

TEST BANK



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fundamentals of
Human Resource Management

Third Edition

Chapter 02 Trends in Human Resource Management

True / False Questions

1. (p. 27) The BLS forecasts that by 2015, the number of U.S. workers at least 40 years of age will exceed the number of workers under 40.

TRUE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 1*

2. (p. 29) The U.S. workforce is predicted to become more diverse in terms of ethnicity and racial background.

TRUE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 1*

3. (p. 32) The growth in e-commerce, plus the shift from a manufacturing to a service and information economy, has changed the nature of employees that are most in demand, decreasing the need for knowledge workers and increasing the need for technical workers.

FALSE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 2*

4. (p. 35) The use of employee empowerment shifts the recruiting focus away from general cognitive and interpersonal skills toward technical skills.

FALSE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 3*

5. (p. 35) Virtual teams rely on communications technology such as videoconferences, e-mail, and cell phones to keep in touch and coordinate activities.

TRUE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 3*

6. (p. 36) The traditional role of HRM as primarily an administrative function has gradually given way to a new role, that of strategic partner.

TRUE

*AACSB: Value creation
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 4*

7. (p. 39) When a company promotes from within, it is engaging in the process known as employee churning.

FALSE

*AACSB: Organization dynamics
Bloom's Taxonomy: Knowledge
Difficulty: Medium
Learning Objective: 4*

8. (p. 40) According to research results, early retirement programs are one of the most effective approaches to downsizing.

FALSE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 4*

9. (p. 43) The failure rate for U.S. expatriates is greater than that for European and Japanese expatriates.

TRUE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 5*

10. (p. 44) The processing and transmission of digitized HR information is called electronic human resource management.

TRUE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 6*

11. (p. 45) Advances in technology have allowed HR services to be offered more on a self-service basis than in the past.

TRUE

*AACSB: Value creation
Bloom's Taxonomy: Knowledge
Difficulty: Medium
Learning Objective: 6*

12. (p. 46) Under the "new" psychological contract, organizations expect employees to contribute time, effort, skills, abilities, and loyalty in return for job security and opportunities for promotion within the organization.

FALSE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 7*

13. (p. 47-48) Due to the increasing complexity of work assignments, the use of alternative work arrangements such as independent contractors, on-call workers, and contract company workers is decreasing.

FALSE

*AACSB: Organization dynamics
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 8*

14. (p. 48) The Bureau of Labor Statistics estimates that about one-tenth of employed individuals work in alternative employment arrangements.

TRUE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 8*

15. (p. 49) The globalization of the world economy and the development of e-commerce have reinforced the implementation of a 40-hour workweek.

FALSE

*AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Medium
Learning Objective: 8*

Multiple Choice Questions

16. (p. 27) The fastest growing segment of the labor force is between the ages of:

- A. 26 to 34.
- B. 35 to 44.
- C. 45 to 54.
- D. 55 and up.**

AACSB: Analytic skills
Bloom's Taxonomy: Comprehension
Difficulty: Easy
Learning Objective: 1

17. (p. 27) Which one of the following statements about the composition of the U.S. labor force during the next decade is true?

- A. The labor force is expected to grow at a greater rate than at any other time in U.S. history.
- B. The largest proportion of the labor force is expected to be in the 16- to 25-year age group.
- C. The number of workers under 40 years of age will exceed the number of workers 40 years of age or older for the first time ever.
- D. In spite of the growing number of young workers, the overall workforce will be aging.**

AACSB: Analytic skills
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 1

18. (p. 28) Which of the following statements about older employees is true?

- A. Older employees want to retire as soon as they near retiring age.
- B. Older employees cannot accept younger people as their managers.
- C. Older people are willing and able to learn new technology.**
- D. Employing older people increases costs and provides no benefits.

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Comprehension
Difficulty: Hard
Learning Objective: 1

19. (p. 29) Which one of the following is NOT true of the projected 2016 U.S. labor force?
- A.** For the first time in U.S. history, Hispanics will make up the largest percentage of the U.S. workforce.
 - B. The growth in the labor market of female and minority populations will exceed the growth of white, non-Hispanic persons.
 - C. More women will be in the paid labor force than in the past and most will be working full-time.
 - D. The U.S. labor force will be more diverse in racial and ethnic terms than in the past.

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Comprehension
Difficulty: Hard
Learning Objective: 1

20. (p. 29) Which of the following groups will form the majority workgroup of the U.S. labor force in 2016?
- A. African-American
 - B. Hispanics
 - C.** Whites
 - D. Asian

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 1

21. (p. 29) Of the more than one million immigrants who come to the United States legally each year:
- A. four out of ten do not have valid legal documents.
 - B.** more than six out of ten are relatives of U.S. citizens.
 - C. eight out of ten come on a work-related visa.
 - D. 70 percent of work-related visas are given to low skilled workers.

AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Medium
Learning Objective: 1

22. (p. 30) According to a recent survey of HR professionals, the most common approaches to diversity are:

- A. career development programs and reclassification and reassignment of employees.
- B.** recruiting efforts with the goal of increasing diversity and training programs related to diversity.
- C. promoting knowledge and acceptance of cultural differences and dealing with employees' resistance to diversity.
- D. instituting diversity policies and practices and rewarding employees for compliance.

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 1

23. (p. 30) Managing cultural diversity involves:

- A. enforcing EEO rules.
- B. creating separate career tracks for employees with families.
- C. establishing a strong affirmative action policy.
- D.** encouraging career development for women and minorities.

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 1

24. (p. 31) In which of the following ways do HRM practices support diversity management?

- A. Communicate with employees from one common background.
- B. Have career development programs only for employees with certain abilities.
- C. Provide feedback based on subjective outcomes.
- D.** Create a work environment that is comfortable for all.

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 1

25. (p. 31) In hiring new employees, which of the following skills are more and more employers looking for?

- A. Physical strength
- B. Mastery of particular machinery
- C. Mathematical skills**
- D. Technical Skills

AACSB: Value creation
Bloom's Taxonomy: Knowledge
Difficulty: Medium
Learning Objective: 1

26. (p. 31-32) Which one of the following statements regarding workforce skills is NOT true?

- A. The increasing use of computers to do routine tasks has shifted the kind of skills needed by employees in the U.S. economy.
- B. More and more employers are looking for employees with solid technical skills rather than knowledge-based or interpersonal skills.**
- C. The gap between skills needed and skills available has decreased U.S. companies' abilities to compete because they sometimes lack the skills to upgrade technology and empower employees.
- D. While many of the desired skills require higher levels of education, some are at the most basic level, such as getting to work on time and working hard.

AACSB: Value creation
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 1

27. (p. 32) Which one of the following terms describes the best possible fit between a company's social system and its technical system?

- A. Outsourcing
- B. Self-service system
- C. High-performance work system**
- D. Total quality management

AACSB: Value creation
Bloom's Taxonomy: Comprehension
Difficulty: Easy
Learning Objective: 2

28. (p. 32) According to the Bureau of Labor Statistics, which one of the following occupational groups is projected to have the largest number of openings due to growth and replacement needs?

- A.** Service
- B. Professional specialty
- C. Technicians
- D. Administration

AACSB: Analysis for decisions
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 2

29. (p. 32) How has the requirement for creating high-performance work systems changed?

- A. Customers are demanding one-size-fit-all type of products.
- B. Employees prefer implementation of 40 hour work weeks.
- C. Competitors are looking for ways to standardize prices in their respective industries.
- D.** Employers need to tap people's creativity and interpersonal skills.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Hard
Learning Objective: 2

30. (p. 33) Which of the following occupations is projected to add the most number of jobs before 2016?

- A. Office clerks
- B.** Registered nurses
- C. Postsecondary teachers
- D. Janitors

AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 2

31. (p. 34) Which one of the following is NOT true of knowledge workers?

- A. They often contribute specialized knowledge, such as knowledge of customers, a process, or a profession.
- B. They are in a position of power because they must share their knowledge and collaborate with others in order for their employers to succeed.
- C. They are in high demand because of the growth in service sector jobs and have many job opportunities, even in a slow economy.
- D.** They are younger, generally under 30 years of age, and specialize in specific skills such as how to operate particular machinery.

AACSB: Value creation

Bloom's Taxonomy: Comprehension

Difficulty: Hard

Learning Objective: 2

32. (p. 34) Employee empowerment is defined as:

- A. the movement of women and minorities into managerial positions.
- B.** giving employees responsibility and authority to make decisions.
- C. leading employees by the strength of one's charisma.
- D. the act of continually learning and improving one's skills and abilities.

AACSB: Value creation

Bloom's Taxonomy: Knowledge

Difficulty: Easy

Learning Objective: 3

33. (p. 35) What effect has the use of employee empowerment had upon recruiting?

- A. It has created an international labor market.
- B. It has substantially enhanced employment opportunities for women and minorities.
- C.** It has shifted the focus away from technical skills to general cognitive and interpersonal skills.
- D. It has significantly reduced recruiting costs.

AACSB: Value creation

Bloom's Taxonomy: Comprehension

Difficulty: Hard

Learning Objective: 3

34. (p. 35) How can HRM practices help employee empowerment?

- A. Jobs must be designed such that decision control remains with managers.
- B. Pay and other rewards should reflect employees' loyalty to the organization.
- C. Managers should provide feedback only during the employee performance review.
- D.** Managers should encourage employees to communicate with staff throughout the organization.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 2

35. (p. 35) Teamwork is:

- A. giving employees responsibility and authority to make decisions regarding all aspects of product development.
- B. having the best possible fit between their social system and technical system.
- C.** the assignment of work to groups of employees with various skills who interact to assemble a product.
- D. a companywide effort to continuously improve the ways people, machines, and systems accomplish work.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 3

36. (p. 35) Which one of the following is NOT true of work teams?

- A.** Work teams decrease the need for employee training, as team members perform a limited number of specialized activities within a well-defined work environment.
- B. Work teams often assume many activities traditionally reserved for managers, such as coordinating work with customers and other units within the company.
- C. Work teams contribute to total quality by performing inspection and quality-control activities while the service is being performed.
- D. Work teams motivate employees by making work more interesting and significant.

AACSB: Value creation
Bloom's Taxonomy: Comprehension
Difficulty: Hard
Learning Objective: 3

37. (p. 35) Which of the following managerial functions is often assumed by work teams?

- A. Controlling finances allocated for the project.
- B. Conducting performance reviews.
- C.** Performing inspection and quality-control activities.
- D. Making strategy-related decisions such as areas to diversify in.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 3

38. (p. 36) Increasingly, HR professionals are being viewed as:

- A. legal compliance officers.
- B. an administrative unit or function.
- C. experts in designing and delivering HR systems.
- D.** strategic partners.

AACSB: Value creation
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 4

39. (p. 36) Which one of the following terms describes a companywide effort to continuously improve the way people, machines, and systems accomplish work?

- A. Outsourcing
- B. Self-service system
- C. High-performance work system
- D.** Total quality management

AACSB: Value creation
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 4

40. (p. 36-37) Which one of the following is NOT a core value of TQM?

- A. The organization promotes cooperation with vendors, suppliers, and customers to improve quality and hold down costs.
- B.** Control systems are implemented to detect and correct errors in products and services.
- C. Every employee in the organization receives training in quality.
- D. Managers measure progress with feedback based on data.

AACSB: Value creation

Bloom's Taxonomy: Comprehension

Difficulty: Medium

Learning Objective: 4

41. (p. 38) When two companies join forces and become one entity, it is termed a:

- A. partnership.
- B. consolidation.
- C.** merger.
- D. joint venture.

AACSB: Organization dynamics

Bloom's Taxonomy: Knowledge

Difficulty: Easy

Learning Objective: 4

42. (p. 38) When two firms in one industry join to hold a greater share of the industry, it is a(n):

- A. acquisition.
- B.** consolidation.
- C. merger.
- D. partnership.

AACSB: Organization dynamics

Bloom's Taxonomy: Knowledge

Difficulty: Easy

Learning Objective: 4

43. (p. 39) Which of the following is a challenge for HRM during mergers?

- A. Scrutinizing balance sheets.
- B. Valuation and financial worth of the company.
- C. Developing competitively priced products.
- D.** Compatibility of the compensation, performance appraisal, and other HR systems.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 4

44. (p. 39) The process whereby organizations lay off employees with outdated skills or cut whole businesses in declining markets while simultaneously building businesses and employee bases in newer, higher-growth markets is known as:

- A. offshoring.
- B.** churning.
- C. outsourcing.
- D. nearshoring.

AACSB: Organization dynamics
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 4

45. (p. 40) As a method of downsizing, early-retirement programs have been shown to be:

- A.** humane and involve less suffering.
- B. very effective in selectively reducing the workforce.
- C. achieving the cost-cutting goals of the company.
- D. distinguish clearly between good and poor performers.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 4

46. (p. 40) When an organization undertakes a complete review of its critical work processes to make them more efficient and to be able to deliver higher quality, it is engaging in:

- A. outsourcing.
- B. high-performance work system design.
- C. total quality management.
- D.** reengineering.

AACSB: Organization dynamics
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 4

47. (p. 40) The practice of having another company provide services is known as:

- A. e-commerce.
- B. empowering.
- C.** outsourcing.
- D. benchmarking.

AACSB: Organization dynamics
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 4

48. (p. 41) According to a study, _____ companies outsource at least one HR function.

- A. almost all
- B. almost six out of ten
- C.** almost eight out of ten
- D. almost two out of ten

AACSB: Organization dynamics
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 4

49. (p. 41) Offshoring is:

- A. a practice of having another company (a vendor, third-party provider, or consultant) provide services.
- B. a method of staffing other than the traditional hiring of fulltime employees.
- C.** moving operations from the country where a company is headquartered to a country where pay rates are lower but the necessary skills are available.
- D. a complete review of the organization's critical work processes to make them more efficient and able to deliver higher quality.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 5

50. (p. 42) Which of the following statements about immigrants is true?

- A. Over 50,000 people obtained permanent resident visa in the U.S. from the beginning of the last century.
- B.** In the states of the Pacific Coast, seven out of ten entrants to the labor force are immigrants.
- C. Seventy percent of immigrant workers will be Africans and Europeans.
- D. Employers seeking expertise in assembly line productions are most likely to recruit international students.

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Comprehension
Difficulty: Hard
Learning Objective: 5

51. (p. 42) Employees who take assignments in other countries are called:

- A. knowledge workers.
- B. immigrants.
- C.** expatriates.
- D. nationalists.

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 5

52. (p. 43) The largest number of immigrants to the U.S. workforce are from:

- A. Africa.
- B.** Asia.
- C. North America.
- D. Europe.

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 5

53. (p. 43) How does a human resource information system help the organization?

- A. Scrutinize balance sheets
- B. Develop new line of products
- C. Provide employee coaching
- D.** Avoid litigation and lawsuits

AACSB: Use of information technology
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 6

54. (p. 43) An HRIS can be used to perform primarily all of the following EXCEPT:

- A. support strategic decision-making.
- B. avoid litigation.
- C. evaluate programs and policies.
- D.** motivate employees.

AACSB: Use of information technology
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 6

55. (p. 44) Which one of the following technologies lets a company rent space on a remote computer system and use the system's software to manage its HR activities, including security and upgrades?

- A.** Application service providers
- B. Internet portals
- C. Shared service centers
- D. Business intelligence

AACSB: Use of information technology
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 6

56. (p. 44) Which one of the following technologies combines data from several sources into a single site and lets users customize data without programming skills?

- A. Application service providers
- B.** Internet portals
- C. Shared service centers
- D. Business intelligence

AACSB: Use of information technology
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 6

57. (p. 44) What was one of the reasons for the failure of many start-up internet based organizations?

- A. Companies were founded by young, forward-looking people.
- B. The organization culture was based on fun and creativity.
- C.** Heated competition from established organizations.
- D. Excessive funding from venture capitalists.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 6

58. (p. 44) The processing and transmission of digitized HR information, especially using computer networking and the Internet, is known as:

- A. electronic human resource management.
- B. e-business.
- C. human resource information system.
- D. reengineering.

AACSB: Use of information technology
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 6

59. (p. 45) Which of the following HR functions is benefited by online simulations that can measure a person's ability to deal with real-life business challenges?

- A. Compensation
- B. Recruiting
- C. Selection
- D. Analysis of work

AACSB: Use of information technology
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 6

60. (p. 45) How does e-HRM affect analysis and design of work?

- A. Online simulations, including tests and e-mail, can measure job candidates' ability to deal with real-life business challenges.
- B. Employees can review salary and bonus information and seek information about and enroll in benefit plans.
- C. Employees in geographically dispersed locations can work together in virtual teams using video, e-mail, and the Internet.
- D. Online learning can bring training to employees anywhere, anytime.

AACSB: Use of information technology
Bloom's Taxonomy: Comprehension
Difficulty: Hard
Learning Objective: 6

61. (p. 45) Privacy, as an important issue in e-HRM, might best be addressed by which one of the following technologies?

- A. A website
- B. An intranet**
- C. A high-performance work system
- D. A shared service center

AACSB: Use of information technology
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 6

62. (p. 45) Giving employees online access to obtain information about HR issues such as training, benefits, and compensation, to enroll themselves in programs and services, or to provide feedback through online surveys is known as:

- A. outsourcing.
- B. continuous learning.
- C. self-service.**
- D. strategic planning.

AACSB: Use of information technology
Bloom's Taxonomy: Knowledge
Difficulty: Easy
Learning Objective: 6

63. (p. 45) If, as a plant manager, you entered the question "Can we change working hours?" into the company's intranet search and received feedback on the company's policies regarding work hours, plus state and federal guidelines, summaries of relevant laws, model documents, and new reports concerning alternative work schedules, you would probably be using a:

- A. self-service system.**
- B. high-performance work system.
- C. business-to-business Internet service.
- D. virtual team network.

AACSB: Use of information technology
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 6

64. (p. 46) What is an HR dashboard?

- A. Giving employees online access to obtain information about HR issues.
- B.** A display of how the company is performing on specific HR metrics.
- C. The processing and transmission of digitized HR information such as company news.
- D. A computer system used to acquire, store, manipulate, analyze, retrieve, and distribute HR information.

AACSB: Use of information technology
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 6

65. (p. 46-47) Which one of the following is NOT true of psychological contracts?

- A. Psychological contracts describe what an employee expects to contribute in an employment relationship and what the employer will provide the employee in exchange.
- B.** Under the "new" psychological contract, organizations expect their employees to contribute time, effort, skills, abilities, and loyalty in return for job security and opportunities for promotions.
- C. Unlike a written sales contract, psychological contracts are normally put into words.
- D. Psychological contracts have resulted in companies providing more flexible work schedules, training and development opportunities, and financial incentives based on how the organization performs.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Hard
Learning Objective: 7

66. (p. 47) Today, the average length of time a person holds a job is ____ years.

- A. three
- B. five
- C.** seven
- D. ten

AACSB: Analytic skills
Bloom's Taxonomy: Knowledge
Difficulty: Medium
Learning Objective: 7

67. (p. 47) Employees realize that many companies are no longer able to provide long-term employment security. As a result, employees now want:

- A. increased pay.
- B. less demanding work.
- C. employability.**
- D. written employment contracts.

AACSB: Reflective thinking
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 7

68. (p. 47) Independent contractors are:

- A. persons who work for an organization only when they are needed.
- B. self-employed individuals with multiple clients.**
- C. employed by a temporary agency.
- D. employed directly by a company for a specific time.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 8

69. (p. 47) John is an HR consultant who runs and operates his own business from his home. He is often hired by businesses to present one- or two-day workshops on various topics within his field of expertise. John is a(n):

- A. on-call worker.**
- B. independent contractor.
- C. temporary worker.
- D. contract company worker.

AACSB: Reflective thinking skills
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 8

70. (p. 47-49) Which one of the following statements is NOT true of alternative work arrangements and schedules?

- A. Alternative work arrangements cover about one-tenth of employed individuals.
- B. Employers are using flexible schedules to recruit and retain employees and to increase satisfaction and productivity.
- C. Some of the most common alternative work arrangements include independent contractors, on-call workers, temporary workers, and contract company workers.
- D.** The globalization of the world economy and the development of e-commerce have decreased the need for and the growth of alternative work arrangements and flexible scheduling.

AACSB: Reflective thinking skills
Bloom's Taxonomy: Comprehension
Difficulty: Hard
Learning Objective: 8

Essay Questions

71. (p. 27-30) Discuss three major trends in the composition of the labor market and their impact on HR practices.

1. Age: In terms of age, the fastest growing segment is expected to be workers 55 and older. The 25- to 44-year-old group will increase its numbers only slightly, so its share of the total workforce will fall. Young workers between the ages of 16 and 24 will actually be fewer in number. However, in spite of the growing number of young workers, the overall workforce will be aging. By 2010, the number of workers at least 40 years old will exceed the number under 40 for the first time ever. Aging workforce issues include career planning, retraining, and retirement planning.

2. Diversity: The number of Asians and Hispanics will increase significantly as a result of birthrates and immigration rates above the national average. Immigration alone will add an additional million workers to the U.S. workforce each year through 2006. The largest number of immigrants will come from Asia, North America, and Central and South America. Heterogeneous composition will pose additional challenges to ensure understanding.

3. Women/minorities: Along with the greater racial and ethnic diversity, more women will be in the paid labor force than in the past. The growth in the labor market of female and minority populations will exceed the growth of white, non-Hispanic persons. As a result, organizations cannot afford to ignore or discount the potential contributions of women and minorities. Employers will have to ensure that employees and HRM systems are free of bias and value the perspectives and experience that women and minorities can contribute to organizational goals, such as product quality and customer service.

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Comprehension
Difficulty: Hard
Learning Objective: 1

72. (p. 30) What sorts of activities does managing cultural diversity involve, and to what degree do HR professionals believe these activities are beneficial in maintaining a competitive advantage?

Activities include:

1. Creating an organizational culture that values diversity.
2. Ensuring that HRM systems are bias-free.
3. Encouraging career development for women and minorities.
4. Promoting knowledge and acceptance of cultural differences.
5. Ensuring involvement in education both within and outside the company.
6. Dealing with employees' resistance to diversity.

According to a recent survey of HR professionals, 91 percent believed these efforts to be beneficial in helping the company to maintain a competitive advantage.

AACSB: Multicultural/diversity understanding
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 1

73. (p. 34-35) What is empowerment and what type of training must be conducted to make it effective?

Empowerment means giving employees the responsibility and authority to make decisions regarding the aspects of product development or customer service under their control. Employees are held accountable for products and services; in return, they share in the resulting rewards and losses.

For empowerment to succeed, managers must be trained to link employees to resources within and outside the company, help employees interact with staff throughout the company, and ensure that employees are updated on important issues and cooperate with each other. Employees must also be trained to use the Internet, e-mail, and other tools for communicating, collecting, and sharing information.

AACSB: Organization dynamics
Bloom's Taxonomy: Comprehension
Difficulty: Medium
Learning Objective: 3

74. (p. 44-45) Define Electronic Human Resource Management and indicate its implications for five HRM practices.

Electronic human resource management (e-HRM) refers to the processing and transmission of digitized information used in HRM, including text, sound, and visual images, from one computer or electronic device to another.

Implications include: (see Table 2.2)

1. Analysis and design of work—Employees in geographically dispersed locations can work together in virtual teams using video, e-mail, and the Internet.
2. Recruiting—Post job openings online. Candidates can apply for jobs online.
3. Training—Online training can bring training to employees anywhere, anytime.
4. Selection—Online simulations, including tests, videos, and e-mails that measure job candidate's abilities to deal with real-life business challenges.
5. Compensation and benefits—Employees can review salary and bonus information and seek information about and enroll in benefit plans.

AACSB: Use of information technology

Bloom's Taxonomy: Comprehension

Difficulty: Medium

Learning Objective: 6

75. (p. 46) Define "new" psychological contract. What does it involve?

A "new" psychological contract is a description of what an employee expects to contribute in an employment relationship and what the employer will provide the employee in exchange for those contributions. Unlike a written sales contract, the psychological contract is not formally put into words. Instead, it describes unspoken expectations that are widely held by employers and employees. In the traditional version of this psychological contract, organizations expected their employees to contribute time, effort, skills, abilities, and loyalty. In return, the organizations would provide job security and opportunities for promotion.

However, this arrangement is being replaced with a new type of psychological contract. To stay competitive, modern organizations must frequently change the quality, innovation, creativeness, and timeliness of employee contributions and the skills needed to make those contributions.

AACSB: Organization dynamics

Bloom's Taxonomy: Comprehension

Difficulty: Medium

Learning Objective: 7