

MANA 443 CLASS NOTES

Lesson 1 – The Pay Model

- Define Compensation:
 - Compensation refers to all forms of financial returns and tangible services and benefits employees receive as part of an employment relationship
- Discuss major components of total rewards
 - *Total compensation*
 - Cash compensation (*base salary, short/long term incentives*)
 - Benefits (*Life & disability insurance, pension, allowances*)
 - *Relational returns (recognition & status, challenging work, learning opportunities)*
- Identify & explain 3 strategic objectives of compensation
 - Efficiency (performance, quality, costs)
 - Fairness
 - Compliance
- Describe 4 strategic policies in pay model and techniques associated with them
 - Internal alignment (*Work analysis, descriptions, evaluation/certification -Internal structure*)
 - External competitiveness (*Market Definitions, surveys, policy lines -Pay structure*)
 - Employee contributions (*seniority-based, performance-based, merit guidelines, -Incentive Programs*)
 - Management (*Costs, communications, change, -Evaluation*)

Lesson 2 -Strategy: Totality of Decisions

- **Explain why managers should tailor their pay systems to support the organization's strategy**
 1. The greater the alignment, or fit, between organizational strategy and compensation system, the *more effective the organization*

EXHIBIT 2.3

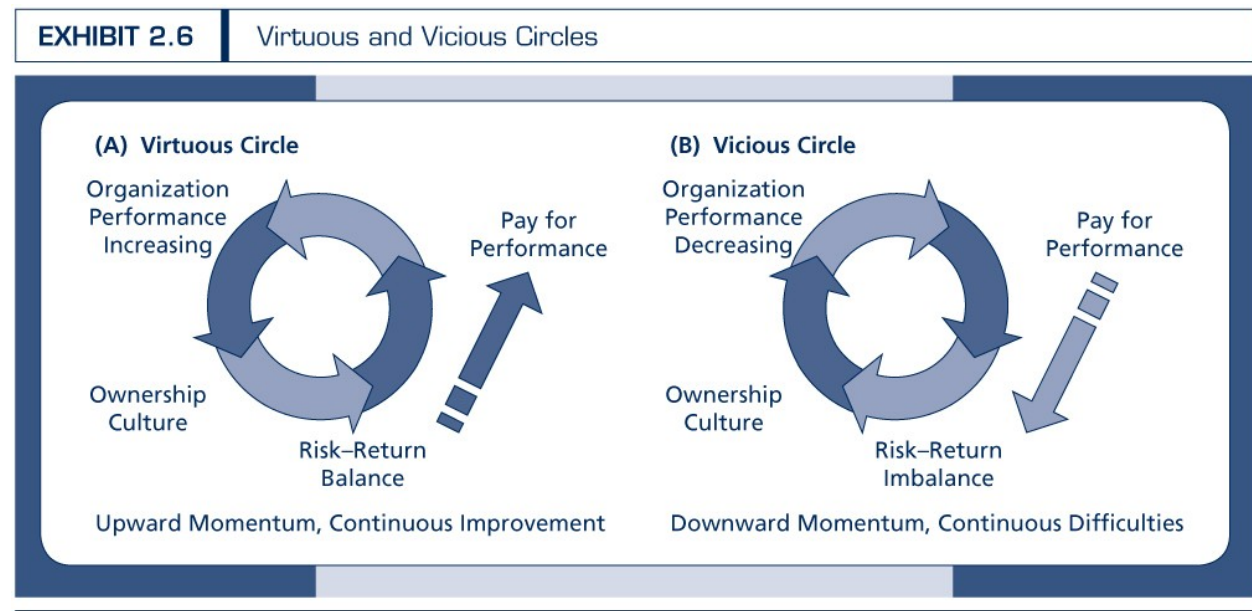
Tailor the Compensation System to the Strategy

STRATEGY	BUSINESS RESPONSE	HR PROGRAM ALIGNMENT	COMPENSATION SYSTEMS
Innovator: Increase Product Complexity and Shorten Product Life Cycle	<ul style="list-style-type: none"> Product Leadership Shift to Mass Customization Cycle Time 	<ul style="list-style-type: none"> Committed to Agile, Risk-Taking, Innovative People 	<ul style="list-style-type: none"> Reward Innovation in Products and Processes Market-Based Pay Flexible—Generic Job Descriptions
Cost Cutter: Focus on Efficiency	<ul style="list-style-type: none"> Operational Excellence Pursue Cost-Effective Solutions 	<ul style="list-style-type: none"> Do More with Less 	<ul style="list-style-type: none"> Focus on Competitors' Labour Costs Increase Variable Pay Emphasize Productivity Focus on System Control and Work Specifications
Customer-Focused: Increase Customer Expectations	<ul style="list-style-type: none"> Deliver Solutions to Customers Speed to Market 	<ul style="list-style-type: none"> Delight Customer, Exceed Expectations 	<ul style="list-style-type: none"> Customer Satisfaction Incentives Value of Job and Skills Based on Customer Contact

- **Identify the 4 steps to develop a total compensation strategy**
 1. Assess total compensation implications
 - Business Strategy & Competitive dynamics
 - HR strategy
 - Culture/values
 - Social & Political context
 - Employee/ Union Preferences
 - Other HR systems
 2. Map a total compensation strategy
 - Objectives
 - Internal alignment
 - External competitiveness
 - Employee contributions
 - Management
 3. Implement strategy
 - Design system to translate strategy into action
 - Choose techniques to Fit Strategy
 4. Reassess the Fit
 - Realign as Conditions & Strategy Change
- Describe 3 tests used to determine whether a pay strategy is a source of competitive advantage
 1. Does the pay strategy *align* with the business strategy, economic & socio-political conditions, and the overall HR system?
 2. Is the pay strategy *different and difficult to imitate*?
 3. Does the pay strategy *add value* by providing a ROI?
- Contrast the “best fit” perspective on compensation with the “best practice” perspective

1. **Best Fit:** Company is more likely to achieve competitive advantage if pay practices are aligned with business & overall HR strategies. Reflects the company's strategies and values.
2. **Best Practices:** Exists a set of best-pay practices, which can be applied universally across all situations. Results in better performance with almost any business strategy
 - Internal alignment: pay differences among internal jobs can affect results
 - External competitiveness: paying higher than avg paid by competitors can affect results
 - Employee contributions: performance-based pay can affect results

Performance-based pay improved performance when combined with high-performance practice:



Lesson 3 - Defining Internal Alignment

- **Defining internal alignment & pay structure**
 - Internal Alignment (internal equity):
 - Relationship among different job/skills/competencies within an org
 - Structure needs to: support org strategy, work flow, motivates behavior
 - Pay Structure: array of pay rates for diff work or skills within an org
 - Define by: number of *levels* of work, pay differentials between levels (Content & Value)
 - Higher pay is usually due to work requiring more skill/knowledge, unpleasant work conditions, or work that adds more value to company

- Job Based Structure: relies on work content, tasks, behaviors, responsibilities
- Person based structure: Shifts focus onto Employee

16				Director	16
15				Sr. Manager	15
14					14
13			Principal Expert		13
12			Senior Expert	Manager	12
11			Expert	Team Manager	11
10		Sr. Specialist	Sr. Analyst		10
09		Sr. Technician/ Specialist	Analyst	Supervisor	09
08			Jr. Analyst		08
07		Technician/ Jr. Specialist			07
06					06
05		Jr. Technician			05
04	Senior Operator				04
03					03
02	Operator				02
01					01
	Un-/Semi-Skill-Labour	Middle-Skill-Labour	High-Skill-Labour/ Professionals	Manager	

- **Factors that shape internal structures and strategic choices to consider when designing internal structures**

Internal Structures:

- o External Factors

- Economic pressure
- Gov policies, laws, regulations
- Stakeholders
- Cultures & customs

- o Organizational Factors

- Strategy
- Tech
- Human capital
- HR policy
- Employee Acceptance
- Cost Implications

- o Internal Structure

- Levels
- Differentials
- Criteria

- o Forms of Justice

- Distributive Justice: Perceived fairness of outcome
 - Ex: I got the pay raise I deserved
- Procedural Justice: Perceived fairness of process used to determine outcome
 - Ex: I had input into the process used to give raises and was given a good explanation of why I received the raise I did

- Interactional Justice: Perceived degree to which one is treated with dignity and respect
 - *Ex: when telling me about my raise, my supervisor was very nice and complimentary*

Strategic Choices in Designing Internal Structures:

- Tailored
 - Adapted by org's with a low cost, customer focused strategy
 - Well-defined jobs with detailed steps or tasks
 - Small pay differentials among jobs
- Loosely coupled
 - Requires constant innovation
 - Jobs are flexible, adaptable, changing
 - Pay structures are more loosely linked to the org to provide flexibility
- Egalitarian:
 - All employees are valued equally
 - Fewer levels & smaller differentials
 - Useful when close collaboration and sharing of knowledge are requires
- Hierarchical
 - Many levels with large differentials
 - Include detailed descriptions of work done at each level
 - Values differences in work content, skills, and contribution

	Hierarchical	Egalitarian
Levels	Many	Fewer
Pay Differentials	Large (overall)	Small
Fit	Tailored	Loosely Coupled
Supports	Individual Performers	Teams
Fairness Criterion	Performance	Equal Treatment
Behaviour Rewarded	Opportunities for Promotion	Cooperation

- **Consequences of internal alignment**
 - Equity Theory

- Employees' reaction to imbalances
- Perceived inequality leads to affects motivation & turnover
- Tournament Theory:
 - Players perform better where prize/pay differentials are sizeable
 - Works best in situations where individual performance matters most, interdependence & co-operation is low
- Efficiency: aligned structures lead to better performance
- Fairness: Proponents say fair differentials motivate, others say only small differentials incite cooperation
- Compliance: Comply with regulations of the country
- Outcomes of internally aligned pay structure:
 - Undertake training
 - Increase experience
 - Reduce turnover
 - Facilitate performance
 - Reduce pay-related grievance

Lesson 4- Job Analysis / Job-based Structures & Job Evaluation (Ch.5)

- Importance of Job Analysis
 - Collecting information about the nature of specific jobs
 - Required tasks, duties, responsibilities, knowledge, skills, working conditions
 - It establishes similarities and differences in the work contents of the jobs
 - Helps establish an internally fair & aligned job structure
 - Aids every HR Function
- Job analysis procedures, methods & outcomes
Internal work relationships within the organization -> Job Analysis -> Job descriptions -> Job evaluation -> Job structure
 - Collection of information:
 - *Related to the Job*
 - Job identification: job titles, departments, # of ppl who hold the job
 - Job content: elemental tasks or units of work, emphasis on the purpose of each task
 - *Related to the incumbent*
 - Employee Characteristics
 - Internal & external relationships _
 - Data collection methods (Conventional vs Quantitative)
 - New-task based questions need to be designed for each new set of jobs
 - Ensure pay equity criteria are addressed (skill, effort, responsibility, working conditions)
 - Outcomes:
 - *Job Description:* written record of tasks, duties, and responsibilities that make up job

- Job title, job summary, relationships to other jobs
 - *Job Specification*: Specifies knowledge, skills, and abilities necessary to perform job. Used for Hiring
- Limitations of Job Analysis
 - Conventional Job Analysis Limitations:
 - Expensive initiative
 - May be too generic for basing compensation differentials (if attempting to meet multiple objectives)
 - Needs to be carried out regularly as jobs and structure change
 - Assumes jobs are fixed, follow a steady progression in a hierarchy of increasing responsibility and clear interrelationship among jobs
- What is job evaluation?
 - **Job Evaluation**: Systematic process of determining relative worth of jobs to establish which jobs should be paid more than others within an org
 - Why we do it:
 - to pay employees based on what jobs are worth to company
 - attraction and retention of talent
 - employees expect/demand fairness
 - gov requires non-discrimination
 - not all jobs can be priced in surveys
 - **Job Structure**: Hierarchy of all jobs based on value to the org and provides the basis for pay structure
 - **Job Evaluation Committee**: Diverse group (including HR, employees, managers, union) to ensure fair and comprehensive representation of each job
 - **Benchmark Jobs**: Contents are well known, stable over time, not unique to particular employer, represents reasonable proportion of workforce (typically a job evaluation plan is developed using benchmark jobs)
- Major decisions involved in Job Evaluation
 - Establish purpose of evaluation
 - Decide whether to use single or multiple plans
 - Choose among alternative approaches
 - Obtain involvement of relevant stakeholders
 - Evaluate plan's usefulness
- Common Job Evaluation methods: ranking, classification, & point method
 - **Job Ranking**: Raters examine job description and arrange jobs according to their value to the company from highest to lowest
 - Simplest & oldest system of job evaluation which jobs are arrayed on basis of relative worth

- 3 methods:
 - Simple: orders job description from highest to lowest based on relative value
 - Alternation ranking: Orders alternately at each extreme. Evaluators agree on which job are the most and least valuable then next
 - Paired comparison method: uses a matrix to compare all possible pairs of jobs. When all comparisons are completed, the job judged more valuable becomes the highest ranked job

- **Job Classification**: Classes or grades are defined to describe a group of jobs. Best to include sample benchmark job(s)
 - Series of classes covers range of jobs being evaluated
 - Job descriptions are compared to class descriptions to assign a class level
 - Greater specificity of class definition improves reliability of evaluation (also limits number of jobs easily classified)
 - Jobs within each class are considered equal and will be paid equally

	Level
Executive Level - Incumbents are responsible for decision making and corporate strategy initiation . Decision making responsibilities at this level include setting up annual operational and financial goals . Supervisory responsibility at this level include training and mentoring department managers, and succession planning .	I
Managerial Level - Incumbents are responsible for supervising entry level employees and setting up daily operation goal . Decision making responsibilities at this level include setting up and carrying out department goals . Supervisory responsibility at this level include training, evaluating, and managing employees' daily operation.	II
Entry Level - Incumbents are responsible for carrying out daily responsibility assigned by managers. Limited or no decision making and managerial responsibility .	III

- **Point Method**: Numerical values assigned to specific job components: sum of values provides quantitative assessment of job's worth
 - Use compensable factors (skill, effort, responsibility, working conditions)
 - Factor degrees numerically scaled
 - Weights reflect relative importance of each factor
 - Jobs with similar points are placed in similar pay grades

- Job Evaluation Practices

	<i>Advantage</i>	<i>Disadvantage</i>
Ranking	Fast, simple.	Cumbersome as number of jobs increases. Basis for comparisons is not clear.
Classification	Can group a wide range of work together in one system, i.e. different departments	Descriptions may leave too much room for interpretation/manipulation.
Point	Compensable factors give basis for comparisons; communicate what is valued.	Can become bureaucratic and rule-bound.

Lesson 5- Person-Based Pay Structure (Ch 6)

- Difference between Skill-based & Competency-based Pay Plans
 - **Skill-Based** (*learn to earn*):
 - Ppl paid for skills they're capable of performing, not the job they're performing at a point
 - Paid for all relevant skills for which employees have been certified regardless of whether the work they are doing requires all or a few of those skills (wage attaches to the person)
 - Higher flexibility as multi-skilled employees can be better matched to work-flow
 - **Depth Specialist:** Additional pay increase with each increase in skill (level) or (knowledge)
 - **Breadth Generalist:** Pay increases granted with certification of new skills related to a range of jobs
 - Purpose:
 - Supports strategy and objectives
 - Supports work flow
 - Fair to employees
 - Outcome:
 - Accepted by employees
 - Provide strong motivation for individuals to increase their skill
 - Increasingly expensive
 - Success depends on how well it aligns with org strategy
- Describe basic steps in skill analysis
 - Process to identify and collect information about skills

- Skill Categories:
 - Foundation Skills: Driving
 - Core Skills: Fork lift operation
 - Optional Skills: CPR,
 -

- Define competency, explain what is meant by core competencies, competency sets, and competency indicators
 - Competency: applicable knowledge, skills, behaviors that form foundations for successful work performance
 - Skills
 - Knowledge
 - Self-concepts
 - Traits (hard to measure)
 - Motives (hard to measure)
 - Top 10 competencies:
 - Achievement orientation
 - Concern of quality
 - Initiative
 - Interpersonal understanding
 - Customer service orientation
 - Influence and impact
 - Organization awareness
 - Networking
 - Directiveness
 - Teamwork & cooperation

 - Purpose:
 - Directly links to org strategy
 - Supports work flow
 - Fair to employees
 - Motivates behavior toward org

 - Competency Analysis
 - Systematic process to identify and collect info about competencies requires for successful work performance (starts with setting objective of plan)
 - Issue: vagueness & subjectivity
 - Involve: stakeholders on committees such as rep's, managers, and employees
 - Establish certification methods: identify ways to demonstrate level of competencies: Simulation, 360 degree evaluations

- Resulting structure: relatively few levels and wide differentials for increased flexibility

	<i>Job-Based</i>	<i>Skill-Based</i>	<i>Competency-Based</i>
What is valued	Compensable factors	Skills	Competencies
Quantify the value	Factor degree weights	Skill levels	Competency levels
Mechanisms to translate into pay	Assign weights, points , levels that reflect (job) criterion pay structure	Certification and price skills in external market	Certification and price competencies in external market
Pay structure	Based on job performed/market	Based on skills certified / market	Based on competency validated / market
Pay increases	Promotion	Skill acquisition	Competency development
Managers' focus	Link employees to work Promotion and placement Cost control via pay for job and budget increase	Utilize skills efficiently Provide training Control costs via training, certification, and work assignments	Be sure competencies add value Provide competency – developing opportunities Control costs via certification, and work assignments

	Job-Based	Skill-Based	Competency-Based
Employee focus	Seek promotions to earn more pay	Seek skills	Seek competencies
Procedures	Job analysis Job evaluation	Skill analysis Skill certification	Competency analysis Competency certification
Advantages	Clear expectations Sense of progress Pay based on value of work performed	Continuous learning Flexibility Reduced work force	Continuous learning Flexibility
Limitations	Potential bureaucracy Potential inflexibility	Requires cost controls	Subjective measurement Requires cost controls

Lesson 6 (NOT ON MIDTERM)

- Describe external competitiveness, and two specific actions taken in practice that determine external competitiveness
 - To retain the most talented then we just need to pay more like keeping Stephen Curry on a team
 - Refers to the pay relationships among organizations, the organization's pay relative to its competitors
 - Achieved by:
 - Setting a pay level that is above, below, or equal to that of competitors
 - **Pay Level:**
 - $\text{Average (Base + Bonuses + Benefits + Long Term Incentives) / (\# \text{ of Employees})$
 - Pay Mix/Pay Form: mix of various types of payments that make up total compensation
- Discuss the three major factors that shape external competitiveness (**memorize**)
 - Employers always seek to maximize profits
 - People are homogenous and therefore interchangeable
 - Pay rates reflect all cost associated with employment
 - Markets are faced by employers are competitive
- Discuss three labor demand theories and explain their predictions regarding pay
 - Compensating differentials
 - Prediction: work with negative characteristics require higher pay to attract workers (for example garbage men)
 - Efficiency Wage:
 - Prediction: above market wages will improve efficiency by attracting workers who will perform better and be less willing to leave
 - Signaling
 - Prediction: Pay policies signal the kinds of behavior the employer seeks
- Discuss two supply side theories and explain their predictions regarding pay
- Explain the three competitive pay policy

Mid Term:

- 70 MC
- 4 short answer

QUESTION BANK

Lesson 1 -Chapter 1.

1. Pay for executives should supposedly be tied to
 - a. The company's financial performance
 - i. When executive pay is excessively relative to company performance then profits are diverted away from stockholders to the executives
2. All forms of financial returns and tangible services and benefits that employees receive as part of an employment relationship are known as:
 - a. Compensation
3. Which of the following is NOT part of an employee's total compensation?
 - a. Relational returns
4. Part of employee's compensation:
 - a. Paid vacation
 - b. Health insurance
 - c. Cost-of-living adjustments
 - d. Pay
5. Which of the following best describes relational returns?
 - a. Psychological returns people believe they receive in work place
6. **Relational Returns:** psychological aspect of work such as recognition and status, challenging work, and leading opportunities
7. **Total Reward:** includes cash compensation, benefits, and relational return
8. Total compensation does **not** include relational returns
9. Which of the following is **not** a form of cash compensation?
 - a. Stock options
10. Which of the following is **not** a benefit component of total compensation?
 - a. Allowances

11. Which of following statement is true about forms of pay:
 - a. Base pay tends to reflect the value of the work or skills and generally ignores differences attributable to individual employees
12. Which of the following refers to pay calculated at an hourly rate?
 - a. Wage
13. A merit increase is described as
 - a. Increment to base pay that recognizes past work behavior
14. Which of the following best describes cost-of-living adjustments?
 - a. Percentage increment to base pay provided to all employees regardless of performance
15. **Incentives**: One-time payments for meeting previously established performance objectives
 - a. Directly ties pay increase to employee's performance
 - b. Can be long term or short term
16. Work/life program: telecommuting
17. **Allowance**: compensation given to purchase items that are in short supply
18. **Present Value perspective**: Considers future bonuses, Merit increases, promotions
19. **Relation return**: Recognition & Status
20. **Compliance**: Pay objective involves abiding by various federal, provincial, and territorial compensation laws & regulations
21. **Internal Alignment**: Company pay between jobs or skill levels inside a single organization
 - a. Compares pay between jobs in a single organization
22. **External competitiveness**: Comparison of compensation with that of competitors
23. **Employee Contributions**: Policies that lay emphasis on performance

Chapter 2 -Lesson 2

1. **Strategic Perspective**: A focus on compensation decisions that help the organization gain and sustain competitive advantage
2. **Competitive advantage**: a business practice or process that results in better performance than one's competitor

3. Supporting compensation approach for an innovator
 - a. Less emphasis on evaluating skills and jobs, more emphasis on incentives designed to encourage innovations
4. Customer focused business strategy
 - a. Stresses delighting customers & bases employee pay on how well they do this
5. According to pay model, strategic compensation decisions regarding objectives involve:
 - a. How compensation should support the business strategy and be adaptive to the cultural and regulatory pressures in a global environment
6. Strategic compensation decisions regarding external competitiveness involve:
 - a. How total compensation should be positioned against competitors
7. Strategic compensation decisions regarding management involve:
 - a. How open & transparent the pay decisions should be to all employees
8. Which of the following is the first step in development of the total compensation strategy?
 - a. Assessing total compensation implications
9. Which of the following is a step in the development of total compensation strategy that deals with competitive dynamics?
 - a. Assessing total compensation implications
10. **Core Cultures & Values:** personal satisfaction in work accomplished, security, advancement opportunity, means to share in the company success are fostered
11. Which of the following is a step in formulation of total compensation strategy that deals with employee or union needs
 - a. Assessing total compensation implications
12. Which of the following pay strategy is a source of competitive advantage?
 - a. Pay strategy that adds value & is difficult to imitate
13. Which of the following statements is true about assessing total compensation implication?
 - a. A pay system reflects the values that guide an employer's behavior and underline its treatment of employees
14. According to the steps involved in formulating a total compensation strategy, which of the following is the step that follows the assessment of total compensation implications?
 - a. Mapping a total compensation strategy

15. Which of the following is a step in the formulation of total compensation strategy that deals with setting objectives and specifying policies on alignment, competitiveness, contributions, and management?
 - a. Deciding on a total compensation strategy
16. Mapping a total compensation strategy includes setting objectives and specifying policies on contributions
17. According to the steps involved in formulation of a total compensation strategy, which of the following is the next step after deciding a total compensation strategy?
 - a. Implementing strategy
18. **Implementation Strategy:** The step in development of total compensation strategy that involves the choosing techniques to fit the strategy
19. Final step in development of total compensation strategy: Reassessing the fit
20. Periodic reassessment of a compensation strategy's fit to changing conditions is needed to:
 - a. Continuously learn, adapt, and improve
21. **Pay Strategy:** managing the links between compensation strategy and pay system as well as people's perceptions and behaviors is vital
 - a. It differentiates as a source of competitive advantage
22. **Internal Alignment:** both smaller and larger pay differences among jobs inside an organization can affect results
23. Which of the following organizational practices assumes that paying higher than the average paid by competitors can affect results?
 - a. External competitiveness
24. **Managing Compensation:** Organizational practices assumes that rather than focusing on only one dimension of pay strategy, all dimensions need to be considered together

Ch 3. Lesson 3

1. **Workflow:** process by which good and services are created and delivered to the customers
2. **Internal Equity:** Pay relationships among different jobs, skills, or competencies within a single organization
3. **Pay Structure:** refers to array of pay rates for different work or skills within a single org
4. **Line-of-sight:** link between individual employee's work and the achievement of organizational objectives
5. **Differentials:** Pay variances between job levels in an Org
6. Which of the following is true about job-based structure?

- a. It looks at work content
7. **Content:** Common bases for determining internal structure, work performed in a job and how it gets done
 8. Susanna and her manager Raymond have a discussion about Susanna's pay. At the end of the conversation, they agree on an amount which can be referred to as the:
 - a. Exchange value
 9. Which of the following theories states that it's not worthwhile for an employer to hire an employee unless the value from an employee's job is equal to his or her wages?
 - a. Marginal productivity theory
 10. Purpose of pay-related legislation is to:
 - a. Achieve social welfare objectives
 11. A hospital agrees to pay more money to its nurses due to a threat by local union. Which of the following factors had an influence on the internal pay structure of the hospital in this instance?
 - a. External stakeholders
 12. Which of the following is an example of how work design change affects internal pay structures?
 - a. Delaying
 13. Which of the following best describes an internal labor market?
 - a. The rules and procedures that determine the pay for different jobs within a single organization and that allocate employees to those different jobs
 14. Lisa, a new employee, is in a meeting with her supervisor Diana. During the meeting, Diana explains to Lisa that her pay will depend entirely on how much sales she makes in a month. The more she sells, the more she will be paid. After the meeting, Lisa thinks to herself. "well the pay I will get will be fair" Lisa believes that the company's
 - a. Distributive justice is high
 15. Which of the following is true about an egalitarian pay structure?
 - a. It rewards cooperation and therefore improve worker's performance
 16. **Equity Theory:** workers compare their levels of pay with the pay received by those with similar jobs
 17. A company that is following institutional model of compensation is most likely to
 - a. Adopt best practices
 18. **Efficiency:** aligned pay structure leads to better org performance

19. **Legal Compliance:** Aligned pay structure that conforms the regulations of the country in which the company operates

Chapter 4 -Lesson 4

1. Which of the following is used to collect and summarize the information needed to create a job-based internal pay structure?
 - a. Job analysis
2. **Job Analysis:** Establishes similarities and differences in the work content of jobs
3. For compensation decision makers, the key issue about data collected through job analysis is to:
 - a. Ensure that it is acceptable to the employees involved
4. Which of the following is true?
 - a. A group of tasks performed by one person makes up a position
5. Which of the following is the last step in carrying out a conventional job analysis?
 - a. Verifying job descriptions
6. Garret is conducting a job analysis. He is currently making a list of critical incident-things that happen on a job which are related to especially good or poor performance of that job. Which of the following kind of data is Garrett collecting?
 - a. Job Content
7. **Job Content:** Data involves the elemental tasks or unit of works, with emphasis on the purpose of each task
8. In Job analysis which of the following steps comes just after one has identified the tasks and outcomes of the job?
 - a. Look at the kinds of behaviors that will result in the outcomes
9. Which of the following statement is true about PAQ
 - a. Its developers claim that the items are sufficient to analyze the job
10. Which of the following would result from an employer reducing the number of titles assigned to employees, and clustering several different types of work under the one title of "sales associate"
 - a. Increased flexibility, typically found in an egalitarian culture
11. Which of the following would result from an Org reducing the number of levels in its structure?
 - a. Creation of an egalitarian culture

12. Britney is a manager at Rainbow Inc. After a large scale job analysis project at her company, Britney became aware that many employees would like more promotion opportunities, and a better sense of how they can climb the career ladder at Rainbow. Which of the following job descriptions should Britney create under these conditions?
 - a. Detailed, job family level descriptions
13. An employee who is asked to fill out an online job analysis questionnaire is participating in which of the following forms of job analysis data collection?
 - a. Quantitative method
14. Which of the following is the best thing to do for a manager when employees and supervisors disagree on what constitutes a part of a job?
 - a. Collect more data
15. Which of the following issues should top management be informed of, before they start conducting a job analysis?
 - a. The length of time it may take to complete the analysis
16. Which of the following best describes job description?
 - a. A document that lists the tasks, duties, and responsibilities that make up a job
17. Which of the following summarizes the tasks, duties, and responsibilities that make up a job?
 - a. Job structure
18. Which of the following information do managerial job descriptions frequently include as compared to non-managerial job descriptions?
 - a. A detailed information on accountability
19. In job analysis, which of the following is a measure of the consistency of results if the same measure is repeated many times?
 - a. Reliability
20. In job analysis, which of the following examines convergence of results among different sources of data & methods?
 - a. Validity

Lesson 5 - Chapter 5

1. Which of the following is the process of systematically determining the relative worth of jobs in a company?
 - a. Job evaluation
2. **Job Structure**: hierarchy of all jobs based on value to the Org
3. **Job evaluation**: aligns with the Org's strategy by stating what it is about a job that adds value

4. **Benchmark Job:** Whose contents are well known and relatively stable?
5. Which of the following is an advantage of the classification system of job evaluation?
 - a. it can group a wide range of work together in one system
6. which of the following job evaluation methods grades the highest and lowest valued jobs first, then the next highest and lowest valued jobs, repeating the process until all jobs have been graded?
 - a. **Alternation Ranking Method**
7. Which of the following job evaluation methods lists all jobs across columns and down rows of a matrix, analyzing the two jobs in each cell and indicating which is of greater value, then ranking jobs based on the total number of times each is ranked as being of greater value?
 - a. **Paired comparison method**
8. Joseph wants to use the fastest, easiest, and simplest method for job evaluation in his company. Which of the following systems should he use?
 - a. **Ranking**
9. A job evaluation method based on job labels into which jobs are categorized is the:
 - a. **Classification method**
10. Which of the following is a job evaluation method that rates a job based on compensable factors that are numerically scaled and weighted?
 - a. **Point method**
11. In a point plan process, degrees must have been assigned
 - a. Before factor weighting is determined
12. In a point plan process, which of the following is true about factor weights?
 - a. **They reflect differences in importance attached to each factor by the employer**
13. Which of the following are characteristics of a work that an organization values, that help it pursue its strategy, and that achieve its objectives?
 - a. Compensable factors
14. Which of the following is true about the point methods for job evaluation?
 - a. They are the most commonly used approach to establish pay structures in Canada
15. Skill, effort, responsibility and working conditions are all examples of:
 - a. Compensable factors

16. The university of Lethbridge determined that its **competitive advantage** depends on the human relations skills their employees use in their work.
17. To be useful, compensable factors should be
 - a. **Based on the work performed**
18. the “small numbers” challenge in job evaluation refers to the fact that
 - a. If even only one job has a certain characteristic, people tend to use that factor for the entire work domain
19. The final step in the development of a job evaluation point plan is to:
 - a. Apply the plan to non-benchmark jobs
20. The result of job analysis-job description job evaluation process is:
 - a. Hierarchy of work
21. Blending internal and external market forces is both a strength and a challenge for job evaluation
22. Market pricing as primary job evaluation method means directly matching as many Org jobs as possible jobs to jobs described in external pay surveys used by the Org
23. Job evaluation plans must remain strict with little to no flexibility to adapt to changing conditions

Lesson 6 -Ch 6

1. A Skill-based pay plan focusing on depth requires that:
 - a. Employees specialize in a specific field to advance within the organization
2. People who work under a multiskilled pay plan have jobs
 - a. Where responsibilities can change drastically over a short period of time
3. One of the characteristics of a skill-based plan is that it:
 - a. Can more easily match people to a changing workflow
4. The first step in the process for developing an internal skill-based pay structure is
 - a. Skill analysis
5. Which of the following is the last skill analysis decision in determining an internal skill-based structure?
 - a. How useful are the results for pay purposes?
6. One of the primary concerns about implementing a skill-based pay plan is that

- a. It has the potential to become increasingly expensive
7. Research on skill-based pay plans found that
 - a. The plans are more viable in firms focused on operational efficiency (doing more with less)
 8. “campers” disrupt skill-based organizations because of
 - a. Their desire to stay on the present job
 9. Research shows that skill-based approaches:
 - a. May be only short-term initiatives for specific settings
 10. **Competency Indicators:** observable behaviors that show the level of competency within each competency set
 - a. Different from core competencies: competency indicators refer to observable behaviors whereas core competencies form the foundation for successful performance
 11. **Core Competencies:** Are often linked to Mission statements
 12. As Experience with competencies has grown, most org’s that use competencies focus on:
 - a. Business-related descriptions of behaviors that excellent performers exhibit much more consistently than average performers
 13. Which of the following is a visionary competency?
 - a. Possessing a global perspective
 14. Which of the following is an organization-specific competency?
 - a. Customer orientation
 15. The effect of using core competencies to support competitive advantage depends primarily on the:
 - a. Methods used to operationalize core competencies
 16. Competency-based pay plans: bring about continuous learning and lateral movement
 17. Which of the following is true about the person-based plan?
 - a. The heart of the person-based plan is that employees get paid for the competencies they possess, but not necessarily the ones they use
 18. The reliability of job evaluation results can be improved by:
 - a. Using evaluators who are familiar with the work and trained in the job evaluation process
 19. Employees who believe their jobs are evaluated incorrectly should be able to:

- a. Request re-analysis and/or skills reevaluation
20. Request re-analysis and/or skills reevaluation
 21. How can job evaluators ensure that job evaluation plans are bias free?
 - a. By training diverse evaluators
 22. With generalists/multi-skill-based plans, pay increases come with certifications of new skills rather than with job assignments
 23. Optional electives are additional specialized competencies ranging from computer applications to team leadership and consensus building
 24. One of the key factors that determined a skill-based plan's success was how well it was aligned with the company's strategy
 25. By focusing on optimum performance rather than average performance, competencies can help employees maintain their marketability
 26. The purpose of job-and person-based procedures is to design and manage an internal pay structure that helps achieve organization's objectives
 27. In competency-based approach, a manager's focus is on providing competency-developing opportunities
 28. Skill-based pay plan focusing on depth requires that:
 - a. Employees specialize in a specific field to advance within Org
 29. People who work under a multiskilled pay plan have jobs
 - a. where responsibilities can change drastically over a short period of time