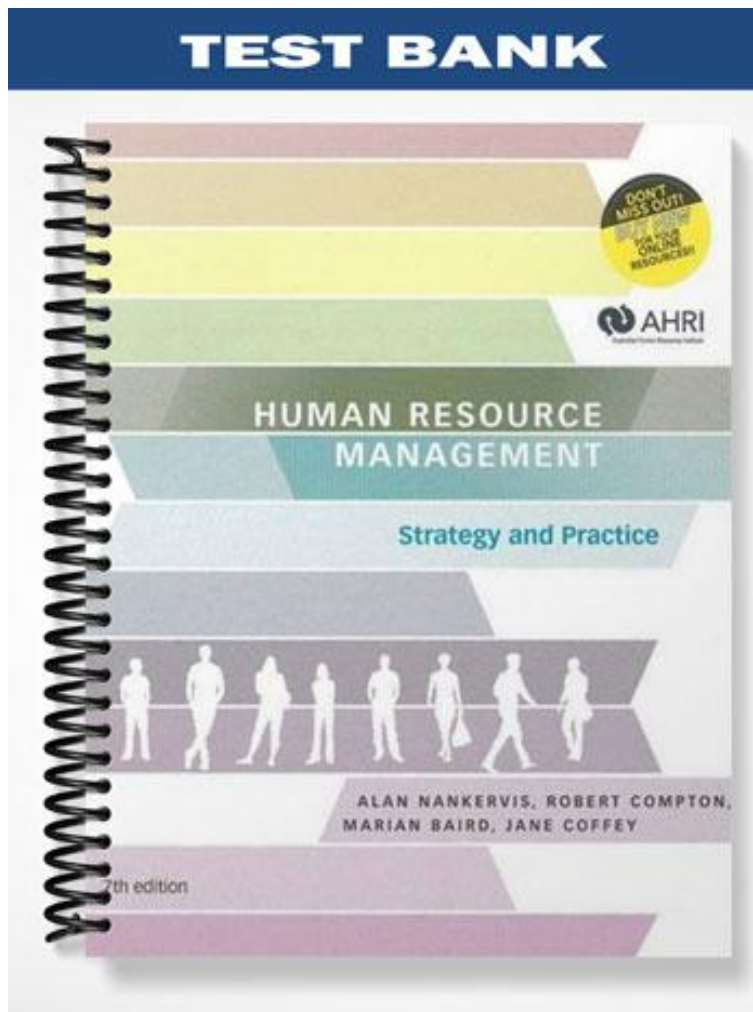


TEST BANK



Chapter 2—The context of human resource management

TRUE/FALSE

1. The essence of strategic human resource management (SHRM) is to adopt a flexible and strategic perspective when dealing with the external environments, and to ensure a fit between HR strategies and business strategies.

ANS: T PTS: 1 DIF: Easy TOP: Introduction

2. The term 'globalisation' is used to describe a state of decreased economic and cultural interconnectedness between different countries.

ANS: F PTS: 1 DIF: Easy TOP: The global economic context

3. Globalisation is characterised by an expansion of markets and increased competition between companies and countries.

ANS: T PTS: 1 DIF: Easy TOP: The global economic context

4. Heightened awareness of executive pay systems around the world was brought on by the most recent GFC.

ANS: T PTS: 1 DIF: Easy TOP: The global economic context

5. Many multinational organisations are leveraging off strong emerging economies within the European region.

ANS: F PTS: 1 DIF: Moderate TOP: The global economic context

6. Australian industry may be less significantly threatened in its increasingly competitive region by the rise of what some consider to be a new 'regionalism' in East Asia.

ANS: F PTS: 1 DIF: Moderate TOP: The global economic context

7. In June 2009, Australian inflation was at 1.5 per cent, and expecting to rise.

ANS: T PTS: 1 DIF: Easy TOP: The Australian economy

8. In June 2009, approximately 68 per cent of Australians were either employed or actively looking for work, compared to 61 per cent in Japan.

ANS: F PTS: 1 DIF: Easy TOP: The Australian economy

9. Compared to that of the average for a selection of 15 OECD countries, Australia's rate of structural change has been somewhat smaller.

ANS: F PTS: 1 DIF: Easy TOP: The Australian economy

10. According to the ABS, natural increase and net overseas migration contributed to 64 per cent and 36 per cent respectively to Australia's population growth.

ANS: F PTS: 1 DIF: Moderate TOP: Changes in the workforce and the nature of employment

11. During the twentieth century, most organisations in industrialised countries based organisational policies around an 'ideal worker' who was assumed to be a full-time female employee.

ANS: F PTS: 1 DIF: Moderate TOP: Women and work

12. By 2002, the 'male breadwinner model' had emerged as the most common family model in Australia.

ANS: F PTS: 1 DIF: Moderate TOP: Women and work

13. According to Bardoel (1998), family-friendly benefits are more likely to be provided by large organisations with positive track records in HRM.

ANS: T PTS: 1 DIF: Moderate TOP: Women and work

14. One reason for the apparent poor take-up of work-family and work-life policies in Australia is a clash between the traditional values held by many organisations and the changed expectations of employees.

ANS: T PTS: 1 DIF: Moderate TOP: Women and work

15. HR strategies may include the introduction of family-friendly policies without necessarily looking at increasing the efficiency of employees.

ANS: F PTS: 1 DIF: Moderate TOP: Women and work

16. Until recently, Australia was one of only two OECD countries that did not have a universal paid maternity leave provision for working women.

ANS: T PTS: 1 DIF: Moderate TOP: Maternity and parental leave in Australia

17. Along with increased female participation rates in the workforce, women now constitute a major percentage of critical decision-making roles in organisations.

ANS: F PTS: 1 DIF: Easy TOP: Women in management and on Boards

18. If the work status of women is to improve, the assumptions underlying the division of work must be questioned and the systemic barriers to the advancement of women in organisations must be analysed.

ANS: T PTS: 1 DIF: Easy TOP: Women in management

and on Boards

19. HR professionals need to focus on career planning for women, with an emphasis on retention and advancement opportunities in the workplace.

ANS: T PTS: 1 DIF: Easy TOP: Women in management and on Boards

20. In the past, the gap between men's and women's wages in Australian workplaces was deregulated by our centralised wage-fixing system.

ANS: F PTS: 1 DIF: Moderate TOP: Women in management and on Boards

21. For human resource practitioners, the issue of gender-based pay inequity is specifically related to job evaluation systems not giving adequate recognition to gendered distribution of work.

ANS: T PTS: 1 DIF: Moderate TOP: Women in management and on Boards

22. Astute HR specialists realise that their role is limited to focusing on short-term objectives, and that the issue of identifying the future needs of the organisation and its employees falls beyond the realm of human resource management.

ANS: F PTS: 1 DIF: Easy TOP: Rising education levels

23. Changes in the work patterns of Australian employees have little or no impact on human resource management.

ANS: F PTS: 1 DIF: Easy TOP: Changes in work and employment patterns

24. Hakim's Preference Theory categorises workers as 'core' and 'peripheral' employees.

ANS: F PTS: 1 DIF: Moderate TOP: Flexibility

25. Peripheral workers in a flexible firm are employed increasingly on a casual or contractual basis.

ANS: T PTS: 1 DIF: Moderate TOP: Flexibility

26. Core workers typically have limited access to all the valuable human resource policies of the organisation.

ANS: F PTS: 1 DIF: Moderate TOP: Flexibility

27. Decisions regarding the configuration of an organisation's workforce are central to human resource planning, job design and work organisation.

ANS: T PTS: 1 DIF: Easy TOP: Flexibility

28. Australian employers have pursued three main forms of flexibility: numerical, functional and preferential.
- ANS: F PTS: 1 DIF: Moderate TOP: Flexibility
29. The 35–40 hour average working week in Australia also takes into consideration employees working from their cars or homes due to technology improvements.
- ANS: F PTS: 1 DIF: Easy TOP: Working hours
30. The implementation of the 12-hour shift within wholesale and retail trades has resulted in an increase in extended hours of operation.
- ANS: T PTS: 1 DIF: Moderate TOP: Working hours
31. There is universal agreement that increased flexibility of working hours has led to decreased work pressure and lower stress in the homes and families of employees.
- ANS: F PTS: 1 DIF: Easy TOP: Working hours
32. According to a 2004 report by the Chifley Research Centre, the increased trend of casualisation in Australia is reflected in the fact that one in four Australians is now employed on a casual basis.
- ANS: T PTS: 1 DIF: Moderate TOP: Non-standard employment
33. Long-term casual employees in ongoing jobs receive the same forms of leave and other employment entitlements as permanent employees in Australia.
- ANS: F PTS: 1 DIF: Moderate TOP: Non-standard employment
34. Emerging employment contracts now consider a number of previously assured entitlements, such as long-term careers and promotions based on employee loyalty, as negotiable terms.
- ANS: T PTS: 1 DIF: Moderate TOP: The new employment contract
35. Government and employer demands for greater productivity and higher flexibility in the hiring and allocation of labour have resulted in significant changes in the employer–employee relationship.
- ANS: T PTS: 1 DIF: Moderate TOP: The new employment contract
36. Current employer–employee contracts emphasise job security and maintaining standard hours of work.
- ANS: F PTS: 1 DIF: Moderate TOP: The new employment contract
37. Organisational restructuring has typically involved both macro- and micro-level economic reforms to achieve enhanced productivity, efficiency and quality.

- ANS: F PTS: 1 DIF: Moderate TOP: The political context
38. Achieving greater levels of national and organisational productivity requires major revamping of the overall culture of Australian organisations.
- ANS: T PTS: 1 DIF: Easy TOP: The political context
39. Law in Australia originates from two main sources: common law and industrial law.
- ANS: F PTS: 1 DIF: Easy TOP: The legal context
40. For approximately one-third of the Australian workforce, the terms and conditions of work are determined by awards, enterprise or individual workplace agreements.
- ANS: F PTS: 1 DIF: Difficult TOP: The legal context
41. The two main areas of common law pertinent to employment are contract law and negligence.
- ANS: T PTS: 1 DIF: Easy TOP: Common law
42. According to contract law, the decision as to whether a person is or is not in an employment relationship is based on concepts of control and mutual trust.
- ANS: T PTS: 1 DIF: Moderate TOP: Common law
43. In the area of negligence, a reasonable employer is NOT expected to ensure the safety of his/her employees.
- ANS: F PTS: 1 DIF: Easy TOP: Common law
44. A common law claim for damages allows injured employees to sue employers for loss, even if the loss is remote or fanciful.
- ANS: F PTS: 1 DIF: Moderate TOP: Common law
45. Occupational safety and health is not covered by employment statute law.
- ANS: F PTS: 1 DIF: Difficult TOP: Statute law
46. Legislation passed by the British government in 1906, known as ‘strict liability’, ensures that an employer is not required to pay compensation to an injured worker if the injury arose due to the employee’s carelessness.
- ANS: F PTS: 1 DIF: Difficult TOP: Workers’ compensation
47. Typically, workers’ compensation claims can only be made by employees and not by independent contractors.
- ANS: F PTS: 1 DIF: Moderate TOP: Workers’ compensation
48. Industrial diseases are diseases identified as being caused by work-related activities involving certain processes or dealing with certain materials, such as asbestos.

ANS: T PTS: 1 DIF: Easy TOP: Workers' compensation

49. According to duty of care legislation, only employers face significant criminal penalties in relation to activities that have the potential to harm health or safety at places of work; employees are exempt.

ANS: F PTS: 1 DIF: Moderate TOP: Occupational safety and health

50. Occupational health and safety legislation, known as duty of care legislation, necessarily requires a person to be injured or harmed in order for a breach to occur.

ANS: F PTS: 1 DIF: Moderate TOP: Occupational safety and health

51. OHS representatives are appointed by their employers to represent the issues and concerns of the employees.

ANS: F PTS: 1 DIF: Easy TOP: Occupational safety and health

52. In Australia, each state and territory provides two months paid leave to employees after 15 years of service.

ANS: F PTS: 1 DIF: Easy TOP: Long service leave

53. State legislation allows for portability of long service leave in the construction industry, even if the employee only works for that employer for a short period.

ANS: T PTS: 1 DIF: Moderate TOP: Long service leave

54. Various agreements may alter standard long service leave entitlements; however, they are not legal or binding.

ANS: F PTS: 1 DIF: Easy TOP: Long service leave

55. In some circumstances, a pro-rata amount of long service leave may be available after 10 years.

ANS: T PTS: 1 DIF: Moderate TOP: Long service leave

MULTIPLE CHOICE

1. SHRM emphasises the need for HR plans and strategies to be:
- A. responsive to the organisation's external environment.
 - B. developed with only short-term aims and objectives.
 - C. responsive only to internal changes to the organisation's environment.
 - D. adhered to, irrespective of internal and external changes, until their objectives have been achieved.

ANS: A PTS: 1 DIF: Moderate TOP: Introduction

2. Globalisation is characterised by the:
- A. expansion of markets but decreased competition between companies and countries.

- B. expansion of markets and increased competition between companies and countries.
- C. contraction of markets and decreased competition between companies and countries.
- D. contraction of markets but increased competition between companies and countries.

ANS: B PTS: 1 DIF: Easy TOP: The global economic context

3. The 2008–2009 recession has heightened awareness and criticisms of:
- A. the global banking industry.
 - B. executive pay systems.
 - C. export and import agreements.
 - D. A, B, and C are incorrect.

ANS: B PTS: 1 DIF: Moderate TOP: The global economic context

4. Issues such as performance-based pay and senior executive remuneration are also linked to:
- A. corporate governance.
 - B. the lack of diversity amongst board members.
 - C. corporate restructuring and downsizing.
 - D. A, B, and C are correct.

ANS: D PTS: 1 DIF: Moderate TOP: The global economic context

5. According to the ACCI, the GFC has had a direct impact on ____ per cent of its employer members' company HR policies and practices.
- A. 25
 - B. 40
 - C. 30
 - D. 35

ANS: C PTS: 1 DIF: Moderate TOP: The global economic context

6. A new debate surrounding the finance and banking sector has been brought on by the recent GFC regarding:
- A. government regulation vs deregulation.
 - B. corporate regulation vs deregulation.
 - C. senior executive pay and bonus schemes.
 - D. corporate watchdogs and whistle-blowers.

ANS: A PTS: 1 DIF: Easy TOP: The global economic context

7. Business communities are challenged by which global issue?
- A. Gender inequity.
 - B. Population expansion.
 - C. Climate change.

D. Pay inequity.

ANS: C PTS: 1 DIF: Moderate TOP: The global economic context

8. In June 2009 Australia's unemployment rate sat at 5.8 per cent, which:
- A. had increased but was still lower than other advanced countries.
 - B. had decreased and was lower than other advanced countries.
 - C. had increased but was higher than other advanced countries.
 - D. had decreased, but was still higher than other advanced countries.

ANS: A PTS: 1 DIF: Moderate TOP: The Australian economy

9. According to the Australian Bureau of Statistics, which sector is the largest component of the Australian economy in terms of number of businesses, gross value added and employment?
- A. Agriculture.
 - B. Services.
 - C. Manufacturing.
 - D. Construction.

ANS: B PTS: 1 DIF: Moderate TOP: Changing industry and occupational structure

10. The terms 'work-life' policies and 'diversity' policies typically refer to which of the following HR policy initiatives?
- A. Gendered construction of paid work.
 - B. Clear division between spheres of work and home.
 - C. Legalising unpaid domestic work.
 - D. Organisational initiatives that facilitate balancing the work and family commitments of employees.

ANS: D PTS: 1 DIF: Moderate TOP: Women and work

11. According to Hakim's Preference Theory, approximately 60 per cent of women fall into which category in terms of their working lifestyle preferences?
- A. Adaptive.
 - B. Home-centred.
 - C. Inflexible.
 - D. Work-centred.

ANS: A PTS: 1 DIF: Moderate TOP: Women and work

12. The Australian federal workplace relations law provides how many weeks of unpaid parental leave?
- A. 52.
 - B. 26.
 - C. 10.
 - D. A, B, and C are incorrect.

ANS: A PTS: 1 DIF: Moderate TOP: Maternity and parental leave in Australia

13. From which date will 18 weeks' paid parental leave be available to all Australians by the Federal Government?
- A. January 2009
 - B. March 2009
 - C. January 2011
 - D. March 2010

ANS: C PTS: 1 DIF: Easy TOP: Maternity and parental leave in Australia

14. Australia is behind which two countries regarding the advancement of women in the workplace?
- A. Canada and the United Kingdom.
 - B. United States and the United Kingdom.
 - C. Canada and the United States.
 - D. United States and Europe.

ANS: C PTS: 1 DIF: Moderate TOP: Women in management and on Boards

15. To assist the advancement of women in the workplace, the ____ issue(s) need(s) to be addressed.
- A. underlying assumptions
 - B. systemic organisational barriers
 - C. career planning
 - D. A, B, and C are correct.

ANS: D PTS: 1 DIF: Moderate TOP: Women in management and on Boards

16. Australia's centralised wage fixing system assisted in:
- A. regulating and enlarging the gap between male's and female's pay.
 - B. regulating and diminishing the gap between male's and female's pay.
 - C. deregulating and enlarging the gap between male's and female's pay.
 - D. deregulating and diminishing the gap between male's and female's pay.

ANS: B PTS: 1 DIF: Moderate TOP: Women in management and on Boards

17. Which of the following are NOT classified as part of an organisation's 'contingent' workforce?
- A. Permanent staff.
 - B. Temporary staff.
 - C. Consultants and contractors.
 - D. Outsourced service providers.

ANS: A PTS: 1 DIF: Moderate TOP: Flexibility

18. HR practitioners should account for which of the following factors when deciding on the configuration of the organisation's workforce?
- A. The business goals of the organisation.
 - B. Core and peripheral work functions of the organisation.
 - C. The availability of qualified labour in the market.
 - D. A, B, and C are correct.

ANS: D PTS: 1 DIF: Moderate TOP: Flexibility

19. A method of achieving numerical flexibility is to:
- A. decrease the amount of outsourced work.
 - B. increase the proportion of casual employees.
 - C. decrease the proportion of permanent employees.
 - D. Both B and C are correct.

ANS: D PTS: 1 DIF: Moderate TOP: Flexibility

20. Functional flexibility in organisations refers to the ability:
- A. to change the number of employees as per the business cycle.
 - B. of employees to work in different functions as per business needs.
 - C. of employers to alter the standard working hours of employees.
 - D. to change the ratio of in-house to outsourced projects.

ANS: B PTS: 1 DIF: Moderate TOP: Flexibility

21. From an organisational perspective, work-life policies have had which of the following effects?
- A. Reduced absenteeism.
 - B. Increased return of employees from parental leave.
 - C. Reduced employee turnover.
 - D. A, B, and C are correct.

ANS: D PTS: 1 DIF: Moderate TOP: Working hours

22. An increase in casualisation of the workforce is a result of increased numbers of women in the workforce, technological advancement, deregulation of the workplace, and growth of the ____ sector.
- A. communications
 - B. industrial
 - C. construction
 - D. A, B, and C are incorrect.

ANS: D PTS: 1 DIF: Moderate TOP: Non-standard employment

23. Which of the following is an outcome of increased casualisation of the workforce?
- A. A deteriorating skills base.
 - B. Higher turnover costs.
 - C. Lower workforce stability.
 - D. A, B, and C are correct.

ANS: D PTS: 1 DIF: Moderate TOP: Non-standard
employment

24. The emphasis of the neo-liberal political philosophy, with respect to employment relationships, has been on contractualism, choice, voluntarism and:
- A. individualism.
 - B. permanency of employment.
 - C. collectivism.
 - D. A, B, and C are correct.

ANS: A PTS: 1 DIF: Difficult TOP: The political context

25. Significant changes in Australia's industrial relations system have led to ____ diversity in employment arrangements and wage outcomes.
- A. decreased
 - B. unchanged
 - C. increased
 - D. A, B, and C are incorrect.

ANS: C PTS: 1 DIF: Easy TOP: The political context

26. ____ law emanates from two main sources and concerns itself with the terms and conditions of service.
- A. Common
 - B. Statute
 - C. Employment
 - D. Industrial

ANS: C PTS: 1 DIF: Easy TOP: The legal context

27. The two main areas of common law that are pertinent to employment are contract law and:
- A. civil law.
 - B. corporate law.
 - C. statute law.
 - D. negligence.

ANS: D PTS: 1 DIF: Difficult TOP: Common law

28. Employment statute law is the law that is made by:
- A. courts.
 - B. human resource practitioners.
 - C. unions.
 - D. parliament.

ANS: D PTS: 1 DIF: Difficult TOP: Statute law; The legal
context

29. Arrangements related to workers compensation in Australia:
- A. are the same for each state jurisdiction, but differ for federal jurisdiction.
 - B. differ through all jurisdictions, both state and federal.
 - C. do not cover federal government employees or seamen.
 - D. A, B, and C are incorrect.

ANS: B PTS: 1 DIF: Moderate TOP: Workers' compensation

30. In some cases, long service leave can be issued:
- A. After 15 years of service.
 - B. After 10 years of service.
 - C. After 7 years of service.
 - D. A, B, and C are correct.

ANS: D PTS: 1 DIF: Moderate TOP: Long service leave

SHORT ANSWER

1. Briefly discuss the following statement: At the core of SHRM is the need to adopt a flexible but strategic perspective based on accurate analysis of the organisation's internal and external environments.

ANS:

Any response that indicates that the student is aware that this is basically true.
Answers will require manual marking.

PTS: 1 DIF: Moderate REF: p 46

2. Highlight the barriers to female advancement into higher levels of management.

ANS:

Any response discussing the need to question underlying assumptions about the division of work and an analysis of the systemic organisational barriers to women's advancement issues, career planning with a focus on the retention and advancement is also the key.
Answers will require manual marking.

PTS: 1 DIF: Moderate REF: p 58–61

3. Discuss, in brief, Atkinson's flexible firm model.

ANS:

The flexible firm model categorises employees as core or peripheral workers. Core workers may be employed on a permanent basis, have access to all of the human resource policies of the organisation, and enjoy more entitlements and benefits of employment, such as forms of leave. Peripheral workers are typically employed on part-time, casual or short-term (or annual) renewable contracts. Peripheral workers have limited access to the human resource policies and may not receive employment entitlements such as leave.
Answers will require manual marking.

PTS: 1 DIF: Moderate REF: p 65–67

4. Briefly outline and explain the types of law which have an impact on employment within Australia.

ANS:

Common law – law created by judges and is identified by reading the decisions of judges. These create precedents that are binding on judges and magistrates in lower courts.

Statute law – law that is made by parliament, and in Australia there are six State parliaments, two Territory parliaments and one Federal parliament.

Employment law – emanates from both common and statute law, and in all the jurisdictions mentioned for Statute law. It also concerns itself with the terms and conditions of work.

Contract law – decisions about who is or is not in an employment relationship is determined by the courts, based on precedent cases.

Answers will require manual marking.

PTS: 1

DIF: Easy

TOP: The legal context

ESSAY

1. Major changes in the working lives of Australian employees have occurred over the last two to three decades. Briefly describe the three main areas of these changes and the ramifications of each for HRM.

ANS:

The three main areas, according to Nankervis, Compton and Baird are jobs, hours of work and wages. A good answer will highlight that the driving force for all such changes is the need for workplace flexibility reflecting changes such as increased competition in the business environment.

Responses for *jobs* will contain key terms like numerical, functional and hours/working time flexibility, increased casualisation, outsourcing of work, and mention the increasing trend of inculcating self-control among workers, the impact of these on employees, such as job insecurity, and HR policies such as hire and fire, etc.

Responses for hours of work will highlight work–life balance and the emerging trends in this area. Ramifications for HR practitioners and employers include the need to introduce diversity policies such as flexible work hours, child care provisions and leave provisions, and their ability to alter standard work hours, extend lengths of shifts and alter rostering arrangements.

Responses for wages will indicate the student’s understanding that centralised wage fixing is now on the decline, particularly in light of the WorkChoices legislation, wage fixing is being determined more and more through individual employment contracts and enterprise bargaining, and that there is now a higher emphasis on individuals rather than dependence on awards.

Answers will require manual marking.

PTS: 1

DIF: Difficult

REF: p 53–68