Chapter 11 Employee Benefits

19. Since provincial health care benefits cover basic health care services, very few employers offer supplementary health benefits.

ANS: F                      PTS: 1                      REF: 398                      OBJ: 3  
BLM: Remember

20. Employees who resign from a position or who are terminated for cause may not be eligible to collect employment insurance (EI).

ANS: T                      PTS: 1                      REF: 399                      OBJ: 3  
BLM: Remember

21. Employment insurance benefits are available for illness, injury, maternity, parental, and adoption leave.

ANS: T                      PTS: 1                      REF: 399                      OBJ: 3  
BLM: Remember

22. Only employees contribute to the Employment Insurance (EI) fund.

ANS: F                      PTS: 1                      REF: 399                      OBJ: 3  
BLM: Higher Order

23. Workers' compensation insurance is based on a system of individual liability.

ANS: F                      PTS: 1                      REF: 399                      OBJ: 3  
BLM: Higher Order

24. Both employees and employers make contributions toward a workers' compensation fund.

ANS: F                      PTS: 1                      REF: 399                      OBJ: 3  
BLM: Higher Order

25. People who have been resident in a Canadian province for three months are eligible to receive health care benefits.

ANS: T                      PTS: 1                      REF: 400                      OBJ: 3  
BLM: Remember

26. Many employers now offer additional health care benefits such as dental and prescription drug coverage.

ANS: T                      PTS: 1                      REF: 400                      OBJ: 3  
BLM: Remember

27. The growth in health care costs can be attributed to a number of factors, including the greater need for health care by an aging population.

ANS: T                      PTS: 1                      REF: 400                      OBJ: 4  
BLM: Higher Order

## Chapter 11 Employee Benefits

28. Employer health plans are generally restricted to medical, surgical, and hospital expenses.
- ANS: F                      PTS: 1                      REF: 400                      OBJ: 4  
BLM: Remember
29. Health care benefits are considered “discretionary” because employers are not required by law to provide them.
- ANS: T                      PTS: 1                      REF: 400                      OBJ: 3  
BLM: Higher Order
30. Employee assistance programs and wellness programs cannot help organizations cut the costs of health care benefits.
- ANS: F                      PTS: 1                      REF: 400                      OBJ: 4  
BLM: Higher Order
31. Canadian organizations are expected to continue to implement a wider variety of employee benefits and services.
- ANS: T                      PTS: 1                      REF: 400                      OBJ: 3  
BLM: Higher Order
32. In the past two decades, more and more employees have been receiving dental care insurance as a benefit.
- ANS: T                      PTS: 1                      REF: 401                      OBJ: 4  
BLM: Higher Order
33. “Payment for time not worked” includes statutory holiday pay, time off for bereavement, military duty, vacation pay, jury duty, rest periods, coffee breaks, and maternity leave (which usually involves some form of salary continuance).
- ANS: T                      PTS: 1                      REF: 402                      OBJ: 5  
BLM: Remember
34. In addition to paid holidays, some employers give workers additional personal use days.
- ANS: T                      PTS: 1                      REF: 402                      OBJ: 5  
BLM: Higher Order
35. Long-term disability plans normally provide a disabled employee with 90–100 percent of their pre-disability income.
- ANS: F                      PTS: 1                      REF: 402                      OBJ: 5  
BLM: Higher Order
36. Severance pay is a one-time payment to employees who have been terminated.
- ANS: T                      PTS: 1                      REF: 402                      OBJ: 5  
BLM: Remember

## Chapter 11 Employee Benefits

37. Once extremely popular, group life insurance for employees has steadily declined in use.
- ANS: F                      PTS: 1                      REF: 403                      OBJ: 6  
BLM: Remember
38. In Canada, the higher the household income, the lower the retirement age.
- ANS: T                      PTS: 1                      REF: 403                      OBJ: 6  
BLM: Remember
39. When organizations need to reduce their workforce, “silver handshakes” are sometimes used to encourage employees to retire before they had originally planned.
- ANS: T                      PTS: 1                      REF: 403                      OBJ: 6  
BLM: Higher Order
40. Company-sponsored preretirement programs force employees to think about what their lives will be like after they leave the organization.
- ANS: T                      PTS: 1                      REF: 403                      OBJ: 6  
BLM: Higher Order
41. At the present time, employers are required to provide pension plans to all full-time employees.
- ANS: F                      PTS: 1                      REF: 404                      OBJ: 7  
BLM: Higher Order
42. With contributory pension plans, contributions are made jointly by employers and the government.
- ANS: F                      PTS: 1                      REF: 404                      OBJ: 7  
BLM: Remember
43. Most of the pension plans in privately held organizations are contributory.
- ANS: T                      PTS: 1                      REF: 404                      OBJ: 7  
BLM: Remember
44. In a defined-benefit plan, the retirement benefit is determined according to a predetermined formula.
- ANS: T                      PTS: 1                      REF: 404                      OBJ: 7  
BLM: Higher Order
45. In a defined-contribution pension plan, the amount an employee is to receive upon retirement is specifically set forth.
- ANS: F                      PTS: 1                      REF: 404                      OBJ: 7  
BLM: Higher Order

## Chapter 11 Employee Benefits

46. Canadian employees may retire at age 45 and begin drawing a reduced pension from CPP/QPP and other sources such as RRSPs.

ANS: F                      PTS: 1                      REF: 404-405                      OBJ: 6  
BLM: Remember

47. Once employees have two years of service, they are considered, in terms of their pension fund, fully vested and locked in.

ANS: T                      PTS: 1                      REF: 405                      OBJ: 7  
BLM: Remember

48. Employee assistance programs (EAPs) help employees mainly with relocation costs.

ANS: F                      PTS: 1                      REF: 406                      OBJ: 8  
BLM: Remember

49. Because of added expenses and complicated governmental rules, defined-benefit pension plans are falling out of use.

ANS: T                      PTS: 1                      REF: 407                      OBJ: 7  
BLM: Higher Order

50. Childcare, eldercare and extended leave policies are all examples of employee services.

ANS: T                      PTS: 1                      REF: 407                      OBJ: 8  
BLM: Remember

51. Approximately one-third of Canadians have eldercare responsibilities.

ANS: T                      PTS: 1                      REF: 408                      OBJ: 8  
BLM: Higher Order

### ESSAY

1. What considerations should an organization make in implementing an effective benefits program?

ANS:

Benefits are an established and integral part of the total compensation package. In order to have a sound benefits program, there are certain basic considerations. It is essential that a program be based on specific objectives that are compatible with the organization's philosophy and policies, as well as affordable. Through committees and surveys, a benefits package can be developed to meet employees' needs. Through the use of flexible benefit plans, employees are able to choose those benefits that are best suited to their individual needs. An important factor in how employees view the program is the full communication of benefits information through meetings, printed materials, and annual personalized statements of benefits.

PTS: 1                      REF: 390-392                      OBJ: 1                      BLM: Higher Order

## Chapter 11 Employee Benefits

2. Describe some of the ways employers have been trying to contain health care benefit costs.

ANS:

The cost of health care programs has become the major concern in the area of employee benefits. Several approaches can be used to contain health care costs, including reduction in coverage, increased coordination of benefits, and increased deductibles. Employee assistance programs (EAPs) and wellness programs can also help cut the costs of health care benefits.

PTS: 1                      REF: 396-398|400    OBJ: 2|4                      BLM: Remember

3. Compare and contrast the risks to the employee in regard to defined-contribution and defined-benefit pension plans.

ANS:

In a defined-benefit pension plan, retiring employees are guaranteed a particular payment level (i.e., the retirement benefit is “defined”). However, in a defined-contribution pension plan, the only guarantee to employees is that the employer will contribute a set dollar amount on their behalf to the pension plan (i.e., the contribution is “defined”). While the pension benefits under a defined-benefit plan are fixed, the pension benefits of the defined-contribution plan vary according to the success of the plan’s investments (i.e., superior investment decisions will yield greater pension payments than mediocre or poor decisions).

Under the defined-benefit plan, retiree risk is largely limited to whether the fund is properly funded and whatever effects inflation will have on their fixed pension cheques. Under the defined-contribution plan, retiree risk is associated with the general risks and rewards of investments, the quality of investment advice, and the risks commonly associated with the defined-benefit plans.

PTS: 1                      REF: 404                      OBJ: 7                      BLM: Higher Order

4. Explain the concept of family-friendly benefits. Name and discuss at least five of these benefits employers offer their employees.

ANS:

Many organizations are seeking to create a family-friendly organizational environment that allows employees to balance work and personal needs. There are a wide variety of family-friendly benefits that organizations may offer. To help workers cope with a wide variety of problems that interfere with the way they perform their jobs, organizations have developed employee assistance programs. These programs provide diagnosis, counselling, and referral for advice or treatment when necessary for problems related to alcohol or drug abuse, emotional difficulties, and financial or family difficulties. Usually the organization covers—in part or totally—costs of tuition, books, and related fees. The increased employment of employees with dependent children and/or eldercare responsibilities has created an unprecedented demand for childcare and eldercare arrangements. In response, many organizations provide financial assistance and on-site childcare centres and support for eldercare. In addition, many organizations are implementing employee-accumulated leave days for dependant care and extended leave policies for child- and/or eldercare. In addition, organizations may also offer access to legal services, financial planning, housing and moving expenses, transportation pooling, credit unions, recreational and social services, and work-at-home arrangements/telecommuting to offer savings to employees and reduce stress.

PTS: 1                      REF: 406-409                      OBJ: 8                      BLM: Remember

## Chapter 12 Promoting Safety and Health

### MULTIPLE CHOICE

1. In 2009, there were 939 workplace-related deaths—an average of four Canadian workers dying every working day. Given that there were 366 days in 2002, should this figure be lower?
- Yes; 900/366 is approximately 2.5 deaths per day.
  - Yes; many of these deaths are based on fraudulent claims.
  - No; you have to subtract weekends, statutory holidays, and so forth to get working days.
  - No; it should be higher because many deaths are not reported.

ANS: C                      PTS: 1                      REF: 418                      OBJ: 1  
BLM: Higher Order

2. Not so long ago, many workers were seriously affected through contact with asbestos in workplaces. What is this an example of?
- occupational illnesses
  - occupational injuries
  - management negligence
  - industrial diseases

ANS: A                      PTS: 1                      REF: 418                      OBJ: 1  
BLM: Higher Order

3. In Alberta, which of the following bodies regulate occupational health and safety?
- the Alberta provincial government only
  - the federal and Alberta governments
  - the federal government only
  - the governments of Canada and all the provinces, including Alberta

ANS: B                      PTS: 1                      REF: 419                      OBJ: 1  
BLM: Higher Order

4. Tom Jones was recently injured on the job at ABC Steel Factory. Whose responsibility is it to report the accident to the Workers' Compensation Board?
- Tom Jones himself
  - Tom Jones's coworkers
  - the government's safety officer
  - ABC Steel Factory

ANS: D                      PTS: 1                      REF: 419                      OBJ: 1  
BLM: Higher Order

5. Which of the following is NOT a worker's responsibility related to safety?
- to advise on potential workplace hazards
  - to report hazardous conditions or defective equipment
  - to follow all employer safety and health rules and regulations
  - to exercise discretion in the use of protective equipment

ANS: A                      PTS: 1                      REF: 421                      OBJ: 1  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

6. Under health and safety legislation, which of the following is NOT required of employers?
- take every reasonable precaution to guarantee worker safety
  - ensure that workers use or wear safety equipment, devices, or clothing
  - discipline employees who refuse to do work they believe is unsafe
  - inform their employees about health and safety requirements

ANS: C                      PTS: 1                      REF: 421                      OBJ: 2  
BLM: Higher Order

7. What do joint health and safety committees consist of?
- management representatives
  - employee (union) representatives
  - both employee (union) and management representatives
  - health and safety officers

ANS: C                      PTS: 1                      REF: 423                      OBJ: 1  
BLM: Higher Order

8. Which of the following is NOT true of workers' compensation?
- Unlimited medical aid is provided under workers' compensation.
  - The goal of workers' compensation is to return the employee to his or her job (or some modification thereof) as soon as possible.
  - The emphasis of workers' compensation is primarily on assessment, payments, and rehabilitation.
  - Injured workers can receive benefits in the form of a cash payout under workers' compensation.

ANS: C                      PTS: 1                      REF: 423                      OBJ: 1  
BLM: Higher Order

9. Most jurisdictions require the establishment of health and safety committees with both union and management representation. Which of the following is one of the expectations of this approach?
- that it would educate the union about the problems their membership cause
  - that it would show the union how tough management can be
  - that it would help to develop a nonadversarial union-management climate
  - that it would force the union not to strike

ANS: C                      PTS: 1                      REF: 423                      OBJ: 1  
BLM: Higher Order

10. When should safety training begin?
- with new employee orientation
  - immediately after an accident or injury
  - before returning to work after an accident or injury
  - at the discretion of the supervisor

ANS: A                      PTS: 1                      REF: 425                      OBJ: 2  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

11. Why must supervisors observe employees' work safety behaviours?
- to limit the company's liability in case of accident
  - to reduce insurance costs
  - to reinforce and ensure adherence to safe practices
  - to learn the proper procedures from line employees

ANS: C                      PTS: 1                      REF: 425                      OBJ: 2  
BLM: Higher Order

12. Which of the following is NOT an initiative that can make health and safety training more effective?
- involve workers in the program design
  - exclude the union in planning
  - use the Internet and information technology as appropriate
  - include related material in new employee orientation

ANS: B                      PTS: 1                      REF: 425                      OBJ: 2  
BLM: Higher Order

13. What is the key role for the supervisor with respect to safety?
- to administer employee disciplinary procedures
  - to communicate to an employee the need to work safely
  - to observe employee behaviour on-the-job
  - to monitor actions of supervisors

ANS: B                      PTS: 1                      REF: 425                      OBJ: 2  
BLM: Higher Order

14. Harry Davis has been found guilty of smoking around a volatile substance in his workplace. It is his first offence after 25 years. The employer, ABC Inc., has a progressive disciplinary system where employees are first given a written warning, then suspended for repeated violations, and dismissed as a last resort. What action should ABC Inc. take?
- ABC Inc. must follow the progressive disciplinary system in punishing Harry.
  - ABC Inc. may choose to terminate Harry, even though it is his first offence.
  - ABC Inc. must involve the courts before making a decision.
  - ABC Inc. must involve the government before making a decision.

ANS: B                      PTS: 1                      REF: 426                      OBJ: 2  
BLM: Higher Order

15. Management is encouraged to involve employees in safety programs. Which of the following is NOT a way that employees should be involved?
- jointly setting safety standards
  - participating in safety training
  - developing safety legislation
  - establishing safety incentives and rewards

ANS: C                      PTS: 1                      REF: 426                      OBJ: 2  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

16. Which statement about penalties for violations of safety rules is NOT true?
- Penalties are generally harsher than those for other types of offences.
  - Penalties are usually stated in the employee handbook.
  - In the case of a serious violation, a first offence may be cause for termination.
  - Supervisors must take immediate action when unsafe acts are detected.

ANS: A                      PTS: 1                      REF: 426                      OBJ: 2  
BLM: Remember

17. What is the term for the number of injuries and illnesses per 100 full-time employees during a given year?
- illness rate
  - accident rate
  - incidence rate
  - safety rate

ANS: C                      PTS: 1                      REF: 427                      OBJ: 2  
BLM: Higher Order

18. Employee protections in the workplace with respect to health and safety have improved significantly over the past few decades. Which of the following is NOT one of the reasons for this improvement?
- increase in public concerns
  - pressures from the unions
  - pressures from the developing world to match their competitiveness
  - pressures from government

ANS: C                      PTS: 1                      REF: 428                      OBJ: 3  
BLM: Higher Order

19. Which of the following is NOT a high-risk work circumstance associated with workplace violence?
- interacting with the public
  - dealing with the exchange of money
  - working with information technology
  - working alone

ANS: C                      PTS: 1                      REF: 429-430                      OBJ: 3  
BLM: Higher Order

20. Omar works as a supervisor with responsibility for discipline in the workplace; Cindy works as an attendant for a parking garage; Devi works as an IT programmer at a bank; and Lee works as a nurse in a hospital. Who is the LEAST likely to be at risk for workplace violence?
- Lee
  - Cindy
  - Omar
  - Devi

ANS: D                      PTS: 1                      REF: 429-430                      OBJ: 3  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

21. Jack Spratt, the HR manager at Risky Bank Inc., has been working on a plan to prevent workplace violence. He has so far redesigned the workplace to include electronic surveillance and implemented new administrative practices, such as background checks. Which of the following would NOT be a good additional measure?
- keeping cash register funds to a minimum
  - keeping track of immigrants in the workplace
  - having a violence prevention policy in place
  - forming crisis management teams

ANS: B                      PTS: 1                      REF: 430                      OBJ: 3  
BLM: Higher Order

22. Which category of service employees is at the highest risk of workplace violence?
- insurance agents who visit clients' homes
  - postal workers who deliver the mail
  - nurses
  - firefighters

ANS: C                      PTS: 1                      REF: 430                      OBJ: 3  
BLM: Higher Order

23. What is the best way to proactively manage workplace violence?
- hire armed guards to oversee workplace activities
  - develop a zero-tolerance policy for violence
  - report violence to the police as soon as it happens
  - implement a strenuous disciplinary policy

ANS: B                      PTS: 1                      REF: 430                      OBJ: 3  
BLM: Higher Order

24. Assume that you are a new manager at a manufacturing plant. On your first day, you are on the factory floor and notice one employee verbally abusing another; a fight was imminent. Which of the following would NOT be a wise strategy for you to follow?
- try to separate the individuals and ask them to see you individually in private
  - remain calm
  - publicly ask the aggressor to back down, as this would help with developing your authority in the workplace
  - listen and be nonjudgmental

ANS: C                      PTS: 1                      REF: 433                      OBJ: 4  
BLM: Higher Order

25. Samantha works as a secretary at Bingo Bank and spends a significant period of her work day in front of a computer. She is at risk of experiencing various problems associated with video display terminal use. Which of the following is Samantha NOT at risk of experiencing?
- visual difficulty
  - muscle ache
  - job stress
  - disorientation

ANS: D                      PTS: 1                      REF: 434                      OBJ: 3  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

26. Jenny Jones has been working at the same job—typing almost all day—for the past five years. She has now damaged her wrist as a result of the work. What is her problem most likely a form of?
- ambidextrosis
  - muscular dysfunctions
  - cumulative trauma disorder
  - systematic trauma

ANS: C                      PTS: 1                      REF: 434                      OBJ: 3  
BLM: Remember

27. Which job is LEAST likely to result in a cumulative trauma disorder?
- college teacher
  - meat cutter
  - dental hygienist
  - violinist

ANS: A                      PTS: 1                      REF: 434                      OBJ: 3  
BLM: Higher Order

28. What is the best method to capitalize on the benefits of video display terminals while safeguarding employee health?
- placing the computer monitor to the side of the desk
  - placing the computer screen 10 to 25 cm (4 to 9 inches) below eye level
  - placing the computer screen 30 cm (12 inches) above eye level
  - adjusting the brightness and contrast controls on the screen to be as high as possible

ANS: B                      PTS: 1                      REF: 435                      OBJ: 3  
BLM: Higher Order

29. Which best describes employees who smoke versus those who are non-smokers?
- Non-smoking employees have lower levels of absenteeism than employees who smoke.
  - Employees who smoke and non-smokers have similar levels of absenteeism and productivity.
  - Health care costs are lower for employees who smoke than for non-smokers.
  - Employees who smoke are typically more productive and have less absenteeism than non-smokers.

ANS: A                      PTS: 1                      REF: 436                      OBJ: 3  
BLM: Higher Order

30. Which of the following is LEAST likely to be promoted through company programs and services?
- reduced absenteeism
  - increased efficiency
  - exemption from safety inspection
  - better morale

ANS: C                      PTS: 1                      REF: 436                      OBJ: 4  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

31. Improved individual employee health will have the LEAST impact on which of the following outcomes?
- reduced absenteeism
  - improved compensation and reward systems
  - increased efficiency
  - better morale

ANS: B                      PTS: 1                      REF: 436                      OBJ: 4  
BLM: Higher Order

32. What program aims to help employees with nutrition, weight control, and avoidance of substances harmful to health?
- a fitness program
  - an employee assistance program
  - a health service program
  - a wellness program

ANS: D                      PTS: 1                      REF: 437                      OBJ: 4  
BLM: Remember

33. An employee has been diagnosed with depression and possible mental illness. Her manager has organized professional counselling for her as part of the organizational response to her problems. This counselling is most likely a form of which of the following?
- a new reward system
  - an employee assistance program
  - a mental preparedness program
  - a crisis prevention program

ANS: B                      PTS: 1                      REF: 437                      OBJ: 4  
BLM: Higher Order

34. An employee is showing signs of depression, including decreased energy, irritability, and hostility, in the workplace. What should the HR manager do?
- suggest professional help
  - diagnose the problem and urgently try to remedy it
  - do nothing, as the problem will most likely go away
  - suspend the employee so as to prevent workplace violence

ANS: A                      PTS: 1                      REF: 437-438                      OBJ: 4  
BLM: Higher Order

35. If an employee is experiencing personal problems, who is the individual most likely to refer the worker to the company's employee assistance program?
- his or her supervisor
  - his or her spouse or significant other
  - a member of the clergy
  - the employee himself or herself

ANS: A                      PTS: 1                      REF: 438                      OBJ: 4  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

36. Which of the following statements best describes drug testing in the workplace?
- Managers are exempt from drug testing.
  - Employees may use or abuse legal prescription drugs that affect their behaviour.
  - Managers have a right to test employees for any substance at any time.
  - Human rights legislation encourages drug testing.

ANS: B                      PTS: 1                      REF: 439                      OBJ: 4

BLM: Higher Order

37. Managerial, technical, or public contact jobs may all experience a kind of stress that usually energizes them. What is this positive stress called?
- distress
  - functional stress
  - eustress
  - fight-or-flight stress

ANS: C                      PTS: 1                      REF: 439                      OBJ: 4

BLM: Higher Order

38. Mary is beginning to sense a loss of security and adequacy in her work at ABC Inc. What is it that she is beginning to experience?
- cumulative trauma disorders
  - distress
  - eustress
  - dysfunctional adaptation

ANS: B                      PTS: 1                      REF: 439                      OBJ: 4

BLM: Higher Order

39. Which of the following is NOT a cause of job-related stress?
- learning new coping skills
  - having too much to do in a short time
  - having low control over the way the job is done
  - receiving no rewards for a job well done

ANS: A                      PTS: 1                      REF: 439-440                      OBJ: 4

BLM: Higher Order

40. Which of the following is NOT a common cause of workplace stress?
- having too much to do in too short a time
  - lack of recognition for a job well done
  - having to expend too much mental or physical energy over too long a period
  - empowerment

ANS: D                      PTS: 1                      REF: 439-440                      OBJ: 4

BLM: Higher Order

## Chapter 12 Promoting Safety and Health

41. Cathy has been experiencing severe stress on the job, including depression, frustration, and a loss of productivity. What is she most likely experiencing?
- a. burnout
  - b. an alarm reaction
  - c. eustress
  - d. severe eustress

ANS: A                      PTS: 1                      REF: 440                      OBJ: 4  
BLM: Remember

42. Which topic is LEAST likely to be included in an employer-sponsored stress-management program?
- a. relaxation techniques
  - b. tips on consuming alcohol usefully
  - c. coping skills
  - d. ways of dealing with difficult people

ANS: B                      PTS: 1                      REF: 440                      OBJ: 5  
BLM: Higher Order

43. Which of the following statements best describes job-related stress?
- a. Stress that is harmful to some employees may be healthy for others and improve their performance.
  - b. Burnout is the first stage of eustress.
  - c. Providing music of any kind will help relieve stress.
  - d. Setting ever higher performance goals relieves employee stress by giving them self-esteem about their ability to achieve goals.

ANS: A                      PTS: 1                      REF: 440                      OBJ: 5  
BLM: Higher Order

44. Kent Factory Inc. is a sausage plant that has been receiving bad reports in the press related to its health and safety problems. The reports are causing a loss in profits. Assume that you are the new HR manager. Which of the following would be one of your first initiatives to deal with the problems?
- a. fire the HR staff because they have been ineffective in dealing with the problems
  - b. alert the CEO that you are not a trained psychologist or a safety officer, so another department should handle the issue
  - c. invite the press for a tour of the facilities
  - d. diagnose the cause of the problems and formulate a plan to deal with them

ANS: D                      PTS: 1                      REF: Entire chapter  
OBJ: 6                      BLM: Higher Order

## Chapter 12 Promoting Safety and Health

### Scenario 12.1

Safe Haven is a daycare facility that caters to teenagers and adults with severe disabilities. Employees with Safe Haven get extensive training on how to keep their clients relaxed, stress free, and happy, but the training does not take into consideration how stressful the job is on employees. Recently, there has been an increase in turnover, and employees who do stay for some time tend to take more time off than normal. Even when they return to work, they seem uptight and stressed out. The HR manager wants to design some programs that can assist these employees in dealing with the stress that is inherent with this type of work.

45. Refer to Scenario 12.1. If Safe Haven wants to design workshops to help its employees deal with the negative effect of job-related stress, it could include instructions in all of the following EXCEPT which one?
- a. relaxation techniques
  - b. coping skills
  - c. off-the-job-training
  - d. listening skills

ANS: C                      PTS: 1                      REF: 440                      OBJ: 5  
BLM: Higher Order

46. Refer to Scenario 12.1. Which of the following is a step in the right direction if Safe Haven wants to help its employees better deal with job-related stress?
- a. redesigning and enriching jobs as much as possible
  - b. focusing on less important items and making them important
  - c. recognizing that change is not always good, thus making no changes in the physical factors in the environment
  - d. making employees' work roles very defined

ANS: A                      PTS: 1                      REF: 440                      OBJ: 5  
BLM: Higher Order

47. Refer to Scenario 12.1. Which of the following is NOT a useful tip in helping to reduce job-related stress at Safe Haven?
- a. set realistic deadlines and negotiate reasonable deadlines with managers
  - b. build rewarding relationships with coworkers
  - c. talk openly with managers and employees about job or personal concerns
  - d. wait to act on problems or concerns of importance

ANS: D                      PTS: 1                      REF: 440                      OBJ: 5  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

### Scenario 12.2

Boat Xpress is a shipping firm in a small rural area in Northern Ontario. The company hires mainly part-time workers, but has them work full-time hours. This way, the firm does not have to pay employees benefits or provide them with more than 4 percent vacation pay. The working conditions at Boat Xpress are very bleak, and health and safety standards are nonexistent. If an employee is injured on the job, he/she goes home without pay until well enough to resume working. Several employees have tried to organize but they end up getting fired, and the firm threatens to shut down if they continue trying or report incidents. Because employees need these jobs to survive and take care of their families, they believe they have no other choice but to continue working.

48. Refer to Scenario 12.2. Boat Xpress, like any other Canadian firm, has certain duties. Which of the following is NOT a duty of Boat Xpress?
- report all accidents that cause injuries to the Workers' Compensation Board
  - provide safety training to all employees
  - reward employees for safe work practices
  - prove due diligence has been carried out

ANS: C                    PTS: 1                    REF: 419-421                    OBJ: 1  
BLM: Higher Order

49. Refer to Scenario 12.2. Which of the following is a duty of supervisors at Boat Xpress?
- requesting and receiving information about safety and health conditions
  - advising employees of potential workplace hazards
  - exercising the right to refuse unsafe work without fear of reprisal
  - reporting concerns of hazardous working conditions to supervisors, which will trigger investigations

ANS: B                    PTS: 1                    REF: 421                    OBJ: 1  
BLM: Higher Order

50. Refer to Scenario 12.2. Boat Xpress is violating the occupational health and safety regulations. Which of the following is accurate about the penalties for employer noncompliance?
- fines up to \$500,000 and offenders can be sent to jail
  - fines up to \$1,000,000 but jail time is not part of any penalty
  - only a warning for first-time offenders
  - no criminal charges against coworkers, supervisors, or executives

ANS: A                    PTS: 1                    REF: 423                    OBJ: 1  
BLM: Application

## Chapter 12 Promoting Safety and Health

### TRUE/FALSE

1. In 2009, there were more than 900 Canadian workplace-related deaths.

ANS: T                      PTS: 1                      REF: 418                      OBJ: 1  
BLM: Remember

2. Occupational health and safety are regulated solely by the federal government.

ANS: F                      PTS: 1                      REF: 418                      OBJ: 1  
BLM: Higher Order

3. An occupational illness is any abnormal condition or disorder caused by exposure to environmental factors associated with employment.

ANS: T                      PTS: 1                      REF: 418                      OBJ: 1  
BLM: Remember

4. There is legislation pertaining to occupational health and safety in every province and territory in Canada.

ANS: T                      PTS: 1                      REF: 419                      OBJ: 1  
BLM: Remember

5. Employers have many responsibilities in providing safe workplaces for employees.

ANS: T                      PTS: 1                      REF: 419                      OBJ: 1  
BLM: Higher Order

6. Employees do not have any specific duties related to their safety.

ANS: F                      PTS: 1                      REF: 421                      OBJ: 1  
BLM: Higher Order

7. Once informed by the employer of safety hazards or health regulations, it is the employee's responsibility to comply with occupational health and safety legislation.

ANS: F                      PTS: 1                      REF: 421                      OBJ: 1  
BLM: Higher Order

8. Health and safety committees in the workplace are comprised only of management representatives.

ANS: F                      PTS: 1                      REF: 421                      OBJ: 1  
BLM: Remember

9. Penalties for violations of health and safety regulations include substantial fines, as well as jail terms.

ANS: T                      PTS: 1                      REF: 423                      OBJ: 1  
BLM: Remember

## Chapter 12 Promoting Safety and Health

10. Under workers' compensation, injured workers are entitled to a cash payout in the case of permanent disability.

ANS: T                      PTS: 1                      REF: 423                      OBJ: 1  
BLM: Remember

11. The goal of workers' compensation is to return the employee to work as soon as possible.

ANS: T                      PTS: 1                      REF: 423                      OBJ: 1  
BLM: Higher Order

12. If an injured employee has been off work for six months, that person has only a 20 percent chance of returning.

ANS: F                      PTS: 1                      REF: 423                      OBJ: 1  
BLM: Higher Order

13. The definitions of accidents and injuries have expanded to include stress.

ANS: T                      PTS: 1                      REF: 423                      OBJ: 1  
BLM: Remember

14. The emphasis in workers' compensation has been shifting to creating safer workplaces.

ANS: T                      PTS: 1                      REF: 424                      OBJ: 1  
BLM: Higher Order

15. An individual who suffers clinical depression after a serious accident is eligible for workers' compensation while receiving treatment for the accident.

ANS: T                      PTS: 1                      REF: 424                      OBJ: 1  
BLM: Higher Order

16. Very few Canadian employers have a formal safety program.

ANS: F                      PTS: 1                      REF: 424                      OBJ: 2  
BLM: Remember

17. The success of a safety program depends largely on the HR department.

ANS: F                      PTS: 1                      REF: 424                      OBJ: 2  
BLM: Higher Order

18. Health and safety procedures should be an important part of new employee orientation.

ANS: T                      PTS: 1                      REF: 425                      OBJ: 1  
BLM: Higher Order

19. It is the supervisor's duty to ensure that workers use or wear safety equipment, devices, or clothing.

ANS: T                      PTS: 1                      REF: 425                      OBJ: 1  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

20. An employee's supervisor is the primary source of safety-related information.
- ANS: T                      PTS: 1                      REF: 425                      OBJ: 2  
BLM: Higher Order
21. A supervisor's primary obligation to employee safety is to communicate safety standards and train employees in safe practices.
- ANS: F                      PTS: 1                      REF: 425                      OBJ: 2  
BLM: Higher Order
22. The Internet and other forms of information technology can play a key role in health and safety programs.
- ANS: T                      PTS: 1                      REF: 425                      OBJ: 2  
BLM: Higher Order
23. Safety incentive programs are only effective when they are based on monetary rewards.
- ANS: F                      PTS: 1                      REF: 426                      OBJ: 2  
BLM: Higher Order
24. In addition to rewards for safe behaviour, it is equally important that organizations enforce safety rules through penalties such as discipline.
- ANS: T                      PTS: 1                      REF: 426                      OBJ: 2  
BLM: Higher Order
25. A serious violation of a safety rule may be grounds for employee termination, even for a first offence.
- ANS: T                      PTS: 1                      REF: 426                      OBJ: 2  
BLM: Higher Order
26. The members of the safety committee should investigate only accidents resulting in serious injuries.
- ANS: F                      PTS: 1                      REF: 426                      OBJ: 2  
BLM: Higher Order
27. Nurses are victims of violence at a rate that is 16 times higher than other service workers.
- ANS: T                      PTS: 1                      REF: 430                      OBJ: 3  
BLM: Remember
28. Employees who work alone are at a lower risk of encountering workplace assaults.
- ANS: F                      PTS: 1                      REF: 430                      OBJ: 3  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

29. Crisis management teams are composed of both hourly and managerial employees who develop action plans to respond to violent situations.
- ANS: T                      PTS: 1                      REF: 432                      OBJ: 3  
BLM: Remember
30. Crisis management teams should also concern themselves with the aftermath of violence, such as the guilt and fear employees may have.
- ANS: T                      PTS: 1                      REF: 433                      OBJ: 3  
BLM: Higher Order
31. The rising use of video display terminals at work has led to the proliferation of visual difficulties, radiation hazards, muscular aches and pains, and increased job stress for employees using personal computers or network workstations on the job.
- ANS: T                      PTS: 1                      REF: 434                      OBJ: 3  
BLM: Higher Order
32. It is generally recognized that there is little that management can do to prevent cumulative trauma disorders (repetitive motion injuries).
- ANS: F                      PTS: 1                      REF: 434                      OBJ: 3  
BLM: Higher Order
33. Video display terminals (VDTs) have become a major safety concern within the office environment.
- ANS: T                      PTS: 1                      REF: 434                      OBJ: 3  
BLM: Remember
34. Employees who perform manual tasks on a continual basis are strong candidates for carpal tunnel syndrome.
- ANS: T                      PTS: 1                      REF: 434                      OBJ: 3  
BLM: Higher Order
35. Although there are over 65,000 chemicals used in the workplace, nearly all of these chemicals are safe and do not pose any concerns to workers.
- ANS: F                      PTS: 1                      REF: 435                      OBJ: 3  
BLM: Remember
36. To capitalize on the benefits of video display terminals while safeguarding employee health, employers should make sure that employees sit in a stable chair with the computer screen 4 to 9 inches above eye level.
- ANS: F                      PTS: 1                      REF: 435                      OBJ: 3  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

37. To minimize the negative effects of computer use, the monitor should be placed at an angle view, above the user's line of sight.
- ANS: F                      PTS: 1                      REF: 435                      OBJ: 3  
BLM: Higher Order
38. The Workplace Hazardous Materials Information System (WHMIS) was developed to provide a common information system for labelling dangerous work activities.
- ANS: F                      PTS: 1                      REF: 436                      OBJ: 3  
BLM: Higher Order
39. Employee morale can be affected by accidents and illnesses attributed to the workplace.
- ANS: T                      PTS: 1                      REF: 436                      OBJ: 1  
BLM: Higher Order
40. Improved employee health is associated with lower levels of absenteeism and increased efficiency.
- ANS: T                      PTS: 1                      REF: 436                      OBJ: 4  
BLM: Higher Order
41. Personal crises involving marital, family, financial, or legal matters are the most prevalent employee problems.
- ANS: T                      PTS: 1                      REF: 437                      OBJ: 4  
BLM: Remember
42. Workplace signs of depression include decreased energy, irritability, and memory problems.
- ANS: T                      PTS: 1                      REF: 438                      OBJ: 4  
BLM: Higher Order
43. Alcoholism primarily affects blue-collar workers.
- ANS: F                      PTS: 1                      REF: 438                      OBJ: 4  
BLM: Remember
44. Most employers are implementing extensive drug testing and immediately terminating employees that are found to be using illegal drugs.
- ANS: F                      PTS: 1                      REF: 439                      OBJ: 4  
BLM: Higher Order
45. If at all possible, one should avoid eustress.
- ANS: F                      PTS: 1                      REF: 439                      OBJ: 4  
BLM: Higher Order

## Chapter 12 Promoting Safety and Health

46. Stress is any demand on the individual that requires coping behaviour.

ANS: T                      PTS: 1                      REF: 439                      OBJ: 4  
BLM: Remember

47. Eustress is the feeling of euphoria one gets after a strenuous workout.

ANS: F                      PTS: 1                      REF: 439                      OBJ: 4  
BLM: Remember

48. Inadequate recognition for a job well done can be a major stressor.

ANS: T                      PTS: 1                      REF: 440                      OBJ: 4  
BLM: Remember

49. Burnout is an early stage of distress.

ANS: F                      PTS: 1                      REF: 440                      OBJ: 4  
BLM: Remember

50. Stress that is harmful to some employees may be healthy for others.

ANS: T                      PTS: 1                      REF: 440                      OBJ: 5  
BLM: Higher Order

### ESSAY

1. Briefly describe the duties of employers, supervisors, and workers with respect to health and safety legislation.

ANS:

The fundamental duty of every employer is to take every reasonable precaution to ensure employee safety. In addition to providing a hazard-free workplace and complying with the applicable statutes and regulations, employers must inform their employees about safety and health requirements. Employers are also required to keep certain records, compile an annual summary of work-related injuries and illnesses, and ensure that supervisors are familiar with the work and its associated hazards. Employers in all jurisdictions are required to report accidents that cause injuries and diseases to the Workers' Compensation Board. Accidents resulting in death or critical injuries must be reported immediately; the accident must then be investigated and a written report submitted. Finally, employers must provide safety training and be prepared to discipline employees for failing to comply with safety rules.

Supervisors are required to advise employees of potential workplace hazards; ensure that workers use or wear safety equipment, devices, or clothing; provide written instructions where applicable; and take every reasonable precaution to guarantee the safety of workers.

Workers are required to comply with all applicable acts and regulations; report hazardous conditions or defective equipment; and follow all employer safety and health rules and regulations, including those prescribing the use of protective equipment.

PTS: 1                      REF: 419-423                      OBJ: 1                      BLM: Remember

## Chapter 12 Promoting Safety and Health

2. Compare and contrast the two general types of stress. Include an example of each.

ANS:

Distress is a negative type of stress characterized by feelings of inadequacy, overwork, desperation, lack of control, fear, depression, and so forth. If left unchecked, distress may eventually result in fatigue, exhaustion, or burnout. Example: John Jones has been working overtime on a major project for his boss. He learns that the due date for his project has been changed from next Friday to tomorrow. Because John has strong doubts that he will be able to complete his assignment on time, he feels his annual raise may be in jeopardy. John is likely experiencing distress at this time.

Eustress is a situation where an individual feels challenged and energized by the environment. Eustress is characterized by feelings of achievement, accomplishment, and/or exhilaration. Without a minimal level of eustress, life would likely be considered boring. Too much eustress, however, may develop into the more destructive distress. Example: Sue Smith just received a major promotion. While the new job will require a much longer workweek as well as a higher level of professional risk, Sue feels “charged up” to assume her new responsibilities.

PTS: 1                      REF: 429                      OBJ: 5                      BLM: Higher Order

3. You have just been asked by your department manager to write a violence prevention policy for your department. What areas should be covered in the policy?

ANS:

To develop a policy on violence prevention, it would be wise to draw upon the Canadian Centre for Occupational Health and Safety prevention measures. These guidelines include holding managers responsible for commitment to and employee involvement in preventing acts of violence, analyzing the workplace to uncover areas of potential violence, preventing violence by designing safe workplaces and work practices, providing violence prevention training, and conducting evaluations of violence program effectiveness. Managers must effectively communicate a zero-tolerance policy for violence and encourage employees to report any possible or observed incidents. Finally, there is a need to ensure a meaningful reporting procedure with clear lines of responsibility is implemented to ensure that management is promptly notified of potential security risks in order to take immediate steps to resolve issues that may arise.

PTS: 1                      REF: 429-430                      OBJ: 2|3                      BLM: Higher Order

4. List and describe techniques for coping with stress.

ANS:

In recognizing the need for reducing stress, employers can develop stress management programs that assist employees in acquiring techniques for coping with stress. In addition, organizations need to take action to redesign and enrich jobs, to clarify the employee’s work role, to correct physical factors in the environment, and other actions to reduce stress on the job.

Helpful tips for reducing stress include:

- Build rewarding relationships with coworkers.
- Prepare for changes in job demands by keeping up-to-date on new information.
- Do not exceed your skill level.
- Set realistic goals and deadlines.
- Do not put off work, problems, or concerns.
- Reduce or eliminate interruptions.
- Take breaks and practise relaxation techniques.

PTS: 1                      REF: 440                      OBJ: 5                      BLM: Remember

## Chapter 13 Employee Rights and Discipline

### MULTIPLE CHOICE

1. Tammy Faye, a university student, is doing research on cases decided by the Supreme Court on employee dismissals for threatening coworkers on the job. Which of the following regimes of employment law is Tammy researching?
- criminal law
  - common law
  - statutory regulation
  - Supreme Court law

ANS: B                      PTS: 1                      REF: 450                      OBJ: 1  
BLM: Higher Order

2. What is a key characteristic of an implied employment contract?
- It is valid only if in writing.
  - It contains terms that judges read into employment contracts when the written contract does not expressly deal with the matter.
  - It exists after an employee passes his or her probation period.
  - It covers approximately 90 percent of the Canadian workforce.

ANS: B                      PTS: 1                      REF: 450                      OBJ: 1  
BLM: Remember

3. ABC Corporation induced computer programmers to leave their old jobs through the promise of higher salaries. However, when the programmers started to work for ABC, the company denied making any promises to them. Through its behaviour, what has ABC likely violated?
- implied covenant rules
  - no laws—as long as there were no written guarantees, ABC cannot be held liable
  - the job-as-right concept
  - implied contract rules

ANS: D                      PTS: 1                      REF: 450                      OBJ: 1  
BLM: Higher Order

4. Which of the following describes an implied employment contract?
- it is valid only if in writing
  - it covers approximately 90 percent of the American workforce
  - it exists after an employee passes his or her probation period
  - it can result from statements made in an employee handbook or HR policy manual

ANS: D                      PTS: 1                      REF: 450                      OBJ: 1  
BLM: Remember

5. In the Ontario legislature, members of the provincial parliament (MPPs) voted to increase minimum wage. What type of employment law does this represent?
- precedence
  - anti-discrimination law
  - statutory legislation
  - political law, since MPPs are politicians

ANS: C                      PTS: 1                      REF: 451                      OBJ: 1  
BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

6. Assume that the governing political party does not like how some employers have been taking advantage of a loophole in the law to discriminate against women and it wants this situation corrected. What should the government do?
- ignore the court decisions
  - ask women to challenge their employers in court
  - call the judges and instruct them to change their decisions
  - introduce a motion in the legislature to amend the legislation

ANS: D                      PTS: 1                      REF: 451                      OBJ: 1  
BLM: Higher Order

7. Bob Barker's employer has moved him to a job that is three to four levels below his previous position; it also pays much less. He has been advised by his lawyer that he can challenge this decision in the courts. What do you think Bob will claim happened to him?
- lack of due process
  - constructive dismissal
  - termination
  - wrongful dismissal

ANS: B                      PTS: 1                      REF: 453                      OBJ: 3  
BLM: Higher Order

8. Johnny Damon, the human resource manager at Damon Electric Utility, wants to reduce the pay for one of his employees. The pay is included in the employee's employment contract. How can Mr. Damon legally change the employee's pay?
- get the employee to agree to the change and provide a new benefit
  - adjust the pay unilaterally, as Mr. Damon is the human resource manager
  - get a lawyer to make the change
  - get top management to make the change

ANS: A                      PTS: 1                      REF: 453                      OBJ: 2  
BLM: Higher Order

9. Under the employment-at-will concept, who can terminate the employment relationship?
- employers or the government
  - employees, unions, or employers
  - employees or the government
  - employees or employers

ANS: D                      PTS: 1                      REF: 454                      OBJ: 3  
BLM: Higher Order

10. The HR manager at Stacco Ltd. is planning to fire Paul for poor job performance. He is aware that he has to give "reasonable notice" to Paul. What are two factors that he has to consider when determining the amount of notice?
- Paul's salary and the amount of leave previously taken
  - Paul's length of service and the nature of his work
  - Paul's education and position in the firm
  - Paul's education and length of service

ANS: B                      PTS: 1                      REF: 454                      OBJ: 3  
BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

11. Which of the following is an example of an employee's statutory right?
- a collective bargaining agreement
  - the Pay Equity Act
  - the right to due notice
  - the Implied Contract

ANS: B                      PTS: 1                      REF: 455                      OBJ: 3  
BLM: Remember

12. Based on the research evidence on summary dismissal cases, in which of the following scenarios does the employer stand the **LEAST** chance of winning in the courts?
- an accountant is dismissed because of theft from the workplace
  - a clerk is dismissed because of insubordination
  - a manager is dismissed because he was found doing work for a competitor
  - a secretary is dismissed because of poor typing skills

ANS: D                      PTS: 1                      REF: 455                      OBJ: 3  
BLM: Higher Order

13. Which statement is **NOT** true regarding the *Personal Information Protection and Electronic Documents Act* (PIPEDA)?
- Organizations covered by PIPEDA must obtain a supervisor's consent.
  - Individuals covered by this legislation have a right to access personal information held by an organization.
  - This legislation is applicable to all Canadians.
  - This legislation applies to personal information that is collected, used, or disclosed by an organization in the private sector.

ANS: C                      PTS: 1                      REF: 459                      OBJ: 4  
BLM: Higher Order

14. Which of the following pieces of legislation provides for an employee to see his or her personnel file?
- the Freedom of Information Act
  - the Personal Information Protection and Electronic Documents Act (PIPEDA)
  - the Right to Protect Privacy Act
  - the Employee Protection Act

ANS: B                      PTS: 1                      REF: 459                      OBJ: 4  
BLM: Higher Order

15. The courts have ruled that employers can monitor the computer use and Internet access of employees when they are at work. What is a key reason the courts give for this?
- employers need to protect themselves against lawsuits
  - it is integral to the implied employment contract
  - organizations need this right so as to compete globally
  - the employer owns the computer

ANS: D                      PTS: 1                      REF: 460                      OBJ: 4  
BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

16. In which of the following scenarios can an employer summarily dismiss an employee in a non-union environment for his or her activities outside of the workplace?
- a. the employee discloses confidential information on a personal blog
  - b. the employee has a fight with a neighbour
  - c. the employee talks to fellow workers about the possible benefits of a union in the workplace
  - d. the employee attends a union conference

ANS: A                      PTS: 1                      REF: 463                      OBJ: 4  
BLM: Higher Order

17. Which of the following conditions must be met for an employer to summarily dismiss an employee in a non-union environment for off-duty conduct?
- a. The employer would have to prove that its interests are adversely affected by the conduct.
  - b. The employee must be employed on a full-time basis.
  - c. The employer must have a good human resource management department in place.
  - d. The employee cannot be from a minority group, as this would be discrimination.

ANS: A                      PTS: 1                      REF: 463                      OBJ: 4  
BLM: Higher Order

18. Which of the following does **NOT** belong in the disciplinary model outlined in the text?
- a. discharge
  - b. due process
  - c. negotiation
  - d. disciplinary interviews

ANS: C                      PTS: 1                      REF: 464                      OBJ: 5  
BLM: Remember

19. As a result of a lawsuit, the Gamma Corporation has decided to institute and communicate its disciplinary policies. Which of the following management groups has primary responsibility for the development of disciplinary policies and procedures?
- a. middle management
  - b. the legal department
  - c. top-level management
  - d. the human resources department

ANS: D                      PTS: 1                      REF: 464                      OBJ: 5  
BLM: Higher Order

20. The Field Corporation wishes to establish an effective disciplinary policy. Which of the following groups of managers should have primary responsibility to prevent or correct disciplinary problems?
- a. the immediate supervisors of employees
  - b. managers in the legal department
  - c. top-level managers
  - d. human resource managers

ANS: A                      PTS: 1                      REF: 464                      OBJ: 5  
BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

21. To keep organizational rules effective, employers should do all of the following **EXCEPT** which one?
- ensure that employees understand the reasons for the rules
  - restate any rules that have not been enforced on a consistent basis
  - remove any rules that do not involve the safe and efficient operation of the organization
  - make certain that all rules are communicated orally to all employees

ANS: D                      PTS: 1                      REF: 465-466                      OBJ: 5  
BLM: Higher Order

22. In regard to the documentation of employee misconduct, which of the following statements is **NOT correct**?
- Most managers are trained to accurately document employee misconduct through their management training and/or development programs.
  - Documentation is admissible in the courts and in arbitration hearings.
  - Documentation should take place as soon as possible so as to keep the information accurate.
  - Poor documentation can result in a reversal of disciplinary action.

ANS: A                      PTS: 1                      REF: 467                      OBJ: 5  
BLM: Higher Order

23. Carmen, a new supervisor, wants to correctly document the ineffective performance of an employee. Which of the following would she **NOT** have to do?
- prepare a current performance appraisal of the employee
  - list the negative performance or behaviour exhibited by the employee
  - note the date, time, and location of the misconduct
  - record the consequences of the employee's action on the work unit

ANS: A                      PTS: 1                      REF: 467                      OBJ: 6  
BLM: Higher Order

24. What is the term for discipline programs designed to motivate an employee to correct his or her misconduct voluntarily?
- hot-stove programs
  - progressive discipline programs
  - respect-discipline programs
  - step-help programs

ANS: B                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Remember

25. ABC Inc. has a disciplinary system whereby its programs are designed to motivate an employee to correct his or her misconduct voluntarily. What type of disciplinary program is ABC Inc. most likely using?
- a self-help program
  - a progressive discipline program
  - a hot-stove program
  - a positive discipline program

ANS: D                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

26. The human resource manager has invited Tammy for a meeting to discuss reports of her misconduct. The two parties will have joint discussion and problem-solving activities to address and overcome any proven misconduct. What type of disciplinary program is evident here?
- a progressive discipline program
  - a positive discipline program
  - a nondirective counselling program
  - an open-door discipline program

ANS: B                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

27. After repeated instances of poor work performance, Robert was given a written warning. In a typical progressive discipline program, what is the most likely next step?
- suspension
  - formal discussions
  - a verbal warning
  - termination of services

ANS: A                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

28. Assume that Rajas Cable Inc. uses a positive discipline system to correct undesirable employee conduct. In this system, which of the following actions will the firm take to deal with unacceptable performance?
- warnings
  - reminders
  - reprimands
  - legal challenges

ANS: B                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

29. In a typical progressive discipline program, what step immediately precedes the termination of the employee?
- a written warning
  - formal discussions
  - a "pre-warning"
  - suspension

ANS: D                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Remember

30. Using a positive discipline approach, which of the following is the best reason for giving an employee a paid decision-making leave?
- It is mandatory because of the law.
  - It gives an employee time to consider whether he or she wishes to remain with the organization.
  - It gives an employee time to consider a new job offer.
  - It is often used to let an irate employee "cool off."

ANS: B                      PTS: 1                      REF: 469                      OBJ: 6  
BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

31. When a supervisor decides to dismiss an employee, which of the following suggestions should **NOT** be followed?
- keep an open mind in case the subordinate offers an acceptable plan to correct his or her disciplinary problem
  - avoid mixing the good with the bad
  - keep the termination meeting businesslike and fairly brief
  - avoid bringing personal feelings into the discussion

ANS: A                      PTS: 1                      REF: 469                      OBJ: 6  
BLM: Higher Order

32. Where should termination meetings be held?
- at the employee's workstation
  - in the manager's office
  - in the parking lot or otherwise outside the employer's premises
  - in a neutral location, such as a conference room

ANS: D                      PTS: 1                      REF: 470                      OBJ: 7  
BLM: Higher Order

33. What is a key difference between a step-review process of dealing with employee complaints in nonunionized workplaces versus a grievance procedure in a collective bargaining agreement?
- A step-review process allows for better outcomes for both sides.
  - Step-reviews do not provide for a neutral third party as a judge of last resort.
  - A grievance procedure generally allows for a legal strike by employees.
  - Step-reviews lead to less workplace conflict.

ANS: B                      PTS: 1                      REF: 470                      OBJ: 8  
BLM: Higher Order

34. Which of the following best describes alternative dispute resolution mechanisms?
- They are a relatively recent development used only in unionized organizations.
  - They will likely replace the need for grievance procedures.
  - They are forms of progressive discipline.
  - They are a relatively recent development in non-union organizations.

ANS: D                      PTS: 1                      REF: 470                      OBJ: 8  
BLM: Higher Order

35. In a non-union workplace, which of the following complaint processes is most similar to a grievance procedure under a union contract?
- open-door management system
  - step-review system
  - at-will complaint process
  - peer-review system

ANS: B                      PTS: 1                      REF: 470                      OBJ: 8  
BLM: Remember

## Chapter 13 Employee Rights and Discipline

36. Under a step-review appeal procedure, the last step involves which of the following employee groups?
- human resources specialists
  - top management
  - a tribunal of middle managers
  - a jury consisting of equal numbers of supervisory and nonsupervisory employees

ANS: B                      PTS: 1                      REF: 470                      OBJ: 8

BLM: Higher Order

37. What does a peer-review board consist of?
- managers, subordinates, and a number of unbiased third-party participants who do not work for the employer
  - an equal number of supervisors and nonsupervisory
  - managers above the level of the supervisor whose decision is being appealed
  - employees at the same level as the appealing employee

ANS: B                      PTS: 1                      REF: 471                      OBJ: 8

BLM: Higher Order

38. Which of the following best describes an open-door policy?
- It identifies various levels of management above an employee's immediate supervisor that an aggrieved employee may contact.
  - It is based on a pre-established set of steps for the review of an employee complaint to successively higher levels of management.
  - It is a requirement of the alternative dispute resolution process.
  - It is the best resolution to any employee complaint by the HR department.

ANS: A                      PTS: 1                      REF: 471                      OBJ: 8

BLM: Higher Order

39. Alberta Oil Corporation is planning to implement an open-door policy to deal with employee complaints. What is a key criterion for this policy to be successful?
- Managers must encourage employees to voice their complaints and listen honestly to those concerns.
  - Managers must ensure that employees come to them only with job-related concerns.
  - Managers must emphasize that they can offer solutions only on an advisory basis.
  - Managers must formalize the procedure and encourage employees to "start at the top."

ANS: A                      PTS: 1                      REF: 471                      OBJ: 8

BLM: Higher Order

40. The University of Lalaland has decided to move to a new system in dealing with employee complaints. It has hired a retired judge whose job is to listen to employees' complaints and then try to seek solutions through negotiation and mediation. What is the most likely title of this person's job?
- complaint officer
  - hearing judge
  - arbitrator
  - ombudsperson

ANS: D                      PTS: 1                      REF: 472                      OBJ: 8

BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

41. Which of the following is the cornerstone and major benefit of mediation?
- It is a formal process and therefore easily undertaken.
  - The parties involved maintain control over the settlement outcome.
  - A mediator can quickly settle a dispute by declaring a resolution.
  - The mediator is a representative of management.

ANS: B                      PTS: 1                      REF: 472                      OBJ: 8  
BLM: Remember

42. In a recent Society for Human Resource Management study, which of the following factors was found to be the most important driver of employee trust and loyalty?
- the existence of a code of conduct
  - perception of ethical conduct by fellow employees
  - perceptions of ethical behaviour by leaders in organizations
  - fair pay

ANS: C                      PTS: 1                      REF: 473                      OBJ: 9  
BLM: Remember

43. Which of the following is **NOT** a primary goal of ethics training?
- to gain publicity
  - to gain a strategic advantage
  - to reduce unethical behaviour
  - to treat employees fairly and equitably

ANS: A                      PTS: 1                      REF: 473                      OBJ: 9  
BLM: Higher Order

44. According to a study cited in the text, what is the most important driver of employee trust and loyalty?
- the profitability of the firm
  - pay that is higher than the market
  - employees' perceptions of ethical behaviour by leaders
  - the strategy of the organization

ANS: B                      PTS: 1                      REF: 473                      OBJ: 9  
BLM: Remember

## Chapter 13 Employee Rights and Discipline

### Scenario 13.1

The Beer Pitt Inc. is a Canadian brewery that distributes premium lager beers across the country. Over the years, the company has been having problems with employees drinking on the job, resulting in arguments, fights, and back-ups on the production line. Because employees are unionized, it has always been difficult to determine that drinking on the job is the cause of the problems the company is experiencing since these problems have been occurring for decades. Recently, however, an employee was injured. The HR department wants to develop and implement new sets of disciplinary policies and procedures to help curb these problems.

45. Refer to Scenario 13.1. Which of the following accurately represents some of the steps in the disciplinary model that The Beer Pitt needs to implement?
- a. violation of rules, collective agreements, investigation, documenting the results
  - b. violation of rules, investigation of offences, disciplinary interviews, progressive discipline
  - c. intoxication, insubordination, gambling at work, smoking in authorized places
  - d. due process, burden of proof, ensuring compliance

ANS: B                      PTS: 1                      REF: 464                      OBJ: 5  
BLM: Higher Order

46. Refer to Scenario 13.1. The Beer Pitt must document all misconduct. Which of the following is **NOT** true about the completeness of the information?
- a. names of witnesses to the incident are not needed
  - b. behaviour exhibited by employees need not be included
  - c. consequences for action or behaviour are not important
  - d. date, time, and location of the incident are not important

ANS: A                      PTS: 1                      REF: 467                      OBJ: 6  
BLM: Higher Order

47. Refer to Scenario 13.1. Assume that The Beer Pitt might be better off using positive discipline given that the company has allowed employees to behave this way for decades. Which of the following is **NOT** a focus of this approach?
- a. employees take total responsibility for resolving the problems
  - b. nothing is imposed by management
  - c. all solutions and affirmations are made by management
  - d. nonpunitive discipline replaces threats and punishment with encouragement

ANS: C                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

### Scenario 13.2

Woodbridge Group Inc. (WG), a Canadian consultancy firm, is having a hard time keeping all its employees as a result of the last recession. Most of its clients are based in the United States, and tighter restrictions there have led to some clients severing business ties with WG. With the loss of business, the company claims it cannot afford to continue paying employees even though the company is still profitable. Management is planning to let some of them go, and plans to give them four weeks' pay in lieu of notice. While these employees are not unionized, they do have contracts that entitle them to fixed amounts of weeks worked for each year they have been with WG.

48. Refer to Scenario 13.2. Either the employer or the employee can terminate the employment contract. What does WG need to do to avoid expensive lawsuits for wrongful dismissal?
- pay employees what the company can afford
  - pay only the amount stipulated by employment standards legislation
  - allow the court to decide what is reasonable notice
  - provide employees with the amount of notice specified in the contract

ANS: D                      PTS: 1                      REF: 454                      OBJ: 3  
BLM: Higher Order

49. Refer to Scenario 13.2. If WG terminates the contracts as planned and employees sue for wrongful dismissal, which of the following does **NOT** play a role in the judge's decision to award reasonable notice?
- the employee's age and availability of similar employment given the employee's experience and training
  - the employer's ability to pay
  - the nature of the job performed by the employee
  - the length of service with the employer

ANS: B                      PTS: 1                      REF: 454                      OBJ: 3  
BLM: Higher Order

50. Refer to Scenario 13.2. WG wants to avoid being sued for wrongful dismissal as it may cost the company more than what is stipulated in the contract. Which of the following is **NOT** accurate?
- nonmanagerial employees are usually entitled to up to 12 months' notice
  - managerial employees may be entitled to as much as 24 months' notice
  - an employer needs just cause to terminate a nonunionized employee
  - legal and court fees can be very costly and potentially embarrassing

ANS: C                      PTS: 1                      REF: 454                      OBJ: 3  
BLM: Higher Order

### TRUE/FALSE

1. Employee rights are granted to workers by the courts, legislatures, and/or employers.

ANS: T                      PTS: 1                      REF: 450                      OBJ: 1  
BLM: Remember

2. Employees have statutory rights that are derived from contracts.

ANS: F                      PTS: 1                      REF: 450                      OBJ: 1  
BLM: Remember

## Chapter 13 Employee Rights and Discipline

3. It is standard practice for employers and contingent employees to utilize formal employment contracts.

ANS: T                      PTS: 1                      REF: 450                      OBJ: 1  
BLM: Higher Order

4. Implied contract terms are terms that judges read into employment contracts when the written contract does not expressly deal with the matter.

ANS: T                      PTS: 1                      REF: 450                      OBJ: 1  
BLM: Higher Order

5. During her interview, Angela is told by her future manager that if she is a good worker she will have a permanent job with the company. Her manager has likely created an implied contract with Angela.

ANS: T                      PTS: 1                      REF: 450                      OBJ: 1  
BLM: Higher Order

6. The employment-at-will doctrine states that either the employee or the employer may terminate the employment relationship for any reason.

ANS: T                      PTS: 1                      REF: 454                      OBJ: 2  
BLM: Remember

7. Employees are rarely successful when they attempt to sue employees for wrongful dismissal.

ANS: F                      PTS: 1                      REF: 454                      OBJ: 2  
BLM: Higher Order

8. Constructive dismissal occurs when an employer unilaterally changes an employee's working conditions such that compensation, status, or prestige is reduced.

ANS: T                      PTS: 1                      REF: 454                      OBJ: 2  
BLM: Remember

9. In law, negligence is the failure to honour established contracts.

ANS: F                      PTS: 1                      REF: 454-455                      OBJ: 3  
BLM: Higher Order

10. Wrongful dismissal is a lawsuit filed in a court by an employee alleging that he or she was dismissed without proper contractual or reasonable notice.

ANS: T                      PTS: 1                      REF: 454-455                      OBJ: 3  
BLM: Higher Order

11. An example of a statutory right is an employee right to a safe workplace.

ANS: T                      PTS: 1                      REF: 455                      OBJ: 3  
BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

12. An employee's legal and moral rights to privacy are clear and well-defined.

ANS: F                      PTS: 1                      REF: 458                      OBJ: 4  
BLM: Higher Order

13. Employee rights issues frequently involve an employer's alleged invasion of an employee's right to privacy.

ANS: T                      PTS: 1                      REF: 458-459                      OBJ: 4  
BLM: Remember

14. Canadians' privacy with respect to personal information is protected by federal legislation that came into effect January 1, 2001.

ANS: T                      PTS: 1                      REF: 459                      OBJ: 4  
BLM: Remember

15. Because personnel files are the employer's property, an employee may be barred from seeing his or her file.

ANS: F                      PTS: 1                      REF: 459                      OBJ: 4  
BLM: Higher Order

16. Employees are correct in assuming that their rights to privacy extend to email and voice mail messages.

ANS: F                      PTS: 1                      REF: 460                      OBJ: 4  
BLM: Remember

17. Managers have virtually unlimited discretion in taking disciplinary action against an employee.

ANS: F                      PTS: 1                      REF: 464                      OBJ: 5  
BLM: Higher Order

18. The HR department is responsible for developing disciplinary policies and procedures.

ANS: T                      PTS: 1                      REF: 464                      OBJ: 5  
BLM: Higher Order

19. A major responsibility of the HR department is to develop, and to have top management approve, its disciplinary policies and procedures.

ANS: T                      PTS: 1                      REF: 464                      OBJ: 5  
BLM: Higher Order

20. The primary responsibility for preventing or correcting disciplinary problems rests with the HR department.

ANS: F                      PTS: 1                      REF: 464                      OBJ: 5  
BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

21. In order to be effective, employee discipline must take place as soon as possible after the problem is verified.
- ANS: T                      PTS: 1                      REF: 464                      OBJ: 5  
BLM: Higher Order
22. The failure to document earlier actions often results in management not imposing disciplinary penalty when a transgression is committed.
- ANS: T                      PTS: 1                      REF: 464                      OBJ: 5  
BLM: Higher Order
23. Positive discipline is based on a mutual problem-solving approach, but resolutions are still mandated by the HR department.
- ANS: F                      PTS: 1                      REF: 464                      OBJ: 6  
BLM: Higher Order
24. In an organizational setting, discipline should be viewed as an educational process rather than a punishment.
- ANS: T                      PTS: 1                      REF: 465-466                      OBJ: 5  
BLM: Higher Order
25. Management's failure to communicate rules to employees is one of the major reasons for reversing disciplinary action.
- ANS: T                      PTS: 1                      REF: 466                      OBJ: 5  
BLM: Higher Order
26. Employees do not have the right to have an attorney present during an investigative interview.
- ANS: T                      PTS: 1                      REF: 467-468                      OBJ: 6  
BLM: Remember
27. One of the major reasons for investigative interviews is to establish the facts surrounding an employee's offence.
- ANS: T                      PTS: 1                      REF: 467-468                      OBJ: 5  
BLM: Higher Order
28. Documentation of employee misconduct includes stating the improvement expected by the employer.
- ANS: T                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order
29. It is not necessary that the employee be given an opportunity to explain his or her side of the issue during the investigative interview.
- ANS: F                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

30. The step between a verbal warning and termination in progressive discipline is the disciplinary interview.

ANS: F                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Remember

31. Progressive discipline is designed to force an employee to improve his or her performance.

ANS: F                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Remember

32. The correct sequence of progressive discipline is as follows: (1) written warning, (2) oral warning, (3) suspension, and (4) discharge.

ANS: F                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

33. Bill has been found guilty of theft, a termination offence. Before he is dismissed, his manager must apply all the steps of progressive discipline.

ANS: F                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

34. Positive discipline is different from progressive discipline in that it is based on a “problem-solving” approach to discipline.

ANS: T                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

35. Positive discipline relies on encouragement given to employees as a way to improve performance.

ANS: T                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

36. When applying either progressive or positive discipline, it is important to maintain complete records of each step of the procedure.

ANS: T                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Higher Order

37. Dismissal is the final disciplinary action.

ANS: T                      PTS: 1                      REF: 468                      OBJ: 6  
BLM: Remember

38. Decision-making leave is typically paid leave, and eliminates the negative effects of loss of pay.

ANS: T                      PTS: 1                      REF: 469                      OBJ: 6  
BLM: Remember

## Chapter 13 Employee Rights and Discipline

39. Whatever the reason for dismissal, it should be done with primary concern for the organization.

ANS: F                      PTS: 1                      REF: 469                      OBJ: 7  
BLM: Higher Order

40. Alternative dispute resolution (ADR) is a relatively recent development utilized in non-union workplaces.

ANS: T                      PTS: 1                      REF: 470                      OBJ: 8  
BLM: Higher Order

41. Step-review systems involving non-union employees are very similar to grievance procedures used in union contracts.

ANS: T                      PTS: 1                      REF: 470                      OBJ: 8  
BLM: Remember

42. Peer-review boards consist only of people whose jobs are similar to that of the person appearing before the board.

ANS: F                      PTS: 1                      REF: 471                      OBJ: 6  
BLM: Higher Order

43. A peer-review system, also called a “complaint committee,” is composed only of people whose jobs are similar to the person appearing before the board.

ANS: F                      PTS: 1                      REF: 471                      OBJ: 8  
BLM: Higher Order

44. The Juniper Corporation wishes to establish an alternative dispute-resolution procedure that will provide a sense of justice for employees. A peer-review board would offer this benefit.

ANS: T                      PTS: 1                      REF: 471                      OBJ: 8  
BLM: Higher Order

45. With an open-door policy, decisions tend to be consistent across managers.

ANS: F                      PTS: 1                      REF: 471                      OBJ: 8  
BLM: Higher Order

46. An ombudsperson solves problems through negotiation and mediation activities between supervisors and subordinates.

ANS: T                      PTS: 1                      REF: 472                      OBJ: 8  
BLM: Higher Order

47. An ombudsperson helps management by providing a check on itself.

ANS: T                      PTS: 1                      REF: 472                      OBJ: 8  
BLM: Remember

## Chapter 13 Employee Rights and Discipline

48. Mediation is a formal process resulting in compromise.

ANS: F                      PTS: 1                      REF: 472                      OBJ: 8  
BLM: Remember

49. Ethics can be defined as a set of standards of acceptable conduct and moral judgment.

ANS: T                      PTS: 1                      REF: 473                      OBJ: 9  
BLM: Remember

50. Organizations are required by law to comply with ethical guidelines.

ANS: F                      PTS: 1                      REF: 473                      OBJ: 9  
BLM: Higher Order

51. HR departments strive to ensure ethical treatment of employees by communicating the organization's values and communicating and enforcing standards throughout the organization.

ANS: T                      PTS: 1                      REF: 473                      OBJ: 9  
BLM: Remember

### ESSAY

1. What is progressive discipline? How does it differ from positive discipline?

ANS:

Progressive discipline is the application of corrective measures by increasing degrees. The intent is to stop the undesired behaviour using the minimum amount of corrective action necessary. In practice, progressive discipline starts as a low-key, informal reminder and moves through several levels of more intensive measures until the behaviour is extinguished. If the behaviour cannot or will not be altered, the progression ends at terminating the employee. In short, using progressive discipline allows the employer several opportunities to correct undesired employee behaviour before terminating the employment relationship.

Positive discipline is similar to progressive discipline in that both methods involve a multistep approach to employee discipline that favours early correction of problem behaviours. However, positive discipline differs in several ways. First, under positive discipline, the employee has primary responsibility for resolving his or her behavioural problem. Second, positive discipline involves a spirit of cooperation and problem solving rather than confrontation. Instead of being strictly punitive, supervisors are expected to encourage and work with employees with performance problems. In sum, the positive discipline relationship seems more like parental guidance than the adversarial relationship inherent in the progressive model.

PTS: 1                      REF: 468-470                      OBJ: 6|7                      BLM: Higher Order

## Chapter 13 Employee Rights and Discipline

2. What are some of the pros and cons of “open-door” policies?

ANS:

On the positive side, open-door policies provide an avenue for employees to voice complaints about their work. Open-door policies are especially useful when the subject of the complaint is an employee’s immediate supervisor. Moreover, complaints made through an open-door program can provide valuable information to upper-level management.

While open-door policies can work quite well, problems are not unusual under these programs. First, there may be large differences in managers’ commitment to the policy. This situation creates doubt in the minds of employees. Second, some employees may be reluctant to raise a complaint under this system. If an employee has concerns about the supervisors “hanging together” against complainants, it is unlikely that he or she will issue a complaint. Furthermore, there may be inconsistencies between managers in terms of their decisions. Perceptions of inequity and unfairness will prevent employees from using the open-door system effectively. Finally, there are concerns that some managers do not listen honestly to employees who raise complaints through this system.

PTS: 1

REF: 471

OBJ: 8

BLM: Higher Order

3. Susan is a fast-track employee slotted for a vice-president position. Her next job assignment is a foreign position in a South American country as director of your manufacturing division. Unfortunately, this position requires supervising foreign male managers who are largely opposed to supervision by females. To *not* send Susan on this assignment would “short-step” her promotion to vice-president, and possibly be viewed as discriminatory. How would you handle this ethical situation? Be specific.

ANS:

To treat Susan in a fair and equitable manner, a sound decision would be to send Susan to the next job assignment in South America. There are two primary issues involved in this decision. First, it is critical that managers comply with government regulations to promote an environment free from discrimination. If a manager does not send Susan on the foreign assignment, he or she could face the possibility of being accused of gender discrimination. As a consequence, her manager must provide Susan with the same opportunities that would be provided to a male in her position.

Second, beyond what is required by the law is the question of organizational ethics. Ethics are defined as the set of standards of acceptable conduct and moral judgment that provide cultural guidelines that help decide between proper and improper behaviour. In this situation, the ethical decision is not an easy one to make because there are multiple cultures, countries, and ethical standards involved. However, one possible solution to handling this situation would be to refer to the organization’s code of ethics. Many organizations have their own code of ethics that governs relations with employees that may prove useful. Even if a code of ethics does not exist, from an ethical perspective, it is important that Susan’s personal and work-related rights are respected and valued.

PTS: 1

REF: 473

OBJ: 9

BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

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### MULTIPLE CHOICE

1. The majority of workers in Canada are governed by legislation at which level/jurisdiction?
- a. provincial
  - b. international
  - c. municipal
  - d. federal

ANS: A                      PTS: 1                      REF: 483                      OBJ: 1  
BLM: Remember

2. Mary Hart works for the federal government in the immigration department. Her office is located in Toronto. Which piece of labour legislation applies to her workplace?
- a. the Ontario Labour Relations Code
  - b. the City of Toronto Labour Code
  - c. the Ontario Labour Relations Act
  - d. the Canada Labour Code

ANS: D                      PTS: 1                      REF: 483                      OBJ: 1  
BLM: Higher Order

3. Which of the following is **NOT** a duty of labour relations boards?
- a. to hear complaints related to unfair labour practices
  - b. to remedy violations of collective bargaining legislation
  - c. to amend labour relations legislation
  - d. to determine if bargaining was done in good faith

ANS: C                      PTS: 1                      REF: 483                      OBJ: 1  
BLM: Higher Order

4. Labour boards generally have representatives from which of the following groups?
- a. third-party representatives and managers
  - b. academia and management
  - c. academia and public servants
  - d. labour and management

ANS: D                      PTS: 1                      REF: 483                      OBJ: 1  
BLM: Higher Order

5. Which of the following is **NOT** one of the key reasons why workers join unions in Canada?
- a. to earn higher pay
  - b. to fulfill social needs
  - c. to get a voice in their work lives
  - d. to change the government

ANS: D                      PTS: 1                      REF: 483                      OBJ: 2  
BLM: Understanding

## Chapter 14 The Dynamics of Labour Relations

6. Jason Thomas recently joined ABC Inc. to work on the shipping wharf as a loader. He has been told that he must join the union as a condition of employment. What is this employment provision called?
- a union shop
  - a bully provision
  - an agency shop
  - an unfair labour practice

ANS: A                      PTS: 1                      REF: 483                      OBJ: 2  
BLM: Higher Order

7. What is the strongest reason to join a union?
- dissatisfaction with wages, benefits, and working conditions
  - personal preference for a union and social pressure to join
  - the need to fraternize with similar employees and assert personal leadership skills
  - favouritism shown by supervisors in promotions, shift assignments, and transfers

ANS: A                      PTS: 1                      REF: 483                      OBJ: 2  
BLM: Higher Order

8. Mary works in the basement of her employer's home sewing pants. What is one of the biggest challenges facing workers like Mary in becoming unionized?
- they do not have any political party to help them with organizing
  - they work in scattered locations
  - they are satisfied with their working conditions
  - they are satisfied with their pay

ANS: B                      PTS: 1                      REF: 485                      OBJ: 2  
BLM: Higher Order

9. According to the text, in terms of employment relations, which of the following is a key reason why employers may begin employee involvement and empowerment programs?
- to satisfy employment relations legislation
  - to satisfy their obligation for good faith bargaining
  - to avoid collective action by employees
  - to consolidate decision making

ANS: C                      PTS: 1                      REF: 485                      OBJ: 2  
BLM: Higher Order

10. Which of the following groups initiates most organizing campaigns?
- employees
  - union organizers
  - rival unions
  - Human Resources and Skills Development Canada

ANS: A                      PTS: 1                      REF: 485                      OBJ: 3  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

11. Yorkville Tire Manufacturing Company has been experiencing really bad management–employee relations for almost two years. Jack Spratt, one of the leaders among the employees, wants to help in unionizing the employees. He has met with most of the employees. What should he do next?
- ask the workers to go on strike to put pressure on the company
  - form an in-house organizing committee
  - appeal to a broader community—including academics and international agencies—to put pressure on the employer
  - ask the labour relations board to intervene

ANS: B                      PTS: 1                      REF: 486                      OBJ: 3  
BLM: Higher Order

12. Employees indicate their willingness to be represented by a union by signing which of the following?
- a selection card
  - an agreement card
  - an authorization card
  - a stipulation card

ANS: C                      PTS: 1                      REF: 486                      OBJ: 3  
BLM: Higher Order

13. In which organizing step does the collection of signed authorization cards play a major role?
- initial organizational meeting
  - application to the labour relations board
  - formation of in-house organizing committee
  - employee/union contact

ANS: C                      PTS: 1                      REF: 486                      OBJ: 3  
BLM: Higher Order

14. Louis, a union organizer in Ontario, needs what minimum percentage of signed authorization cards before the union can apply for a certification election?
- 40 percent
  - 50 percent
  - 75 percent
  - 30 percent

ANS: A                      PTS: 1                      REF: 486                      OBJ: 3  
BLM: Higher Order

15. In certification elections in Canada, how many employees must vote in favour of unions for them to become certified in workplaces?
- 50 percent, plus one
  - 40 percent, plus one
  - 41 percent
  - 51 percent

ANS: A                      PTS: 1                      REF: 486                      OBJ: 3  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

16. Who is responsible for administering the union certification elections in Canada?
- the labour relations board
  - the Canada Elections Commission
  - the union
  - the employer

ANS: A                      PTS: 1                      REF: 486                      OBJ: 3  
BLM: Remember

17. According to Canadian labour relations legislation, all of the following employer actions are prohibited **EXCEPT** which one?
- threatening to close the business
  - stating the employer is ready to listen to employees and discuss any issue
  - increasing wages during the certification process
  - promising increased vacation if the employees vote for no union

ANS: B                      PTS: 1                      REF: 487                      OBJ: 3  
BLM: Higher Order

18. According to federal labour law, which tactic can employers use in opposing unionization?
- review union authorization cards
  - attend union meetings
  - bargain in good faith
  - change working conditions of employees who work for the union

ANS: C                      PTS: 1                      REF: 487                      OBJ: 3  
BLM: Higher Order

19. Which of the following conditions and/or actions may result in labour relations boards imposing a union on an employer in some Canadian jurisdictions, even with as few as 5 percent of the authorization cards signed?
- Threats by other unions to go on strike if the workplace does not get its own union.
  - Unfair labour practices committed by the employer in the organizing process.
  - The need by government for labour relations peace in workplaces.
  - Advice from the International Labour Office.

ANS: B                      PTS: 1                      REF: 487                      OBJ: 3  
BLM: Higher Order

20. Strategies to remain union-free include all of the following **EXCEPT** which one?
- institute formal procedures to resolve employee complaints
  - give attention to employee growth and development needs
  - allow supervisors to adopt their own approaches to employee motivation and job design
  - offer competitive wages and benefits

ANS: C                      PTS: 1                      REF: 487                      OBJ: 3  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

21. What is a key difference between unionized and nonunionized work in Canada?
- Nonunionized workers get higher wages and benefits.
  - Unionized workers get higher wages and benefits.
  - Unionized workers get more benefits but less in wages.
  - Unionized workers get better pay but less in benefits.

ANS: B                      PTS: 1                      REF: 490                      OBJ: 2  
BLM: Higher Order

22. What is an employer required to do once a union becomes certified?
- notify employees of the bargaining relationship
  - deduct union dues from the employees' paycheques
  - begin negotiations leading toward a collective agreement
  - sign a collective agreement

ANS: C                      PTS: 1                      REF: 490                      OBJ: 3  
BLM: Higher Order

23. Within a bargaining unit, how many workers must vote against the union so as to decertify it?
- 41 percent
  - 40 percent, plus one
  - 51 percent
  - 50 percent, plus one

ANS: D                      PTS: 1                      REF: 490                      OBJ: 3  
BLM: Higher Order

24. Which of the following is **NOT** a usual effect of unions in the workplace?
- restrictions on unilateral human resource policy
  - increases in accident rates and sabotage
  - increases in wages
  - restrictions on management rights

ANS: B                      PTS: 1                      REF: 490-491                      OBJ: 3  
BLM: Higher Order

25. The full-time professors at McMaster University are usually represented by a group of nonunionized faculty in wage negotiations with management. What is this group of faculty called?
- a certified union
  - a craft union
  - an employee association
  - a negotiations association

ANS: C                      PTS: 1                      REF: 491                      OBJ: 3  
BLM: Higher Order

26. Which group may represent professional and white-collar employees?
- a management rights association
  - the Canadian Labour Congress
  - a professional agency
  - an employee association

ANS: D                      PTS: 1                      REF: 491                      OBJ: 3  
BLM: Remember

## Chapter 14 The Dynamics of Labour Relations

27. In the United States, the key central federation of unions is called the AFL-CIO. In Canada, what is the name of the organization that does similar work?
- the Canadian Auto Workers Union
  - the Canadian Labour Congress
  - the Labour Organization
  - the Trades Union Congress

ANS: B                      PTS: 1                      REF: 491                      OBJ: 3  
BLM: Higher Order

28. Unlike many unions in Europe, most of the bargaining and decision making for unions in Canada occurs at which of the following levels?
- the provincial level
  - the local level
  - the international level
  - the national level

ANS: B                      PTS: 1                      REF: 491                      OBJ: 3  
BLM: Higher Order

29. Which of the following labour organizations is most likely to provide professional and financial assistance during organizing drives and strikes, help negotiate labour agreements, and train union leaders?
- a local union
  - the Department of Labour
  - Human Resources and Skills Development Canada
  - the Canadian Labour Congress (CLC)

ANS: D                      PTS: 1                      REF: 491                      OBJ: 3  
BLM: Higher Order

30. Tony Lee has been involved on behalf of the national union with negotiating the collective bargaining agreement with the employer for Local 1240. What is Mr. Lee's most likely job title or role?
- a negotiator
  - a union agent
  - a business agent
  - a union steward

ANS: C                      PTS: 1                      REF: 492                      OBJ: 3  
BLM: Higher Order

31. Omar Mohammed represents the interests of union members in their relations with their immediate supervisors and other members of management. What is Mr. Mohammed's most likely job title or role?
- mediator
  - union steward
  - union leader
  - conciliator

ANS: B                      PTS: 1                      REF: 492                      OBJ: 3  
BLM: Remember

## Chapter 14 The Dynamics of Labour Relations

32. Who has the major responsibility in negotiating and administering the labour agreement and working to resolve problems arising in connection with it?
- the bargaining agent
  - the shop steward
  - the national union executive
  - the business agent

ANS: D                      PTS: 1                      REF: 492                      OBJ: 3  
BLM: Remember

33. Approximately what percentage of Canadian public employees are unionized?
- 70 percent
  - 25 percent
  - 50 percent
  - 90 percent

ANS: A                      PTS: 1                      REF: 492                      OBJ: 3  
BLM: Remember

34. Assume that the Canadian Union of Public Employees (CUPE) is representing essential workers in a hospital. The hospital's administration and the union are deadlocked in negotiations. What is a likely solution to this impasse?
- decertification of CUPE
  - compulsory binding arbitration
  - a strike
  - counselling

ANS: B                      PTS: 1                      REF: 493                      OBJ: 3  
BLM: Higher Order

35. Strikes, boycotts, lockouts, and plant closures may all be included in which of the following?
- negotiation preparation
  - compulsory binding arbitration
  - public-sector bargaining
  - the collective bargaining process

ANS: D                      PTS: 1                      REF: 494                      OBJ: 4  
BLM: Higher Order

36. Developing likely union proposals, lists of demands, and a contingency plan for operating in the event of a strike are part of which of the following?
- compulsory binding arbitration
  - an employer's bargaining strategy
  - a union's bargaining strategy
  - good faith bargaining

ANS: B                      PTS: 1                      REF: 495                      OBJ: 4  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

37. In the bargaining model, what is the area within which the union and employer are willing to concede when bargaining?
- bargaining team
  - bargaining committee
  - bargaining zone
  - contingency operating plan

ANS: C                      PTS: 1                      REF: 496                      OBJ: 4  
BLM: Remember

38. Which of the following is a requirement of interest-based bargaining?
- an agreement must be reached within a reasonable amount of time
  - each side's negotiators meet at any time and a reasonable place to discuss issues
  - each side's negotiators meet at any time and place to discuss issues
  - each side's negotiators meet at a reasonable time and reasonable place to discuss issues

ANS: D                      PTS: 1                      REF: 497                      OBJ: 4  
BLM: Higher Order

39. What is interest-based bargaining based upon?
- the identification and resolution of mutual interests
  - a give-and-take philosophy
  - suspicion and compromise
  - the area within which union and management are willing to concede

ANS: A                      PTS: 1                      REF: 497                      OBJ: 4  
BLM: Higher Order

40. The creation of a relationship for the future based on trust, understanding, and mutual respect is the basis of which of the following?
- interest-based bargaining
  - adversarial bargaining
  - good faith bargaining
  - traditional bargaining

ANS: A                      PTS: 1                      REF: 497                      OBJ: 4  
BLM: Remember

41. Unions tend to hold strike votes to assess whether members are willing to go on strike for their demands. What does a high vote in favour of a strike (e.g., 95 percent) mean?
- Management will most likely have to lock out the union.
  - The union will definitely go on strike because it has an overwhelming mandate to do so.
  - Management will lose in the bargaining.
  - The union will have strengthened its bargaining power.

ANS: D                      PTS: 1                      REF: 497                      OBJ: 5  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

42. How can the bargaining power of a union be exercised?

- a. lockout or relocation
- b. striking, picketing, or boycotting
- c. union merger
- d. legal injunction

ANS: B                      PTS: 1                      REF: 497                      OBJ: 5

BLM: Higher Order

43. Pickets may prevent trucks and railcars from entering a struck business because of which of the following?

- a. Picketing during a strike carries a legal obligation on the part of the employer to cease operations, including delivery of goods and materials.
- b. Unions often refuse to cross another union's picket line.
- c. The union has a legal right to obstruct the business of the employer the union is striking against.
- d. Operators of trucks and railcars must get permission from the picketing union to enter the premises.

ANS: B                      PTS: 1                      REF: 499                      OBJ: 5

BLM: Higher Order

44. What is the term for a union's use of radio and newspaper ads to discourage the purchase of an employer's products?

- a. picketing
- b. an unfair labour practice
- c. a boycott
- d. a bargaining zone

ANS: C                      PTS: 1                      REF: 500                      OBJ: 5

BLM: Remember

45. What action is compulsory before a strike or lockout in all Canadian jurisdictions?

- a. mediation
- b. communication
- c. arbitration
- d. conciliation

ANS: D                      PTS: 1                      REF: 500-501                      OBJ: 5

BLM: Higher Order

46. What is the term for a neutral third party who resolves labour disputes by issuing a final decision that the parties must accept?

- a. a mediator
- b. a conciliator
- c. an arbitrator
- d. a union steward

ANS: C                      PTS: 1                      REF: 501                      OBJ: 5

BLM: Remember

## Chapter 14 The Dynamics of Labour Relations

47. Which clause holds that “management’s authority is supreme in all matters except those conceded in the collective agreement or in those areas where its authority is restricted by law”?
- the supreme rights clause
  - the defined rights clause
  - the management rights clause
  - the explicit rights clause

ANS: C                      PTS: 1                      REF: 501                      OBJ: 5  
BLM: Remember

48. What do dues checkoff, the union shop, and the agency shop represent?
- management rights
  - union security
  - management prerogatives
  - unfair labour practices

ANS: B                      PTS: 1                      REF: 502                      OBJ: 5  
BLM: Higher Order

49. In which of the following situations is grievance handling most successful?
- in nonunionized businesses
  - in unionized businesses
  - when supervisors are formally trained in the terms of the labour agreement and the development of counselling skills
  - when union stewards are selected by management

ANS: C                      PTS: 1                      REF: 502                      OBJ: 6  
BLM: Higher Order

50. What is necessary for an employee’s grievance to be considered formally?
- It must be in direct violation of the collective agreement.
  - It must be filed with the labour relations board.
  - It must be expressed orally or in writing.
  - It must have resulted in loss of pay or economic benefit to the employee.

ANS: C                      PTS: 1                      REF: 502                      OBJ: 6  
BLM: Remember

51. What is the arbitrator’s responsibility in a dispute?
- to interpret the intent of the labour agreement
  - to get the parties to work together to solve their differences
  - to mandate how the grievance will be resolved
  - to decide the case without passing judgment

ANS: C                      PTS: 1                      REF: 503                      OBJ: 6  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

52. The factors that arbitrators use when deciding cases are the wording of the labour agreement, the submission agreement, the testimony and evidence offered, and which of the following?
- the truthfulness of witnesses
  - the preferences of the grievant
  - arbitration criteria or standards
  - the concept of reasonable doubt

ANS: C                      PTS: 1                      REF: 505                      OBJ: 6  
BLM: Higher Order

### Scenario 14.1

Boat Xpress, a Canadian shipping firm, has been treating employees unfairly for decades. Employees work full-time hours but are hired as part-timers with no benefits other than 4 percent vacation pay. Health and safety standards are nonexistent, and the list goes on. Employees have tried to organize before, but management fired them and threatened the remaining workers. A new employee decided that the working conditions are intolerable and wants to get other employees organized in order to obtain union representation. All employees now believe that their interests will be better served with collective agreements.

53. Refer to Scenario 14.1. Which step is **NOT** part of the organizing process before Boat Xpress employees can choose to become unionized?
- employee/union contact
  - initial organizational meeting
  - formation of an in-house bargaining committee
  - application to a labour relations board

ANS: C                      PTS: 1                      REF: 483                      OBJ: 3  
BLM: Higher Order

54. Refer to Scenario 14.1. Management does not have the right to fire employees for organizing. The right of workers to join unions was established back in 1948 by which of the following?
- The Industrial Relations Disputes and Investigation Act
  - Ontario Labour Relations Act
  - Canada Labour Code
  - Labour Relations Board

ANS: A                      PTS: 1                      REF: 483                      OBJ: 1  
BLM: Higher Order

55. Refer to Scenario 14.1. Employees are very concerned about the repercussions of the company finding out that they are seeking union representation. Boat Xpress can legally do which of the following?
- attend union meetings and spy on employees
  - threaten or terminate employees because of their union affiliation or beliefs
  - change the working conditions of employees because they actively work for the union
  - voluntarily recognize and accept a union

ANS: D                      PTS: 1                      REF: 490                      OBJ: 3  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

56. Refer to Scenario 14.1. For which reasons do workers at Boat Xpress want to organize in a union?
- economic reasons
  - political reasons
  - social reasons
  - ideological reasons

ANS: A                      PTS: 1                      REF: 484                      OBJ: 2  
BLM: Higher Order

### Scenario 14.2

Calendar "R" Us Ltd. produces calendars for middle and high schools in Ontario. Calendar started back in 2006 and today has over 60 employees. About two years ago, the employees organized and obtained union certification. To date, the union has not successfully negotiated a collective agreement. Employees are not happy with the progress the union has made, and much of the concerns they have had (wages, benefits, training, etc.) have not been addressed. Calendar "R" Us employees feel that the union is more interested in serving the needs of the company and are looking to find a replacement.

57. Refer to Scenario 14.2. Calendar "R" Us employees want to change their union. Before they can decertify, all of the following must be in place **EXCEPT** which one?
- determine whether bargaining was done in good faith
  - determine whether the union has failed to bargain
  - determine whether employees want to be represented by another union
  - decision by the majority of bargaining unit members that they do not want to be represented by the union

ANS: A                      PTS: 1                      REF: 490                      OBJ: 3  
BLM: Higher Order

58. Refer to Scenario 14.2. What are the steps in the collective bargaining process that the union and Calendar "R" Us need to go through?
- union proposals, management responses, management demands, limits of concessions
  - prepare for negotiations, develop strategies, conduct negotiations, formalize agreement
  - union demands, database to support management proposals, union responses
  - prepare for negotiations, review proposals, determine counteroffer

ANS: B                      PTS: 1                      REF: 494                      OBJ: 4  
BLM: Higher Order

### TRUE/FALSE

1. Unions influence labour legislation and HR policies and practices.

ANS: T                      PTS: 1                      REF: 482                      OBJ: 1  
BLM: Remember

2. If a manager or supervisor violates a labour law, an appropriate defence is that he or she was not familiar with labour legislation.

ANS: F                      PTS: 1                      REF: 482                      OBJ: 1  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

3. Labour relations boards are responsible for administering labour law.

ANS: T                      PTS: 1                      REF: 483                      OBJ: 1  
BLM: Remember

4. The Canada Industrial Relations Board administers and enforces the Canada Labour Code.

ANS: T                      PTS: 1                      REF: 483                      OBJ: 1  
BLM: Higher Order

5. The first step in the labour relations process is a union organizing campaign.

ANS: F                      PTS: 1                      REF: 483                      OBJ: 1  
BLM: Remember

6. Employees might consider organizing and joining a union an effective alternative to quitting a job in which they feel they are being treated unfairly.

ANS: T                      PTS: 1                      REF: 483                      OBJ: 2  
BLM: Higher Order

7. Employees are most likely to seek unionization if they believe that doing so will achieve results they cannot achieve acting individually.

ANS: T                      PTS: 1                      REF: 483                      OBJ: 2  
BLM: Higher Order

8. If an employee personally decides that the benefits will outweigh the costs of joining the union, then she or he is likely to join.

ANS: T                      PTS: 1                      REF: 483-484                      OBJ: 2  
BLM: Higher Order

9. Joining a union is a way for employees to put leadership skills to use.

ANS: T                      PTS: 1                      REF: 485                      OBJ: 2  
BLM: Higher Order

10. As a manager of XYZ Company, you would most likely expect an organizing drive to be started by your employees rather than a union organizer.

ANS: T                      PTS: 1                      REF: 485                      OBJ: 3  
BLM: Higher Order

11. The first step in organizing begins when employees and union officials meet to explore the possibility of unionization.

ANS: T                      PTS: 1                      REF: 486                      OBJ: 3  
BLM: Remember

## Chapter 14 The Dynamics of Labour Relations

12. In Canada, a majority of unions are certified without a vote if the labour relations board finds that at least 50 percent of employees have signed authorization cards.

ANS: T                      PTS: 1                      REF: 486                      OBJ: 3  
BLM: Remember

13. Canadian employers tend to be supportive of union organizing drives.

ANS: F                      PTS: 1                      REF: 487                      OBJ: 3  
BLM: Higher Order

14. As long as employers do not object to unionization, they can influence employees to vote for one union rather than another.

ANS: F                      PTS: 1                      REF: 487                      OBJ: 3  
BLM: Remember

15. If employers interfere with the union certification process, the labour relations board can recognize a union regardless of the percentage of employees that have signed authorization cards.

ANS: T                      PTS: 1                      REF: 487                      OBJ: 3  
BLM: Higher Order

16. Both employers and unions can be accused of an unfair labour practice.

ANS: T                      PTS: 1                      REF: 488                      OBJ: 3  
BLM: Higher Order

17. It is possible for a union to be decertified if the majority of bargaining unit members decide they would rather be represented by another union.

ANS: T                      PTS: 1                      REF: 490                      OBJ: 3  
BLM: Remember

18. The minimum term of the first collective agreement after certification is three years.

ANS: F                      PTS: 1                      REF: 490                      OBJ: 3  
BLM: Higher Order

19. Unionization may restrict the freedom of management in many areas.

ANS: T                      PTS: 1                      REF: 490                      OBJ: 3  
BLM: Remember

20. Unionization restricts the freedom of management to formulate HR policy unilaterally.

ANS: T                      PTS: 1                      REF: 490                      OBJ: 3  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

21. Management rights are those decisions over which management claims exclusive rights.
- ANS: T                      PTS: 1                      REF: 490                      OBJ: 3  
BLM: Remember
22. Unions that represent skilled craft workers are called craft unions.
- ANS: T                      PTS: 1                      REF: 491                      OBJ: 3  
BLM: Remember
23. Unions that represent various groups of professional and white-collar workers are called industrial unions.
- ANS: F                      PTS: 1                      REF: 491                      OBJ: 3  
BLM: Remember
24. Labour organizations are diverse in type and in structure; therefore, each may have its own mode of governance and objectives.
- ANS: T                      PTS: 1                      REF: 491                      OBJ: 3  
BLM: Remember
25. National unions retain most of the decision-making authority over local unions.
- ANS: F                      PTS: 1                      REF: 491                      OBJ: 3  
BLM: Remember
26. Union stewards are full-time employees at the workplace and generally are not paid by the union.
- ANS: T                      PTS: 1                      REF: 492                      OBJ: 3  
BLM: Remember
27. More than 70 percent of all public employees are unionized.
- ANS: T                      PTS: 1                      REF: 492                      OBJ: 3  
BLM: Remember
28. The largest union in Canada is the Canadian Union of Public Employees (CUPE).
- ANS: T                      PTS: 1                      REF: 492                      OBJ: 3  
BLM: Remember
29. Public employees unionize for very different reasons than their private-sector counterparts.
- ANS: T                      PTS: 1                      REF: 493                      OBJ: 3  
BLM: Higher Order
30. Public-sector unions contend that denying their legal right to strike reduces their power during collective bargaining.
- ANS: T                      PTS: 1                      REF: 493                      OBJ: 3  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

31. Compulsory binding arbitration is often available in the public sector as an acceptable way to settle collective bargaining deadlocks.

ANS: T                      PTS: 1                      REF: 493                      OBJ: 3  
BLM: Higher Order

32. The collective bargaining process may include activities such as strikes and boycotts.

ANS: T                      PTS: 1                      REF: 494                      OBJ: 4  
BLM: Higher Order

33. A bargaining book is a case history used by an arbitrator to decide a grievance.

ANS: F                      PTS: 1                      REF: 494                      OBJ: 4  
BLM: Remember

34. During collective bargaining, each side normally places only their primary negotiator at the table.

ANS: F                      PTS: 1                      REF: 495                      OBJ: 4  
BLM: Remember

35. Employers are obligated to negotiate in good faith with the union.

ANS: T                      PTS: 1                      REF: 496                      OBJ: 4  
BLM: Remember

36. Good faith bargaining requires that employers and union counterparts be willing to meet at any time and reasonable place to discuss proposals.

ANS: F                      PTS: 1                      REF: 496                      OBJ: 4  
BLM: Higher Order

37. Interest-based bargaining usually leads to suspicion and compromise.

ANS: F                      PTS: 1                      REF: 497                      OBJ: 4  
BLM: Higher Order

38. Bargaining power consists of economic, political, and social influence to achieve demands.

ANS: T                      PTS: 1                      REF: 497                      OBJ: 5  
BLM: Remember

39. A strike vote by union members does not always mean a strike will take place.

ANS: T                      PTS: 1                      REF: 497                      OBJ: 5  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

40. Pickets may further disrupt an employer's business because one union member, such as a truck driver, may refuse to cross the other's picket line.
- ANS: T                      PTS: 1                      REF: 499                      OBJ: 5  
BLM: Higher Order
41. A boycott is a refusal to cross a union picket line.
- ANS: F                      PTS: 1                      REF: 500                      OBJ: 5  
BLM: Remember
42. An employer's bargaining power may rest on its ability to continue its operations despite a strike by its workers.
- ANS: T                      PTS: 1                      REF: 500                      OBJ: 5  
BLM: Remember
43. Mediation is the only form of third-party resolution that results in binding recommendations.
- ANS: F                      PTS: 1                      REF: 501                      OBJ: 5  
BLM: Remember
44. Compulsory membership provisions and dues checkoff are forms of union security.
- ANS: T                      PTS: 1                      REF: 502                      OBJ: 5  
BLM: Higher Order
45. Agency shops provide for voluntary union membership, but require all bargaining unit members to pay union dues and fees.
- ANS: T                      PTS: 1                      REF: 502                      OBJ: 5  
BLM: Remember
46. Most labour relations activity comes from the day-to-day administration of the collective agreement.
- ANS: T                      PTS: 1                      REF: 502                      OBJ: 5  
BLM: Higher Order
47. A grievance procedure is a formal process that is often considered the heart of a bargaining agreement.
- ANS: T                      PTS: 1                      REF: 502                      OBJ: 6  
BLM: Remember
48. Grievance handling is more successful when supervisors are trained formally in resolving grievances.
- ANS: T                      PTS: 1                      REF: 502                      OBJ: 6  
BLM: Remember
49. A union will not usually take a weak case to arbitration for fear of losing member support.
- ANS: F                      PTS: 1                      REF: 503                      OBJ: 6  
BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

50. Arbitration hearings are formal court proceedings, held in a court of law.

ANS: F                      PTS: 1                      REF: 503                      OBJ: 6  
BLM: Remember

51. It is the arbitrator's responsibility to ensure that each side receives a fair hearing.

ANS: T                      PTS: 1                      REF: 503                      OBJ: 6  
BLM: Remember

52. An arbitration award should include not just a decision, but the rationale for it, in order to provide guidance for future interpretation.

ANS: T                      PTS: 1                      REF: 503                      OBJ: 6  
BLM: Higher Order

### ESSAY

1. What are the primary reasons for employee unionization?

ANS:

Some employees join unions because of the union-shop provisions of the collective agreement, which specify that union membership is a condition of employment. Studies have generally concluded that those who unionize voluntarily do so for three key reasons: economic needs, dissatisfaction with management practices, and/or as a way to fulfill social and affiliation needs.

**Economic needs.** Dissatisfaction with wages, benefits, and working conditions appears to provide the strongest reason to join a union. It is these traditional issues on which unions are built.

**Dissatisfaction with management.** Employees may seek unionization when they perceive that managerial practices regarding promotion, transfer, shift assignment, or other job-related policies are administered in an unfair or biased manner. Favouritism is particularly resented when it concerns the HR areas of discipline, promotion, and wage increases.

Failure to give employees an opportunity to participate in decisions affecting their welfare may also encourage union membership.

**Social and affiliation needs.** Employees whose needs for social affiliation and recognition are being frustrated may join unions as a means of satisfying these needs. Through their union, they have an opportunity to fraternize with other employees who have similar desires, interests, problems, and complaints. Joining the union also enables some individuals to put leadership talents to use.

The limited studies conducted on employee unionization in the public sector generally find that public employees unionize for reasons similar to those of their private-sector counterparts. The only difference is that other issues, such as professional development and participation in decision making, are also perceived as important.

In the final analysis, the extent to which employees perceive that the benefits of joining a union outweigh the costs associated with membership is likely to be the deciding factor.

PTS: 1                      REF: 483-485                      OBJ: 2                      BLM: Higher Order

## Chapter 14 The Dynamics of Labour Relations

2. Briefly describe the six steps in the organizing process.

ANS:

**Employee/union contact.** The first step begins when employees and union officials make contact to explore the possibility of unionization. Employees investigate the advantages of labour representation, and union officials begin to gather information about employee needs, problems, and grievances. Labour organizers also seek information about the employer's financial health, supervisory styles, and policies and practices. To win employee support, the organizers must build a case against the employer and for the union.

**Initial organizational meeting.** As the organizing campaign gathers momentum, the organizer schedules an initial union meeting to attract more supporters. The organizer uses the information gathered in step one to address employee needs and explain how the union can meet them. The organizational meeting also enables the organizer to identify employees who can help run the campaign and to establish communication chains that reach all employees.

**Formation of an in-house organizing committee.** The in-house committee is composed of employees who are willing to provide leadership to the campaign. Their role is to interest other employees in joining the union and supporting its campaign. An important task of committee members is to have employees sign an authorization card indicating their willingness to be represented by the union. The number of signed authorization cards demonstrates the potential strength of the union. The number of cards required for automatic certification and the number required in order to qualify for a representation vote varies by jurisdiction.

**Application to the labour relations board.** After the required number of authorization cards have been signed, application for certification is made to the applicable labour relations board. Depending on the number of cards signed, the labour relations board may grant automatic certification or hold a secret-ballot vote. If 50 percent of those casting ballots vote in favour of the union, the union is certified.

**Issuance of certificate by the labour relations board.** A certificate is then issued granting the union the right to represent the employees as a recognized union under the applicable labour relations legislation.

**Election of a bargaining committee and contract negotiations.** Once the certificate has been issued, a bargaining committee is elected by the union membership. A national or international union representative generally works with this local union committee to negotiate a collective agreement with the company. Bargaining committees are often assisted by specialists in benefits and health and safety.

PTS: 1

REF: 486

OBJ: 3

BLM: Remember

## Chapter 14 The Dynamics of Labour Relations

3. Explain the impact of unionization on managers.

ANS:

The unionization of employees can affect managers in several ways:

- Can affect management's prerogatives in making decisions about employees.
- Restricts management's freedom to formulate HR policy unilaterally.
- Typically, unions will try to achieve greater participation in management decisions that affect their members (e.g., productivity standards, job content, etc.). Employers may claim these decisions are management rights; however, these rights are subject to challenge and erosion by the union.
- Terms of the collective agreement determine how employees can be directed and how they can be disciplined.
- Specific content language of the collective agreement can reduce the manager or supervisor's ability to manage in such areas as scheduling, training, transfers, performance evaluation, promotions, etc.

PTS: 1

REF: 490

OBJ: 3

BLM: Higher Order

4. How do unions and management employ bargaining power in negotiations?

ANS:

The bargaining power of the union may be exercised by striking or picketing, boycotting the employer's products and by obtaining strike authorization from their members to strengthen the position of union leaders in negotiations.

The employer's power rests largely on being able to continue operations in the face of a strike or to shut down operations entirely. Methods include operating using supervisory and non-striking personnel, utilizing technology and automation, transferring operations to other locations, outsourcing, and hiring replacement workers where permitted by law.

PTS: 1

REF: 497-500

OBJ: 5

BLM: Higher Order

## Chapter 15 International Human Resources Management

### MULTIPLE CHOICE

1. What is the main purpose of free trade agreements, such as NAFTA?
- to facilitate the free movement of goods, services, capital, and people across borders
  - to help fight terrorism
  - to help the United Nations with its work
  - to increase tourism

ANS: A                      PTS: 1                      REF: 512                      OBJ: 1  
BLM: Higher Order

2. Cultural environment includes all of the following components **EXCEPT** which one?
- education/human capital
  - religious beliefs
  - corporate structure
  - values and ideologies

ANS: C                      PTS: 1                      REF: 514                      OBJ: 2  
BLM: Higher Order

3. MAGNA is a Canadian firm located in Ontario. In this instance, what does Canada represent?
- the adaptive country
  - the host country
  - the resource country
  - the receptive country

ANS: B                      PTS: 1                      REF: 514-515                      OBJ: 2  
BLM: Remember

4. What term do we use to describe the country in which an international business operates?
- receptive country
  - adaptive country
  - resource country
  - host country

ANS: D                      PTS: 1                      REF: 514-515                      OBJ: 2  
BLM: Higher Order

5. Cultural environments differ across the world. What does this imply for business firms?
- Canadian corporations have an advantage over firms from other nations.
  - The culture must adapt to the goods and services offered by transnational corporations.
  - Their management styles must remain consistent.
  - Strategies, structures, and management styles that work in one area of the world may be inappropriate in another.

ANS: D                      PTS: 1                      REF: 515                      OBJ: 2  
BLM: Higher Order

## Chapter 15 International Human Resources Management

6. ABM is an international firm with headquarters in the United States. Its operations in other parts of the world are fully autonomous. What type of firm is ABM?
- a. a multinational corporation
  - b. an international corporation
  - c. a transnational corporation
  - d. a global enterprise

ANS: A                      PTS: 1                      REF: 517                      OBJ: 2  
BLM: Remember

7. Rand Computers is a mid-sized firm located in Toronto. As a result of personal connections, Rand Computers has started a division in Buffalo, New York. What type of corporation is Rand Computers?
- a. a multinational corporation
  - b. a global corporation
  - c. an international corporation
  - d. a transnational corporation

ANS: C                      PTS: 1                      REF: 517                      OBJ: 2  
BLM: Remember

8. While GH Motors is located in Canada, it has allowed management in all of international operations to make independent decisions on how they conduct business in their different environments. How would you classify GH Motors?
- a. as a global corporation
  - b. as an international corporation
  - c. as a transnational corporation
  - d. as a multinational corporation

ANS: D                      PTS: 1                      REF: 517                      OBJ: 2  
BLM: Remember

9. Think about a spider's web with the spider in the middle. In this scenario, the spider controls the web from the centre. What type of corporation does this web resemble the most?
- a. an international corporation
  - b. a multinational corporation
  - c. a global corporation
  - d. a transnational corporation

ANS: C                      PTS: 1                      REF: 517                      OBJ: 2  
BLM: Higher Order

10. Some Japanese firms, such as Matsushita and NEC, tend to operate as domestic firms but see the whole world domestically—that is, as their market. What type of firms are these?
- a. transnational firms
  - b. multinational firms
  - c. global firms
  - d. international firms

ANS: C                      PTS: 1                      REF: 517                      OBJ: 2  
BLM: Remember

## Chapter 15 International Human Resources Management

11. Which organization is pursuing a transnational strategy?
- a car company developing a “world” car to gain scale economies
  - a brewery trying to achieve scale economies while simultaneously customizing its taste and marketing efforts for local markets
  - a company producing customized fashions for multiple regions of the world
  - a steel company trying to simultaneously gain scale economies and increase the quality of its products

ANS: B                      PTS: 1                      REF: 517-518                      OBJ: 2  
BLM: Higher Order

12. General Motors, headquartered in the United States, has operations in many parts of the world. Jimmy Lee, an IT manager from its Canadian operations, has been posted to India to oversee a start-up operation. What type of employee is Jimmy?
- a host-country national
  - an Indian national
  - a third-country national
  - a home country national

ANS: C                      PTS: 1                      REF: 518                      OBJ: 4  
BLM: Higher Order

13. Anna works as a compensation manager for IDL Inc., a multinational firm located in British Columbia. She has been posted to Hong Kong on an assignment. What type of employee is Anna?
- a host-country national
  - an expatriate
  - an international manager
  - a third-country national

ANS: B                      PTS: 1                      REF: 518                      OBJ: 4  
BLM: Higher Order

14. When a Canadian multinational corporation hires an employee from Australia to work in its office in Sydney, this employee referred to as which of the following?
- an expatriate
  - a host-country national
  - a third-country national
  - an international manager

ANS: B                      PTS: 1                      REF: 518                      OBJ: 4  
BLM: Higher Order

## Chapter 15 International Human Resources Management

15. Which of the following is the source of overseas employees that provides the advantages of less cost and greater facility in the language?
- home-country nationals
  - expatriates
  - third-country nationals
  - host-country nationals

ANS: D                      PTS: 1                      REF: 518                      OBJ: 4  
BLM: Higher Order

16. If Canadian company Bombardier transferred Karl Hammer, a native German, away from his assignment in Bonn, Germany, to a new assignment in Paris, France, Karl would then be considered which of the following?
- a host-country national
  - a home-host-country national
  - a third-country national
  - a home-country national

ANS: C                      PTS: 1                      REF: 518                      OBJ: 4  
BLM: Higher Order

17. Deccan Hardware Company, a Canadian firm, is now establishing a subsidiary in Mexico. As with many organizations at the early stages of international expansion, what type of employees would Deccan most likely use?
- third-country nationals
  - host-country nationals
  - home-country nationals
  - expatriates

ANS: C                      PTS: 1                      REF: 518                      OBJ: 4  
BLM: Higher Order

18. Which of the following is a recent trend in expatriate assignments?
- shorter, project-based assignments
  - more long-term assignments
  - increased heading of operations in foreign countries
  - permanent, full-time placements

ANS: A                      PTS: 1                      REF: 519                      OBJ: 4  
BLM: Higher Order

19. Which of the following factors is NOT a reason why firms may want to use host-country nationals?
- they are mobile
  - they are preferred by host-country governments
  - they are less costly
  - they have knowledge of the culture

ANS: A                      PTS: 1                      REF: 519                      OBJ: 4  
BLM: Higher Order

## Chapter 15 International Human Resources Management

20. Many nannies come to Canada to work for a period of time. What is the name of the document issued by the government granting authority to these nannies to seek employment in Canada?

a. a work permit  
b. a passport  
c. an allowance permit  
d. a birth certificate

ANS: A                      PTS: 1                      REF: 521                      OBJ: 4  
BLM: Higher Order

21. Heineken recently organized a group of individuals with specialized skills representing each major region within Europe. This group is an example of which of the following?

a. a transfunctional team  
b. a multinational team  
c. a multicultural team  
d. a transnational team

ANS: D                      PTS: 1                      REF: 522                      OBJ: 4  
BLM: Higher Order

22. Which of the following statements best describes transnational teams?

a. They tend to be focused on projects that span multiple countries.  
b. They tend to be homogenous.  
c. They are usually comprised of members with generalized skills.  
d. They are usually comprised of members from the same region.

ANS: A                      PTS: 1                      REF: 522                      OBJ: 4  
BLM: Remember

23. IAM Inc. has operations in many countries. Recently, it used staff from four of these countries to work on a project. What type of team would this be?

a. a transnational team  
b. a global team  
c. an integrated team  
d. a borderless team

ANS: A                      PTS: 1                      REF: 522                      OBJ: 4  
BLM: Higher Order

24. What is NOT one of the attributes of successful global managers that Levi Strauss identified?

a. ability to seize strategic opportunities  
b. sensitivity to issues of diversity  
c. interpersonal competency  
d. ability to manage a highly centralized organization

ANS: D                      PTS: 1                      REF: 525                      OBJ: 4  
BLM: Remember

## Chapter 15 International Human Resources Management

25. According to the text, what is NOT a core skill that is critical for success abroad?
- prudent decision-making skills
  - mental maturity
  - cultural sensitivity
  - strategic thinking

ANS: D                      PTS: 1                      REF: 526                      OBJ: 4  
BLM: Higher Order

26. What is a major reason for failure among expatriates?
- inability to cope with larger responsibilities
  - a manager's personality
  - a spouse's inability to adapt
  - distaste for travel

ANS: C                      PTS: 1                      REF: 527                      OBJ: 4  
BLM: Remember

27. Individuals working internationally need to know as much as possible about all of the following host-country characteristics EXCEPT which one?
- social and business etiquette
  - political structure
  - cultural values and priorities
  - popular fashion trends

ANS: D                      PTS: 1                      REF: 529                      OBJ: 5  
BLM: Higher Order

28. Which of the following is associated with cultural conditioning?
- It does not include the formal education or training a person receives.
  - It influences the attitudes, behaviours, and reactions of both workers and their managers.
  - It has little impact on international HRM.
  - It helps people react positively to tastes and behaviours similar to their own.

ANS: B                      PTS: 1                      REF: 530                      OBJ: 5  
BLM: Remember

29. According to cross-cultural studies, nations tend to cluster according to similarities in all of the following cultural dimensions EXCEPT which one?
- work goals
  - values
  - laws
  - job attitudes

ANS: C                      PTS: 1                      REF: 530                      OBJ: 5  
BLM: Higher Order

## Chapter 15 International Human Resources Management

30. Compared to North American managers, European managers—especially those in France, Germany, and Italy—tend use which of the following decision-making styles?
- a. a more autocratic style
  - b. about the same style
  - c. a more participatory style
  - d. a solitary style

ANS: A                      PTS: 1                      REF: 532                      OBJ: 5  
BLM: Higher Order

31. Compared to Canadian managers, Japanese managers tend to use which of the following decision-making styles in the workplace?
- a. a more autocratic style
  - b. a more participatory style
  - c. a more decentralized style
  - d. about the same style

ANS: B                      PTS: 1                      REF: 532                      OBJ: 5  
BLM: Higher Order

32. If you were concerned about maximizing your career benefits with a foreign assignment, which question would be the most important to ask?
- a. Will the assignment afford me the opportunity to learn a new language?
  - b. How long will the assignment last?
  - c. How much will the assignment increase my salary?
  - d. How many executives within my organization have a foreign-service assignment in their background?

ANS: D                      PTS: 1                      REF: 532                      OBJ: 5  
BLM: Higher Order

33. What is the key purpose of repatriation?
- a. to train expatriates prior to their first international assignment
  - b. to help employees make the transition back home
  - c. to adapt leadership and decision-making styles to the host country
  - d. to reduce communication errors in foreign assignments

ANS: B                      PTS: 1                      REF: 533                      OBJ: 5  
BLM: Remember

34. What is most likely to happen when companies fail to use the knowledge, skills, and understanding that expatriate managers acquire in international assignments?
- a. Language training is viewed as unnecessary.
  - b. The expatriates often take lower-level jobs upon return or leave the company.
  - c. Repatriation is no longer recommended.
  - d. Home-country nationals are used more often in favour of expatriates.

ANS: B                      PTS: 1                      REF: 533                      OBJ: 5  
BLM: Higher Order

## Chapter 15 International Human Resources Management

35. In collectivist societies such as Japan and Taiwan, what is a key focus of the pay system?
- internal equity and personal needs
  - nonfinancial incentives
  - weekly or monthly salary guarantees
  - individual performance

ANS: A                      PTS: 1                      REF: 534                      OBJ: 6  
BLM: Remember

36. In designing compensation systems, what does the philosophy of “thinking globally and acting locally” mean?
- Expatriates should be rewarded primarily for their local actions.
  - Pay plans should be originated at the local level but global organizational issues should be considered in pay plan development.
  - Expatriates should be rewarded for their local actions as well as their performance that impacts the entire organization.
  - Pay plans should be designed to support the overall strategic intent of the organization and also provide enough flexibility to customize certain policies to meet the needs of employees in specific locations.

ANS: D                      PTS: 1                      REF: 534                      OBJ: 6  
BLM: Higher Order

37. What is a current trend among multinational corporations when setting compensation levels for host-country managers?
- paying the host-country managers considerably more than the expatriate managers
  - widening the salary gap between the host-country and the expatriate managers
  - paying only according to the local salary levels
  - narrowing the salary gap between the host-country and the expatriate managers

ANS: D                      PTS: 1                      REF: 536                      OBJ: 6  
BLM: Higher Order

38. When comparing European countries such as Norway and Denmark with North America, which trend is evident in terms of compensation systems?
- There are higher wages but lower benefits in North America.
  - There are lower wages and better benefits in North America.
  - There are higher wages and benefits in Europe.
  - There are higher wages and benefits in North America.

ANS: C                      PTS: 1                      REF: 536-537                      OBJ: 6  
BLM: Higher Order

## Chapter 15 International Human Resources Management

39. What is the key purpose of the balance-sheet approach to compensating expatriate managers?
- to enhance the skills of the expatriate
  - to ensure that the expatriate does not lose financially in his or her international assignment
  - to balance the social costs of the assignment
  - to ensure that there is work–life balance

ANS: B                      PTS: 1                      REF: 537                      OBJ: 6  
BLM: Higher Order

40. In using the balance-sheet approach to compensating expatriate managers, the term “incentive premiums” refers to which of the following concepts?
- compensating the managers for separation from family and friends
  - offsetting the higher costs of overseas goods and services
  - paying essentially the same as home-country counterparts are paid in similar jobs
  - covering moving, storage, and educational expenses

ANS: A                      PTS: 1                      REF: 537                      OBJ: 6  
BLM: Remember

41. Expatriates can be compensated for their services in several ways. At one end, their pay can be based on their earnings in the home country. What is at the other end of expatriate pay?
- host-based pay
  - skill-based pay
  - balance-sheet pay
  - third-country-based pay

ANS: A                      PTS: 1                      REF: 538                      OBJ: 6  
BLM: Higher Order

42. If you were developing a performance appraisal system for individuals on international assignments, it would be best to base individuals’ appraisals on information from which of the following?
- home-country evaluations
  - peer evaluations
  - both home- and host-country evaluations
  - host-country evaluations

ANS: C                      PTS: 1                      REF: 539                      OBJ: 7  
BLM: Higher Order

43. What is one of the most common problems that occur with performance appraisals of international assignees?
- criterion estimation
  - criterion deficiency
  - criterion contamination
  - lack of validity

ANS: B                      PTS: 1                      REF: 540                      OBJ: 7  
BLM: Higher Order

## Chapter 15 International Human Resources Management

44. Which of the following best describes the difference between labour relations in Canada and those in Europe?
- In some European countries, government intervenes in all aspects of collective bargaining.
  - Salaried employees, including managerial employees, have a greater tendency to be unionized in Europe.
  - Unions in Canada have more political power than in most European countries.
  - European unions typically negotiate the agreement at the national rather than the local level.

ANS: C                      PTS: 1                      REF: 542                      OBJ: 8  
BLM: Higher Order

45. The International Labour Organization has set itself a new agenda—called the “Decent Work Agenda.” What is the main purpose behind this move?
- to illustrate the decency embedded in international organizations
  - to stop itself from becoming irrelevant
  - to chart laws for international firms
  - to highlight the ethical dimension of work

ANS: D                      PTS: 1                      REF: 543                      OBJ: 8  
BLM: Higher Order

46. A very high level of worker participation in management is found in Germany, where national law requires that labour be part of the boards of directors of companies. What is this participative arrangement called?
- codetermination
  - worker councils
  - German unionization
  - the shop steward movement

ANS: A                      PTS: 1                      REF: 544                      OBJ: 8  
BLM: Remember

47. In some countries, such as India, profit sharing is mandated by law. Thus, companies have to distribute some of their profits to the employees. What is the key reason for this requirement?
- These countries are corrupt, and thus they require foreign firms to bribe the workers.
  - This is a requirement for all new foreign investments, as mandated by the United Nations.
  - It is done to punish these companies for colonialism.
  - It allows for a redistribution of wealth at the firm level.

ANS: D                      PTS: 1                      REF: Entire chapter  
OBJ: 6                      BLM: Higher Order

## Chapter 15 International Human Resources Management

### Scenario 15.1

From 2008, ForEx Inc. has shifted some of its operations to China and Malaysia, where production costs are considerably lower compared to Canada. Since then, 35 managers have been sent to those countries either on short- or long-term assignments to head up operations, conduct training and development, or just to oversee specific projects. Of the 35 managers only 5 were women, even though women make up 40 percent of the management team. Expatriates on long- term assignments are given financial incentives to offset any qualitative differences between the costs of living in the two locations.

48. Refer to Scenario 15.1. Based on material in the text, which of the following would be an inaccurate assumption by ForEx for its women expatriates?
- a. they will fail at higher rates than men because of the tough conditions
  - b. they will be subject to more sexual assaults than their male counterparts
  - c. they are visible and distinctive and may even receive special treatment not given to their male colleagues
  - d. locals assume the company would not have sent a woman unless she was the very best

ANS: A                      PTS: 1                      REF: 526                      OBJ: 4  
BLM: Higher Order

49. Refer to Scenario 15.1. All of the following represent important information that they will need to know and understand EXCEPT which one?
- a. the pay structure of the organization abroad
  - b. the country where they are going
  - c. the culture of the country where they are going
  - d. the history, values, and dynamics of their own organization

ANS: A                      PTS: 1                      REF: 529                      OBJ: 5  
BLM: Higher Order

50. Refer to Scenario 15.1. While overseas assignments can be very rewarding, it is also important to ensure that the feeling continues after repatriation. Which of the following is NOT true?
- a. 36 percent of Canadian companies have a repatriation plan
  - b. one-third of Canadian companies have programs to facilitate appropriate career positions on repatriation
  - c. 50 percent of Canadian companies provide this assistance after repatriation
  - d. one-fifth of Canadian companies start planning for repatriation even before the candidate leaves

ANS: C                      PTS: 1                      REF: 533                      OBJ: 5  
BLM: Higher Order

## Chapter 15 International Human Resources Management

51. Refer to Scenario 15.1. Assume that ForEx will use the balance-sheet approach to compensate expatriates. Which of the following is NOT one of the steps in this approach?
- add incentive premiums
  - figure cost-of-living adjustment
  - add assistance programs
  - calculate commission pay

ANS: D                      PTS: 1                      REF: 537                      OBJ: 6  
BLM: Higher Order

### Scenario 15.2

Coffee Emporium has been one of Canada's premium coffee shops for decades. Recently, the company has been losing market share to giant multinational corporations such as McDonald's, which has now moved into the coffee business with its signature McCafe. Coffee Emporium recognizes that the only way to stay relevant and competitive is to expand its business across international borders and capitalize on its brand recognition and loyalty. The company wants to start off in the United States (US) and the United Kingdom (UK), where the cultures are somewhat similar to Canada's. Coffee Emporium will now be adapting its existing products for overseas markets without changing much else about its normal operations.

52. Refer to Scenario 15.2. If Coffee Emporium expands its business across the United States to begin with, what type of corporation would it become?
- multinational corporation
  - transnational corporation
  - global corporation
  - international corporation

ANS: D                      PTS: 1                      REF: 517                      OBJ: 2  
BLM: Higher Order

53. Refer to Scenario 15.2. Coffee Emporium HR managers will be responsible for staffing the international expansions. Which of the following is used for staffing by most corporations?
- home-country nationals
  - host-country nationals
  - a combination of home-country, host-country, and third-country nationals
  - third-country nationals

ANS: C                      PTS: 1                      REF: 519                      OBJ: 4  
BLM: Higher Order

54. Refer to Scenario 15.2. All of the following are advantages of Coffee Emporium hiring host-country nationals EXCEPT which one?
- it is generally more costly than relocating expatriates
  - locals have more experience running the business
  - customers want to do business with companies/people they perceive to be local
  - local citizens also know the cultural and political landscape of the country

ANS: A                      PTS: 1                      REF: 519                      OBJ: 3  
BLM: Higher Order

## Chapter 15 International Human Resources Management

### TRUE/FALSE

1. Canadian companies have been conducting business on an international basis longer than anyone else.

ANS: F                      PTS: 1                      REF: 512                      OBJ: 1  
BLM: Higher Order

2. The European Union (EU) was established to facilitate free trade with North America.

ANS: F                      PTS: 1                      REF: 512                      OBJ: 1  
BLM: Higher Order

3. NAFTA has spurred job growth in all three member countries.

ANS: T                      PTS: 1                      REF: 512                      OBJ: 1  
BLM: Remember

4. The host country is the country in which an international business operates.

ANS: T                      PTS: 1                      REF: 514-515                      OBJ: 2  
BLM: Higher Order

5. Different cultural environments require different organizational behaviours.

ANS: T                      PTS: 1                      REF: 515                      OBJ: 2  
BLM: Higher Order

6. A multinational corporation is essentially a domestic firm that builds on its existing capabilities to penetrate overseas markets.

ANS: F                      PTS: 1                      REF: 517                      OBJ: 2  
BLM: Remember

7. A Canadian firm with fully autonomous operating units in Korea, Spain, and Sweden would be classified as a multinational corporation.

ANS: T                      PTS: 1                      REF: 517                      OBJ: 2  
BLM: Remember

8. Subsidiaries of multinational corporations are usually run as independent companies.

ANS: T                      PTS: 1                      REF: 517                      OBJ: 2  
BLM: Higher Order

9. A global corporation has fully autonomous units operating in multiple countries.

ANS: F                      PTS: 1                      REF: 517                      OBJ: 2  
BLM: Remember

## Chapter 15 International Human Resources Management

10. International HRM is virtually identical to domestic HRM.

ANS: F                      PTS: 1                      REF: 518                      OBJ: 3  
BLM: Higher Order

11. An advantage of home country nationals is that they have intimate knowledge of the environment and culture.

ANS: F                      PTS: 1                      REF: 519                      OBJ: 4  
BLM: Higher Order

12. At early stages of international expansion, many organizations prefer to use host-country nationals.

ANS: F                      PTS: 1                      REF: 519                      OBJ: 4  
BLM: Remember

13. The source of overseas employees that provides the advantages of less cost and greater facility in the language is host-country nationals.

ANS: T                      PTS: 1                      REF: 519                      OBJ: 4  
BLM: Higher Order

14. One reason to employ host-country nationals is that local governments want good jobs for their citizens.

ANS: T                      PTS: 1                      REF: 519                      OBJ: 4  
BLM: Higher Order

15. In general, it is typically better to hire host-country nationals when operating abroad because it is less expensive, it pleases the local government, and it eliminates the problem of employees adjusting to the culture.

ANS: T                      PTS: 1                      REF: 519                      OBJ: 4  
BLM: Remember

16. A work permit or work certificate allows a foreign individual to seek employment in another country.

ANS: T                      PTS: 1                      REF: 521                      OBJ: 4  
BLM: Higher Order

17. Multinational corporations tend to use different kinds of external recruitment sources than are used in their home countries.

ANS: F                      PTS: 1                      REF: 522                      OBJ: 4  
BLM: Remember

## Chapter 15 International Human Resources Management

18. The employment of guest workers may result in indirect costs that may be substantial.

ANS: T                      PTS: 1                      REF: 522                      OBJ: 4  
BLM: Higher Order

19. Transnational teams are composed of members from multiple nationalities working on projects that span multiple countries.

ANS: T                      PTS: 1                      REF: 522                      OBJ: 4  
BLM: Remember

20. Some of the advantages of using home-country nationals for overseas managerial assignments are that the talent is already available within the organization and that the organization can have greater control.

ANS: T                      PTS: 1                      REF: 525                      OBJ: 4  
BLM: Higher Order

21. Global managers must be capable of managing highly decentralized organizations.

ANS: T                      PTS: 1                      REF: 525                      OBJ: 4  
BLM: Remember

22. The first step in selecting expatriates should be self-selection, where employees who volunteer to go abroad are given the chance to do so.

ANS: T                      PTS: 1                      REF: 526                      OBJ: 4  
BLM: Remember

23. If an organization wanted to decrease the failure rate of its expatriates, one good strategy would be to give more women international assignments.

ANS: T                      PTS: 1                      REF: 526                      OBJ: 4  
BLM: Higher Order

24. Women expatriates are thought to succeed in part because they are visible and distinctive.

ANS: T                      PTS: 1                      REF: 526                      OBJ: 4  
BLM: Higher Order

25. One of the biggest causes of expatriate failure is a spouse's inability to adjust to his or her new surroundings.

ANS: T                      PTS: 1                      REF: 527                      OBJ: 4  
BLM: Remember

26. The failure of expatriate assignments is usually due to technical or managerial concerns.

ANS: F                      PTS: 1                      REF: 528                      OBJ: 4  
BLM: Higher Order

## Chapter 15 International Human Resources Management

27. Lack of training is one of the principal causes of failure among employees working internationally.

ANS: T                      PTS: 1                      REF: 529                      OBJ: 5  
BLM: Higher Order

28. Production manager Jim McIntyre has been successful in his Canadian assignment using a participative management style. If he uses this same style in some other countries, he may be regarded as an incompetent manager.

ANS: T                      PTS: 1                      REF: 530                      OBJ: 5  
BLM: Higher Order

29. Learning how people think and act in their relations with others is a part of cultural training that prepares employees for working internationally.

ANS: T                      PTS: 1                      REF: 530                      OBJ: 5  
BLM: Higher Order

30. English is almost universally accepted as the language for international business.

ANS: T                      PTS: 1                      REF: 530                      OBJ: 5  
BLM: Remember

31. Expressions such as “tabling a subject” and “it is inconvenient” may have meanings in other cultures that are very different from their North American meanings.

ANS: T                      PTS: 1                      REF: 530                      OBJ: 5  
BLM: Higher Order

32. Managers’ attitudes and behaviours are influenced by the society in which they received their education and training.

ANS: T                      PTS: 1                      REF: 530                      OBJ: 5  
BLM: Higher Order

33. Managers in Latin American countries can encourage performance by using personal influence and working through individual members of a group.

ANS: T                      PTS: 1                      REF: 531                      OBJ: 5  
BLM: Higher Order

34. North American managers tend to have highly autocratic decision-making styles.

ANS: F                      PTS: 1                      REF: 532                      OBJ: 5  
BLM: Remember

## Chapter 15 International Human Resources Management

35. Culture shock refers to the disorientation people experience adjusting to a new culture.

ANS: T                      PTS: 1                      REF: 532                      OBJ: 5  
BLM: Higher Order

36. Repatriation refers to the training a manager receives before taking an international assignment.

ANS: F                      PTS: 1                      REF: 533                      OBJ: 5  
BLM: Remember

37. Repatriation is usually a planned and positive experience for employees returning from an international assignment.

ANS: F                      PTS: 1                      REF: 533                      OBJ: 5  
BLM: Higher Order

38. Pay plans in Japan tend to focus on individual performance and achievement.

ANS: F                      PTS: 1                      REF: 534                      OBJ: 6  
BLM: Remember

39. Cultural differences have little impact on international compensation.

ANS: F                      PTS: 1                      REF: 534                      OBJ: 6  
BLM: Higher Order

40. Employee benefits in Canada are among the highest in the world.

ANS: F                      PTS: 1                      REF: 535                      OBJ: 6  
BLM: Higher Order

41. The balance-sheet approach to compensation refers to designing pay systems that equalize the purchasing power of employees at comparable position levels living overseas and in the home country.

ANS: T                      PTS: 1                      REF: 537                      OBJ: 6  
BLM: Remember

42. Performance evaluations of expatriates should occur in both the home and the host countries.

ANS: T                      PTS: 1                      REF: 539                      OBJ: 7  
BLM: Remember

43. In appraising the performance of an employee on an international assignment, many appraisers resort to using criteria that are easy to measure rather than criteria that capture all responsibilities.

ANS: T                      PTS: 1                      REF: 540                      OBJ: 7  
BLM: Higher Order

## Chapter 15 International Human Resources Management

44. China has only one union.

ANS: T                      PTS: 1                      REF: 541                      OBJ: 8  
BLM: Remember

45. Expatriates should not be expected to evaluate their own performance.

ANS: F                      PTS: 1                      REF: 541                      OBJ: 7  
BLM: Higher Order

46. In some countries, unions are part of alliances between political parties, churches, or governments.

ANS: T                      PTS: 1                      REF: 542                      OBJ: 8  
BLM: Remember

47. In Europe, most union negotiations occur at the company level.

ANS: F                      PTS: 1                      REF: 542                      OBJ: 8  
BLM: Higher Order

48. Only 20 percent of people globally are covered by any sort of social insurance programs.

ANS: T                      PTS: 1                      REF: 543                      OBJ: 8  
BLM: Remember

49. The International Labour Organization enforces international labour standards.

ANS: F                      PTS: 1                      REF: 543                      OBJ: 8  
BLM: Higher Order

50. Codetermination refers to the training an expatriate manager receives before an international assignment.

ANS: F                      PTS: 1                      REF: 544                      OBJ: 8  
BLM: Remember

## Chapter 15 International Human Resources Management

### ESSAY

1. What are the primary differences among international, multinational, global, and transnational corporations?

ANS:

The international corporation is essentially a domestic firm that builds on its existing capabilities to penetrate overseas markets. A multinational corporation (MNC) is a more complex form that usually has fully autonomous units operating in multiple countries. The global corporation can be viewed as a multinational firm that maintains control of operations back in the home office. Finally, a transnational corporation attempts to achieve the local responsiveness of an MNC while also achieving the efficiencies of a global firm through the use of a network structure that coordinates specialized facilities positioned around the world.

PTS: 1

REF: 517

OBJ: 2

BLM: Higher Order

2. A multinational corporation (MNC) has three basic sources to use when staffing its foreign operation. Name the three sources of overseas managers and state advantages and disadvantages of each.

ANS:

Host-country nationals cost less to place, are preferred by the local governments, know the language, and have an excellent knowledge of and feel for the local/national environment. However, host-country nationals must have the managerial ability and technical skills the MNC needs.

Home-country nationals, known as expatriates, are already known quantities within the MNC. The MNC expects to have greater control over them, since they have provided the expatriates with work experiences. Offering mobility and international experience is often desirable to the MNC and the manager. However, the cost of relocation is extremely high, expatriates or their families may not adjust well, and many expatriates fear they will be passed over for promotions when they return.

Third-country nationals, who are from one country, are working for an MNC located in a second, and are now assigned to yet a third country, bring a very broad experience and background to foreign assignments. They have an international outlook and are multilingual. However, their cost of relocation might be as high as an expatriate's. Further, unless operating within their own "zone," they may not bring with them any of the advantages a host-country national would offer.

PTS: 1

REF: 524-525

OBJ: 4

BLM: Higher Order

## Chapter 15 International Human Resources Management

3. Define and describe the balance-sheet approach used by many multinational corporations to calculate the compensation they wish to offer to their expatriates.

ANS:

The balance-sheet approach is a system designed to equalize the purchasing power of employees at comparable levels living overseas and in the home country, and to provide incentives to offset qualitative differences between assignment locations.

The four elements of this approach are (1) base pay, which should be equal to the domestic pay for a comparable job; (2) differentials, a cost-of-living-type adjustment generally computed from U.S. Department of State data; (3) incentives, an adjustment often at about 15 percent of base pay, used to compensate the expatriate for separation from his or her family and friends; and (4) assistance programs, used to cover costs of moving and storage as well as car and education expenses.

PTS: 1

REF: 537-538

OBJ: 6

BLM: Higher Order